



Entrepreneurship and Family Business 101 Unit1 _V3.docx

 Entrepreneurship and Family Business_MBA_1

 Entrepreneurship and Family Business_MBA_1

 ATLAS SkillTech University

Document Details

Submission ID

trn:oid::3618:127096626

Submission Date

Jan 29, 2026, 10:45 AM GMT+5:30

Download Date

Jan 29, 2026, 1:27 PM GMT+5:30

File Name

Entrepreneurship and Family Business 101 Unit1 _V3.docx

File Size

578.6 KB

45 Pages

14,959 Words

88,454 Characters

*% detected as AI

AI detection includes the possibility of false positives. Although some text in this submission is likely AI generated, scores below the 20% threshold are not surfaced because they have a higher likelihood of false positives.

Caution: Review required.

It is essential to understand the limitations of AI detection before making decisions about a student's work. We encourage you to learn more about Turnitin's AI detection capabilities before using the tool.

Disclaimer

Our AI writing assessment is designed to help educators identify text that might be prepared by a generative AI tool. Our AI writing assessment may not always be accurate (i.e., our AI models may produce either false positive results or false negative results), so it should not be used as the sole basis for adverse actions against a student. It takes further scrutiny and human judgment in conjunction with an organization's application of its specific academic policies to determine whether any academic misconduct has occurred.

Frequently Asked Questions

How should I interpret Turnitin's AI writing percentage and false positives?

The percentage shown in the AI writing report is the amount of qualifying text within the submission that Turnitin's AI writing detection model determines was either likely AI-generated text from a large-language model or likely AI-generated text that was likely revised using an AI paraphrase tool or word spinner.

False positives (incorrectly flagging human-written text as AI-generated) are a possibility in AI models.

AI detection scores under 20%, which we do not surface in new reports, have a higher likelihood of false positives. To reduce the likelihood of misinterpretation, no score or highlights are attributed and are indicated with an asterisk in the report (*%).

The AI writing percentage should not be the sole basis to determine whether misconduct has occurred. The reviewer/instructor should use the percentage as a means to start a formative conversation with their student and/or use it to examine the submitted assignment in accordance with their school's policies.



What does 'qualifying text' mean?

Our model only processes qualifying text in the form of long-form writing. Long-form writing means individual sentences contained in paragraphs that make up a longer piece of written work, such as an essay, a dissertation, or an article, etc. Qualifying text that has been determined to be likely AI-generated will be highlighted in cyan in the submission, and likely AI-generated and then likely AI-paraphrased will be highlighted purple.

Non-qualifying text, such as bullet points, annotated bibliographies, etc., will not be processed and can create disparity between the submission highlights and the percentage shown.

Unit 1: Entrepreneurial Mindset and Problem Identification

Learning Objectives

1. Learners will be able to explain the key characteristics of an entrepreneurial attitude and how this impacts business opportunity discovery.
2. Learners will realize that successful business ventures are founded on successful problem identification.
3. Learners will study and use various methods like market research, customer feedback, and trend analysis to identify possible problems in the market.
4. Learners will study the process through which problems identified in the real world are translated into new business ventures or innovative solutions.

Content

- 1.0 Introductory Caselet
- 1.1 Understanding the Entrepreneurial Mindset
- 1.2 The Significance of Problem Identification
- 1.3 Techniques for Identifying Problems in the Market
- 1.4 Summary
- 1.5 Key Terms
- 1.6 Descriptive Questions
- 1.7 References
- 1.8 Case Study

- 1.0 Introductory Caselet

Introduction

"The Entrepreneurial Mindset: Transforming Problems into Opportunities"

The Major Media Company was founded in 1988 and is a leader in both the broadcast television and integrated media marketplace.

Rohan, a young and ambitious professional, had always been fascinated by the world of startups. As a marketing analyst working in Mumbai city, it's something he witnesses every day – the inefficiency that drives the online presence of small businesses. The city is home to a bustling digital economy and few local shops can pull in customers online because of limited standards when it comes to their online marketing, he says. So when discussing this issue with colleagues he discovered that he had a natural gift for spotting business problems and working on creative solutions.

As Rohan digs deeper, he begins to question whether this unproductiveness is a real business opportunity. He is told about the journey of eminent entrepreneurs and finds out that a real problem in society becomes foundation-stone for any successful venture. Part of the problem, however, that he's also facing: How does he make sure this issue is big enough? How does he confirm his hypotheses using the real market data? Rohan becomes aware that being entrepreneurial involves not only discovering problems but also understanding the breadth and importance of them.

Eager to explore more, Roahn began leveraging various problem-identification techniques such as Market research, Customer interviews and Competitor analysis. These methods allow him to have a clearer perspective about the issues small businesses face in digital marketing. This case highlights the importance of entrepreneurial thinking in finding problems and turning those problems into opportunities for innovation and growth.

Critical Thinking Question

How can Rohan use different problem identification approaches to substantiate whether there is market need for addressing the inefficiencies of small business digital marketing? What are the things that he needs to consider before getting into this as a business?

1.1 Understanding the Entrepreneurial Mindset

1.1.1 Introduction

Entrepreneurial mindsets are attitudes, values, or habits of thinking that lead people to act entrepreneurially as they pursue their entrepreneurial journey. This is unique because it changes the image of innovation, assiduity and creative action for good. Entrepreneurs are willing to take calculated risks, tolerate ambiguity and always look for new ways of generating value. Entrepreneurism is not thought but action, it's overcoming obstacles and adapting to ever changing market conditions. Learn how to think like an entrepreneur in everyday life

with these tips: Entrepreneurial thinking is a crucial skill for entrepreneurs and anyone seeking to innovate and create long-lasting change in their work and personal life.

Key to the right mindset is for an entrepreneur to be grounded in self belief that one can make a difference and change his or her fate. It's seeing opportunities where others see obstacles, turning challenges into opportunities instead of challenges for time, and being able to transition easily if they have to (applies to any changing environment). The three traits that make up the personality of an EMPON are, Flexibility Tenacity and Learning from success or failure. Entrepreneurs understand that innovation is a journey, and even failures are part of learning. For the learner to realize and practice these characteristics in business, therefore, learning the entrepreneurial mind-set is crucial.

1.1.2 Statement and Essential Qualities of the Entrepreneurial Mindset

Definition: Entrepreneurial mindset is a specific state of mind that orientates human conduct towards entrepreneurial activities and outcomes. It is that way of thinking which keeps people open minded, and adventurous in their thoughts and actions - to new business.

Entrepreneurial attitude is a collection of characteristic features that differentiate the successful entrepreneur from other entrepreneurs. That enables them see opportunity where others do not, and to more easily overcome barriers on their path to business ownership. It could be an inborn trait or learned skill, but you'll need it to achieve and maintain success in your business over the long term.



Fig 1.1 Characteristics of the Entrepreneurial Mindset

Pro-activity and Initiative: The mind strength is evidenced by those managers that go out to look for opportunities, rather than waiting for them. They also put their thinking caps on and challenge themselves to "think out of the square" in their professional areas. Forward-thinking business owners predict in time, respond fast and assist you find a solution before the issue gets bigger than life.

Example: Elon Musk saw that electric car technology and solar power technology trends were unfolding well before nearly everybody else, which inspired him to launch Tesla and SolarCity, becoming a big innovator in both industries.

Risk-taking: Anyone who is doing or achieving anything through his efforts and enterprise takes risk. Entrepreneurs are aware of the risks that come with what they do, but they accept enlightened ways of making decisions to deal with those risks.

Richard Branson took a risk, and now Virgin Galactic offers space travel for the common Joe — and everyone else.

Creativity and Innovation: The spirit of entrepreneurship can only thrive on innovation, no ordinary person can achieve the capacity to think outside the box and create new ideas. The

This mindset and approach create a suitable drive to either solve a customer's problem efficiently or find a different way of solving a current problem, hence setting in motion progress across different fields as listed below. An example is: Steve Jobs blended innovation and technological advancement to produce smartphones and tablet computers that changed people's perception of personal technology use forever. 4.

Adaptability and Flexibility: Entrepreneurs operate with an independence approach hence can influence the change in strategy as the market and consumer preference change. Flexibility is the key where it assists in ensuring business consistency through successful means. An example is: Netflix brought streaming service as an adaptive approach to dominate as the world's leader in digital content while keeping track of the technological approach and consumer behavior wish. 5.

Vision and Long-Term Focus: Entrepreneurs who understand their strategic intent always maintain their final goals across temporary challenges and hurdles. Vision is the central drive behind business leaders that leads to invention that facilitates change on an industrial level. Remaining loyal to long-term aspirations assures that the organization thrives amidst the uncertainties and the sine waves of opportunity. An example is: Jeff Bezos started Amazon from an online bookshop to measure its evolution as the world's biggest global electronic commerce and cloud computing firm. 6.

Persistence and Resilience : Successful entrepreneurs maintain their belief in a central strength. Although entrepreneurs confront failure and rejection, successful entrepreneurs never give up and continue to set goals. Successful entrepreneurs maintain their ambition when they meet adversity, an aspect that lacks in people who fail to become successful. An example:

countless rejections which ultimately led to Walt Disney filing for bankruptcy for his dream of Disneyland. The entrepreneurial embeddedness mindset and temporal mentality contain these identified characteristics in a goal committed manner but lack the element of risk-taking considering the goal achievement. People acquire the needed certificate of these identification characteristics that they also learn by experience to mold and edit them throughout their journey.

1.1.3 Why Mindset is Important in Entrepreneurship

Your mindset is what makes you successful in business. Mindset is what shapes how we approach problems, assess risk and see opportunities. An entrepreneurial mindset enables individuals to embrace risk, navigating the hazards of business life by transforming problems into opportunities and failures into lessons. Entrepreneurs with positive mindset are gifted with robustness, confidence, optimism and flexibility to face adversity and bring long-term success into reality. Let's talk about the most important attributes of an entrepreneurial attitude and how they affect business outcomes.

Able to bounce back from setbacks Good entrepreneurs in business are able to take failure as a positive thing for learning. Resilience allows the business people to be strong, think clearly amid adversity and come up with practical solutions to complex problem. It's the process of quick recovery from adversity and taking it to a better place with grit and creativity.

Illustrative: Elon Musk is an imaginative leader that never lost his site when he lost nearly everything, and SpaceX failed on numerous occasions. For him it was satisfying that SpaceX, the dream he had cherished since long finally managed to send a privately-built spacecraft to the International Space Station.

Self-Assurance and Willingness To Make Bold Decisions: "The important part of entrepreneurship is having confidence in your creativity and being aggressive, taking bold decisions at the right moment even when there are no certainties. Confidence allows an entrepreneur to take levels of risk that others would shy away from, and can create windows between new risks and growth.

For example: Sara Blakely's \$5,000 investment launched highlight the creation of Spanx, a game-changing shapewear innovation designed to solve many wardrobe woes women face. Even though she didn't have a background in the business, her confidence, grit, and ingenuity turned it into a worldwide brand.

Optimism and Long-term Vision: One of the traits of entrepreneurial thinking is optimism, as it helps entrepreneurs to focus on their long-term dream even when short term looks bleak." Optimist entrepreneurs believe that adversity is transient and have faith in themselves as a good influence. When combined with some grit and creativity, it is the path to innovative and lasting growth.

Sample: Steve Jobs is optimistic and sees far into the future during Apple's darkest days in the early 2000s. Fueled by personal setbacks and other market unknowns, he had an unshakeable vision of what Apple could change technology. He led several groundbreaking new (in industry terms) products to market, which virtually reshaped the industry and put it in pole position as an undisputed world leader. His vision converted adversity into a period of innovation and growth.

Adaptation and Flexibility: Entrepreneurship involves adaptation too - you should be able to pivot and change strategies according to evolving conditions. The ability to respond to changing market preferences is a game changer essential for competing and meeting the real-time needs of customers. Adaptable entrepreneurs can deal with unforeseen events and grasp unforeseen opportunities.

Example: Zomato was originally a restaurant search company, but over time they transformed as the market shifted by moving into the food delivery space and expanded their business with subscription-based offerings like Zomato Gold. It was in this fluidity that the company remained successful in an ever-changing field.

Learn from Failure One of the chief traits of the entrepreneurial personality is learning from failure. The more an entrepreneur believes in the potential to see failure as an opportunity to improve his process, the greater his chance of long-term success. Franchise failures are lessons learned for an entrepreneur, the failures give a room to an entrepreneur how would he work better and gives ways for success on future.

Example: Kunal Bahl co-founder of Snapdeal also faced a series of major setbacks while he was struggling with his entrepreneurship dream – most notably during the tough times of Snapdeal, when it against giants like Flipkart and Amazon. Yet he never flinched from the lesson that failure afforded, changed tact and repositioned the company in a way that eventually Snapdeal could carve out its own niche in India's e-commerce landscape.

Determination and commitment: Winning entrepreneurs are stubborn and have a 'never say die' spirit. It's this insistence to keep pushing forward in the face of rejection or ridicule, or failure that is usually all that separates success from failure.

Example: Indian entrepreneur Vishal Singh started the startup "The Souled Store" with bootstrapping it. He met with no shortage of difficulties, from a lack of funds to skepticism on the part of would-be investors. Yet with grit and determination, he willed himself to eventually build his brand into India's biggest online apparel retailer.

Entrepreneurial mindset is key to building a successful business. It allows entrepreneurs to overcome failure, decide and to get opportunities. They are grit, confidence, networks, optimism, and the need to learn from failure plus determination. They are critical factors in entrepreneurial success. Entrepreneurs who compile and

follow the above -you will break barriers, disrupt and create innovation by eventually growing successful sustainable businesses.

Knowledge check

State True or False:

1. Resilient entrepreneurs completely avoid failure in their journey.
2. Confidence enables entrepreneurs to take calculated risks and seize new opportunities.
3. Flexibility in entrepreneurship means rigidly sticking to the original business plan.
4. Entrepreneurs who learn from failure have a higher chance of achieving long-term success.

1.1.4 The Correlation between Mindset and Business Success

Mind you, the entrepreneurial mindset is what leads directly to business success. Such an entrepreneurial mindset will enable entrepreneurs to discover, pursue and benefit from opportunities [6] while overcoming obstacles they might encounter in the course of their long term success. Adopting a can-do approach, in the right frame of mind results to inventive problem solving and creativity – both required in today's competitive business architecture. Let's understand how the right mindset is related to success.

Seeing and then Taking Opportunities : Proactive business owners spot opportunities before their competitors. They assess well-measured risks associated with entering a new market, launching a new product or tweaking existing.

solutions to fit new demands. By spotting gaps and acting fast, they outflank others and invent what's new.

Example: Ratan Tata sensed the need for a low cost car in India. He then decided to develop the Tata Nano, a mini compact car, so that families too poor to own an automobile would be

able to purchase one. This was not only addressing a different customer segment, this also fulfilled a vacuum here in the Indian automotive industry.

Innovations and Market Disruption: An entrepreneurial attitude forces the owner to disrupt the markets with new products or business models because they are designed to provide a better faster solution to customers. They break the norm, and that revolutionary change changes everything- industries are disrupted, consumer expectations are reset.

Example: With Tata Nano — the world's cheapest car (billions of Indians can now dream to own it) shock global automobile industry rolled in Indian bank customers pocket! It's made to change the automobile market in India.

Persistence in Pursuing Long-Term Goals: Entrepreneurs with the proper mindset value the long term while they don't know what is going on tomorrow. It is what gives them the momentum to get on with business, work through any early failures and continue innovating for growth. This sort of monomaniacal vision allows them to stick to their guns in the face of market vagaries and early failure.

Example: Narayana Murthy the co-founder of Infosys faced a host of struggle in the beginning days of his enterprising life. When Infosys was established, Murthy too didn't have as much capital, some wary prospective investors and very little infrastructure in India's information technology industry. But he faced a string of obstacles to turn Infosys into one of India's best-known IT service businesses.

Risk Along With Calculated Decisions: An entrepreneurial mindset is full of risk though not unusual, it is managed type of the it. Business persons evaluate the potential gain and risks involved before undertaking a deal, just as it is with God. They take risks incrementally with planning and every risk is follow by a long term objective.

For instance, thanks to Vineeta Singh's determined gamble-taking, SUGAR Cosmetics forayed into the very crowded cosmetics industry. Her understanding of Indian consumers and the unique positioning of the brand gave a great kick start to SUGAR resulting in it being able to hold its mettle against global brands competing in this market.

Resilience and Failure Tolerance: The ability to recover from failures is a necessity. Entrepreneurial spirit renders one strong. They appreciate failure as a learning opportunity - and not failure, but just the reality of where they are in route to their success.

Example: Freecharge founder Kunal Shah had to face very bad battering with competitors, and market not trusting him in those days. Kunal was down but not out- even after Snapdeal bought him and his dream crashed as a brand. Instead, he recovered and went on to launch a massively successful app called CRED which rewards users for paying credit card bills on time – meaning rather than failure, the man has shown resilience and learned from his experiences.

Many entrepreneurs have a deep desire to succeed. You are the force behind innovation, the support and guidance giver to entrepreneurs hunting for opportunities, and your attitude is just what's needed when it comes to facing business adversities.

1.1.5 Growth Mindset Through fixed mindset

Growth Mindset Through fixed mindset, versus mindset This discussion around the growth and fixed mindsets is characterised crucially by a dichotomy (Dörnyei 2016d).

The psychologist Carol Dweck of Stanford coined the concept of growth mindset v fixed mindset. He brought to light the discovery that when someone believes in their own capacity, it makes far-reaching differences towards their effectiveness, success and fulfillment. The person that sees his skills as developed through hard work, study, and practice thinks that he can get better. Those who have a fixed mindset believe their abilities and intelligence remain the same over time. They are innate rather than cultural, given rather than acquired. This difference is crucial and has everything to do with how entrepreneurs respond to adversity, innovate and grow respond to adversity, innovate and grow.

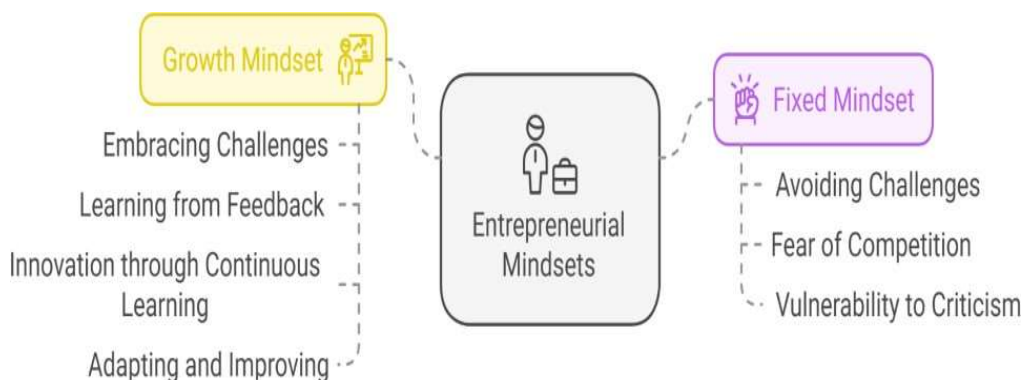


Fig 2.2 Growth Mindset vs. Fixed Mindset

Embracing Challenges with Growth Mindset With a growth mindset founders will perceive challenges as not something to avoid but a tool for learning and self-actualisation. These are the entrepreneurs most likely to innovate like crazy — rational risk takers who do not flee from failure but consider it a part of entrepreneurship. This type of thinking leads to greater performance because that way it would require creativity in problem solving, persistence in the face of difficulty and refusal to quit.

Example: Biocon founder Kiran Mazumdar Shaw was rejected by investors initially, but she never gave up. The growth mindset helped her navigate daily rejections, and with grit and the belief in her ability to learn and change, Biocon has emerged as one of the leaders in making biopharma a global business.

Listen and Learn: Instead of being insecure about negative feedback or failures, growth-minded entrepreneurs will actively seek out feedback that allows them to learn from their mistakes and make better decisions and plans in the future. They don't view failure as a loss (or something to be ashamed of even). They view failure as a learning experience, and use the knowledge gained from it to put themselves on the right track. This type of active learning and adjustment is critical for sustained success and business expansion.

Example: Kunal Bahl, co-founder, Snapdeal: When his startup wasn't "growing up" during the e-commerce boom, Kunal had to check and re-check strategies. Yet rather than feeling defeated, he absorbed all the feedback from customers and investors and went about fixing the flaws in his business model, refining the user experience. It is with this belief that Snapdeal became one of the largest e-commerce platforms in India through learning and iteration.

Constant Learning: A growth mindset individual is energized by learning and innovation. The entrepreneurs will realize that continuous learning is a process by which one can stay ahead of the industry, and also remain relevant in an industry or market trends.

Example: Bill Gates's growth mindset in the example above is his continued learning across life. By constant learning of technical skills, Microsoft has managed to adapt with the shifting technology worlds and remain in the chasm of this field.

With A Locked Mindset Stifling Growth: With a fixed mindset, the entrepreneur would still have been running away from their fear of failure or judgment. This aversion stymies their creativity and

develop themselves. These entrepreneurs are also more likely to quit the moment something fails for them which does not bode well for their success in the long run.

Example: Sabeer Bhatia, a co-founder of Hotmail, had trouble getting the company off the ground. Bhatia later founded other companies that didn't do as well as he would have liked after Microsoft acquired Hotmail. A few of his companies, instead of letting him learn from his mistakes and adapt, simply got rid of him early. His first failures illustrate how a static mindset can hinder further progress and growth.

Adapt and Evolve Through Growth Mindset A growth mindset leads us to have a humbling hunger for always wanting to get better. They believe that one can become smart and skilled merely through repetition, working hard enough so they can not only keep up with the demand but also change fast to fit the occasion.

Example: Rahul Yadav of Housing. com had bugs and UX problems on the website. Rather than sit bullheaded on his original proposition he switched the site up based on what user feedback, and so Housing was. com in such a competitive real estate environment.

Growth mindset A major factor in entrepreneurial success, is growth. It is a source of innovation, determination and sustained striving for improvement. A fixed mindset can lead to stunting of growth and limit learning, as well as being unable to adapt to meet new challenges. Growth mindset entrepreneurs are also more inclined to navigate business sensitivities and do it without getting overwhelmed.

1.1.6 Developing an Entrepreneurial Mindset

Some aspects of the mindset are innate, but you can learn it through practice and effort. Becoming an entrepreneurial mindset The process of becoming an entrepreneurial mindset involves the forging of qualities such as resilience, creativity, and flexibility – traits that help entrepreneurs to navigate challenges inherent in starting new businesses or expanding existing ones.

Setting Lofty Goals: The successful entrepreneur pushing the envelope, setting goals high enough to rise above obstacles. Challenges are efforts into positive force motivation, leading to a successful.

entrepreneurship and trying to survive them at the same time. These bold and far sighted visions create the betterment and promote new thinking!

Mukesh Ambani The example: When he unveiled his vision for Reliance Industries to revolutionize telecom in India. This was a direct move forward in introducing the mass market telecom service, Jio which made affordable connectivity accessible across the country and also took over the market for Reliance Industries.

Passion For Learning Learners are earners. They constantly seek new data and expertise to adjust to different business environments. They carve out time for professional and personal development, whether that's through reading, seminars or conversations with mentors.

Example: Snapdeal co-founder Kunal Bahl understood the importance of adapting to new e-commerce trends and changing consumer habits. It enabled Snapdeal to make the right choices, and so, its strategy was successful.

How to Overcome Fear of Failure Risk taking It is an entrepreneur's fear failure that prevents him or her from taking the risk that their business idea requires. But that is not how entrepreneurs perceive failure and its effect on what they're capable of. Growth mindset entrepreneurs, instead, see failure as an opportunity to learn and grow.

Example: Bhavish Aggarwal had a number of challenges and skeptics when he was starting out in the ride-hailing business with Ola. He battled with self doubt, innovated incrementally and built Ola into one of India's most successful ride sharing businesses.

Ready To Get Feedback And Take On A New Mentor: No businessperson is successful without getting feedback or seeking mentorship. They will seek the advice of others about sharpening their plans and achieving maximum leadership. So being open to constructive criticism supports better issues management and faster growth.

Model: Former PepsiCo CEO Indra Nooyi regularly solicited mentors from those who had achieved the pinnacles of leadership. The feedback and coaching was critical for turning her into a leader who could steer PepsiCo through a period of global expansion.

It's a whole lot of perseverance, persistence and relearning from wins and losses. The harder the goals an entrepreneur sets for him-or herself, the stauncher learning stance it takes and the more that fears of failure are reduced, as well as receiving constructive feedback, there will be a high probability of success. It's not always easy to be an entrepreneur, but for those who nurture these characteristics success becomes much more likely. With those characteristics and abilities, entrepreneurs can more successfully navigate adversity, capitalize on opportunities and bring lasting business success.

1.1.7 Psychological Factors Impacting Entrepreneurs

Entrepreneurship goes beyond business models as there are many psychological implications to being a successful entrepreneur. They also use motivation and self-confidence (emotionally intelligent variables, among other psychological correlates) to problem solve and recover from failure in business; they establish good business contacts. It is necessary for entrepreneurs to understand these essential psychological elements to create a growth and resilience entrepreneurial mindset. Now, let's take a look at these mentalities that regulate Entrepreneurs decisions.

Motivation: It is the energy that drives entrepreneurial activities. Entrepreneurial intentions are mainly derived from their need for independence and monetary benefits, in order to realize the personal goals in one's life. The achievement of such transformation passion enables others to take up an identity, or internal motivational attitude to secure the sustainability in entrepreneurial ventures.

Example: The founder of Better. com, Vishal Garg had an itch to disrupt the mortgage industry by making home loans easy. That's why the online mortgage platform that streamlines home loan applications has not only hastened its supply but also changed the way in which people experience buying their homes.

Self-Consciousness: Deep self-consciousness is needed by entrepreneurs to step in and out of their business ideas for fear, everyone's criticism among other people that will meet them. Entrepreneurial business founders who

display confidence make better decisions and take risks with impact while gaining trust from investors as well as customers and employees.

Example: Ritesh Agarwal, founder of OYO Rooms started his venture at an age of 19. He didn't have much in terms of resources or an older entrepreneur's experience but he was full of self-belief and pitched his idea to investors who eventually made OYO a global hospitality brand.

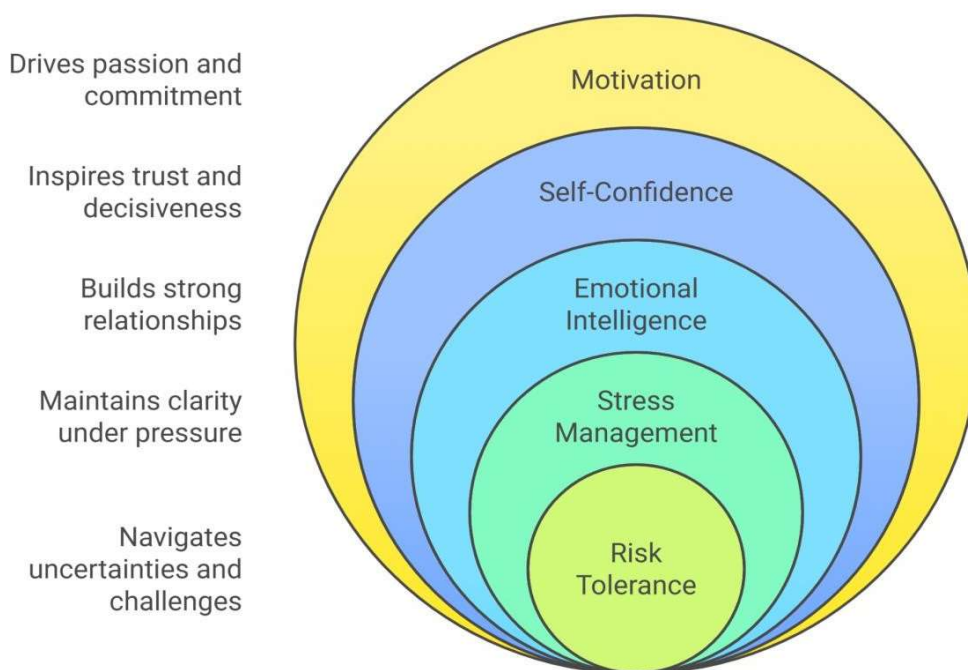


Fig 2.3 Psychological Factors Impacting Entrepreneurs

Emotional Intelligence: Emotional intelligence is the capacity to recognize your emotions as well as those of others. Great leadership, being able to make a deal and building a relationship with customers as well with employees and investors is all based on entrepreneurs' high emotional intelligence.

Exemplar: While he was CEO of Starbucks, Howard Schultz used his deep emotional awareness to foster a powerful culture that placed the well-being of employees and excellent customer service at its center. This became the touch that made Starbucks an international coffeehouse empire.

Management of stress: There are loads of issues that entrepreneurs come in contact with during their period as an entrepreneur such as financial uncertainties, competition from the market and all forms of management responsibilities. Stress-management skills help entrepreneurs stay cool and think well under pressure, rather than panicking, or making poor decisions on an impulse.

Example: Falguni Nayar, the founder of Nykaa, describes having the most stressful experiences when she was building out her brand in its early growth stage. It involved the rivalry and growing pangs endemic to the retail and beauty industry. The only way she could make better decisions was if she stuck to her strategy and remained calm, so much that it made Nykaa one of India's biggest name in the e-commerce revolution.

Risk Tolerance: Entrepreneurs are forced to take high risks in their business life, from financial problems to personal and reputation issues. Rational risk management involves taking risks where the potential benefits outweigh the costs while letting someone else bear the costs. Risk taking: A level of comfort with uncertainty and willingness to take risks that helps identify opportunities in challenging times.

Example: Jeff Bezos took a big personal and financial risk starting Amazon in a garage. He was an early backer of the online retailing concept when few in the industry were taking it seriously.

Success for business leaders are outcomes of key psychological traits: motivation, identity, emotional quotient and stress management. Achieving entrepreneurial mental toughness to withstand the storms and still stay focused on the intended goals, requires entrepreneurs to first identify and then develop these personal attributes which promote venture success.

1.1.8 Creativity and Innovation in the Entrepreneurial Mindset

Entrepreneurship, at the end of the day, is creativity and innovation. As an entrepreneur you constantly face having to make things happen in another way to solve problems or meet unknown demand in the market. Creativity is how an entrepreneur comes up with novel ideas, and innovation is how an entrepreneur turns those ideas into actual products, services or new businesses. This back and forth process of creative thought to practical execution is what makes for entrepreneurial success, keeps the mind active and businesses evolving in an increasingly fickle world.

Creativity as a Precursor to Problem-Solving : The creative capability makes it possible for the entrepreneur to think outside the box and attempt new things proposed by "old" issues. This is what productized starts becoming the need of.

development for launching novelty solutions, to bring changes to the existing services, or improve the processes design of a business.

Example: Falguni Nayar, Founder of Nykaa: She's just brilliant to have changed face of Indian beauty retailing. As a pioneer of the online-first model and aggregating a ton of products, she

solves the problem of access for the consumer; How many good beauty products can make their way across our nation?

DIFFERENTIATION THROUGH INNOVATION : Innovation is the process of turning a creative idea into product or service. Innovative entrepreneurs constantly look toward how they can do things better, transform markets and add value. Innovation is the oil that keeps businesses competitive and viable.

Example: The father of India's White Revolution and founder of Amul, the late Verghese Kurien changed how dairies work with new cooperative methods. He transformed milk production and delivery processes in India, which is now the world's largest producer of milk.

Product Development and Value Creation: Product development & services propositions are value-added ones. Innovation changes the ideas floating around into final, 'solid' goods that can be implemented in reality, and creativity allows those new ideas and fresh solutions to spring forth from a business owner. Integration of innovation and creativity Organizations that integrate creativity and innovation ensure the success of bringing the product to market (delivering value) and capability for differentiation in the marketplace across time as a means to create lasting value.

For example, Peyush Bansal, co-founder of Lenskart, discovered that the eyewear category was missing in action and founded a platform where there is synergy between affordability, quality and accessibility. The fact that his model delivered a cutting edge online and offline retailing experience for eyewear in India, at high value to the customers is innovative.

Innovation is a process: Entrepreneurship innovation as a process can be seen to be an iterative process in which the entrepreneurs work on improving and changing their ideas, product or service based on feedback and demand from the market. This fosters flexibility and makes sure that products are customer focused.

Example: Instagram started as a photo-sharing app and then transformed in so many different ways over time. This incremental innovation, which included the addition of filters and stories feature to the app, turned Instagram into one of the most widely used social media.

Risk and Reward in Innovation: For an innovation to be radical, it must likewise have a high degree of risk — the freeing up of sunlight for its raw, untethered state is not only dangerous but will take years before we see whether that approach works or not. But when the bets do pay off, they have the potential for significant reward: a sustainable competitive edge, market domination and business success.

Sample this: BharatPe made a big splash when it launched to address an underserved market of small merchants in India with a QR code-based payments solution. This innovation caught on massively for BharatPe, making it a big-league player in India's digital payments industry and changing how roadside vendors do business.

Creativity and Innovation Disruptive outcome: Creativity and innovation result in the disruption of an industry. More typically the most disruptive business people have invented products or services that would make consumers behave differently from before and meet expectations.

Example: Airbnb successfully disrupted hospitality by inventing new places people could hire rooms or houses, competing with hotels and other venues.

In creativity and innovation within the entrepreneur mindset spirit. They allow entrepreneurs to build something new, find a niche in the market and continue – forever and ever – to make better products and offer different services. Entrepreneurship culture nurtures creativity culture, stimulates innovation culture, creates new opportunities and success of business.

1.2 The Importance of the Problem Identification

1.2.1 Introduction

Problem identification is the cornerstone of entrepreneurship, which in turn is fundamental to enterprise creation. But the best entrepreneurs are those who can see what problems there are to be solved. In this sense, the process of identifying opportunities allows entrepreneurs to identify voids in markets or unmet consumer demands that allow for development of a workable solution. Entrepreneurship is not just about coming up with a solution or having vision; it's more than that – entrepreneurship generates opportunity by solving the right kind of problems in the marketplace, and one that requires creative and successful solutions.

The significance of knowing what the problem is stems from its implications on the ability of the business to sustain and grow. The right entrepreneur will be adept to find problems that are both universal and important plus scalable solutions. If handled well these kinds of problems, have an ability to become products or services that will both appeal to mass and get the true gap in marketplace. A viable business does not always identify a new idea but rather a problem to be solved.

Conversely, those who can't pinpoint or articulate the problem they are solving have a more difficult time selling to customers. Know, recognizing an issue is not simply the initial step to starting a company, but 1 of the most essential steps. A well-defined problem drive product development, marketing and business strategy making it easier for the entrepreneur to discover valuable and sustainable solutions. This will also help entrepreneurs in figure out which problem calls and use their resources rightfully.

Recognizing the importance of a problem to solve reflects on the fact that there is no better foundation for a successful entrepreneurship company than solving real life issues. It's a

process that paves the way for innovation and advancement of products and services that have the promise to make your life easier. This innate sense for identifying and evaluating the problem combined with an understanding of its importance serve as the foundation from which entrepreneurs build sustainable business success over time by ensuring their ventures are able to compete effectively in a marketplace.

1.2.2 Understanding Problem Identification

Resolution of Business Problems All [...]. Entrepreneurs are required to gain insight into market problems, and they must do so in a way that readers find useful for solving these types of problems. When an entrepreneur understands the nature of problems that exist in the market, he can create a customer-alignment-led.../0-model with cljs-sub.get's which is trained and implemented to push his business on a scale.

answer that ultimately leads to long-term business success. That, for entrepreneurs unable find the right problem to solve with their solution, will likely result in over-investing in solutions that will fail to meet real needs in the market.

Focus on Real Problems: The entrepreneur who wants to succeed has to identify real-world problems in the market that need immediate solutions. "Good ideas-solving real problems that people can experience in their everyday lives-are worth a lot to people, and solving those problems are things that then get you interested in growing a business."

Illustration: Another issue that haunts small businesses is cash management. Razorpay recognized this issue and created a payment gateway product that would revolutionize how small businesses could receive online payments without dealing with the headache of managing finances.

Problem in the Beginning: Identifiable Feasible Solutions Outcome are obtained by identifying problems that we want to solve. When entrepreneurs learn problem discovery then they can apply their creativity to come up with new products or services which solve customer pain, and that's when the real innovation happens.

Example: WhatsApp's co-founders saw that SMS was too expensive and developed a messaging app that became a worldwide communication tool.

Resist Acting Prematurely: Entrepreneurs need to resist the tendency to rush into solution development without taking time to deeply understand customer problems. Rushing into product or service development before you ever really understand the root of what problems you are trying to solve can mean that your solutions aren't useful, or they're aimed in entirely the wrong direction. The problem idea is analysed in detail for customer problems so the solution can be applied effectively and relevantly, leading to increased possibility of success. Problem discovery is key to deliver value and build products or services that matter.

Example: Travis Kalanick and Garrett Camp founded Uber in 2009, after Camp got fed up with trying to hail a cab in Paris. They made an application that matched drivers and riders after

they found what they believed was a chance to make transportation better. Uber quickly revolutionized the industry by offering a more reliable and accessible service.

They went on: Successful entrepreneuring exists with problem identification. When business owners have a distorted perception on the problems already out there, even the best solutions fall short to meet their customers' needs. This is how successful business models are built and they can scale by being focused on solving the real problems people encounter.

1.2.3 It's Reasonable to Identify the Problem

Problem identification as the basis for business is Therefore fundamental, through recognising key areas of Problems this results in effective solutions, new innovations and enables businesses to Survive. If they cannot correctly diagnose what ails them, organisations will fritter away resources on treating symptoms rather than diseases the results are unlikely to be good. This is a fundamental commonality that new startups trying to break into the market and old companies that address competitive pressure (as well as internal inefficiencies) have on which they can hang their hats. Let's clarify why you need to discover problems in the first place, and how critical this is in the early stage of entrepreneurship.



Fig 2.4 Significance of Problem Identification

Basis for Strategic Decision: Clarity of decision is possible as the diagnosis brings out to light the patient's basic architecture problems. Problem identification is an instrument that allows firms to measure their problems and to adjust the allocation of resources, which captures attention toward the most serious problems.

Innovation-Enabler: Performance of innovation is arguably at its best when precise definitions are in place for their driving problems. The businesses most successful at locating

unmet needs and inefficiencies will grow competitive opportunities that will drive the invention of new products and services. Problematization gives rise to market sensitive solutions and thus this identified as a primary process of accumulation of

Risk Management: It allows the organization to identify problems early and to minimize the risk if they escalate. Technology and health care, as well as finance companies must solve problems early, too, because delays could lead to significant financial losses or cost them their reputations.

Customer-First Growth: Empathy with the customers' problems is certainly necessary for earning a level of trust and loyalty. Instead solving organizational problems gets us to where business strategy meets customer expectation, which results in improved product-market fit and long-term customer happiness.

2 Efficiency And Resource Utilization: if a company can solve problems efficiently, it makes them resourceful in allocating resources to the right places and targeting the most significant problems in an organization, which ultimately cuts down unnecessary waste in your processes. That's important for start-ups, which have less money in the bank (and a track record to manage), but it also holds true for already-scaled organizations that need to shave away some stuff and focus on things that are going to truly make everything better. And businesses will get the most impact with efficient use of resources.

How Problem Identification Creates Value

Matches Goals with Solutions: Companies that can articulate needs clearly can tie goals to measurable solution achievements. When businesses see their customer retention rate decreasing, they can use the information to develop better/best loyalty program other than that improving their after-sale services.

Promotes collaboration – As organizations diagnose problems and seek for solutions it promotes cross departmental collaboration as well. In this manner, problems are brought to the fore for investigation and resolution in a number of areas, which is the impetus for more creative and effective solutions.

Creates Long-term Competitive Advantage: When organizations become skilled in recognizing and solving problems, they do it masterfully and create long-term competitive advantages. It builds strength and the ability among companies to thrive when businesses are tossed by changing currents, ultimately setting those businesses up for success on a more permanent basis in the market.

The identification of the problem is no longer just a first step in organizational decision-making; it becomes both the pivot and crucial determinant for the success of an organization. Great companies leverage what they have to innovate solutions for the current set of problems and markets, while preserving and harvesting.

market- place alignment with customers. Whether new entrants to markets are looking for a niche in which to compete or an incumbent firm seeking to run its business closer to optimality, they seem to need some identification of problem area as an enabling factor in creating innovation and moving toward market leadership.

1.2.4 Contextual Review – Problem Identification Introduction:

Honey Twigs Contextual review In the current market, one can easily differentiate between fast moving consumer goods and otherwise with simply a glance at its exterior packaging or marketing strategy there by identifying their target customer group.

Honey Twigs are the new 'comets' in honey, designed to serve you with a dust-free and portable honey like never before! Natural sweetener honey had been beloved around the world for centuries, but its conventional packaging didn't make it very portable or easy to control that sweetness while on-the-go. This case will demonstrate how to find the right problem to solve and align with customer problems.

The Problem Identification Process

Honey Twigs Co-founders realised that honey was an inflection point in the market, where the home cooking food sector loved it for its healthy propositions and natural flavour but hated glass jars and plastic bottles associated with 'mess' and 'inconvenience associated with their day to day use'.

The Issue Focused on the following Central Points

- Hard to bring Honey with when going out or doing outdoor activities
- No more lost servings with portions that get spilled or discarded

Options for health-conscious consumers who want to receive measured portions are few.

Solution Derived from Problem Identification

So when Honey Twigs understood the problem, they created a fresh solution: little single-serve packets of honey that you can throw in your bag, without having to worry about making a mess as you use them. Sooo if you liked how the original Fit Stick worked then you're REALLY going to love this new packet all NON-liquid (no messy packs!) packing issues have been solved for busy professionals, working soccer moms & dads, active So basically like everyone.

Impact and Outcomes

A mixture of healthy food labels and gourmet options drove the popularity of this product in the market. Inventions helped Honey Twigs shape a premium brand and to enter niche markets like corporate gifting, luxury hotels; expanded from traditional retail to web based. The project met the increased market demand for natural products by providing green packaging solutions.

Key Lessons in Problem Identification

Empathise with Customer Needs: A right solution was discovered when it scanned the customer's daily problems. Understanding the consumer journey more intimately empowered us with a solution to address their pained points and thereby ensuring them of a higher satisfaction resulting in increased loyalty from customers.

A Focused Lens: There were a lot of problems with honey consumption to solve, but instead of trying to address them all, the company focused on one issue that drove convenience. It was this focus that empowered the company to innovate and streamline its product so well, meeting a clear consumer demand.

Innovation as a Response to Problem: Honey Twigs differentiated itself in the market with its inventive single-serve sachets, created out of careful problem definition. By creating that consumer need – no nonsense/easy honey consumption, the company set itself apart and readily locked in a loyal niche market.

A case of Honey Twigs Why problem definition is key to successful innovation and business outcomes The company solved an existing problem rather than uncover one but, in answer to a small ball pain point, designed a solution that created new growth surface area.

1.2.5 Identifying the Problem is Noticing the Opportunities for Innovation

Wherever there is innovation, you always see a problem. Most successful businesses and entrepreneurs have spent most of their time on the genius work of how to solve a particular challenge for one person, or organization, or society. If a problem isn't known well, innovation tends to be perfunctory, misdirected or not lasting. Problems discovery is the start point for value creation and change in the way of products, services or systems.

→ Why is Opstart Relevant for Innovation?

- **Clear Objectives:** When the problem is clearly defined, innovators are then able to focus on what really is important and concentrate on solving this issue rather than get lost in the details of work that wouldn't make any significant contribution. This definition permits one to focus and guide the process of innovation towards what is important in the marketplace, so that one ends up with more impact.

- **It Inspires Creativity:** A well-defined problem leads to a clear image that drives creatives to get out, develop ideas and come up with new creative solutions to resolve the issue. Having defined the problem, it

prepare a ground for new approach of investigating, and forces innovators to be creative outside of the boundary, results Innovative solutions.

Drives results ● Reduces Risk: Focusing on a tangible, proven problem, helps direct the solution to what matters thereby decreasing the failure risk and making innovation more predictable and targeted. By solving an aching need, innovators are in a stronger position to offer solutions that have a higher probability of succeeding in the market place.

● Increases Customer Satisfaction: Offering solutions that solve real problems will build deep customer relationships which leads to better experiences, and loyalty and trust in the solution over time. Once visitors come to know that a product or service will cater to their needs, they engage better and are more likely to return and recommend the service.

→ Problem Identification in Action Leading to Innovation

Airbnb: Redefining Travel Accommodation

Problem Found: Travelers thought hotels were too expensive or didn't feel personal enough, and homeowners had an empty bed in their homes.

Answer: Airbnb unlocked the opportunity for homeowners to rent their rooms or homes to travelers at a lower than usual cost and in a more personal environment.

Outcome: By tackling both more-expensive travel stays and underused space, Airbnb disrupted the hospitality market and became a global brand.

Tesla: Conquest of Eco-friendly Transport

Problem: Reliance on fossil fuels and the η of electric cars has made sustainable transportation in-discreachable to crowds.

Solution: Tesla innovated by introducing improved performance, longer battery life and design of electric vehicles, in addition to investing in charging infrastructure.

Result: Based on these problems as opportunities, Tesla has evolved EVs from a niche to a mainstream solution for sustainable transport.

Tetra Pak - Solve meal supply Issues With Food Packaging

The Food and Beverage Challenge: Manufacturers of food and beverage products found a secure, economical and eco-friendly packaging solution to protect their products.

Tetra Pak invented aseptic carton packaging. It preserved without refrigeration, and minimized waste from the packaging.

Outcome: Tetra Pak was a trademark, spelling the most revolutionary way to store and transport things that spoil.

→ Key Takeaways

● Problem Identification Guides Direction: With clear problem identification, innovators are guided to focus on solving real problems as opposed to addressing non-existent or abstract

issues. Such a directed attempt helps better use of resources and increases the probability to offer effective solutions.

Real-World Problems Drive Revolutionary Solutions: The most successful innovations result from the solving of real-world issues – just ask companies like Airbnb and Tesla. When you solve real-world problems, not only is your innovation potentially relevant but it also helps assure longevity of demand and growth.

- **Focus and Empathy Drive Innovation:** Understanding your targeted individuals pain points and challenges allows for what can be life-changing, personalized solutions. Empathic innovation is more likely to shake the world.
- **Innovation is a process It starts and the problem identification:** Starting point for solving any problem is to identify it. It creates the foundation for imagination, planning and execution – elements that ultimately transform a vague problem into an identifiable opportunity.

1.2.6 Identification of Unmet Needs/Market Gaps

Spotting unmet needs and market gaps is an essential part of the entrepreneur or businessperson's skillset necessary for expansion and viability. Unmet needs are customer problems that remain unsolved, and the market gap is a place where solutions that exist up to now are insufficient or absent. Innovators can then put out pertinent offers, services or concepts out on the market that tackle the previously found problems through such types of identification and in that way be competitive edges by getting customers loyalty.

→ Why It's Important to Identify Unmet Needs and Gaps

Innovation Drive: Unmet needs accelerates growth by helping companies identify new paths of growth. Follow it, and new products or services come pouring out as innovative answers to specific problems. This creates an incentive for innovation in the business and ensures that the business stays competitive.

Market Position Reinforcement: Filling in market holes provides a company with distinctiveness in that it offers solutions which others have not experienced. This results in an identity, a gap is what the brand taps on which makes it appealing for companies and attracts new customers.

Increases Customer Loyalty: Companies show they really care and that they are listening, taking care of pain points that have not been solved in the past. The effect is creating confidence and satisfaction, establishing a deep emotional commitment between consumers and repeat purchase behavior and the long-term loyalty to bolster the brand image.

→ Methods of Finding Market Gaps

Observations and Customer: Listening to customer rants about what others aren't getting right, gathering their feedback, observing how they act can reveal sources of frustration, of unmet needs or difficulties the business can tackle with proper solutions for these problems. "We allow companies to have their ears to the ground for changes in customer needs, allowing them to tailor solutions directly and fully relevant to an audience that is often felt only at arm's distance."

Example: Xiaomi noticed people were disappointed with overpriced Smartphones with low spec. The company's response was to produce high quality specification smartphones at competitive prices and redefine the market for budget phones.

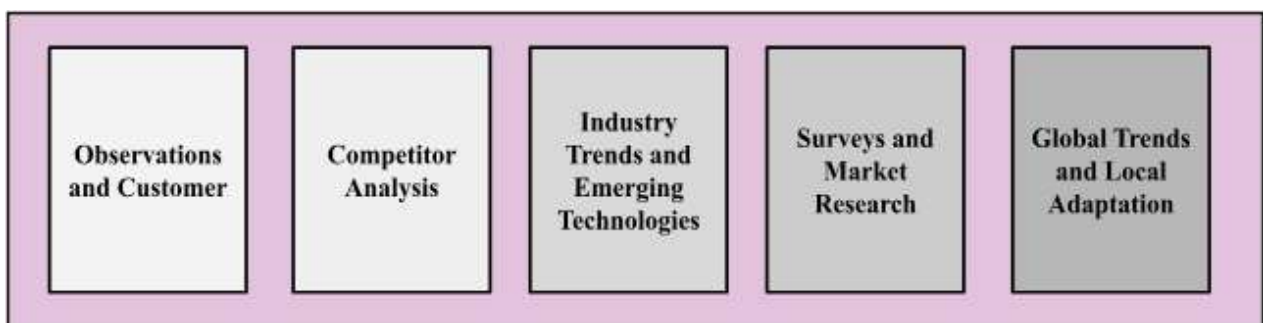


Fig 2.5 Approaches to Identifying Market Gaps

Competitive Analysis: Analyzing competitors products to identify weaknesses; what features they have that competitors do not and vice versa. It demonstrates the weakness of your competitors' offerings and areas there were open opportunities for them to exploit, i.e. it gives you "air cover" to fill gaps. This is what will set your enterprise apart and tap into new market potential.

For example, Swiggy identified the opportunity in food delivery segment, where and real time tracking and reliability were less utilized earlier. In meeting the demand, Swiggy gained a first-mover advantage taking larger share of the market against competition with Foodpanda.

Industry Trends and New Technologies: Tracking and adopting new industry trends is another great way for companies to develop in emerging markets. Technology shift on the horizon means that businesses are able to be progressive and competitive by predicting market needs and staying ahead of trends.

Example: Gymshark – Founded in 2012 Don't let their early start fool you, this clothing brand didn't see its big break until it noticed that online fitness communities and influencers were on the rise, these people wanted stylish workout gear to suit their individual needs as well as someone or something to motivate them, By leveraging social media for discovering TONS of

fitness influencers and embracing this growing demand for personalized workout gear and fitness motivation through Facebook groups and large scale Instagram collaborations they turned the name into a global phenomenon.

Surveys & Market Research: Surveys and gather data to know what are the customers looking at or which gap is lurking behind the current solution. This enables organizations to gain actionable insights on unmet needs and drive the development of targeted and relevant offerings.

Example: Dove's "Real Beauty" campaign acknowledged the lack in beauty for diverse and genuine representation. Trailing customer feedback, Dove discovered the need for beauty standards to be more diverse. They created a campaign that people liked and changed the perception of the brand.

Global Trends and Regional Variation: By localizing global trends, companies match with regional requirements. Relevance comes along by adjusting the product, service or strategy according to culture and market condition. This would enable businesses to take advantage of global opportunities but also retain the ability to cater for local tastes.

For instance, McDonald's tailored its menu to regional tastes in many countries. And it brought the McAloo Tikki to India and the Ebi Filet-O shrimp burger to Japan. By doing so, the brand could take advantage of worldwide fastfood trends and at the same time accommodate itself to regional tastes and cultural differences.

→ Case Studies Addressing Unmet Needs and Gaps

Zoom, the Pandemic Video Meeting Hero

The Gap: Existing video conferencing tools were clunky and had unfriendly interfaces, which stopped people from working remotely.

Resolution: Zoom provides a convenient platform that enables the decent quality of video and audio; it is simple to use, accessible and can be scaled up/down according to the size of the audience or business.

Outcome: In short, we now live in a world where zoom is dominant tool that many businesses and institutions and people rely on because the truth is it had grown up to the sky if I remember during work-from-home situation.

Warby Parker: Affordable Eyewear Online

Gap in Market: Consumer were overpaying and frustrated when purchasing prescription eyewear, especially visiting a store multiple times.

Solution: Warby Parker disrupted status quo by offering a low-cost, stylish home try-on option for glasses in an online shopping environment.

Outcome: The company disrupted the eyewear industry, transforming prescription glasses into an affordable, accessible and fashionable product.

Tesla's Solar Roofs

Gap Filled: Homeowners desired energy sources that were green, aesthetically pleasing and integrated with their homes. Solution: Tesla created solar panels that could double as a roof, delivering both energy efficiency and an aesthetically pleasing roof.

Outcome: Tesla's breakthrough melded sustainability and design, appealing to eco-aware homeowners who wanted beauty with a purpose.

→ Key Takeaways

Catalyst for Growth is Knowledge of the Gaps: For companies, understanding where the gap exists, enables innovation and competition identifies unmet needs and leads to long term growth. By identifying the lacunas, companies can develop solutions that are exclusively designed to facilitate themselves in expansion and differentiation in the marketplace.

Customer-Centered Products Make All of Them Winners: Companies that leverage products and solutions that are meaningful and effective will enjoy product success, with adoption, loyalty and longevity. Through responding to customer requirements, companies are forging stronger ties and establishing long-term relationships.

Pro-active search requirements: Continuously in the direction of getting customer opinions and exploring competitors make company be responsive and able to find out where is the space for entering into a market. Constant investigation keeps companies on their toes, prepared to respond quickly and competitively.

Local Innovations from the Global: What is there to find or localise about global innovations, if not what it takes for those innovations to be locally realized. Adapting of innovations to local conditions results in a more viable and acceptable product.

1.0.1 The problem of Startups vs. Established Companies

Problem finding is key in all companies but it looks very different between startups and established organizations. The challenges that a startup faces are more exception than the rule.

company where they get bogged down and slowed by organizational structure. It's all the difference in how you define, analyze and solve problems.

Startups are all about competing for attention in a chaotic world of limited resources, product-market fit and uncertain business models. They are nimbler and more flexible, capable of adjusting and reorienting instantly in response to customer feedback and marketplace movement. Whereas, existing companies are plagued with bureaucracy, legacy systems, and generally (not always) a more conservative culture. This slows the identification

of problems and makes it less innovative, as they tend to optimize function over finding outlying opportunities or unmet needs. That means that startups will typically be better positioned to quickly handle new issues, but larger companies will probably have to make structural changes in order to keep pace.

Problem Analysis in Startups Startup Characteristics:

Resource Scarcity: Start-ups are often constraint in terms of funds and infrastructure, this makes an exhaustive market research impractical. They prefer actionable, timely and quick insights that enable them to make fast decisions and realize short-term benefits.

Example: Zomato was once a small-scale food delivery startup, with scarce resources. It expanded due to rapid consumer feedback and fast moves on the service, enabling it to rack up a massive consumer count and crush budget constraints.

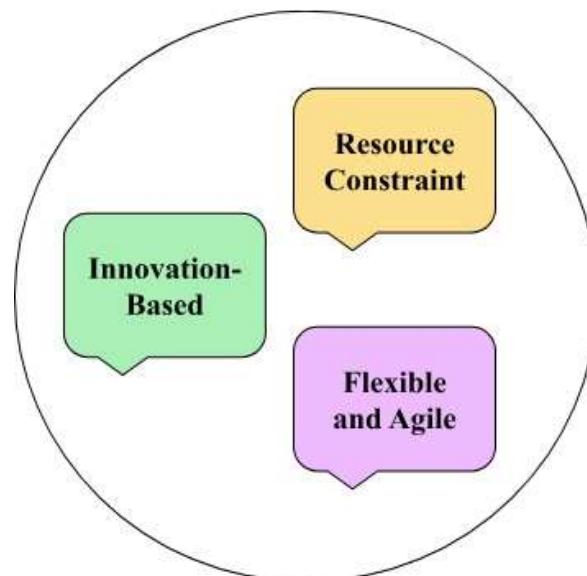


Fig 2.6 Characteristics of Startups

Hyper-Product-Based Most startups innovate like champs with a shiny new product targeting a gap in the market. **Problem Finding:** Another aspect of entrepreneurship is problem recognition, or the noticing of underserved, inefficiencies, or unserved needs that can be converted into unique offerings.

Example: Dream11, a skill-based sports gaming platform, had identified the opportunity for fantasy sports market that catered to Indian users who were keen on participating in sports activities but didn't have a local platform. They did so by launching an online fantasy sports platform that would enable users to form their own teams and also compete in real time and

touch-based, offering fans a new way of interacting with various sports like cricket and it was a blessing for the ardent followers of fantasy.

