



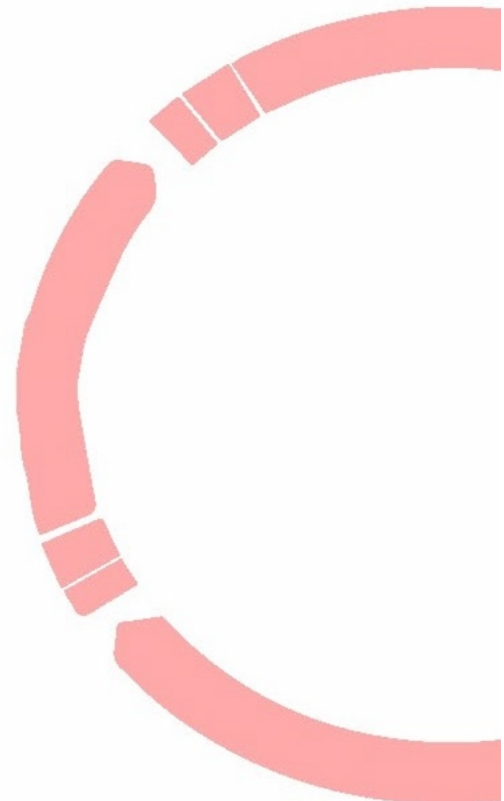
EUROPEAN UNION  
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# ChangeMakers

## MARKET RESEARCH II

Learning material for the study module “Start-ups for sustainable environment created by youngsters”



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Learning material for the study module “Start-ups for sustainable environment created by youngsters”

Current learning material is prepared for the teachers of upper secondary and vocational education students participating in Interreg Central Baltic project CB851 “ChangeMakers - Start-ups for sustainable environment created by youngsters”. Materials are compiled by the experts of Satakunta University of Applied Sciences and University of Turku meant for one 75-90-minute session. Supplementary educational tools such as texts, PowerPoint presentations, video clips, exercises and assignments are also prepared to support this material. All materials are available at the Interreg Central Baltic ChangeMakers project’s e-learning platform: <https://sub.samk.fi/changemakers-eplatform/>

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# Outline for SESSION 2

1.-5.2.2021

Table below summarizes the outline and estimated time for the market research 2 lesson on 1.-5.2.2021. Topics and materials related to each chapter are presented in the following sections. Adaptations to the learning material are encouraged. Please inform the ChangeMakers team, if you had to significantly alter the materials. That supports improvement of the original materials.

This project's "ChangeMakers – Start-ups for sustainable environment created by youngsters" lesson is supposed to give an overview why you should do market research and practical examples on how you can implement a simple market research questionnaire of your own. This material will also shortly discuss branding.

ORDER	CHAPTER	ESTIMATED DURATION <sup>1</sup>
0	<b>0 Preparation: short recap of the previous market research lesson</b>	5 (min)
I	<b>Why do you need market research?</b>	5
II	<b>Types of market research</b>	10
III	<b>How to do market research for identifying your buyer persona?</b>	15
IV	<b>Who are your competitors?</b>	5
V	<b>Digital marketing</b>	10
VII	<b>Branding and Green branding</b>	5
VIII	<b>Questionnaire and Discussion</b>	10

<sup>1</sup> The study material does not propose the possible breaks that might be needed to keep the focus and good pace. Teachers are expected to estimate the need for breaks based on school and group specific needs.

# Short recap of the previous market research lesson

### Slide 2:

As was learned in the previous lesson on market research, market research was described as “a long-term approach of management that generates value and benefits for the customers while providing the company with a **competitive advantage** in the marketplace”.

A company has **the competitive advantage** when a product (or service) **gives extra value** to the customer, compared to competing products. This competitive advantage is the basis for customer’s (or buyers) choice. In market research, the company gathers information about their business's buyers’ personas, target audience, and customers to determine how viable and successful their product or service would be, and/or is, among these people.

