

# Entrepreneurship

## Lecture 7

### Target Market



# *The Target Market*

- Who will buy your product?
- Who has the most PAIN/GAIN?
- Target most likely 1st
- How big is the market?
  - NOT the overall market
  - Need to define characteristics of the buyer
  - i.e. Students versus Top (quartile) Engineering Students at Top Private U.S. Universities on the West Coast



Segmentation 

# Segmentation Examples

Geography



Industry



Application



Business vs. Consumer

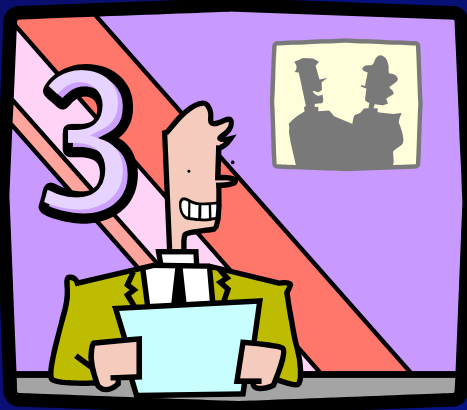


High-end vs. Low-end



# Segmentation Example

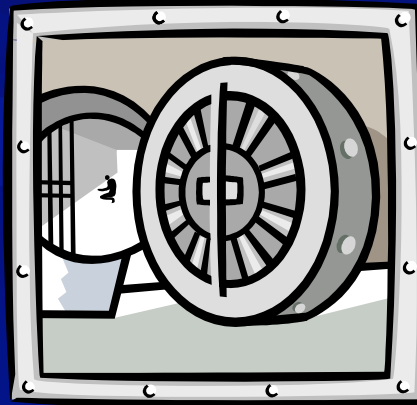
## ISLIP MEDIA: SEGMENT BY INDUSTRY



- r Business/Corporate
- ✓ Entertainment
  - ✓ News
  - ✓ Broadcasting
  - ✓ Sports
- r Film
- r Government
- r Education

