

## Using Market Research to Assess Market Opportunity

Finding new growth opportunities remains a priority even in a down economy. Most companies also have a lower tolerance for risk when resources are limited and the future is uncertain. Accurately forecasting market opportunity becomes even more important because there is less room for error.

As a primary market research firm working in b2b markets, Isurus' work demonstrates that businesses make purchase decisions based on a range of factors. Their existing processes and infrastructure, competing priorities for investment, tolerance for change, available budgets, etc. all factor into their final decision. An accurate assessment of market opportunity should encompass all of these factors.

Relying too heavily on the target market's stated intent to buy the proposed offering is a common mistake in market opportunity assessment and most typically leads to overestimating the true opportunity. This situation is exacerbated when a new concept is particularly innovative or unique. The "wow factor" can lead decision makers to overlook the real business value of the concept, how it will impact their existing processes, and other realities of business decision making. Sellers can also confuse enthusiasm with purchase intent.

To address this need, Isurus uses a comprehensive, data-driven framework that incorporates four dimensions.



### Market pain and priority

Most organizations only make significant investments when they have meaningful problems – pain—and when it is a priority to solve the problem. Innovative technology may generate interest at trade shows and presentations, but is rarely adopted by the majority market if the product doesn't also satisfy a recognized and important problem for the business. Establishing the true priority for solving the problem can be difficult: Most organizations have multiple, highly important challenges but they act on only a subset of them.

Data on what portion of the market is taking preliminary action, such as allocating budget or compiling requirements, to address the pains the new product solves is a good indicator of the true priority of the issue.

## Brand positioning

The market may want to buy the offering but will they buy it from your company? A realistic assessment of market opportunity includes the seller's position in the marketplace. The market opportunity assessment should quantify the seller's awareness and credibility in the target market, as well as the competitive landscape.

## Buying behavior

Understanding the likely buying behavior for a new offering provides a more realistic assessment of what portion of the market will buy, and the level of investment and time needed to acquire customers. Buying behavior includes:

- buying cycle (when are they likely to act and what factors drive the buying cycle),
- decision makers (what functions and levels drive or influence the process),
- decision process (length and the likely steps in the purchase decision) and
- evaluation criteria (existing business processes and integration with other applications).

Buying behavior has implications for overall market opportunity as well as for individual buyers. For example, it will take longer to achieve sales if the company has no pre-existing relationships with decision makers.

## Intent to buy

When using primary research to assess market opportunity, data on intent to buy is a critical part of the equation. It provides a concrete reaction to the concept, and is the basis for analyzing the impact of existing pain in the market, brand positioning and buying behavior. Concepts presented to customers and projects need to be a realistic, objective representation of the offering, the intended business benefits, its key features and limitations. The concept should also include price, delivery model, and other important value drivers such as implementation, integration, or others.

## Put the framework to use

The Isurus framework can be used alone or in conjunction with SWOT analysis and other models. It can be used for research being conducted in-house or with external market research partners.

Visit [www.isurusmrc.com/marketopportunity](http://www.isurusmrc.com/marketopportunity) to learn more about the framework and for a suggested list of questions to cover in each dimension.



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