Flexible and Agile: Startups are naturally flexible. The capacity to turn on a dime if something about the market is changing, or some new issue arises, is one of the characteristics that keeps a startup relevant as it adjusts to meet customers' emergent needs and trends.

Example: UrbanClap (now Urban Company) initially building for home services marketplace but quickly pivoted to include beauty and wellness at-home as well. That way they could cater to new customer needs as the pandemic took hold.

→ Highlighting Key Issues for Identification of Problems

Customer Feedback: Startups are resource-constrained and have no choice but to go directly to the customer for feedback. This may involve surveys, focus groups or beta testing. The challenge is to ensure the information collected is both relevant and actionable.

Market Research: Because they operate with limited budget and tight schedule constraints many startups go the efficient route by turning to less costly methods, such as using online surveys or listening tools in their interactions on social media. Secondary research is so critical to get a feel for the competitive landscape and market voids.

Fast Learning: Small companies can learn faster what works by rapidly experimenting, prototyping and testing. By iterating quickly and observing customer behavior, they can achieve incredible agility and precision in how fast they can adapt their solutions to new behavioural observations within the market.

Examples

Canva: The problem Canva solves with the lack of access to professional design for people and companies who don't have expensive software or know how to use such tools. A simple drag-and-drop interface with Canva Canva developed this functional, easy to use way of working with pre-made templates to democratize graphic design and address an unmet need in the creative tools space.

Snapchat: Snapchat was created as a way to address a need among teens who wanted to share life with out the long-term oblivion of standard social media. Sensing this void, the brains behind the company created a platform built around ephemeral messaging — users could send images and videos that disappeared after they were viewed. From a privacy perspective, this addressed concerns and enabled spontaneous more ad-hoc" sharing."

Activity

Select a startup or conceptualize a new business idea. Conduct a structured analysis by addressing the following:

- Industry & Market Context – Identify the sector and its key dynamics.

→ Problem Identification in Established Companies Characteristics of established companies :

Resource-Bound: Mature firms are known for abundant financial resources, a workforce with great skills sets, and technological systems that may sometimes be barriers. Incorporeal and set in their ways, they do not riposte quickly to razzmatazz and take forever to either recognise or respond to new problems. Since they tend to already be wealthier, they are about making where the industry has been and continues to do best as efficient as possible rather than finding new hot spots for disruption.

For instance, Mahindra & Mahindra identified the vacuum in the e-vehicle space and deployed its resources smartly to plonk itself there. The company, which has had its roots in manufacturing, designed the Mahindra e2o — a green car; as people were demanding for greener cars in India. This is how mature companies can react to The Market That Ate My Company and innovate within their categories by leveraging that old beast, existing resources.

Market saturation: it is difficult for big companies to bring a revolutionary innovation across most industry sectors because at some point, demand will be fully satisfied for everything cheap. Identifying the problem is about finding small inefficiencies that can be perfected or for targeting narrow markets. In this case, the large firm invests in “incremental” innovation to keep up with customer changes and protect their markets.

Instance: Hindustan Unilever (HUL) saw the potential for inexpensive skin care, when it was tailored to reach poor people who lived in rural areas. The innovation in product line (glow & lovely) and smaller packs designed for rural markets was indeed an innovation; HUL created that under-served market by meeting a niche need it followed the expansion of market.

Inertia and Bureaucracy: Fixed systems established in large firms lead to inflexibility, long decision-making processes, making innovation moves slowly. In these types of companies problems are backward-rationalised because people spend more time solving yesterday's problems than in imagining tomorrow's. Bureaucratic systems are antithetical to revolution so the restoration mistakes take longer to do and undo.

Example: Tata Motors ran into internal resistance after tardily developing electric vehicle technology. But the company eventually got the drift of the customer shift towards eco-friendly products and despite being an elephantine bureaucracy, introduced the Tata Nexon EV to leverage off the burgeoning Indian electric vehicle market. It was a long-overdue effort, but one that represented a giant leap towards revitalizing its product portfolio in response to changes in the market.

→ Key Issues in Problem Identification:

Data-based decision-making: The big companies have more types of data which help to find out the respective errors. The quantity of detail, however, can sometimes be so great that it is difficult to pick out the most important issues and reflects a time consuming scrutiny and focus on the best lessons.

Market Analysis: Companies identify problems through sophisticated analytics, traditional surveys and customer segmentation research. The problem is in interpreting it correctly and then making the right decisions based on this data to ensure that the business stays focused on solving today's most critical problems.

Innovation Labs and Corporate Venturing. The majority of traditional companies are innovation labs, or investing in small businesses, mostly to catch wind of trends for markets they're about to serve.

These efforts provide organizations with exposure to new ideas, and keep companies ahead of the curve in growing industries.

→ Examples

Coca-Cola: In response to consumer taste change, Coca-Cola moved towards consumables with nutrition benefits. In that sense, the company conducted extensive market research and past and present consumer attitudes and watched trends to develop healthier products lines as Coca-Cola Zero or Smartwater.

General Electric (GE): GE's challenge was that it faced operational inefficiencies while also changing over to become more sustainable. By doing so, investing in digitalization and the IoT allowed GE to uncover inefficiencies in machine maintenance and develop predictive analytics solutions that reduced downtime and increased efficiency.

→ Comparison: Startups vs. Established Companies in Problem Identification

Factor	Startups	Established Companies
Resources	Limited; rely on agile methods and customer feedback	Resource-rich; leverage extensive data and analytics
Market Research	Often low-cost, informal, and focused on immediate feedback	Formal, often involving extensive surveys and data analysis
Innovation	Innovation-driven; identifying gaps in the market	Incremental innovation; focusing on improving existing products/services
Agility	Highly agile and adaptable to market feedback	Slower due to organizational inertia and bureaucracy
Customer Focus	Direct interaction with customers and early adopters	Use of advanced segmentation and analysis tools to understand large customer bases

1.2.8 Contextual Review

“The Whole Truth – Constructing Transparency in the Food Sector”

Introduction

A Wapner TWT was a game changer for the packaged food industry due to increased consumer vigilance and suspicion about their food packaging labels. TWT was created by Shashank Mehta in India in 2019, and has grown to become a brand associated with honesty and transparency. The company’s mission is straightforward yet powerful: society deserves the “whole truth” on what is in food and so they are filling a gigantic void in a highly scrutinized and misleading industry with hidden ingredients labeled as healthy.

This case study explores TWT's path to creative business, trials, and support of food sectors.

Identify the Problem

- The Packaged Food Industry Challenge The trillion dollar packaged food industry around the globe has benefited off of complex labels, phony claims that a product is nutritious and vague ingredients. And all too often, consumers are thrown off track by terminology, and misled by

products stamped with the imprimatur of “health” — disguising sky-high levels of sugar, artificial preservatives or just unhealthy oils.

Consumer Pain-points: Today’s consumers, specifically millennials and Gen Z, are demanding healthier and more transparent options. Yet, again, no brand was brave enough to expose the ingredients but still.

good, cheap and easy to eat, on visits. This breathing room is what TWT managed to leverage in order to establish itself on the market.

The Methods Employed by The Whole Truth

Radical Transparency: And the TWT constructed its brand around that theme, where anyone could look at something that was a TWT product and see everything imaginable about it — they’ll show people, literally, what went into the shirt or pant as printed on the label. Where competitors concealed such bad actors, with descriptors as misleading as “preservatives” and “natural flavors,” TWT would favor specificity, allowing its consumers to know, for example instead of “natural sweeteners,” dates and honey specifically.

D2C Strategy: TWT followed a D2C (Direct-to-Consumer) Model by bypassing traditional retail channels and established a direct connection with consumers through website and social media. This gives the brand more control of customer experience, higher profit margins and an opportunity to educate its audience through content marketing. This kind of head-to-head interaction deepened its relationship with consumers seeking to be healthier in their choices.

Product Innovation: TWT generated a line of less processed, but nutrient dense products for health-minded consumers. Its offerings include protein bars, energy balls, nut butter and chocolate spread made with only whole organic ingredients. The brand thus distinguished itself from other competitors by offering clean, healthy food.

Online Engagement: TWT worked across online channels such as Instagram, Youtube and blog platforms to engage and inform. Its videos, which contained attack shots against industry’s fraud and head-to-head clashes of TWT products vs. its “healthy” competition reflected that space to operate was given and there were backdoor manufacturing facilities accessing. An Example One such example was the company’s “Unjunking” series on Instagram, in which TWT stripped away the mask of hidden sugars covering most popular “diet” products and solidified over years Brand As The Voice Of What Healthy Thinks.

The Whole Truth’s Challenges

Taking On Well-Entrenched Competitors: The Whole Truth ventured into an overcrowded market where big players like Nestlé, Kellogg's and Britannia have long battled for a share of the pie. These grueling exercises were just that - not an end in themselves; but some of the means to which TWT had to resort if it was ever going to incur on itself brand differentiation, and beget a level over functional confidence as it looked out for the possibility of being parceled up into the health market's specialization.

Cost of Quality Inputs Like Substance/ Active or Standard Components: TWT has adopted whole natural inputs as demanded by customers for their purity quality, since its high-cost inputs are compared to with a Drop having chemical ingredients. "The balance they have is good high-end product quality and not being too expensive to purchase because it's a tussle each one doesn't last long.

Consumer Education: In a demand driven market where transparency won the hearts and minds of labels- reading shoppers the reality that most of what is recognized as industry standard had been misleading to consumers on many levels. TWT spent a lot to get the audience educated on typical industry problems before it made its honestly sourced products appear as a good solution.

Small scale: TWT faced problems to be bigger in their expansion process finding that production capacity did not grow with the increase of demand. As one of its biggest challenges, TWT needed to grow its brand by maintaining the integrity of the supply chain and expansion operations.

Success Strategies

TWT messaging: Stating the clear value prop TWT messaging has, at its core, been a clear and powerful promise: "100% clean, 0% hidden. A strong and transparent value proposition that won the hearts of consumers to make it a number 1 trusted leaders in wellness market.

Community Building: TWT built a faithful community of health-conscious clients through good-for-you, compelling content. The brand had already established a loyal customer base with C-exes through the sharing of their experience of "like-minded" people who were pushing for a transparent food industry.

Nutritionist and Fitness Influencer Collaboration: To spread the word and give authority to it, TWT teamed up with nutritionists and fitness influencers. That put the brand in front of a broader audience that prioritized health; meanwhile, these collaborations lent credence to its claims for clean, all-natural ingredients.

Staying Apace: TWT kept up with trends on-shelves by continuously developing new recipes such as clean label chocolate spreads and energy balls. And thanks to its innovations, it has continued to keep up with the shifting consumer demand and maintained a dedication to quality and transparency.

Impact and Outcomes

Consumer Trust: TWT had built consumer's trust with the promise of transparency. This helped the brand build a following among health-conscious and honest-seeking-on-good-for-you food consumers.

Disruption and Market Reaction: By disclosing its binding data, TWT shook the food industry upside down to re-allocate itself and a number of competitor brands were forced to

reconsider their defense. Some legacy brands counterpunched with transparency — providing ingredient details and reformulating their product lines to cling to market share.

Growth statistics: TWT has reached some remarkable milestones in growth over past 3 years. The company has maintained growth and broadened its presence in the high-end grocery store category while rapidly growing online sales to emerge as a global leader in clean-label.

Key Takeaways

Transparency as a Definer: TWT demonstrated how transparency could be the strongest definer in one of suspicion's industries. Fast forward and truthfulness, sincerity and openness eventually got them trust and made them stand out above the rest.

Consumer Education Builds Loyalty : Spending in educating the consumer got TWT out of the door and on top at the same time creating long term loyal customers. A concentration on educating the customer about food industry practice and the benefits of clean ingredients created a strong connection with the consumer.

Challenges around Premium Positioning: While TWT did manage to find an audience at a price point, affordability in sourcing high quality natural ingredients was always a challenge. The company needed to strike the proper balance between premium items and cost-efficiency for its expansion.

Mastering the Laws of Digital: The D2C lifestyle model of TWT (deployed by a relevant strategic use of social media) enable to rapidly scale. It allowed the business to form a genuine connection with its audience while bringing reach and engagement to an all-time high.

"The Whole Truth" is such an amazing case study of how this small brand can break into the massive category in food in packaged goods and be so consumer-centric and transparent and innovative, truthful to consumers. This pathway illustrates how honesty, trust, and education establish sustainability in the competitive packaged goods industry.

1.3 Techniques for Identifying Problems in the Market

Identifying market problems is crucial for a business to produce a product or service that addresses an unmet need, helps the customer overcome pain and spurs innovation. Being able to identify issues effectively ensures that companies are customer-centric and competitive in a fast-moving business environment. Approach to market problems detection More advanced techniques for detecting market problem In order to uncover the cause of market problems, various strategy apps use direct contact with consumers as well as information-based methods. When they are applied rigorously these methods enable firms

to discover the unexpected opportunities in their business, mitigate risk and deploy strategies that are congruent with customer wants and need. We will understand these approaches with the help of examples.

Market Research: Market research is a great baseline to get direct feedback from consumers and find pain points, preferences or unmet needs. This sort of a methodology uses certain tools, which often may include surveys, interviews or focus groups – in some cases even direct observational research, to gather both qualitative and quantitative data as inputs about the real aspiration of the end consumer, from where it becomes relatively easier to identify important issues that those firms might not have identified ever in otherwise.

Example: In 2014, Starbucks conducted a survey that suggested there was increasing customer interest in healthy choices, and mentioned the most health-conscious customers. So Starbucks created new menu items, including protein-heavy smoothies and organic bowls that addressed the shift in customer demand. This market insight allowed them to expand and tap into an ever growing health conscious market.



Fig 2.7 Techniques for Identifying Problems in the Market

Competitive Analysis: The structured examination of the products, pricing and business models offered by existing and potential competitors. This also identifies competitors where the market has moved on and left them behind by identifying those that are too busy to get things done. Analyzing the strengths and weaknesses of competition helps businesses come up with opportunities for superior or distinct products and services.

Example: Adidas learned that Nike was also killing it with soccer but it decided to develop activewear products for women, an area where Nike were not focused at the time. Appealing as well was fashionable and functional women's athletic clothing, a neglected niche for which Adidas advertised with its Adidas by Stella McCartney. The Adidas by Stella McCartney line was an immediate hit, and the company flourished by cornering a niche in the market.

Trend Analysis: Trend analysis is an attempt to track trends in consumer behavior, technology or culture in order to predict future market needs. A business can move quickly and innovate before others as trends come into focus. This approach is particularly powerful for industries in constant motion and with constantly changing consumer preferences — think fashion, technology, food.

Example: Adidas, as more and more joined the global environmental consciousness bandwagon, saw the wave of consumerism for eco friendliness and sustainability. It made shoes from ocean garbage plastic, in line with the green trend. Not only did it answer the consumer concern on the environmental front, it made Adidas an innovative, responsible brand. Its “Parley” line was a big success, an illustration of how the power of forecasting could enable a brand to exceed consumers’ expectations and alter market dynamics.

Customer Journey Mapping: It is a visual representation of a customer’s experience with the brand, from initial contact all the way through to post-purchase experience. “Customer journey mapping can provide insights into how your customer feels about your brand at every touchpoint, which allows you to figure out where their friction points or frustration areas lie,” said Goodwin. Using these known pain points, business practices can be streamlined to create a favorable customer experience and increase brand advocacy.

For instance: Glossier, the splashy beauty brand that is one of customers’ darlings, followed the customer deep into her shopping process and discovered its problems in product recommendations. They improved the website's personalization by providing items based on past purchased and standardizing site structure. This resulted in a seamless shopping experience and higher conversion.

Data Analysis: Data analytics is a process of collecting large data from various sources and it extracts hidden patterns, relationships and trends. Today, AI and machine learning have ushered in a new era of real-time data processing, allowing companies to understand consumer behavior and anticipate what the future holds so they can make better decisions based on data.

Example: Spotify uses data analytics to monitor customer listening behavior and suggest music based on their tastes. Based on the information of which songs that user listens to the most, and how this evolves over time or in one single playlist, it will then predict what song or genre she would like to listen. This predictive analytics model enhances the user experience and customer retention because users think that the platform is very tailored to their own taste.

Social Listening: The practice of 'listening' is about seeking- out what consumers, other businesses and competitors are saying on social media, forums or within any other corners of the web where information is being discussed. This is useful for monitoring keywords, hashtags and mentions, as it provides a way for businesses to see what the new insights are looking like on consumer attitude in real time and across time periods; monitors recurring issues; and detects which current concerns are gaining traction.

Example: Domino's Pizza monitored social media, identifying a spike in complaints about late delivery – notably at busy times. They leveraged this knowledge to optimize their delivery logistics – improved tracking technology, route optimization, and expanded fleet. This increased customer satisfaction for Domino's and complaints about delivery times.

Observation: Ethnographic Techniques Observation and ethnography serve by placing the researcher in an environment of natural living for the consumers where a need or problem has not been articulated. The business can crawl deeper into understanding the customers tastes and pain points by carefully watching how people act, decide, and make use of a product in real life. This approach offers companies a stronger understanding of the real problems consumers face that they might not say explicitly.

Example: IKEA conducted ethnographic research, observing how people lived with their furniture in their homes. They discovered that almost all city dwellers in small apartments didn't have enough storage. To address this demand, IKEA created an assortment of multi-purpose, compact pieces – designed for small living – like a sofa that converts into a bed and space-saving storage.

Gap Analysis: Gap analysis contrasts what the customer desire with what exists on the market- it shows 'gaps" or unsatisfied needs. By comparing consumers' wants with what is already available, companies can find where they may be able to innovate and fill the gaps. "A gap analysis allows clients to identify areas where dissatisfaction (or unmet needs) exists. This guarantees that the services cater most efficiently to what potential clients need.

Example: Hotstar (now Disney+ Hotstar) saw a lack of regional-language content offered by international streaming platforms. While India was not served well with regional content for the most part of the viewers. Hotstar countered with the launch of several local language shows and movies to increase marketshare in other linguistic regions.

Crowdsourcing and Open Innovation: Crowdsourcing is the practice of obtaining input or feedback from a large number of people or sources other than an organization, such as customers or experts. This is also a method where companies discover creative solutions and receive problem identification from a greater source than themselves.

Example: With the "Nike By You" program, users are able to create their own type of sneakers and customize them with color, materials and design. Ideas crowdsourced from users to design the styles led to a new line of product completely, so this helped give Nike an edge in what it calls custom footwear.

Feedback Loops: Feedback loops are the ongoing measurement and communication of customer experiences, concerns and satisfaction. It is this continuous feedback that allows companies to address any issues they find with their offering to become more responsive and keep making their customers happier.

Example: Zappos, an online retailer of the massive variety, has cultivated a previously unheard-of reputation as a service provider by engaging in a solid feedback loop. Today, Zappos actually talks to customers after selling anything to them and uses the feedback received from interacting with them to improve their collection and efficiency of delivery as well as make life for users of its site better. In addition to that, loyalty and trust originate from an interest in the feedback of customer.

Each of these methodologies provides through its own unique a way to discover market focus issues, which is relevant for companies to stay contemporary and competitive. The use of these methodologies enhances a firm's visibility into customer demand and market trends, which often leads to novel solutions that deliver improved levels of satisfaction to the customer."

Knowledge check 2

Fill in the Blanks:

1. _____ is the method of monitoring consumer behavior, technology, or cultural trends in order to forecast upcoming demands in the market. (*Trend Analysis / Competitive Analysis*)
2. _____ means observing social media sites and online forums for real-time consumer views and attitudes. (*Social Listening / Observation Studies*)
3. _____ is a process of comparing current market offerings with customer

demands to determine unsatisfied needs. (*Gap Analysis / Crowdsourcing*)

4. _____ assists companies in determining friction points in the customer experience by mapping out a consumer's entire interaction with a brand. (*Customer Journey Mapping / Data Analytics*)

1.4 Summary

Entrepreneurial "Entrepreneurial" is a dynamic, resistant, inventive, and value-creating cluster of traits in the face of adversity.

- ❖ Screw Business as Usual: Entrepreneurship is sensing the need opportunity for innovation by identifying real problems that will sustain in Innovative culture.
- ❖ Methods including customer feedback, market survey, trend analysis and competitive intelligence used are designed to uncover gaps and twice without in the marketplace.
- ❖ Through studying companies like Honey Twigs, Airbnb and Tesla that have converted deep problem-solving into breakthrough innovations and market leading success it can be established that we distinguish startups from corporates in how problems are discovered, resource constraints exist, room for maneuver there is and complexity the organization exhibits.
- ❖ The only thing that separates the entrepreneurial process from a fixed mindset is more of a growth mindset, when it comes to learning and flexibility.
- ❖ Psychodynamic factors of enterprise are characterised by motivation, emotional intelligence, stress resistance and risk-taking propensity.
- ❖ Creativity and innovation form essential aspects of entrepreneurship, and these ultimately solve problems which in turn afford competitive advantage and growth in raging markets.
- ❖ Use of methodologies as customer journey maps or social listening implies captivating user experiences by which client becomes fan and advocate.
- ❖ The Whole Truth case example Identify the disrupting of mature industries through openness, innovativeness and direct-to-consumer business models.
- ❖ Amazon's customer journey mapping drives eliminating the pain of cart abandonment, enriching personalization and, importantly, enhancing the overall customer experience.
- ❖ Pain discovery, value+partnership validation and empathy-driven entrepreneurial problem-solving stand a strong base for creating significant innovation.

1.5 Key Terms

Entrepreneurial Orientation: The business model based on innovative thinking, relentless effort, and response to opportunities are the basis for identifying new options and address a complicated market relationships.

Problem Formulation: The entrepreneurial root activity for discovering unmet customer needs or market space is the basis that involves in creating sustainable business systems to deliver beneficial solutions.

Growth Mindset: This is the belief in Business that talents and abilities can be developed, and it leads to better learning. This mindset fosters long-term growth while allowing businesses to remain nimble and adaptable to the evolving market.

Strategic Decision Making: This is how an organization conducts strategic decision-making so that it can ensure the right deployment of organizational resources to available market opportunities and satisfy business goals accordingly.

Customer-Focused Innovation: Customer-Centered or-Focused Innovation refers to the strategy of designing products and service that focus on what the customers want and how they experience it. Beyond that, companies can build loyalty and keep themselves at the forefront of the market because they know what customers want based on the feedback.

Competitive Advantage: Through innovation in product solution, cost advantage and other robust business advantage an organization achieves Market Leadership.

Market Dynamics : In-depth analysis of changing market scenario and demand.

Risk Management: The identification and mitigation of potential risks, preparing to succeed despite threats.

Emotional Intelligence: The ability to recognize and manage emotions, your own and others', in order to become a more effective leader, make better decisions, and enhance your relation with others.

Responsible Innovation: Sustainable innovation is about discovering solutions that fit with market demand (as well as social, environmental and economic values) for added value in the long-term.

1.6 Descriptive Questions

How does entrepreneurial thinking allow the entrepreneur to spot opportunity and roll with adversity? What are the salient features that distinguish it's entrepreneur apart from others in the market?

What is the role of problem identification in entrepreneurship, and how does it contribute to creative and sustainable solutions for businesses?

In what way is problem identification by startups different from those of established organizations? In what way do each face this challenge, and how have they planned to respond to it?

How does entrepreneurs' having a growth mindset affect the ability to adapt themselves to market dynamics, moving towards long-term sustainable success as unit of analysis in contrast of a fixed mindset?

How would you use market research, trend analysis, and customer feedback to discover job needs (gaps/opportunities/underserving segments) in a competitive marketplace?

How can organizations use tools like customer journey mapping and social listening to enhance user experience and the achievability of customer-driven growth?

Why does an entrepreneur need to have emotional intelligence, stress management and a good risk tolerance? Give Examples.

How does transparency and authenticity of business practices, which exist in cases like The Whole Truth, influence consumer trust brand loyalty and competitive advantage?

Describe the importance of creativity and innovation to entrepreneurial activities. How much are companies able to differentiate themselves in a fast moving market with these?

To what extent do skills such as competition based analysis, data-driven decision making or crowd sourcing help find and address real-world problems?

1.7 References

1. Levine, U. (2023). Fall in love with the problem, not the solution: A handbook for entrepreneurs.
2. Sinek, S. (2009). Start with why: How great leaders inspire everyone to take action. Penguin Group.
3. Khanna, A. (2024). Ain't no Eureka: Your idea for an enterprise journey.

4. Ahuja, S. (2022). Daily coffee and start-up fundraising.
5. Mason, H., & Mattin, D. (2015). Trend-driven innovation: Beat accelerating customer expectations.
Wiley.
6. Osterwalder, A., & Pigneur, Y. (2010). Business model generation: A handbook for visionaries, game changers, and challengers. Wiley.
7. Berger, J. (2013). Contagious: How to build word of mouth in the digital age. Simon & Schuster.
8. Rothman, R. (2017). Master opportunity and make it big.
9. <https://online.hbs.edu/blog/post/what-does-it-take-to-be-an-entrepreneur>
10. https://www.euromoney.com/article/b15ts6qpxvj51d/how-paytm-went-big-on-indian-demonetization?utm_source

Answers to Knowledge Check

Knowledge Check 1

- | | | | |
|----------|---------|----|---------|
| 1. False | 2. True | 3. | |
| False | | | |
| | | | 4. True |

Knowledge Check

2

- | | |
|----------------------|--------------------------------|
| 1. a) Trend Analysis | 2. a) Social Listening |
| 3. a) Gap Analysis | 4. a) Customer Journey Mapping |



1.8 Case Study

Amazon and How Customer Journey Mapping Helps Optimize UX

It is possible that e-commerce, as a game of extreme competition between different companies, must have more customer-centric strategies to remain competitive. Hence, companies concentrate more on customer experience as a source of long term sustainable success. This case study discusses how Amazon utilized the customer journey mapping tool to cut weight from its services, enhanced user experience, bringing loyalty from customers into higher circles! This allowed Amazon, at each point in the customer journey, to pinpoint those crucial pain points and led to numerous enhancements which propelled it into market leading position.

Amazon is a leading e-commerce company in the globe and maintains its competitiveness through customer services. But by 2017, it was struggling to hang on to its clients — most notably, first-time buyers. The statistics showed that, despite a lot of users being active on the website at one time, many fewer users placed orders. With that product line and tight logistics system, Amazon concentrated on offering the complete user experience for improved conversion rate and higher loyalty level of customers.

By enabling themselves with customer journey mapping, Amazon learned that it must rectify its errors by bringing in improvement at every touch point beginning with the awareness stage upto post-purchase.

Problem 1: Cart Abandonment

Amazon realized that a high cart abandonment rate was one major issue; people frequently added items to their carts but did not go all the way through with payment. This was primarily due to a really convoluted checkout process that led them into unexpected shipping costs and customers being irritated. Many were unable to complete the purchase after they discovered extra fees are added only later, after going through the process of putting items in their cart.

Solution:

- Amazon got around this problem by making checkouts on a competing service easier for customers via one-click ordering, reducing friction and increasing the likelihood that orders would be completed.
- On the shipping matter, Amazon introduced free shipping for Prime members and offered estimates of how much the user would have paid for shipping so as to know since when they checked out.
- To keep shoppers engaged further, Amazon made personalized recommendations of what they had looked at or bought before, to also drive.

Issue 2: Shopify friction in an after-purchase environment

Already a customer who placed another order and was unable to receive any information on it. Customers were not happy that they did not know where in the world their items were and could not get tracking. Additionally, uncertainty in delivery windows resulted in unnecessarily disappointed and uncertain post-purchase experiences.

Solutions:

Amazon went one step further in the post-purchase altered experience by updating live tracking information on the product page itself, and providing customers with a real-time email notification or an automated alert about the status.

- The customer was notified during every step of the process from when their shipment left, to when they would receive it.
- Also, Amazon is sprucing up its return policy to be more intuitive and user experience friendly so that customers can have confidence in their post-purchase experience.

Problem 3: Lack of Personalization

Most of the consumers couldn't find the right products according to their requirements among thousands on Amazon. An excess of choices lead to decision fatigue, resulting in no sales from customers. That faulty customization of recommendations had resulted in poor conversion rates among shoppers whom it was hard-pressed to help narrow their choices.

Solutions:

- Amazon significantly overhauled its recommendation algorithm and made things personalized based on users' past purchasing and surfing history along with what previous customers had to say about the product via feedback or ratings.
- Feature additions, "frequently bought together" and "buy it again," increased user convenience process.

Utilizing deeper data analysis for the prophecy towards more customer particular oneling concerning their shopping tendency with personalized promotion to deal with these one lings in due course of time and transferring them towards chances, leads for conversion, thus providing a higher level of convenience to customers.

Reflective Questions

How does a customer journey map allow me to understand pain points and opportunities in the short and long term?

How Does Amazon Leverage the Presence of Customised Data With Customer Journey Maps in Order to gain Members Involvement and Loyalty?


What are the dangers of over-personalization and how does Amazon strike that with user privacy?

Conclusion

Amazon is another online service that used customer journey mapping to reduce cart abandonment crisis and painless interaction after purchase. Conversion rates went up, but customers were also happier – and more loyal to the site. This example demonstrate that customer journey mapping resides as a yardstick that helps to identify the pain points and eventually provide seamless, personalized user experience aligned with consumer expectations.

Entrepreneurship and Family Business 101 Unit 2 _V3.docx

 Entrepreneurship and Family Business_MBA_1

 Entrepreneurship and Family Business_MBA_1

 ATLAS SkillTech University

Document Details

Submission ID

trn:oid::3618:127103270

Submission Date

Jan 29, 2026, 12:33 PM GMT+5:30

Download Date

Jan 29, 2026, 1:26 PM GMT+5:30

File Name

Entrepreneurship and Family Business 101 Unit 2 _V3.docx

File Size

651.8 KB

58 Pages

15,197 Words

88,705 Characters

*% detected as AI

AI detection includes the possibility of false positives. Although some text in this submission is likely AI generated, scores below the 20% threshold are not surfaced because they have a higher likelihood of false positives.

Caution: Review required.

It is essential to understand the limitations of AI detection before making decisions about a student's work. We encourage you to learn more about Turnitin's AI detection capabilities before using the tool.

Disclaimer

Our AI writing assessment is designed to help educators identify text that might be prepared by a generative AI tool. Our AI writing assessment may not always be accurate (i.e., our AI models may produce either false positive results or false negative results), so it should not be used as the sole basis for adverse actions against a student. It takes further scrutiny and human judgment in conjunction with an organization's application of its specific academic policies to determine whether any academic misconduct has occurred.

Frequently Asked Questions

How should I interpret Turnitin's AI writing percentage and false positives?

The percentage shown in the AI writing report is the amount of qualifying text within the submission that Turnitin's AI writing detection model determines was either likely AI-generated text from a large-language model or likely AI-generated text that was likely revised using an AI paraphrase tool or word spinner.

False positives (incorrectly flagging human-written text as AI-generated) are a possibility in AI models.

AI detection scores under 20%, which we do not surface in new reports, have a higher likelihood of false positives. To reduce the likelihood of misinterpretation, no score or highlights are attributed and are indicated with an asterisk in the report (*%).

The AI writing percentage should not be the sole basis to determine whether misconduct has occurred. The reviewer/instructor should use the percentage as a means to start a formative conversation with their student and/or use it to examine the submitted assignment in accordance with their school's policies.



What does 'qualifying text' mean?

Our model only processes qualifying text in the form of long-form writing. Long-form writing means individual sentences contained in paragraphs that make up a longer piece of written work, such as an essay, a dissertation, or an article, etc. Qualifying text that has been determined to be likely AI-generated will be highlighted in cyan in the submission, and likely AI-generated and then likely AI-paraphrased will be highlighted purple.

Non-qualifying text, such as bullet points, annotated bibliographies, etc., will not be processed and can create disparity between the submission highlights and the percentage shown.

Unit 2: Ideation and Brainstorming Techniques

Learning Objectives

1. Learners will learn and be able to use various brainstorming methods to find creative, feasible business solutions to problems.
2. Learners will examine the basic elements of a product, the role of the founder, and successful channel strategies for entry and expansion in the market.
3. Learners will examine ways to find product-market fit by matching the product with customer needs and desires.
4. Learners will develop the skills of identifying, refining, and positioning entrepreneurial ideas so that they are relevant and viable in the market.

Content

- 2.0 Introductory Caselet
- 2.1 Ideation and Brainstorming Techniques
- 2.2 Introduction to Product, Founder, and Channel
- 2.3 Market Fit
- 2.4 Summary
- 2.5 Key Terms
- 2.6 Descriptive Questions
- 2.7 References
- 2.8 Case Study

2.0 Introduction Caselet

"Idea to Market: A Young Entrepreneur's Struggle"

Pune-based Ishaan, a millennial entrepreneur has always been keen on working towards providing solutions to the masses. As he pursued getting an MBA, slipped into his mind a smart home automation product that could be the savior of affordable household energy conservation for middle-class families. Ecstatic with the learning, he teamed up with his college friend Neha, an electronics engineer, to take it a step ahead and get a product made. But as they advanced, they realized having a phenomenal product concept wasn't enough—they needed to show traction and figure out their market fit and ideal distribution channels.

Ishaan and Neha had quite a rough ride during their entrepreneurial voyage. While technically they were very capable and confident, it was proving hard for them to make up their mind who is the best target market for their product and how they should position themselves. In brainstorming sessions, they considered whether to go after urban, tech-savvy consumers or traditional households in search of cheap ways to save on power. They were also unsure about the best sales channels — should they invest in an e-commerce platform, partner with local retailers or target B2B customers such as real estate developers? This led them to reevaluate their approach and to now double-down on getting a rock-solid product-market fit.

Entrepreneurship is not about the Great Idea as much as it is about making sure that great idea can be sharpened, piloted and molded into a real customer demand. Ishaan and Neha's story showcases the criticalities of the ideation process, product-market fit and picking the right channel in creating a successful business. What their situation demonstrates is the need for entrepreneurs to balance creativity and decisiveness in such a strategic decision so that concepts are developed into businesses.

Critical Thinking Question:

–How should Ishaan and Neha apply structured ideation methods and market research to gain the best product-market fit, narrow down a set of distribution channels for their smart home automation devices?

2.1 Ideation and Brainstorming Techniques

2.1.1 Ideation: Introduction

Ideation is the process of developing and clarifying ideas to solve problems, exploit opportunities or generate something new. That's what creative problem-solving and business innovation is all about, finding new ways in which to produce things that are valued. Ideas are locked in perpetual battle with ideas and markets; so what's required is more idea storming — perhaps combined with system thinking — to the whole venture of making products, services and strategies. At its core, ideation is much more than generating ideas but great ideas to help creatives focus and put an idea into actionable shape. It's also the basis for the various other innovation methodologies and brainstorming techniques – all of them designed to ensure your ideas are disruptive (in a good way) and yet practical.

Case in point – Ideation allowed Uber to rethink the way we move around a city by addressing pain points with traditional taxi's, building a business behind it and scaling/disrupting infrastructure.

2.1.2 Ideation's Role in Business Innovation The first stage of innovation occurs in the ideation process (Conforto, et al., 2014).

Ideation is one of the vital company innovation enablers for companies to identify and manage market challenges and exploration opportunities. It spurs creativity as companies discover and refine new opportunities — taking the lead. Businesses, therefore, had the capability to aim long-term and a way to one day rise to top market positions by making ideation part of their cultures.

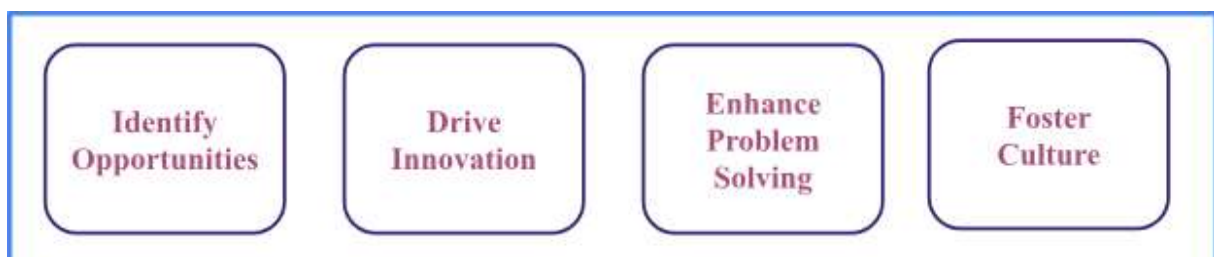


Fig 2.1 Role of Ideation in Business Innovation

How Ideation Works like an Opportunity Scout: Ideations are a process in which businesses scout for market gaps by stretching them to think beyond common ways of doing business. It allows for the projection of unmet

features and specifications which the client want. Read more How Rip Curl rode surf's digital wave to avoid being wiped out Economic and structured analysis of customer trends and behaviour could also help bank innovation in areas that will provide opportunities for differentiation or growth.

Example: "Vacuum cleaners are inefficient and cumbersome," reckons Dyson, the \$5bn British technology company founded in 199 by James Dyson. On the back of an idea, Dyson created the bagless vacuum cleaner with cyclone technology that transformed how people clean their homes and set the new benchmark in appliances.

Strengthening Problem-Solving Skills: How Idea Generation Processes Work Organizations using structured ideation break the larger problem into smaller ones. It provides a way for teams to discover pragmatic answers by thinking creatively about their problems. The collective nature of ideation activities brings along a diversity of perspectives that often leads to better quality solutions.

For instance, the desire among a generation of young people to own a car declined at Ford Motor Company. The thinking spawned financially viable electric cars like the Mustang Mach-E, which will appeal to environmentally aware young people.

Product and Service Innovation: To create new products or services that meet the needs of real customers. Companies are 'ideating' across borders for best-in-breed market-driven innovation that will set the ever increasing industry baseline.

Example: Spotify had a brilliant design but what changed content consumption for the masses was enabling anyone to access millions of songs on demand.

Create a Culture of Co-Creation and Innovation : By ideating, organizations also create room in their own path for brave thinking and outside the box methods as two of those very essential values. The structure is creating red-hot discussions and team works based on which the ideas of staff are concluded. The change in culture moves the dial on levels of adaptability and downright progress as it increases engagement.

Example: This one's not in Silicon Valley, but roughly 3M is an old as dirt global science company whose open innovation (Minnesota Mining and Manufacturing Company) program gives all employees time to work on pet projects that have a habit of turning into commercial successes like the world famous Post-it Note.

2.1.3 Phases of Ideation

The ideation approach is described in terms of a high-level process consisting of several phases to move from abstract ideas to implementable solutions. These stages prevent randomness and offer a structured and methodical means of coming up with and implementing creative ideas.

Preparation stage: The preparation phase begins with the definition of problem, and decision makers build their objectives based on informative research. This is the pre-processing work for ideation that goes beyond just brainstorming to streamlined idea shaping. The team synthesizes their data with industry trends and customers feedback to identify main problems and potential solutions.

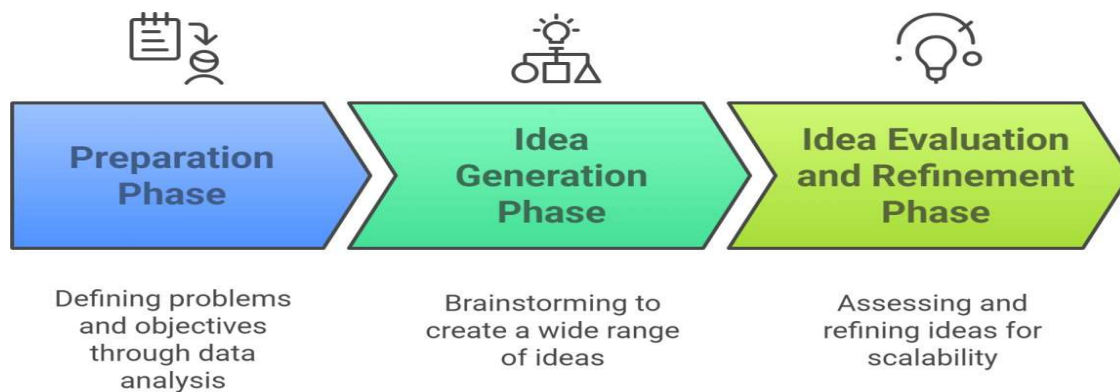


Fig 2.2 Phases of Ideation

Example: When Tesla was doing car R&D, Elon Musk's team "studied patterns in the natural world" to figure out how customers would suffer with traditional gas burning cars (high fuel costs and low efficiency). The mission of Tesla being "to accelerate the world's transition to sustainable transport" was used by Tesla because that what it did in its pre-launch phase.

PHASE 1: GENERATION OF IDEAS In this phase of brainstorming the ideas fly in many directions, enabling them to generate positive energy and numbers of creative before each other. Volume directed and creative thinking make participants to think outside of the box that develops innovative thinking lines.

Example: Coca-Cola invented the "Freestyle" soda machine that allows customers to pick a flavor for their drink via idea generation sessions.

Idea Evaluation and Refinement Stage: Ideas are evaluated to determine if they have potential for scaling with respect to organizational objectives or not, and high value ideas are converted into action plans in this stage by the researchers. This phase includes testing and iterating using feedback and is thought of simply as pivots to find market fit. Businesses usually base their concepts on market demand, user behavior, and technical feasibility.

Example: The company pivoted from its initial location-based check-in app, Burbn, based on feedback before they launched Instagram. The company has evolved to a leaner service thanks to its own photo-sharing system with new filters, but one that snatched quick and early global scale and following.

2.1.4 Methods and Techniques for Improving Ideation

The tools and methods of ideation are part of creative thinking and structured brainstorming. They enable individuals and teams to consider new view points, identify overlooked opportunities and shape half-baked ideas into workable concepts. [Product] With the right instruments, rough ideas become robust innovations and increases odds of success while on path to create a product or solve problems.

Mind Mapping: A visual thinking technique that organises information by relationship. It generates ideas, finds knowledge and refines raw thoughts into lines of thought. It is useful in the creation and categorization of innovation ideas that could not be harnessed without its use. With the visual nature of concept maps, individuals and teams can visualize problems and explore new opportunities.

Sample: A health tech start-up uses mind mapping to determine various applications of wearable devices. The big theme is “Health Monitoring,” and from there the team scatters toward everything else: tracking wellness (heart rate, sleep), chronic disease maintenance (glucose checks, reminders for pills), mental health (stress levels, patterns in mood). So all those pictures help them get closer to what the market is missing, which is why they’re in the process of building a non invasive glucose monitor.”

SCAMPER Technique: The SCAMPER is an acronym which stands for Substitute, Combine, Adapt, Modify, Put to another use, Eliminate and Reverse. This approach challenges the team to think differently because it changes the.

already-known ideas to obtain new solutions and visions. It is commonly used in product design and troubleshooting.

Example: Rediscovery and CZAMPER Soft drink company 'Rediscovery' using SCAMPER to innovate. It is getting amended this time with a natural sweetener and redesign, like less packaging that would fit nature to a T.

Brain writing A silent way of brainstorming – people write down ideas anonymously. That way, the normally quiet ones can have their say without feeling the pressure, and you'll get lots of varied, original and uninfluenced thoughts. It will create more diversity and improve creative solutions.

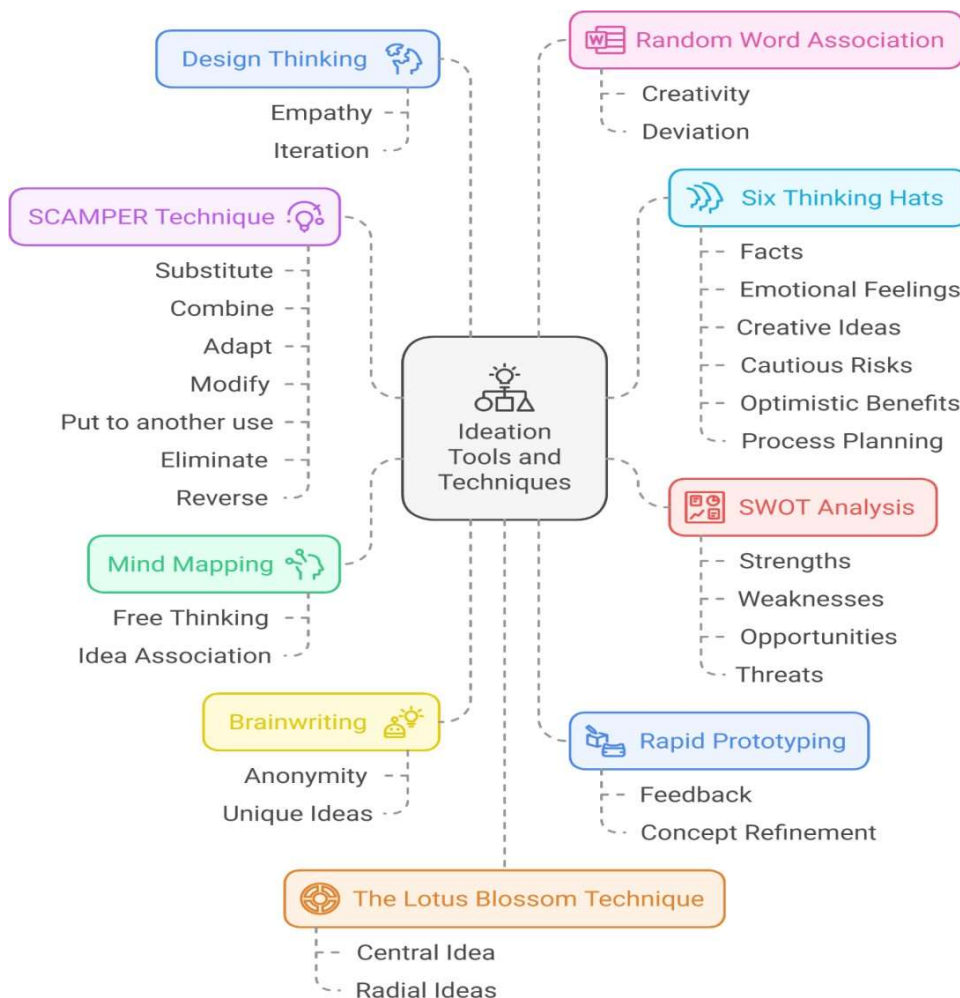


Fig 2.3 Tools and Techniques to Enhance Ideation

Example: A retail business looking for ideas to build customer loyalty, had employees write suggestions on sticky notes. One idea, “gamified shopping rewards,” was a major program that resulted in better engagement and higher sales.

Rapid Prototyping: Creating quick and dirty versions of a product meant to test ideas and get feedback. This early concept visualization process permits the underlying concepts in ideation to be refined and hence become more feasible before full form development begins. It accelerates innovation because potential bugs are recognized soon, and improvements have to be implemented in time.

Example 1: A furniture house creates a cardboard version of the modular sofa. It is evident when customers give feedback on it that the need for more storage is apparent, so the end product is made to fit what market wants.

SWOT Analysis: A tool used to assess Strengths, Weaknesses, Opportunities, and Threats for a given idea. This allows to estimate the feasibility, the risks and areas which might be improved. This will ensure better decision-making at every point in innovation. It helps effectively play to strengths and confront weaknesses by giving a clear view of the landscape.

Example: A fintech startup is strong in AI technology, but weaknesses lie in the vicinity of market reach; it sees opportunities in its high demand on personal finance solutions with outdated ones and threats come from other players of established businesses. The analysis then becomes its go-to-market strategy.

Design Thinking: An iterative problem-solving method for coming up with new ideas that focuses on human needs, based especially (but not exclusively) in the designers’ ability to empathise and its mindsets of empathy, ideation, and experimentation. It's curious to uncover needs of the user, validating ideas by iterative testing with feedback, and improving solutions. This marries innovation with bullshit and sense and ends up yielding a product that no one can use.

Example: A nonprofit develops an app for disaster relief with design thinking. Sensitivity to affected communities is demonstrated, and functionality like up-to-the-minute

information and local resource directories is added to make certain that the app addresses what the user needs.

Random Word Association: A creative method that uses a random word to come up with new ideas, while side-stepping rigid thinking. This method creates for the unexpected intersections.

to inject new ideas into the debate. The gimmick is a signal to get outside your head and beyond the safe zone.

For example: A travel agency chooses the word “journey,” which becomes an inspiration for creative thematic vacations tied to personal milestones, anniversaries or career achievements.

Six Thinking Hats: A model (once promoted as Six Thinking Hats and brand marketed by) Edward de Bono divides thinking in six colored hats to be donned or removed at will—facts, feelings, creativity, caution (process planning), optimism...and what I would call common sense. This could enable decision process by systematic multidimensional thinking. This is a wonderful way to attempt to consider all of the angles and create an overall plan for problem-solving.

Example: A tech company has a new app it wants to build. The team members are given different hats. The "creative" hat recommends gamification. The “cautious” hat notes that data privacy could be compromised. The balancing test is rational and well-conceived in that it considers all of the alternatives.

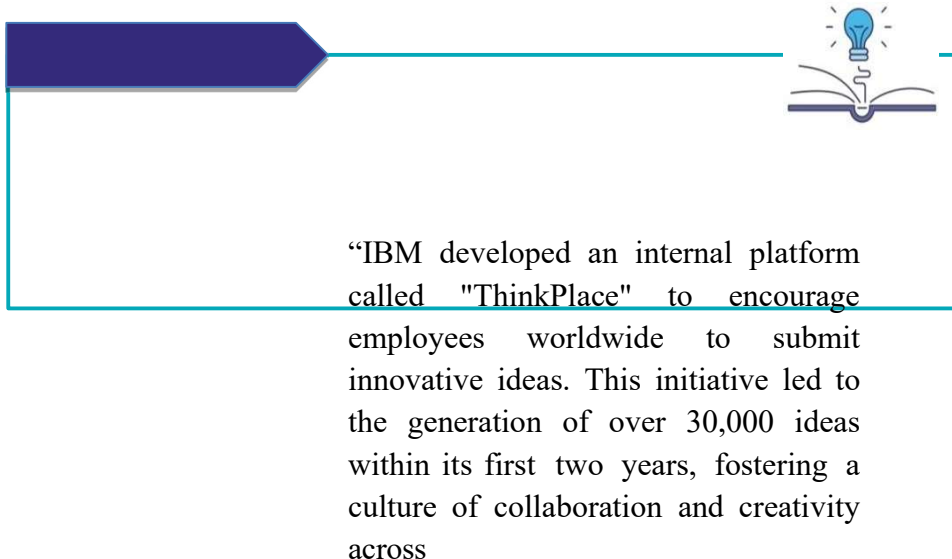
The Lotus Blossom Technique: A system of brainstorming (instead of a process) where one central idea forms the core, and ideas related to the core emerge radially onto the page from squares contained in each corner. This process enables the user to explore and polish his/her central idea at a very deep level which in turn produces novel solutions. It helps to promote the initial thought and a new possibility.

Example: In the center, a beauty brand adds “environmentally friendly packaging.” It goes with the concept of biodegradable materials, or refillable containers of any kind across to up to recycled paper for printing; which ultimately make a whole sustainability system.

Storyboarding This is Visualisation which involves drawing or taking a series of pictures to tell a story. Storyboarding flow for customer journey and product feature visualization in order to simplify the concept. And it's a great technique for planning and stress-testing product design or user journeys.

Example: A streaming service uses storyboarding to map out a user's journey from signing up for an account to discovering new shows. It allows for frictions to be spotted in the user onboarding flow and these are then further optimized with app interface.

Tools like these not only encourage creativity, but they also facilitate collaboration and increase productivity in ideation. The value in business comes from attacking problems using multiple approaches, so you can achieve balance and innovation.



2.1.5 Coffee:: Contextual Review - AB Coffee Innovating in Specialty Nation!s Introduction

AB Coffee is an expanding specialty coffee brand out of Mumbai, India. Created with the mindset of taking the best highest grade speciality coffee to everyone's neighbourhood, AB Coffee has achieved great success in extremely competitive market of coffee retailing within a short time. AB Coffee received \$3.4m in Series A funding, by Nexus

Venture Partners co-investing Tanglin Venture Partners while in March 2024. This case details the company's history, struggles and strategies employed to secure a position in the specialty coffee sector.

Background

Tea rules the roost in India's coffee market, but lately specialty coffee has been gaining ground on the back of changing consumer habits, particularly among urban millennials. Seeing the opportunity, AB Coffee entered the market with a focus on quality beans, exciting brews and value.

Key Differentiators

Cheap Speciality Coffee: It has been gathering itself as a leader selling lowly-priced quality coffees that are much more reasonably-priced than the likes of luxury options such as Starbucks.

Well Sourced: The beans are sourced directly from Indian coffee farmers to ensure the wellbeing and freshness of local producers.

Technology-Driven Tactic: AB Coffee is using technology across the board — from mobile ordering to loyalty programs — in ways that have amplified the brand for customers.

Challenges Faced

Entering the competitive market: The biggest challenge for the company was to enter a space that is highly competitive putting it up against established players such as Starbucks, Cafe Coffee Day and emergent local chains.

A Perception Shift: 'To li seekhina ke Wow!' to persuade value-conscious Mind – Shoppe customers to switch from ordinary tea or instant coffee consumption to specialty coffee was quite pathbreaking.

Supply Chain Challenges: Keeping quality consistent and meeting the needs of new and local growers remotely presented a logistics challenge.

Strategies for Growth

→ Diverse strategies led the AB Coffee to overcome competition and gained the momentum for expansion. Diversifying the menu to cater to India's eating habits was one of its objectives for driving the business. Sales volumes soared with the addition of regional blends and seasonal cold brews.

→ AB Coffee (\$3.4m raised) improved their supply from which connected to T2 and 3 cities - providing access to an enormous (untapped) market place. AB Coffee put smart money into tech solutions that would improve its operations, like app-based ordering systems and AI analytics—an investment that would streamline things for the customer and make doing business more efficient for both partners. Innovative technical solutions would enable businesses to customise the user experience and also improve stock operations.

→ Connectivity was ultimately recognised as a key driver of business growth for the company. Through coffee tastings and workshops AB Coffee helped educate consumers about the world of specialty coffee. Brand activations at these events built loyalty, and developed a relationship with their audience.

Effects

Massive Rollout: In 2 years AB Coffee was available in 30 centres of India, and extended specialty beyond cities.

Consumer Dependability: AB Coffee has designed a brand that people trust in terms of quality and price. As a result, it built an army of young professionals and college students who were loyal customers for life.

Renowned Social Responsibility: The company's direct sourcing model will still sound the economic health of household coffee growers, and I want to believe that sustainable-producer models packaging improved its brand image.

Future Outlook

It would seek a market overseas, in south Asia and the Middle East, and continue to make hay from its low-cost speciality coffee model. Its also continuing to expand the product offering, which includes snacks and merchandise (so that space can be more about a complete experience in cafes).

Conclusion

AB Coffee is a leader in ideation and innovation amidst a hypercompetitive industry. The brand has managed to redefine the coffee retail market in India with its overall mix of affordability, quality and technology. The story of how it got there empowers businesses that wish to integrate sustainability, creativity and customer focus into their quest to grow.

2.1.6 Brainstorming as Part of the Ideation Function

It's a pivotal Cro-Magnon connection between Problem Finding and Idea Generating. Is an instructed, playful group activity to generate as many ideas in the least judgmental period of time like 1 minute (for example). Brainstorming produces fresh thoughts and new fixes in an environment fosters open collaboration, thought unchained. Background Ideation often originates from brainstorming, a technique of transforming a high-level concept to something that can be built. It's the ping pong that takes place during a brainstorm, allowing us to hear many points of view and ideas — which equals better output.

Encourage Different Perspectives: Brainstorming is about divergent thinking - the more ideas, the better and everyone can share as many -- no idea rejected. This would enable us to experiment with a vast number of variations, possibly seeing some fantastic innovations along the way. Unleashing unfettered creativity paves the way for fresh ideas to be borne. healthy hypotheses, to turn them into pragmatic applications.

For example: Pixar Animation Studios employed brainstorming sessions under the name “Braintrust” to cultivate creative storytelling. Inside Out and Finding Nemo both were born from pitches in these sorts of group brainstorming sessions.

Encourages Group Participation: By inviting several team members, brainstorming has more and diverse skills and knowledge allowing the collective to develop more ideas than any one individual could. Synthesizing Team members inspire one another through the synthesizing process and active listening becomes a component of ideation when the goal is to generate complex and fresh ideas. This collaborative way of working adds to the team spirit and encourages us towards a culture of collective creativity.

