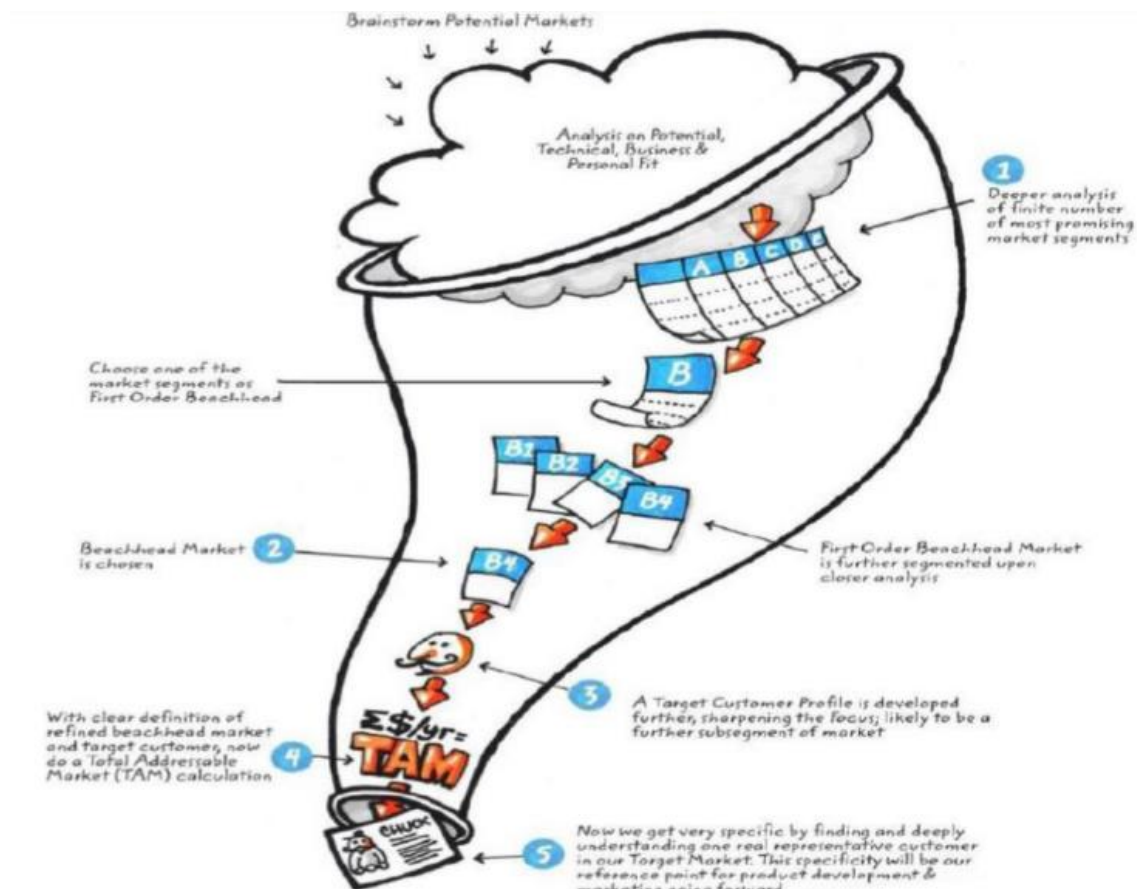


CHAPTER 3: MARKET ANALYSIS FOR STARTUPS

This is the normal Analysis that we all know but now for a Startup. We can resume it in this:



The only part that we have to closely look is the TAM.

TAM (Total Addressable Market)

Basically, the TAM consists of getting all the market available and reducing it into a small market from which we can only have end users.

This is the estimation of end users in the segment, using a combination of **bottom up analysis** and **top-down approach**.

Top-down approach

Is the analysis of:

- **Demographics:** Gender, age, income...
- **Psychographics:** Aspirations, fears...
- **Proxy products:** What other products do end users use.
- **Watering holes:** Places where the end user can be found.

