Contents

Market Analysis

Understanding markets, customers
and the competition

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Welcome

Leading the way for Product Managers

So why market analysis – is it that important?

A frequent complaint we hear from senior managers is that their teams don't have the market insight to make the best decisions on product direction and the business.

Sales teams should have a great view but can be overly swayed by the latest customer conversation or their current targets. Development teams often assume that the one customer they're working with represents the whole market. Marketing teams can lack detailed knowledge of products and customers.

As product managers and product marketers, we're ideally placed to give our business an unbiased and balanced view of the market. But do we? We know it can be tough to find the time, but it really is worth the effort – not least because it will make you look very good at your job!

Who's who?

The *Product Management Journal* is published by Product Focus as an independent publication for product managers with technology-based products. Product Focus was founded and is run by Ian Lunn (top) and Andrew Dickenson.

The founders continue to deliver many of Product Focus' training courses and reviews alongside their team of senior consultants.

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Hit the ground running and what not to do

Propositions
How to build sharper propositions that really work

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How to create outstanding business cases that deliver results

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Setting the optimum price Tips, tactics and theory

Leading
Product management and product marketing teams

Agile
And its impact on product managers

Market Analysis
Understanding markets, customers and the competition

Roadmaps
Compelling roadmaps that align everyone to your vision

Requirements
How to make sure they deliver

Training
...why it's needed and how to make sure it delivers

Strategy
Setting the foundation for effective product plans

Take control
Putting product management in the driving seat

Product Marketing
Getting products in front of customers and making sure they sell

In-Life
Making sure your product delivers when it matters

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Market analysis

How to research and analyze your market

What separates good product plans, product ideas, and business cases from ones that are doomed to failure?

Often the difference can be traced back to whether they were based on solid groundwork – researching the market, analyzing the options, and making the right decisions. This article looks at the overall market analysis process and where we fit as product managers and product marketers.

The scope of Market analysis

Market analysis is a broad topic that includes the worlds of market research and strategic analysis. The diagram below shows the 5 areas that need consideration.

"Companies must be market led. Often that means freeing product managers from operational responsibilities so they can spend time engaging with market touchpoints: customers, competitors and understanding market trends."
**Mike Beech,
Head of Product
Marketing, RM**

Technologies

Competition

Marketplace of potential customers

Perception of our company and products

Macro market environment
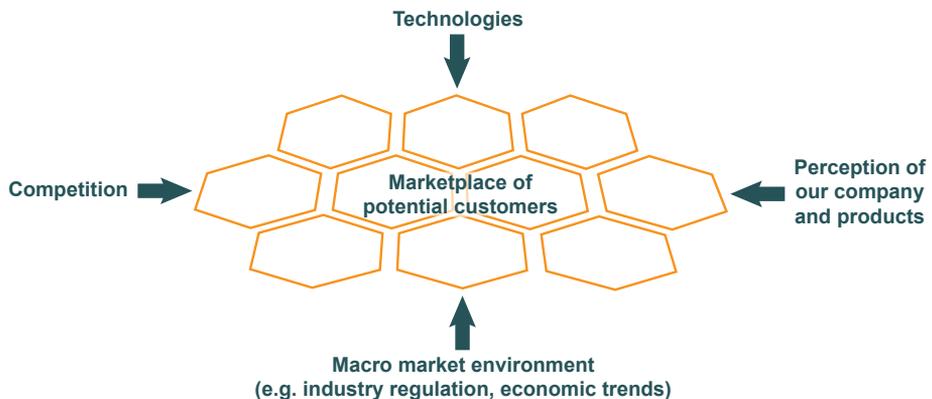(e.g. industry regulation, economic trends)

Fig. 1 The scope of market analysis

Understanding our competitors, markets, and how customers perceive our products is fundamental to market analysis. Other factors may only impact us from time to time but can still turn the market upside down, e.g., the introduction of new technologies like tablet computers or macro market changes such as the current economic recession.

When starting any market research, you will need to judge the focus you give to each area according to the challenges you face with your product.

Strategic market analysis

Strategic market analysis looks at the big picture for a company and its markets. It's an ongoing process of monitoring business unit success, reviewing product portfolios, identifying major new opportunities, and deciding where to invest resources. It drives new product innovation, takeover, and company strategy. Although the outcome impacts us, we're not often involved in the activity.

Market analysis triggers

The reality for many of us is that market analysis work gets triggered by some request.

"When analyzing your market, it's just as important to be clear on who you're not selling to. Companies can be dazzled by sales opportunities in non-core areas and end up wasting precious resources that are needed to get traction in their key markets."
Martin Saunders, Product Director, Claranet

Triggers
- Management request
- Sales support request
- Product management activity

Audit
What information is needed?
What relevant information do we have?
What's missing (known as gap analysis)?

Gather inputs
What approach and sources are appropriate?
Time and budget available?
Gather data from sources

Create and share insights
Analyze data to develop insights
Put into format suitable for target audience
Present, email or upload insights

Insights for management
Market sizing and opportunities
Competitive insight, trends
...

