

Market Analysis Basics



As markets constantly change, businesses must analyse various market aspects and adapt their strategy to suit prevailing trends.

Market Size

Businesses can determine the market size based on information collected from trade associations, customer surveys, and market information from government data.

Market Trends

Market trends allow businesses to profit by creating products that fulfil new desires. However, trends can also lead to new threats, especially if the market is moving away from the products the company typically sells.

Market Growth Rate

Businesses must predict how much a market will grow; they can do this by using historical data, complementary market data, and broader economic indicators to estimate potential market growth.

Distribution Channels

Businesses must understand existing and emerging distribution channels. Noticing emerging channels first can allow a company to take advantage of them before its competitors do.

Profit Potential

Businesses must understand the profit potential of a product. Products won't be successful if customers can't afford them or if there's a high barrier to entry, making the product too expensive to release.

Business Strategy

Various factors, such as operating efficiency, economies of scale, and technological superiority, can allow a company to succeed.

Business Environment

Businesses must understand the environment they operate in. Political and regulatory constraints can affect the strategies companies must use to compete in an unfamiliar market.