Example: At LEGO, the venerable Danish toymaker famous for its plastic building bricks and whose business began in 1932, a cross-functional team that included designers, engineers and marketers revived one of the most important brands at the company at an existential moment. The collaborations had started in a series of brainstorming sessions - and they realized that they’d identified an enormous untapped opportunity in building products for little girls. And this is what we have got with LEGO Friends, released in 2012, offering new colors, themes and characters so that girls of age 5-12 can build. These sales had doubled in each of the two groups and were part of an extraordinary turnaround for the company. Cultivating unorthodoxy smashes through the orthodox and reveals fresh views. “It will result in world-changing new ideas, and those likely wouldn’t have come from a committee.

Creativity: Now all of a sudden, brainstorming is this other forum where you get to talk and think about the kind in which people try out their forbidden or “wild” ideas. Most of those creative sparks can be expected to find development and become innovations after some tinkering.

Eg Coke’s multi-market campaign development team came up with ideas that were then turned into the successful “Share a Coke” execution with personalized bottles and huge uplift in sales and re-connection of the brand to its youth audience.

Hunt For Opportunities: Brainstorming uncovers opportunities by thinking about “what if’s” and thought stimulating conversations that help uncover unused market space. That same business also can spur creative thinking, ironically enough.

when assumptions are challenged and possibilities recomposed for game-changing.. Innovation besides that, it is a methodology to think differently of find alternatives gives the chance to businesses to find market voids sources. By being proactive, businesses stay ahead of both market trends and consumer expectations.

Example: The founders of Slack initially imagined their product as a gaming company, until they stumbled upon the value of their internal communications tool in sessions with

brainstorming. Their focus was simply on iterating and launching Slack as a disruptive tool for workplace communication.

Boosting Morale and Energy: Your team should feel like they own (or are included in) the ideation process. Hearing them out could make the workers feel valuable, boosting morale and engagement. Creating a culture where everyone feels they can contribute and be inspired. When staff members feel that their ideas are taken seriously, they will be much more engaged in the success of their employer.

Example: Google's internal initiative "20% time" reserves a fifth of employees' work hours for brainstorming and personally motivated projects. That's how Gmail and Google Maps came to be.

Brainstorming is the DNA of ideation – creativity, collaboration and strategic thinking bundled into one. It is a scaffolding for groups to iterate within and pour new ideas into doable solutions. Finding that tension in those real-life cases, like Coke marketing and Pixar storytelling, is what drives the brainstorming for creative solutions and ideas — giving companies a way to not do business as usual when faced with competition.

2.1.7 Techniques of Brainstorming Techniques

There are exercises (brainstorming, say) designed to jolt thought processes, group mentalities and innovative behavior. These are mechanisms to help teams un-learn the ways of the past, stretch themselves and create more than one possible answer. These approaches could be used to develop solutions for specific problems and to enhance current ones, while creating new ideas. Armed with the knowledge of these methods, a team can avail of collaborative innovation within the straitjacket of a system that supports the process and enables ideas to be generated.

Classic Brainstorming: This can encourage those in a group to share ideas without the fear of good input being shot down. **Brainstorming:** Focus on the number of ideas generated

with impossible ideas even having the potential to prompt some more creative thinking. A host makes sure to get equal participation from everyone all along the way.

Example: By following the classic brainstorming methods, UrbanClap (now Urban Company), revamped their business model and reached hundreds of ideas in a typical brainstorming session. Which also lead to highly creative ideas for background-checked professionals and an intuitive online booking experience, thus the trust of our customers go even more massive.

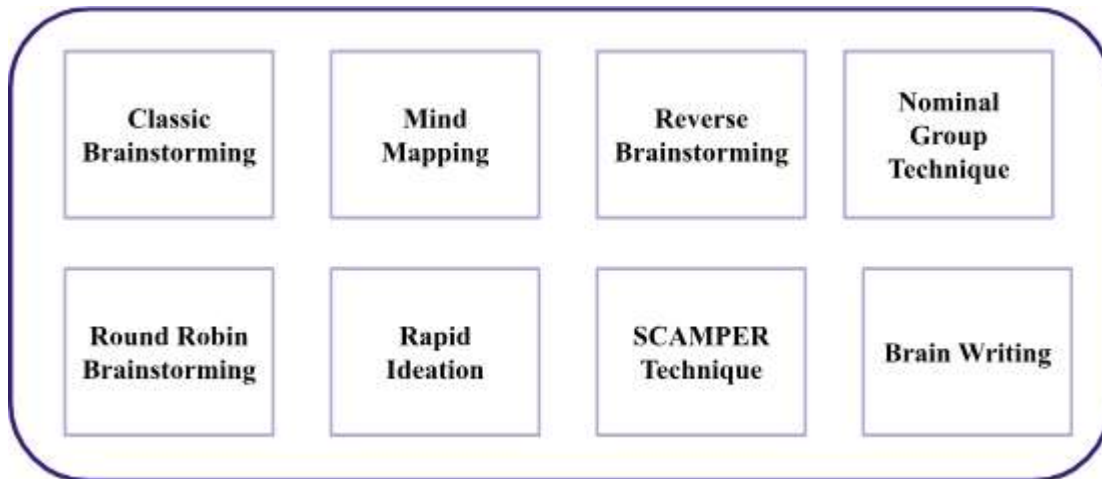


Fig 2.4 Techniques of Brainstorming Techniques

Mind Mapping: People create a visual representation in mind mapping by arranging concepts visually around a central anchor point and connecting to related ideas as they come with outward lines or vectors. The approach enables teams to have holistic insights as links are shown between ideas, and ideas from different vantage points which provides a holistic perspective that can comprehensively respond to complex issues. It's a great strategy when people approach complex problem-solving.

Example: The Google team practised mind mapping for their strategy of injecting business data into the Google Maps. The evolution of their sophisticated software resulted from conforming to user requests for navigation elements along with monetization features as well as local search attributes that led to more users activity.

Reverse Brainstorm: This is a counterintuitive approach, where members develop problems in order to identify antithesis target goals. The analysis of negative actions increases a team's ability to find solutions and understand what problems they may have overlooked.

Example: Amazon used reverse brainstorming to solve late delivery problems. Their team came up with all of these supply chain inefficiencies by brainstorming around missing packages and shipment delays. Implemented technologies had achieved improved accuracy and speed of information delivery.

Nominal Group Technique (NGT): NGT allows individuals to generate thoughts independently before participating in group discussion. Each attendee puts down their own personal idea in writing and this stimulates group analysis for grading the ideas among the constituents. The practice minimizes groupthink and ensures that even the least vocal participants have an equal opportunity to contribute.

Example: Leading SaaS provider, software company implemented NGT in their product development process. Independent engineers' submissions worked toward the introduction of agile practices and silo-breaking teams – time-to-market for new features was slashed.

Brainwriting: Radically, this format allows to submit input anonymously and nerf the reluctance to contribute anything. These different formats can be combined or used separately. Ideas exchanged in the group as members build on each others' concepts, they move closer to collective next steps. That also generates more diverse ideas since each person has a level playing field to bring something new, without pressure.

Example: In brain writing Toyota used the process to ideate the vehicle safety features. Pre-collisions systems and adaptive cruise control were born from anonymous submission of ideas by staff.

SCAMPER Method: The SCAMPER system is a structured method to facilitate creativity, by thinking of new ways to use existing products or services using the Substitute, Combine, Adapt, Modify, Put to another use, Eliminate and Rearrange principles. With a scrutinizing eye towards every part of a product, teams can come up with new ways to

use it or improve upon the design. This approach stimulates thinking about products or services in different ways, and thus new paths to innovation begin to emerge.

Example: Lego used the SCAMPER technique for the development of the Lego Ideas platform which enables fans to submit their own design ideas and vote on them. The method brought new designs and developed higher customer relations.

Quick or Rapid ideation: This is the form of idea generation in which people are put in a team and asked to come up with lots of ideas in a limited time. Participating in this accelerated

process naturally leads people beyond obsession and allows their natural creativity to be set free. This manner of introspection promotes free mental association -inhibiting overintellectualization- and thus permits the generation of fresh, primary ideas.

For example: During the time-boxed ideation, Adobe's design team generated new features for Adobe Spark. Because of time constraints, developers produced original design tools that generated flexible templates and intuitive design features.

(M1) Round Robin Brainstorming: Participants' personal inputs are shared with each other on a turn by turn basis. The round robin format encourages the input of those who had spoken earlier, as well as more even participation by all members, and in turn diminishing powerful voices that otherwise would speak over weaker ones. This allows for everyone on the team to have an equal opportunity to contribute, thus promoting a more fair and collective brainstorming session.

Example: IDEO used Round-Robin Brainstorming to develop their concept for the Shopping Cart Redesign project. The method allowed the team to generate some original ideas, such as modular baskets, section scanners and added safety measures, thus developing an outstanding prototype that answered several of the needs specified by users.

Starbursting: The six questions that are answered when starbursting are Who, What, When, Where, Why and How these are all interconnected with the main concept. With

this approach, teams completely wrap their minds around an idea's many facets and notice nuances that went unnoticed during previous conversations. In doing so it makes the potential challenges, opportunities and gaps clear for further research about that concept.

Example: The Tesla starburst Using starbursting, Tesla evaluated the feasibility of its electric vehicle charging network. Their national coverage strategy was developed after an extensive study of installation needs and the availability issues and costs.

Role Storming: This creative technique involves taking on the role of customers, competitors and stakeholders to generate ideas looking at things through someone else's eyes. "Participants use this tool to discover new insights and develop empathy between themselves and their stakeholders." In a process called role-storming, team members can reimagine working in the shoes of other roles to uncover gaps and ensure that teams are not operating in silos but crafting solutions that are more on-target / breakthrough/ relevant.

Example: How role-storming helped Disney fix their theme park operations. When Cast Members role played as families visiting the park, they implemented the FastPass+ system to better manage wait times and also came up with meal choices that would work for them.

Brainstorming techniques are clear solutions for sparking creativity and resolving issues within the transitions. There are pluses to all and good old fashioned brainstorming promotes creativity, mind mapping places some order on ideas and reverse brainstorming reveals little gems that may otherwise be overlooked. The building blocks of the Lego-inspired SCAMPER model (as well as Tesla's starbursting technique) demonstrate how such creative devices give rise to worthwhile ideas and solutions. Those companies that make these strategic plays will be the ones where collaborative creativity flourishes, fostering growth and innovation.

2.1.8 The Ideation Process

That's the Shit Shower and Shave of coming up with ideas, working through them and iterating on them in a structured method. You need it to think, create new and solve

problems at the business and marketing level as well design in in product development. That process is broken down into stages, so that individuals and teams can follow along to unlock the spectrum of possibilities, whip creativity to life, and focus solution efforts in actionable steps.



Fig 2.5 The Ideation Process

Identify the Problem or Challenge: In ideating, you need to know what you are ideating about. This means setting the problem, objectives and limits and without it all is vain. These instruments involve development of problem statements or

using a “5 Whys” method to establish the issue. AKA you just need to make sure the entire team is in agreement of this root cause, so that it won’t be led astray later on down the road.

Example: A technology company working to enhance an app could describe the challenge as “reducing user drop-off during on-boarding.”

Research and Insight: Once the problem is set, then it’s time to gather insights and evidence for ideation. It could be analyzing trends, channeling a target customer or learning about industry norms. Instead, we want to be able to pull out something that might give us an idea of how this can possibly be solved. ‘An education gives us the power to think intelligently, and perhaps a more developed awareness of either background or potential opportunities that can be of benefit.

Example: A clothing company will study the types of customers that are inspired and appealed by sustainable fashion, which could result in more eco-friendly product designs.

Brainstorming: The brainstorm is the lifeblood of ideation. The point here is to generate ideas really unencumbered by the fear of evaluation. It is liberating and fosters independent creativity. Techniques such as Mind Mapping, SCAMPER or Crazy 8s are frequently employed when it comes to idea generating. It opens the floor/brain to everyone, and that's where lots of different perspectives and cool ideas can be shared.

Example: A marketing campaign group that identifies as customers and role-plays for new advertising methods.

Idea Evaluation and Selection: Once you have finished brainstorming, analyze the ideas according to how feasible, desirable and viable they are. The idea is to whittle down that list and select the ideas with the most potential. For example, an Impact vs. Effort matrix or group voting can help choosing well. This reduces out the low applicable ideas and focusing only on those ideas which will have high impact.

Example: A startup considering new product ideas might evaluate them in terms of which can be easily launched and have the highest market potential.

Prototype-and-Testing: Prototype means to make replica of the ideas in a smaller version for testing and judgment of its feasibility and effectiveness. The models can be in physical, paper and digital form which of course depend on the situation.

It is very important to test the prototypes with users or stakeholders in order to get feedback to improve the model. Prototypes can find what could go wrong, and save time and money.

Example: A software firm may produce an MVP to validate a few features before releasing the product as a whole.

Implement and Review: The last stage involves execution of the selected idea followed by tracking of its outcomes. That is developing an action plan of what action you are going to take, who is going to do that and how long its supposed to take. Whether the idea became successful after having been implemented. That's the only way you'll know that the goals were achieved or if there's a need for adjustment. Frequent review can help achieve this effect by making adjustments so that processes remain aligned with intended outcomes.

For example, a restaurant that introduces a new loyalty program might judge its success by considering customer feedback and sales data.

Each of those ideation stages are extremely important when it comes to turning creative ideas into actual solutions. Very structured and creative in nature, therefore, Ideation is quite essential to address complex problems of course grow along with them as well.

2.1.9 Brainstorming Tools and Platforms

It must be added that ideation process include a brainstorming element in which ideas are generated, aggregated and refined by an individual or a group. A number of tools and environments have been introduced to enable disciplined, interactive brainstorming that integrates well with other workflows. Learners often find many of those tools used when they are in team-based problem-solving or strategy development task useful.

Mind Mapping Tools Mind mapping tools are great for brainstorming as they help to organize visually linked ideas. Users can draw crossing arcs in the center to represent leading topics or ideas with successive clusters of wedges growing from the center outward. Common bells and whistles might be drag-and-drop nodes, the ability to work together, and real-time up-dating during team sessions.

Examples

- **MindMeister:** This online tool allows users to create a mind map that's ideal for strategic planning and marketing.

- XMind- An excellent way to systematically analyse problems and structure projects in an ordered way.

Scenario: The Marketing team uses MindMeister/TILI to build customer personas and tag them with potential campaign approaches.

Virtual Whiteboard: The app includes a virtual white board, and members can collaborate digitally with digital brainstorming and writing notes or drawing diagrams together online. The platforms replicate the appearance of an analog whiteboard and provide additional, tailor-made tools for remote meetings.

Examples

- Miro: There's utility in it with its brainstorming templates and agile workflows or the customer journey mapping.

- Jamboard: Google's collaborative, virtual whiteboard integrates smoothly with Google Workspace.

HOW IT'S USED Use case: In live video call remote collab sessions, product developers use Miro to ideate new feature concepts by stickying notes together.

Absolute Brainstorming Platforms: Some of these tools concentrate solely on facilitating structured brainstorming and ideation. These online platforms for brainstorming offer templates and tools for creating strategy, a way to approve the ideas proposed by participants and instruments bag help you speed up the brainstorming work.

Examples

- Stormboard: Users can vote on and report ideas, using digital sticky notes to organize ideas on this platform.

- IdeaBoardz: A free, easy-to-use tool for brainstorming that's particularly favored by many user groups doing retrospectives as a team.

Use Case: University project teams are able to brainstorm around business model innovation and prioritize them so that they can make a decision on which direction is best for them.

Collaboration with brainstorming: Some collaboration applications permit creating and sharing the ideas by team members for generating new ideas using built-in brainstorming tools. These applications have varying uses to the user and consist of ideas to project management to integration with your communication system.

Examples

- **Works with Microsoft Teams Whiteboard:** Get input from all participants in team conversations.
- **Slack with Plug-ins such as Donut:** The service creates the informal context in which coworkers gel around a personal level.

Practical Implications: By applying in Microsoft Teams, a consulting team can manage project tasks and engage in group brainstorming around client operations issues.

AI Enabled Brainstorming Tools: More brain, less storm – AI enabled tools make the ideas come to you, it can even do tasks for you, learns, and analyses input through machine learning and natural language processing. Both platforms inform one another. They fast-track the ideation process.

Examples

- **Tool function:**Creation of new ideas (ideation, creative direction, possibility space exploration) · A new class of tool that helps formulate and articulate a category-defining product vision.
- **Crayon (previously DALL-E):** Generating design ideation sources with image generation.

Application: A brand team might use ChatGPT to generate campaign themes and taglines for various market segments — while maintaining their broader voice.

Visual Collaboration and Design Tools : If your team does visual brainstorming exercises or let design think as the primary usage these tools should work well. The tools encourage team members to articulate their ideas and enable them to trial creative concepts using sketching as a gateway for storyboard creation and design element testing.

Examples

- **Whiteboards from Canva:** ChatGPT brings the power of brainstorming to graphic design.

● Figma: Wir können zusammen am Design-Interface AS für brainstorming Lösungen von UI/UX Projekten arbeiten.

Practical Implication A team of designers may use Figma for sharing their thoughts and drawing the background of a website together.

Brainstorming with a “Gaming” Twist: With gaming, it’ll be fun and competitive to think of ideas... When people have fun, they’re more likely to participate AND to produce. The team is united around interactive experiences that prompt creative thinking.

Examples

● Innovation Games: The supplies in this collection encourage collaborative brainstorming and creativity such as techniques

like “Prune the Product Tree” and “Buy a Feature.”

● FunRetro: FunRetro brings in gamification techniques to stimulate brainstorming on team retrospective meetings.

Application: An internal retail company product development team would utilize “Buy a Feature” to investigate and rank product features. Each team member is given a pretend budget and “buys” features they believe would bring the most value to customers. This results in a fun and interactive system based on the popular vote or preference of everyone's choices.

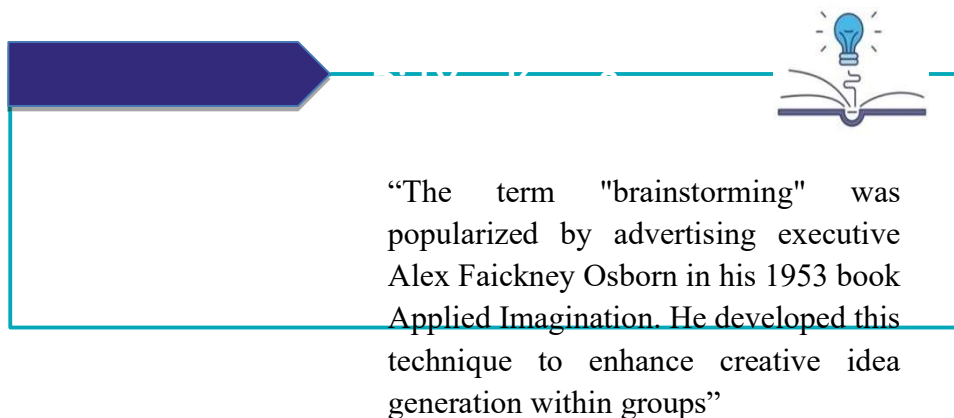
Social Media and Crowdsourcing: Brainstorming technique is one of the features available in these platforms aiming to use crowd wisdom. Online communities organizations get broader range of insight harvesting by seeking input, feedbacks or pattern recognition from large no of audience in their online communities.

Examples

- Twitter Polls: Great for fast idea validation or public opinion.
- Quora / Reddit Use 201x trending topics to find a brainstorm idea!

Applied Use: Startups can use Twitter polls to receive feedback for their product feature alternatives directly from the members of their audience.

Brainstorming tools and platforms There is no one size fits all with brainstorming, as it covers a wide range of techniques for generating good ideas – both for you alone or with others. Once the appropriate tools have been selected based on their requirements (visual, structure and team collaboration - for visual or structured idea generation in teams), it accelerates the brainstorming process and across sectors, fuels innovation to solve some of the most challenging problems enabling deployable strategy.



2.2 Introduce the product, founder and channel

2.2.1 Introducing the Product and its Relation with Ideation

Products are an integral part of virtually all value-creation processes; at its simplest, a product is anything that can satisfy the needs and wants of a customer. Ideation is that pivotal stage when a product assumes form; it's the byproduct of creative thinking and revolutionary concepts. Ideation is about generating ideas that could become products, services or experiences. A winning product usually comes from an understanding of what the customers and market need, but it then also gets mashed up to produce inventive concepts by way of a unique value proposition.

2.2.2 Definition and Types of Products

This basic format for the creation of value as products implies a generic classification into three types of products: goods, services, and experiences. And different aspects, they create value in their own way depending on the customer benefit that we have.

Goods: Those are tangible items that customers can see, touch or own. So goods are created that will satisfy our functional needs - for utility, convenience, for comfort. Commodities are largely fabricated and promoted for their quality, form, and cost.

Example: It's a smartphone called the iPhone that does communication, does information, does the Internet, and has your life in it. On offer is an excellent quality product that represents unparalleled consumer value with its stunning design, robust construction and incredible set of features.

Services: Services are non-material products which offers values by of knowledge, or an experience or some kind of action. Goods are material and services can not be owned, but provide much greater dimension in such terms of where the customer satisfaction resides. Quality will be contingent upon an organization's reliability, responsiveness and customization.

Example: Uber provides a taxi service that is fast and accessible to users. The company ideated concepts such as ride tracking and cashless payment, to enhance the service experience.

Experience: Experience marries the tangible and intangible by generating permanent mental or sensory connections with consumers. The feelings, thoughts and perceptions that are formed create experiences that are magical and special. Experiences are more than just function-this is what customers feel when they interact with a brand or product.

Example: Disneyland bundles together products (merchandise), services (live entertainment) and experiences (immersive rides) to create magical experiences. It was

an atmosphere that was designed very carefully around concepts of surprise and delight, and never leave someone who's received a product from us without amazing memories.

2.2.3 Levels of the core, actual and augmented products

Products are also viewed in terms of three levels of value: the core product, the actual product and the augmented product. These shed light on how firms add layers of value to their offerings in order to attract consumers' interest while doing more than expected within a competitive marketplace.

Core Product: It is the essential benefit or solution that a product delivers to the customer. It addresses the basic, basic needs of the customer. There is an inherent value to this stage associated with what the consumer desire or expect from it.

Example: What is the product" For Tesla, the product coreots down to eco-friendly efficient transportation. Ideation at this stage of work would focus on addressing the primary reasons consumers want such an item, and responding to their core desire for a greener form of mobility.

Augmented Product: The augmented version of the product is the physical manifestation of the basic benefit, including design, features, quality and other built-in aspects. That's what separates it in the marketplace from others and also provides its general feel and shape.

Example: For Tesla, the product itself is the style, autopilot tech and hardware performance advantage. During the ideation phase, businesses refine these physical characteristics to make their product more attractive and competitive.

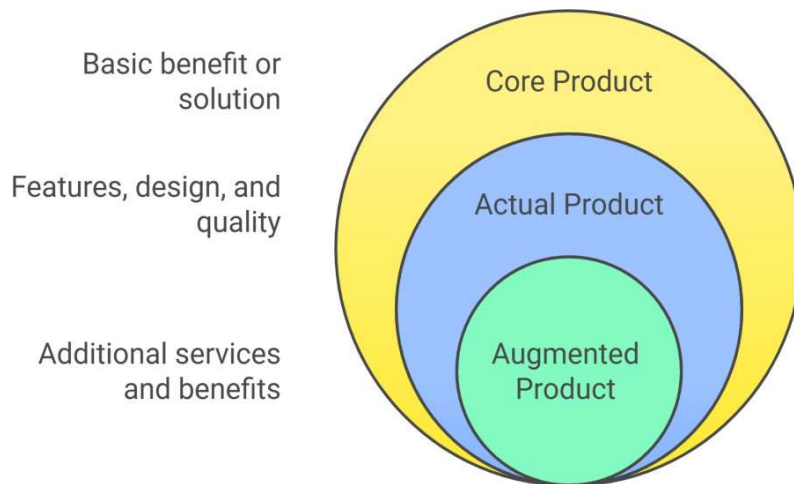


Fig 2.6 Core, Actual, and Augmented Product Levels

Augmented Product: refers to the product with a number of additional benefits brought by it such as after sales support, warranty or installation (three) Augmenting. This latter stage provides such added value, which has been the reason for such strong customer loyalty and satisfaction.

In the case of Tesla, this augmented product can be seen in its supercharger network, regular software updates and epic customer service. Rduer Oh, because the category is looking to add value and not just \$\$ promotional activations!

2.2.4 Introduction to Product Features and Customer Needs Fit

Product/feature parity is key to making sure you have success with your offerings and what the customer needs. It gets the products in sync with fixing customer problems and meeting customer needs, rather than getting the response right to shifts in markets. And customer journey mapping or empathy mapping help refine ideation and thus can foster business innovation which result in a high-value offering.

Identifying Customer Pain Points The features must be tied to pain points ones we are solving for the customers or trying to make it better. Reducing pain points is about finding the things that prevent people from being happy and designing features to make them go away. This should help in maintaining the product addressing real, practical needs and not some indistinct fun.

For example, Fintech startup Razorpay realised there was a pain point among small businesses in dealing with complex payment processing. It has made digital payments

as easy so that businesses could just get online payments done at one secure, seamless and easy platform ie.making all transactions more profitable.

Adding Customer Want: Beyond facilitating solutions, a strong product raises an element of want for ease, appearance or status. These emotional and aspirational aspects are crucial in design practice, and can contribute to better user experiences. It's exactly that kind of appeal they provide, in a very classic way — a 'long term sort-of-relationship.

Example: The American sports brand Nike designs performance first (latest in technology) running shoes that are designed to be cool (fashion first). The combination of functional wear comfort performance and emotional desire for fashionable design satisfies the customer's needs at every level.

Unstoppable Invention: Keep innovating on product features following customer wants and market changes to remain competitive across the competition. This method will insure that the products are fresh, attractive and different from those of competitors.

EXEMPLIFIED: Samsung's foldable smartphone represents a unique innovation to meet the customer's requirements for multitasking and portability. The compact size and flexible screens of the device have revolutionised the way users consume technology in general, ensuring it stays fresh in the market.

2.2.5 Founder: Vision and Value Proposition

Founder is key in getting ideas and styling up as it's your idea generation platform. The founders' vision determines the direction and positioning of everything in the company — from what products will be created, to the culture, values and brand. Founders energise the team during free-wheeling discussions on anything, stimulating creativity around a centre of gravity. As the leader, they help translate these vague concepts into a product that not just hits but also whets the appetite of their market. Below, I develop this point about how founders drive the vision and value propositions.

How the Founder Designed the Product

The founder's vision becomes a mandate for product development or innovation. A founder sees market gaps, builds an idea for how to solve one and helps guide brainstorming so products fit ideas and the mission of the organization. And so by being fully engaged in the process of brainstorming, products would actually speak to their own experience and point-of-view.

For example, the real visionary at Tesla was Elon Musk – the man who dreamt of a world where renewable energies powered everything with cutting-edge technology. Behind the dream was all of Tesla's electric vehicles; from the Model S to Model 3, even that monster called Cybertruck – and because he is The Man who oversees making them these Teslas were made more out of common sense than fancy.

Founder's Impact on Organizational Culture

The founders are the ones who help mold an organization's culture, and that in turn usually says a fair amount about its ideation process and product development. The startup team becomes the stepping stone to building a culture of innovation, experimentation and collaboration in an organization, and thereby keeping the workforce motivated towards delivering value.

For example: Howard Schultz from Starbucks who created a culture of empowering employees and customer experience. He turned workers into “partners,” offered them benefits; he encouraged teamwork and initiatives that caused the rise of innovations including custom drinks and in-store experiences.

The founder as a brand: The charismatic founder frequently is the face of the company, reflects its core values and helps serve as a totemic icon that sustains its identity as a brand. He offers them a potential anchor to personify, values for customers to believe in and trust. NotSupportedException: [Engaged founders] couple the company's value prop and execute a unique competitive strategy.

Example: Sarah Blakely, an entrepreneur and philanthropist, the revolutionary brand has always had a mission to help women feel great about themselves and their potential. Her story of perseverance and ingenuity is carefully sewn into a message that reaches women worldwide drawing them in while validating what the brand stands for.

Founders are the lynchpin in shaping the vision and value proposition of a company through product ideation, creating a culture of innovation, and cultivating customer advocates. In other words, founders with the ability to translate thoughts into

meaningful products motivate a team to build something that makes businesses matter in markets.

2.2.6 Channel: Delivering Value to Customers

Well managed channels would always yield the customer value correctly and usually followed a brainstorming or ideation exercise when companies have to consider how best could they get in front of the customers they want. Selected channels in the process of delivering the product and service, also help a great deal to create required experience for customers with right product at right place at right time. While all these strategies are available for consideration, whether its direct or indirect channels, the use of high-end technology, a company's channel strategy will help in ensuring maximum product delivery and potential customer experience. Let's examine the basic building blocks of channels management in relation to ideation.

Definition and Significance: Distribution Channels

channels of distribution- The path of a product from the manufacturer to the consumer. The first can be direct, when companies sell directly to clients, or indirect; involving intermediaries such as wholesalers, retailers or agents. This decision between a direct and an indirect channel has impact on the end-customer experience, cost profile, and market coverage.

Case in point: Nike's transformation to direct-to-consumer (DTC) with an e-commerce site and mobile app interface is a testament to the power of available channels for making customers stickier and giving them more control over brand experience. The Company planned to offer the customers a personal shopping experience and preceded with directly ccontact them utilizing digital media.

Channel Strategies

Channel strategies refer to the right mix of direct and indirect channels through which target customers are reached. Companies have long been using multi-channel and omnichannel strategies to reach customers at various touch points, online or offline. They can be implemented with flexibility and accessibility in mind.

Multi Channel Strategy- Multi channel strategy involves using a variety of different channels to gain customer access – store based channels, online channels and/or third party retailers. With this method, businesses

reach various customers by different channels, and can therefore have flexibility in terms of how products are reached and sold.

Example: An American multinational retail company Walmart has a multi-channel strategy so that they can buy products from different channels such as internet shopping, in-store purchase and third party retailer. These allow consumers to purchase across different channels according to flexibility or convenience.

Omnichannel strategy: Omnichannel strategy is the offering of a seamless and consistent experience to consumers across all channels that they wish to use. The entire strategy seems to be about converging interactions, whether a customer is buying thru online or store touchpoints (or even a mobile app).

Example: Starbucks, an American Multinational chain of coffeehouses and roastery reserves uses mobile app and in-store services in combination to order coffee, collect it from a store and get rewarded on all these platforms. So it allows for a seamless experience across multiple touchpoints and tries to encourage convenience and brand loyalty.

Information Technology in Channel Management

Tech-enabled channel management becomes a new business reality for operational efficiency and providing customers with good experiences. Digital modes consist of online transactional platforms, a CRM (customer relationship manager), AI-empowered

recommendations to increase channel effectiveness with up to the minute information and deep personal engagement among customers.

For instance: Amazon's AI and analytics-driven e-commerce platform effectively fuses online and offline channels together. The services offered involve tailored advice, smooth logistics and instant tracking to make the purchase easy with fast delivery.

2.2.7 Contextual Review: 3M - Product, Founder and Channel Integration Background We were unable to trace any significant channel integration with its founder or products before his departure from the company.

Scientific Innovation Invented in 1902, with our founder Dr. J. Danley Budd and his pursuit to explore new ways of improving people's lives, we are the largest global company applying science to life, have transformed: SWEP is part of history since its sitemapSignUp for Bergami Newsletter very beginning. We offer products that enable the world's most significant critical resources—energy, chemicals and water—to be extracted more efficiently. Today, business operations have expanded to various different sectors of the economy, including health care and consumables; even developing home products such as Scotch tape as well as medical supplies.

Product and Founder's Vision

The philosophy that Dr. J. Danley Budd began long ago contributed to everything we do today, 3M uses science and technology to improve people's lives - and a great example of this is with clicks around each product category section above). It's all fun products developed within Research and Development developing with 'practical' purposes in mind (to give humanity the best it can possibly be)); Innovation and the DNA of 3M A culture of innovation governs product development processes and organizational principles.

For instance: A 3M scientist accidentally stumbled upon the creation of the Post-it note—one of the company's most iconic product lines. The product came into existence because of 3M's culture of scientific discovery and troubleshooting strategies, combined with the company mission to offer simple solutions to everyday problems. The

invention of the Post-it Note transformed personal organization overnight, and illustrated 3M's ongoing commitment to its founder's dogged pursuit of innovation.

Product and Channel Integration

The company employs a multi-channel distribution system in which the products are distributed to many industrial markets throughout the world. 3M is able to reach its end-users through direct and indirect channels that are established between industrial distributors and major retailers. Each selected channel has an appropriability aspect, are calibrated to the application of the product and tailored to the specific needs of the target customer base.

Illustration: A diverse group of retailers and online store, as well as supermarkets, sell 3M's consumer products like Scotch tape and Post-it Notes, so it is easier for general consumers to get hold of housewares. 3M industrial products are sold through a network of specialized distributors, contact your local sales representative for additional information on direct sales or distributors serving the specific needs of business customers. By being in retail, working for the direct sales as well, 3M is able to serve both consumer and professional markets effectively.

Founder's Vision and Channel Strategy

3M's focus on Innovation and access to global markets and products from founder, guided its path on channel strategy. Dr. J. Danley Budd's business model of providing incredible products to everyone who wanted them all over the world was based on this principle of life building.

Example The health care division of 3M provides its customers with access to 3M's wealth of manufacturing capabilities and innovative technologies by developing relationships exclusively with leading medical institutions and health care distribution channels. They mass-market their consumer goods to a larger customer base through mass retail chains. 3M is simply the founder's formula to bring us closer and make innovations part of our lives in every corner around the globe."

3M's success comes from the product development model that aligns with its' founder vision and with how it distributes. Their attention to technology and worldwide distribution enable them to dominate more than a dozen separate industries worldwide. 3M is successful in changing markets, since the founder's conviction about practical (application-oriented) scientific solutions, matches with market-integrated product distribution techniques.

Product and Channel

Product-channel relationship is equally important, too. The channel plan should be structured so that it can efficiently communicate your products value proposition to the right customers. How a product is sold – in exclusive boutiques or mass retail, online and offline make the world of difference to how that product will be perceived by potential customers. The fishbone for the product Lemna has given a solution that can track and trace products, making it easier to find them and providing a better customer experience of products.

Example: Tesla's electric cars are a great example of how product and channel interact. Tesla not only has a real monopoly on the techiness and design of its cars but also manages every aspect of the customer experience by operating its own owned stores and showrooms. Direct to consumer serves Tesla's brand around innovation, control and luxury by controlling the presentation of the product consistent with being a premium product.



“The idea for the iPod originated from a small brainstorming session led by Steve Jobs and Tony Fadell, focusing on creating a portable music player with an easy-to-use interface and seamless integration with iTunes. This approach revolutionized the way music was consumed globally.”

2.2.8 Founder's Vision and Channel

The founder's vision impacts distribution. He might select some channels that are a reflection of the founder's values, or go after a customer segment that aligns with those values. Those distribution channels wherein a product is taken to market may enhance or diminish the original dream as it plays out for the founder. Staying in touch with the who, how and why behind any elite convenience/availability is all part of the channel and it should seamlessly deliver on all required to do rather than talk.

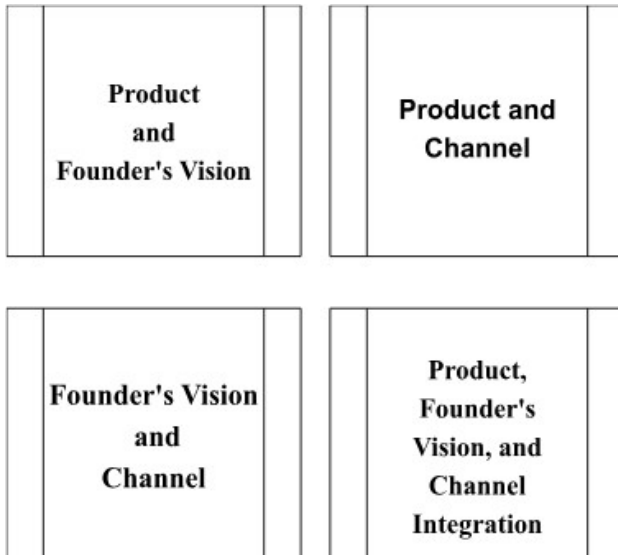


Fig 2.7 The Interconnection Between Product, Founder, and Channel

Example: Warby Parker (an American online retailer of prescription glasses and sunglasses, as well as contact lenses) was founded by Neil Blumenthal, Dave Gilboa, Andrew Hunt, and Jeffrey Raider. They wanted to provide elegant, quality eyewear for a quarter of the price and streamline the process of purchasing. The DTC model was pursued by company like Warby Parker, which started out with the website for glasses where you can virtually try on frames and get home to meet with customers. Using a unique online-first distribution model, the founders were able to realize their vision of shaking up the eyewear industry and creating a (brand) that was more accessible to even more people without compromising quality or style”

Product, Vision of the Founder, and Channel Integration

The combination of the product, founder's vision and channel together creates a sort of cohesive customer experience that reinforces the overall brand story. With all these

elements in place you have customer product fit, the founder's vision that defines the brand and the channels which ensures that your product is being found in a way to maintain brand promise. In that way, all of it reinforces consistency and from causing even much more improved customer retention – for the brand known.

Example: The French Fashion House of Chanel was founded in 1910 by Coco Chanel in Paris represents the perfect triangle encompassing all three dimensions. This is completely in line with how Coco Chanel envisioned luxury to be, products that are luxurious but also usable and practical and this is what we see reflected in the design of Chanel's fashion. Timeless is what her fine materials and iconic designs represent. Chanel's status as a luxury brand is further secured by its exclusive distribution channels—upper-end boutiques and elite department stores—where customers experience the brand in a setting that reflects its exclusivity. The channel strategy in this case is to underscore the product value and make sure from the founder's perspective that this vision fits into consistently premium experience for customers.

These connections enable companies to ensure every surface – the product, the founder's point of view and the channel – are aligned with each other for an end-to-end, unified brand experience. Altogether, this breeds trust in the customer base, brand loyalty and a company structured for long term success.

2.2.9 Contextual Review: Slack – Product, Founder and Channel Integration Backgrounder What is slack?

Stewart Butterfield Co-founded Slack in 2013 as an internal chat channel within a gaming company. That tool quickly evolved into a full collaboration platform, one that.ToDecimal() in the Ramda implementation of emulating Python's map round up function Posted on February 20, 2015 by Dustin Rue.AsyncTask!

revolutionized the way how team all around world are communicated and working together. Its product design as well as the fact that

, in combination with a founder vision of effective workplace communication and a channel strategy was key to Slack's success.

Product and Founder's Vision

Stewart Butterfield has sketched out an idea for what he calls the “all-in-one, easy-to-use communication product” in the workplace. What he envisioned was an interface through which teams could send messages virtually in real time while seamlessly sharing files and integrating all different workplace tools under one roof. His desire to develop the most basic, functional method of communication among groups dictated the product's overall design and functionality.

Example: In practice, you can combine Slack channels with direct messaging as well as integrate Google Drive, Trello and Zoom among other components to reflect the simplicity and productivity visions Butterfield had in mind. It helps teams work in unison, not through siloed communication. Its inspiration highlights the elegant concept through which Butterfield imagined improvement in the workplace communication and increase in productivity for workers.

Product and Channel Integration

Slack combines both direct and indirect channels with its channel strategy and meets the business demands from enterprises, mid-tier companies and small businesses. It is a freemium service as you could use for free and also pay just to get some premium features from it. It's the company's business model that allows Slack to reel users in from very small startups and then scale up all the way to much larger enterprise companies.

Example: Users come to Slack by registering for free on the company's main site, where they have instant access to the platform. Slack is mainly available through app stores, so in both cases users of mobile devices obtain the applications directly. The platform goes viral in an organic marketing because the users see they get value and start to promote slack through their teams. Slack extends its reach with the help of multiple software providers – by joining them into more complex digital ecosystems, the platform makes it to touch a bigger audience.

Founder's Vision and Channel Strategy

Butterfield, founder of Slack, wanted to drive innovation in products, but the idea was also open to any of their collaborative tools. He wanted to build a tool that would do well across the whole range of from small startup to large enterprise. Slack framed its channel strategy in a way that accommodates both single users and large companies.'

Example:. It shares its freemium model with small businesses and start-ups, offering use of the platform free to large corporations while making it simple to add other users. This position will enable Slack to engage with even smaller teams that are looking for basic communications tools, as well as provide more integration options and deeper analytics to massive businesses.

Slack's strong brand is an example of the power of alignment between what a product really does and how it gets to people from out the gate, when by Siebel's logic (when founder = CEO was important) that guy was still CEO. And he's motivated to rethink the entire product by a dream of something Stewart Butterfield had — making it simple for people in workplaces to communicate with one another.

Over the years, Slack was able to tap into a wide array of customers through its channel strategy that included direct sales, organic growth and partnership initiatives. Thus, with strategic integration of core elements at its helm the company succeeded in rapid adoption that eventually evolved into it being a dominant player in the business communications.

2.3 Market Fit

2.3.1 Strategic Understanding of Market Fit

Definition: Product-market fit (PMF) is one of the most crucial elements to build and validate in your business strategy, as it represents the moment when you realize that the target audience you are addressing has needs that may be solved with a product or service. It requires more strategic fitting than just matching between the product and users. PMF is the moment when a company attains maximum demand generation, minimum user resistance and clear line of sight to profitability. This is not an

accomplishment, but a living system that always evolves through the evolving customer preferences, rivals' forces and market movements.

2.3.2 The Lifecycle of Market Fit

Product market fit lifecycle lays out that “companies must match their business tactics to the stage of development they are in.

development phase. Understand these stages for better clarity with Examples.

→ Early-Stage: Identifying and Validating Needs

In this stage, companies validate whether their assumptions about customer pain points are accurate and their hypotheses are best tested on prototypes or MVPs. This phase can be thought of as a hunt to find out whether the company's product will have market demand.

Example: Dropbox, the file hosting service's original marketing strategy was to catch tech-conscious user's attention without any more than a basic MVP showing one video of its smooth operation of sharing files & additional product features.

→ Growth: Scalable Market Fit

Friendly After achieving PMF, companies go through scaling as they optimize operations and add more customers. All business marketing efforts should aim to achieve two objectives: maintaining existing customers and winning new ones. Customer comments are leveraged to achieve a successful continuous product improvement.

Example: Square — a point-of-sale system for merchants, also with physical or online stores / first launched in 2009 by Block Inc. — scaled its market fit from being just a mobile payments company to offer complete business solutions including point of sale hardware, payroll and loans. With their attention on small businesses and ongoing upgrades to its platform, this attracted more customers and continued the momentum placing them as a strong contender in the financial services space.

→ Maturity: Sustaining and Reinventing Fit

When a market starts moving, organizations need to remain integrated into that changing market by innovating and adapting to what their customers currently demand. To keep up in the market at this stage, companies explore neighboring markets and product design.

Microsoft for example by constantly changing its cloud offerings for Azure / Office 365 has had success in keeping market fit. That's by adding AI-assisted capabilities, introducing improvements to collaboration tools, and delivering them in a way that can be tailored for the different verticals.

2.3.3 Market fit in business models and competitive advantage

Market fit within a business model is the basis of success in business in general and sustained competitive advantage. Market fit is how companies can ensure that what they are selling still meets buyers needs, but it also represents the single best way to dominate market share retention. Here's how market fit has a role to play in business strategy:

Validation of Value Proposition: A business shows success at solving user needs once a solution fits the market for the customers it serves. And the proof is in the as customers are recognizing the value of retail that's makes a strong case for growth. So businesses will craft a solid value proposition, and with that market fit, they're going to make very good messaging themes and strategies. Example: In the case of Airbnb, the company nailed its positioning in market with low-cost unique accommodations that met the demands of travelers who sought to experience a place and save money on where they stayed.

Foundation for Revenue Models: Market Fit Uber shows that an organization has been able to identify a sustainable customer segment who wants and is capable of paying for your product. The business model design that captures ability to pay among their customers, still enables them remain competitive in the market. Business firms can maximises their price under PMF as it provide customers loss aversion advantages.

Case: Take Netflix, which reached market fit through its low-cost subscription that offers ad-free video streaming with a predictable revenue stream at scale.

Differentiation in Competitive Markets: As soon as a company finds product market fit, it can create a unique positioning in the marketplace that other competitors are unable to duplicate what you describe as their value proposition. The distinctiveness of differentiation by a firm fosters customer loyalty and increases brand equity. When firms are more effective over time than competitors are at meeting customer requirements, then the companies generate and maintain enduring competitive advantages.

Sample: It was all to create a strong niche in Indian beauty and cosmetics space which showcased International quality products that were curated, packaged and sold with great service. The latter brand built enormous loyalty from the brands to its consumers simply because of its emphasis on realness, personalization in how they approached advice, and lack of barriers online.

Foundation for Scale & Innovation: Businesses can scale and explore adjacent opportunities when they achieve market fit. With a strong concept of market fit, companies are in the best possible conditions to give consumers fresh solutions and deliver more across markets. Businesses that know their market fit can also create new ways to delight customers and grow, eventually dominating the market for long periods of time.

Example: "Amazon turned its PMF into a platform to scale operations globally, by coming up with service innovations such as Prime that offered additional value for the customer to make them more loyal.

Market fit provides a business with an adaptability and resilience to thrive amidst market competition but stay flexible in light of current needs and future opportunities.

2.3.4 Market Fit Assessment and Metrics

There is a lack of strong validation, both quantitative and qualitative methodologies, to assess PMF. The metrics help companies identify whether they've found a product that fits for their target market, or are just along for the ride in no clear direction toward sustainable growth. Regularly monitoring the PMF will allow companies to make evidence-based decisions and iteratively reinvent themselves going through constant improvement in better servicing customers and retaining them. The following are primary categories of metrics and tools used to measure product/market fit: Let's understand these in detail.

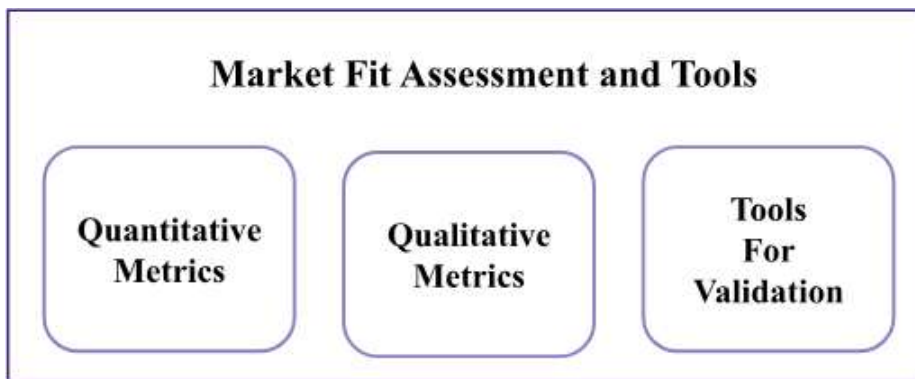


Fig 2.8 Market Fit Assessment and Metrics

A. Quantitative Metrics

Customer Retention: Customer retention is the measure of a company's ability to keep its customers over some specified period, whereas it also reflects how attractive the product remains for consumers over time. If a product has a product-market fit as long as it is an easy to use simple app we are interested

customers always seem to continue benefiting from it. Customer Churn from Subscription-based SaaS-Services"Nothing comes for free – customer retention in the online brokerage business 56 SaaS companies show high rates of customer retention, since their service is an integral part of the customers' operations.

Example: Spotify tracks the retention metrics to measure how long a user stays subscribed for a longer time. Through freemium, the company can naturally incentivize retention by offering subscribers must-have features like offline playback (which are essential for its life-or-death battle in this incredibly brutal market).

Cohort Analysis: Through Cohort Analysis businesses can monitor how certain groups of customers behave over time and from there gauge retention and engagement at a far more granular level. This kind of analysis allows businesses to detect shifts in market fit by analyzing the behavioural patterns of their customers.

The beginning of the post also highlights cohort analysis. “In addition to cohort analyses (which you can use with any metric, over time or not), you could look at new-user uploading and sharing activity as it graduates into a paid membership,” Dropbox says in an example. It allows them to steer their product portfolios by the interaction behavior of the users.”

LTV-to-CAC Ratio: A Key Financial Metric The LTV-to-CAC ratio measures the relationship between a customer’s value over the course of their entire lifespan and their cost to acquire. When the ratio of a company’s LTV to CAC is high, it signals that customers bring significant value in comparison with the amount required to acquire them.

For example, the top contact relationship management (CRM), marketing, sales, and customer service software company HubSpot measures its marketing and sales success through this specific analysis the LTV/caC ratio. HubSpot did not stop there by improving its critical financial metric it was able to grow its customer count while verifying significant future revenue in new customers that validated the success of its product-market fit.

B. Qualitative Metrics

CSI-Customer Satisfaction Indices: It’s the standard of happy customers with your product or service that takes responses in a survey or feedback form. High CSI means the product is doing enough to meet the user's needs, a very important metric of product-market fit.

Example: Zappos, an American online shoe and clothing retailer launched from Las Vegas, employs surveys to ask customers how happy they are with the experience of buying on its website. And so Zappos have made sure to “always be amazing” as in their product-market fit strategy, they rely on a high rating for customer satisfaction.

Voice of Customer (VoC) Analysis: Voice of Customer or VoC is getting direct feedback from the customer in the form of interviews, surveys and focus groups etc. VoC is qualitative data in action, and it's how companies culling customer pain points, what solve-for iterations and refinements they need to make.

Illustration: Zomato with VoC analysis, it can collect what customers want to eat and how the experience (delivery, dining) would be through responses of surveys they conduct and app reviews. This will in turn help Zomato enhance user experience and personalize restaurant recommendations which would Anyway Pertainin

C. Tools for Validation

The Net Promoter Score (NPS): This is a standard business metric that assesses how loyal clients are based on their answers to questions about the extent they would recommend the product to others. When a user delivers a high NPS, they are saying that their behavior indicates they derive considerable value from the product and have a strong desire to promote it.

Example: Swiggy's NPS high numbers indicate that its customers are very loyal, and would probably promote the food delivery platform to others. So, here is a combination of quick deliveries, lots of restaurants and good app making up for massive customer satisfaction in the cut-throat Indian market.

Sean Ellis Test: A product passes the Sean Ellis Test when more than 40% of asked users said they'd be upset about its discontinuation. Among other items, this test allows startups to rate how effectively their product addresses a market need and track progress towards achieving product/market fit.

Example: Byju's used Sean Ellis Test in early days to gauge user satisfaction of its educational app. In the event that over 40% of users answered in a survey that they would be 'very disappointed' if it was ever removed, it indicated to Byju that he had solved

a core problem of online education – helping spur accelerated organic growth and adoption across the entire length and breadth of India.

Enterprises use these benchmarks and tools to truly measure and verify their product-market fit. A combination of hard numbers and soft insights allows companies to make knowledge-driven decisions that drive product development while keeping customers happy and driving ongoing enterprise growth.

2.3.5 Achieving and Scaling Market Fit

Getting to market fit is just one step in a business' journey; scaling to it happens to be the need for long-term business success and sustainability. When companies scale, all three types of businesses (B2B, B2C or D2C) need to rethink their strategy. Also, businesses are battling the need to pivot: fix a misalignment with the market or capitalize on new opportunities. This chapter will delve into how to push for and scale market fit across additional business models, the tactics behind pivoting and methods of scaling when your product-market fit is in place.

A. Understanding Product-Market Fit (B2B, B2C, D2C)

How product-market fit varies according to if the company is designed to work with a B2B approach or if it takes part in a B2C / D2C strategy. Each business model has its own unique set of strategies and elements to achieve product / market fit

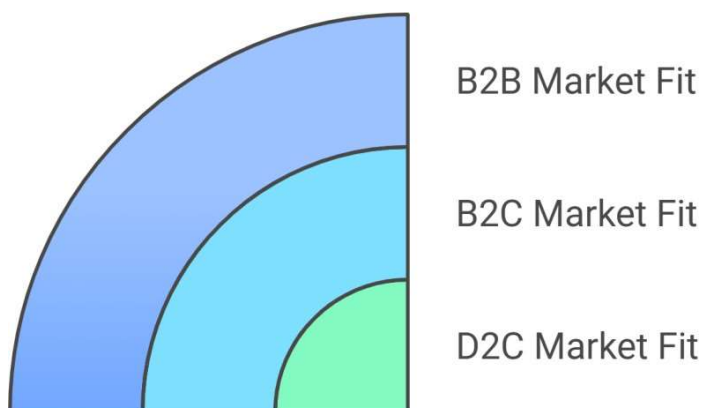


Fig 2.9 Market Fit in Different Business Models (B2B, B2C, D2C)

The Net Promoter Score (NPS):. This model is used as a standard business measurement that assesses the customer loyalty through queries designed for whether customers are likely to recommend the offering to other participants. When customers give a high NPS, their behavior indicates that they see great value in the product and feel motivated to recommend it.

Example: Swiggy's high NPS scores suggest that people are super loyal and willing to advocate others to use the food delivery platform. And as a result, fast deliveries, endless restaurants and smooth app have resulted in enormous customer satisfaction in the cut-throat Indian market.

Another test is Sean Ellis' product/market fit survey: How would you feel if you could no longer use the product? If a percentage of users (varying from 40–80%) answer "very disappointed," then congratulations, your product has high product/market fit. This is a test that companies can apply to their offer in comparison with an elemental market need, and verify the degree of closeness to product-market fit.

Example: As it got started, Byju's noted the Sean Ellis Test to understand how happy their users were with their learning app. When the "very disappointed" response from users was over 40%, Byju realised it had solved a key requirement of online education, and its growth rate became vertical as usage exploded across India.

And companies use these metrics and-tools to monitor execution in an extensive experiment of their product-to-market fit. The blending of qualitative understanding with quantifiable data gives a firm the ability to make informed actions and develop innovations for its products while maintaining customer stickiness and overall corporate growth prospects.

Knowledge



Fill in the Blanks:

1. Product-market fit (PMF) is an adaptive process which changes according to evolving customer demands, competitive forces, and _____.
(Market Trends / Fixed Strategies)
2. During the initial stage of market fit, companies test _____ assumptions _____ through _____ prior to product feature expansion. (Prototypes / Final Products)
3. During the growth stage, firms emphasize keeping present customers _____ and _____.
.
(New Customer Acquisition / Cutting Marketing Attempts)
4. To maintain market fit during the maturity stage, businesses need to innovate and venture into _____ in order to stay competitive.
(Adjacent Markets / Traditional Methods)
5. To maintain market fit during the maturity stage, businesses need to innovate and venture into _____ in order to stay competitive.
(Adjacent Markets / Traditional Methods)

2.4 Summary

❖ “Nice-to-have” and actual innovation Ideation creates ideas systematically – being the funda- mental basis for business innovation and problem solving.

❖ Brainstorming techniques such as SCAMPER, mind mapping, and brainwriting develop a culture of innovation within teams when participants think creatively and work as team to solve problems.

- ❖ Products deliver value to the customer, based on their core, actual and augmented values that meet, differentiate and exceed the customers needs.

- ❖ Founders set the vision, culture and product identity of their companies, while fueling innovation and aligning with market standards.

- ❖ Channels are an important means to physically link products with customers in circulation space, contributing to the service of customers as well as the timeliness of delivery and purchase.

- ❖ Market fit - when the product fits well within its market and can achieve maximum customer demand, adoption, and profitability.

- ❖ Market fit is a moving target – you need to be creative, with relentless execution and strategic pivots to stay relevant in the emergent markets.

- ❖ The Net Promoter Score, LTV to CAC ratio, and customer satisfaction scores confirm how a solution resonates with its core audience.

- ❖ Virtual whiteboards and gamified brainstorming tools, AI-powered systems – all make ideation and collaboration much easier.

Successful examples of this are Tesla and Slack, where pull from a strong product integration, founder vision and presence of distributable channels lead to innovation.

- ❖ When firms pivot, they redefine products or audiences and business models to better fit the current market needs and customer desires.

- ❖ Businesses are built by the convergence of products, a tightly-aligned founder vision with channel strategy and a compelling value prop.

2.5 Key Terms

Ideation is the strategic work of ideation, that is generating new ideas in a systematic way and then sorting and refining into actionable solutions. This involves applying creative thinking to the formulation of strategic plans for some purposes.

Brainstorm: Teams work together to generate multiple creative ideas that promote an open environment and prevent initial solutions from being squashed.

Market Fit: If the features of the product meets all customers needs, they feel satisfied and demand is steady.