Insights for sales
Competitive analysis
Market trends
...

Insights for product management
Develop segmentation and targeting plans
Develop propositions, pricing & roadmaps
Input for business cases
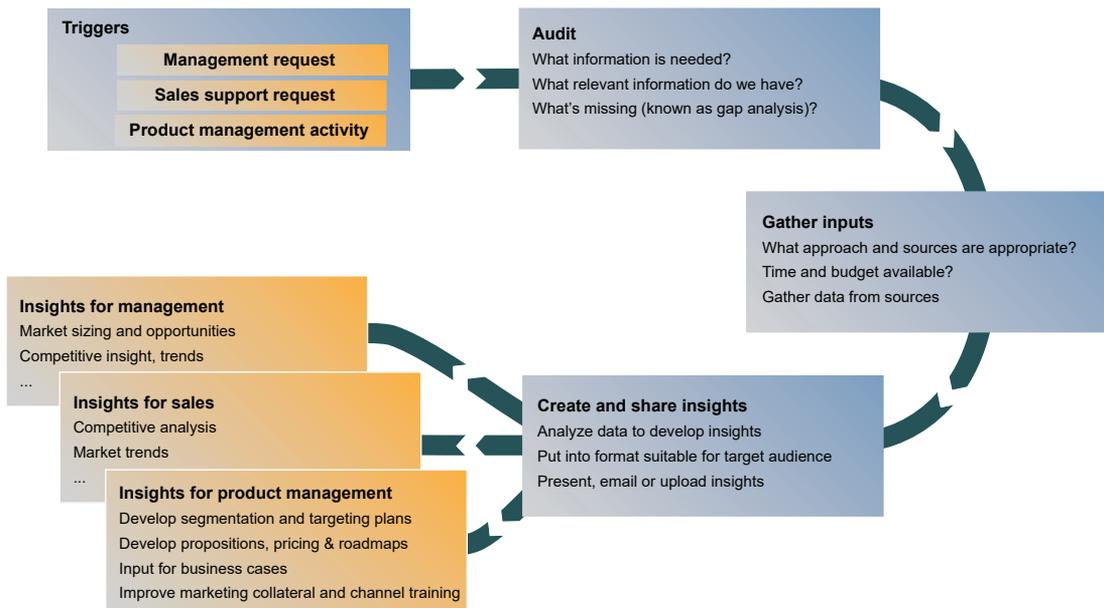Improve marketing collateral and channel training

Fig. 2 The market analysis process

These are specific questions that we or others have about our product and the market. For example, we're developing a business case and need data on market sizing and competitor pricing to validate our forecasts and assumptions.

ANALYSIS

However, we should really see these ad-hoc requests as part of an ongoing process of market research, analysis, and proposition development that helps develop our product strategy.

Building a product strategy

Product strategy is about working out what the right product is for the business. Market analysis is a critical component. It includes segmenting the market, deciding which customers to target, and providing the input needed to develop product propositions. It is important to think of this as an ongoing cycle of activity. As markets change and new competitors emerge, we need to evolve our product strategy.
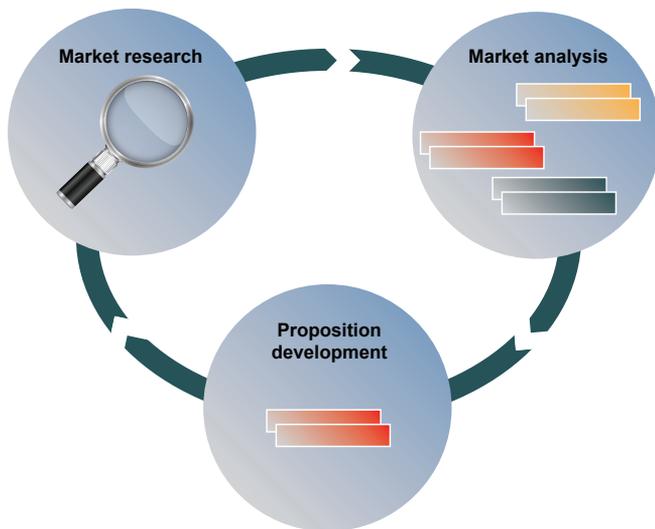
Fig. 3 Cycle of research, analysis and proposition work

What it means to us

In our roles as product managers and product marketers, we should either own or contribute to this work of research, analysis, and proposition development.

But it's not easy. Our research options are always limited by time and budget, and most of our decisions depend on an incomplete understanding of an evolving market. It can be tough to find the insights we need at the point we need them. That's why it's good to set up a way of drip-feeding market information into the business (see Listening posts on p.14).

Conclusion

When you're busy, there's always a temptation to make decisions based on 'gut feel' but put effort into market analysis, and you'll improve your decision making, have more successful products, and be able to defend your decisions!

Talking to Customers
What are they really thinking?

You've probably heard it before – but there is no substitute for directly talking to your customers to find out what they want.

