

3.3 Market research and added value of students' idea

3.3.1 Market research and Added value: An Introduction

e-module 3: (social) entrepreneurship
Cooperative start-up implementation
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➤ What is Market Research?

Market Research deals with the retrieving of information regarding the size and the tendencies of a specific market. Market research means the systematic collection, editing, analysis and interpretation of information that provide solutions to problems and associate with decisions that play a key role in the business operation.

During a market research, a multitude of different questions arise such as:

- **Who** buys and respectively who sells?
- **What** do consumers buy and **what** do sellers sell?
- **Where** do the customers buy and where do the sellers sell (points of purchase and sale)?
- **When** (and how regularly) do the customers buy and respectively when do the sellers sell?
- **How** consumers buy and how sellers sell (criteria, buying/selling methods)?
- **Why** do customers make specific choices and how competitors respond?



Market research and Added value: An Introduction (2)



➤ The key findings of a market research are:

Market size

The structure of the market

Market shares

Market trends

Customers' behavior

The competitors

In the initial phase of a social startup, market research can support the building of a brand and offer a competitive advantage



Because the more you know about a market, the better you'll be able to identify risks and opportunities that can greatly affect your business.



Market research and Business Strategy



<p>New products in existing markets:</p> <p>Market research can reveal the readiness (and thus the possibility) of an existing market to adopt new products</p>	<p>New products in new markets:</p> <p>Market research can highlight uncovered customers' needs and provide knowledge on markets that you are not familiar with.</p>
<p>Existing products in existing markets:</p> <p>Market research can measure the customers' satisfaction and help you recount ways for maintaining your competitive advantage.</p>	<p>Existing products in new markets:</p> <p>Market research can help you trace new markets, where existing products can flourish.</p>

How to develop an effective *marketing strategy*



➤ Remember the **4Ps**:

- ❑ **Product:** Market research can outline the stances and behaviors of customers towards specific products. This data can be extracted from questionnaires, focus groups, users' comments etc.
- ❑ **Price:** Market research, which in this case takes the form of pricing research, can explore simple questions such as: *“How likely it is for a customer to buy a specific product in this specific price?”* or more complex ones such as *“How the qualitative characteristics correspond to the pricing of the product?”*
- ❑ **Promotion:** Market research can support all aspects of a product's promotion, from the development of promotion ideas to the evaluation of the advertisements' effectiveness.
- ❑ **Place:** Market research can trace the optimal market path that a product should follow (Kalogerou,2021).



The main mission of a company is to create value, which means increasing the "available wealth in the economy" through productive enterprises (Borello, Bottollier-Depois & Hazard, 2012)

What is Added value? (1)

The dilemma that arises here is the following:

Do things have value because they cost? OR Do things cost because they have value?

- ❑ In most economic theories the value of an asset or service is differentiated by the price and define the latter as the result of negotiation.
- ❑ In a completely competitive free market:
 - producers accept the price of a commodity when it is greater than or equal to the cost of production (value of their labour) and,
 - the consumer will accept the price when it is lower than or equal to the estimated product satisfaction capacity (price in use).

Value is defined as the very fact through which the thing is the effect of the productive action or product of human work (Dussel, 2014)



What is Added value? (2)

This difference between the work of one person and the necessity of another, through the material mediation of a product, can be considered as created value and represents the foundations of economic relations.

For example:

we know that until the 20th century, the idea of an economic world had nothing to do with the social world. If a company sought to make money, it was not at all necessary to worry about the welfare of society. The economic world has long been looking for profit. These ideas were opposed to those of the social, supportive, or ecological world.



Research has begun to link the opposite:

- ❑ For example, Acs et al. (2009) consider that economic value and social value are created both each time and at the same time.
- ❑ By making free purchasing decisions, consumers receive their own personal value scale that they share with their community, to value products and services and exchange money for something of value (without discrimination).
- ❑ Unlike the organizations of a private economy which seek to collect money, those of the social and supportive economy adopt the “tritych combining corporate citizenship, economic activity and democratic governance” (Boussaguet & Haddad, 2013)
- ❑ A social entrepreneur is required to “find innovative solutions to social problems in his community not covered by the existing system” because his mission is to create social value and not only financial profit for shareholders (Bacq & Janssen, 2008)



- The main impact of social enterprises and innovative innovations will be reflected:
 - in the increase of individual capacities,
 - the quality of relationships between people and,
 - the development of share capital.

We call this **social value**, a value that is even more closely linked to individuals' perceptions and the situation they are experiencing, their ideas, their vision, and their morals.



Practical Activity

1

What you will need:

- Piece of paper
- Pen/Pencil
- Any note taking materials that you may prefer (markers, stickers, highlighters etc.

3

Discussion

- What are the pros and cons of market research?*
- How can market research help a social start-up?*
- What does added value mean for a social entrepreneurship?*
- Can market research add more value to a social entrepreneurship? How?*

2

Instructions:

- Split into smaller groups.
- Each group should write down its answers and present them to the other groups.
- Then a group discussion/brainstorm will take place, regarding the presented answers and ideas.



TRAIN-CE-FOOD project

<https://trancefood.si/en/home-english>

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