***Example:** Catering company “Food4You” is developing its own mobile app for a food delivery service system. During market research the company “Food4You” has found out that there are other companies offering food delivery services in the market, but they lack a possibility for the customers to make their orders via mobile phone app. “Food4You” competitive advantage thus is this app, which gives extra value to the customers.*

**If you’ve got time, see the following video:**

<https://www.youtube.com/watch?v=b-hDg7699S0> - How to Do Market Research!

**Tip!** Here and in a further chapters teacher can find a recommended video. Please be aware, that **only one or two short videos can fit in the time- frames of the lesson**. Choose what video and from what chapter you prefer to show to the students in advance. All videos could be found at the [ChangeMakers E-platform](#).

## Why do you need market research?

### Slide 3:

You need market research in order to find out critical information about your market and the surroundings of your business. Market research may tell you how your company is seen by the target customers and clients you want to reach. It can help you find who and where your customers are, and which customers are most likely to buy your products and otherwise do business with you. [1]

There are a wide range of reasons for doing market research, not all of which have a purely financial basis. You might consider doing market research your company/business for any or all of the following reasons: to increase your income, expand your clients base, discourage competition, improve your company image, promote current and new services or products, introduce new providers, enter a new marketplace or gain or retain market share.

When you want to identify your customer e.g. create value through your business, you may ask:

#### **What market are you in?**

Let's say you want to sell paper coffee cups from recycled materials, then you may think first about cafes who sell coffee as "take away" to their customers. But another possible market for you could be companies who have coffee rooms for their personnel and use a lot of paper coffee cups. Then you can think even wider and try to find customers within catering companies, supermarkets (which also sell coffee) and even coffee-product sales companies who may add your cups with each bag of coffee and e.g. print their logo on those cups.

### **Who are your customers, your buyer personas?**

In other words, who are those customers who are interested in your product? For example, if you sell footballs, your customers would most probably be those who like to play this sport or are willing to start playing, customers coming from almost all age groups.

### **What motivates their behaviour?**

What needs do your customers have? There is always more than one need each product can cover for a customer. It could be the basic/main needs or problems (thirsty - drink water/coffee from a cup) or value-oriented needs (drink water/coffee and save the planet). You can find out the needs or problems of your customers based on an investigation through a questionnaire for your target group (group of people who may be your customer or has expert opinion in your production area).

### **Who is involved in the purchase decision?**

The manager of the company or a direct customer. If you are selling paper for copy-machines, probably you should not contact help-desk or customers' offices, you should speak with the supply management department and find a person who has the "rights for purchase decision". If you are selling toys, your customer is a child, but the "purchase decision" will be made by a parent.

### **Which customers are worth most?**

Are there customers that would buy more of your products than an average customer? Maybe there is someone who will buy higher-value products or buy more often from you? Usually the customer comes back to your product/company, if he/she has had a good experience with you before. They will also refer your business to other customers and that can grow your customer base.

## Who are your competitors?

In some markets there is not that much competition and there might be only one or two competing (offering the same kind of products/services) companies in the market you're going to. Then you will have more flexibility to price your products and services. When there is more competition, you need to be more thoughtful with your pricing.

Also, after doing market research you could have information about:

- Industry and market outlook: Market research will help you to get a good understanding of the market, your customers and what affects their buying decisions.
- Market size and market trends: You need to have a good understanding of the size of the market you're going for, as it will help you plan your next steps and also helps you with your decision making. Small companies/start-ups will need to look after market trends too (the changes and developments in buying and selling) to understand them, evaluate and analyse for future decision making.
- Competitor market share: How much of the market share do your competitor(s) have? Find that out and analyse how they are operating so you can compare it to your business and improve from there.
- Product marketing: identification of market niches for which it is desirable to use targeted marketing and the formation of a product/service promotion based on the requirements of this target market
- Customer experience: explore your customer's satisfaction levels, how familiar are they with the product and all its characteristics and ensure a better customer experience in the future.

Good market research will help you to identify some bottlenecks that might come when you're starting out your business and also will help you with your decision making. Market research will also help you to understand your competitors, which



can help you in pricing your product and place your company in the market with the right business plan.