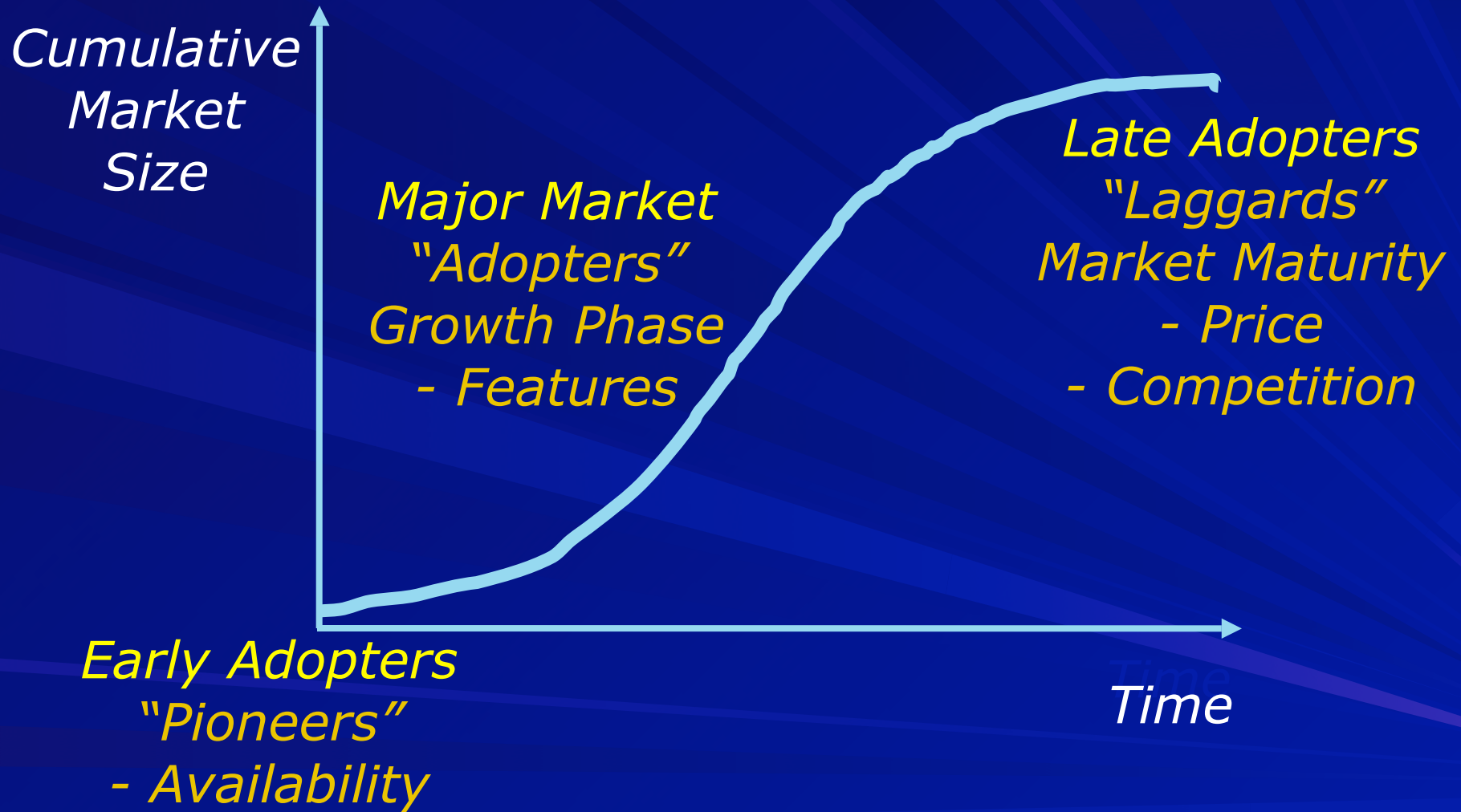
# Segmentation Example

## ISLIP MEDIA: SEGMENT BY APPLICATION



- ✓ Real-time
- X Archiving
- ✓ Training
- ✓ Internet

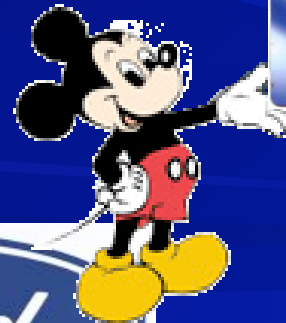
# Adoption Curve



Example

# Early Adopters – Business Market (key to new markets)

- Large PAIN/GAIN
- Research
- Universities
- Military
- Companies that historically use new technology



SALOMON SMITH BARNEY



# The Market

Who will buy?



Who has PAIN/GAIN?



# How Big is the Market?

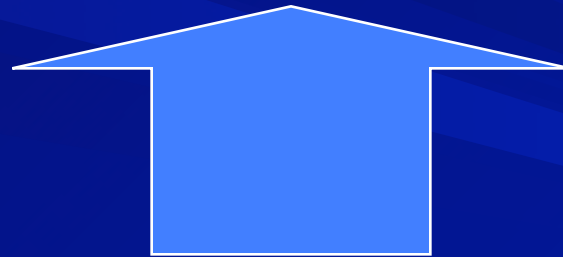
- NOT the overall market
- YOUR market
- Define buyer characteristics
  - Demographics
  - Buying patterns