Don't confuse this with being pulled into a meeting by Sales to help clinch a deal or apologize for something that has gone wrong; you're only likely to get the honest views you need when you're not trying to sell or defend your position.

Interviewing customers

It is a real challenge to get insights into what features our customers care about, how much they are willing to pay, and what value they get from our products. Specialist research companies can help but interviewing customers yourself and hearing their answers directly really hits home.

In B2B (Business to Business) markets, it can be relatively easy to find customers to meet in person, but in B2C (Business to Consumer) markets, it may involve sitting in on support calls, visiting retail outlets, or quizzing family and friends.

Customers don't know what they want!

20 years ago, propelled into a meeting with the CEO of Cisco far beyond what my newly minted Diploma in Marketing had prepared me for, I was stunned to hear the CEO claim customers didn't know what they wanted. You have to show them what's possible.

That's from the world of enterprise technology products. When Steve Jobs was asked, 'What market research did you do that led to the iPad?' he replied, "None – it's not the customer's job to know what they want." Although not entirely true (there were years of prototypes) it makes a point.

It's similar to the cliché that is often attributed to Henry Ford "If I had asked people what they wanted, they would have said a faster horse!"

Asking customers what they want is an obvious place to start, but there are some major drawbacks. Their answers will be based on an evolution of what's already there. They will describe the solution they think they want, but the underlying problem may remain unresolved.

So the customer may not know what they want, but our job is to understand the problem they want to solve.

VS
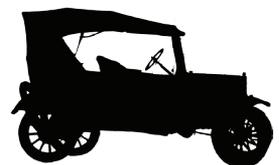
The customer interview questions in the box below are a list of open questions (i.e., that don't have yes/no answers) that should get your customers talking. Here are some other tips that can help.

Interview tips

When we're talking with our customers about something new, it can be hard for them to visualize what we mean. So make it easy for them by giving examples and showing a range of options that they can choose between. For example, which of these mock-up screens appeals to you and why?

Usually, you will get more from a face-to-face meeting where you can pick up all the non-verbal communication and establish a rapport. On the other hand, you may find that some customers will feel less intimidated and speak more freely over the phone – plus it's much quicker.

In B2B markets, tell your customer that you're working on your roadmap and would value their input. Suggest meeting for a coffee to make the situation more relaxed and try not to take Sales along with you as it changes the dynamics of the meeting.

In B2C markets, it can be tough getting customers to respond, so think about offering an incentive, e.g., free use of the product or a prize.

When talking about pricing, some customers will see the conversation as the start of a negotiation. To get the best response, ask questions like "If this product were around today, how much would you think it would cost?" and avoid setting expectations by mentioning a particular price point.

Customer interview questions

1. What are your big challenges...
   a. How big is the problem?
   b. How long has it been happening?
   c. Tell me more about it and how a good solution would look?

2. What do you think about our company and products?
   a. *(if bad, smile)*... that's interesting; please tell me more?
   b. *(if good, smile)*... there must be something we could do better?
   c. If you were running our company tomorrow, what's the first thing you would focus on?

3. What process do you go through to buy a product like ours?
   a. Who's involved, and what are the steps?
   b. What questions do you think they have?
   c. What would you type into Google?

4. What do you think about our competition?
   a. Is there anything we can learn from them?

5. What trends do you see in the market at the moment?

6. Is there anything else I should have asked you that I didn't?

Once you're talking to a customer, don't be defensive and accept any criticism with a smile. Focus on understanding their problems rather than talking about your products. In our experience, you will be surprised at how much you learn.

The buying process

When you're trying to understand your customers, training your sales channel, or planning a marketing campaign, you also need to understand the steps your customers go through to buy your product. If you can provide the information they want, just when they need it, you will get many more sales.

Fig. 4 shows the typical steps a customer goes through, from being unaware of a product to actually buying it. What can we do in our marketing to effectively influence our customers at these different stages? Should we focus our effort on search engine optimization (SEO) for the unaware or instead on a targeted mailing at those who have already expressed an interest?

For large B2B deals, customers typically go through a standard purchasing process that involves issuing an RFI (Request for Information) to suppliers followed by an RFQ (Request for Quotation) or RFP (Request for Proposal). If this is the case, we need to ensure we have the resources and information to be able to respond.

> "Often market research is commissioned to create a PR story or ask questions to which we've already got the product answer. I get better insights by talking directly to customers – seeing the whites of their eyes and feeling their pain."
> **Martin Saunders, Product Director, Claranet**

Fig. 4 Stages of engagement with customers

Who decides?

The people involved in making the buying decision vary by industry and company size. These decision-makers and key influencers will look more favorably on our product if our proposition messages address their specific interests. So, for your product, you should understand who's in this buying group (also known as the DMU, Decision Making Unit) and what they want to see from your offer.

BEST PRACTICE

In addition, we must also address the needs of those using the product. We, therefore, need to understand the typical profile of each of these different customer audiences. We need to find out what they care about and ensure our proposition messaging addresses their concerns.