**Slide 6:**

## Types of market research?

There are different types of market research, for example Interviews, Focus Groups, Product/ Service Use Research, Observation-Based Research, Buyer Persona Research, Market Segmentation Research, Pricing Research and Competitive Analysis Research.

In this market research you can use one or more of the following methods:

### 1. Buyer Persona Research

Buyer persona research gives you an understanding of your target audience, what their needs are, why they need/want your product or service and more.

### 2. Interviews

Interviews, face-to-face or virtual, allows you to discuss and communicate directly with your possible target audience in natural conversation and receive informative answers.

### 3. Product/ Service Use Research

Product or service use research offers insight into how and why your audience uses your product or service, and specific features of it. This type of market research also gives you an idea of the product or service's usability for your target audience.

### 4. Focus Groups

Focus groups are groups of selected people, who could test out your product, watch a demo, give feedback, answer specific questions etc. [2]

In ChangeMakers, students will conduct a mini-market research using a questionnaire template to improve their product or business idea prototype, see Appendix I.

## How to do market research for identifying your buyer persona?

### 1. Define your buyer persona(s).

To understand how customers in your market make buying decisions, you must first identify who they are. Buyer persona (marketing persona) is a generalized representation of your perfect customer.

You should know the main key characteristics of your buyer persona, for example:

- Age
- Gender
- Location
- Job title(s)/Profession/Industry
- Family status
- Income
- Main needs or challenges

*Examples:*

- ***If your buyer persona is a company and you are selling inexpensive or second hand equipment for hairdressing salons or barber shops. Your buyer persona could be:***
  - *A company 2-3 years old may need some equipment updating*
  - *A company of 2 to 5 departments, with potential of becoming a permanent customer with bigger volume of orders*
  - *A company of nearby location, since long-distance delivery will raise the price of the equipment*
  - *beauty industry (hairdressing), with middle size company incomes per year.*

→ **Needs of the buyer persona (company):** updating equipment with low costs and environmentally friendly, long lasting products.

- **If your buyer persona is a person and you are selling gaming laptops.** The person could be described as:

- male, aged 12-40
- any location if your company has delivery services
- unemployed/working/studying; single;
- a person with the middle level of incomes (as it's quite expensive laptop)

→ **Needs of buyer persona (person):** spending free time in gaming with an environmentally friendly, energy saving laptop.

When you have defined your “perfect buyer persona”, you can use this information as a guideline for communication and to learn about the real customers within your market. You might find out that you have several main buyer personas, just make a personal profile for each of them.

## 2. Identify a target group

Your target group can include people who could be your potential customers, but also people who will never become your customers. Investigate in what kind of social groups your potential buyer persona(s) belong to, as this will help you to better understand their actual characteristics, needs or problems, and buying habits.

## 3. Prepare investigating questions for your market research participants.

To get the best results from your target group(s) you should be well prepared in advance. You can create a template for your conversation, take notes or record your meetings and interviews. Please don't forget to ask permission to use information received during your meetings and interviews!

**A tip!** Use a free tool to create a buyer persona that your entire company can use to market, sell, and serve better [here](#)

# Who are your competitors?

## **Slide 11:**

### **List your primary competitors**

Write down your competitors — when you do, try to look into the competition landscape from different angles. Writing down competitors isn't always as simple as “Company A versus Company B”. Sometimes, a section of a company could compete with your main product or service, even if that company's brand might put more effort in another industry. For example, Apple is known for its laptops and mobile devices, but Apple Music competes with Spotify and their music streaming service.

From a content point of view, you might compete with a blog, YouTube channel, social media page or similar publication for inbound website visitors — even though their products don't overlap with yours at all. And a toothpaste company might compete with magazines like Health.com or Prevention on certain blog topics related to health and hygiene even though the magazines don't actually sell oral care products.

### **Identifying Industry Competitors**

To identify competitors whose products or services are competing with yours, make a decision which industry or industries you're going after. Start by using terms like education, construction, media & entertainment, food service, healthcare, retail, financial services, telecommunications, and agriculture. You can continue the list, but you should find an industry term that fits your business, then you can create a list of competing companies who are also in this industry.