*Top Down*



*Revenue Projections*

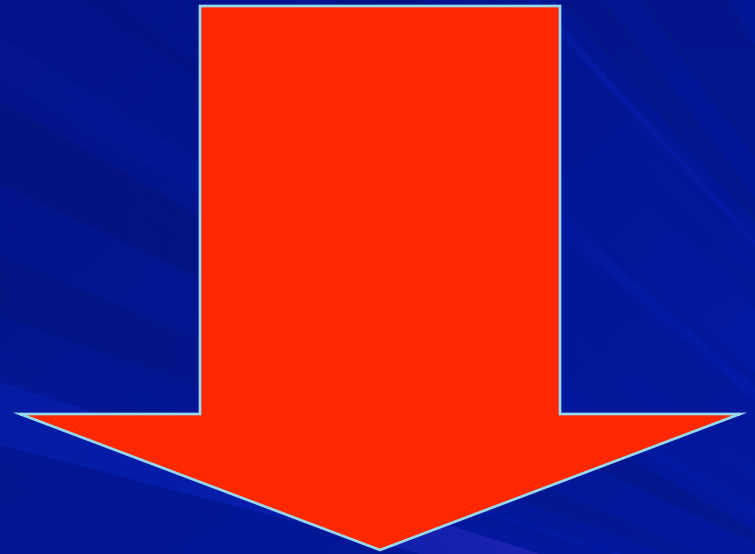


*Bottom Up*

# Sizing YOUR Market

## TOP DOWN

- Total Market
- Market Growth
- Likely Buyers
- Your Market Share



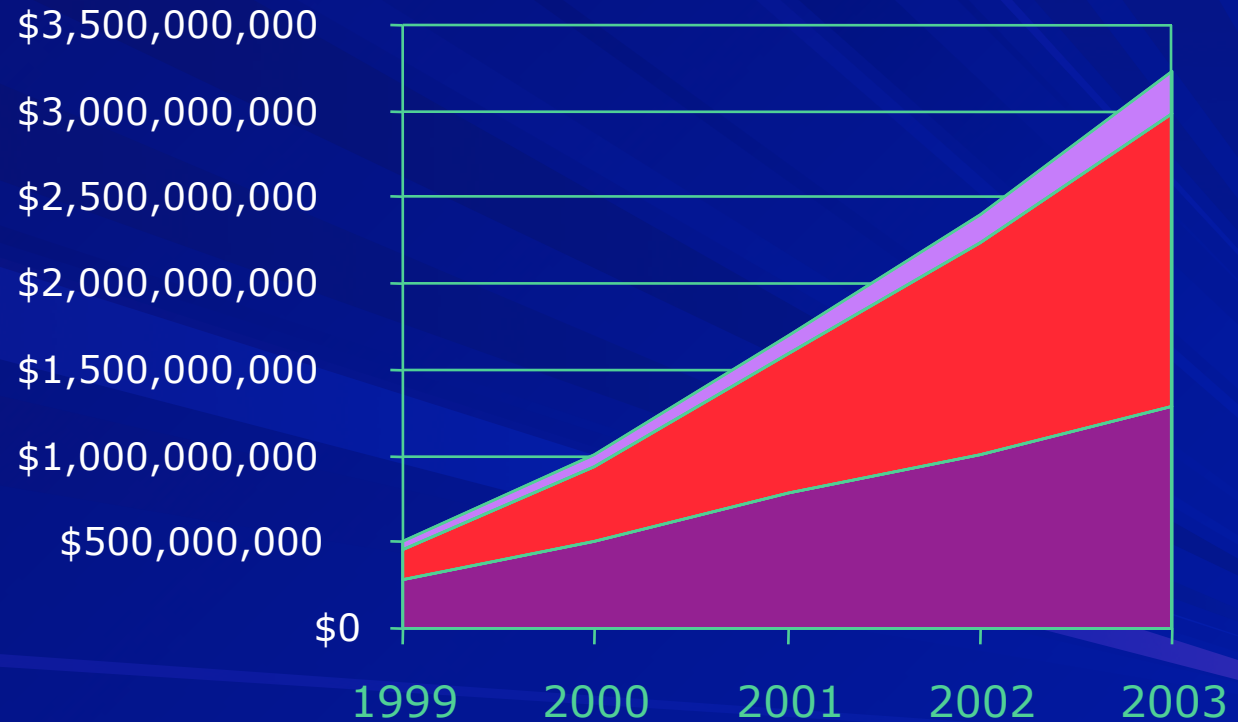
# Sizing YOUR Market

## TOP DOWN: Data Sources

- Internet Research
- Analysts
- Wall Street
- Similar markets
- Sales
- Direct research



# Market Forecasts



Source: Consulting Firm

■ Software ■ Hardware ■ Services

# Sizing YOUR Market

## BOTTOM UP

- Availability
- Ability to Serve
- Market Growth
- Likely Buyers
- Market Share



# Sizing YOUR Market

## OTHER CONSIDERATIONS

- Competition
- Similar industries