For example, in B2B markets, the economic buyer cares about the business benefits our product will bring to their company and is usually the senior manager who has to justify the benefits and cost. Other key audiences may be the procurement or legal departments.

There is also usually a technology buyer – typically an IT manager. They want to understand the technical details and how to implement, configure and support our product.

Finally, there may also be end-users involved in the buying process who also care about what our product will do for them, how it will make their lives better, and how easy it will be for them to use.

In B2C markets, usually, the 'user is the buyer;' however, there are many instances where that's not the case. We may entice children with a brightly colored new mobile phone (the user) but talk about safety features and robustness in our messaging to the parent (the buyer).
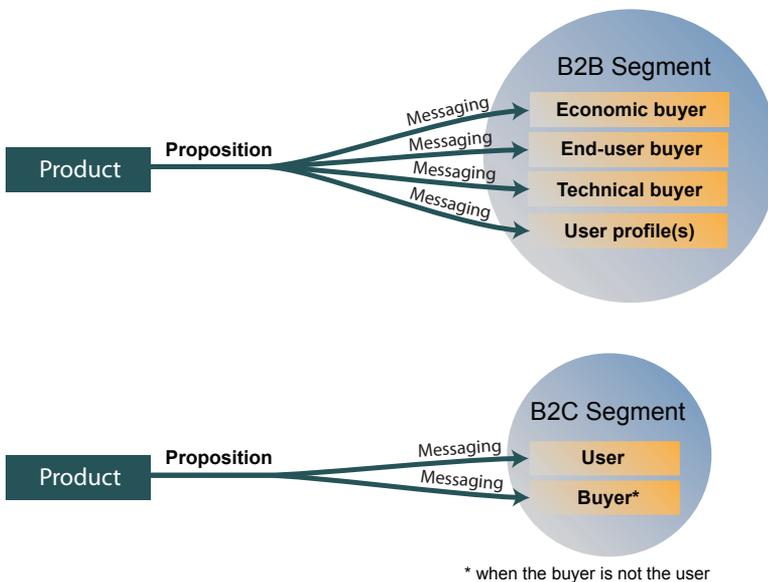

Fig. 5 Develop messaging for each type of buyer and user profile

Conclusion

You need to understand what makes your customers tick. What do they care about, how do they buy, and who decides? Interviewing customers is one of the most effective techniques.

Research

Find out about your market, competitors and customers

You would think that with all the information flowing around the internet, getting hold of data on your market, competitors, and customers would be easy!

However, our experience is that whenever you need to make product decisions, you never have all the information you need at your fingertips. Data about your customers takes too long to come through your internal reporting; market research reports show the data in the wrong format, and business competitors don't publish their pricing. Invariably you have to make a series of assumptions, guesses, and estimates based on what you do actually know.

In this article, we'll show you some ways of getting hold of the data you need and how to make sense of it.

Wise Words
"Research is cheap if you want to stay in business, expensive if you don't!"

The research approach

When researching a market, the best approach depends on what you need to find out as well as any budget or time constraints. For example, if you're starting to explore new market opportunities, you might need to secure the budget to undertake what's known as *qualitative* research to discover opportunities and then move to *quantitative* research to validate the initial findings.
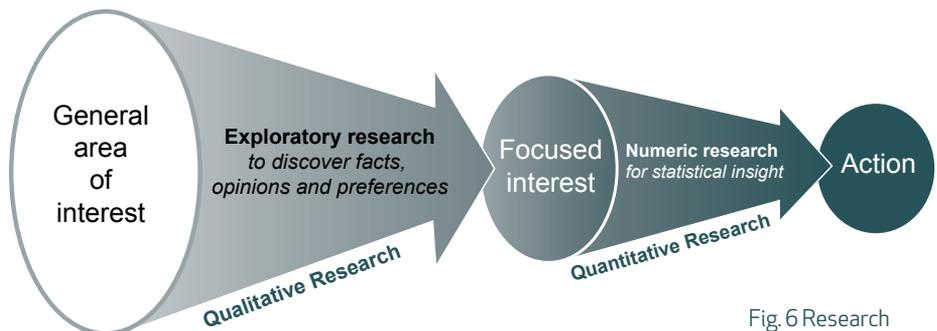
General area of interest

Exploratory research *to discover facts, opinions and preferences*

Focused interest

Numeric research *for statistical insight*

Action

Qualitative Research

Quantitative Research

Fig. 6 Research approach

SOURCES

How to use this table

The left-hand side lists sources of information.

The next group of columns shows the kind of information each source can provide and whether they're relevant for business or consumer markets.