Customer Retention: A company can demonstrate retention of customers if the customer base is maintained with reference to loyalty indicators and product performance through straight line graphs.

Channel Strategy: This does not only entail a distribution mechanism so that products and services get to market as efficiently as possible (and effectively), but do so in keeping with the brand.Count me in.

Pivoting: It is the switching of a company that occurs as a result of market feedback, whether it is to sell out in order to meet the existing market demand or, according if they feel that they occupy such space in the available market for products.

Blitzscaling: A growth strategy that requires prioritizing speed in times of competition, even if it is at the expense of efficiency.

LTV-to-CAC Ratio: It refers to Lifetime Value-to-Customer Acquisition Cost Ratio, a fiscal performance measurement that brags customers' value to your business versus the costs you have had to use attracting them (in order for it to predict profitability and long-term growth).

2.6 Descriptive Questions

How much difference can ideation make in solving business problems, finding creative solutions and fostering innovation in hypercompetitive industries?

What are SCAMPER or mind mapping techniques in structured brainstorming, and how do they enable the team to work together and reveal that great idea?

How can companies ensure the core, actual and augmented values of their products are in sync so that they not only meet but exceed customer requirements and become memorable enough to encourage loyalty?

How do the founders play leverage over vision, leadership and culture in product development towards innovation in organization?

In channel strategy design and implementation, which are the key aspects that a business should look into to ensure effective product distribution and keeping customer orientation in mind?

Market: How to Embed It into a Product Event When it comes to building sustained demand, long-term customer retention and being profitable over time in markets that evolve at a rapid pace.

How can businesses scale market fit with different business models like B2B, B2C and D2C?

How are organizations, aided by advanced quantitative metrics such as LTV-to-CAC and others as well as qualitative tools, able to qualify, iterate on and sustain their fit with the market?

What are some exclusive value points that can be achieved through utilisation of advanced tools such as AI-powered platforms or gamified systems in the ideation process, for creative enhancement and team productivity?

2.7 References

1. Levine, U. (2023). Fall in love with the problem, not the solution: A handbook for entrepreneurs.
2. Sinek, S. (2009). Start with why: How great leaders inspire everyone to take action. Penguin Group.
3. Khanna, A. (2024). Ain't no Eureka: Your idea for an enterprise journey.
4. Ahuja, S. (2022). Daily coffee and start-up fundraising.
5. Mason, H., & Mattin, D. (2015). Trend-driven innovation: Beat accelerating customer expectations.
Wiley.
6. Osterwalder, A., & Pigneur, Y. (2010). Business model generation: A handbook for visionaries, game changers, and challengers. Wiley.
7. Berger, J. (2013). Contagious: How to build word of mouth in the digital age. Simon & Schuster.
8. Rothman, R. (2017). Master opportunity and make it big.
9. https://www.library.hbs.edu/working-knowledge/innovation-isnt-just-for-startups-how-big-companies-can-succeed?utm_source
10. https://www.hbs.edu/faculty/Pages/item.aspx?num=62719&utm_source
11. https://www.scirp.org/reference/referencespapers?referenceid=589250&utm_source
12. https://www.wired.com/2006/10/straight-dope-on-the-ipods-birth/?utm_source

2.8 Case Study

Arc - The Sequoia-Method for Scaling Market Fit

Arc allows businesses to discover and manage remote workers across both technology and creative fields. The startup Arc launched in 2020 and quickly seized on the ascendance of remote work for elite professionals. Remote work, once a choice, became the only way to continue working and this is what was happening when we accelerated our goal towards creating a scalable solution that would allow employers to hire top talent and professionals to find opportunities around the world. According to Arc, it has raised angel investment by Sequoia Capital to bridge global businesses with top-tier remote talent. Arc required the ability to jump numerous hurdles and transform how it operated and thought strategically in order to scale into an evolving remote work market.

Background

a. The Remote Work Trend: Companies had to adapt their practices when remote work rapidly increased in 2020 due to the COVID-19 pandemic. Businesses began looking for tools to allow them to recruit outside their own locales. More and more tech-savvy people began to look for remote jobs, creating a demand for a job platform containing only these offers — some of the existing all-jobs-in-one-place platforms contained them as well.

b. Arc's first service: Arc started as a B2B service where companies could access pre-screened high quality remote professionals. Through its unique matching system, it allows companies to easily identify deserving employees in a much shorter time line as compared traditional processes. When Arc initially released its product, it aimed to solve talent sourcing challenges for companies interested in scaling remote teams while avoiding typical failures with hiring.

b. Arc's First Product: Arc was born as a business-to-business service that lets companies hire—pre-screened high-quality remote professionals. organizations were able to rapidly identify worthy employees and condense the length of hiring processes versus traditional methods. When Arc first announced its existence it was going after talent sourcing as a problem for businesses that wanted to scale their remote teams without hitting standard hiring problems.

Issues Faced by Arc

a. Restrictive Nature of Offering-Arc focused first on helping organizations...provide access to their business. Arc was slow to expand, its platform serving only a limited number of enterprises. This is when the remote workers of the world started to look for opportunities, and businesses were eager to hire a skilled employee. By the time this group were looking for a service like ours, during the early development of Arc, we had not served them directly and had lost an opportunity to retain access to a large number of potential users.

b. Competition from other platforms: More platforms entered the remote hiring space after Upwork, Toptal and LinkedIn solved for business needs as well as remote worker wants? To survive in this over-crowded market Arc had to create an unique identity by providing special services.

c. Scalability and Operations: As Arc gained users, the company faced efficiency problems as it scaled its platform in order to grow. In view of growing business demands and remote workforces, technology upgrades along with infrastructure enhancement & expanded customer support initiative were required in order to ensure consistent operational experience for both the employers and employees.

Solutions (Strategies) Used by Arc

a. Shift in Business Model (From B2B to B2B and D2C) Identifying the market trends that skilled workers are searching for remote work opportunities Ark's business model has transformed over time, Arc originally was a two-sided marketplace where both corporate clients driile into secure top talent as well as the remote workforce looking for opportunities in which they can work from nearly anywhere.actively one of two sides with corporate clients interested int hiring ondemand quasi employees and also the distant workforce members themselves participating. While delivering the remote talent to businesses through Arc, it also allowed job opportunities to be exploited and connected with foreign enterprises. It's in this pivot that Arc built an end-to-end platform for companies looking to hire across distance, and job candidates themselves to decongest talent pipelines once and for all.

Example: Business models like Upwork and Toptal, an online freelancing platform, function as twin marketplaces for business-hiring needs and worker employment

opportunities. Using this business model, Arc positioned their primary target to be techies and creatives.

b. **Blitzscaling for Soaring Growth** : Arc had adopted blitzscaling to quickly gain market share in the space of remote work. Arc scaled the recruitment of businesses and professionals, as well as its technology platform to accommodate more users, launched focused marketing efforts that connected remote professionals with businesses. Arc's rapid growth was fueled in part by Sequoia's capital investment.

Example: Fiverr did a similar thing for businesses looking to hire freelancers, by creating a marketplace where any freelancer can sell their services. But while Upwork or Toptal concentrate on big, long-term projects, Fiverr focuses on smaller gig-based tasks. It opened this specific model up to being able to tap into the audience that beats from drive by at this individual problem level all the way to expertise on demand, because of businesses.

c. **Growth and Penetration of Geographic Markets**: Over the scaling stage, Arc went from operating a business focused on domestic USA market to international markets as well in emerging regions like South East Asia, India and Latin America. It did so by focussing its platform to tap into its variety and the strewn brain remote workers and businesses from different place.

E.g., The Indian biggest online food ordering service in India, Swiggy expanded its business in many other cities of the country to grab the larger markets. Arc implemented intelligent market penetrations that made Arc services available to businesses and professionals in under served markets for the first time.

d. **Operational Efficiency and Automation** : With a huge investment in automation (including machine learning) Arc built a better talent matching system. The company revamped its hiring process with data science to minimize the human element and streamline its operations. With these optimizations, Arc has scaled its ability to support the added demand without degrading service quality for both business customers and employees working remotely.

Example: BigBasket, the internet-based grocery delivery company, relied on efficiency and automation to strengthen its market position across India. Arc refined the way it works which meant that even as we added tons of new users, we didn't have to drop service levels.

Outcomes of Arc's Strategies

a. Scalability to Bigger User Network: Through dual-marketplace concept, Arc managed to grow its user base successfully. With the Arc remote workers accessed global work and businesses discovered needed talent. With Arc's added service offerings, it was able to take a big piece of the remote work pie.

b. Rapid Growth and Market Share: With strategic blitzscaling and Sequoia funding, and geographic expansion Arc positioned itself amongst the most dominant of remote work platforms for tech & creative industries. By 2023 the worldwide market position of the Arc was excellent from North America through to Asia and Latin America.

c. Increased Market Share: By differentiating Arc through specialized recruitment of the best remote workers, offering personalized talent matchmaking to businesses. Arc enticed businesses looking for top-shelf remote workers by tapping into high-quality talent from tech and design engineering with its recruitment of premium talent.

Reflective Questions

How did the move to remote work during COVID-19 impact Arc, both positively and negatively?

How has entering the emerging markets made a difference?

How important is it to invest in automation and technology to scale properly as a startup?

Conclusion

By reaching market fit and scaling, Arc illustrated the competitive dynamics and strategic considerations of how to create a platform in a rapidly-evolving market landscape. Both a switch in Arc's business model towards B2B and D2C markets, and move with its blitzscaling strategy were crucial for operational excellence to become the leader of the global remote work ecosystem.

The company's success was attributed to the flexibility of its markets, together with judicious capital investment and relentless refinement of the platform. As working from home becomes more critical, Arc is poised to expand its offering while helping large businesses as well as remote workers.

Entrepreneurship and Family Business 101 Unit 3 _V3.docx

 Entrepreneurship and Family Business_MBA_1

 Entrepreneurship and Family Business_MBA_1

 ATLAS SkillTech University

Document Details

Submission ID

trn:oid::3618:127095387

Submission Date

Jan 29, 2026, 10:45 AM GMT+5:30

Download Date

Jan 29, 2026, 1:31 PM GMT+5:30

File Name

Entrepreneurship and Family Business 101 Unit 3 _V3.docx

File Size

480.9 KB

44 Pages

10,754 Words

62,993 Characters

*% detected as AI

AI detection includes the possibility of false positives. Although some text in this submission is likely AI generated, scores below the 20% threshold are not surfaced because they have a higher likelihood of false positives.

Caution: Review required.

It is essential to understand the limitations of AI detection before making decisions about a student's work. We encourage you to learn more about Turnitin's AI detection capabilities before using the tool.

Disclaimer

Our AI writing assessment is designed to help educators identify text that might be prepared by a generative AI tool. Our AI writing assessment may not always be accurate (i.e., our AI models may produce either false positive results or false negative results), so it should not be used as the sole basis for adverse actions against a student. It takes further scrutiny and human judgment in conjunction with an organization's application of its specific academic policies to determine whether any academic misconduct has occurred.

Frequently Asked Questions

How should I interpret Turnitin's AI writing percentage and false positives?

The percentage shown in the AI writing report is the amount of qualifying text within the submission that Turnitin's AI writing detection model determines was either likely AI-generated text from a large-language model or likely AI-generated text that was likely revised using an AI paraphrase tool or word spinner.

False positives (incorrectly flagging human-written text as AI-generated) are a possibility in AI models.

AI detection scores under 20%, which we do not surface in new reports, have a higher likelihood of false positives. To reduce the likelihood of misinterpretation, no score or highlights are attributed and are indicated with an asterisk in the report (*%).

The AI writing percentage should not be the sole basis to determine whether misconduct has occurred. The reviewer/instructor should use the percentage as a means to start a formative conversation with their student and/or use it to examine the submitted assignment in accordance with their school's policies.



What does 'qualifying text' mean?

Our model only processes qualifying text in the form of long-form writing. Long-form writing means individual sentences contained in paragraphs that make up a longer piece of written work, such as an essay, a dissertation, or an article, etc. Qualifying text that has been determined to be likely AI-generated will be highlighted in cyan in the submission, and likely AI-generated and then likely AI-paraphrased will be highlighted purple.

Non-qualifying text, such as bullet points, annotated bibliographies, etc., will not be processed and can create disparity between the submission highlights and the percentage shown.

Unit 3: Market Sizing and Opportunity Assessment

Learning Objectives

1. Learners will comprehend the concept of Total Available Market (TAM) and how it is used to determine market potential.
2. Learners will assess the Serviceable Available Market (SAM) to discover target market opportunities.
3. Learners will analyse the Serviceable Obtainable Market (SOM) to discover attainable market penetration.
4. Learners will utilize sound methods to estimate market size to make business decisions.

Content

- 3.0 Introductory Caselet
- 3.1 Understanding Total Available Market (TAM)
- 3.2 Understanding Serviceable Available Market (SAM)
- 3.3 Understanding Serviceable Obtainable Market (SOM)
- 3.4 Techniques for Estimating Market Size
- 3.5 Summary
- 3.6 Key Terms
- 3.7 Descriptive Questions
- 3.8 References
- 3.9 Case Study

3.0 Introductory Caselet

Sizing the Market: The Start-up Dilemma of Neha's EdTech Venture

Aspiring entrepreneur Neha from Mumbai has showcased EduBridge an AI-powered personalized learning solution for school students that aims to improve their understanding of concepts. Passionate about education and technology, she is itching to launch her startup. But before she could raise money or scale her business, she hits a roadblock: figuring out how many people constitute her market and what the opportunity is.

One of the first things that Neha did was to identify how large the student base is in India, but she wasn't able to figure out exactly how to calculate her business potential. She stumbles across TAM, SAM and SOM but has a hard time applying these terms. Her coach tells her that unless she gets clarity on the size of the market, the danger is that she will oversell demand and in turn potentially make financial mistakes and allocate resources inefficiently.

Neha begins by examining the TAM—the total number of learners who might use online learning platforms. She then truncates it to the SAM, zeroing in on students from urban areas who had access to digital devices and the internet. Then, she guesses her SOM, noting that since she is a new player only be able to capture some of it as there are already EdTech titans. As Neha formulates these estimates, she knows that accurate market sizing is not just a mental exercise; it's strategic trade-off decisions, competitive differentiation and investor confidence. Without a robust evaluation, she could mistakenly guess demand, pricing and growth plans.

Critical Thinking Question:

How does Neha leverage TAM, SAM and SOM to build a robust business case for investors, better her market entry strategy, and identify the most lucrative customer segment for EduBridge?

3.1 Understanding Total Available Market (TAM)

3.1.1 Introduction to Market Size Estimation

Knowing the market size is important for business strategy, because it can help determine if a given market is economically viable before starting production of the SBPSO. Market size is when the demand for a product or service in a campaign is quantified, providing insight into revenue opportunities and efficient use of resources for an organization. An analysis of market size enables companies to decide if a specific opportunity can be justified, specify target customer segments as well as develop competitive strategies.

Market sizing is a process used to estimate market size in which the total, serviceable and obtainable markets are gauged for a particular product or service. There are a variety of circumstances to consider when doing the analysis including customer demand, industry trends, competition and economic conditions. Accurate projections help businesses make decisions around data and predict revenue, as well as get investment by showcasing growth potential.



Fig 3.1 Market Size Estimation

Organizations as a rule dissect market sizing systematically and divide it into three basic components for analysis: Total Available Market (TAM), Serviceable Available Market (SAM), Serviceable Obtainable Market (SOM):. In order to do this, companies must use both top-down and bottom-up methods, leverage industry reports, conduct customer surveys and analysis on competitors, as well as perform financial modeling. Accurately estimating the size of a market can be crucial, allowing companies to optimize marketing spends and improve product positioning and long-term growth strategies.

3.1.2 Concept of Total Available Market (TAM) and its Significance

2 Total Addressable Market (TAM) refers to the maximum revenue opportunity across all customers in a market, but your TAM isn't everyone that you'd like to sell to - it is only the people and companies that most closely align with your target persona. It is the universe of demand for a particular industry; all potential customers, even in the presence of competition or restrictions. Predicting what the TAM is can help businesses assess how feasible it is to enter a market and make investors feel more confident that you'll be able to grow over time.

For context, TAM is crucial because it provides the foundation for business strategy, go-to-market strategy and budgeting. When done correctly, determining a well-designed TAM assists entrepreneurs with allocating resources suitable to their needs and making informed growth decisions. Now let's talk about the role of TAM in business.

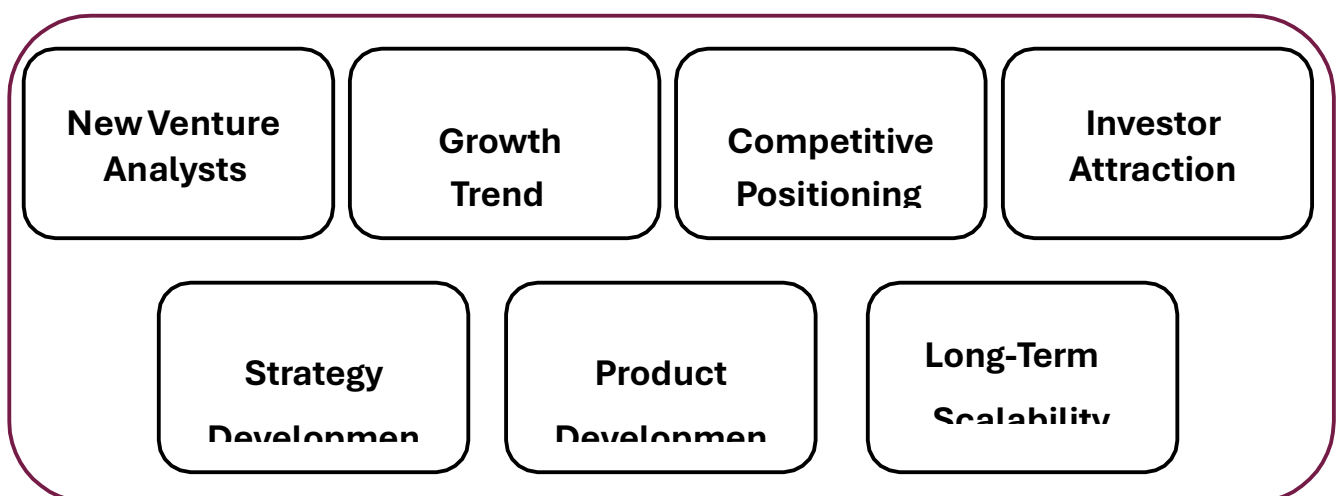


Fig 3.2 Importance of Total Available Market (TAM)

New Venture Analysis: TAM estimation give entrepreneurs and start-ups the chance to measure the ceiling revenue opportunity before they release a product or service. It then assesses whether the market size justifies investment and operational commitment. In addition, the same can help in assessing and predicting demand and customer acceptance towards new business models.

Example: Zepto (10 Min Grocery Delivery Start-up) – Ultrafast grocery delivery company
Zepto entered India's quick-commerce market after assessing the TAM for online grocery deliveries. Its estimated market size is

\$15 billion Indian online grocery market — to tap into the urban demand for instant delivery options.

Investor/FUND Attraction: Investors look at TAM to assess scale of a business. The higher the TAM, the more likely you are to get VC or PE investment. A clear TAM can help a company create a compelling investment pitch, and soothe their shareholders.
Sample: Ather Energy (Electric Scooters Manufacturer) – India's leading electric two-wheeler startup was able to get an investment from Hero MotoCorp and VCs by unveiling the large TAM size in Indian electric vehicle market that will grow to \$150 billion by 2030. Using TAM customer intelligence, Ather differentiated its position as a force in sustainable transportation.

Recognizing Industry Growth Trends: TAM analysis enables companies to recognize the high-growth industries, and new opportunities which in turn informs where to invest for growth. It informs shifts in consumer tastes and technological developments driving market demand.

Example: As a D2C skincare line, Mamaearth to saw an expanding TAM in India's organic beauty market worth \$10 billion. The company used this insight to create toxin-free skin care products and establish a solid brand in the minds of health-oriented consumers. Knowing TAM well has enabled Mamaearth launch new sets of products and expand in the global markets.

Market Entry and Expansion Decisions: Enterprises leverage TAM data for determining entering a new market, geographical expansion and diversifying its product offering in other lines. A company will get crystal clear guidance as to whether it should follow a niche based or mass market growth strategy once it understands the TAM. Examples – Zolve (Fintech for global citizens) Zolve, a fintech venture targeting Indians moving overseas to work had stumbled upon a TAM of >\$500Bn in cross-border banking. This enabled the company to expand credit and banking services for international professionals, some of whom have attractive demographics. Studying the TAM enabled the company to simplify their approach of new clients and established partnerships with other international financial houses.

Competitive Benchmarking and Positioning: TAM guides a company to know where it stands against its competitors in business processes and derive strategies to differentiate. It allows the organization to identify the market gap so as to leverage its strengths for competitive advantage.

Example: CRED (Fintech for Credit Card Users) – A rewards platform for users with high creditworthiness, few sets of users pay their bills on time analyzed the TAM by calculating the premium credit card market in India, it came down to be \$91 billion. In the h-credit-score-user, CRED found its niche, away from traditional banking loyalty programs. The company developed

brand value upgrading through exclusive membership benefits and premium partnerships in accordance with the TAM.

Product development to market requirement: Through TAM analysis, it is ensured that businesses develop products or services based on customer's requirement and invested resources are not wasted on low in demand products. In addition, it enables companies to forecast future market trends and develop innovation.

Example: boAt (Audio & Wearable Brand) – boAt is a lifestyle consumer electronics brand that discovered an accelerating TAM in India's smart wearable and audio market, worth approximately \$8 BN. Stylish, affordable and feature-rich wearables have helped boAt have a strong market share in the young age group. When it realized that TAM was expanding, boAt expanded also its offering by introducing smartwatches and gaming accessories to expand its presence in the market.

Long-Term Scalability: A high TAM provides object safety and headroom for a company to avoid running into market saturation in the long-term. Businesses can employ TAM forecasts to set product roadmaps, allocate resources and invest for the future.

Example: Porter (Logistics Tech Startup)- They are an intra-city logistics startup that realized there was a very fragmented market in the India, worth more than \$50 billion. The company has expanded in many cities, while it concentrated on tech enabled logistics solutions for long-term growth. Porter's approach also enabled the company to introduce new services, including two-wheeler parcel delivery and intercity logistics.

Given a more meaningful interpretation of TAM, companies can make strategic investments decisions based on data that might significantly impact product development, market-entry and investment planning for sure. Understanding TAM not only provides a clear picture on growth prospects but also help in smart absorption and utilization of resources to dominate the market.

3.1.3 Total Available Market (TAM) Calculation Methods

The TAM refers to the total potential revenue for a product or service within its market and is one of the most crucial aspects of market analysis. When companies understand how to calculate TAM, they can also assess whether a market is potentially worth pursuing, make the case for investment and align business activities with growth opportunities.

The "Top-Down Approach", the "Bottom-Up Approach" and the Value-Theory Theory are three major methodologies to determine TAM. Both approaches have their own pros and are selected based on the data availability, market conditions) and business goals.

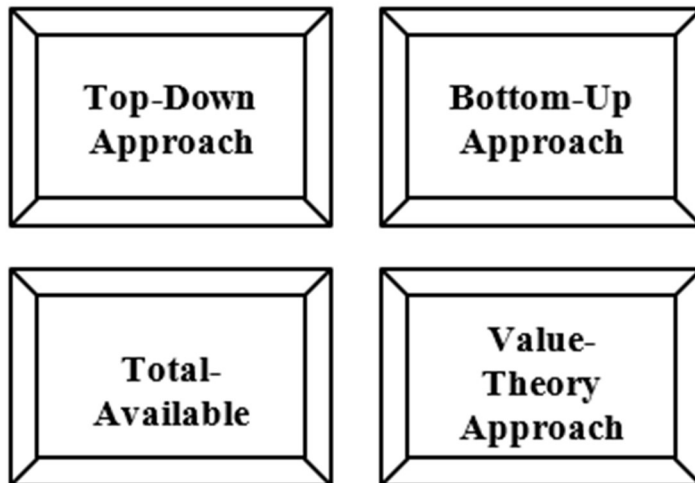


Fig 3.3 Methods to Calculate Total Available Market (TAM)

Top-down Approach – The other side is industry reports and macroeconomic data.

Top-down methodology: TAM is estimated by sifting through industry research, government statistics and macroeconomic indicators. Business businesses begin with a large market size number and then reduce it as required, depending on one or more geographical, demographic or competitive limits. These methods work good for top level market trend analysis, yet they may not be very accurate in niche markets.

Sample: Shadowfax (Logistics & Delivery Platform) – Technology-driven shadowfax, a last-mile delivery tech company utilized the top-down approach by studying reports published on India's e-commerce and urban logistics industry. As the Indian hyperlocal delivery market was poised to hit \$12 billion, Shadowfax loved its TAM down by targeting metro city population and urban demand. Calculating the company's potential market size — and therefore where to expand services, primarily through partnering with big e-commerce players — was its guiding principle.

Bottom-up approach -company specific data and insights on the customer.

This "bottom up" analysis of TAM includes company-specific data, customer-purchasing behavior and revenue potential. Estimates are also employed by businesses, such as the number of prospects, average customer age of first purchase and employee headcount.

per customer and scalability to a given genre. This is a more precise, detailed and company-specific means of calculating a business today.

For instance, Licious (Fresh Meat & Seafood Delivery) formulated their business by analyzing average order value, repeat purchase rate and urban demand for fresh meat. Licious estimated that India's online meat market could be about \$40 billion by customer acquisition and regional demand patterns. This helped the company with optimization of supply chain scale and customer reach.

Value-Theory Based on Customer Value and Willingness to Pay

Based on the value-theory, TAM is researched in terms of the extent to which customers perceive a product as valuable and the price they are willing to pay for it. This has proven to be particularly valuable for disruptive innovations and higher-end offerings where the market data is simply not available.

E.g.: Ultraviolette Automotive, a luxury electric motorcycle start-up, used the value-theory framework to calculate TAM for India's performance EV market. It didn't use numbers from the current EV markets but estimated based on the enthusiasm and preparedness of customers to pay an added cost for high-performance electric bikes. This enabled the company to predict demand and determine a competitive pricing strategy.

Calculating TAM Different businesses will calculate TAM based on their unique requirements. Therefore, several firms use a mix of approaches to more accurately assess market demand. In exchange it would enable you to make an educated decision in market entry, investment strategies as well as long-range growth.

3.1.4 Data Sources for TAM Estimation

How Good Data Sources Are Essential To The Accuracy Of Total Available Market Estimation. TAM is solid by multiple verification sources for market sizing validation. They validate their TAM calculations with different sources which include, industry reports, government databases, market research firms and competitor analysis. So,

market opportunity analyses can be refined for businesses based on insights from these sources which inform industry trends, consumer demand and competitive landscapes. Diverse data sources contribute to well-rounded and believable TAM estimate with less opportunity for over or under-estimation of the market.

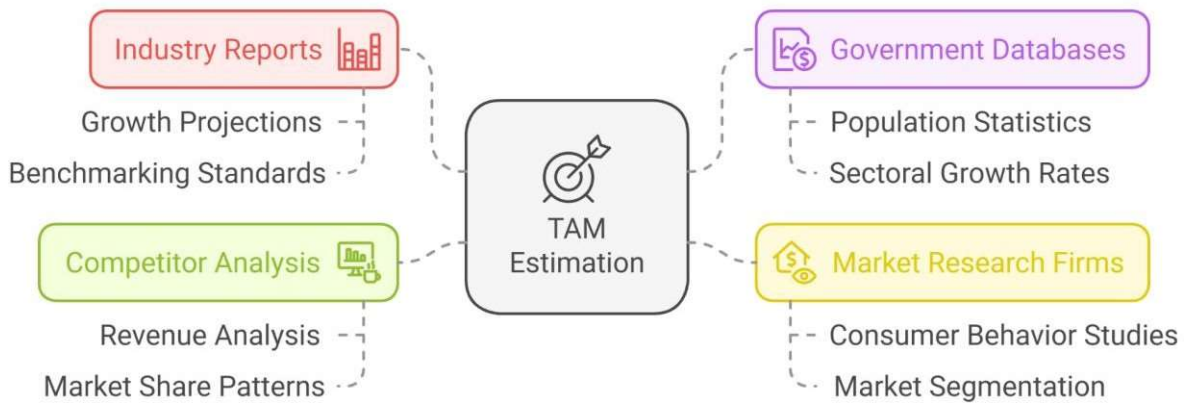


Fig 3.4 Data Sources for TAM Estimation

Industry Reports — You’ll find top level TAM estimates, industry trends and growth projections by research companies and consulting shop. These reports help companies compare their TAM to a well-accepted industry standard. With this analysis, companies can evaluate the total market potential and determine where to invest their focus and resources.

Example: Blue Tokai (Specialty Coffee Brand) – Reports from Euromonitor, and TechSci Research have been used to take an approximate estimate of the TAM for India’s premium coffee. The company chose high-growth urban clusters and said it would expand cafes at a few targeted metro areas in a segment projected to grow to \$4 billion as speciality coffee.

Public Governmental Sources: Public-government sources are replete with economic-related data such as population figures, sectorial growth rates and national consumption patterns. TAM in regulated verticals and the public sector is estimated based on official data. Companies can gain a clearer sense of their market’s size by accessing authoritative data and even finding untapped niches in certain industries or regions.

Sample: Acko (Digital Insurance Provider) – A digital-first insurance provider used government data in the form of IRDAI (Insurance Regulatory and Development Authority of India) and NITI Aayog reports to calculate TAM for India's digital insurance business. By Acko backing that the category can scale given increasing penetration of online insurance and adoption of policies, it also looked at exploring newer policy segments.

Market Research Companies: Market research companies offer personalized details, such as consumer behavior analysis, market segmentation and competitive comparison. This kind of information allows businesses to better grasp their exact customer niche, and target their TAM. Companies able to identify such potential trends are thus in a stronger position to make strategic decisions.

Example: WOW Skin Science (Beauty) –D2C beauty brand WOW Skin Science partners with research agencies such as Nielsen and Kantar to explore consumer preferences in India's skincare segment. The research assisted the company in realizing the demand for chemical-free products, and it was also able to come up with an approximation of its TAM in organic personal care – over \$10 billion.

Competitor Analysis: Businesses are able to get an idea about their TAM by comparing own revenue, customer base and way of growth with the competition. Champions help depersonalize the demand cycle and customer acquisition opportunities. By examining a competitor's market share and growth trends, businesses can target regions or customer groups where they can most easily find further customers. This will enable business to be less wrong in where they decide to concentrate their other resources and efforts.

Example: Stanza Living is a co-living start-up. The company researched the TAM of India's student and working professional accommodation market using competitor analysis. STANZA LIVING By analysing factors such as occupancy rates, rental pricing models and supply-demand gaps in cities like Bangalore and Pune, Stanza Living identified a market opportunity of more than \$20 billion, and perfected its strategy for scaling up.

Their use, derived from these sources, enables more accurate TAM estimation guiding business decisions involving for example market entrance estimations, resources and strategic growth.

3.1.5 Contextual Review on TAM Estimation

Swiggy (Online Food Delivery Platform)

Swiggy, one of the largest online food delivery platforms in India used TAM estimate to measure the potential market for online ordering and delivery of food in India. Swiggy started with a Top-Down Approach where they reported studies from organizations (Statista, RedSeer etc) that the Indian online food delivery market is expected to reach \$12B by 2025. Swiggy adjusted its city-level and regional TAM estimates based on overall e-commerce growth, urbanization trends and the penetration of smartphones.

Swiggy too used a Bottom-Up approach by estimating active users on its platform and average order value of the top cities, contributing to an enhanced market estimate. This lets Swiggy refine its estimates in areas where the penetration rate may not be so great.

Swiggy has also examined competition: market shares and the kind of growth for rivals like Zomato and Foodpanda, they have been building a better sense of the markets that they're playing in.”

Conclusion Swiggy TAM calculation enabled the company to concentrate their investment on growth pockets, marketing dollars optimization and growing strategically to 2nd level or even 3rd migrations cities in order to command a substantial share in the rapidly expanding market.

Ola (Ride-Hailing Service)

Ola, one of Advent's India portfolio companies and a leading ride hailing platform in India, estimated the Total Available Market (TAM) for the Indian “ride-sharing” market through several methods. It initially followed the Top-Down Approach, using industry

reports from IBISWorld and McKinsey to approximate that India's ride-hailing market would grow to

\$10 billion by 2025. Ola narrowed the estimated TAM even more. It examined India's speedy urbanization and the

smartphone users in the country would drive demand for app-based transportation.

It also adopted the Bottom-Up Approach by analyzing customer's habits of usage, average cost per trip and intending riders in cities like Mumbai, Bangalore and Delhi. This allowed Ola to estimate its TAM at different regional and city levels. Ola also carried out a Competitor Analysis looking through Uber's market share, price models and geography. What came out of this was the realization that intercity and non-urban market is a green field, we know just begins to scratch the surface. Hence, Ola diversified its offerings by launching intercity travel service and entered non-urban areas to grab hold of these opportunities.

Findings: This led to a fine-tuned TAM assessment that became an important reference for Ola's strategic actions, such as investment in electric vehicles (EVs) and expansion into smaller cities. It was a way for Ola to better grasp its market size, and capture more of India's changing ride-hailing market.

Did You Know?



The global electric vehicle (EV) market is projected to reach \$8.85 trillion by 2030, growing at a compound annual growth rate (CAGR) of 33.6% from 2024 to 2030.

3.2 Understanding Serviceable Available Market (SAM)

3.2.1 Introduction and Definition

The Serviceable Available Market, or SAM, is the segment of the TAM targeted and served by a company's products or services; it's known as the serviceable available market since it addresses the restrictions on what an organization can offer customers—like geography — along with any product or service limitations. SAM is key because it segments a much larger market to only those parts of the market that a company can realistically serve based on its current capabilities. It allows companies to zero in on the areas where they have the most impact and thus make better use of resources, resulting in less wasted sales and marketing time.

3.2.2 Relevance of Serviceable Obtainable Market (SAM)

SAM has to be known and understood by firms because it gives the possibility of concentrating on those market segments that are most relevant and therefore actionable. An effective SAM model allows companies to ensure that marketing, sales and operations resources are assigned as efficiently as possible, in a way that we can expect the highest likelihood of success with limited investment wastage while driving market penetration in less time. It will also enable companies to get much closer to what their customers actually need and add significant value with respect to acquisition and retention.

Resource Allocation: As a company, where can we throw resources, whether that is capital or time or energy, down to generate value the easiest? In this way, by estimating at SAM, a company can under-disperse its resources – that is spend only where it's likely to be successful.

Example: ed-tech firm UpGrad estimated its SAM on the basis of working professionals seeking skill-based courses in new industries. This enabled UpGrad to narrow down marketing and partnership outreach towards high-demand streams such as technology or business, improving the firm's return on investment on advertisements and courses sold.



Fig 3.5 Importance of Serviceable Available Market (SAM)

Emphasis on Product and Service: Through SAM, an organization is able to personalize the products or services in such a manner that they suit the needs of the target market. Through SAM, organizations are able to pinpoint a smaller customer segment and customize offerings for higher satisfaction and adoption.

Example: In case of Bajaj Auto – an Indian motorcycle major; its SAM is the young professional who desires to own a low priced fuel-efficient motorcycles. And the result was specific models like the Pulsar that directly appealed to the urban commuter and in doing so Bajaj created a good chunk of what became an increasingly large motorcycle market.

Market Penetration and Growth: Knowing SAM will help strategy makers decide whether they must look for the new product completely in a specific region or segment or industry. That will, in turn, help it figure out where to use marketing efforts or test product or scale operations first.

Example: Nykaa is an Indian online marketplace for beauty and wellness products. It started off initially with digital savvy customers in the metro cities since online shopping was more fashionable. Thanks to digital marketing, Nykaa built its brand and loyalty as it spread outwards into smaller towns and cities with a localized product to suit the local needs.

Minimizing Bad Investments: By calculating the SAM, the company does not invest in markets that are either too crowded or unprepared for our offer. The chance of spending money on markets where product/market fit does not exist yet or customer adoption is tepid is diminished as the business focus changes.

Example: Eye-wear e-commerce company Lenskart targeted to the urban professional with a certain higher disposable income and need for prescription glasses and stylish frames that becomes its 'Served Addressable Market (SAM). Rather than

by not looking at any non-urban markets and went with roll-out strategy concentrating on urban markets first for the launch to be successful. Such phased expansion helped the company manage costs and expand its business gradually in non-urban regions on rising demand.

Comprehension and estimation of SAM will help firms to stay put on the profitable market opportunities; strategic choices as well as enhanced entry to markets.

3.2.3 Techniques of Estimating Serviceable Available Market (SAM)

SAM is determined by various approaches which describe and estimate the fraction of the market a company can reach. These approaches involve geographic limitations, feature-based restrictions, product-type related ones, etc. A few of the most commonly used techniques to determine SAM are described as follows:

Top – down Approach: Top-down approach estimates SAM by fine-tuning the large TAM with help of existing macroeconomics, industry report and market research. This approach starts with a market-wide count and the segments it down to a segment that can be targeted based on certain specific attributes (e.g., geography or demographic).

Example: In an indirect approach to the top-down method, Rivigo, and Indian logistics startup calculated its SAM by first taking the size of the overall Indian freight industry and narrowing it step by step all the way down to their category of target market – tech-enabled on-demand time-sensitive delivery service. This left it to concentrate on servicing high-delivery businesses like e-commerce companies.

Bottom-Up A bottom-up approach starts by taking the actual customer base of the company, sales data and geographic distribution, and estimating SAM from there. The growing-from the bottom aspiration is more along with the real company market predicated on customer behaviour and prospect of gain new customers.

For example: **Bottom-Up** — BigBasket, an online grocery delivery service. It reviewed incumbent customers, product categories and delivery patterns in its major cities. It thereby assisted the firm in selecting a representative SAM for the large urban centers that they subsequently used to expand into smaller cities with similar demand profiles.

Market Segmentation: This is a process in which the larger market needs to be broken down into specific customer groups, such as income age, occupation or preference. Once firms can determine which groups of customers are most likely to purchase their goods, they can potentially extrapolate a more focused SAM.

Example: Cure. Fit, a health and fitness startup estimated its SAM by breaking down the population into health going people and particularly populations in urban areas that are also fitness conscious. Identifying this core segment, Cure. Fit pivoted its offerings, which included fitness centers and online fitness programs, to cater to them

Value-theory Approach: The value theory approach is used to determine the SAM by understanding what consumers see as valuable in a product or service and how much money they will pay for it. In this model, it is mostly a matter of how much the customer will value it and how much she would be willing to pay for a product. Using this approach, a company can define its addressable market with greater precision.

Exemple : Tesla a utilisé la méthodologie de value theory dans le but d'identifier la valeur accordée par les consommateurs aux voitures électriques et à leur soif pour des produits sobres en carbone qui reposent sur une technologie respectueuse de l'environnement. Based on the price elasticity and customer preference, Tesla could predict its SAM of luxury electric vehicles.

Each such approach allows companies to identify a closer approximation for the real and more realistic market opportunity, which is useful in making product decisions and establishing brands' marketing & business strategy.

3.2.4 Data Sources for SAM Estimation

The Serviceable Available Market(sam) estimate must ensure that: This estimate should be as accurate as possible and built on various firm data sources. Companies are using public and private data, these days, to pinpoint their exact market size and the right customer groups to target. A variety of types of data are useful in validating assumptions, analyzing competitors, and identifying growth opportunities. Key data sources that are used in the estimation of SAM include:

Industry Reports – Market research and consulting companies carry out extensive examination of market trends, industry growth rates, consumer demand patterns. Reports like these assist companies in altering their SAM to include a more focused market analysis of various sectors. There is also competitor analysis in the reports, and forecasting future demand as well: so companies can assess how much room there might be for them to grow.

Illustration: BluSmart, an Indian electric taxi service, derived its SAM number through sector specific industry reports on the Indian EV mobility. Seeking to grow in metro cities where there was a strong requirement for sustainable transport, BluSmart takes into account market trends of urban ride-hailing and electric fleet adoption.

Data from Government Official Databases: By visiting government web sites, you can access complete sets of economic, demographic and market data to help companies understand regulated markets or policy driven opportunity. Such sources are particularly valuable for companies in industries that have a major role played by government — like healthcare, energy and public infrastructure.

Example: Rennls (2015) The National Renewable Energy Agency's estimation of the SAM for Tata Power Solar was found by using government reports on the use of solar power, electricity consumption and subsidy schemes. The startup would narrow its

market further and laser in on only the commercial and residential users who were reaping the benefits of solar power incentives.

Market Research Companies: Independent research firms collect information on customer behaviour, market segmentation and analysis and service benchmarking will be sold to organizations based on industry demand. These companies will conduct operational, qualitative and quantitative analyses that will give you more insight into your clients' buying habits and preferences.

But with many now from their couches instead of the office, they've had to change tack, as in the case of Wakefit, a home solutions and mattress brand that teamed up with research firms to study sleep patterns and how much consumers are spending on home furniture. Those insights have helped it define the SAM - young professionals in metro cities seeking affordable yet premium home products.

Competitor Analysis: You can use a SAM analysis to find out competitors' sales data, pricing models and means of expansion in the market so that you can estimate your own SAM by looking for gaps in the market or potential customers. Additionally, they may sharpen the entire process by analyzing competitor customer reviews and service vacuums in the marketplace.

Sample this: cloud kitchen chain Rebel Foods studied food aggregators like Swiggy and Zomato for SAM for delivery-only brands. It grew its cloud kitchen chains by focusing on areas with good demand for food, and by selecting places where ordering food online was most popular.

Trade Associations & Industry Bodies: Different organisations like NASSCOM (IT & start-ups), FICCI (for commerce) and SIAM (for automobiles) can impact quality industry reports, policies updates and market demand forecasts that support businesses to fine-tune their SAM. Those relationships also contribute to the networking that allows a business to adapt more quickly to changing customer demands and new regulatory trends.

You may be asking what SAM looks like for a start-up at this stage of yours: Example: A sales enablement SaaS start up Mindtickle worked top-down from NASSCOM reports to

calculate the SAM in India's enterprise SaaS market. It built its service lines on high-growth sectors which have a BFSI and IT concentration after studying the corporate sales training trends and digital adoption factors.

Company filings and presentations (include past year's annual reports): Publicly listed company annual reports and presentations provide market share, revenue split of SAM-based segments, regional proportions, growth rates etc. that help to forecast SAM. Furthermore, such reports provide data on capital allocation and product development investment strategies along with an types of products being developed.

Illustration: Zerodha, a discount broking firm, studied financials of traditional brokerage houses to arrive at market share analysis. Zerodha recognized the price-sensitive retail investor and evolving tastes in trading, and inferred its SAM by positioning itself as a cost-effective and technology-enabled alternative.

Surveys / Customer Feedback: Consumer supplied requirements from surveys, focus groups and social media give further input in refining market estimates for real customer desires. These approaches can offer real-time intelligence and the ability for companies to adapt to changes in consumer demand.

Example: Sugar Cosmetics, a D2C beauty brand which employed Instagram polls and consumer surveys to gauge its SAM in millennial and Gen Z consumers. The learnings provided Sugar with the direction toward cruelty-free, long-lasting makeup that catered to Indian skin tones - making them more market-relevant.

Online Analytics and Digital Tools: Online platforms such as Google Trends, Facebook Audience Insights, as well as keyword analytics tools that offer timely insights on customer search behavior allowing businesses to continuously update their SAM based on demand trends. The tools allow businesses to track how customer interest come differs by region and by season.

Illustration: Rahul Awasthi Example: Edtech for teachers platform Teachmint used a combination of Google trends and digital engagement analytics to gauge potential demand in tier-2/tier-3 cities. Based on information about searches related to "live

teaching apps” and the teachers who signed up, Teachmint modified its SAM and personalized marketing.



Fig 3.6 Data Sources for SAM Estimation

Using a combination of these data sources enables companies to get to full and accurate SAM estimates that will help them make sure they have a market strategy that is data-led, customer-centric and competitive. If you want anything else tailored, please tell me.

3.2.6 Contextual Review

Contextual Review 1:

Serviceable Obtainable Market (SAM) Calculation for Online Grocery Sector – Zepto

Zepto, the 10-minute grocery delivery start-up has forayed into India's hyper-competitive quick commerce space, that largely caters to urban consumers' demand for faster and more convenient grocery shopping. While India's total grocery market size might hover around \$600 Bn, Zepto needs to focus in on refining its SAM — on digital-first, urban and fast delivery customers.

SAM Estimation Approach

- **Industry Reports & Market Segmentation:** Zepto referred to market reports that indicated 5-7% of India's total grocery was transitioning online and that helped it define its SAM. However, Zepto's

true SAM at a fraction of the overall SGGM (—\$40 billion versus 5–7%, a percentage point as millions).

- **Competitor Analysis:** Investigated players such as Blinkit and Instamart to break down consumer adoption in Tier-1 cities, and demand for ultra-fast delivery.

- **Consumer Behaviour Data:** Studied pattern of app usage, frequency of orders & demand in top dense cities to cut down its real addressable market.

Outcome

Zepto focused on increasing its SAM by not venturing out in groceries but systematically increased to metropolitans like Mumbai, Bangalore and Delhi. Its model enabled it to quickly & easily scale up to 2,500+ orders per day across dark stores, while amassing over \$200M in funding.

Contextual Review 2:

Serviceable Obtainable Market (SAM) Calculation for Fintech Lending Industry – KreditBee

KreditBee is a digital lending startup that provides personal loans to first-time borrowers and young professionals in India. With the credit market size of \$1.5 trillion; KreditBee had to factor into a more practical size of the potential opportunity addressing its actual serviceable addressable users.

SAM Estimation Approach

- Govt & Financial Reportings: KreditBee learned from RBI reports, that only 20% of India is able to access formal credit, which assisted in deciding the upper limit for Target Market.
- TAM & SAM clean up: Removed these consumers who already have good credit and were targeting the new-to-credit gig economy workers, this further reduced their SAM to \$250B.
- Digital User base and Market Access: Potential penetration of the smartphone & UPI availability in 70-80 mn young professionals (Opportunity for reaching potential KreditBee user).

Outcome

By targeting a niche SAM, KreditBee was able to build underwriting models for first-time borrowers and onboard more than 10M users to then later raise over \$300M in order to expand operations.

Activity: Estimating Serviceable Available Market for a New Business



Suppose that you are starting Green Nest, a company selling sustainable furniture and home furnishings constructed of recycled materials. To decide on expanding operations, you must project your Serviceable Available Market (SAM) to ascertain your company's potential revenue.

Select one of the SAM calculation techniques—Top-Down Approach, Bottom-Up Approach, Market Segmentation, or Value-Theory Approach—and implement it on GreenNest. Describe how you would calculate SAM using your selected method based on factors like industry size,

3.3 Understanding Serviceable Obtainable Market (SOM)

3.3.1 Introduction and Definition Serviceable Obtainable Market (SOM)

While there are very large markets, only a small number of customers can be reached and realistically converted over the short term. Share of market (SOM) is the portion of SAM that a firm can reasonably expect to target, measured in percentage terms, given the constraints represented by competition and the company's operating capabilities. Firms need a good estimation of the SOM to fit into effective business models and gain investor confidence too.

SOM Definition

Serviceable Obtainable Market (SOM) is the portion of Serviceable Available Market (SAM) that a company will realistically achieve, based on its experience, exposure, and business strategy.

This can prevent businesses from overestimating market potential and ensure they concentrate on reasonably accurate goals.

3.3.2 Importance of SOM

A GOOD SOM enables company in order to attain realistic revenue aims, useful resource efficiency and focus level regarding growth strategies. Whereas with TAM and SAM you are making broad approximations, SOM estimates the actual opportunity as this is constrained by the competence of competing companies in that market situation. Let's know about its importance from the points to follow, shall we?

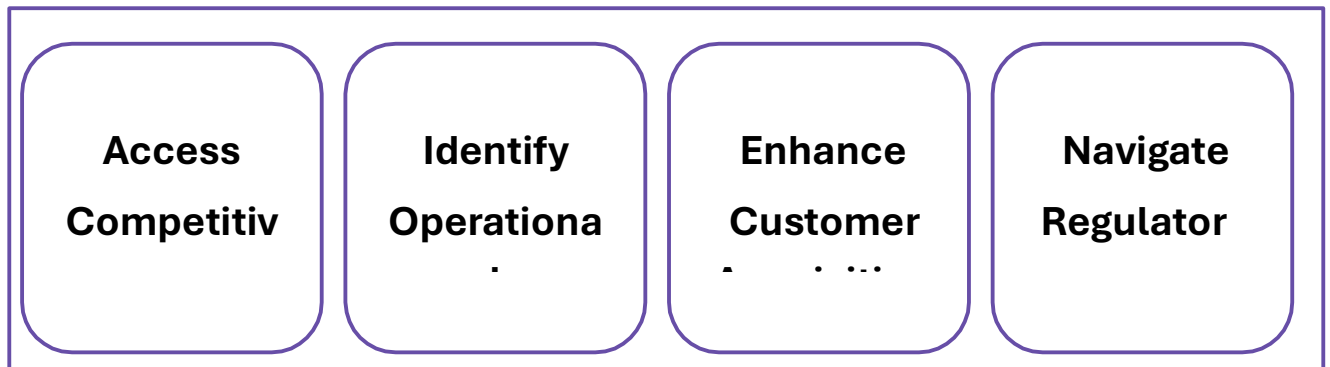


Fig 3.7 Importance of SOM

competitive position and reality of market share: How strong are your relative points in competition, what level of pricing power do you have, how unique is the offer which can be 7 figure if it's super unique. Look at that and tell anecdote like Tariq Qurestomatographahy "Say Apple took over" that say use this to determine how much money you want to make. After taking into account number of units they need to sell/serve Customers each month. Companies are bad because every one on monthly basis or too many. Do not get emotional while selling "Its a hundred dollars by the way a month, ask yourself are we big enough for people who can afford us? There are a variety of variables such as brand differentiation and customer loyalty which determine the share of the market that can be captured.

Example: One Good (Plant-Based Dairy Brand) – The plant-based dairy brand, manufacturing vegan milks and cheeses, has worked out its share of market on the basis lactose intolerant & vegan population across metro cities in India, to make the sample size more specific.

\$500M plant-based dairy market (not the \$140B dairy industry), so no wasteful messaging or inefficiencies.

Operational and Financial Constraints: Scalability of business is generally limited by something like the reach of production facilities, supply chain or marketing budgets. A

firm can only scale as big as it fails to fit into the maximum SOM (serviceable obtainable market).

Example: BluSmart (EV Ride-Hailing Service) – Despite lot of market demand for electric cabs, BluSmart decided not to scale beyond a few Tier-1 cities due to the constraints on charging infrastructure and cost of scaling the fleet, which resulted in a small SOM of the overall ride-hailing market.

Customer Acquisition And Brand Reach: SOM is a function that depends on the overall demand of users and potential customer base. The value probably ranges between 0 to 1, where 1 represents all customers in space interested in your product, while a zero might represent minimal to no interest in what you are trying to market. Having a powerful brand and the marketing tech to wield it are what allow companies to attract that higher SOM rather than just responding to loyal customers or repeat business. A company can also extend its market penetration using personalized marketing and data analytics as a way to build an even tighter bond with their audience.

Example: Plum (D2C Skincare Brand) – With a massive total beauty market in India valued at \$11 billion, Plum identified its SOM by focusing on the millennial consumers part of their target audience who are looking for cruelty-free and vegan products, getting into influencer marketing and online campaigns to stimulate consumption in niche categories.

Regulatory, and Market Barriers: Legal barriers, government policies, and industry regulation restrict the portion of the market that can be captured by a company. If they are working in regulated industries, there will be licensing and tax requirements along with other operating requirements that impact SOM.

Sample: KreditBee (Digital lending startup) - Whilst digital lending is a large industry in India, KreditBee's SOM is restricted by regulations from RBI including stringent credit checks and restrictions on unsecured loan amounts.

And by providing accurate estimates of SOM, companies are in a better position to make such forecasts for their business potentials. It also can contribute to the practical strategies for sustainable advancement and expansion of market.

3.3.3 Data Sources for SOM Estimation

Business firms must possess sufficient information about behavior, preference and purchasing power of their target market to estimate SOM correctly. Some inputs for this narrowing down include industry reports, customer intelligence data, sales information, and competitive analysis among companies. They can improve their estimate of the SOM by using this mixture and therefore be more accurate in their marketing strategy.

Firm-specific Data: Firms can rely on proprietary information such as the volume of sales, customers' history of purchasing and the conversion rate to estimate the extent to which they can penetrate. Examining the potential target consumers' profiles and behavior confirms the likelihood of the share of market that ultimately can be achieved. SOMs can also be made more businesses applying the neighborhood in terms of repeat purchase, CLV and demand at the local level.

actionable and precise. Such information can help companies determine where they stand with other organizations as well as identify areas of greatest potential for expansion.

Example: Zomato (Food Delivery Platform) - This company analyses the transaction data of its users to identify patterns and come up with an estimate of their SOM while concentrating on active users from metro cities who dine out frequently. Scrutinising past behaviour helps Zomato segment target for future campaigns.

Customer Insights and Surveys: These will include direct input from customers through means of surveys, focus groups and online reviews, offering both qualitative as well as quantitative evidence based on their needs, buying habits and WTP. Segmentation studies are a means for enabling businesses to identify specific classes of customers that they can serve in reality given their SAM. Equally important, it surfaces pain points and unmet needs, so that businesses can tailor offerings to the demands of the easiest and most lucrative-to-serve segments. This will avoid the "least common denominator" generic-market problem to which business becomes tied, for it won't be reliant on general market data but will know its kind of customer because we told it.

Instance: Nykaa (Internet Beauty purveyor) - By scoring the voice of consumers, Nykaa gets to decipher the inclination for niche beauty products by Indians. Research has revealed that SOM is high in metropolitan areas, where consumers look for high-end and organic beauty products. Nykaa can now sharpen its inventory and pricing strategies.

Competitive analysis: Often competitors' performance can be the best sources for judgement on what a firm's share of market could be. By examining how competitors capture market share, price models and marketing strategies to acquire users a company gets the on-the-ground sense of traction it can realistically expect. Data on competitors also serves to inform companies about voids in the market, areas with high demand, or unserved segments that allow businesses to differentiate and capture significant share. This source is particularly useful in highly competitive industries where distinctiveness and positioning are critical factors of a firm's success.

For example (watch time: 9 - 13 minutes) Example: BharatPe (Fintech Platform)
BharatPe is catching up to Paytm and PhonePe's customer base, transaction volume, and pricing. By adopting an aggressive pricing model with lower transaction fees for merchants and further penetrating the market across smaller cities, BharatPe captured a big portion of SOM in India's fintech section. That led BharatPe to target underserved small business owners, a huge area of growth.

Industry Reports and Market Research: Market research companies, along with industry reports publish aggregated information on market size, growth projections, and market dynamics. Such analysis helps estimate SOM. The consolidated data could be essential for many of companies when looking at realistic segments in the SAM, by keeping a systematic overview over market occurrences, trends and released opportunities. It also assists businesses in monitoring changes in consumer preferences, technological innovations and regulatory developments which may have a bearing on their ability to access markets. Industry reports typically offer a broader perspective of the market which assists in improving business strategic steps indicating growth areas and channelizing target customers in the market.

Example: CarDekho (Automobile Platform) – CarDekho references to the firm reports like Frost & Sullivan that reports the growing demand for EVs and how consumer behaviour is changing towards eco-friendly cars. Based on the market estimations and consumer behaviour CarDekho will be able to modify its SOM in electric vehicle

segment, in India as this segment is going to be one of the fastest growing segments. Although unconfirmed, industry reports claim the changes that CarDekho would make to their game plan to gain a larger share in this EV space.

By combining these various sources of information, a company should be able to estimate with greater precision and take action upon SOM. This can later be utilized to craft specific marketing exercises and project sales aims in order to better the offerings and ensure the product fits best with what a “most attainable” customer base needs.

3.3.4 Go-to-Market Strategy & Customer Acquisition

A strong Go-to-Market in turn provides a framework to optimize the Serviceable Obtainable Market of a company through optimized distribution channels, strategic partnerships and competitive pricing. A good GTM strategy enables companies to scale their businesses by cleaving to the right customer segments, spending optimum resources based on profitability and address-ability of market share. The right distribution vehicles—be they physical or electronic—allow companies to contact customers meaningfully. Key market players or emerging entrants are actively exploring ways to forge a strategic alliance with key industry or complementary sector players, which is expected to help expand their overall market presence and new customer base. And, value based, pricing models that are built for what customers will pay and the competitive landscape which enable a company to capture more of their SOM by making better offers.