ICP (Ideal Customer Profile)

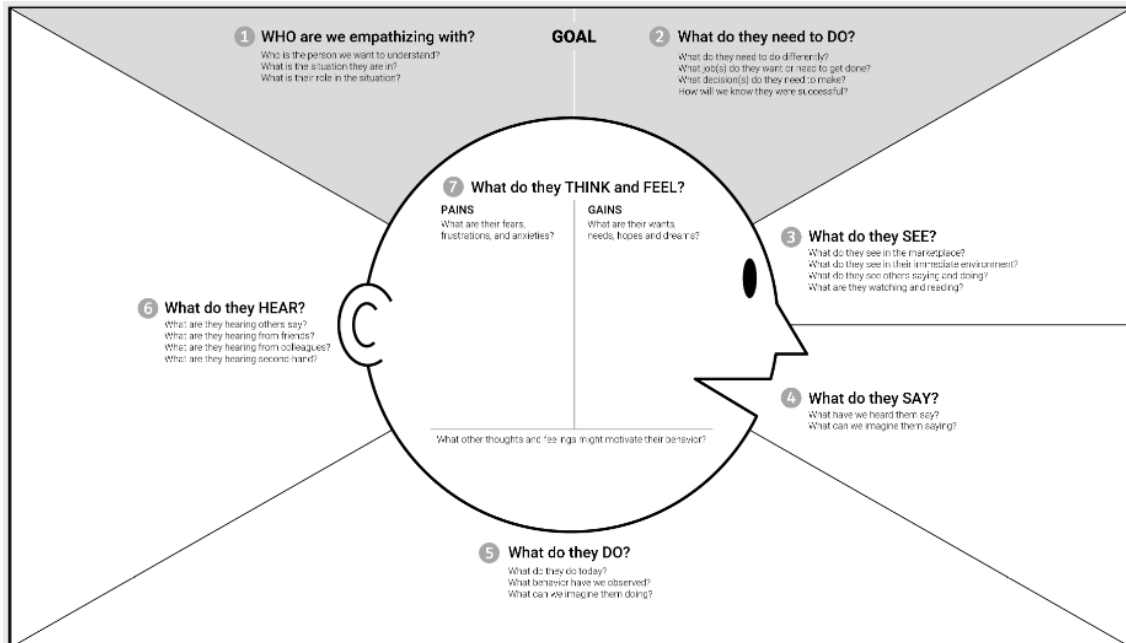
Which is defining individually what we almost define in the TAM, it is more specific.

ABM (Account-Based Marketing)

Which is basically targeting even more specific, one by one.

Empathy Map Canvas

At the end, we have the empathy map canvas, which is this.



Product Traditional Approach

Product

When we think about the product, we think about an approach that goes from the generalist to the most essential.

- **Augmented Product:** Even more beyond.
- **Expected Product:** Over the expectations of the consumers. .
- **Basic Product:** Basic substitute product.
- **Core Benefit:** What the consumers value.

It is essential to go beyond what the consumer expects, we need to actually surprise them, be the best possible product, be different. And hit the right moment in the market:

- **Introduction:** When the market is starting.
- **Growth:** When the market keeps growing by itself.
- **Maturity:** the market maintains.
- **Decline:** When the marketing is reducing.

Joke

- Why fishes do not play basketball?
- Because they are scared of the net

Different Products and Markets

	Existing Product	New Product
Existing Market	Penetration	Product development
New Market	Market development	Diversification

Serving different clients.Vertical

Like Do Dot does with all the different kids, with different sets of prices.

Horizontal

What Coca Cola does with all the different segments, ages, styles... with same prices.

At the end, you also need to know which is the demand you are going to face and what do you need to face it.

When you face all that demand and you know how much it is, you need to create a **prototype**.