The text on the opposite page provides further background about the source, and the final columns indicate the cost and effort to set up and use.
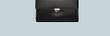
Key

Business or consumer
Business
Consumer

Cost and effort
High
Medium
Low

Source	customer requirements	perception of your products	how products are used	problems with your products	ideas for improvement	ideas to improve mktg	competitor insight	Business or consumer
Colleagues	x	x			x	x	x	Business + Consumer
Commissioned market research	x	x	x	x	x	x	x	Business + Consumer
Competitor annual reports					x		x	Business + Consumer
Competitor websites and blogs					x	x	x	Business + Consumer
Customer visits / interviews	x	x	x	x	x		x	Business
Field services / customer support	x	x	x	x	x		x	Business + Consumer
Focus groups	x	x	x	x	x	x	x	Business + Consumer
Industry journals and press		x			x	x	x	Business + Consumer
Investors	x	x			x		x	Business + Consumer
Job interviews		x		x	x		x	Business + Consumer
Own site – web analytics						x		Business + Consumer
Own site – forums and polls	x	x	x	x	x			Business + Consumer
Personal Assistants and reception staff	x	x		x			x	Business
Product reporting			x					Business + Consumer
Professional services			x	x	x			Business
Published market research		x			x	x	x	Business + Consumer
Regulatory and standards bodies/Patent applications					x		x	Business + Consumer
Requests For Information (RFI), Requests For Quotation (RFQ)	x				x		x	Business
Reverse engineering or buying competitive products					x		x	Business + Consumer
Sales	x	x	x	x	x	x	x	Business + Consumer
Suppliers		x			x	x	x	Business + Consumer
Trade shows/industry events				x	x	x	x	Business + Consumer
User group meetings	x	x	x	x	x		x	Business
Web search		x			x	x	x	Business + Consumer
Win / loss reports	x	x		x	x		x	Business

Other considerations	Cost	Effort to set up	Effort to use
Great source of insight, especially if you have recent recruits from the competition	green	green	green
Commissioned research can be the only way to find information that precisely addresses questions you have	red	red	green
Annual reports provide useful historical data and forward-looking guidance	green	green	green
Competitor websites reveal their products and positioning. Employee blogs often give away information the company wouldn't want to be shared on products, successes, and problems	green	green	orange
Provide an opportunity to understand what they really think and how your products are used	orange	green	green
Provide insights into current product issues and customer requirements. Occasionally provide competitive insights	green	green	green
Focus groups provide qualitative feedback through direct observation and engagement with prospects and customers talking about your products, company, and the competition	red	red	orange
Trade journals are great for general industry statistics and trends. May also have in-depth articles on technology and competitors	green	green	green
Investors often understand major trends in the market and have insights into customers and competitors	green	orange	orange
People can give away too much when they're being interviewed for a job	orange	red	orange
Your web team can provide data on page views if your pages hold the reader's attention and ideas to improve content	green	green	orange
Having a product forum for your customers can reveal product issues, and polls can entice customers to return and provide useful insights. Keep them out of the public domain	green	red	green
May hear information from customers and suppliers discussing their forthcoming meetings in your office. Get them to email any insights they overhear and do the same if you overhear useful things on a plane or train	green	green	orange
Software can report the number of users, frequency of use of features, amount of times help is used, crash details, and more (if you build these into your requirements)	green	red	orange
Professional services teams, e.g., installation or consultancy, can provide insights into how customers use your products and any issues affecting their deployment or operation	green	green	orange
Can be useful for general industry statistics and trends. May also have relevant in-depth articles	orange	green	green
Regulatory bodies and standards groups often provide insights into upcoming changes and competitor preferences. Patent applications also give a strong hint to competitor plans	orange	green	orange
RFIs show what's interesting to your customers. RFQs provide detailed insights into customer requirements and can also give insights into what your competitors are offering	green	green	orange
Find what's better in your competitor's products, processes, design, or manufacture by going through the process of buying, reverse engineering, and asking for support. Don't forget mystery shopping – secretly buying your own product	red	orange	orange
Sales often pick up valuable information about what competitors are saying about you, and consumer sales channels (distributors, partners, channels) often have excellent feedback	green	green	green
Your supplier roadmap will give clues on how they see the market developing. Build a good relationship and they can give you useful snippets of competitive intelligence	green	green	green
Competitors may present or discuss new products, recent wins and roadmap ideas. Inexperienced staff on a busy stand can be overly candid and should be targeted	orange	orange	green
User group meetings are a great source of feedback and ideas – use questionnaires, polls, and small discussion groups	red	red	green
The most common technique for getting market analysis data. Relevance and assuring reliability are key challenges	green	green	green
Reports on why you won or lost deals help you understand how customers perceive your company, its services, and products. They may also provide competitor insight but don't rely on sales to run them	orange	orange	orange

EXPLAINED

At other times, you may be working to a short timescale or have a simple and clear requirement for specific information. In these cases, quantitative research may be all that's needed.

It's important to be aware of these options when thinking about the types of questions you want to get answered.

Listening posts

The table on p.12–13 lists all the sources we have come across for gathering useful information. It shows the types of insight each source can provide and gives pointers to the cost and effort needed to set it up. This should give you new ideas and help you think about how to get more from your existing approaches.

For most of these sources, you need to do some preparation. We use the term 'listening posts' on our training course … places and opportunities to take soundings from customers and the market. The key point is that when we need market insights, we're usually up against a deadline, but it takes time to establish sources and the necessary relationships. Our recommendation is to build the listening posts in advance so you can call on them when you need them.