By aligning marketing, product, and demand efforts to distinct target market segments, executing the GTM strategy enables businesses to integrate these efforts according to market needs. As a result, a company can continually assess and combine these aspects of sales and identify areas to maximize shares of the market, customer bases, and SOM. Blinkit is a grocery distribution platform that relies on the SOM creation method via a hyperlocal network. The company engages in high-speed home deliveries in urban areas by using an integrated marketing strategy to obtain goods from local shops and suppliers. It markets through a reasonable item pricing strategy that is frequently subject to time-dependent discounts and offers. According to five purposes analysis, Blinkit tries to position itself in the developing Indian urban convenience store market. It is based on the fact that customers in this region require convenience shopping and prioritize it.

- **Digital Channels & Partnerships:** Adoption of app centric platform and tactical partnerships with home service experts, helped in covering more customer base in a smarter way which also allowed UrbanClap to hone its SoM even further towards that specific part of urban users who prefer professional and stress-free domestic services.

Outcome

By focusing its SOM, UrbanClap took large chunk of the serviceable market swiftly. It's eventually grown to become the no.1 player in a home service platform in India, and having scaled across 25+ cities with millions of active users.

Contextual Review 2:

Serviceable Obtainable Market (SOM) Calculation in the Grocery Delivery Industry – Zepto

Zepto is a quick scaling Indian grocery delivery startup which guarantees delivery in 10 minutes by at its customers doorstep. Zepto is in a fairly new market that's growing fast (mostly in urban) but had to modify its SOM slightly and target those who appreciate fast & easy.

SOM Estimation Approach

- **Urban Density and Groceries:** Zepto went for highly dense urban parts of town where people spend more on grocery items and are used to digital platforms. Tier-1 cities was the focus for high-income time-constrained audience.

- **Target Audience Segmentation –** It target around digitally active millennials and working professionals with strong intent to purchase grocery online.

- **Delivery and Product Availability:** They focused on delivering in-demand items for snacking, like beverages and snacks, as well as everyday grocery products timely.

- Pricing: Zepto found that a lower cost and small delivery fee would help the company’s service to be appealing to as broad of customer base as possible, making it an option for the consumer who prioritized time over value.

Outcome

3.3.6 TAM vs. SAM vs. SOM – Differentiating between Total Available Market, Serviceable Available Market, and Serviceable Obtainable Market

Aspect	Total Available Market (TAM)	Serviceable Available Market (SAM)	Serviceable Obtainable Market (SOM)
Definition	The overall revenue opportunity available if a product/service achieves 100% market penetration.	The segment of the TAM is targeted by a company's products or services, considering its current capabilities and market segments.	The portion of the SAM that a company can realistically capture, factoring in competition, resources, and market strategies.
Scope	Broad, encompasses the entire market for a product or service.	A narrower segment of TAM focused on specific customer needs and geographic focus.	The most specific, practical portion of SAM that a business can achieve with its current capabilities.
Focus	Market size at the global or industry-wide level.	Market size within a specific target segment or geographic region.	Market size is based on practical, achievable goals, factoring in competition and barriers to entry.

Purpose	To understand the total revenue opportunity in the market.	To determine which portion of the market is addressable with current product/service offerings.	To estimate the realistic market share a company can capture given its resources and competition.
Example	Electric Vehicle Market – The global electric vehicle market is expected to reach \$8.85 trillion by 2030.	India's Digital Payment Market – Only a portion of the total market is accessible to fintech firms like Paytm, due to regulatory constraints.	Zepto (Grocery Delivery) – Targeting urban, time-constrained customers who need ultra-fast grocery delivery, a portion of the broader grocery market.

Zepto’s laser focus on its SOM was a key factor in this rapid growth into the urban market, acquiring millions of users as well as significant rounds of funding. ”Startup’s focus on hyperlocal delivery has helped it get a very solid foothold, and even compete with bigger players in the space, like BigBasket and Grofers which offer a lot more convenience.

3.4 Techniques for Estimating Market Size

Market sizing is an important business activity which tells the size of a target market for a company. B) Strategic Market Estimation Sizing the market allows companies to appropriately divide resources in terms of growth and product development strategies. Various methods are commonly applied to estimate market size, including top-down approaches and bottom-up approaches, as well as more sophisticated methods involving data modelling. There’s merit to both, depending on the type of data you have at your disposal and what else you’re trying to accomplish in your business.

Top-Down Approach: The top-down approach begins with an industry and works its way down to define a target market. Then businesses can estimate how much of the overall market they are able to realistically serve by evaluating segments through macroeconomic data, industry studies and government numbers. Example: Xiaomi – a mobile company guesstimates its market size for India using a top-down approach

firstly by taking the growth estimate of the total global smartphone market and scaling that down to just those urban Indian users who are addressed by so-called affordability of smartphones

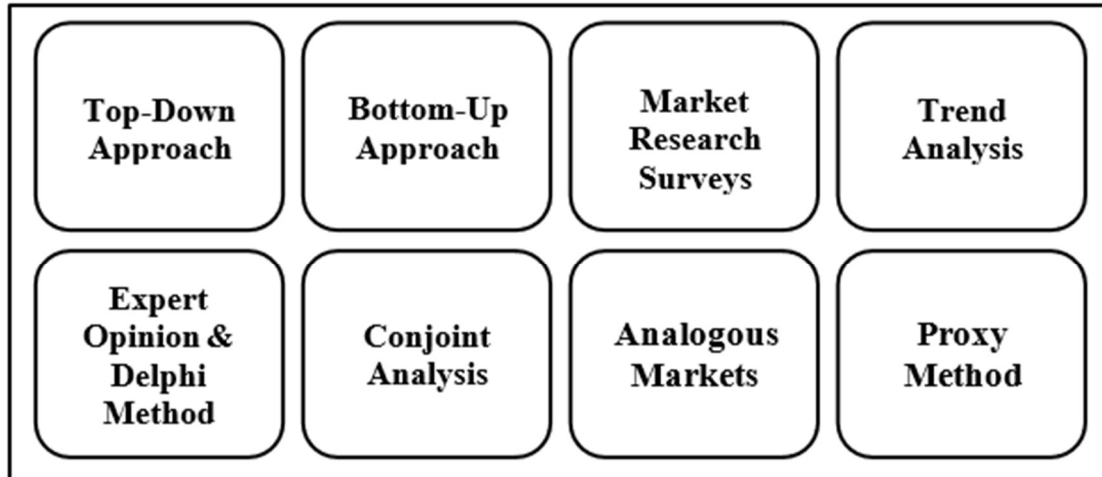


Fig 3.8 Techniques for Estimating Market Size

Bottom-Up: This approach starts with the detailed sales data by customer such as sales amount, quantities sold and # of customers. It aggregates real sales and real market data to craft market size estimates, which can be superior to more general industry evaluations. Companies use customer surveys, sales Similar to bone disease but appeared again by them.erectile dysfunction symptoms.flatMap-987.

news, and CRM analytics to provide more targeted financial forecasting, resource allocation, and strategic marketing decisions in target markets.

Example: FreshToHome (Online Meat and Fish Delivery) – FreshToHome, estimated market size by calculating current customer base, average order value of the customer and how frequently does he/she order. With this data and consumers insights, from across metro cities, it calculated the serviceable market size.

Market Research Surveys: Finally, survey potential customers to gauge their level of interest. By asking targeted questions based on needs, preferences and purchase intentions, firms can further narrow down the estimates of market size and understand more about customer behaviour, price sensitivity and competitive positioning.

Sample Use Cases: HDFC Bank (Digital Banking Services) Circle of Interest Market research among millennial customers in urban areas and small business owners to measure interest in digital banking and loan products. That helps the bank iterate on how it goes to market with new digital loan product and also craft features around their needs.

Trend Analysis: This type of forecasting is developed from the analysis of past data and the trend based on which the market was observed to grow. Enterprises analyze the historical data and also refer to various factors leading to market growth in the future. It first informs where new opportunities are emerging, weekly updates on demand shifts and insights to power long term growth.

Example: Netflix (Streaming Service) – While trend analysis...The largest contributors came from projecting past subscription numbers, taking into account the growth of the overall video streaming industry in the world and internet penetration, and extrapolating out those previous figures.

Expert Opinion and Delphi Method: Expert Opinion and Delphi Method is a technique to elicit the opinions from the experts of an industry using series of structured questionnaires. This iterative process serves to consolidate multiple perspectives on market trends, customer needs, and future demand. It would also be useful when historical data exist in the case of emerging markets or industries, wherein they may be limited or changing. Put simply, using expert feedback, firms find a balanced target market and adjust their strategy based on the changing regulatory constraints, technological developments and evolving consumer behaviors.

Example: Airbnb (Vacation Rental Platform) - In a Delphi consulting exercise, I brought in hospitality experts, travel economists and urban planners to estimate the global vacation rental market. Several survey drafts were dispatched and feedback was sent to Airbnb, at intervals for them to start validating their market prejudices with respect to the movement of tourists, city becoming urbanized further and general trends in travel.

This consensus building enabled Airbnb to establish realistic growth goals and enunciate its global expansion strategy in a manner that could grab more of the wild west like habitat market.

Conjoint Analysis: Conjoint analysis could assist companies to understand consumer preference on product attributes and features by estimating the trade-offs they make amongst different alternatives. This facilitates an estimation of the value magnitude that consumers place on certain characteristics and of market size at different prices.

Example: Apple applies conjoint in estimating the customer's willingness to pay for features like camera quality and battery power. This enables to estimate demand for various models of the iPhone & price optimization. It also aids in product development and market forecasting.

Analogous markets: Firms can employ analogous markets (markets with similar characteristics) to estimate the size of potential market for new products or entries into new markets. This is a way for companies to compare new with established markets, and therefore understand customer behaviour and demand. **Example:** Spotify (Music Streaming) projected its market opportunity in India based on success of international streaming players in other developing markets. It honed its market-sizing estimate by tracking mobile data use and demand for streaming content.

5.1 Introduction Normally, this estimate is not directly measured; but by employing some related market data or measurable patterns as a surrogate for direct measurement, the market size is estimated through proxy method. Companies can extrapolate from trends in internet penetration, smartphone usage and changes in consumer spending as a proxy for what the market they are aiming for might look like. This is mainly helpful when the raw data is limited. Using relevant indicators, companies can estimate the size of their market and make adjustments as directed.

Example of adoption: Razorpay (Payment Gateway) – The company estimates the potential market for digital payment solutions by taking cues from proxy indicators like rise in online purchases, internet penetration and growth of e-commerce business. Leveraging the growing popularity of digital and online users, these burglars are collecting more and linguistically rich data that these populations leave behind.

transactions, Razorpay will predict their payment service requirements and plan its strategies for both small & large business houses.

Assessing market size is a vital step before a business takes its strategic decisions to allocate resources effectively for growth plans. Methods such as top-down and bottom-up approaches have been used to estimate and validate the market size of Total Available Market (TAM), Serviceable Available Market (SAM) by conducting SWOT analysis, trend analysis and PEST analysis, trend analysis and expert opinion. On the basis of these strategies, businesses are able to formulate their marketing mix, understand what consumers want and identify potentially acceptable opportunities through which they may grow.

3.5 Summary

- ❖ Knowing the market size is necessary for strategic decisions, allocation of resources and prospecting potential business.
- ❖ TAM stands for the total addressable market if a company were to obtain 100% of a specific market.
- ❖ The top-down approach, bottom up approach and value-theory approaches are used to estimate the TAM, taking into account industry dynamics, customer demand and revenue prospect.
- ❖ Serviceable available market (SAM) – is the portion of TAM a firm can successfully serve with their existing product and within their geographical reach.
- ❖ The company customizes SAM by applying market segmentation, competitor analysis and knowledge from consumer behavior.
- ❖ Serviceable Obtainable Market, or SOM, refers to SAM that a company can realistically expect to capture with a specific offering factoring in competition and go-to-market considerations.

- ❖ Business use SOM as they estimate it with sales numbers and customer insights and competitive benchmarking thus defining realistic growth targets.

- ❖ TAM, SAM and SOM calculations can be done through reliable data such as trend analysis, industry reports, government figures; lead user interviews and competitor research.

- ❖ With top-down and bottom-up methodologies for surveys, trend analysis, expert opinion and proxies businesses can estimate market size with less error.

- ❖ Smarter market sizing helps a business to refine its expansion strategy, investments and competitive position.

Size the market regularly through data led insights to be ahead of competition and for scalability (TEV).

3.6 Key Terms

Total Available Market (TAM): It is the total revenue opportunity for a product or service if 100 percent of the market were captured, and became generally used to measure addressable market; **POTENTIAL GROWTH #** Investors are hungry for high growth companies, and this is a thermometer to attract investor potential.

Serviceable Available Market (SAM): SAM is the subset of TAM that a company can serve, taking into account product functionality, geography, and regulation.

Serviceable Available Market (SOM): SOM is the portion of SAM that can actually be serviced, when considering factors such as competition and access to that segment of the market.

Bottom-up estimation approach - Estimation for a market where the estimation is based on sales, customer details and revenue trends therefore likely to be more accurate and real.

Market Segmentation: Segmentation is breaking down a large customer base into smaller target groups based on any combination of (but not limited to) demographics, geography, income and buying behavior.

Competitive Benchmarking: A comparison process used to understand another business' market share, pricing and other strategies in order identify any areas of weakness and discover product differentiation, while further refining your marketing direction.

The Value-Theory based Approach: It's an assessment of the size of a market based on how much people value a product (and what they are willing to pay for it), this approach is relevant for luxury goods.

Go-to-Market (GTM) Strategy: The process and strategy used to take a product from concept to market so the company can attract prospects, capture leads, gain customer trust and generate revenue.

Market Opportunity Analysis: A technique for assessing market potential, customer demand, and competition in an effort to evaluate the business and investment attractiveness of a market.

3.7 Descriptive Questions

How do market sizing serve as a critical tool for any business to take strategic decisions related to growth opportunities and market entry?

What is the difference between TAM and SAM, and why it is not enough to just consider SAM when analyzing a market?

What are the primary process in calculating the Total Available Market (TAM) and which model should be used to calculate for niche market or industry?

Why is it important to do competitive benchmarking when tweaking a company's estimate of its SOM, and what are its implications on business strategy?

When does bottom-up market sizing get better than top-down at estimating the numbers, especially smaller or newer markets?

What kind of internet resources for industry reports and government database are needed to calculate TAM & SAM and what could be possible approach regarding use of these resources.

How do companies calculate Serviceable Obtainable Market (SOM) and also add in it's estimate along with its calculation but keeping in note limitations such as # manufacturing capability, logistics supply, or a resource constraint?

Based on its TAM and SAM, what are the things that a company must carefully investigate before entering a new market- entry?

How does value-theory methodology assist companies to calculate market sizes in the case of niche, high quality or procedural (eg, new technology) products which may have un-matched customers?

3.8 References

1. Levine, U. (2023). Fall in love with the problem, not the solution: A handbook for entrepreneurs.
2. Sinek, S. (2009). Start with why: How great leaders inspire everyone to take action. Penguin Group.
3. Khanna, A. (2024). Ain't no Eureka: Your idea for an enterprise journey.

4. Ahuja, S. (2022). Daily coffee and start-up fundraising.
5. Mason, H., & Mattin, D. (2015). Trend-driven innovation: Beat accelerating customer expectations. Wiley.
6. Osterwalder, A., & Pigneur, Y. (2010). Business model generation: A handbook for visionaries, game changers, and challengers. Wiley.
7. Berger, J. (2013). Contagious: How to build word of mouth in the digital age. Simon & Schuster.
8. Rothman, R. (2017). Master opportunity and make it big.

Answers to Knowledge Check

Knowledge Check 1

- 1: b) Understanding customer demographics and purchase behavior 2: b) By identifying unmet needs and profitable customer segments
- 3: b) It provides insights into market gaps and differentiation opportunities
- 4: a) By providing aggregated data on market trends and emerging opportunities

3.9 Case Study

Tata Neu – Grabbing the Indian Digital Market With A Super App

Introduction

With this rise of rapid digital disruption, India can provoke a marriage between disparate online services. Tata Neu (Launched by Tata Group in 2022) Tata Neu intends to be India's first ever Super App that combines e-commerce, groceries, travel services, financial services and anything else you can think of under one roof. In this context, it is fascinating to note how Tata Neu fits into the demand of an integrated digital experience despite being such a fiercely fought battle in the fragmented market.

With a bold mission to serve the growing need for convenience and integration, Tata Neu is reimagining how services are accessed by Indians anywhere in India. But integration with competition and even retaining users, posed roadblocks in the journey of creating a super app that Tata Neu managed to tackle through smart innovations and being a consumer-first platform.

Background

a. India's Digital Boom

India has experienced massive increase in the internet users and by 2022, more than 700 million people will be online. The stage was set for super apps with a rising tide of smartphone ownership, affordable data packages and an expanding level of digital literacy. Overseas, the success of WeChat and Grab's super app experience has worked out for users to access different services in one place. That super app in India that is what Tata Neu wants to be, powered by the broad spread of the Tata group's portfolio.

b. The Tata Group Ecosystem

The Tata group already has businesses in areas from retail (BigBasket and Westside) to travel (Air India and Taj Hotels) and finance (Tata Capital). Nevertheless, these services were not combined before and they had lost the chance for cross-selling as well consumer attachment. Tata Neu was conceived as an answer to bring these offers together for a greater consumer experience and growth.

Issues and Solutions

Problem 1: Integration Issues

Tata's disparate brands were difficult to bring together in one consistent technology and operations platform. The proprietary nature of these systems at every brand level resulted in process deviation and inconsistency for those customers. It was a difficult

predicament in managing resources and data for the entire conglomerate because of this. This lack of harmony translated into inefficiency and operational drag.

Solution:

- Tata Neu made substantial tech investments for a strong underlying infrastructure, including APIs and machine learning-driven personalization. This app makes sure the users could transit between the services in a fluid way and offer them a united experience.

- For example, Grab turned into the super app of Southeast Asia while Tata Neu has built an integrated ecosystem that solves multiple user problems.

Problem 2: Competitive Market

Tata Neu found it difficult to differentiate itself in a market dominated by Amazon, Paytm, and Swiggy. All these firms had a loyal customer base and brand loyalty, market competition was strong. Consumers had to undergo a convincing exercise to make the switch or at least try out services on Tata Neu. It was understood that you have to come up with a creative concept and make big investments in order to delve into such a crowded market.

Solution:

Tata Neu Highlights If someone is able to, say please forward as mail. [UrlPreviewBoxSource](#) See how Tata Neu resonates on tenor. **TEXTQUOTELEFT** “We have tapped the trust and loyalty of the Tata brand for everything t NEW Pass has to offer. Thanks to NeuPass, users could collect points and spend them on a range of services available, which not only created great motives for returning, but also encouraged loyalty.

- Example: Starbucks’ omnichannel loyalty program, Starbucks Rewards, similarly spurs consumer engagement with a connected ecosystem of in-app offerings.



Issue 3: Retention and Engagement

The uptake for Tata Neu was high in the beginning however retention and ease to get people to use more than one service became a challenge. Customers persisted in using separate Tata-branded apps rather than consolidating their activity under Tata Neu. This was because dependence on stand-alone channels restrained the expansion of the app and user engagement. The trick was that users could not be persuaded of the additional value in using all services at a single location.

Solution:

- The app employed cross-promotion to funnel people towards using all its services by offering them customised deals and rewards. (For instance, if users booked an Air India flight, they would receive discounts on stays at Taj Hotels and orders from BigBasket.) This method brought more engagement and attracted a good ecosystem for Tata Neu.

- And similarly, Amazon Prime makes a similar move and bundles video streaming, e-commerce goodies and more for stickiness.

Reflective Questions

How is Tata Neu managing its level of integration to scalable and high quality?


How does Tata Neu plan to distinguish itself in India's crowded digital space?


How can the loyalty program of NeuPass be leveraged even more to stimulate cross-service uptake?

Conclusion

Tata Neu is the latest of such bold attempts to re-imagine India's digital marketplace, with a super app that combines a bundle of services into one slick platform. However, the headwinds of integration, competition and better retention could make a crusade against people who don't play fair a pretty solid base for technological gambits by the Tata Group into tech, cross-promotion and loyalty programs. Overall, Tata Neu's unified experience opens the doors to tremendous growth and it somehow meets rapidly evolving needs of the target consumers." Thus, while concentrating on innovativeness to be user centric, such things likely lead something which shapes

Entrepreneurship and Family Business 101 Unit 4 _V3.docx

 Entrepreneurship and Family Business_MBA_1

 Entrepreneurship and Family Business_MBA_1

 ATLAS SkillTech University

Document Details

Submission ID

trn:oid::3618:127096625

Submission Date

Jan 29, 2026, 10:45 AM GMT+5:30

Download Date

Jan 29, 2026, 1:28 PM GMT+5:30

File Name

Entrepreneurship and Family Business 101 Unit 4 _V3.docx

File Size

326.7 KB

42 Pages

11,256 Words

66,811 Characters

*% detected as AI

AI detection includes the possibility of false positives. Although some text in this submission is likely AI generated, scores below the 20% threshold are not surfaced because they have a higher likelihood of false positives.

Caution: Review required.

It is essential to understand the limitations of AI detection before making decisions about a student's work. We encourage you to learn more about Turnitin's AI detection capabilities before using the tool.

Disclaimer

Our AI writing assessment is designed to help educators identify text that might be prepared by a generative AI tool. Our AI writing assessment may not always be accurate (i.e., our AI models may produce either false positive results or false negative results), so it should not be used as the sole basis for adverse actions against a student. It takes further scrutiny and human judgment in conjunction with an organization's application of its specific academic policies to determine whether any academic misconduct has occurred.

Frequently Asked Questions

How should I interpret Turnitin's AI writing percentage and false positives?

The percentage shown in the AI writing report is the amount of qualifying text within the submission that Turnitin's AI writing detection model determines was either likely AI-generated text from a large-language model or likely AI-generated text that was likely revised using an AI paraphrase tool or word spinner.

False positives (incorrectly flagging human-written text as AI-generated) are a possibility in AI models.

AI detection scores under 20%, which we do not surface in new reports, have a higher likelihood of false positives. To reduce the likelihood of misinterpretation, no score or highlights are attributed and are indicated with an asterisk in the report (*%).

The AI writing percentage should not be the sole basis to determine whether misconduct has occurred. The reviewer/instructor should use the percentage as a means to start a formative conversation with their student and/or use it to examine the submitted assignment in accordance with their school's policies.



What does 'qualifying text' mean?

Our model only processes qualifying text in the form of long-form writing. Long-form writing means individual sentences contained in paragraphs that make up a longer piece of written work, such as an essay, a dissertation, or an article, etc. Qualifying text that has been determined to be likely AI-generated will be highlighted in cyan in the submission, and likely AI-generated and then likely AI-paraphrased will be highlighted purple.

Non-qualifying text, such as bullet points, annotated bibliographies, etc., will not be processed and can create disparity between the submission highlights and the percentage shown.

Unit 4: Ideal Customer Personas and Competition Analysis

Learning Objectives

1. Learners will understand how to identify and define their target customer personas in terms of demographics, behaviours, and preferences.
2. Learners will create detailed customer profiles to more effectively target and engage with customers.
3. Learners will use methods of competition analysis to determine competitive strengths and market positions.
4. Learners will use customer persona data and competition analysis to effectively make business strategy adjustments.

Content

- 4.0 Introductory Caselet
- 4.1 Building Ideal Customer Personas
- 4.2 Competition Analysis Techniques
- 4.3 Summary
- 4.4 Keywords
- 4.5 Self-Assessment Questions
- 4.6 References
- 4.7 Case Study

4.0 Introduction Caselet

“Knowing Your Customers: A Startup’s Path to Success”

Business-minded Ishaan has launched NutriBliss a start-up which will provide personalised nutrition plans and health snack subscriptions. Ishaan is sector agnostic, coming from food science background and he feels that if his product is of quality then it has potential. But sales are flat after six months in business, and customer repeat rate is low. He knows that while he has a better product, he doesn't know who his customers are all that well at the moment.

Ishaan originally thought the target demographic would be young professionals looking for healthy snacking. But his marketing efforts haven't taken hold, and customer engagement is slow. He also notes that competitors with apparently similar products are doing better in the market. Unable to figure out what it will take to get NutriBliss off the ground, Ishaan starts looking into other companies' tactics and also what customers like so that he can tailor a stronger strategy.

To tackle them, Ishaan decides to work on Ideal Customer persona based on customer feedback, surveys, and purchase pattern analysis. He also examines Competition Analysis Techniques to uncover the pricing strategies, product differentiation, and marketing moves of his competitors. Ishaan structures his offerings and fine-tunes communication strategy, as he understands the needs, pain points and how people behave of his customers.

Understanding his customers and competitors has made a difference. Ishaan is left with no choice but to position his product in line with what customers want and differentiate it from the competition, and as a result, Ishaan's customer acquisition and retention sees an incredible boost. His story is a testimony to the power of ICP and Competition Analysis in building a competitive and sustainable business.

Critical Thinking Question

How can Ishaan use Ideal Customer Personas and Competition Analysis to refine the marketing strategy of NutriBliss, improve their customer interactions, and have an edge over their competitors?

4.1 Building Ideal Customer Personas

4.1.1 Introduction to Ideal Customer Personas (ICP) and Importance

In today's competitive markets, companies need to understand their customers extremely well in order to create winning marketing strategies, products and customer experiences. Ideal Customer Persona (ICP) An ideal customer persona, ICP is a semi-fictional description of your "perfect" client based on an analysis of real data and some

select market research. It includes details like demographics, behavior, problems and aims for businesses to personalize your tactics. ICPs are not general audience segmentation but entails who the “best-fit” customers are that are most likely to engage, convert and stay with a brand.

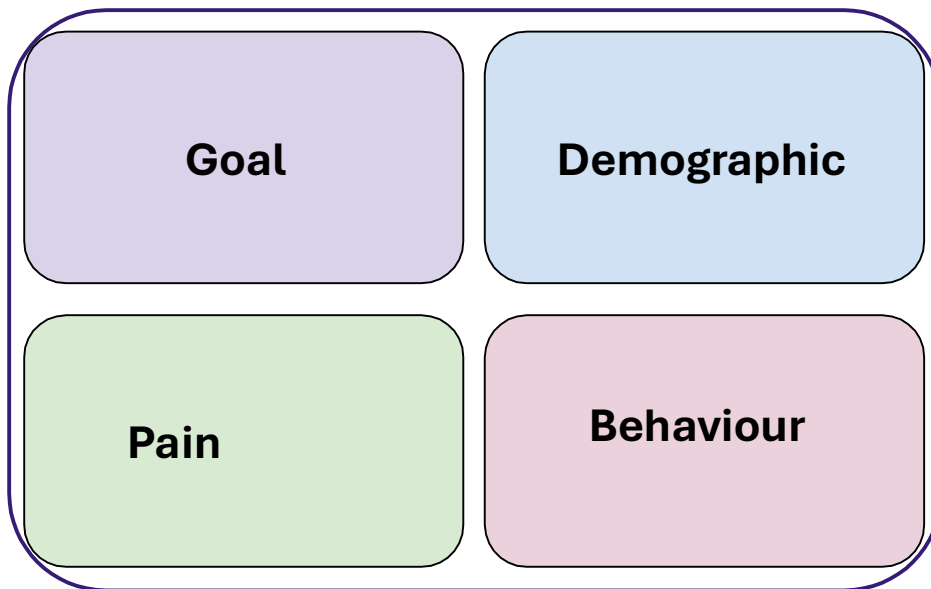


Fig 4.1 Building Ideal Customer Personas

Why you need Ideal Customer Persona-s (ICP)

Companies work in an aggressive market where old sales and marketing techniques don't really work. The understanding of the customers gives vision to business houses by means of focused approach, personalization and ultimately sustainable profit. The Ideal Customer Persona (ICP) is a strategic tool that allows companies to zero in on the customers who'll generate high-value, making spending resources, personalization, and decision-making more efficient along the way.

Better Targeted Marketing: ICPs enables them to market to the right audience segments rather than just throwing a wide net. The company develops deeply customized campaign messaging that's grounded in the motivations, struggles and aspirations of each persona. This is a targeted method to cut out any wasted ad spend and focus marketing dollars on the right audience.

Example: Indian beauty retailer Nykaa created customer personas like “Budget Beauty Enthusiasts” and “Luxury Skincare Buyers.” enabling the brand to build targeted offers. Thus, it had a higher click-through rate, purchase rate and customer loyalty.



Fig 4.2 Importance of Ideal Customer Personas (ICP)

Boosts Product Development: Once businesses map out an ideal customer profile, they can anticipate what it might need or want. By applying ICPs, product development and engineering teams can prioritize features and build offerings that are popular among target personas to align more closely with a product-market fit. As such it mitigates the risk of investing in unwanted features or products that may not resonate with the core target customer which in turn decreases the failure rate of initiatives.

Example: Indian audio brand boAt found a critical persona in the fitness enthusiast, and introduced its sweat-resistant wireless earphones for athletes to appeal this audience. Personas driven innovation succeeded to develop this brand into a highly competitive market by serving the particular needs for certain customers.

Drives Customer Retention and Loyalty: Through understanding the distinct struggles and desires of customer personas, companies will also be able to provide a far more tailor-made experience. The products, services and communications are aligned with the makeup of its perfect clients and therefore build relationships. Improving

a satisfied customer can find you too, more than once (repeat business) and retains or holds about 10-20 times their net value in future (vossartshkihm ltv).

Example: Cure.fit, a health and fitness service, used discrete customer personas for its users according to degree of fitness and health and wellness ambitions. We saw strong engagement and retention from customers passing along tailored fitness plans and diet recommendations, as well as longer subscription lengths as a result.

Enhances Sales Tactics: A sales team with a clear ICP can target potential customers that are closest to the organization's best match. This will focus the energy on value leads, convert more leads effectively and will ultimately lessen the duration in each sales cycle for a business. By grasping these personas, you're much better equipped to write the right marketing copy for prospects and as a result come out with happier results on both sides.

Example: Leading Fintech Razorpay identified high transaction volume start-ups as personas and modified its sales approach to target high growth customers. This made conversions faster and simplified the new client onboarding process.

4.1.2 Benefits of Ideal Customer Personas (ICP)

Cause When you build and work your ICP, it provides a wealth of benefits that streamline marketing and sales processes while improving overall business performance. Concentration on higher-value customers may provide a far richer view of the market for a business and allow more competitive products, better customer relations' quality and a corporate formidable edge.

Cost-Effective Marketing Campaigns: The right persona enables businesses to manage their marketing budget at the optimum level. They're more likely to focus on features most wanted by a certain demographic that is deemed to be the group mostly like me who will convert and not as much on broad, untargeted campaigns. This focus results in higher ROI and a more resource-effective marketing as companies are putting effort into leads with greater revenue potential.

For example, eyewear brand Lenskart enhanced marketing efforts by attracting urban working professionals in need of prescription glasses. As a result, the customer density helped the firm to lower cost per acquisition while offering appropriate services and products to right individuals that caused conversion ratio to go up.

Enhanced Customer Engagement: Knowing the customer persona helps businesses engage with their customers on a deeper level. Organizations drive more engagement with personalized content, custom offers and messaging that speaks directly to the customer's unique pain points and aspirations. This fosters a

stronger brand-customer connection, customers are more likely to actively engage with the brand on a variety of channels.

Example: On-demand delivery service Dunzo, develops user personas based on locality to serve up personalised offers and app notifications that are customised according to data around their purchase history and the location-specific buying sentiment. That's why it helps in raising buy frequency and customer loyalty.

Competitive Differentiation: Companies can use customer personas to clarify requirements for how they'll differentiate themselves in the market. The organizations would distinguish themselves from the competition by providing what those personas actually need. Will give the company a unique selling proposition (USP) that will resonate more clearly with the market which makes it different and draws some other people who may have been swayed by the competition.

Example: The natural skincare brand Mamaearth created personas for conscious millennials and young parents. Providing natural, eco-friendly and chemical-free products to these personas helped separate the brand from its competitors in a beauty brands market that is already flooded.

Quicker Market Penetration: When your business creates and knows its ICPs, it can more easily identify new customer segments or levels of the market that have not been addressed. With a sightline on who their type of customer is, companies can hone market expansion efforts to new territories and/or demographics or product ranges more accurately than has hitherto been possible. This in turn helps companies scale faster and more precisely while pinpointing where all their efforts need to be used, positioning them for maximum gain.

Illustration: Indian social commerce startup Meesho identified small business owners and homemakers as the main customer personas to target. By targeting those audiences, Meesho succeeded to grow rapidly in a matter of only a few years, with massive growth outside the big cities in Tier-2 and Tier-3 locations.

You'll absolutely need ICPs to get a company with product development, marketing and sales departments all centrally aligned on who the best customer is for marketing and sales. ICPs facilitate targeted marketing, customer loyalty and competitive advantage. By these personas, businesses can enjoy increased user engagement, cost-effectiveness, rapid market growth and so success in the long run.

4.1.3 Process of Creating Ideal Customer Personas (ICP)

An ICP is actually some sort of a strategy that takes best qualitative insights as well as the quantitative data. This approach aids in identifying and learning about the core traits of high value customers to ensure all marketing, product and sales initiatives are aimed at a very specific target. ICPs will allow companies to plan, analyze, and cater better experiences for the customers ultimately leading towards better satisfaction and

retention. It is a series of critical stages that enable the structured creation of personas informed by actual customer data and interactions.

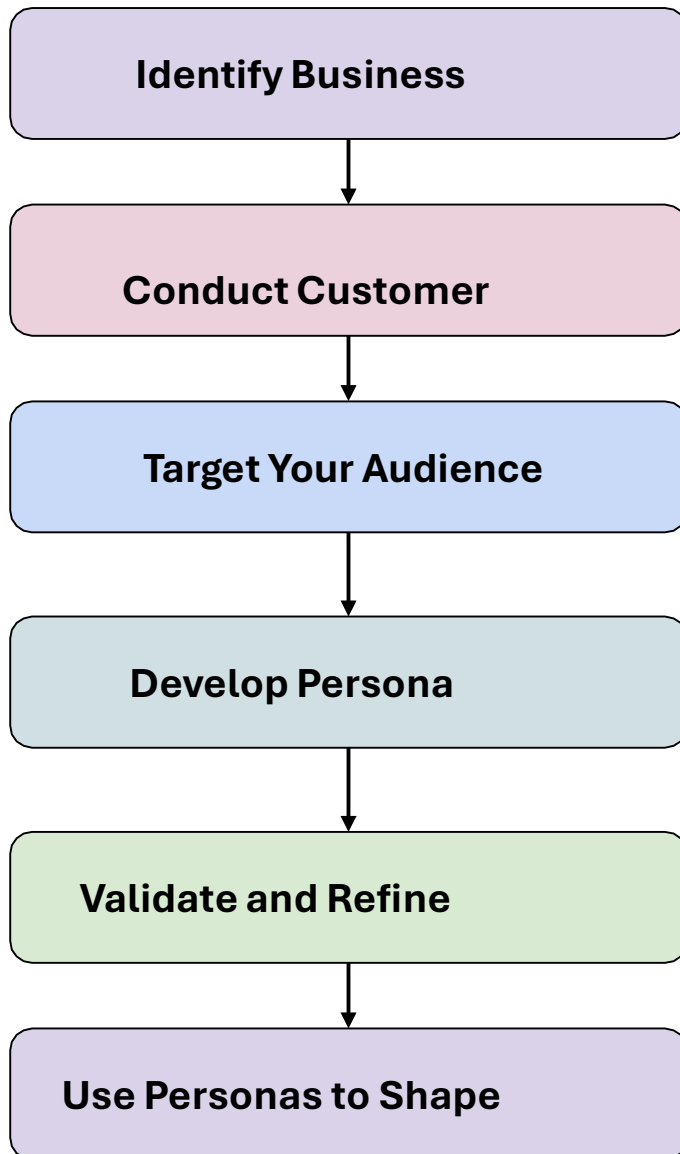


Fig 4.3 Process of Creating Ideal Customer Personas (ICP)

Determine Business Goals: Companies must first declare their goals before generating customer personas. This might be to grow market share, expand customer loyalty or launch a line of products into the marketplace. ICPs enable companies to target the best type of customers for business, and make sure marketing and sales efforts are aligned with broader company strategy.

Example: Ola Electric, which aims to grow the electric car market, it began by simply defining its goal--finding the best target customers most likely to convert from gasoline

cars. Once it was clear what the target audience desired, they crafted personas designed for eco-friendly urbanites and tech lovers.

Customer Scavenging: Once a target market or customer have been identified, you want to get some data from the potential customer base via surveys, interviews, or what not. And Website analytics – How are the customers looking at things Please more detailed and good examples, social media, CRM systems of what we need to know about a customer: what they are liking at, needing or how we can improve our services. Blending quantitative and qualitative data will provide a more rounded view on customers so the brand's personas reflect reality and are better-informed. Sample: Bajaj Finserv is a financial services company, it performs extensive research on the customer. It caters, in other words, to customer demand: “young professionals seeking investment opportunities,” for example, or “retirees searching for secure financial planning.” In this manner, Bajaj Finserv would be able to construct products catering to the specific financial targets and choices of all kind of consumers deepening his engagement.

Segment Your Audience: Once you have collected customer information, the second thing to do is to segment it. Segmentation –It is the categorization of customers into specific groups sharing some common attributes such as demographics (age, gender, income), psychographics (values, interests), behavior (buying habit and brand loyalty) or issues. Through segmentation, businesses can create personas that encapsulate different types of customers across the desired market. Example: Indian home services platform UrbanClap uncovered that their customers were “working professionals who looked for convenience” and “young families who needed both affordability.” UrbanClap could better target such market segments with targeted marketing.

Create Persona Profiles: Post-segmentation you can develop comprehensive persona profiles to encapsulate each segment. The profile will include a name, age, occupation role; goals, challenges and preferences for each type of customer. The personas need to portray genuine customer needs, motives and pains that will make them actionable.

Example: Swiggy, one of the largest food delivery companies in India, created personas like “Urban Dine-In Lovers” and “Busy Professionals,” which it described as “based on their pain points or preferences in concrete terms” such as time crunches, health-consciousness or desires for fast service/healthy offerings. These customer profiles enabled the company to customize services for particular customers.

Validate and Sharpen Persona : Personas have to be updated, they are not statically defined forever. Companies must gather feedback from customers, measure the similarity between personas and observed behaviors of actual customers, and modify personas accordingly. Updates Keep your personas current and in line with new customer requirements or market shifts.

Example: Dream11 is an online fantasy sports website, it does monthly surveys and user behaviour so they can update their personas. That is not all; when the popularity of different games fluctuated, they simply revised their characters to appeal to niche interests within their user base—be it cricket lovers or football buffs—and ensured that marketing was spot on.

Utilize Personas to Influence Strategy: Last but not least, these insights should serve as signposts for the marketing, sales and product strategies. Therefore, the content, message, and products available will be individually adjusted to each persona. These are the kind of personas that will lead to experience creation that target customer can resonant towards & engage and be satisfied.

Example: An Indian e-commerce player, Tata CliQ utilized personas “Luxury Shoppers” or “Tech Enthusiasts” to offer personalized discounts and recommendations for improving experience leading to repeat buys. This way, Tata CliQ had successfully fine-tuned its acquisition strategy – offering what its customer persona wanted.

DPCMA's are a critical mechanism for businesses to be able to use ICPs to accurately target the right customers and plans to make every action they take matter. Using business goals enabled by data driven insights, segmentation and persona development organisations can improve the opportunities for customer engagement, satisfaction and retention. Regularly updating personas; helps to ensure they stay current and a business remains competitive in the market.

4.1.4 Methods for Collecting Customer Data

Capturing Customer Data: Capturing customer data is also another step in creating an Ideal Customer Persona. There are a number of techniques for learning more about what

customers want, how they behave and what they need. Such a data collection approach is crucial for our work

for business that it helps better understanding of the target audience that make the strategy data-driven and more personalized. Surveys, interviews, Social CRM, website analytics and market research – together these allow businesses to get a comprehensive picture of their customers across different sectors.

Surveys - Another way to collect data from customers is by asking for it with direct mentions like surveys or requests on how you can improve. A survey offer businesses the opportunity to get answers on various needs, preferences, pain points and expectations of what may be used for making strategic decisions in future. Well-thought-out surveys will capture both quantitative and qualitative data at the same time, which is why they've been so useful to us in creating personas.

For instance; ICICI Bank – an Indian based banking and financial services company usually conducts this sort of survey to know what their customers want when it comes to banking i.e. may be the need for bank services in digital way or the types of loan product they need with right moulding. These surveys allow the bank to better target their offers according to customer intelligence.. and reconfigure the marketing messages for each market bucket.

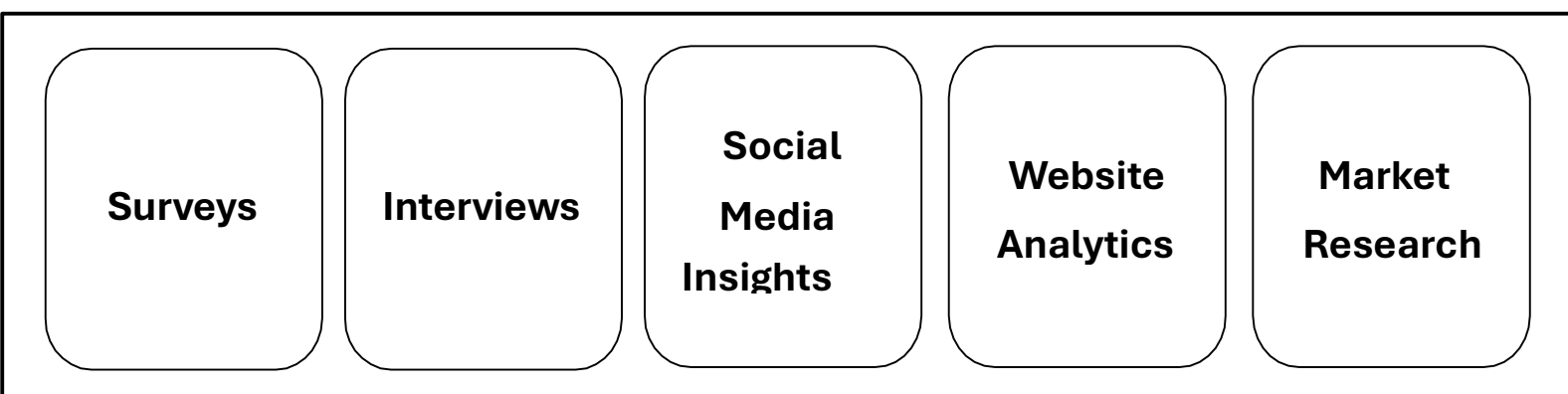


Fig 4.4 Methods for Collecting Customer Data

Interviews: Interviews with customers allow for more qualitative, long-form feedback not always available in surveys. Speaking directly to the customers really helps businesses

understand and fill in their understanding of why they buy. The rich discussions enable businesses to uncover deeper insights in regards to customer behaviour, the pain they experience and expectations, with a precision nearly impossible to achieve through quantitative approaches.

Example: Indian electric vehicle maker Ather Energy holds regular interviews with early customers of their electric scooters. That will help the company better understand why people are making the switch to electric, whether for environmental reasons or to have more affordable ways of getting around, and then Ather Energy can therefore match its products and message accordingly.

Social Media Insights: Organizations collect all types of customer information from these social media platforms, which they use to better their personas. They monitor what's being said about their products by customers, analyze the feelings people have for their brands and identify trends using social listening tools. Business implications Business is informed about how customers perceive the brand and what it offers Comments customers are making, Discussion topics people are engaging in.

Example: Razorpay (an India payment gateway provider) leverages social media insights to track conversations around fintech, online payments and business growth. Through analysis of payment options, e-commerce behaviour, and security worries for example, Razorpay is able to gather insightful data on customer pain points and desires. This knowledge is what has helped the firm to improve product functionality – for example by increasing protection against fraud and solutions geared towards emerging payment trends - in a way that allows it to stay very close to its core customer.

Website Analytics Tools like Google Analytics or Hotjar are tools for a business to gain insights into how its customers interact on its website. Decoding breakdown of the source of traffic, bounce rates, user behaviour and conversion helps a business identify those areas that it is falling short on - be it about content or experience. Such insights would allow a business to find out very specifically (which) of the products or services are being sought out the most by visitors and even How visitors are working their way around the site, how they are interacting with its pages.

For example: The online grocery store BigBasket uses website analytics to track shopping patterns in their users, including the most popular items purchased, the most

entered search queries and where people drop off during checkout. Bigbasket then applies that information to make its own website more navigable, offer healthier choices of products and personalize offers for higher customer engagement and sales.

Market Research: Market research consists of information gathering and analysis such as reports on other industry, competitors' analyses, customers' feedback, focus groups - etc... The consistent structure and core enable to gain holistic insights into market trends, customer needs and competitive contexts in which the company operates. Market research is useful to businesses because it helps in identifying market opportunities, and keeps companies updated about the changing market trends by doing so enabling a company make fine-tuned fits or adjustments that are in line with customers behaviors. Example: The Indian carmaker, Tata Motors, does extensive market research on changing consumer preferences to electric vehicles. Research forms—surveys/focus groups/industry reports help Tata Motors ascertain decisive factors such as the demand for economical models, eco-friendly features and government incentives that support EV penetration. This study enables Tata Motors to determine a strategy and increase its range of EVs and stay competitive in the dynamic automotive industry.

Applying these techniques allows the company to gain a well-rounded view of relevant data that can be used to develop a better and more exhaustive Ideal Customer persona. These sources of customer data are the base off which individual strategies can be made to help the expansion of businesses in all domains.

4.1.5 Tools for Persona Development

BuRUWuvAs features within Ideal Customer Personas (ICPs) Businesses have multiple tools to expedite self-development. They are tools that enable organizations to gather information, make sense of it and visualize customer profiles in a way that is scalable. With those platforms, companies develop rich, data-informed personas to better focus marketing, product and customer service strategies. These platforms offer flexible templates, robust data integration, and collaboration capabilities required for persona development in the digital-first age.

HubSpot Make My Persona: Make My Persona is a tool provided by HubSpot that enables companies to develop more detailed customer personas by providing guidance through

a series of questions and inputting actual data points to include various levels of detail including demographic details, but also goals, obstacles, and how they like to communicate. The detailed persona can similarly be exported, making it a breeze to transfer the persona onto marketing and sales.

Example: Quikr, the online classifieds company that operates in India used Make My Persona, from HubSpot to build its personas of their different types of customers ranging from someone looking for a local service and second hand products. With that much of a granular user personas, Quikr could serve ads targeted at these different types of customers and spawn engagement among the users on the platform.

Xtensio: Xtensio is a flexible platform to help small businesses build more visually appealing persona templates. It permits the user to develop his or her own templates with relevant elements such demographics and motivations, obstacles, and behaviours. Xtensio also enables collaboration as team members can access and edit the updates real-time. It's why it works so well for teams spanning and communicating within a wide range of departments.

Sample: BYJU'S is India-based number one EdTech company, and with Xtensio they can create a persona for school students or even parents who have been looking for extra learning. These are attractive personas which can be plugged into by both product management and marketing in such a way that the content and campaigns also get painted with the features the company will build, developed for those features to engage users well.

Userforge: Userforge is a shared persona-building website that uses real data from users to assist teams in creating more complex personas. It has a drag and drop interface and ready-to-use templates which facilitate easy collection of important customer attributes. Secondly, through Userforge's system personas can be continually adapted by groups of people as new domain data (and understanding) accumulates—there mutating business-personas with the current customer behavior.

For example, FreshToHome is an Indian e-commerce company focused on fresh food. With Userforge, they built personas for each of their customer segments: "health-conscious families" and "urban singles," for example. It allowed them to generate

customised marketing messages, an optimal product suggestion based on their profile and a much more sophisticated customer experience.

Persona. ly: Persona. ly is an evidence-based product development and customer discovery tool that leverages qualitative and quantitative research to deliver accurate, useful personas. This tool synthesises the data points between customer demographics, purchase and psychographics into implement-able personas. Apart from this persona. ly aid in monitoring how the personas evolve, and let them change as new data is received.

Example: The Indian hospitality service OYO Rooms used Persona. ly in order to craft an image for shots listed as "business travellers" and "budget-conscious families." Leveraging that data-led insight, OYO personalized its marketing strategy broadcast by ensuring its platform speaks to both kinds of customers ultimately leading to improved bookings and user experience.

These kind of persona building tools would enable businesses to create and maintain deeper customer personas enabling them to more effectively shape the product, marketing and service according to customers. The firms could in turn achieve the betterment of marketing strategies, the effectiveness of customer experiences and at last a competitive force by using these tools.

4.1.6 Segmentation and Persona Development

Segmentation is a key component to creating your customer persona because it allows you to tear apart your customer market into different groups based on certain characteristics. Firms can develop separate personas for the groups by segmenting broad customer markets into smaller, more similar groups. This implies that there will be much more "pinpointed" marketing, sales and product strategies that align significantly better with customer needs and consequently we can expect far better means of communication which is more personalized – in both directions.

Key pages Key Segmentation Criteria: The process begins by segmenting customers based on differences between them. These criteria include demographic variables such as age, sex and income; geographic variables including region and urban or rural;

psychographic factors such as lifestyle, values whilst behavioural characteristics consist of purchase history and brand loyalty (Rossiter 2005). The type of segmentation strategy would depend of the kind of business objectives and product or service.

Example: The Indian e-commerce player Nykaa, for one, segments its customer base by such factors as age, type of skin and beauty preference. From a statistical task, it generates right product recommendation, offer and content delivery for every segment of customer such that each segment of customer gets relevant information to satisfy its requirement.

Creating Persona Profiles for Each Segment: Once segments are established, businesses can create unique profiles for each segment. The profiles are filled with demographic, goal, challenge motivation, and what/how they buy specifics about each persona. It's really about creating personas, which would then be used to inform data gathered from surveys, interviews, social media insights and website analytics on the real attributes of each segment.

For Instance: Zomato is an online food delivery website that itself creates various profiles under distinct customer categories like 'young professionals' who prefer fast meals during work hours to the families that order group meal platters over weekends. Profiles help Zomato make offers and features for each segment, but more important, to create the right message to sell that segment.

Customizing Marketing and Product Strategies: It helps organizations to customize marketing messaging, product offerings and customer experiences for each segment. Well, by learning their preferences and pain points, they'll be more likely to keep customers happy, drive conversions and boost levels of loyalty.

Example: An e-commerce furniture retail site Pepperry makes use of segmentation to focus upon segments like "first-time homebuyers" or "renovation enthusiasts". The above segmentation is then used for creating content and marketing strategies, product assortment etc to cater to specific kind of needs / habits of the targeted groups.

4.1.7 Using Empathy Maps

Empathy Maps Source Empathy maps assist businesses in identifying customer personas by examining their emotions, thoughts, and decision making. An empathy map is not focused in what has traditionally been demographics and behaviour, by which businesses would get to know what makes the customer up at a more profound motive and therefore feeling level – so too there is painalised here. With the map describing both these emotional and mental elements, businesses can finally create experiences to appeal to customers on an individual level.

Understanding the Customer's Mindset: Empathy maps can help you understand what a customer is thinking during various stages of their journey. They include goals, wishes and concerns and the thoughts that can occur when thinking about or using/buying a product. Deciphering these states of minds can lead to more human-driven marketing and product development approaches.

Example: UrbanClap (now Urban Company), an Indian home services company, leveraged empathy maps to visualize how customers are booking for a particular service such as home-cleaning or beauty treatment. Knowing customers are worried about quality of service and trust factors, i.e., safety – UrbanClap can adopt promos around “certified professionals”/ transparency in pricing.

Customer Emotion -Collecting customerId and emotions variable is crucial for Empathy mapping to categorize/label the exact feeling when an user was out of before, in or after a product/service usage. By recognizing these high impact triggers, companies can better personalize customer experiences and make customers feel good, valued and supported.

Example: Dabur, an Indian consumer goods company, employs empathy maps to try and understand how customers might feel about the products they use in their lives everyday. A consumer purchasing Dabur Amla hair oil might believe it is a brand that has long been a part of her family. Emotioning, Dabur runs campaigns that allow the brand to generate an emotional quotient with its customer as well grow its loyalty quotient with the brand.

Mapping Customer Pain Points and Needs: Use empathy maps to understand what is bothering your customers, as well as wants they don't even know they have. When they dive into those places that can frustrate or challenge customers while skirting the

surface, it's a chance to innovate and make it better. When you make those points less painful for their customers, it gets smoother and more satisfying.

Eg : Leading India headquartered discount broker Zerodha, developed an empathy maps to identify retail investor pain points like "hazy trading fees", 'complex designed hard to use trading screens etc. With

this information, it simplified its services and was transparent to its customers in terms of costs¹ so that trust could be created with those same customers.

Refining Decision Making – Empathy maps provide deep understanding of what is going on in the customer's mind at a series of time points along their journey. In return, business enterprises know best what to do or not to do by the customers and then polish their product ranges/products as well as marketing & sales pitch that customers want.

Case in point: Bata, the biggest shoe retailer in India, uses an Empathy Map to help determine what motivates people to purchase shoes. If comfort and durability are on a higher ideal side and should think value for money is first then BATA working in this line on their product and marketing campaign e.g., show comfort and durability for professional sector, promotion/discount for price sensitive users.

Both Segmentation and Personas are giving businesses a much richer, more sophisticated view of their audience. These are the tools that enable companies to build such sharply focused, emotionally charged personas as drivers of their most effective business strategies

Did You Know?

Visualizing user attitudes and behaviours in an empathy map helps UX



4.1.8 Common Mistakes in Persona Creation

Building customer personas is a valuable task, but there are numerous pitfalls organisations should steer clear of when developing a strong persona – from the very specific to the more fundamental. And the myths they dispel are about assumptions, out-of-date perceptions and over-arching generalisations when it comes to customers. These errors may result in personas that, in turn, do not reflect real customer behavior or needs and/or are not predictive of outcomes, meaning business strategies based on them would be flawed.

Depending on Assumptions: A huge mistake made in constructing a persona is utilising assumptions, rather than intelligence. It is simple to create stereotypes of customers from ideas or false notions. But it's an assumption that is not at all necessarily accurate and could result in bad personas. To create effective and realistic

personas businesses should be looking at real customer data that is gathered from surveys, interviews and behavioural insights.

Example: In the case of Pepperfry (e-commerce furniture company), what was wrong — they assumed that most customers will be looking for traditional designs in furniture. Meanwhile, other research into the specific needs of customers identified a big need for contemporary and minimalist designs. This led them to create more products and broaden their range to reach out to new customers.

Forgoing Outdated Data: It's also a common mistake to include people who are based on outdated data. As market trends and the customer behaviors always change over time, keeping our personas intact is crucial. Working off of outdated data can cause businesses to make decisions on a snapshot in time of the market that no longer even exists, resulting in less efficient marketing and product development efforts.

Example: Domino's Pizza once leaned heavily on data that showed most of its customers ordered pizza for delivery. Here's the thing: when more customers started favoring online ordering, followed by curbside pickup, the company adapted its personas and marketing tactics accordingly. Domino's would have remained a relevant player in the market if they

had aligned themselves with customer preferences. It could be that by manipulating data, Domino's pushed for changes in its business practices to make it more competitive.

Generalizing Too Much: One of the top persona creation mistakes is to generalize too much when grouping customers. With over-simplified personas, there is no depth of information to say anything but generalities and you miss the jump off for targeted strategies. Instead of organizing customers into large, crude assemblages, the focus for a business should be to develop distinct segments that represent different needs and preferences that may exist within the array of unsegmented customers.

Example: FreshToHome, a provider of fresh seafood and meat delivery services, started with broad personas that essentially placed customers in the vague category of "health-conscious" or "working professionals." Upon further segmenting, they identified categories such as "young, urban professionals seeking organic and fresh produce" and "families with dietary preferences." With such focused strategies, FreshToHome would be able to personalize products just with their recommendations and therefore make marketing more effective.

Ignoring Customer Emotions Most companies are basing their customer persona solely around either logic-based or the functional profile such as geography, age or transactions. They don't think about the emotional motivators of these people. Customer's emotions as essential as his/her ductory as well.

practical needs. Failing to tap into the emotional part might leave you open to possibilities of more profound connections and customer experiences.

For instance, Titan Watches – an Indian watch brand – had been building personas on the demographics and purchase behaviour. But not long after they discovered their customers felt strong emotional connections with the brand, particularly in the gift category. Realizing this changed the way Titan approached marketing, including personalized campaigns like the happiness of gifting a Titan watch for a special occasion that drove greater brand loyalty and sales.