Prototype

When doing a prototype you need to do:

- ❖ **Tell a story:** To let the consumer know who are you and what do you do.
- ❖ **Think:** Well, what is it.
- ❖ **Learn:** What can we do to improve.
- ❖ **Decide:** What are we doing with it.

Lean Startup

Lean Startup is basically starting a startup being viable since the beginning. How do they do that? Well, by doing the **most viable product** since the beginning and commercializing it.

From that product they will improve it, adapt with the feedback of the clients.

Lean Startups are not cheap, they just spend less money it is all about speed and growing as fast as possible to get the best product for the clients.

Intrapreneurial

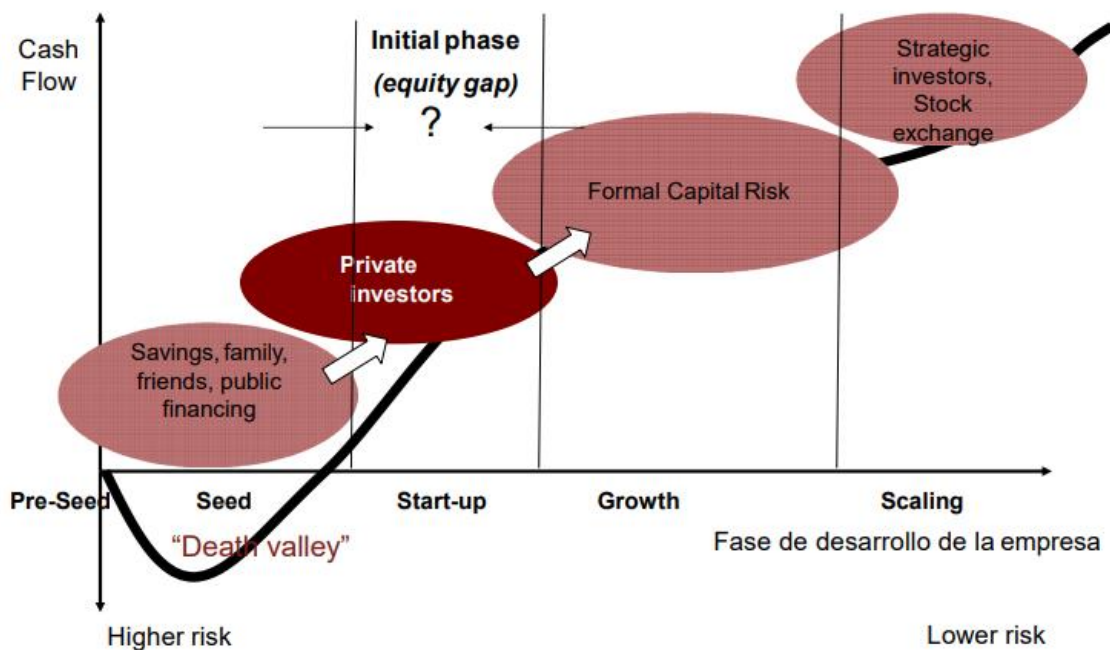
This is a way of doing entrepreneurship but in a company or a government. It is not your company, but you have the power and the innovation, and the most important, the funds to do the different improvements that a company might need. In fact, Obama implemented one of these programs in the US government.

Fund rising

In a startup there is different ways of getting money to accomplish the work and company that you want. This are some:

- **Owner and partner capital:** When you put it yourself.
- **Family and friends:** You know what it is.
- **Bank:** You also know it.
- **Public help:** Forget it in Spain.
- **Prizes:** Also forget it anywhere.
- **Private or external investors:** Angels or round of investors.

Usually it goes like this:



In order to get the investors to notice you, a **business plan**, **elevator pitch**, **presentation** and a **executive committee** is needed.

Joke

- Did you hear about the claustrophobic astronaut?
- He just needed a little bit of space

<https://youtu.be/io6wi8DVZ3o> - Well, probably you have seen it.