Once you have this list of competing companies who are also in this industry, you can do the following: Google it! You can find out which companies webpages you will see in the top (first 2-3 pages of the search results) of the Google search and which of them are the most popular among your potential customers. If the content the website publishes seems like the stuff your buyer persona would

want to see, it's a potential competitor, and should be added to your list of competitors. Use search engines and social media to look for information [2].

**Slide 12:**

## Digital marketing

Digital marketing is the component of marketing that utilizes internet and online based digital technologies such as desktop computers, mobile phones and other digital media and platforms to promote products and services. In short, it is advertising delivered through digital channels. Channels such as social media, mobile applications, email, web applications, search engines, websites, or any new digital channel.

### **What is social media marketing?**

Social media marketing first started with publishing. Businesses were sharing their content on social media to generate traffic to their websites and, hopefully, sales. But social media has matured far beyond being just a place to broadcast content.

Nowadays, businesses use social media in a myriad of different ways. For example, a business that is concerned about what people are saying about its brand would monitor social media conversations and response to relevant mentions (social media listening and engagement).

There are many social media platforms that could help your start-up to attract more customers and promote your brand. The most known and common ones at the moment are **Facebook, Instagram, Twitter, Pinterest, Snapchat and TikTok**. Each platform has its own user base, which means you can reach different target groups.

**Recommended video:** Please have look at the short video (turn on English subtitles if necessary) to learn about social media marketing [Digital Marketing Basics-Basic marketing techniques to grow your business / Modern Marketing](#)

Slide 13:

## Branding and Green branding

After you decided what products and services you will provide, and finalized your market research, you probably discovered how many brands can be found all over your industry. Building your own brand is not an easy task to do, but a more strategic way of thinking. You may use your market research results when you're building up your own **green brand**.

“**Green brands** are those **brands** that consumers associate with environmental conservation and **sustainable** business practices. Such **brands** appeal to consumers who are becoming more aware of the need to protect the environment. A **green brand** can add a unique selling point to a product and can boost corporate image.”

Green brands - Wikipedia

Those days when just an advertising campaign was enough to make your brand attractive to a customer are gone. Your brand story should be associated not so much with low prices and lean manufacturing, but with the ability to improve the lives of your customers and bring positive changes to the world. At the core of today's consumer brands is the drive to promote healthier, more informed choices, protect the environment and advance the circular economy while meeting customer needs.

Examples:

*Memorize the lingering embraces, bursts of laughter and the deep connection between you and your loved ones. There is value in every moment, yet we often forget to respect warmth before it's cold. **To us, value means cherishing what we already have by giving a fresh start for abandoned materials.** Join us on a journey where the unseen is brought back to the light. A bag can't change the world, but together we can.*

- Company Lovia: <https://www.loviacollection.com/>

*From the earth to your pocket, a smartphone's journey is filled with unfair practices. We believe a fairer electronics industry is possible. By making*

*change from the inside, we're giving a voice to people who care. It's no secret: we're out to change the world. Fairphone puts people and the planet first.*

- Company Fairphone: <https://www.fairphone.com/en/>

*As an example of long-lasting products you could check following webpage of BuyMeOnce <https://uk.buymeonce.com/>*

**Recommended video:** <https://www.youtube.com/watch?v=J47UuSIZcVA>.

**Discussion:** *Do you think these companies have been successful with their branding? Yes? No? Why? Do you have a favourite sustainable brand that has made a movement out of a molehill?*

**Recommended video:** <https://www.youtube.com/watch?v=AEFqUh4PMml> - Little Green Bags: True Business Sustainability

## Tips to summarize your findings

Now you can analyse the feedback and think how you could change your prototype/solution according to these answers e.g. see the suggestion from the model answer of the questionnaire. Later, you may also use these answers in your marketing strategy and they might even make excellent quotes for your campaigns.