Is your data source credible, relevant, and up to date?

When looking at research, you should always think about how relevant and current it is. We often don't know when the research was undertaken. Even if you see a date on the report, is it the date the research was carried out or just the date when the report was written?

"It's funny, it doesn't matter how much you think you already know, a paid-for report produced by a big-brand company really helps influence decision making." Andrew Parker, Product Marketing Consultant

We also need to think about whether we trust the quality of the data. How was the information collected, and is the source predisposed to a particular position? These factors can skew the results and how they are presented. How would you judge a research report published by your biggest competitor versus an independent report from a respected industry analyst? Both will give you interesting insights, but what you learn will be informed by knowing where it came from.

Another challenge you often face is that the definition of product or market categories in one piece of research may not match those used in your company. For example, if your company uses Standard Industry Classification (SIC) codes for sizing markets, but your source combines the size of multiple industries into a single figure, then it's of little help.

> **Online research – 5 tips**
>
> 1. File types such as .pdf, .doc and .ppt often contain useful information. To find them, just type your search term into Google followed by *filetype:pdf*
>
> 2. People put all sorts of things they shouldn't on the web – have a look at *www.slideshare.net,* and you might find something interesting
>
> 3. To see what search terms are used to find your product or company try a tool like *www.wordtracker.com*
>
> 4. Your web team should be using an analytics package that lets you see lots of useful information, including how customers find and navigate your pages, what downloads they take and how long they spend. Make sure you see the results
>
> 5. You probably already know, but *www.wikipedia.org* is a great place to start your research

Conclusion

Finding out about your markets, customers and competition is as much an art as a science. More often than not, you find yourself under pressure to make product decisions without all the information you want in front of you. So any real facts you do have become very valuable in influencing decisions.

Do what you can to gather these facts, as if no one has any hard facts, you will find that the HIPPO will prevail – and it might not be you!

Fig. 7 The HIPPO (The Highest Paid Person's Opinion)

Competitors
Who they are and how to compete

Competitive analysis – we all do it every day. Whether it's choosing a sandwich, buying a car, or looking for a new job … we look to see what's available, assess the options, and make our choice. And our customers do the same.

The importance of understanding competitors is clear, from the time and money companies spend doing it to the wide variety of techniques used to gain this understanding. These range from simply browsing the web, to dubious practices such as fictitious job adverts aimed at enticing competitors' employees to interviews where they are encouraged to disclose confidential company information. Some companies are even willing to engage in illegal activities, such as WestJet's use of an ex-Air Canada employee's password to access an internal Air Canada site more than 240,000 times!

So how do we go about competitive analysis? We describe the 4 key stages below.

Identify the competition

Identifying who the competition is is the first step. Should you worry about those you sell against every day, those who might enter your market, or those who are alternative choices for your customer's spending?

If you're the product manager for a tablet computer aimed at home users, should you only worry about other tablets of the same size and look (the same *product form*), any

Marketing Myopia

This was the title of a famous marketing paper published by Theodore Levitt in the Harvard Business Review. The main theme was that companies should focus on satisfying customer requirements rather than the short-sighted approach of selling a particular technology or product.

An example was the American railroad industry which ran into trouble because alternative technologies (cars, lorries, aircraft) took their business. Rather than investing in these new ways of moving people and freight, these once very successful companies defined their business purely as railways, not transportation, and many went out of business.

tablets of any description (the tablet *product category*), other ways that your target home users might browse the web or even other things they might decide to spend their budget on?

The decision depends on your planning time horizon and the rate of change in your market. Most product managers will include product form and product category in thinking about their industry. Still, it's useful to think out to the generic level, which addresses how else customers might satisfy their needs.

Also, it's common for there to be more than one product in a company addressing the same needs of a group of target customers. This internal competition can create real confusion in the market unless you're clear on the relative positioning of each product.
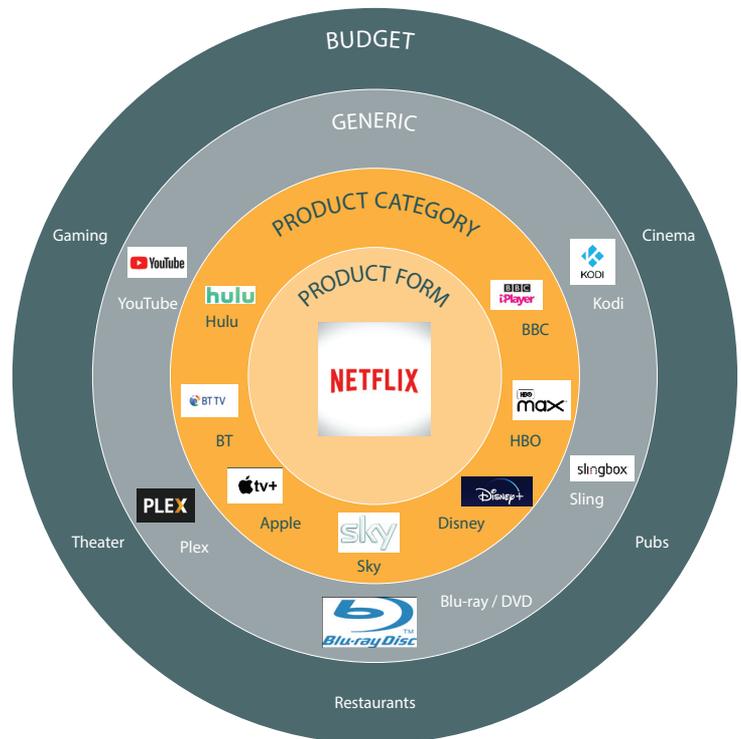