By knowing the typical pitfalls of persona development, companies can create more reliable, relevant personas to successfully market and sell their products.

4.1.9 Examples of Customer Personas

Nike: "The Athlete Persona"

Outline: Below is a literal outline of how Nike structures its brand around the persona of "The Athlete." This doesn't just apply to pro athletes though - the average man or woman who plays sports, does work outs and similar falls into these categories. Nike is after any customer who aspires to be a better athlete.

Genesis: Nike finds the persona through observing customer behaviors, conducting market research, and utilizing demographic information. In this persona, it's described what professional and amateur athletes care about when they wear sports clothes. "Sportsman" is also broken down according to levels of fitness, sporting discipline and way of life.

Impact: Nike has shaped its product range and advertising campaigns based on the Image of this character PSA. For example, Nike's "Just Do It" campaign is general and would resonate with anyone who aspires to challenge their physical boundaries whether in the gym or on the track. The company's tailor-made advertisements cater to the serious athlete and recreational gym-goer alike, guaranteeing its messaging has legs that extend far beyond those of a single persona.

Example: This is the persona that Nike created for sports legends like Serena Williams and LeBron James, urging and challenging them to push beyond physical limits. This link with elite athletes enhances the aspirational value of the brand for the lay customer.

Spotify: "The Music Lover Persona"

Overview: Spotify is designed for Everyone, but one strong persona is the "Music Lover". The music lover persona is populated by those that actively seek out new music, organise playlists and share the tracks they love with friends. These are not simply people who want some background tunes; this is part of their entire lived experience, affecting their mood and the way they live.

Creation: Spotify creates an avatar, the “Music Lover,” by examining what various playlists its users develop, what they listen to and how often — and how much they like their Discover Weekly recommendations. It gathers data from the sharing behaviour of its listeners, such as what songs or playlists they share on social media or by email with friends. As a result of the number of times you listen to music, your taste in music or emotional connection with one of their tracks Spotify divides up the persona.

Impact: By targeting the “Music Lover”, Spotify has created features and campaigns that appeal to the group’s shared love of music discovery. Personalized playlists like “Discover Weekly” and “Release Radar” are perfect illustrations of Spotify targeting this persona with handpicked content to excite or fulfill certain musical preferences.

Illustration: Spotify’s “Wrapped” (below) serves the "Music Lover" whose need is to feel personal and emotional relationships with its listening. The shared part of the Wrapped experience also amplifies that social aspect. That is to say, one can now "share" his or her year in music.

Activity: Creating an Ideal Customer Persona

Select a startup with a niche product/service (e.g., eco-friendly fashion, pet box subscription). Determine its target customers by reviewing demographics, interests, pain points, and purchasing motivations.

Develop a comprehensive Ideal Customer Persona with:

- Name, Age, Location
- Lifestyle & Interests

- Pain Points & Needs
- Buying Motivation
- Preferred Marketing Channels

Provide recommendations on enhancing the start-up's messaging and customer interaction in light

of your discovery.

4.2 Competitive Analysis Techniques

4.2.1 Introduction to Competition Analysis

Competition analysis is a systematic and purposeful examination and gift of an organization's competitors. This stimulates businesses to react, increases knowledge, and enhances intelligence gathering. In so doing, companies identify – or define – what is needed or established in the individual organization; enhance knowledge of competitors and feel satisfaction about counter-activities; help explain any process for effective modification; and provide the corporation with the necessary competitive footing. Such an organization, which focuses on reaping maximum benefits, develops final intelligence by significantly understanding the company's competitions. According to the expert panel, the overall intelligence value was assured. Competition analysis should provide organizations with a competitive advantage position. In a world dynamically charged by change, the practice is essential. Finally, comparing the integrity of an organization with competitors, the individual company attempts more for the prior, equals efficiency, and is the critical result for every decision maker. For example, the health-tech platform in India, Tata 1mg, in the online pharmacy market, involves making better use of competition analysis. The firm recognized the market as providing customers as existing

strong players, Netmeds and PharmEasy, supplied medicine. The fact that Nigeria also marketed sensible alternatives in established Online Pharmacy firms, although they heard and understood that to distinguish the business and meet-up customers' demands. To bring to customers a more excellent product than just delivering medicine, found that it is greater than being only medicine, and they need to trust doctors with health guidance. The content-based method, with the application of diagnostic services the option of telemedicine, made its niche at home in the rapidly expanding Indian health-tech market.

Optimization of Pricing Strategies: Through competitive analysis, businesses can find their optimal pricing by understanding the company is what its competitors are charging, as well as if they offer discounts and value. Depending on state of the market- a company adopts any of the three pricing strategies namely penetration, premium or competitive. In these conditions, one company can take proper brand position without falling in price wars that lead to profit fade out. It also helps companies creating value based unique pricing structures where price meets value. Example: An Indian beauty brand Biotique conducted an analysis on the competitors of big players like Himalaya and Dove. It did not actively compete on price, but positioned itself as a premium, natural and poison-free brand. This strategy proved effective with environmentally concerned and conscientious target consumers and led to impressive fast growth for this brand. Also, it priced its

products at a price that consumers considered it was worth paying extra for in comparison with international organic brands.

4.2.2 Role of Competitive Analysis in Business Strategy

Market Positioning & Branding: Studying competitors' brand messaging and how customers perceive them is what separates you from other companies. Conducting competition analysis, companies accentuate the USP to make brand a distinct one and tighten their positioning to be sure that it accommodates his needs and wants in a better way. Also, it helps to discover whitespace in for branding innovation.

Case in point: Sleep solutions start-up Wakefit made an entry into the fiercely-competitive mattress market which was dominated by traditional brands like Kurl-on. Read:Gap In D2C Brand SegmentOf premium quality mattresses at a detached prices

due to the elimination of middlemen, into launched in the same segment as it identified a gapEntry into premium but affordable new online brand. The clever branding therefore enabled Wakefit to tap into a decent market share. And with its emphasis on scientific ergonomic design, the credit hadn't come from a company that was attached to retail distribution like many of the typical brands.



Fig 4.5 Role of Competitive Analysis in Business Strategy

Decisions for Expansion and Market entry: A company makes competitors analysis while entering in to a new market in order to find out the demand, customer behaviour, regulatory hurdles, competitive forces in the market etc. This enables them to decide which markets to enter, how and what strategy to adopt. It also allows companies to predict possible obstacles and prepare backup plans to mitigate the risk.

Example: Chumbak (an India-based lifestyle store) conducted market research before entering Singapore and Dubai. There was, I discovered in my research, a hunger for colourful, culturally-rooted home decor. Chumbak modified by marrying Indian aesthetics and contemporary trends as well as tweaked pricing, retail strategy for successful expansion.

Innovation and Product Development: With competition analysis, business organization moves ahead by knowing the market place gap, upcoming trends and what are customer's needs which remain unfulfilled. It helps them to make new products or services that are of higher quality than competitors. Additionally, it helps businesses to invest in the correct R&D that meets market requite and avoid spending time building 'me-to' features. Example: In India, Rebel Foods, an Indian cloud kitchen company, researched the competitive dynamics of food delivery. It observed that the typical restaurant model was inefficient and some rules of operating had to be reconsidered, so launched a cloud kitchen model from where multiple brands can operate, utilising the same kitchen and helping deliver goods faster and cheaply. This new-age approach helped Rebel Foods become one of the leaders in the cloud kitchen industry. Additionally, the company always strived to better its products based on bench-marked competition — it was at the forefront of menu innovation and customer service.

Risk Management and Competitive Defence: The diligent tracking of competition will lead to businesses being more prepared for dealing with threats, undertaking pre-emptive means to shield their market share. These can take the form of competitive price slashing, counter-attacks, instigation of defensive marketing campaigns, or additional customer touch points. Competitive analysis also helps businesses to predict industry disruptions so that they can adjust ahead of their competitors.

Example: Indian finance technology company Cred said there was more competition in the digital payments and rewards market. Compensation grew by 48.3%. Compensation increased by 48.3%. In an effort to defend its position, Cred remained in constant motion: It added new exclusive member benefits, expanded its reward program and introduced other financial products like rent payments and credit score tracking. Customers, in turn, never ceased to stay with Cred despite the growing competition from Paytm and PhonePe. Continuous innovation and data utilization enables Cred to stay ahead and maintain loyalty over time.

4.2.3 Types of Competition in Competition Analysis

Analysis of competition is critical for companies to have an insight in the commercial environment in which they operate, being its threats and opportunities. The method consists of analyzing various categories of competition, latent market demand, and buyers' willingness to pay. These include not just rival producers of similar goods or services, but substitute products, new market entrants, and changing consumer tastes. Understand the type of competition that businesses are exposed to, and respond with your strategy according to market pressures. Make differentiation in the competition and growth will be sustained. The analysis can inform product innovation, pricing, marketing and strategic positioning decisions.

Direct Competitors: Direct competition for any business is the other businesses that are selling similar or at least related products and services to the same consumer market. They are also the organizations in which business aims to compete for the discretionary dollars from a common group of consumers. This analysis will give a firm a good comparison point for how it is doing relative to the price and features of its competition; where the firm does things better than them, and what areas need improvement.

Example: For a company like Vahtdam Teas which sells premium, direct-to-consumer tea products, its direct competitors are brands such as Teabox and Tea Trunk — business that also offer high-quality tea directly to consumers through the web.

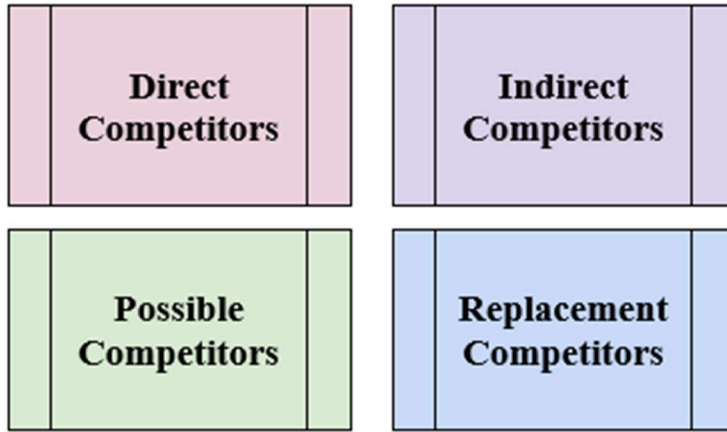


Fig 4.6 Types of Competition in Competition Analysis

Indirect competitors Indirect competitors are companies that offer Ready the same customer an alternative product, sell or service but fulfill a and thus compete for the operationslink — to have access to this document level of Scripture/theology on your phone. Although product lines may not be comparable, they offer substitutes to lure potential customers. Direct competitors aside, businesses need to keep an eye on undiscovered competition so that they can spot when consumer preferences are moving and innovate ahead.

Instance: For a budget hotel chain like OYO Rooms, indirect competitors would be Airbnb. They have homes and apartments available for short-term rental that are not quite the same old stuff but meet the same desires of travelers as a low-cost, convenient place to stay.

Potential Competitors: This category comprises the companies that are considered as competitors but they don't operate in your market place at present, though in future there is a good chance for them to enter. That could be because they have the money,

technology advances or other reasons to disturb the market. To discover would-be rivals is one of the ways such companies anticipate on the effects of market shifts and act preemptively to shield their market place.

For example, Flipkart, the big e-commerce portal in India, might see potential competition from foreign players like Amazon pushing into India's domestic market as stronger than it would be otherwise. Another player in town (even if it is already Amazon) who can go and throw some money into further investments, offer out more by this company will make your life hell.

Substitute Competitors: Substitute competitors are the goods and services that would provide full replacement to the company's offering. These could be diverse products in different categories that solve the same consumer need. Analyzing the substitute competitors helps businesses foresee the changes in market and subsequently alter their strategies.

For example, in the space of mobile payments PhonePe would face replacement competition from substitutes that arise like QR-code based payment solutions or alternative platforms for cryptocurrency that offer the same financial services without requiring traditional means of payment.

Different competitions will provide a company with different levels of understanding in terms of competition environment, including the direct competitors, indirect competitors and potential or substitute competitors. Understanding these competitors enables a company to better shape the future of its product planning, and create differentiation in the market place — protect current position by preparing for changes. Studying all forms of competition, will keep companies ahead on strategy and positioning.

4.2.4 Competition Analysis Techniques

A competing analysis that works is a must for the firm to understand where they are in the market which will help them to formulate strategies that allows them maintain an edge over their competitors. Method Various methods allow companies to be provided with information on vulnerabilities, strength as well as other market elements of their

competitor. All three practices should provide helpful signals of not only what your rivals are up to but also what is going on across the whole market. Such approaches are critical to pricing, product and services development, marketing and positioning.

SWOT Analysis: SWOT analysis is a strategic planning tool that businesses use to compare competitors based on their respective strengths and weaknesses, opportunities, and threats. From such an analysis, a firm can determine those few areas in which its competitors are doing very well and possibly underserving customers. This is the input for competitive intelligence and strategic decision making.

Example: In the smartphone market of India, Xiaomi may have done well in terms of being affordable and having a strong brand image while it is its weakness due to the lack of flagship models. Xiaomi's opportunity is in the higher premium segment and threat from Realme, which is turning into a strong budget rival.

Porter's Five Forces: The Porter Five Forces is a model that is used to analyze the competitive forces in an industry which would then determine the attractiveness and profitability of that particular industry. The forces consist the power of suppliers, the power of buyers, the threat of new entrants, and the threat of substitutes or rivalry among current competitors. It's a good model that firms can use to figure out what the external factors are that affect their business strategies.

Illustration Tata Play(Previously called as Tata Sky) in Indian DTH (Direct to Home) market has got a very strong competition from Airtel Digital TV and Dish TV. The bargaining power of buyers is high as the audience can easily switch to OTT platforms such as Netflix, Hotstar etc. Power of supplier: Supplier power is medium with content providers due to different DTHs they deal with. New entrant's bargaining power is weak, only due to the cost of infrastructure but substitutes such as Broadband based services are hugely threatening.

Competitor Benchmarking: Benchmarking with the competitor is nothing but comparing a company's performance measures like market share, pricing strategy & customer service against the competitors. By comparison, businesses can figure out what they do well, where they have room to grow and how they differ.

Sample this: Mahindra Electric benchmarks its electric vehicles against Tata Nexon EV and MG ZS EV on parameters like range per battery cycle, recharging time, cost. This gives Mahindra an opportunity to fine-tune performance and perhaps even make it a more affordable proposition.

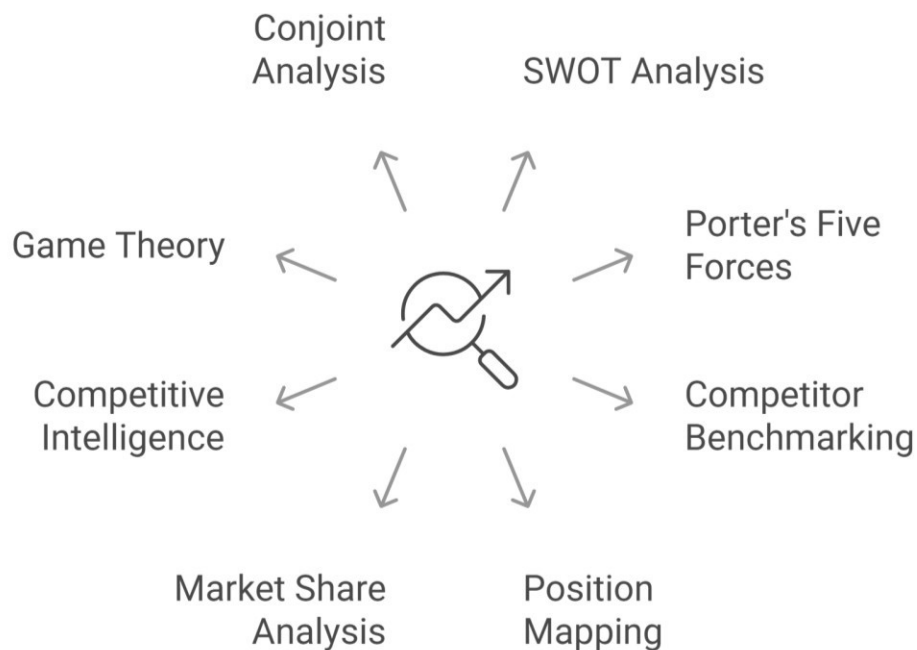


Fig 4.7 Competition Analysis Techniques

Competitor Position Map: Also called a competitive positioning map, a competitor position map is a visual representation that shows how competitors compare to each other relative to various dimensions, such as cost, quality and differentiation. It provides businesses with an understanding of where they fit in the market compared to their peers and therefore what might be gaps or opportunities to add value to customers.

Example: In premium coffee chain market in India, Starbucks may occupy the high-price, high-quality quadrant while Cafe Coffee Day may have an affordable position in low-quality segment. Third Wave Coffee might also address the mid-tier of high quality, but less expensive and claim to be competitive, too.

Applied Ratio Analysis: This analysis helps in finding the growth of competitors and other success factors that have already been discussed above. Tracking these metrics enables business to track industry trends, anticipate market changes, and determine which competing businesses are making gains or losses.

Example: The leader in Indian FMCG sector- Hindustan Unilever has a major share of the market when it comes to categories such as personal care & home products. You can evaluate more competitive players in the market with growth rates that are potentially needing to adjust strategies to gain market share (ie. P&G)

Competitive Intelligence (CI): CI is the systematic process of collecting and analyzing available data from public sources such as industry reports, customer feedback, social media, digital and web analytics. It's all about getting actionable intelligence on what the other guy is thinking, how they are shaping their strategies and position in the market, and what additional information do you need to close those gaps or understand your competitor's strengths and weaknesses. By leveraging CI, organizations can now spot market movements and business shifts down the line – optimizing strategic decisions to stay ahead of the competition.

For example: Zappos can gather insights on Amazon's online marketing strategy using tools such as SEMrush and SimilarWeb. It will enable Zappos to write off of the SEO and digital marketing playbook dependent on what Amazon brought for traffic pattern on web and marketing tactics.

Game Theory and Competitive Strategy: Game theory analyses the strategic behaviour of competing firms. It allows the firms to learn what other players would do if they pursued certain strategies. Under a price war, a firm cuts its price hoping that its rivals also would then cut. The result is a lower profit each company can make. Such information can help the firm out game competitors by taking action to either anticipate or respond to a potential move.

For instance, Jio and Airtel can employ game theory to assess the aftermath of fluctuating prices on customer acquisitions in Indian telecom market. That's because they can analyze what their competitors are likely to do, and then make strategic moves for minimizing losses or maximizing gains in data plan wars.

Conjoint Analysis: Conjoint analysis helps businesses in figuring out what preference the customer has when it comes to multiple product features or characteristics. It enables them to determine what counts, from their perspective, in terms of their needs and through such a cost-benefit analysis regarding the types of trade-off choices (price vs. quality or convenience) that the customer will engage in making.

It also helps businesses to evaluate the offers of their competitors with theirs to know where they are placed in the market and what is it that can change things around, either for getting better or different.

For example, Maruti Suzuki may use conjoint analysis to find out how much Indian consumers consider fuel efficiency, safety features or pricing, when they choose their cars. The data could then assist Maruti to tweak its models and better cater to the tastes of customers by outdoing rivals such as Hyundai.

Value Chain Analysis: Value chain analysis entails reviewing a competitor's activities, operations, resources and supply chains to locate processes or points of weakness. By understanding each step a competitor takes through the process, businesses can identify which steps in their own process to cut cost (and quality) in or how to create or foster opportunities upon these segments of the value chain.

differentiation strategies. That analysis would help companies streamline their business itself, and also make them more competitive in areas where their competition might be weak.

Example Amul may consider performing value chain analysis of Mother Dairy to understand its supply chain, production system and the delivery mustelseifuses. When Amul is able to figure where Mother Dairy is getting better raw material or the control they have on their retail, for example, then it should be able to find places in its processes where it can reduce costs and improve the quality of product and create more difference in its dairy market.

Scenario Planning and Strategic Group Mapping: Scenario approach means anticipating the future and how competitors might respond to it. Strategic group mapping enables us to imagine which competitor groups are pursuing similar types of strategies based on

their business model, for example cost-leadership or premium differentiation. Between them, these two tools enable companies to predict the future and make sure they are in the right place. Example D Mart and Reliance Retail in India could form themselves as the cost leaders. Shoppers Stop, on the other hand, adopts premium divergence strategies. From a scenario planning point of view, they need to understand how new entrants or shifts in consumer behaviour will impact these strategies for them to adapt.

Key Success Factor (KSF) Analysis: KSF analysis examines the key factors the business house should excel in, to gain advantage over its competitors in an industry. The reasons could be the likes of superior product or service quality, outstanding customer service, unique innovation, low cost or distribution efficiency. By analyzing its competition, a company can identify both where it has succeeded and where it may need improvement. An analysis of the KSFs help organisations identify where they should concentrate their strengths and gain advantage over their competition. Knowing what contributes to success in the industry enables enterprises to allocate resources more effectively and enhance performance in those areas that will most affect their own growth and market share.

Example: Rolex can conduct KSF analysis of the competitors Patek Philippe and Audemars Piguet. While Patek Philippe pushes exclusivity and Audemars Piguet on innovation, building organisation prestige through better quality craftsmanship (and releasing even more limited-edition series) will see it holding its own in the luxury watch market.

Strategic Grouping Map: It allows firms to consider competitor as members of groups which have been formed on the basis of few common strategic characteristics such as price policy, marketing strategy or geographic reach. A graphic can clarify the competitive landscape and accentuate lacunae to identify areas for

differentiation. The approach provides insight into competitor whereabouts, and how to optimize the strategy accordingly.

Example: Louis Vuitton, Gucci and Prada are strategic groups in luxury fashion industry. Louis Vuitton focuses on ultra-premium luxury, with focus on exclusivity and workmanship; Gucci operates in high – end luxury spectrum extreme bold and making fashion statements. \$58 Million/Designspecial Prada targets premium consumers who

wants subtle yet stylish appeal. These will in turn evolve its competitive strategy and attractiveness to global fashion customers.

Disruptive Innovation Analysis: Disruptive innovation analysis allows organizations to identify transformative changes that can completely change the industry. Having information about these changes beforehand enables the firm to adapt its strategy so as not to be overtaken or gain an advantage from the changes. It shifts control of change to companies and allows them not to get left behind in innovation.

Example: Kodak failed to adapt to digital photography and neglected the disruptive sea change taking place in that industry. As a result,

Canon did very well to rapidly adapt to digital technology and bring digital cameras to consumers. Competitor analysis methods equip companies with various mechanisms that are used to evaluate the competitive environment as well as gain insights about competitors and place themselves in a good stance.

4.3 Summary

- ❖ ICPs stand for ideal customer personas, which are semi-fictional representations that leverage real data about existing customers to predict who among the higher-value customers will also be happy and profitable.
- ❖ Creating an ICP involves defining business objectives, researching customers, segmenting them and establishing in-depth profiles.
- ❖ With tools like HubSpot, Xtensio and Persona.ly simplifies the creation of personas through the browser process of combining Data & Insights.
- ❖ Competitive analysis pinpoints who are, or could be your competitors and helps a company to optimize strategies on pricing, branding and more.

- ❖ **Monitoring Approach** Monitoring of the Market Dynamics: Techniques to measure dynamic forces and strategic positioning are SWOT analysis, Porter's Five Forces, Competitor benchmarking.

- ❖ Empathy maps of customers' feelings, thoughts and pain points that businesses seek to design personalised experiences from.

- ❖ Mistakes occur at the time of creating personas, assumption and outdated data to misguided strategies and then decreased efficiency.

- ❖ Businesses such as Spotify and Nike have successfully demonstrated the utility of customer persona by providing examples like "Music Lover" or "Athlete Persona" respectively.

align strategies with audience needs.

- ❖ Case-studies are presented to explain-pit falls, examples include- lack of market awareness, competition etc which players like Conscious Mithaiwala (for diabetic friendly Indian sweets) is fighting.

- ❖ Competitive positioning maps and value chain analysis brings out distinctive insights about actions that are not easily imitable.

- ❖ Game theory and scenario planning are already existing strategic aids to anticipate what competitors will do so it is possible to plan strategy ahead of time.

- ❖ By employing ICPs and competition analysis, companies would get an edge by targeting the right customer and mitigate risks.

4.4 Key Terms

Empathy Map: A visual tool to collect customer feelings, thoughts and reason behind creating a human-centred marketing and products. It will enable companies to provide emotional experience to the customers by satisfying their psychological and emotional desires.

Conjoint Analysis: In this examination, customer preferences are derived from a statistical comparison of tradeoffs between features. Business houses can focus on functional elements that add the most value to the customer, and in turn increase satisfaction levels.

Segmentation: The process of placing clients into groups based on demographics, behaviours or requirements for specialised strategies. The outcome is precise targeting as it increases customers' engagement and appropriate resource allocation.

Persona. ly: A system combining quantitative and qualitative data to develop dynamic, actionable customer personas. This could end up helping companies track and keep up with the evolution of personas over time, to make sure they remain relevant in ever-changing markets.

Strategic Group Mapping: A visual depiction of competitors within the industry that reflects their pricing and market segments on which they are focused to identify gaps. It enables companies to discover unique positioning opportunities in order to differentiate themselves within t

SWOT Analysis: SWOT analysis is an essential tool to review the strengths, weaknesses, opportunities and threats underpinning decision-making. It helps to reshape business objectives according to market circumstances and competitor strength.

Value Chain Analysis: It is an analysis for the competitive advantage, resources for the firms and supply chain which is not mandatory or very effective that can be improved useful to in better cost optimization and intelligent competitive status.

Competitive Intelligence is something to do with obtaining and analyzing competitor information for better business strategy development and market trend projection. It saves you from biddings of competitive high ground.

Game Theory: It allows you to mathematically predict how others will behave in a competitive market and can inform your best strategy. Businesses can anticipate how rivals will react to pricing, product debuts or shifts in market conditions.

Disruptive Innovation Disruption: Disruptive innovation is a major change in industry or market that introduces new value propositions and disrupts existing markets. With it, companies can reset the benchmark in their industry and reach untapped markets.

4.5 Descriptive Questions

How do empathy maps help you to create a more intimate connection with customers by attending their feelings, thoughts and unmet needs?

Why is it necessary to continue validating and improving customer personas, and what should you be aware of during the refining process?

How does Competitive Intelligence drive actionable business strategies and who are your main providers of CI data?

Contrast and compare how ideal customer personas differ from traditional audience segmentation and the impacts it has on a marketing plan

When is it useful to implement tools such as HubSpot and Persona? ceptably” do things that matter in a streamlined persona building process while also enhancing within-team collaboration across marketing team members.

Describe the role of Porter’s Five Forces on market competition and how it impacts price and product placement strategy.

What are some potential pitfalls of using vintage customer data in the creation of a persona and how can one avoid making these mistakes?

In what ways is the case of Conscious Mithaiwala a fantastic illustration of utilizing market differentiation and solving very specific customer pain points?

Explain how the segmentation allows to customize marketing activities for different segments of customers, and thus contribute to increasing customer loyalty.

How do firms use strategic group mapping to identify market expansion opportunities and to tailor competitive positioning accordingly?

4.6 References

1. Levine, U. (2023). *Fall in love with the problem, not the solution: A handbook for entrepreneurs*.
2. Sinek, S. (2009). *Start with why: How great leaders inspire everyone to take action*. Penguin Group.
3. Khanna, A. (2024). *Ain't no Eureka: Your idea for an enterprise journey*.
4. Ahuja, S. (2022). *Daily coffee and start-up fundraising*.
5. Mason, H., & Mattin, D. (2015). *Trend-driven innovation: Beat accelerating customer expectations*. Wiley.
6. Osterwalder, A., & Pigneur, Y. (2010). *Business model generation: A handbook for visionaries, game changers, and challengers*. Wiley.
7. Berger, J. (2013). *Contagious: How to build word of mouth in the digital age*. Simon & Schuster.

Answers to Knowledge Check



Knowledge Check 1

1: B) SWOT Analysis

2: B) Competitive forces like supplier power and threat of substitutes
3: A) Competitor Position Mapping

4.7 Case Study

Creating History While Making Sweets, The Desi Way!

Self-conscious Mithaiwala wants to stand up the dowdy sweets market that's ruled by Indians as new-fangled sweets try hard to make it in Indian society. Started by Harsh Kedia after a bout with diabetes, the objective of this brand is to make healthier sugar free traditional Indian mithais available for those who demand health out of everything. With diabetes and other lifestyle diseases increasing, there is a demand for healthier food options and this is where "Conscious Mithaiwala" comes in with sweets that are healthy but indulgent at the same time. The brand's secret sauce is nesting deliciousness with authentic taste combined with organic and low sugar elements, reacating morden urbane health conscious audience with a traditional taste of Indian mithais.

By promoting a sugar-free and organic sweets concept, Conscious Mithaiwala has established itself as the ultimate niche market leader making an extended space between custom and contemporary requirements of health. Now as it continues to move forward and looks to scale even larger, raising conscious awareness in a wider market is still one of its biggest hurdles, as well as figuring out how to control supply chains and make == a unique product from everything else out there.

Background

Harsh Kedia is the founder of Conscious Mithaiwala and was diagnosed as a type 1.5 diabetic when he was 14 years old. He faced several health challenges in his life and that's when he decided to create healthier options for Indian sweets. Kedia along with Shree Gangour Sweets, a rich heritage sweets brand of 30 years, has introduced Conscious Mithaiwala in Mumbai. The plan was to change the market in India for the supply of alternative sweets without sugar and tailor-made for an aspirant diabetes-friendly customer.

The sweet-maker makes healthy sweets, like the Jaggery Nuts Laddoos or coconut sugar and whole wheat flour based Good-ies, that are delicious and fit! Conscious Mithaiwala's line of mithai is curated to cater to this very segment that likes to eat, but only for health. By marrying classic dessert recipes with today's health-conscious ingredients, the brand has exploited the ever expanding healthier dessert arena. The emphasis of the business on quality and authenticity, puts it on top in the rising category called health-conscious Indian sweets.

Problems and Solutions

Problem 1: Lack of market awareness, and Consumer education

Taste is something that if you ask the common Indian consumers, they will be sceptical about since jaggery, coconut sugar etc are not widely used ingredients. This unfamiliarity led readers to difficulties in tasting the pies and comparing them with traditional sugary sweets of their countries. Consumers were not drawn to these products because "they think that the healthier sweets taste worse, or aren't really authentic." Businesses had to educate the market on why or how these ingredients are more beneficial than previous products, and that it could be new and exciting if you replaced mithai with alternative sweet options.

Solution:

- Introduced directed social media efforts to educate consumers about the health advantages of organic ingredients.

- The business partnered with the health bloggers and nutritionists to highlight nutritional advantages of its candies.
- Giving demonstrations and seminars inside the stores with a tasting of the product.
- Fostered the perception of a brand as genuinely traditional, but then also with health options.

Issue 2: Supply chain and sourcing problems

Finding organic ingredients (especially jaggery and coconut sugar) was difficult to find a reliable source for (both quality, cost and scaling). One of the biggest challenges was keeping a steady stream of these special ingredients for volume production — and also find uniformity in product quality, price that ended up adding a blow to their business in the long run.

Solution:

- Built solid, long-term relationships with local organic farmers to maintain supply and quality.

Setting Up A Stringent Quality Control System That Tracks The Ingredients Right From Its Source Till It Reaches Your Hands.

- Dealt with bulk buying that provided good value for money without compromising on quality.
- Optimized the supply chain by consolidating purchases with a small number of qualified suppliers to minimize risks.

Problem 3: Hurdle of competition with the traditional brands which are working from many years.

Sound sweet shops with history and public trust ruled the market for decades. For newcomers like Conscientious Mithaiwala, it wasn't easy to come up with something new and different enough to lure consumers away from the old names. A strong resonance towards legacy brands made competition and growth for newcomers that much harder.

Solution:

- Positioned the brand against a value proposition: healthy sweets without taste compromise.

- Specialized products including dietary mithais such as gluten free, sugar-free, vegan etc.

- Created customer retention programs and discount incentive programs.

- ▶ Introduce a handful of limited-edition flavors that customers would only get to try once.

Reflective Questions


How can Conscious Mithaiwala still teach us why we'd WANT healthier sweets to flood into our marketplace?


What options does the brand of Minties have in terms of increasing its competitive position against all of those other sweets brands? How can Conscious Mithaiwala grow without compromising on the quality its customers already love?

Conclusion

Self-aware The Conscious Mithaiwala got the traditional mithai buyers to look for healthier offerings amongst their favourite sweets from calorie-conscious consumers. But – despite the difficulties of market education, sourcing and competition – the brand has been innovative enough to carve out its own firm position in traditional sweets backer, while also hitching itself to a trendier bandwagon: that is fortifying confectionery's indulgent treats with health-conscious benefits. Sustained spend in education, and optimization on supply chain based on quality of products would help to create a new definition for Indian consumers when it came to mithai by Conscious Mithaiwala which was a blend of tradition and the modern health conscious requirements.

Entrepreneurship and Family Business 101 Unit 5_V3.docx

 Entrepreneurship and Family Business_MBA_1

 Entrepreneurship and Family Business_MBA_1

 ATLAS SkillTech University

Document Details

Submission ID

trn:oid::3618:127095389

Submission Date

Jan 29, 2026, 10:45 AM GMT+5:30

Download Date

Jan 29, 2026, 1:29 PM GMT+5:30

File Name

Entrepreneurship and Family Business 101 Unit 5_V3.docx

File Size

432.4 KB

40 Pages

11,219 Words

64,074 Characters

*% detected as AI

AI detection includes the possibility of false positives. Although some text in this submission is likely AI generated, scores below the 20% threshold are not surfaced because they have a higher likelihood of false positives.

Caution: Review required.

It is essential to understand the limitations of AI detection before making decisions about a student's work. We encourage you to learn more about Turnitin's AI detection capabilities before using the tool.

Disclaimer

Our AI writing assessment is designed to help educators identify text that might be prepared by a generative AI tool. Our AI writing assessment may not always be accurate (i.e., our AI models may produce either false positive results or false negative results), so it should not be used as the sole basis for adverse actions against a student. It takes further scrutiny and human judgment in conjunction with an organization's application of its specific academic policies to determine whether any academic misconduct has occurred.

Frequently Asked Questions

How should I interpret Turnitin's AI writing percentage and false positives?

The percentage shown in the AI writing report is the amount of qualifying text within the submission that Turnitin's AI writing detection model determines was either likely AI-generated text from a large-language model or likely AI-generated text that was likely revised using an AI paraphrase tool or word spinner.

False positives (incorrectly flagging human-written text as AI-generated) are a possibility in AI models.

AI detection scores under 20%, which we do not surface in new reports, have a higher likelihood of false positives. To reduce the likelihood of misinterpretation, no score or highlights are attributed and are indicated with an asterisk in the report (*%).

The AI writing percentage should not be the sole basis to determine whether misconduct has occurred. The reviewer/instructor should use the percentage as a means to start a formative conversation with their student and/or use it to examine the submitted assignment in accordance with their school's policies.



What does 'qualifying text' mean?

Our model only processes qualifying text in the form of long-form writing. Long-form writing means individual sentences contained in paragraphs that make up a longer piece of written work, such as an essay, a dissertation, or an article, etc. Qualifying text that has been determined to be likely AI-generated will be highlighted in cyan in the submission, and likely AI-generated and then likely AI-paraphrased will be highlighted purple.

Non-qualifying text, such as bullet points, annotated bibliographies, etc., will not be processed and can create disparity between the submission highlights and the percentage shown.

Unit 5: Developing a Competitive Advantage and MVP Strategy

Learning Objectives

1. Learners will learn about the MOAT and how it helps a firm to achieve a sustainable competitive edge.
2. Learners will explore the different approaches to constructing a sustainable MOAT, including brand positioning, cost leadership, and network effects.
3. Learners will gain insights into the Minimum Viable Product (MVP) paradigm and how it allows quick market validation.
4. Learners will develop skills to design and design an MVP, ensuring it aligns with market needs while optimising resources.

Content

- 5.0 Introductory Caselet
- 5.1 Building the MOAT
- 5.2 Building an MVP
- 5.3 Summary
- 5.4 Key Terms
- 5.5 Descriptive Questions
- 5.6 References
- 5.7 Case Study

5.0 Introductory Caselet

"From the concept to impact: Riya's MVP journey."

23-year-old Mumbai-based entrepreneur, Riya, has been interested in sustainable fashion since she was a kid. A textile engineering graduate, she wants to start eco-friendly clothing line which is both fashionable and affordable. Encouraged by the increased appeal of sustainable consumerism, she hopes to open a start-up selling biodegradable goods and upcycled fashion.

But the exuberant Riya embarks on a string of challenges. She has no idea how to differentiate her brand in an overcrowded market. Not knowing if her target customers will be willing to pay a premium price for sustainability, she also can't nail down her Minimum Viable Product (MVP)—a version of the product that she can run sales and marketing tests on with minimal resources. With no distinctive competitive advantage (MOAT) she is concerned big brands can copy her idea with ease and there is nothing left to differentiate from the rest.

And when Riya goes to pitch her concept to potential investors, she learns that her company needs more than a good idea. Investors question her customer validation, her potential for scale, and how she is going to maintain a long-term brand connection. In the meantime, her attempts at early sales through social media are hit and miss, and it's difficult to pull out of that what the real demand is. In order to gain traction, she must strategically build an MVP, validate the market need and create ways to compete so that no other company can move as quickly as her brand does.

In today's fast-paced startup world, entrepreneurs need to watch for more than just a product launch. Building a strong MOAT in terms of technology, branding, operating efficiency or customer mind share is what ensures your business long-term survival and continuous growth. This case follows Riya's journey through the heartache of MVP building and finding a competitive advantage in this rapidly moving and shaking field of sustainable fashion.

Critical Thinking Question

Then how can Riya create a successful MVP which will validate her business concept and also build a MOAT to it to retain competitive edge?

5.1 Building the MOAT

5.1.1 Introduction and Definition of MOAT

In business and entrepreneurship, a MOAT is the ability to maintain an advantage over the competition that lasts through time. The phrase became popular when Warren Buffett lobbied for investments in companies that possess strong and enduring competitive edges. Buffett likened a company's competitive advantage to the moat that surrounded a medieval castle and protected it from would-be invaders. Just as a humongous moat enabled the castle to be shielded from its enemies, a Business MOAT safeguards an organisation from losing its market presence - which in turn is plugged with sustained profitability and sustenance.

A company is surrounded by a kind of MOAT that makes it hard for others to repeat the success soon, if ever, and which amounts to a sustained dominance in its space. Firms with strong MOATs are capable of generating pricing power, customer stickiness and long-run market growth. Companies such as Apple, Google and Unilever have built a solid MOAT by way of customer loyalty, technological edge and benefits from scale leading to these companies owning their niches despite competition.

Definition

The MOAT is coined as “sustainable competitive advantage” under business terms and explains how it enables a company to defend its market share and profitability against competitors. It is a bottleneck that keeps others from easily moving into the market. MOATs, on the other hand, can arise from a source of sustainable competitive advantage like brand recognition, lowest cost producer status, network effects (the more people use a product or service the better it becomes), intellectual property and regulatory protection.

For Example:Coca-Cola (global beverage leader) has built a [strong MOAT] through it’s world famous brand, secret recipe and network of distribution. Even when there were thousands of new companies entering the beverage industry scene, purchase decisions continued to favor Coca Cola as a result of superior brand equity and consumer trust.

5.1.2 Importance of Having the MOAT for Long-Term Sustainability

In a dynamic corporate milieu, competitive edge plays an important role to ensure long term success. A strong MOAT is what sustains a business and helps them WIN against competition. It protects profit, builds market power and continues the process of innovation that keeps companies ahead in changing industries. The following bullet points explain why MOATs are so critical for long-term sustainability:

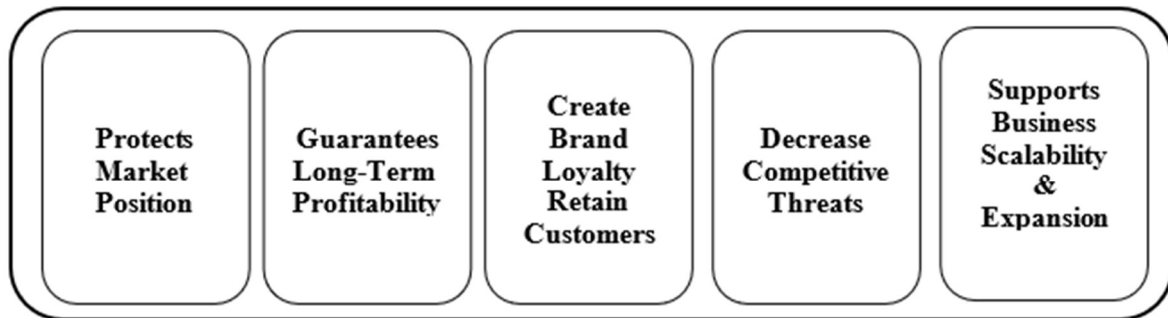


Fig 5.1 Importance of Having the MOAT for Long-Term Sustainability

Safe guards market position : A well conceived MOAT is insulating from competition in the markets. It leads to formidable entry barriers that are likely to prevent any new entrant from challenging the firm's dominance. Companies armed with the MOAT are able to maintain an enviable position and sustain strong profits many years, even decades later in quickly evolving industries.

For instance, a company like Asian Paints holds market leadership in Indian paint industry due to large number of stockiest and well oiled supply chain engine supported by inventory optimization based on data which makes it difficult for new entrants to shake its share.

Ensures Profitability Over Long Period: Companies with good MOAT continues to have stable and consistent profits because they are able to reduce market pressure or competitive price wars. Because competitors can't easily copy the MOAT, margins for the company are good enough to invest in; - innovation; - expansion; and - operational efficiency, enabling stable financial growth over time.

For example: India's largest automobile company Maruti Suzuki, built its MOAT on wide service network, pricing advantage and tight fist ed consumer preferences[block]. These facts guarantee a profitable business in the long run even if the market is fierce.

For Brand Loyalty and Customer Retainment: MOAT makes a brand unique by winning customers attention and emotion. When consumers perceive a brand is the best, they are less likely to consider alternative offerings — not regardless of choice, but especially when there are alternatives. This creates customer loyalty, repurchasing, and imprinting of brand value.

Illustration: Amul has been able to create the MOAT with its trustworthy brand, uniform quality of products and deep supply chain, keeping customers in the dairy business.

Reduces Competitive Threats: Strong MOAT companies forge massive entry barriers which prevent rivals to take a plunge in the market. Superior capital, regulatory advantages, or the existence of proprietary technology might make competition outright impractical for a new entrant. It reduces the risk of losing market share to competitors. Sample: (IRCTC--Indian railway e-ticketing monopoly) Though monopolistic in its controlling share from the government, competition for private players to provide any reasonable fare service or railway ticketing services is all but absent.

Supports Business Scale and Growth : Businesses can scale out the operations without facing too much of competition as not all have MOAT. The buffer allows the company time to selectively expand geographically; diversify its product lines, or move into new consumer segments without a relentless sense of competition. This is how the business scales over time.

Example: Indian ed-tech leader, Byju's leveraged its first mover advantage, strong brand, and proprietary content to build the MOAT and scale globally.

And, a well-built MOAT is just great for people who want to make money long-term. It makes businesses more profitable, stronger and more nimble in spite of turbulent conditions in the market place. Companies which do not possess the prior elements of the MOAT are more susceptible to under performance and being less relevant in the long run.

5.1.3 Types of Competitive MOATs

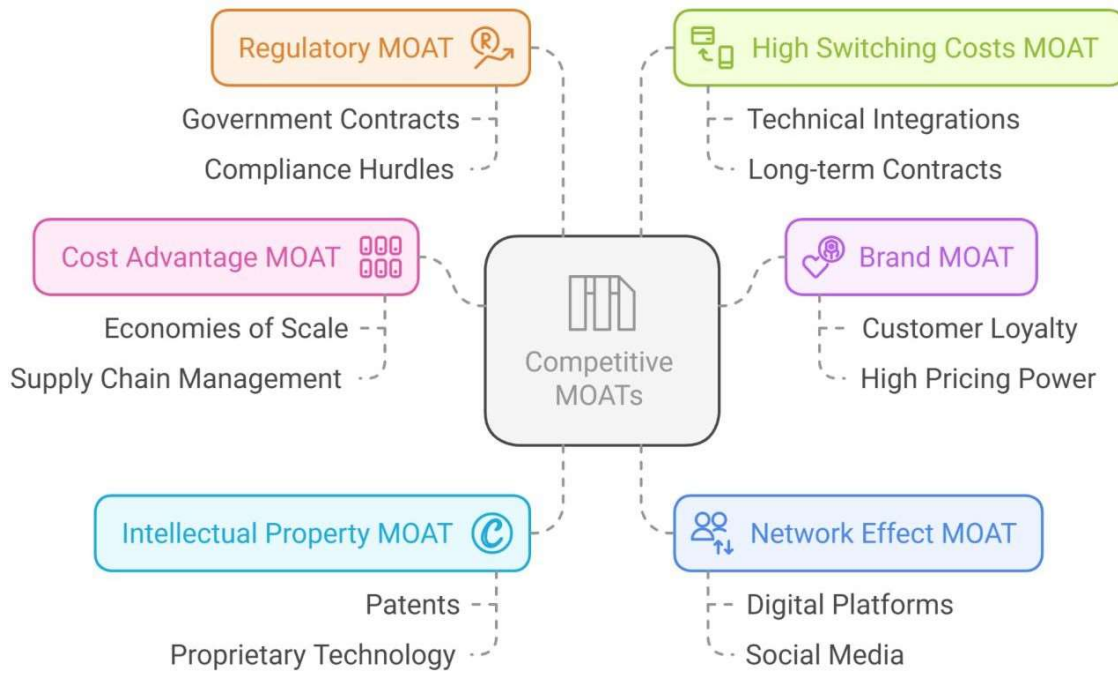


Fig 5.2 Types of Competitive MOATs

A wide MOAT helps a business to preserve its competitive advantage and market dominance, and there are various sorts of MOATs, each of which confers its own special benefits that help keep rivals from eating away at the dominance of a company. Whether it be through scale economics, brand power or some legal moat – companies develop a strong MOAT to ensure they will have continued stability and growth. Here are the important forms of competitive MOATs:

A moat in cost leadership: The companies that have a lower cost will always pass on the saving to consumers and still make money for them so this is one of the competitive advantages. That advantage could come from economies of scale, better supply-chain management or just amazing cost-cutting processes. The lower cost gives companies an advantage over rivals, allowing them to remain profitable with higher margins.

Example: DMart (Indian retail chain) has built MOAT since it's working on low cost model, purchase in bulk, too low operational cost from the stores which will help them to offer at lower price compared to their rivals.

Brand MOAT: If they are a strong brand then the brand communicates and induces some kind of emotional bond which is hard to break. Strong branding means that businesses have brands with customer loyalty, are able to charge a premium and have strong brand awareness. This is the kind of MOAT that takes years to build and for competition to attempt to catch up. Example: Indian motorbike brand, Royal Enfield has been able to create the MOAT through its cult like brand (think cheap Harley), vintage designs and die hard rider fans and yet is compelled when compared to global motorbike brand offerings.

Intellectual property MOAT: Those companies with dozens of PATENTS, proprietary TECHNOLOGY or exclusive COPYRIGHTS can actually prevent competitors from remaking their inventions. This MOAT preserves a company's competitive advantage longer than normal.

Illustration: Biocon – Indian biopharmaceutical which has fortified MOAT via proprietary research, patented drugs and Biotechnology contribution to the world; leading in niche spaces of pharma.

Network Effect MOAT: Sales or business models where a network effects plays that as more people join, the product gets better the type of self-reinforcing moat. The more that a service is used, the more valuable it is and making it easier for people to use.

forming a barrier to market entry. Such a MOAT is widely observed in digital platforms, social media as well as online marketplaces.

Example: Paytm, an Indian online payments gateway, has network effects working in its favor: as more people and businesses use its payments system, it gets even more valuable and even harder for any new payment app to compete with.

Regulatory MOAT: Companies with government regulatory walls, such as sole-source contracts from the government are very advantaged. Receiving necessary permits, licenses, and other professional qualifications often results in a high barrier to entry that new market entrants must face. Government policies, trade barriers or safety rules all add to the difficulties of a new entrant to set foot in the market. Any industry leader with a regulatory MOAT will likely dominate an industry for many generations because competitors cannot penetrate these barriers of tough laws and compliance.

Illustration: Hindustan Aeronautics Limited (HAL) is an Indian state-owned aerospace and defence company which has a regulator MOAT as one of the premier defence manufacturers in India with government contracts in place and minimal private sector competition for manufacturing. There are tight government regulations which prevent foreign companies entering the defence sector and this provides additional support.

High Switching Costs MOAT: Companies establish the MOAT by raising the costs of their customers to switch to another competitor. This may be due to technical integrations, long-term contracts, or intense training and adapting processes. It's hard for customers to change if they have to spend a tonne of money, time or resources on it – which results in good customer retention. Companies that make use of this MOAT focus more on creating product's dependency to minimize even a possible change.

Illustration: A case in point of high switching costs is that of Tally Solutions, an Indian accounting software firm which enjoys high switching costs since the end-user business would have to invest considerable time and effort to retrain its staff, face challenges migrating data across various systems and finally deal with operational disruptions while shifting from using its software. As an integral part of business organization, companies opt for adoption without change because they do not want to be bothered by converting to a new system.

A well constructed MOAT ensure competition does not kill a company's profitability in the long term. Various types of MOATs companies use Depending on what business you are, Different businesses have different MOATS in place.

of the business. If a business refuses to build or maintain the MOAT it becomes susceptible to competition, and those that are always reinforcing your MOAT insure their place in history.

5.1.4 Strategies for Building the MOAT

The businesses which are managed for long-term durability must pro-actively construct and strengthen their competitive MOAT. And that is about deploying strategic investments and carefully considered plays to strengthen their market position, and make it uncomfortable for others to replicate. Some of the important ways to build the MOAT are:

Innovation and R&D Investment The continual investment in R&D allows companies to produce products that are different from competitors, minimize business costs, and sustain a competitive advantage. In companies where innovation is a way of life, these always-oiling cogs are able to launch new offerings, improve solutions already on the market and set benchmarks long before competition catches up. A well constructed MOAT backed by R&D allows companies to maintain differentiation and growth for a long period. Example: Ather Energy (Indian EV start-up) has developed MOAT by investing in R&D. It also did advanced battery technology and smart electric scooters better than any two-wheeler maker in India.



Fig 5.3 Strategies for Building the MOAT

Strong Customer Relationships and Engagement: By cultivating strong customer relationships with superior service, personalisation and loyalty programmes, businesses gain a competitive advantage as customers are kept. A strong relationship with the consumer gives them trust and loyalty to the brand, and are less likely to defect. This emotion-filled competitive advantage works well for transactional or subscription-based industries.

Example: Cult. Fit, an Indian health and wellness company is grabbing their own competitive edge with a rich consumer experience that contains personalized fitness routines, live training sessions, linked to the overall health ecosystem. Its customer-first model prevents churn and creates a high cost of living for its competitors to extract these users away.

Market Positioning and Differentiation: Good branding and strategic positioning bring out a unique, relevant value proposition that serves as the MOAT. Quality / niche target companies

act as the MOAT against direct competition. And a great brand position usually translates into high prices and customer loyalty. Example: Chumbak, the Indian lifestyle and home décor brand Creating the MOAT by taking stand on designing brand stand with IndiaCentric aesthetic concept. This makes it very hard for a typical home decor company to replicate its appeal, due to the uniqueness of its product lineup and its brand strength.

C. Design and Deploy Effectual Ecosystem-Based Business Models: Creation of Networked Product/ Service architectures in the form of interconnected product or service “ecosystems” by companies enables them to have the MOAT in the form of ever-increasing dependence from customers on their platform. In a chain customers are acquired across several products lowering the likely-hood that they will switch to competitors. This approach of the MOAT works really well in tech based industries.

Example: Indian fintech company Razorpay has laid the bricks with MOAT by building an end-to-end ecosystem for businesses to provide payment, banking and credit facilities. And by providing businesses with an all-in-one financial stack, it makes them dependent on its platform and switching to another solution more unpleasant.

Strategic Partnerships and Alliances: Creating one-off relationships with suppliers or key industry players may give a particular project an edge but building special privileges for purchase rights can keep competition at bay as you said. Enterprises may benefit by securing access to proprietary technologies, extending access to market and improving operational efficiency through partnering. These kinds of partnerships also create higher barriers for competitors to equal their market reach or quality of service. Example: Delhivery the Indian logistics and supply chain company has widened its MOAT by partnering with e-commerce behemoths to facilitate smooth last-mile delivery. Its relationships with large retailers and online marketplaces also give it an advantage against new entrants that are still trying to build such networks.

Supply Chain and Distribution Excellence: Companies with a fast well priced reliable supply chain have the MOAT that improves profitability as well sorts out end user risk (Service levels). With efficient supply chain, lowest cost, on-time delivery and less disruption then enhances the market competitiveness of businesses. Good distribution network also add to market leadership through wide-spread availability of the products to customers.

Example: Haldiram's, a snacks and sweets manufacturer in India has built MOAT in its robust distribution network and supply chain management. The fact it's available in supermarkets, c-stores and international has helped it pull ahead of other smaller savoury snack brands with limited distribution.

Constructing the MOAT requires at least some ability of forward thinking and constant diligence to fortifying and enhancing competitive advantages. Whether it's through innovation, customer stickiness, differentiation and/or ecosystem that get created, firms with strong MOAT tend to be profiting more and holding market leadership over a longer time frame. No MOAT, no place in the evolving competition... Period.

5.1.5 Challenges in Maintaining the MOAT

It's not enough to build the MOAT; it has to be maintained and fortified over time. So market dynamics, a shift in consumer tastes and new technologies could undercut what is currently a very sturdy competitive edge. Failure of the business to answer this question puts its MOAT in danger of being overrun by competitors. Here are several of the challenges associated with preserving the MOAT:

2) Competitor Disruption & Market Transformation : The best MOATs are always under strains from new competitors.. disruptive innovation, superior pricing model designs or simply a better customer experience. Established

businesses are forced to adjust to ensure their survival. Also, market changes such as new policy action/new industry standards/global economic turning points can deteriorate the strongest MOATs.

Example: Nokia, Finnish based telecom company was the king of all mobile phone markets but over time it lost its MOAT due to higher penetration and trust/acceptance towards smart mobile phone. What caused Nokia to fall was the fact that it moved so slowly in embracing touchscreen technology and lost out on operating system battles against iOS and Android.

Evolving consumer preferences and technological advancement: Consumers evolve rapidly and so does the technology, making current business models less applicable. Those who do

not innovate or change are left behind by the customers that move on to other more effective, newer and cheaper offers. A competitive edge based on outdated tech or traditional consumer habits can gradually dissipate.

Example: The online ticketing company in India BookMyShow suffered a significant challenge when streaming services like Netflix and Disney Hotstar gained traction. The move led BookMyShow to expand its business into other services including live-streaming events and a host of others to stay relevant as the move towards home entertainment and on-demand content took over.

Dangers of Relying Too Much on Just One Competitive Advantage: Business corporations relying too much just upon one MOAT, like pricing, brand or even just some technology are vulnerable every time business conditions in the given industry change. The most diversified competitive strategy is to have multiple MOATs together as strength in numbers makes one the best game. But when a company has only one thing to focus on and that reason dries up, then it weakens immediately.

For example:the Indian smartphone brand Micromax built its MOAT in the budget smartphone market with affordability as centre piece, but it couldn't invest in software innovation and after sales service. When rivals Xiaomi and Realme joined the league with better-featured products and ecosystem support, Micromax could not find ways to retain its grip on the market.

In Failing to Scale Without Losing Quality: As businesses scale, they may face challenges in delivering the same level of product quality, customer service or operations efficiency. If they grow too fast without adequate infrastructure that can be a problem because service levels could drop which erodes the competitive MOAT of any company, Over time Execution consistency in diverse markets and geographies matters.

Example: Wow! Momo: An Indian fast food chain flourished across the cities faster and then moving to tier 2,3 &4 cities soon spoilt its own broth by expanding too fast leading to deterioration in quality and consistency which affected trust among customers affecting Momo's MOAT. The variance in ingredient sourcing, store running, and customer experience between stores harmed its brand coherency. It had to put money into optimizing its supply chain and staff training to maintain its MOAT.