You may prepare your own form when analysing the results, but the following outline could help you craft a clear summary:

1. **Background.** Your goals and why you make this study.
2. **Participants.** Who you talked to, general information, like age and gender, no names. A table works well so you can break groups down by Buyer persona(s) and target groups.
3. **Awareness.** Describe the common feelings about sustainability and its importance that you received from your target groups (Quotes can be very useful.)
4. **Providing opinion.** What were the so-called "Aha!" moments in your research? What results did you receive? What were the most interesting

things you learned? For example, did one solution rise above some other suggestion, did they know about the problem already or no, etc.

5. **Summary.** How are you going to use the results that you found out? Who are the main decision-makers? What things about the product were important for the potential customers? Do the results influence your final product prototype and your Business Plan?
6. **Action Plan.** You can use this information to create your next steps in developing your business idea to reach your main goals.



## References

1. <https://www.thehartford.com/business-insurance/strategy/market-research/business-market-research>
2. <https://blog.hubspot.com/marketing/market-research-buyers-journey-guide>)
3. [https://en.wikipedia.org/wiki/Green\\_brands#:~:text=Green%20brands%20are%20those%20brands,and%20can%20boost%20corporate%20image.](https://en.wikipedia.org/wiki/Green_brands#:~:text=Green%20brands%20are%20those%20brands,and%20can%20boost%20corporate%20image.)

# Appendix I



## Questionnaire

Next, you may use the questions below to plan your own mini-market research! The questions may be edited based on your product/service. When you are thinking about the questions to your target group, you can use questions below as an example.

1. Have you heard about X kind of problem?
2. Are you interested in topic X? Why? Why not?
3. If this problem is important for you, what kind of solution could fix the problem?
  - a. What keywords would you use, if you googled the possible solution?
4. Have you used solution X (discuss about your prototype/solution)? How could the solution be better?
5. Would there be any specific criteria when you were looking for solutions like this?
6. Who else would take part in the decision to buy this kind of solution?

Use your own network (**schoolmates, family, friends**). Use 5-15 minutes with your target group. If you use questions with one-word answers (Yes/No), try to continue conversation with more open questions. Remember to thank the participants after your research!

**Here's an example for a business of biodegradable toothbrushes. As a student you should modify the questions to suit your start-up's topic/needs.**

Example of Questionnaire (for business plan from ChangeMakers Entrepreneurship lesson Appendix I prototype):

1. Have you heard of the problem that plastic toothbrushes take over 400 years to decompose?
2. Are you interested in that topic? Why? Why not?

3. If this problem is important for you, what kind of solution could fix the problem?
  - a. What keywords would you use, if you googled for a possible solution?
4. Have you used bamboo toothbrushes or toothbrushes made from recycled plastic? How could the solution be better?
5. Would there be any specific criteria when you were looking for solutions like this?
6. Who else would take part in your decision to buy this kind of solution?

Example of Answers to Questionnaire (for business plan from ChangeMakers Entrepreneurship lesson Appendix I):

1. Yes
2. Yes, I love our planet and don't want to hurt it.
3. Using biodegradable or recycled/recyclable toothbrushes could be helpful.
  - a. toothbrush; eco-friendly toothbrush; biodegradable toothbrush.
4. These sound like good solutions. It would also be good if it was possible to only change the bristle part and use the handle longer.
5. It should have soft bristles.
6. Me and my family members.

# Appendix II

## Market Research Summary

### Team name and logo

1. Background: Your goals and why you make this study?

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2. Participants: Who you talked to, general information, like age and gender, no names. A table works well so you can break groups down by Buyer persona(s) and target groups.

Buyers persona 1	Buyers persona 2	Target group 1	Target group 2
Characteristics	Characteristics	Characteristics	Characteristics
....	....	....	....
....	....	....	....
....	....	....	....
....	....	....	....

3. Awareness: Describe the common feelings about sustainability and its importance that you received from your target groups (Quotes can be very useful.)

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4. Providing opinion: What were the so-called "Aha!" moments in your research? What results did you receive? What were the most interesting things you learned? For example, did one solution rise above some other suggestion, did they know about the problem already or no, etc.

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