Fig. 8 Categories of competitors who meet the customer need to browse the internet

Find out about them

Sources of information are shown in our article on p. 11–15. Small insights can make a big difference. In the battle between Google and Microsoft, Bill Gates is said to have gained insight into a new technology Google planned to explore by checking out their job board.

What you'll want to know about competitors is what's in their proposition, i.e., product functionality, pricing, supporting services, and how they differentiate their product. Insights into their market communications activity, product roadmaps, and aggressiveness in winning new business also give guidance that helps formulate plans to address the competition.

SWOT

	Competitor 'X'	Competitor 'Y'	Us
Product features			
Feature 1			
Feature 2			
Feature 3....			
Development capabilities			
Suppliers			
Technologies			
Partnerships...			
Marketing & sales			
Sales channels			
Marketing activity			
Pricing...			
Product & service innovation			
R&D spend			
Roadmap			
Patents...			
Financial strength			
Organization			

Fig. 9 Keeping track of the competition

Fig. 10 Example SWOT: Potential of a new proposition

	Strengths	**Weaknesses**
Internal	Builds on existing product line Strong brand in 2 of 3 target segments Skilled development resource available ...	Sales channels lack experience with this type of proposition Doesn't align with new strategy Lack of product management time Requires major IT system update
	Opportunities	**Threats**
External	3 major customers agreed to beta trial and to act as reference New European legislation may open up the market Aligns with growing 'eco' market ...	Competitor solution more mature Target sales channel considering launching own product New international competition once legislation ratified ...

This can be summarized in a template, making the information simple to review, share and quickly understand. An example is shown in Fig. 9.

While you may not be able to fill in much detail, the template is useful to capture insights as you find them. One company at which the author worked was dissuaded from entering a new market when a major competitor was found to have invested heavily in new processes, training, and 130 sales consultants – a statement of intent the author's company could not match.

Decide how to compete

The next step is to compare your company and products with your competitors.

A tool that is very commonly used (and which you've probably heard about) is called a SWOT analysis. SWOT stands for Strengths, Weaknesses, Opportunities, and Threats, and it's a brainstorming technique that allows a team to analyze a particular situation.

Using the SWOT process, you brainstorm your company's internal strengths and weaknesses as well as the external opportunities and threats you can see.

For example, what's the potential of your new proposition? Fig. 10 shows a simple example of the type of output you would get from an initial SWOT brainstorm.

The final important step is to use the output to explore what options you have and make some decisions on your competitive strategy, i.e., avoiding So – WOT?

Although you can do a SWOT analysis yourself, you get the most value from a group of people providing

their input together, such as the product management team. If you do this, it's good to have someone taking on the facilitator role, e.g., stepping through each box in turn and sticking up the post-it notes.

Remember, in a brainstorm, there are no right or wrong answers; everything goes up on the board, and you don't criticize anyone's suggestions... even if you think a contribution is wrong, it may trigger someone else to come up with something that is very good!

The purpose of analyzing competitors is to understand how you can best compete with them. This might mean strategies such as focusing on particular niche segments where competition is weakest or trying to grab the customers of a weak competitor.

Let people know

Competitive intelligence can have tremendous value in securing new business, so get your insights to the front line as quickly as possible. Your sales channels can then use it to emphasize why you're the best choice or simply to spread some FUD (Fear, Uncertainty, and Doubt) about the competition.

It's also critical for making decisions on product portfolios, marketing and branding, so ensure the right people in your organization are briefed.
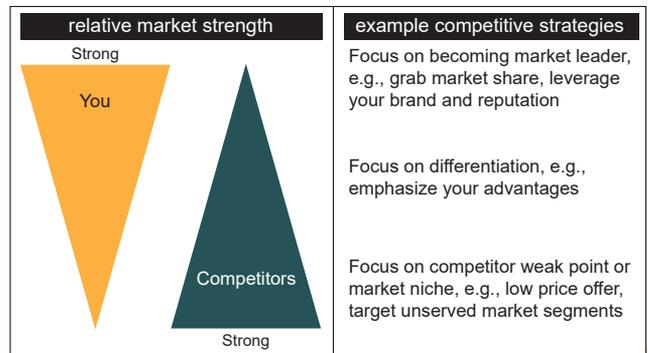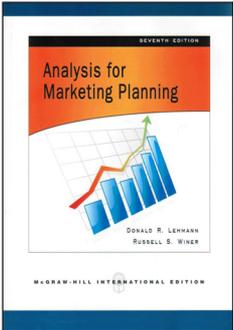
Conclusion

Competitive analysis is often triggered by a panic call from Sales or an ad-hoc request from Management. Make it your policy to be proactive, keep your competitive information up to date and available. It'll show that you're doing a professional job, improve sales success, and reduce the time you spend responding to urgent demands.