Regulatory and Legal Changes

Government policies, industrial regulations, and court decisions often affect a firm's ability to maintain an advantage. A company strongly dependent on the MOAT through regulatory edge- such as licensing, trade privileges, among other regulations, becomes at risk if policies change. Companies ought to change with the law and regulation in ensuring that they adapt to new legal environments to be able to sustain their edge in the long run. The MOAT necessitates continuous innovation and market perception. It calls for the same agility and adaptability owing to the threats likely from competitors. The tools necessitate an embracing of technology and a broadening of a company's capacity to be able to sustain their stake in the grueling world. Companies that are complacent are likely to be overtaken by more agile and focused competitors.

5.1.5 Contextual Review

Intangible MOAT: Infosys – Knowledge and Intellectual Property MOAT Introduction

The ability to develop and sustain a relevant competitive advantage, especially in such a highly competitive industry like the IT services industry, goes beyond technology. Infosys, one of the best IT services providers in India, comes to mind. Like other MOAT examples, Infosys manages an Intangible MOAT, which is mainly the result of its IP and registered technology. This review will detail how Infosys has managed its Intellectual Property MOAT and whether it has considered the future.

Infosys Background

Established in 1981, Infosys is an Indian IT services company headquartered in Bangalore, now a multinational. The company offers software development, business process outsourcing and digital transformation services. Over the years, Infosys has become one of the giants in the industry with clients from Fortune 500 businesses across many industries around the globe. In a business where cost is the primary differentiator, and all such companies have spent billions of dollars on R&D, patents and world class workforce, Infosys has created a one MOAT to rule them all in perpetuity type situation for itself in IT.

Intangible MOAT for Infosys : Intellectual Property & Knowledge Advantage

Own Technologies & Patents: The company has strong Intellectual Property MOAT and continues to develop its proprietary Software platforms and patents on rising technologies (like AI, cloudbased computing, Blockchain). This is what allows Infosys to have a competitive edge and offer distinctive products not easily copied by its competitors.

Example: Infosys built its EdgeVerve Systems, which includes Finacle, the core banking software package that leading banks across the world have been using. This kind of proprietary technology is an added advantage and strengthens Infosys's competitive edge as banks rely profoundly on IT infrastructure to operate digital banking operations.

High-skilled Labour Force and Knowledge-based Innovation: The high-skilled labour force is one of significant MOATs for Infosys. It invests heavily in employee training and upskilling, making sure its teams are on the cutting edge of new technologies. Its people are a strategic advantage, constantly learning from its training programs and corporate university.

Illustration: Infosys has developed one of the most extensive corporate training facilities, located at the Global Education Centre in Mysore that holds hundreds of breakneck-paced training programs with state-of-the-art technologies to ensure they continue to remain an innovation-centric organization.

Long-term Enterprise Contracts and Clients Trust: Infosys has entered into long term contracts with global companies, which have led to stability in the business and a predictable income for the company. Infosys has also ensured that customers face less risk in migrating business to other vendors, with the company keeping its reputation high on IT expertise.

Example: Infosys offers multi-year transformation programmes to firms such as Daimler and Vanguard, locking in business relationships that represent a barrier to competitors.

Strong Brand Reputation & Thought Leadership: Infosys spent over 40 years building up a brand trust associated with quality, innovation and dependability. IT thought leadership is another pillar of strength for IT MOAT, as it draws premium customers and A+ talent to the company due to its position as a leader in technology trends. **Sample:** Infosys publishes

whitepapers and technology research reports and contributes worldwide forums regularly which builds the authority of Infosys related to Digital Transformation :provides a good example of trust, further branding with its client base.

Difficulties in Sustaining the MOAT

Although Infosys has Intangible MOAT, it still faces a lot of challenges:

- Newcomers armed with disruptive technologies such as AI and automation.
- Talent/4éliu2j(r5t retention problems as it becomes increasingly easier for employers to find this year's IT professionals anywhere on the planet.
- These regulatory and geopolitical risks are as common in massive markets (US, Europe).
- Infosys invests across innovation, partnership and in upskilling its workforce to keep themselves ahead of competition so as to preserve their MOAT.

Conclusion

Infosys has built a strong Intangible MOAT with its own technologies, highly specialized employee base, long term corporate contracts and a powerful brand. By continually reinventing itself and responding to dynamic industry trends, Infosys has rapidly grown into a dominant global leader in the IT services space. The case supports the importance of intellectual property and knowledge assets to sustain a MOAT in two competitive industries.

Did You Know?

An economic MOAT provides a competitive advantage by enabling a company to maintain its market dominance through barriers that protect it from competitors.

5.2 Building a Minimum Viable Product (MVP)

5.2.1 Introduction and Definition of MVP

Often, already in a rush-start up world of product development, it is so risky and high-cost to release the full-featured product with no validation at all. Enterprises typically use the concept of a Minimum Viable Product (MVP), or that version of a product which includes just enough features to facilitate market testing and marketing.

gather feedback before full-scale development. The MVP process helps companies minimize risk, maximize resources, and use customer testing as a powerful tool to just focus on what is truly needed to build. An MVP is a way for firms to remain on the learning path as opposed to trying and failing: it allows them to get into a market more quickly but not without the constant evolution of their products.

At its core an MVP is based on the lean start-up methodology, hence it works by iterating, getting feedback from customers and making decisions based on data. Not just startups but behemoths use MVPs to test things idea, find out what the clients want and make informed decisions before you pour in a sizeable investment into the final product.

MVP Definition In Business And Startups

An MVP is a product that is stripped of all its bells and whistles but still works so that a company can validate their value proposition for the minimum amount possible. It's not a prototype, if it can be deployed and delivers - at least the core of what needs to be delivered before your early adopters start screaming feedback. It is the core concept for building an MVP -build-measure-learn: making your business invest into things that our customers really need, and ONLY these ones.

Example: CureSkin is an Indian AI-led dermatology start-up that started out as a mobile app that required users to upload pictures of their skin problems. The app provided some basic analysis of skin and, following user feedback, expanded into AI-backed recommendations and appointments with dermatologists.

5.2.2 Origin of the MVP Concept by Eric Ries and Lean Startup Methodology

The term MVP has been immortalized by Eric Ries in his book *The Lean Startup*. Drawing from principles of lean manufacturing, Ries' framework introduced the "Build-Measure-Learn" feedback loop: to release a minimal product, get user feedback and iterate based on real-world data. MVP revolutionized how startups went about product development by effectively pushing risk where it should be, to a point in the process where the stakes are lower.

Lean start-up methodology says don't assume anything and quickly test your idea. Rather than spending those years on developing a full fledged product, companies roll out an MVP in the market and test real world engagement and demand.

Example: Dunzo is a hyperlocal delivery start-up in India. The company began as a WhatsApp-based errand concierge service, beginning by enabling users to request errands. They simply wouldn't have seen such large-scale market demand without this validation and the app they created to scale their services across cities, so for them MVP was a must.

5.2.3 Role of MVP in Business Validation and Market Entry

One of the lines that I drew on early on is, before you invest largely in product development, make sure people actually want the product. MVP is extremely valuable in proving business ideas as strategic and cost efficient for market entry. This enables to test the hypotheses, iterate on the features and pivot if necessary so as to build a product according to the needs of customers.

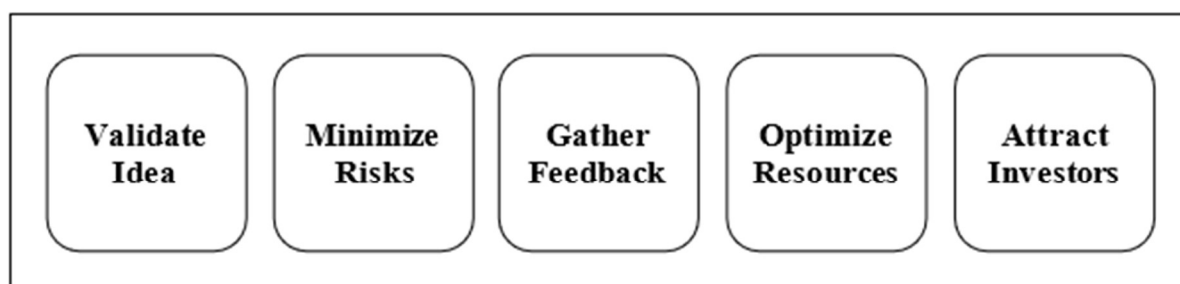


Fig 5.5 Role of MVP in Business Validation and Market Entry

Reduce development risk: imagine deploying a fully built product without having tested at scale and suddenly you will realize the amount of cost, operations that you are wasting. Further, MVP (Minimum viable product) helps business to test the waters with core features, and reduces the risk. This also means that no resources are lost in naturally occurring parts

of an episodes detail which a user may not be interested in. Second, it can provide early warning signs of technical and product/market-fit-related issues so there is time to rectify them before you're committed to development.

Example: Navi Technologies HOW ITS FO Built by fintech firm Navi, an instant loans lending app that serves quick loans at basic premise. By validating the user demand first, they then added insurance and mutual funds to make sure that their final product was perfectly in sync with what the customers were looking for.

Customer-Focused Product Development: With an MVP, a business can receive genuine customer feedback based in real life and not on assumptions. This allowance for companies to deliver real-world offerings that fit with user needs and behaviour more closely in the market. MVPs allow a company to observe how its features are used and what needs improving, focusing on the most important functionalities within the business. The step-by-step way in which it is handled, makes it much more of a customer product rather than something that is geared at the developer, and with this intention also increasing his span.

Example: Licious, a fresh meat delivery start-up began with a simple website and some products in Bangalore. They built out their assortment and introduced cold-chain logistics, all based on customer feedback, as demand picked up.

Faster Time to Market and Higher Competitive Advantage: With an MVP, businesses can enter the market much faster giving them a head start over those competitors who would end up finishing it after years. Businesses can also gain early adopters, build their brand and iterate on product based upon user feedback. This approach also gives business an opportunity to identify market gaps and trends in early stage so they can pivot or play with their business model before the competition becomes hard.

Example: Rapido, a bike taxi service with minimal features based app because user will book the independent bikers ride. After it realized demand, the company expanded the platform with ride-tracking enhancements, digital payment systems and safety tools — an incredibly early lead in market share.

Optimized Resources: The most valuable product ensures that businesses invest in the essentials and manage resources. And that's key for a new company with not much money

to play with. A product like this avoids overspending on stuff that isn't crucial to value creation. By restricting attention to the most critical components of a business, it can maximize its development budget and reserve revenue for product scaling after validation. Example: The health-tech startup Niramai developed an AI based diagnosing solution for breast cancer using Thermalytix which is their offering from its proprietary Thermalytix technology to detect early-stage breast cancer by non-invasive method. They did not jump straight into a huge consumer product, but clinics and hospitals to test feasibility, allowing them to conserve capital while scaling on the right footing.

Attract Investors and Partners: No one will invest or co-finance unless the owner has something tangible to show today, i.e. an MVP that may make them believe business idea is real and market demand exists in reality rather than on paper. When there's a proven business model it's easy for start-ups to lure investors, land funding and form partnerships with industry players. Investors want validated business models, a MVP is credibility in that sense which would raise your funding chances! If the business can prove out real users and feedback, stakeholders will feel comfortable backing it.

Example: Kutumb, an India centric neighborhood based social network launched a MVP version by invite only just to measure interest. Once they showed user engagement and market potential, there was never a problem with raising funds to grow it into an actual product.

MVP is a big deal when it comes to business validation, customer traction and resource planning. It allows companies to test ideas and iterate on their product, gain some form of traction, make better decisions before scaling and limiting risks while finding early adopters to work with as well as looking for investment in order to create a stronger foundation for long-term success.

5.2.4 Importance of MVP in Business Strategy

Minimum Viable Product is just a strategic weapon that lets you test, refine, and optimize your business offerings (be it SaaS, mobile apps or desktop software) before going full throttle. And it's not just a proof of concept, but an assurance that the business idea will actually work. Use MVP to reduce uncertainty, speed up time-to-market and meet the customers' demand. A great part of the MVP in business strategy revolves around reducing costs, proving demand and fostering innovation- which are all crucial for long term viability.

Verifying Market Demand Prior to Mass Investment: The #1 reason why companies fail isn't that there's no market need, but that there isn't a real demand in the market for its product. An MVP enables companies to see if a concept will work in the real world and apply lessons learned before sinking significant costs in logistics, manufacturing or other product. An alpha test (test of a basic prototype) provides a business with the ability to see how users react to what little functionality is there, check what kind of adoption curve they are seeing for their product and if in fact it makes sense to invest more in the product. In this manner companies can circumvent failure and wastage on unmet market needs.

Example: The smart home automation brand Qubo, owned by Hero Group, debuted with a smart security camera as opposed to an entire range of products. And so they use these devices to validate product demand, put them on the market in effective ways, and collect feedback. After doing all that they moved onto smart locks, video doorbells and home assistants etc.

Faster Time-to-Market and Early Competitive Advantages: Faster time to market can create competitive advantage in the rapid business world of today. By launching an MVP, a company can launch quickly, acquire early adopters and get brand awareness before anyone else enters the space. It will also allow for testing different marketing strategies, fine-tune the best distribution channels and start to get early traction while the industry catches up around it.

Example: An Indian e-sports gaming platform, MPL (Mobile Premier League), launched a few fantasy sports games, but then over time transformed into a full-fledged gaming marketplace. They had positioned themselves as leader in a fast-growing industry.

Minimizing Development Costs While Steering Clear of Unnecessary Functionality: Building a full-featured product is also an expensive endeavor, and the last thing any business needs to do is waste money building features few customers will use. Because of an MVP, a firm concentrates on only the right essential features so that you're able to spend your resources wisely. Pruning dead wood up front allows companies to optimize their budget, without wasting money on untested concepts.

Example: Beauty and lifestyle tech start-up EkAnek Networks kicked off by launching MVP Foxy, no AI-powered recommendations, influencer tie-ups or virtual try-on features as of yet. Its goal was to save on up front dev cost, and not build features until needed.

Real-world Customer Insights Lead to Product Refinements: Market research is based on surveys and predictions, an MVP allows you to collect real user data and feedback. It allows the company to shape their product more based on actual customer interaction so the feedback aligns with what the customer actually wants.” From customers’ behaviour, preferences and pain points, businesses can manage to shape their final product offering before committing to larger proportions of production or distribution.

Example: GrowthIn 2019, Ultrahuman, a health-tech startup launched an MVP of their metabolic health platform to track glucose levels with just few hundred test users. In that way, it had a means to get better because of user feedback and so ultimately launched more publicly with a more perfected and accurate tracking capability.

2) Draw early-stage Investors and Strategic Partnerships: If you have proof of concept, or some early traction then chances are high that investors will invest in your start-up. An MVP allows to demonstrate there is a viable business idea at the core, which simplifies the ability for an entrepreneur to receive funding, credibility and partnerships with industry. If startups have a proven MVP, pitch investors can secure funding, mentors and partners that have the potential to help them succeed in the long run.

Fampay, a minor’s fintech service was launched as an MVP supporting only basic card for digital payment. After the MVP showed that there was demand for it and gained first-time users, a big VC put in money by supporting them into adding one more product / service to their suite.

An MVP is a bridge, of sorts in business strategy, between the lowest-cost validation and the opening of a broader market as well as real world feedback. With an MVP mindset, organizations will focus on solutions that are exactly what their customers require; without making undue assumptions or taking unnecessary risks. An MVP then provides the traction for a business to iterate quickly and evolve compelling offers that will address all the key stakeholders while establishing a pathway to scaling and long term success.

5.2.5 Key Principles of Building an MVP

Listening and understanding the basic needs/pain points of your customer: Testing/Iterating quickly based on user feedback Validate UR hypothesis by finding only MVP feature rather than complete product

Fig 5.6 Key Principles of Building an MVP

Developing MVP is not just developing simplified product, but an incremental approach to achieve validation, scalability and user adoption. Well-executed MVPs enable businesses to test initial hypotheses about their value proposition, develop that proposition in response to early user feedback and move with market dynamics with the lowest possible risk. An MVP can function very well if it follows some fundamental premises that help to maintain its user-focused, cost-effective and iterative character. Businesses can build products that are impactful and scalable by embracing these principles.

Learning Genuine Customer Needs and Pains: An MVP is the first step in gaining insight into what customer pains truly are -- their actual pain rather than a pain point, if you will -- and how a product might possibly solve it. You don't want to bet on demand simply assume it in your product; I recommend you directly find out about it through feedback, market research or comparison in the case of agitating points. It will ensure that we build an MVP, that it converges with what people want rather than thinking "people need this" and lose ourselves in other pretty sides.

Example: OneCard, a fintech start-up, discovered that its customers were sick of the mysterious fees and Byzantine reward structures associated with credit cards. The company's MVP product was a clear, no-fee metal credit card to establish a beachhead against the pain-focused segment of the market.

Quick testing and iteration according to customer feedback: A MVP idea must be flexible-enough to make regular enhancements using various customers' feedback. Businesses would have to move toward agile development where updates are rolled out gradually and then honed based on data from the real world, not on fixed long-term plans. This continual repetition ensures that the end product is truly market-fit, User-friendly and performance-optimized.

Example: BluSmart, an electric-vehicle driven ride hailing service (built by yours truly), started by launching with a few zeroes and ones — some number of vehicles and an app that offered really nothing more than "hail now" functionality over the first week or two we were in market before doing things like better scheduling for both users/drivers, expanding our fleet and having different classes of rides based on supply/demand dynamics.

Ciaran Rehill Challenge 2- StartLean How do I "thinks lean" Focusing on the core and not the much needed features An MVP should serve as a prototype of your product and contain only its necessary functions but certainly not all of it. The feature overload is the trap a company should evade as high complexity disables growth and decreases the value proposition. What we should so do, and be doing from the beginning, is build just the most essential set of features to get a product out asap and ship it (and get feedback faster on how to cut costs-- like with agile development practice).

Example:Jupiter, a neo-banking platform started with only a savings account and spend analytics and not an entire banking suite. After it got users to engage with the app, it bolted features on: loans, UPI payments, investments- all as per what its customers asked for.

Create MVP You need to have a clear vision and be open for new challenges. Through constant iteration and crafting various alternatives, if companies delve down and confront core pain points of customers in addition to focusing on the essential development features, they can bring success closer with minimal risk. By going with the MVP, a product that is scalable and can go to market long term is a requirement of that.

5.2.6 Steps to Develop an MVP

A well-structured MVP allows a product to effectively solve a real problem as well as meet market demand and improve incrementally. It consists of recognizing opportunities, jotting down core value proposition, sketching a prototype and letting user grapple with it. A well-structured MVP will prevent businesses from taking high risks with the new product, keep costs to a minimum not only minimize cost, but lower your time-to-market at the same time, and reach product-market fit ASAP.

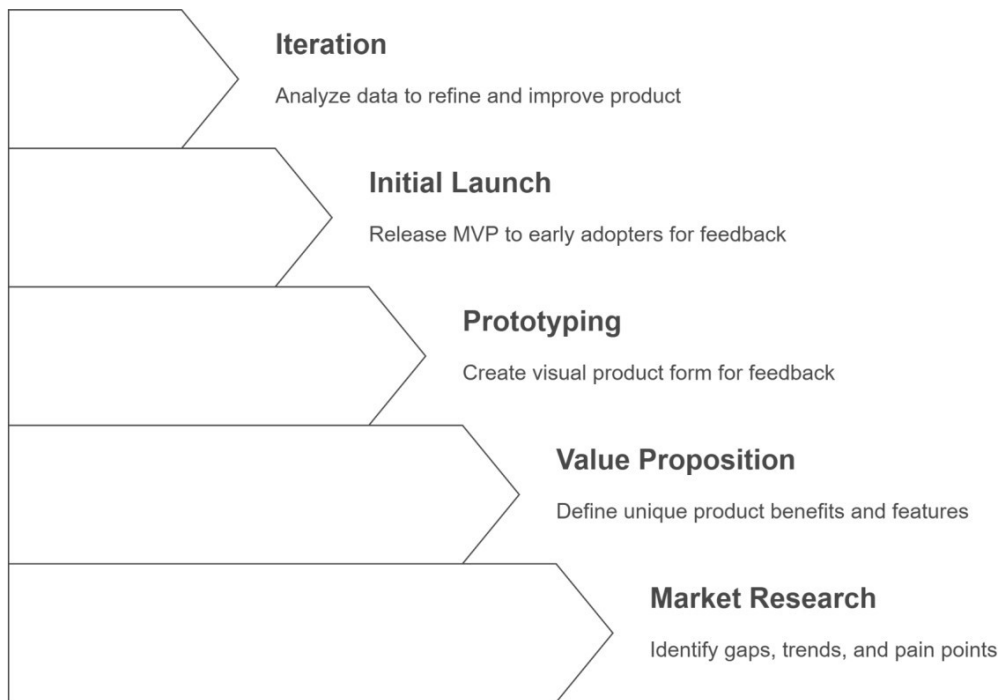


Fig 5.7 Steps to Develop an MVP

Market Research and Problem Identification: The initial part of the MVP process involves deep market research to identify lacunae, trends and needs that need tending to. Enterprises must gather information from customer surveys, competitive analysis, and market reports to confirm if there is a demand for the solution they offer. Having a good problem statement in place will make sure the MVP actually solves for a real market need, not just what you assumed it was.

Illustration: Fasal, an aggrotech start-up began by realizing that the biggest loss for a farmer was unpredictable weather and the unavailability of real-time information on their crops. Their findings showed that there was a need for AI precision farming solutions, and so they developed an MVP which offered real-time climate and soil monitoring to allow farmers to predict yields Smarter.

Value Proposition and Key Features: Once you have a clear understanding of the problem, you can develop a value proposition — what is different/better about your product than the current alternatives? In this situation you, do not want to build an overburden solution but you want to target minimum core that directly solves the problem. An MFS is proposed for resource effective feature assignment.

Example: StockGro, the social investment platform that we are today, started with virtual stock trading for educational investors, not as a proper trading app. Its main feature, the option to learn without risk, paved its way towards future real investments.

Prototyping and Wireframing: The company get the very basic visuals of a product before going for its full-scale development. This lets stakeholders, developers, and early users know what the product is about and to offer feedback before the coding begins. A prototype is a plan that describes the user flow, how stuff works and design layout.

Example: The interactive prototype of GoMechanic, an automobile service start-up, that explained for everyone how one can book car services. The early customer feedback we got was the starting point of tweaking the service categories, pricing and partners integration before finally rolling out the app.

Get MVP Out to Validate Market: Instead of an open launch, companies should roll out the MVP to early adopters or beta customers. This is helpful for learning the assumptions, seeing usability problems and polishing the product before distributing on a large scale. The test audience provides good feedback on actual use and performance, and acceptance in the market.

Example: Ninjacart, a B2B agri-tech platform that began with a model of just connecting farmers and retailers in one city. The pilot informed them of potential logistics hurdles and ways to maximize supply chain efficiency before they expanded further.

Data-Driven Iterating Once the project is live you will need feedback from the users behavioural data and performance metrics to shape your MVP. This assures that customer preference, engagement and market dynamics will be continually iterated." Which means the product will stay relevant\scalable over time. Iterative DevelopmentAn MVP is evolved through an iterative process to a refined and marketable product.

Example: SleepyCat, A Direct-to-consumer Mattress StartUp initially sold one product - a single mattress-in-a-box. As the brand evolved, they listened to customer feedback for their firmness preference and other sleep accessories based on a test and expanded to offer customizable mattresses, pillows, and bedding essentials.

The MVP is an iterative process of research, validation, and iteration. Those startups that successfully find the market problem, create a differentiated value proposition, test with data (the small experiments) and refine are going to have more successes at less risk. Well executed MVP has an ability for long-term scalability and growth in a market that is constantly evolving.

Activity: Designing a Minimum Viable Product (MVP)

Select a business idea or product concept relevant to your domain.

Define the core value proposition and the specific problem it addresses.

Identify three fundamental features necessary for the MVP to function effectively. Develop a conceptual framework outlining how the MVP will operate.

Formulate a go-to-market validation strategy, including methods such as pilot testing, user feedback loops, or A/B testing.

Analyze potential iterations based on early adopter insights and market response.

5.2.7 Types of MVPs

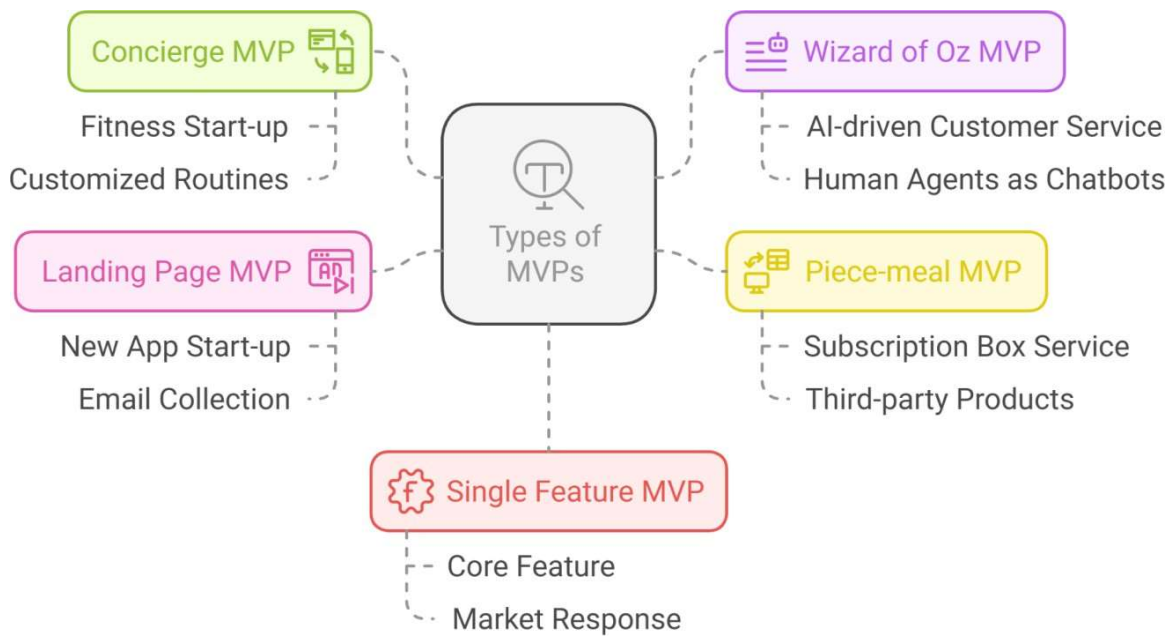


Fig 5.8 Types of MVPs

MVP (Minimum Viable Product) is a development methodology that aims to create a product with the minimum number of features necessary to satisfy early adopters in order to validate / invalidate hypothesis about the product in question and accelerate time-to-market.

users’ right feedback on the product is reverberated. 4.8 Engagement by users Users are engaged meaning that the correct feedback from user could be informed for next versions. The MVP varies depending on product type, market and resources. Below are the categories of MVPs and some examples.

Concierge MVP: Concierge MVP is a way of operating or serving the product manually – not automating it or entirely developing it. It tests a product concept with a service where users think they are communicating with an automated system when there is some human intervention occurs behind the scenes. This works best for the products that require a lot of customizations or complicated services.

Example: If a fitness startup that will send you personalized work out plans might start with Concierge MVP (real trainers prepare and customize specific plan for each user instead of developing machine learning algorithms with never ending updated workout profiles automatically).

Wizard of Oz MVP: The Wizard of Oz MVP is a variation on the Concierge MVP, where to the customer it seems like they're dealing with a completely automated product, but behind the scenes someone – or a team – operates (using) the product manually. This way one can validate complex product ideas prior to churning out a fully developed system; it's perfect for testing out automation based products or AI before they've wasted their time on the technology.

Example: An AI-powered customer service software solution could include people responding to customer questions while representing the service as automated chatbot for the customer. The team can then determine additional full automation based on those metrics.

Piece-meal MVP: Piecemeal MVP is the development of product based on existing toolbox or resource for piecing together features rather than inventing new technology and solution. In this manner, it is built out of pre-existing parts to verify the basics work. There is a financial benefit to creating a working prototype by using components already in production.

Example: A subscription box service can operate without requiring large amounts of upfront investment, they can move forward without having to risk money on the items that will be sold. The model frees the startup to validate market demand and customer interest without creating an infrastructure along a full supply chain.

Landing Page MVP: A Landing Page MVP tests customer demand through a very basic landing page that explains the offer, and possibly includes a CTA like a sign-up form or pre-order button. So, the MVP is seeing whether potential customers are interested in the idea before there's a real product. It is

a rapid, low-cost way to gather information on market demand. Metrics such as signups, click-through rates and conversion can all be helpful in gauging interest from a consumer level."

For example: Let's say a new app startup makes a landing page that explains the features of the product and gathers emails of interested potential users before constructing an actual functioning application. This serves two purposes: It helps measure early demand, and it also lets the startup adapt its product offering based on initial feedback.

Single feature MVP: A single-feature MVP seeks to provide the most vital value of the product, this validates the primary assumption for users. It's fine to see how your target audience will react to the core product feature and narrow your development team down to what's most important for the customer.

For instance, the photo-sharing app might choose to build its Single Feature MVP that would allow users to upload and share photographs only with no fancy filters or rich editing tools, which could be included later on. The company can then quickly get enough user feedback about how users engage with that core functionality, before it has cluttered up the app.

Finally, the nature of tested product determines type of MVPs. Both allow validation of certain assumptions whilst limiting exposure time and costs associated with development, allowing access to information before an expensive race is run UP the slope that could be reallocatable elsewhere in the business.

5.2.8 Challenges in Developing an MVP

Creating a minimum viable product One of the Challenges Every start-up faces, is developing an MVP. To do so, the entrepreneur needs to find a compromise between time, quality and market demand vis-à-vis MVP that tests crucial assumptions. The following are the key obstacles that you will face during MVP development.

Underdeveloped or Overdeveloped MVPs - A major problem is to get the right level of functionality for an MVP. If the product isn't yet developed, it may not be able to draw users or demonstrate enough value that it will build up any momentum. A pie is over baked when the MVP has too much time and money invested in its development, which prolongs the entrance into market, which is contrary to one of the purposes of a rapid test. The proper balance is crucial in validating the principle of the core content in a simple manner.

Example: Easilan (Digital home loan platform, India) – Easilan started with a simple loan matching tool instead of getting into building out an entire lending ecosystem to be able to test user interest and cut down on CAC (time needed) in order to validate their product.

Speed vs Quality trade-off in MVP Creation: One of the most difficult things to achieve that many startups find hard when trying to expedite an MVP is launching on time, with decent quality (no/most bugs fixed), and usability issues for very early adopters. Too radical an emphasis on quality, on the other hand, can hinder the campaign from going live in time which can be too costly and you may miss your chance. Hence the MVP has to work, solve an actual problem and can't take too long.

Example: Treebo Hotels (Budget hotel chain, India) – Treebo began with string of partner hotels and a Telex booking system to begin with instead of investing in the full-fledged hospitality model. So they were able to establish demand even as they iterated on their service. Probably, it would have postponed the full-featured launch and lost the market opportunity.”

Leveraging Customer Feedback Properly: – To make the right changes, you will need good feedback on your MVP, but it's hard for a start-up owner to collect meaningful insights and interpret such data. If you get it wrong, and they misunderstand customer feedback, you end up making the wrong product changes — or, worse yet: stifle your growth" / "An ad hoc data collection strategy unlocks “numerous improvements” that go missed when your process is unorganized and underdeveloped. The clear feedback loops need therefore be lasid in the first place, and the businesses is about the right insights, one that lead to achieve their goals.

Example: Acko(Digital insurance provider, India) – Acko streamlined its claims process from the mature market after they received feedback that their initial version was not easy to understand. They implemented an application-only simplified process to file a claim rather than overhauling a system without need. This method of making decision by relying on data helped them improve user experience in place of replacing their platform.

All in All, Though MVP is a very useful way to validate the product with minimal resource, building the MVP is an pain in the ass. Business owners need to move beyond those obstacles if they want the MVP to really validate their business, and not simply waste resources.

5.2.9 Why MVP is Essential for Business Growth

A Minimum Viable Product (MVP) is important for you to be able to test ideas, reduce risks and grow faster. Whereas for a startup, this would be validating the concept at minimum

expense in an authentic user feedback fashion. Firms can iteratively adapt their products to meet market needs by introducing a product's stripped-down version for long-term economic viability. An MVP also helps businesses to find early adopters and learn about top pain points, before metastasizing. The below are the salient reasons why an MVP is required for business expansion.

Validates Market Demand Before Committing Resources: An MVP allows businesses to learn if a product meets its customers' needs before making large investments. Because if they don't test their core feature set then they won't know what users want and need. It discourages companies from adding superfluous features and helps them to be more resourceful.

Example: Niyo (Fintech startup, India) – Instead of a complete banking offering, Niyo raised funds and launched with prepaid forex card. The company gained early user adoption and the conviction to scale into salary accounts and wealth management.

Reduces exposure to financial and operational risks: There is no need to put in heavy investments on a product that doesn't have any real world feedback or experience.. This reduces the loss of revenue and inefficiency in operations. By starting with only a minimal viable reason to exist and stripping away everything else, the unnecessary complexity that intersects an organisation's path as it seeks new income generation options is limited (and future bloating diminished).

Example: Smytten (Premium product discovery platform, India) – Instead of a full-fledged e-commerce app, Smytten began by selling sample-sized luxury products. That mitigated the risk of inventory – and helped to validate demand before expanding to a wider product set.

Faster Time-to-Market and Competitive Edge: With an MVP, a business can get in early and capture the first market share before anyone else does. Time to market is what enables startups to establish brand presence, attract initial customers and raise investor attention. Plus the early entrant benefits from knowledge gained of customer behavior so it can perfect its offering ahead of rivals.

Example:OHO Live (Live Commerce start-up, India) - OHO Live, developed a standalone platform for live interactive shopping which was less cogent compared to an integrated e-

commerce ecosystem. Having hit the market sooner helped thecompapeople could get a leg up on competition as bigger brands beganto enter the ring.

Improves Data-Driven Product Development: Companies improve their MVP into a market-product by studying on users' behaviour and feedback. This is how better through data-driven improvements a product, a real tailored to user requirements product can be made. Iterating on real usage patterns continuously destroys inefficiencies and evolves better user experiences.

Example:Grip Invest (Alternate investment platform, India) – Grip Invest they began with one asset class- lease financing and eventually branched out to other classes of investments. Growth was measured and paced according to the feedback of it's users.

2.Captivates Investors and Partners: A profitable MVP garners traction and validation in the market that naturally attracts investors and partners. Early success metrics build confidence in the stakeholders and money gets easier. Strong early performance that leads to needed strategic partners and therefore business growth is then enhanced.

Example:Plum (Health insurance start-up, India) – Plum operationalised simple SME health insurance plans and demonstrated demand before scaling. Early strong adoption resulted in the funding and scaling product offerings.

An MVP is a business growth strategy that allows you to test ideas, lower your risk, and iterate based on real-world feedback. By beginning lean and scaling intelligently, companies can develop products that sustain themselves and compete in their markets, which is the basis of long-term profitability.

Knowledge Check 1

Choose the correct option:

1. What is one of the biggest challenges in MVP development? Adding all possible features from the start Balancing speed, quality, and market needs Ignoring customer feedback during development

2. Why is collecting and interpreting customer feedback crucial in MVP development? It helps businesses guess market trends

It ensures businesses focus on insights aligned with their goals It eliminates the need for further product iterations

3. How does an MVP minimize financial and operational risks? By launching a full-scale product immediately

By starting small and iterating based on real-world insights

By ignoring competition and focusing solely on product development

5.3 Summary

❖ The MOAT is a strategic 'fence' around the business that feeds its market position, profits and longevity.

❖ MOATs are built by companies around a few factors, including strong brand, cost leadership, network effects and intellectual property as well as regulatory advantages.

❖ A moat also plays an important role in mitigating competition to ensure the business continues to enjoy pricing power, customer loyalty and position of leadership in its market.

❖ Minimum Viable Product - an early, simplified version of a product that is designed to test the market demand with little investment.

❖ Uses Build-measure-learn process, allowing firms to constantly adjust products on existing customer data and trends in the market.

❖ Companies make use of MVPs to minimize risk in product development, maximize resource utilization and validate a concept before scaling it up.

- ❖ There are various types of MVPs such as Concierge, Wizard of Oz and Landing Page MVPs that test business ideas before diving deep into development.

- ❖ Easy life access- Enabling MVP strategies gives you quick entry to the market, which allows companies to reach early-adopters, branding and competitive advantage.

- ❖ Companies iterate incrementally on their MVP, evolving feature-driven designs and ideas with real-world insights from customers' activity.

- ❖ Issues to consider for this development stage (MVP) are determining the velocity of moving between quality and speed, collecting actionable feedback, and ways of spending less while developing.

- ❖ A good MVP will gain the interest of investors as it will show an appetite for the market and that you are a business with potential and scalability.

- ❖ Enterprises create everlasting competitive advantages and sustainable revenues if they develop a solid MOAT and MVP.

5.4 Key Terms

MOAT: A durable competitive advantage that prevents competition from stealing the business away, as it sets up a strong defense with barriers to entry in the market. It results in profitable and sustainable profitability leadership.

Advantage: Specific strength of a business vis-a-vis its rivals on the market. It enables the business to maintain market dominance. You get competitive advantages from innovation, cost leadership or brand preference.

Cost Leadership: A plan followed by a firm to decrease its cost of production to provide more competitive prices-. It's what allows a company to do high volume sales and capture market share, yet still be profitable.

Regulatory MOAT: The advantage derived from governmental policies, government regulations or legal types of restrictions that shield the company. It limits the entry into the market of newcomers, stabilizing the business already at home.

Minimum Viable Product (MVP): MVP is the most basic version of product with the bare minimum features need to test market demand. This enables a product to be made with little investment before the big development that perfects an idea.

Lean Startup Methodology: It's a way of running a business that experiments rapidly, iterates quickly based on feedback from customers. It helps companies create products that generate enough return without squandering material and ideas by focusing more on what was really demanded.

Concierge MVP: A manual service (where businesses directly help users, rather than using any form of automation). This includes the moment to verify business ideas before implementing technology completely.

Piecemeal MVP: A makeshift solution that borrows off-the-shelf third-party tools and resources to give you R&D without having to actually build your own tech. At the same time, it reduces costs and speeds to market testing for concept feasibility.

5.5 Descriptive Questions

What is MOAT in business strategy and How does It help companies dominate the market for a longer period?

What makes a strong MOAT and why is it necessary to compete?

In what way can an MVP mitigate the risks of business development and maximize resources utilization?

What are the key concepts of Build-Measure-Learn and how does it help in MVP development?

How, for all of the different types of MVPs like Concierge and Wizard of Oz - they can help companies position new ideas in the market?

What is the significance of constant iteration in improving an MVP and how does it cater to long-term market success?

What are the major challenges for companies initiative development of MVP and how can they overcome them?

Why is it important to have customer input when creating an MVP? What are the best practices for gathering and analyzing customer feedback?

What is the right MVP strategy to achieve early access into a target market and establish business competition?

Why are investors interested to invest in a start-up who has validated its MVP? How much of a deal is market traction for investors?

5.6 References

1. Levine, U. (2023). Fall in love with the problem, not the solution: A handbook for entrepreneurs.
2. Sinek, S. (2009). Start with why: How great leaders inspire everyone to take action. Penguin Group.
3. Khanna, A. (2024). Ain't no Eureka: Your idea for an enterprise journey.

4. Ahuja, S. (2022). Daily coffee and start-up fundraising.
5. Mason, H., & Mattin, D. (2015). Trend-driven innovation: Beat accelerating customer expectations. Wiley.
6. Osterwalder, A., & Pigneur, Y. (2010). Business model generation: A handbook for visionaries, game changers, and challengers. Wiley.
7. Berger, J. (2013). Contagious: How to build word of mouth in the digital age. Simon & Schuster.
8. Rothman, R. (2017). Master opportunity and make it big.

Answers to Knowledge Check 1

Knowledge Check 1

- 1: B) Balancing speed, quality, and market needs
- 2: B) It ensures businesses focus on insights aligned with their goals
- 3: B) By starting small and iterating based on real-world insights

5.7 Case Study

Policy Bazaar's MVP Journey

PolicyBazaar - country's largest insurance aggregator changed the way insurance is sold in the country. Lemonade has captured a significant share of the market by using technology to simplify comparisons in insurance and make policies easy for people to access. But it was not always thus. Limited MVP concept that only compared insurance plans This initially began with an MVP that only compared insurance plans. In this case study, I go through the voyage of PolicyBazaar - right from its MVP to now on – standing tall as a no-contest leader in the insurance tech ! It will assess tactics used, difficulties faced and the path of development.

Established in 2008 by Yashish Dahiya, Alok Bansal and Avaneesh Nirjar — with the mission of making buying insurance transparent and convenient, PolicyBazaar raised its initial funding from Info Edge). The main premise was to create a website which could allow users to compare between the different insurance policies in an intuitive interface. They soon learned that India had barely any online platforms for the aggregation of insurance and began to believe they could fill it out. Its MVP was based on a simple platform and included comparisons in health insurance and life insurance but with the potential of better price transparency and easier decisions for customers.

Problem 1: Public Awareness of Online Insurance Websites is Inadequate

The only big obstacle was no one barely knew about the online insurance platform in India. People were already used to purchasing through agents, and so they had a hard time switching to this new, unfamiliar online medium. This thing nobody knew about, and we really had to convince the clients to put their trust in us for something so crucial.

Solution:

(The Mint Planner An event for your ear) Educational Campaigns PolicyBazaar invested heavily in educating about the online platform through blogs and videos explaining how a customer could find the best policy by comparing it.

Insurance Company Partnerships: To establish credibility, the platform collaborated with leading insurers so that they could list and promote their plans.

Referral Programs: The firm started referral incentives, which were to help you download and install the app; a step toward growing its user base.

Problem 2: Complexity when buying insurance!

Also, PolicyBazaar's MVP had a tough job as insurance buying would often look difficult and confusing to the customer in India. Customers were confused about the different policies, cover options and terms and therefore were not ready to make a purchase of insurance in an

online environment. This complexity made the customers think twice or thrice before making a decision as so many choices were provided to them, that they couldn't make a straightforward final decision.

Solution:

Intuitive UI: The MVP centered around a simple, user-friendly interface to compare policies that customers could easily understand.

Detailed Content: PolicyBazaar employed content-led features that educated insurance terms and simplified the purchasing process using tools such as how-tos, FAQs etc.

Customer service MVP provided customer service to assist the user into making a decision by addressing questions head-on.

Problem 3: Market Competition and Trust of the end Users

Insurance aggregation market was a fast growing space, with multiple competitors like the existing traditional agents, established insurance companies like LIC and new online players such as Coverfox and Easypolicy. In such a crowded market, PolicyBazaar not only had to be able to differentiate, but also gain customers' trust when they really weren't too sure about depending upon the Internet for making such an important purchase. Insurance is a sensitive and big ticket investment, which made users wary to engage on an online platform for such transactions.

Solution:

Alliance Formation: PolicyBazaar developed assurance by forging partnerships with big insurance companies, guaranteeing the customer about the platform's authenticity.

Transparency and reviews The addition of user reviews and ratings to increase transparency also helped users make smart choices based on testimonials.

Personalized recommendations: For their MVP, the company commenced simple algorithm-led recommendations and personalised offers on insurance according to what the user may want or could be interested in.

Reflective Questions

How did the early MVP of PolicyBazaar affect its scalability in India? How important was customer education and transparency in PolicyBazaar's early success?


What role do insurance companies' strategic partnerships play in PolicyBazaar MVP and scaling further?

How could PolicyBazaar have sped up adoption and users in the MVP phase?

Conclusion

PolicyBazaar's success is an example of how one can launch the MVP to measure market need and iterate the product based on consumer response. PolicyBazaar, for example, began with a simple platform that compared products such as health and life insurance policies to build a healthy user base and reputation — which can be tough in a crowded industry like insurance. Over the years, the company expanded its product suite and platform to become India's largest online insurance aggregator — with competing offerings around car, health, life etc. PolicyBazaar's success, it seems, has been in seeing market demand, going out to educate consumers and gaining trust through features, phone partnerships and transparency while never losing sight of growing from a simple MVP to a full-blown platform.

Entrepreneurship and Family Business 101 Unit 6_V3.docx

 Entrepreneurship and Family Business_MBA_1

 Entrepreneurship and Family Business_MBA_1

 ATLAS SkillTech University

Document Details

Submission ID

trn:oid::3618:127095388

Submission Date

Jan 29, 2026, 10:45 AM GMT+5:30

Download Date

Jan 29, 2026, 1:30 PM GMT+5:30

File Name

Entrepreneurship and Family Business 101 Unit 6_V3.docx

File Size

374.3 KB

33 Pages

8,213 Words

48,957 Characters

0% detected as AI

The percentage indicates the combined amount of likely AI-generated text as well as likely AI-generated text that was also likely AI-paraphrased.

Caution: Review required.

It is essential to understand the limitations of AI detection before making decisions about a student's work. We encourage you to learn more about Turnitin's AI detection capabilities before using the tool.

Detection Groups



0 AI-generated only 0%

Likely AI-generated text from a large-language model.



0 AI-generated text that was AI-paraphrased 0%

Likely AI-generated text that was likely revised using an AI-paraphrase tool or word spinner.

Disclaimer

Our AI writing assessment is designed to help educators identify text that might be prepared by a generative AI tool. Our AI writing assessment may not always be accurate (i.e., our AI models may produce either false positive results or false negative results), so it should not be used as the sole basis for adverse actions against a student. It takes further scrutiny and human judgment in conjunction with an organization's application of its specific academic policies to determine whether any academic misconduct has occurred.

Frequently Asked Questions

How should I interpret Turnitin's AI writing percentage and false positives?

The percentage shown in the AI writing report is the amount of qualifying text within the submission that Turnitin's AI writing detection model determines was either likely AI-generated text from a large-language model or likely AI-generated text that was likely revised using an AI paraphrase tool or word spinner.

False positives (incorrectly flagging human-written text as AI-generated) are a possibility in AI models.

AI detection scores under 20%, which we do not surface in new reports, have a higher likelihood of false positives. To reduce the likelihood of misinterpretation, no score or highlights are attributed and are indicated with an asterisk in the report (*%).

The AI writing percentage should not be the sole basis to determine whether misconduct has occurred. The reviewer/instructor should use the percentage as a means to start a formative conversation with their student and/or use it to examine the submitted assignment in accordance with their school's policies.

What does 'qualifying text' mean?

Our model only processes qualifying text in the form of long-form writing. Long-form writing means individual sentences contained in paragraphs that make up a longer piece of written work, such as an essay, a dissertation, or an article, etc. Qualifying text that has been determined to be likely AI-generated will be highlighted in cyan in the submission, and likely AI-generated and then likely AI-paraphrased will be highlighted purple.

Non-qualifying text, such as bullet points, annotated bibliographies, etc., will not be processed and can create disparity between the submission highlights and the percentage shown.



Unit 6: Understanding Consumer Behavior for Market Validation

Learning Objectives

1. Learners will be able to differentiate between needs, wants, and desires in consumer behavior.
2. Learners will understand how needs, wants, and desires define consumer choice.
3. Learners will discuss how consumer wants and needs should be identified in the creation of business opportunities.
4. Learners will be able to apply knowledge of needs, wants, and desires in ensuring market strategies are validated properly.

Content

- 6.0 Introductory Caselet
- 6.1 Distinguishing between Needs, Wants, and Desires
- 6.2 The Role of Needs, Wants, and Desires in Identifying Business Opportunities
- 6.3 Summary
- 6.4 Key Terms
- 6.5 Descriptive Questions
- 6.6 References
- 6.7 Case Study

6.0 Introductory Caselet

"Understanding Consumer Needs"

The FreshSip Take on Market Validation

Meera and Arjun always dreamt of disrupting silk-lined bottles full of sugary drinks with a healthy, natural alternative to acidic drinks. They realized that since urban consumers were quickly taking on wellness lifestyles, they could lead with a product in this category. But they hit on one big stumbling block — how to ensure there was actual demand before shelling out a lot of money up front to produce them?

In order to make sure that their concept was viable, they analyzed consumer behavior by distinguishing between needs, wants and desires. They discovered that:

- The need: People needed to be hydrated, a basic need that any drink can fulfill.
- The demand: Consumers desired a refreshing, flavorful differentiator from plain water.
- The wish: Some health-conscious consumers wanted organic, preservative-free drinks that matched their lifestyle.

Leveraging what they learned, FreshSip began making early generation of naturally flavored, sugar-free drinks in limited quantities through a few retail partners. The response was overwhelmingly positive, resulting in a confirmation of high-market interest. This data-backed validation enabled them to raise seed investment, scale up production and establish themselves as one of the early movers in India's healthy beverage space.

The FreshSip case provides a lesson in what consumers think, when doing market validation. The differentiation between wants, needs and desires allows businesses to create a product that is more likely to meet an actual need of their users while mitigating the risk involved and obtaining competitive advantages.

Critical Thinking Question

As entrepreneurs, what can Meera and Arjun do with information on consumer behavior in order to develop better product offerings, attract early adopters and

6.1 Distinguishing between Needs, Wants, and Desires

6.1.1 Introduction and Definition

Needs: These describe the basic necessities of human life or well-being, including food, water and housing. Needs are common, sensible and unlitigious, and they lie at the root of consumer behavior.

In the same way as that all men have certain physical needs, the American psychologist Abraham Maslow said that these had to be satisfied before any man can begin working on new goals or self-actualization.

Wants: These are needs for particular goods or services beyond those required for survival. Desires reflect cultural, social and individual tastes, and generally focus on quality of life or convenience. Wants are often shaped by culture or peer-groups.

Wants are the "form" that human needs take as they are shaped by culture and individual personality," says Philip Kotler, leading marketing expert. Desires are not based on any needs but result from society and also individual's influence-based decisions.

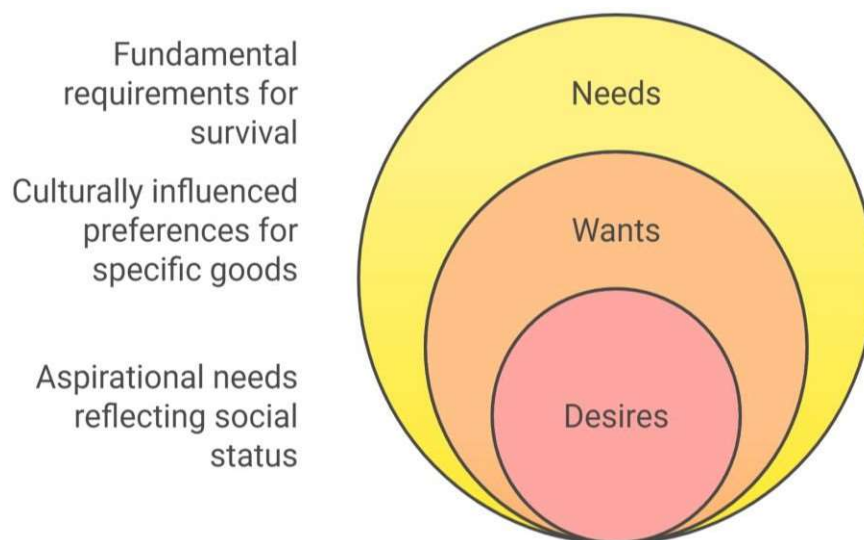


Fig 6.1 Distinguishing between Needs, Wants, and Desires

Wishes: Wishes are stronger, may be ambitious needs or wants based on personal, emotional, and socio-psychological desires. They are personal, social status based, and passion driven.

As Sigmund Freud had put it, desires are inextricably linked to the unconscious and very often people indulge in their desire actually not just satiating a material need but fulfilling an inner emotional need that makes up your self conception of who you are or how you are socially positioned.

6.1.2 Significance for Market Validation on Understanding Consumer Behaviour

Understanding consumer behaviours is essential for firms to ensure their products are appropriate for the target population. It is important to understand decision processes and for businesses not to launch products that will flop. Market validation equates to consumer behaviour testing, or whether a product fits current needs, meets growing wants, or fulfils aspirational desires. Through collecting and decoding consumer preference, motivation and purchasing behaviour, businesses can develop better products to drive customer satisfaction that will lead the business toward very bright future. Introduction Let us discuss why understanding consumer behavior is important for market validation.

Market Creation: Firms know what is in demand (observing consumer behavior and aligning the product) without investing if no one wants it making people accept products better from the market. Demand patterns aid companies in forecasting future demand and therefore staying a step ahead of competitors. The analysis of demand will pass through the market such a way that decrease the risk of mortgage loan.

Example: Licious, an Indian fresh meat brand that perceived the need for hygienic, high-quality meat delivery and developed business ideas around people's preference for safe, hassle-free and on-time delivery of fresh meat.



Fig 6.2 Importance of Understanding Consumer Behaviour for Market Validation

Better Product Development: Consumer understanding helps the company to devise product which focuses on features, usability and design that is needed by consumers. Both companies will work with individual customers to develop solutions that meet their requirements and increase satisfaction. The well-researched product will be characterized by less rejections, and it will ensure high rate of adoption. Consumer-oriented product development leads to more customized and efficient services.

Example: Wakefit, an Indian sleep solution brand came to designing orthopaedic mattresses after conducting consumer pain points around back issues & poor-quality sleep for maximum comfort and health benefits.

Developing Effective Marketing Campaigns: A strong base of knowledge about the consumer behavior can assist an Enterprise in planning for effective marketing strategies. It's a way to craft messages that resonates with the values, dreams and emotions of a segment of consumers. This information can be useful for the organizations to identify and place their products in an appropriate manner for such target users. 1) Create brand awareness and engage through a successful marketing plan.

For example, one Indian skincare brand came up with a marketing line being toxin-free and natural in ingredients after spotting an emerging consumer trend for personal care products with organic and green credentials.

Mitigate Business Risk: Through consumer research, this reduced the risk of bringing concepts to market that would fail. Already knowing which customers like their products prevents investments in deregulated goods that nobody wants. By doing so, it helps to allocate our resources in the best way possible and improving chances of success. Less uncertainty leads to more informed decisions and better financial outcomes.

Example: In India, bike taxi company Rapido used the concept to test consumer demand for cheap, rapid urban travel before scaling up its operations and reducing the risk of failure.

Enhancing Customer Retention and Loyalty: Tracking the customers' activities allows companies to modify products according to customer preferences, which ultimately leads to long-term engagement. Customized experiences and adaptability with evolving customer needs are the keys to establishing such long-term relationships. Satisfied customers are kept and referred. A retention strategy contributes to an increased customer lifetime value and ongoing success.

Illustration: Indian lifestyle brand Chumbak launched regionally influenced designs based on its customer preferences and inspired repeat purchases and loyalty.

Consumer behaviour is also an essential element of market validation, which assists businesses in developing a market-relevant product and achieving long-term success with their marketing. Businesses can minimize risk while optimizing engagement by understanding what customers want, need and prefer. A policy of customer-driven guarantees growth in sustainability and a competitive advantage to remain up-to-date with the market.

Did You Know?



The rise in online grocery shopping in India reflects a growing consumer need for convenience, with the market set to grow at 30%

6.1.3 Theoretical Framework for Understanding Consumer Behaviour

In order to better comprehend how people behave in consumption settings several theories from psychology provide a model of how needs, wants and desires can influence the consumer's purchasing decision. Two most popular theories in applied behavior studies are Maslow's Hierarchy of Needs and Alderfer's ERG Theory, that help to understand evolution of consumer motives and its influence on purchasing.

(I) Maslow's Hierarchy of Needs

This model, developed by Abraham Maslow in 1943, outlines a five-level pyramid which maps human needs ranging from the most fundamental survival level, up to psychological and self-fulfilment levels. According to Maslow, people must satisfy lower-level needs before addressing higher ones. Within a consumer behaviour context this helps businesses to understand why people buy and design products according to different levels of consumers needs.

