

Answers to Self-Assessment Questions

1. Market analysis provides decision makers with detailed information regarding crucial factors that have an impact on the product and target market such as (a) Who are the potential customers? (b) How many potential customers are there? (c) What type of products or services would be profitable to introduce in the market? (d) Would potential customers use the product/service? (e) Is the company able to satisfy customer needs, wants and expectations? etc.
2. Some problems that entrepreneurs face regarding market analysis include:
 - They have limited resources.
 - New ventures do not have any market share and they also have a limited geographic market presence.
 - Entrepreneurs do not have access to much market information.
 - Entrepreneurs have a lot of ground-work to do — they must target, position and sell themselves to many stakeholders.
3. There are several ways to segment a market. These include:
 - demographic segmentation
 - geographic segmentation
 - psychographic segmentation
 - behaviouralistic segmentation
4. Some strategies to help position a product include:
 - identify the unique selling proposition
 - use self-assured guarantees
 - educate the customer
 - use creative pricing strategies