Wise Words
"One of the key responsibilities of product managers is to establish and maintain competitive advantage for their products – fundamental to that is good market research."

relative market strength	example competitive strategies
Strong You	Focus on becoming market leader, e.g., grab market share, leverage your brand and reputation
	Focus on differentiation, e.g., emphasize your advantages
Competitors Strong	Focus on competitor weak point or market niche, e.g., low price offer, target unserved market segments

Fig .11 Decide on your strategy

The Review

Reviews and feedback for product managers

Analysis for Market Planning, by Donald R. Lehmann & Russell S. Winer (McGraw-Hill, 2008)

Wise Words

"Market information on its own has no value. If information isn't acted on then: finding it; documenting and sharing it has been a waste of resources."

Try to find a book on market analysis, and Google will show you innumerable texts on the analysis of financial markets but few guide your investigation of technology-based products.

One of the best is Analysis for Market Planning by Donald R. Lehmann (Professor of Business) and Russell S. Winer (Professor of Marketing), published in 2008 and now in its 7th edition.

The book was written as a 'hands-on' text to guide business students in the practical approaches needed to collate, document, and interpret information about the marketplace. Despite its unexciting title and academic pedigree, it's a great source of ideas and advice to help product managers and marketers better understand their customers, competitors, industries, and opportunities.

It includes many real-life examples to help bring topics to life. What's particularly useful is that several of the examples flow through the different chapters of the book. So, you can follow their story from market planning, through analyzing the industry, identifying and analyzing the competition, analyzing customers, and on to determine forecasts and appropriate strategies. While the principal examples of retail coffee and MP3 players may not be directly relevant, having the process explained will help you pick out the tools and approaches that might apply to your situation.

One of the advantages of the academic approach is that each chapter includes extensive references so you can investigate further any parts that are relevant to you or that pique your interest.

We found the forecasting section was a bit theoretical, which would make it difficult to apply in most product managers' real-world situations of inadequate information and tight deadlines, but even this section provides tips and ideas that could be applied.

The book builds on the information in this journal and would be a great reference for you to have on your bookshelf or e-reader.

Have your view

We've had thousands of people attend our product management and product marketing training course. We're often asked … well … what else can you offer?

We know that every business has a slightly different view of the roles of product management and product marketing. We think that makes it important to be able to apply product management ideas and best practice to whatever situation you find yourself in. There is no one right way to do something – you need a big tool bag and to be able to pull out the best tool for the job that needs doing.

If you complete our course, we have an exam that will lead to our Product Management Certification. This certification demonstrates a level of competence and ability to apply product management concepts and best practice to real-world situations.

If you lead (or aim to lead) a product management team, department, or function, why not learn the skills you need on our Leading Product Management course?

Finally, if you're leading product management and want to check how you're doing, we offer our Product Management Review. This is a structured analysis of your product management by Product Focus as independent experts. The output is a set of practical recommendations on how to set up product management if you're just starting off or, with an existing team, a roadmap of recommendations to help you move to world class performance.

The Insight
The analyst racket

As product managers and product marketers, our role can bring us into contact with the big technology analysts – with their magic quadrants, waves, and cycles.

We buy their research to use in our market analysis, but we also try to get them to endorse our company and products in their reports so that customers will buy from us, and investors will think we're a good bet.

They aim to provide impartial, independent expert analysis but base their research on the information we provide. At the same time, they try to sell us their reports and consultancy services.

This does appear to create some potential conflicts of interest...

Should we buy the reports or consulting services from a particular technology analyst company just because it might get us an introduction to an analyst we want to influence and which could tip the balance on which quadrant we end up in?

In an analyst briefing, should we 'sex-up' the presentation of our product? Should we provide a detailed pack of supporting research, industry statistics, and interesting graphs in the hope that the analyst might just think it's easier to re-use our stuff rather than write it from scratch?

If we tell the analysts all our clever ideas about where the market is going and what we're doing next – will they be sold as 'consultancy' to our nearest competitor in a month's time?

You need to decide for yourself.

But while you're thinking about it, type http://wikibon.org/groupdocs/13_341246093.pdf into your browser or, easier still, go to the blog on our website and have a look at this very funny send-up of technology analysts. Hopefully, it will still be online, and you'll see a press release about Harvester Research introducing forcesales.com and their Analyst-as-a-Service (AaaS).

"In my experience, when talking to analysts, companies tend to spin an overly positive story. It's not surprising though as a negative analyst assessment can be share price and bonus effecting !"
Andrew Parker, Product Marketing Consultant

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