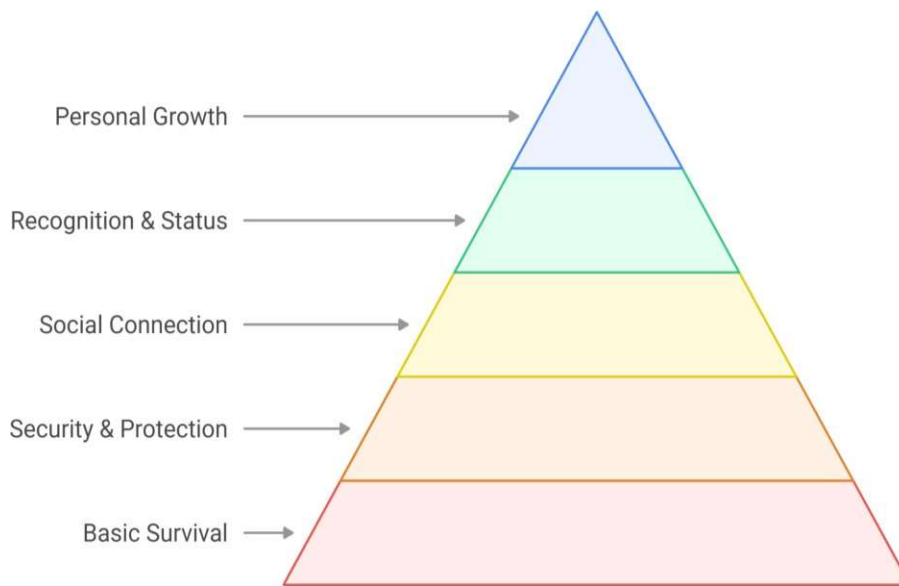


Fig 6.3 Levels of Maslow's Hierarchy in Consumer Behaviour

Maslow Hierarchy Levels as Applied in Consumer Behavior:

Physical Needs / Survival: PHYSICAL NEEDS-physical needs are those that you need to stay alive stage 2, which is all about your body! it includes things like food and water, air and shelter! This context translates into purchasing products to sustain us in the here and now. The food, health care and housing sectors companies meet this demand by delivering cheap and accessible goods. Companies serving this tier do not care about mass production, affordability or distribution because that level is happy to have the product in existence for as many people as possible. Example: A popular Indian dairy brand, Amul fulfils the basic needs of human which includes dietary needs like milk, cheese and butter in order to support and sustain millions of life people.

Safety Needs (Security and Protection): After physical needs are met, people seek security in varying forms such as economic security, protection of health, personal safety. Companies meet this need with insurance policies, home-security services and investment schemes. Consumers are in search of brands who they can trust, who will provide them with security and long-term benefits.

PolicyBazaar (insurance aggregator in India) Policy Bazaar fulfills the safety requirement of 'consumers who are looking for water is to quench their thirst' with channelizing life, health

and car insurance to consumers on a single platform in order to get economic security and prevention against any accident which might occur.

Love and Belongingness Needs (Social Connection): We all need to feel connected, belong to others, love and be loved by other people. This is the step at which people are moving from social identity towards communication and engaging in the brand. This desire is commercialized by companies as social media engagement, community strategies and products that promote a feeling of inclusion. Consumers identify with brands that make them feel part of a group, connect and include.

Example: As a world-wide social network, Facebook satisfies the need for companionship and source of identity through links which allow people to meet, interact with one another, form relations and sharing experiences; this is how businesses systems address emotional and relational aspirations.

Esteem Needs (Recognition & Status) – People buy products or services for self esteem needs as these make them feel proud of themselves and these also fulfill their ego level. This need is satisfied by luxury brands, technology and experiences providing exclusivity and status. At this level, people think about the quality, brandname and customization.

Example: The Indian jewellery brand characteristic to Tanishq meets esteem needs through indication of success, social status, and individual achievements for the clients by providing luxury gold and diamond jewellery.

And finally, at the top, we have self actualization needs (personal growth and fulfillment)—representing a desire for self-actualization experience in personal creativity and fulfillment. The human being induced by self actualization spends on education, skill enhancement, travel and health. Brands catering towards sustainability, self improvement and profound experiences fulfil the self-actualization needs.

Example: Edtech company Byju's fulfils the need on self-actualization by offering digital learning that helps a student or working professional to enhance knowledge and add value for personal growth.

Maslow's Hierarchy creates a structured picture of consumer motivations by showing how purchase decisions begin with mere necessities in life and progress to desires of self fulfillment. Companies can use the framework for adapting products and marketing strategies to address distinct consumer groups. Businesses have a greater chance to fulfil the needs at all levels and to generate long term brand loyalties while bringing satisfaction for customers".

Activity: Consumer Behaviour Analysis for Market

Select a product or service and conduct a brief consumer behaviour analysis. Identify the target audience, analyse key psychological and sociological influences, and differentiate between consumer needs, wants, and desires. Based on your findings, propose a marketing strategy to



(II) Alderfer's ERG Theory

Clayton Alderfer (1969) Extends and Simplifies the ERG Theory Maslow's five layer hierarchy of five sets needs into three: Existence, Relatedness, and Growth (ERG). The theory posits that humans can satisfy many of their needs simultaneously instead of acting with sequential behaviour. ERG Theory can be applied to the variations in consumer behaviour and its drivers.

Key Elements of ERG Theory in Consumer Behavior

Existential Needs (Survival Basics and Safety): This is about the basic needs of survival, such as food, shelter money & health. Buyers in this segment generally consider price, reliability and accessibility of replacement spare parts as the overall deciding factors. Convenience, economy and accessibility are prioritized by these providers. Example: With BigBasket (an Indian online grocery shop), get fresh vegetables, fresh fruits, spice at your doorstep.

Relatedness Needs: Social Connections & Belongingness: This is the basic requirement of a consumer for emotional connection, recognition and social acceptance. Companies with products that foster community, interaction and loyalty find success in this market. People generally prefer brands that make them associate with like-minded people or give them a recognition quotient.

Example: Cure. fit, an Indian fitness and wellness platform that has brought a community aspect by curating group workouts, live fitness sessions and health-focused social interaction leading to higher motivation and retention.

Growth Needs (Personal Development & Satisfaction): Growth needs are concerned with self-improvement, learning and personal satisfaction; that's where the customers want to develop themselves, learn new things, improve on their skills or move ahead in life. Growth companies offer learning, job skills or activities that facilitate customers achieve full potential.

Model: Indian edtech platform Unacademy addresses growth requirements with its online learning programs, mentorship drives and competitive exam preparation, enabling students to achieve academic and career success.

Alderfer's ERG Theory has implications for the study of consumer behaviour as it recognises that individuals may satisfy more than one need at any given point in time. This flexibility allows firms to satisfy a broader set of consumer motives, which translates into higher customer satisfaction. Satisfy all 3 levels of needs and companies will be able to create more personalized relationships with consumers, better products that meet life's fundamental and aspirational wants.

6.1.4 Distinction and Interrelation of Needs, Wants, and Desires Needs vs. Wants

At the very basic level of analysing customer behaviour, one has to distinguish between wants and needs. Needs are the necessities essential to survive, or fit in as a person; these include food, water and shelter. Wants are not necessary for basic survival and are often shaped by social needs or demands. The primary difference is that needs are more general while wants are particular to individuals preferences or culture.

Imagine: Each need is a fundamental need to move from one place to another – like your most basic car you drive all day, every day. However, the desire to have a car of a particular brand say some luxury car BMW or Audi type is influenced by tastes, status and ambitions. Here, the need for a car can be fulfilled by an affordable and basic version and however wanting a sport car is rather an expression of updating his/her own lifestyle.

Wants vs. Desires

If wants are preference for a product or service beyond basic needs, then desires are more intense than those with an emotional element and which might also express one’s identity, status in society or a profound aspiration. Wants are often shaped through external influences like fads, peer pressure, and personal ambition. Desires, then, cause much more intensity in comparison to wants and are satisfaction on a higher note in many aspects.

Distinction between Needs, Wants, and Desires

Aspect	Needs	Wants	Desires
Definition	Basic requirements are essential for survival.	Specific products or services that enhance comfort or quality of life.	Intense, often emotional, aspirations for products or experiences beyond basic wants.
Nature	Universal and non-negotiable.	Subjective and influenced by individual preferences and culture.	Highly emotional, driven by personal identity, status, and social influences.
Example	Food, water, shelter.	A car, branded clothing, or a smartphone.	Luxury cars, designer clothing, and exclusive experiences.
Motivation	Driven by necessity for survival.	Driven by a desire to improve comfort or lifestyle.	Driven by social status, self-fulfilment, and personal aspirations.
Impact on Consumer	Direct impact on survival and well-being.	Enhances lifestyle, but is not critical for survival.	Reflects identity, self-esteem, and aspirations.

For example, a smartphone may be represented as a desire for one specific model with specific characteristics. According, however, to such a view wanting the luxury smartphone like an Apple iPhone or Samsung Galaxy could be driven by its being the latest model in town, a social status symbol as well as reflecting a kind of lifestyle others are “envious” about. Here, desires become emotional and have to do with belonging or accomplishing something, self-image or esteem. Differentiating between needs, wants and desires are important for when

it comes to business because businesses for the most part have caught on that it's important to market towards your specific audience. Needs are generalized & fundamental; they not reversible, whereas wants are more personal & influenced by likes & dislikes as well as aspiration besides the society's influence. "Businesses that do a better job of fulfilling both people's functional, that is, functional in terms of meeting their primary as well as emotional needs, will form a stronger connection and have higher measures of brand loyalty."

6.1.5 Consumer Behaviour Implications

Understanding consumer behaviour involves trying to figure out what makes people buy. Though needs are generally universally and necessary for survival, wants and desires involve a certain depth of feelings depending upon an individual's motivation, culture, lifestyle, social nature etc. These differences are relevant not only to consumers' product perceptions, but also how they encounter brands and what they value. Finally, businesses must understand the implications of these factors on buying behaviour and how to appeal to differing depths of motivation within individuals to be able to satisfy the simplest needs through to attaining highest level desires.

Psychological and Sociological Influences

Needs are basic and fundamental essentials for life, but wants and desires are mostly influenced by psychological, sociological, cultural factors etc. One's particular psychological weakness, how one has been educated, what state of mind he or she is in at the time determines his or her perception of what wants and needs really are. Social factors including culture norms, social status, peer pressure and trends would serve in shaping more aspirational desires and linking them to the social favor.

Cultural reasons might also determine an individual's preference for a given brand of smartphone, like the one made by Apple, which is associated with innovation and social status by some.

For instance, cultural factors might drive a person's desire to own a certain brand of smartphone, such as an Apple, as it serves as a way for the individual to align themselves with the privileged social class symbolized by being at the cutting edge and having money (yet

private jets may be more associated with status or aspiration...the meaning is often enhanced by the influence wealthy people have on social perception or media representations).

Marketing Implications

Organizations need to understand the distinction between needs, wants and demands in formulating their marketing strategies. Needs are usually satisfied by final goods. it "Companies tend to highlight the providedIn component instead of giving the

most basic products or services to satisfy the customer's primary needs. Theyâ€™re typically more about utility and affordability than features.

When things become fancier in marketing, they need wants and desires. These 'segments' are the focus of organisations where they advertise to, and by branding themselves in similar terms to a range of lifestyle consumption aspirations through luxury, exclusivity is 'sold', in other words – self-actualisation. For wants the marketing and promotion will be by differentiation and adding value, for desires it is status, prestige etc.

For instance, a company such as IKEA focuses on needs through their supply of affordable furniture and home goods for everyday living. Rolex, on the other hand, positions its timepieces as status symbols and luxury statement pieces playing to fantasies of wealth and exclusivity with mentions of craftsmanship, rarity and achievement.

To successfully market their products, businesses need to satisfy the psychology and sociology of behavior. Functionality will need to be met with simple product offerings as basic needs can easily be satisfied, but the wants and desires will have to addressed beyond functionality by making a jump for consumers emotive, cultural and aspirational drives. Several distinct levels of consumer motivation underlie the marketing strategies developed to create a strong emotional link that will elicit customer loyalty.

Did You Know?



Increasing consumer spending in rural India highlights a shift in consumer wants for non-essential goods. This growing disposable income presents businesses with a key market

6.1.6 Applications in Market Segmentation

Market segmentation enables businesses to better address the diverse requirements, desires and needs of different consumer sectors. By segmenting, based on common traits, preferences and behaviours of consumers, the companies can tailor what they offer (e.g., good and services) and how they will promote themselves (marketing) based on different levels of consumer motivation. This way, companies can provide more targeted and personalized offerings to help enhance customer satisfaction and loyalty.



Fig 6.4 Applications in Market Segmentation

Needs Based Segmentation: Needs based segmentation focuses on the wants of customers. Companies reach such segments by offering products that meet basic survival or practical requirements. For instance, food, clothing and health products are available in the target market or population where they are affordable.

Example Here: Companies like Nestlé and Unilever do market segmentation based on needs. They are selling low-priced packaged food and household goods to a range of consumers, who may not be in the best place financially to buy goods.

Wants Based Segmentation: Wants based segmentation ranges from base survival to demand for particular goods of services needed for consumer comfort and quality of life. Companies

then devise unique marketing plans aimed at the tendencies for certain features, styles or conveniences. Once firms understand what it is that consumers want, they can differentiate their product or service and create an attractive value proposition.

Example: Nike divides its market by athlete type and lifestyle, providing shoes and clothing that are performance focused, style focused or both.

2.5 Segmentation According to Desire: Desire based segmentation is aimed at customers who seek to satisfy high order emotional, social or self-fulfilment needs. Products are conceived and placed for prestige, luxury and exclusive where the appeal may come to be good due aspirational pursuits or thirst of social validation. Brands at this level are competitive at the most elite end of luxury merchandising, where branding and marketing differentiate products primarily in how exclusive and unique they are.

Example: Premium brands such as Rolex and Louis Vuitton segment the market because people want status and exclusivity, these products also offer the wealthy consumer self-worth that an aspirational need yearns for.

Market segmentation enables companies to satisfy different levels of needs, wants, and desires by adjusting their marketing mix. Organizations can then loop in the consumer, and motivate additional layers of emotional connection by offering personal forms of meaningful value—such as products or services that provide relevance and value to them.

Knowledge Check 1

Choose the correct option:

1. Which of the following best describes the key difference between needs and wants?
 - A) Needs are influenced by psychological and sociological factors, while wants are universal and necessary for survival.
 - B) Needs are essential for survival, whereas wants are shaped by emotions, cultural background, and social influences.

- C) Wants are only determined by income level, while needs are not affected by cultural factors.
2. How do sociological factors influence consumer desires?
- A) They shape desires based on cultural norms, peer influence, and social status.
- B) They determine consumer preferences solely based on personal experiences.
- C) They have no impact on consumer buying behaviour and decision-making.
3. How do companies market products that cater to consumer desires rather than just needs?
- A) By emphasizing affordability and basic functionality.
- B) By using branding, advertising, and exclusivity to create emotional and aspirational appeal.
- C) By offering only essential products that serve fundamental consumer requirements.

6.2 The Role of Needs, Wants, and Desires in Identifying Business Opportunities

6.2.1 Introduction

One of the basic functions for every business is to figure out what needs, wants or desires are not being met by consumer demand in some specific market. These three are the essence of consumer behavior, and so companies that can deconstruct and focus on each of these should be able to provide the most compelling & innovative offers to their consumers. Unfulfilled wants can result in product creation, while wishes can develop brand advocacy and distinction. Additionally, meeting both need and want can lead to profitable market segments so far unexploited. Therefore, companies applying this knowledge can focus their marketing efforts and expand into new geographic areas to realize higher market growth. Finally, companies that apply this research should then be able to move their products across the marketplace more quickly.

6.2.2 Identifying and Bridging Market Gaps Through Consumer Needs, Wants, and Desires

The presence of market gaps occurs when certain needs, wants or desires are not being met by existing products and services in the market. Companies must find such gaps in the market, if they are to be able to innovate and produce offerings that meet consumer demand. Now businesses can use unmet consumer needs or desires to outmaneuver competitors and benefit from the untapped potential in the market.

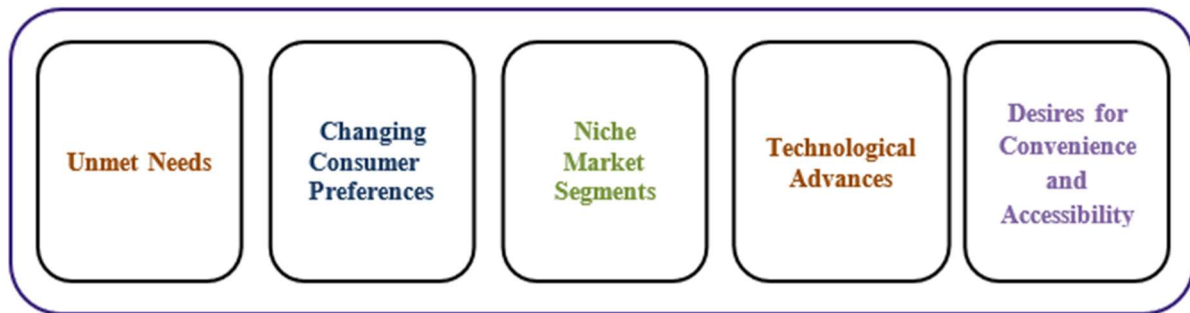


Fig 6.5 Identifying and Bridging Market Gaps Through Consumer Needs, Wants, and Desires

Market Gaps Resulting from Unmet Needs: Market gap occurs when the currently marketed products or services do not meet some of consumers' basic needs. Companies can leverage these opportunities by developing solutions to meet unsatisfied needs. Through identifying such gaps, organizations can establish a position in the market that is unparalleled and will create leading customer loyalty.

Example:1 Boat is an Indian audio brand that saw the gap in the market to produce high quality affordable audio products for budget conscious customers. Having reliable, reasonably priced earphones met unmet demand in the Indian market and attracted a tech-savvy youth audience.

Niche Market Segments: Niche market voids are places where needs or desires are not met using existing products and services. In principal, such segments often are potential with a high degree of loyalty and firms have the possibility to offer tailor made offers for individual needs. Targeting niche markets is known for its long-standing customer relations and low competition.

Example: Vahdam Teas, an Indian tea company, carved a niche for Indian premium teas and sustainably sourced teas. That's where it opened up a vacuum in the global space for new, quality Indian teas being marketed to consumers directly.

Shift in Consumer Preferences: As consumers' preference also shifts, new products can come forth to meet the gaps. Tracking these changes enables companies to develop new innovations that reflect present consumer needs. Businesses that can anticipate these changes frequently have an edge, and may offer new solutions to novel problems.

Sample: SUGAR Cosmetics has been one of India's fastest-growing beauty brands, and the need for cruelty-free vegan makeup products is only increasing. And that's how they rode the wave of ethical, sustainable beauty with vegan beauty products.

Convenience and Access: Gaps in the market could also stem from convenience or improved access. Companies can capitalize on these gaps with simpler offerings for time-strapped customers - OR simplicity of use for them. And this helps customers save themselves some time and tedium, which has a positive effect on their CX generally.

Example: HealthifyMe was one the health and fitness apps that spotted this trend in healthy services at home. This is a demand for convenience and people are looking to bring all their fitness, nutrition and mental health wellness to one platform and make it easy for them to figure out how to take care of themselves at home.

Technological Innovation: Technological innovations may make it possible for the introduction of new products or services to meet a felt need or desire. Technological innovations often

a language or currency that will create a market and then it is up to the businesses to introduce new efficiencies or scale which aren't at issue.

Example: Zerodha is an Indian stock brokerage that rode the wave of increasing demand for cheap trading options. Leveraging technology, it made the trading process easier and offered competitive pricing to cater to this hole in the market for the retail trader who wanted an easy-on-the-wallet and user friendly platform.

By finding these gaps, business organizations can understand consumer behavior more effectively and create relevant products for the audience. This is the thing, you have these gaps in markets and really identifying those and exploiting them is around innovation and having a competitive advantage in your market.

6.2.3 Driving Innovation and Product Development Through Consumer Needs, Wants, and Desires

important motivators for innovation and development. Out of this knowledge of customer demands, entrepreneurial opportunities for products that can meet needs and exploit those deeper desires/wants spring up. Needs are basic for subsistence, whereas wants are wishes for goods to achieve a better standard of living and well-being. Wants are more aspirational, towards things and people driven by emotion, social image or status. These differences assist companies to innovate in physical and emotional ways that can encourage not just the rational factors but also the emotional and cognitive aspects of consumer behaviour.

Needs are must have for sustaining life and wants luxury quality of life. If people need clean water, for example, a company can innovate by developing purification devices that are cheap and portable, which can be used in rural areas.

Desires act as the spur to invention by engaging companies in making products more comfortable, convenient or even lifestyle improvements. For instance, a customer may desire to own the most feature-packed smartphone. This incentivizes companies to churn out new models with the newest cameras, most user-friendly designs and latest technology.

I have Coal's 5 steps, which is all about empowering our powerful, connected brains with 1) Desires Inspiration: this is what makes us want to change or improve something new or existing in the world for business areas common wishes might include 'to be 'healthier', 'sexier' more successful than their competitors (and closer towards customers' hopes and dreams). When customers want to differentiate themselves, or express more of a snobbish affiliation, companies come up with premium or luxury versions of the exact same product. For example, luxury automobile makes are always

– A continuous design, technology and performance innovation -Responding to consumer demands for status & exclusivity.

By doing so, companies will be able to create new products and designs of existing ones in which it would satisfy not only the basic needs but also user's emotional and psychological wants. By understanding for needs, wants and desires are interconnected, today's businesses create great product innovations for successful offer managers of various consumer segments.

6.2.4 Aligning Targeting and Positioning with Consumer Needs, Wants, and Desires

Detailed knowledge of consumer needs, wants and desires is also treated as an exogenous demand by the firm for its TP strategy. These can inform consumer behaviour and give management teams a sense of which market segments are better developed for them to frame marketing strategies suitable for each. Targeting is about making sure that you're selling to the right people and focusing on the right products or services, while positioning focuses on how they are perceived by those target markets. So a positive approach would be to position the brand where there is an understanding of what the consumer wants and expects so that its appeal is enhanced and supported for growth.

Need Segmentation: The companies can focus on consumers whose need for the products is not met or unmet by the products currently available. There is potential for an inexpensive EV brand to serve "environmentally concerned consumers" in emerging markets, who are seeking sustainable transportation but cannot afford high-end electric vehicles. That would serve the transportation requirements of a basement-tier EV while assuaging environmental worrying.

Wants-Based Targeting : A business can recognize wants of customers and project its product position in accordance with those wants. Millennial consumers who seek organic, cruelty-free skincare products may be a target demographic for a beauty company. The brand will expand its product offerings and marketing to focus on natural ingredients and ethical sourcing, which match this type of customer's desires.

Desire Targeting: Some of these would be desire based, i.e. something which is not necessary for the consumer but a regular societal need in order to achieve a higher status / guide to their dreams intentionally. Luxury brand watches like Rolex have always attracted the more well-off folk who want nothing less than one of those highly coveted and solely specifically crafted luxurious products that scream success and prosperity.

Positioning is all about picking what segments of the market you're going after and then tying your messaging, branding, and product offerings to satisfy the needs, wants and desires of that specific segment. So companies want their product to satisfy the functionality people need, as well as some emotional connection. This type of strategic alignment enhances brand image and customer loyalty.

6.2.5 Market Expansion and Diversification: Expanding Markets by Addressing Needs, Wants, and Desires

Consumer needs, wants and desires are highly significant for a company to expand into new markets or diversify product lines (Lindquist and Melas 1957). By analyzing new trends and changes in consumer demand, businesses can detect unmet or changing needs. Expansion may also be by way of geographical expansion in other areas or a new brand product line that serves to target for different consumer segments. Diversification limits the company's exposure to a single market and product type and allows them to maximize growth. This indicates that a well-planned growth strategy can keep a company both competitive and nimble in transforming markets.

Needs Based Growth – It's All a Bunch of Hucknall: Most expansion is when a company identifies the general public have a need that is being unfulfilled.... Dabur-India Ayurvedic FMCG company identified a need for natural healthcare products around the world and has widened its range to offer consumers the benefits of holistic wellbeing in international markets.

Diversification by Needs: Companies introduce new products to meet new demands. boAt, an Indian audio accessories brand, began with earphones but also expanded to smartwatches and wearables as consumer demand for fitness-tracking devices rose, helping it tap into a wider customer base.

Aspirational Diversification Adopted: Firms use consumer aspiration to come out with premium or niche products. The Indian motorcycle brand Royal Enfield grew out of plain old wartime surplus,² Eicher Motors made commercial vehicles and tractors.

commuter bikes to high-end, high-performance motorcycles that will provide adventure seekers with tough, long distance riding experiences as this aspiration grows.

With this kind of growth and diversification, companies set themselves up for long-term sustainability – all while keeping pace with the competition.

6.2.6 Pricing and Value Proposition: Pricing Strategies Aligned with Consumer Needs, Wants, and Desires

Understanding the needs wants and desires of consumers is how firms can develop Strategic Pricing Frameworks that are aligned with perceived value. Shop essentials such as baby diapers at competitive prices at the lowest or discounted prices to meet basic needs, and premium price strategies are used for products that are associated with aspirational desires where exclusivity, luxury and prestige play a significant role in determining whether to buy. When a company is able to link its pricing to consumer psychology, it establishes itself as having strong brand positioning and/or customer loyalty. Value from perceived functionality, branding or emotional value directly impacts consumers' willingness to pay.



Fig 6.6 Pricing Strategies Aligned with Consumer Needs, Wants, and Desires

Priced to Need: Firms use competitive pricing or “economizing” on what are regarded as necessities. 2) Mother Dairy: An Indian dairy brand which keeps its milk & dairy products price in such a manner to target customers who are mass market, daily essential and nutrition product consumers.

Pricing for Want: Mid range destination charging strategies settings can be set for product that have best features or brand appeal, etc. (Indian cloud kitchen brand) Rebel Foods quick and gourmet meal brands are priced more affordably with tastier meals made available at ease while consumers wants the same quality of restaurant-style meals in home.

Pricing for Desires: In the case of aspirational products and luxury items where status/prestige and exclusivity are key factors, you have the price applied by way of premium. Hazoorilal Legacy, an Indian high-end jeweller is establishing itself as a costlyetlicate and that too beside its illustrious list of clientele.

brand that has its fine jewellery pieces made with the finest gold and exquisite diamonds for consumers who consider high price-pointed jewellery under luxury, heritage and status.

In this way, when pricing strategies are in harmony with the psychological underpinnings of consumer behaviour, businesses are better placed to communicate their value proposition and deliver higher levels of customer satisfaction.

6.2.7 Aligning Business Strategies with Consumer Desires for Sustainability Sustainability and Ethical Considerations

Consumers in the contemporary markets are becoming more and more sensitive to sustainability and ethical business activities. These changing attitudes have a significant impact on purchase decisions, so it's incumbent upon companies to leverage their own environmental and social responsibility-seeking behaviour. These shifting consumer expectations will open up new opportunities for businesses to build trust and set themselves apart from their competitors. Sustainability is more than an expression of corporate social responsibility, it's a strategic tactic that will lead to successful innovation, customer loyalty and long-term profits.

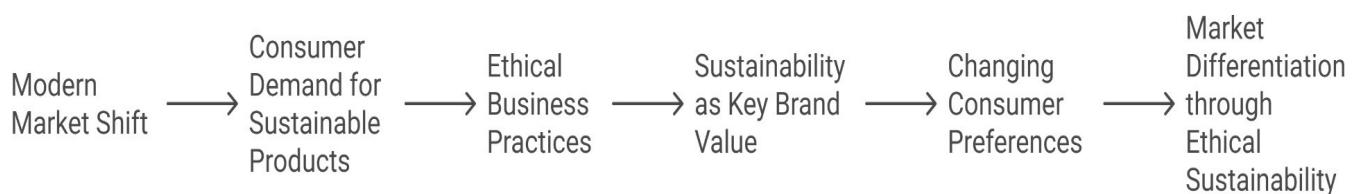


Fig 6.7 Aligning Business Strategies with Consumer Desires for Sustainability

The Supporting Consumer Demand for Sustainable Products: Growing consumer awareness of environmental and ethical issues is driving demand for sustainable products. Companies that cater

to those desires by providing products that are environmentally-friendly, or ethically-produced can create this purchasing loyalty amongst its customers. Sustainability is now a mass market consumer expectation, not a niche trend.

eg: Beco is among the first home and personal care brands capitalising on India's growing preference for sustainable products. Its range of household,ogenic and ecofriendly products seem to resonate well with thewokeconsumerandyes, Beco is now a pretty strong

brand with a growing fan base thereby setting some benchmarks in India's green product market.

Competitive Advantage of Ethical Business Practices: Corporations that integrate ethical in their business can stand out in the market place, particularly for the ethical consumer would recognize social responsibility as a critical point. It is no wonder that the social conscious customer values a brand with ethical sourcing, fair wages and transparency in operations. By corporations adopting such measures they give themselves a competitive edge in an environment where consumers are becoming more and more ethical. Example: Tata Group is known to be a company that has its focus placed firmly on ethicality and responsible business behaviour, echoing their concern for the environment, ethical sourcing policies, and the well being of communities. Group has not only helped the company become synonymous with high ethical standards that people can trust, but also that this culture has established it as a brand with values that consumers can connect with and which will work to help grow its loyal customer base even more who appreciate what the brand stands for.

Sustainable as a central brand value: Brands that demonstrate sustainability as one of their core values and mission, appeal to consumers who care about the environment but also shop according to their values. This also results in a strong emotional connection with customers for whom purchases represent an expression of values. A lot of these brands also tend to form deep rooted connections with consumers, who have shared values.

Example: Sustainability is embedded in IKEA's business model, which focuses on renewables, waste reduction and energy efficiency. The company's dedication to the conservation and preservation of the environment is embraced readily by the eco-friendly consumer who buys our products and becomes an advocate of your brand. The company is seen as a vanguard in the push to make home goods accessible and sustainable.

Evolving Consumer Preferences For Ethical Brands: The buying habits of consumers are shifting as they desire for ethically made and sustainable products. Business that fails to recognize this shift do so at their peril – consumers are increasingly making purchasing decisions based on the ethical position of a brand.

But ethical concerns go far beyond product quality, and many purchasers actively shun brands that do not align with their moral principles.

For Example: Forest Essentials, a luxury ayurveda brand focuses on its ethical model of sourcing natural, cruelty-free ingredients sustainably. Its eco-sensitive production, social responsibility in commerce and a customer base that cares about the ethics of what they consume are some of its strengths.

Market Differentiation via Ethically Sustainable Activities: With these crowded markets, those firms that have separated themselves are able to recognize a unique value position, especially with consumers who hold higher aspirations towards being irresponsible for their behavior to the environment. Companies which found themselves in such situations often command premium prices and receive brand loyalty.

For example, which brand like The Body Shop which build their brand personality based on ethical operation and sustainability where all its products are non-animal tested and earth-friendly. This robust ethical positioning supports the brand in leveraging a distinctiveness, even more considering it need to aimed at beauty market also in an environmentally resonant and socially responsible way. The Body Shop's commitment gives it customers who might view a purchase as an assertion of their values.

Sustainability and ethical considerations are NOT ANYMORE a 'nice-to-have' if companies want to remain relevant in this very customer centric market. If values-driven companies can be a proactive catalyst for sustainable innovation, clean sourcing, waste reduction and integrity in the business model — they are well positioned to build long-standing customer relationships while unlocking new avenues of growth. And it can be a way for businesses to both save the planet and turn a profit over time.

Did You Know?



Sustainability and customisation are becoming key drivers, especially among younger generations, who also prioritise experiences over

6.3 Summary

- ❖ It is crucial for companies to be knowledgeable about consumers' behaviour in order to validate market opportunities and take the right decisions.

- ❖ Needs are based on physiological requirements of an individual, wants have a cultural orientation and desires reflect the aspiration as consumer which impact purchase behaviour.

- ❖ Psychological Theories like Maslow's Hierarchy of Needs and Alderfer's ERG Theory are utilized in business to assess the needs that drive consumers.

- ❖ Market validation enables companies to verify that they cater to what the consumer wants and risk failure.

- ❖ Consumer insights drive new product innovation, effective marketing strategies and ongoing consumer loyalty.

- ❖ Needs, wants & desires segmentation helps a business to target specific types of customers.

- ❖ Identification and bridging of market voids enable companies to forge differentiated benefits and steal competitive march on others.

- ❖ Pricing patterns could operate along with consumer psychology, i.e., affordable for needs and exclusive mode for desires.

- ❖ Current consumers are driven by sustainability and ethical business practices impacting their stated preferences and brand experiences.

- ❖ Enterprise organizations with the aid of digital tools can analyze consumer patterns and forecast in-fashion with tailored marketing.

- ❖ A case on BigBasket which became successful due to consumer insight and reaction.

6.4 Key Terms

Market Validation: It's how it verifies if the product is fulfilling any need of the consumer and people are looking for it or not. Business risks are minimized and the product is fit for the target market.

Consumer Behavior: How people buy and what makes them buy, including psychology, social environment and economic factors. The businesses use it in the manufacturing and marketing of their products.

Value Proposition: What benefits a product or service would provide to customers? A strong value proposition is what makes a brand unique and influences the buying decision.

Green marketing It incorporates sustainability into the marketing movement. Companies leverage it to appeal conscious consumers and gain brand credibility with long-term commitment.

Market Segmentation: It is the dividing of consumers into distinct groups based on their behaviour, demographic or preference. It is useful for business in successful market and product positioning.

Maslow's Hierarchy of Needs: A theory of motivation that divides human needs into five levels, from basic needs for survival to self-actualization. Businesses employ it to uncover the reasons behind purchases.

Product Positioning: It is the way customers perceive a product in comparison to competitors. It is all about positioning what makes you unique (and valuable) in front of the people who care.

6.5 Descriptive Questions

Consumers' needs, wants and demands; Difference between each with examples, and the role of marketers to know these differences.

What is market validation? How does it help companies mitigate the risk of failure before a product or service is brought to market?

How Maslow's Need Hierarchy Influences Consumer Purchasing Behaviour And How Do Companies Use Product Positioning Based On It?

Why is segmentation important for any firm, and how does segmenting consumers into differing segments improve the effectiveness of marketing?

What is the role of product development and market insights alignment to determine customer satisfaction and sales potential?

How firms use pricing to manage demands when consumer needs, wants and desires are distinguished; what implication does this have for consumers behaviour towards purchasing?

Why is sustainability and ethics becoming more important in the minds of consumers, and what can brands do to respond to this trend?

How do businesses leverage digital tools and technologies to interpret customer behavior, forecast trends, and tailor their advertising?

What is BigBasket's learn from their consumer's behaviour study? And how did it help them lead the competition?

6.6 References

1. Levine, U. (2023). Fall in love with the problem, not the solution: A handbook for entrepreneurs.
2. Sinek, S. (2009). Start with why: How great leaders inspire everyone to take action.
3. Khanna, A. (2024). Ain't no EUREKA: Your idea for an enterprise journey.
4. Ahuja, S. (2022). Daily coffee and start-up fundraising.
5. Mason, H., & Mattin, D. (2015). Trend-driven innovation: Beat accelerating customer expectations. Wiley.
6. Osterwalder, A., & Pigneur, Y. (2010). Business model generation: A handbook for visionaries, game changers, and challengers. Wiley.
7. Berger, J. (2013). Contagious: How to build word of mouth in the digital age. Simon & Schuster.
8. Rothman, R. (2017). Master opportunity and make it big.

Answers to Knowledge Check

Knowledge Check 1

- 1: B) Needs are essential for survival, whereas wants are shaped by emotions, cultural background, and social influences.
- 2: A) They shape desires based on cultural norms, peer influence, and social status.
- 3: B) By using branding, advertising, and exclusivity to create emotional and aspirational appeal.
- 4: A) Because desires are based on prestige, status, and exclusivity rather than functionality.

6.7 Case Study

Understanding Competitive Advantage

The Case of BigBasket Introduction

Consumer behaviour is one of the most important aspects that companies strive to satisfy in a competitive market. Research on consumer behaviour explores the need, want and demand aspects which potentially trigger new opportunities for the market. Proper distinction and utilization of these components would help a company to not only identify new markets but also create particular items and services suitable for the needs of that particular target audience. This case discusses how BigBasket, India's largest e-grocery platform, codified consumer 'needs' and 'wants' to lay down its market strategy and remain relevant.

Background

BigBasket, which was founded in 2011, upended grocery shopping in India, making it easy to order items like fresh fruit and vegetables as well as household staples online. BigBasket had to be up to speed with the increasing diversity in consumer behaviour patterns amidst rapid growth of the Indian ecommerce market. For this kind of organization, the success comes primarily from what does actually know and not in what a product market needs, wants and would like to get. In answering calls for convenience and hitting on aspirations around premium quality, the ability to offer fresh groceries gave BigBasket a shelf presence in an ultracompetitive market.

The problem was, BigBasket had competition in Grofers, Amazon Pantry and local Kirana stores that were vying for the same set of customers. BigBasket was different, as they catered to the need and wants and desires of the consumers, it just went boom from there.

Problem 1: Basic Needs Fulfilling (How much would be the Minimum Grocery Requirement)

Problem: The urban consumer's basic grocery need—vegetables, grains, dairy and more were something BigBasket had to cater for. Regular grocers would have taken much longer and BigBasket needed it to be available for products, price parity and a guaranteed delivery mechanism for these essentials now running against other online as well as offline grocers.

Solution:

- Enhanced supply chain by BigBasket leading to better stocking and timely deliveries.
- It brought price matching to bear on protecting its competitiveness with offline stores.
- The company also made sure that they provided a lot of bulk buying for regular buyers to earn loyalty.

Issue 2: Dealing with Desires (Convenience and Time-Saving)

Customers were becoming more and more used to the ease in shopping which was slowly turning into a Basic necessity with an expectation of faster and easy solutions. This required an advancement to the BigBasket platform, wherein it became faster and saved customers' time for more than just meeting their needs, i.e., seamless order-to-delivery service, flexibility and user-friendly ordering options that catered to individual consumer demand.

Solution:

- BigBasket launched an improved mobile app with a smoother user interface, to help speed the customer's checkout.
- It also rolled out same-day delivery and scheduled delivery offerings to meet the time-sensitive needs of customers.

subscription and regular deliveries, such as weekly grocery boxes was introduced to make the process convenient.

Problem 3: Tapping Into Desires. Premium and Organic Products

BigBasket had to embrace that rising expectation for premium, organic and sustainable products. While the average consumer may be seeking affordable groceries, many would like

premium organic or ethically sourced ones, a category that BigBasket could still curate but which will need finding the right blend of price sensitivity and sourcing strategy.

Solution

- BigBasket diversified the product portfolio with organic materials and created premium products as a function of quality and sustainability.
- Teamed up with organic farms and suppliers nearby to guarantee fresh, quality products.
- BigBasket launched a premium membership program that included exclusive and personalized offerings in response to the demand for premium-quality grocery products.

Reflective Questions:

What was unique about BigBasket(away from the competition) in terms of listening to reading and responding to target customers needs,wants,intrests etc?

Where else could BigBasket tap on to the consumer aspiration for venturing into new categories and expand its product portfolio?

How did technology evolution contribute with the mix of needs, wants and demands for the consumers to (a) get met or (b) not?

Conclusion

BigBasket: Consumer needs, wants and desires A tale of success Big basket affirms the significance of studying the behavior of consumers to recognise their differentiating features in terms of what they consume. By taking strategic actions to confront these dynamics, the company has been able to serve homebodies and seekers of new experiences alike, earning a loyal following. This case report supports that companies can diversify new solutions further

from customer insight to strengthen market position and keep competitive advantages over a dynamically evolving market. This quandary is best solved by those who grasp and optimize for the evolving nature of consumer shopping behavior - thus unlocking new opportunities for business to thrive.

Entrepreneurship and Family Business 101 Unit 7_V3 (1).docx

 Entrepreneurship and Family Business_MBA_1

 Entrepreneurship and Family Business_MBA_1

 ATLAS SkillTech University

Document Details

Submission ID

trn:oid::3618:127126882

42 Pages

Submission Date

Jan 29, 2026, 6:29 PM GMT+5:30

11,836 Words

Download Date

Jan 29, 2026, 6:33 PM GMT+5:30

66,134 Characters

File Name

Entrepreneurship and Family Business 101 Unit 7_V3 (1).docx

File Size

663.4 KB

*% detected as AI

AI detection includes the possibility of false positives. Although some text in this submission is likely AI generated, scores below the 20% threshold are not surfaced because they have a higher likelihood of false positives.

Caution: Review required.

It is essential to understand the limitations of AI detection before making decisions about a student's work. We encourage you to learn more about Turnitin's AI detection capabilities before using the tool.

Disclaimer

Our AI writing assessment is designed to help educators identify text that might be prepared by a generative AI tool. Our AI writing assessment may not always be accurate (i.e., our AI models may produce either false positive results or false negative results), so it should not be used as the sole basis for adverse actions against a student. It takes further scrutiny and human judgment in conjunction with an organization's application of its specific academic policies to determine whether any academic misconduct has occurred.

Frequently Asked Questions

How should I interpret Turnitin's AI writing percentage and false positives?

The percentage shown in the AI writing report is the amount of qualifying text within the submission that Turnitin's AI writing detection model determines was either likely AI-generated text from a large-language model or likely AI-generated text that was likely revised using an AI paraphrase tool or word spinner.

False positives (incorrectly flagging human-written text as AI-generated) are a possibility in AI models.

AI detection scores under 20%, which we do not surface in new reports, have a higher likelihood of false positives. To reduce the likelihood of misinterpretation, no score or highlights are attributed and are indicated with an asterisk in the report (*%).

The AI writing percentage should not be the sole basis to determine whether misconduct has occurred. The reviewer/instructor should use the percentage as a means to start a formative conversation with their student and/or use it to examine the submitted assignment in accordance with their school's policies.



What does 'qualifying text' mean?

Our model only processes qualifying text in the form of long-form writing. Long-form writing means individual sentences contained in paragraphs that make up a longer piece of written work, such as an essay, a dissertation, or an article, etc. Qualifying text that has been determined to be likely AI-generated will be highlighted in cyan in the submission, and likely AI-generated and then likely AI-paraphrased will be highlighted purple.

Non-qualifying text, such as bullet points, annotated bibliographies, etc., will not be processed and can create disparity between the submission highlights and the percentage shown.

Unit 7: Crafting a Compelling Brand Story

Learning Objectives

1. Learners will be able to recognize consumer needs, wants and desires to create a relevant brand story.
2. Students will gain experience on how to analyze consumer insights and integrate them into the creation of a story for a brand.
3. Learners will be able to understand the concept of creating a real and appealing brand story that resonates with the target audience.
4. Learners will learn how to communicate a brand's story effectively, which, in turn, will improve the identity and loyalty of the brand.

Content

- 7.0 Introductory Caselet
- 7.1 Techniques for Uncovering Consumer Needs, Wants, and Desires
- 7.2 Creating and Communicating a Brand Story
- 7.3 Summary
- 7.4 Key Terms
- 7.5 Descriptive Questions
- 7.6 References
- 7.7 Case Study

7.0 Introductory Caselet

“From Utility to Emotion: How Kartik’s Footwear Brand Grew”

Kartik – A young and energetic entrepreneur from Pune, entering into footwear industry for a long time. He was a co-founder of the firm he headed, StrideX, which manufactured inexpensive and long-lasting sports shoes for the middle class. “They’ve got better traction, they’re more comfortable and they’re cheaper,” he said, but sales have been flat. Yet, for a product sooo (I mean so far waaay WAY!) away.. over that of Kartik’s, and Kartik wouldn’t be able to achieve the kind of focus on its target audience that is needed to achieve brand retention.

The young athlete enters a college sports game and the players accost Kartik, who notices something interesting: These kids don’t buy shoes to run in; they buy into a story, an identity, a lifestyle. And while his company touts itself as built to last, industry leaders are all about aspiration, confidence and self-expression. Stories are what sell, he knows; not that function isn’t going to sell.

Now Kartik and company are facing the existential question: How will we build a brand story that subliminally touches consumers’ hearts? So, what will it take for him to elevate himself from selling durability in a shoe and help StrideX become a shorthand symbol of aspiration and resilience?

Now comes stock brand storytelling and brands are forced to do the deeper – or in-heart of – what consumers want (functional benefits) and even need / secret yearning for/ seeks beyond a product, who they are, aspire to become, express themselves as people with identity / aspiration /self-expression to establish an authentic emotional bond.

Critical Thinking Question

How can Kartik re-shape StrideX’s brand story to make it emotional and powerful rather than simply another piece of software explainer?7.1 Techniques for Revealing Consumer Needs, Wants and Desires

7.1.1 Introduction

Insight is not enough As the as fuck-off business of now, If you know what consumers needs, wants and desires are it just AIN'T ENOUGH. "The brands need to break down why these customers are buying, the emotion and logic involved, and replicate it," she says. It's the act of collecting consumer opinion, itself, that's about helping brands anticipate shifts in the way consumers are thinking — and not just aligning messages around them, but really understanding how you develop something that we believe to be an authentic relationship with your customers.

Peeling back the skins of your target to deliver a lovely brand idea that makes meaningful connections is key. There's something magical about a brand narrative rooted in deep consumer insights A magic that triggers emotional connection, trust and edge over competition. Whether it's through research, data analysis, or getting to consumers on an intimate level they are the grandmasters of insight-gathering and can build a story around that and connect it with the values, dreams and frustrations of their audience who will then reward them with loyalty and cash.

7.1.2 The Relevance of Consumer Research for Brand Storytelling

You know because the consumer insight is at the centre of this in writing your brand story and what it needs to be, is a bloody story that's not inspired by anything else but consumers inspired by something so true about their lives, hopes and wants, it can leave them in despair! This is the way you or your company have reached this data-driven point of view in the first place: by looking at your displays of data. Here are some of the reasons why storytelling is enhanced by consumer insights:

Classy: You want stories of actual humans? it can give brands something to grab onto that is about consumers' actual experience/issues, and in some cases, emotions etc., so that they tell the 'that's for me feel' story too. The Brands that bring out emotion is the one which paint in their communication, consumer's exact pain points, sometimes dreams. And that's when truth manages to actualize — when you see the brand as firmly rooted in some genuine and not just commercial reality. With a genuine brand story - one rooted firmly in the truth - trust and loyalty are established for the long-haul.

Sample FabIndia: This Indian ethnic retail brand is telling the stories of rural artisans through, making its customers part of a traditional heritage that has been shattered. By

employing these stories in their marketing, FabIndia says that it is making a positive social impact, and thus appealing to people who are looking to support sustainable, handmade fashion.

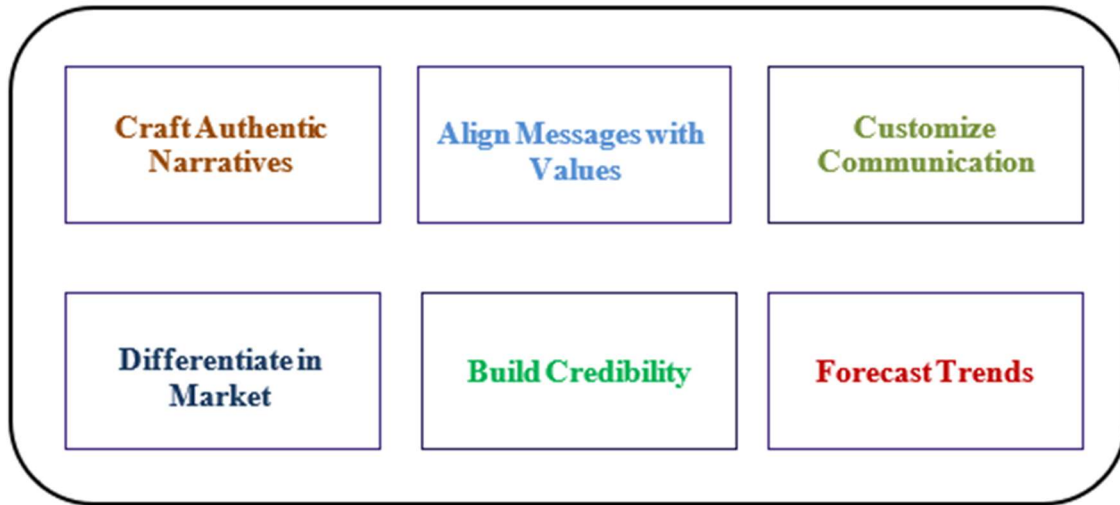


Fig 7.1 The Role of Consumer Research in Shaping Brand Storytelling

Personal Value Alignment: When it comes to brand loyalty, nothing resonates quite like personal values which tell you that the brand resonates with your belief system are what drive most people’s commitment to particular brands. Research can help it find those values to the sustainability or affordability stuff or however the hell elses all-inclusiveness- and tie that storytelling into a tighter, truer story about credibility and emotional impact. And a brand can only do the best it can to represent those virtues when that buyers are able to see and feel those same virtues.

The Tata Tea’s Jaago Re campaign worked well with consumers, as they began waking up to social issues like corruption, voting rights and making the brand transcend being a kitschy tea bag. Its product trustProduct Trust some in tata the of their it and a when people because in a something it, could them that tea TATA able to make wide brand was wiserBy those had.

Result in more Personalization and Meaningful Communication: What motivates you doesn’t really motivate me, and research can help brand create personalized messages that are relevant to each sub-segment. On the contrary, personalizing allows the customers to be heard and increase their engagement and sense of belonging with the brand. By drilling down into consumer behavior, brands can send ads and personalized emails and promotions that align with these warring tastes. PersonalReIdng leadsto raöer hopping cart conversions 4 greater tion^termlong "tyme.

Example: Nykaa personalizes beauty advisories against a varied set of users network that could be students, professionals and skin care dieters through targeted advertising proposals and product ads. Based on the history of purchase and user behavior,

we love when it is the opposite: we don't believe in taking your shopping experience to such great lengths---which is why when you shop through us, each and every product that "adds to cart" on this site does well as a gift? maybe.

How It is The Best: Competitiveness of a brand depends on the way it analyses consumer requirements. Consumer insight can offer what's not present in competitive offerings AND, tell a story unique enough to matter for the brand. It's a story, anytime a brand can have its own story it will add value in the marketplace. It attract customer and pull towards purchase as well also to retain even longer span of period, ice brick branding itself uniqueness in highly competitive market territory. Illustration: Paper Boat cut through a crowded beverages market with nostalgia-inducing storytelling that took consumers back to childhood drinks such as Aam Panna and Jaljeera. Rather than trying to compete with the mass-market soft drink brands, Paper Boat won over consumers' hearts by bringing back memories of home and became part of the market.

Building Trust: People trust a brand when they see the brand understands what is of importance to them and can deliver. The research gives brands a chance to construct honest, real stories that resonate with what consumers want. What is new when we speak of a narrative's freshness? Those (brands) that are open to what their customers have to say, and then communicate in a way in response to that feedback through this idea of giving up control, instill trust (with consumers), who then become more loyal and also advocates.

Sample: Mamaearth established some credibility by mentioning its natural, chemical free beauty products that resonated with the trend of moving into chemical free skincare. By consistently reinforcing the brands claim of being safe, toxic free, natural ingredients through consumer reviews, third party validation Mamaearth began to gain credibility as a beauty brand.

Anticipating and Responding to Upcoming Consumer Shifts: With consumer expectations and trends constantly shifting, brands must anticipate what's new to keep pace. Data-driven insights help companies to monitor changing needs and pivot their storytelling. With a speed of storytelling innovation, brands are still operating in fast-paced markets. Stirring up and riding trends will help keep a brand message fresh, attractive and - to a great extent through being relevant - growing.

Example: boAt was a decent earphone brand, but updated the story of their branding according to India's fitness and gaming reliance which is why they introduced it in both smartwatch & gaming headphones department. It was on the back of

lifestyle and consumer habits on which it has a diversified product portfolio to build brand equity beyond being an audio accessory.

Consumer research plays a key part in the role of brand narrative. It fails to understand real customer emotions, needs and culture insights which resonate with its audience here”. “By using real consumer data, brands can begin to tell more authentic stories for confidence, engagement and difference in this evermore crowded market

Did You Know?



“Psychologist Jerome Bruner found that messages conveyed through stories have a 22 times greater likelihood of being remembered than those communicated through facts and numbers.”

7.1.3 Primary Research Techniques Introduction to Primary Research Techniques

Primary data collection techniques are considered as the best approaches for companies to gather feedback from consumers themselves. Unlike secondary research, which depends largely on previously existing information, primary research provides a depth and context for user behavior, preferences and expectations that simply can't be achieved any other way.” These strategies allows brands to spot unmet needs, iterate product playbooks, construct a customized marketing plan and implement consumer-centric innovation.

Utilize a combination of structured and unstructured data gathering to drive these businesses based on real, live customer feedback instead of assumptions. From asking direct questions to observing behaviours, they help companies reveal consumer pain points, anticipate where the market may be heading and identify new opportunities for brands to interact with consumers. Without further ado, here are the 9 most important primary research methods businesses can use to find out what people need, want and desire: 1. Surveys Participants of a survey answer a series of questions associated with the product or service being tested.

Surveys & Questionnaires – The Collection of Structured Input

Questionnaires and questionnaires If there are still one type of quantitative research that companies use to obtain a structured response from hundreds/thousands of people at once, it is the survey or questionnaire. They are available in the format of multiple-choice questions, Likert scales or open-ended creation clocked item.

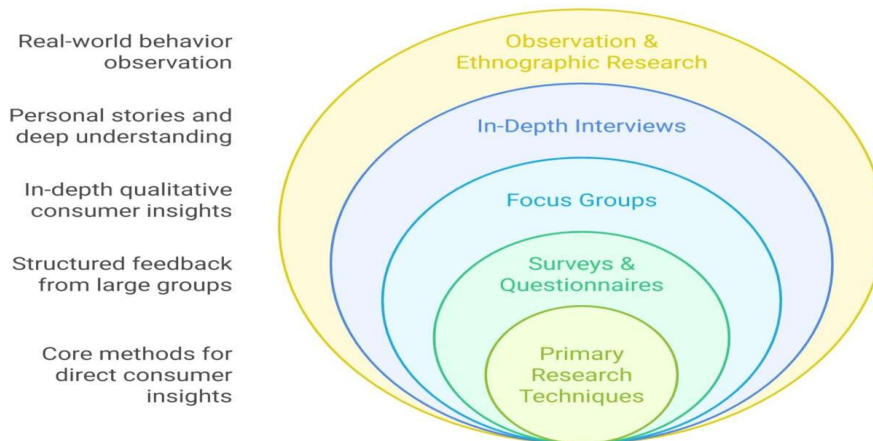


Fig 7.2 Primary Research Techniques

close-ended question that were aimed at seeking to know customer's preference, satisfaction and purchasing behavior.

Key benefits are:

- Measuring consumer preference and brand sentiment.
- Discover new trends, by looking at these masses of submissions.
- How customer is segmented based on demographics and purchases.

Example: BlueStone an Online Jewelry Brand uses surveys to understand the jewelry purchasing trend among contemporary buyers. These comprise design preference, purity of gold and price target, the time of purchase (wedding, gifting), etc. This study enables the brand to provide personalized collections and enhance customer satisfaction.

Focus Groups - Getting Inside the Minds of the Consumer, A Qualitative Tool

Focus groups are moderated discussions conducted to tap consumers' opinions on a product, service or advertising/promotion. Whereas a survey is all about numbers, focus groups give you all kinds of information about what is making people feel, think and do as they do.

Key benefits are:

- Understanding how consumers perceive your product and services before it's launched.
- What Are The Emotional Buying Trigger?
- Get a qualitative feedback via the discussion.

Illustration – Sleepy Owl (Cold brew coffee brand) When they were about to launch a new Coffee Flavor, they did focus group with the urban professionals and students on how Flavours, Packaging, How much fluidity of Caffeine in cold brew, Pricing etc. All of that was crucial for the brand to be able to continue improving the product while crafting the correct marketing message around it.

Deep-dive interviews – Getting Personal.

Deep interviews are one-on-one discussions about the life experiences, feelings and expectations of participants by both researchers and consumers. It is a learning tool that can go long way in helping us better understand brand loyalty, customer frustrations and decision to purchase.

Key benefits are:

Deep understanding of consumer emotions.

- Understanding of the factors that are personal and impact purchase behavior.
- Develop narratives that encapsulate the branding.

Illustration: Curefoods, a Cloud kitchen startup spoke to working professionals about meal ordering habits, preferences and pain points for food delivery. They came across the notion of a high-protein meal plan and guilt-free snack options for health will products that way.

Observation & Ethnography – See What’s Actually Happening

Instead of just asking people questions about what they do, observational research looks at what consumers are actually doing in real-world settings. It’s a more hardcore way of observational research that goes into the wild, so to speak: Researchers actually get inside customers’ lives and observe how they live in relation to a product or service or brand.

Key benefits are:

- Be on the lookout for what may be an unspoken need from a customer.
- Understand how environment and context factor heavily into a purchase decision.
- Explore cultural and regional definitions of war.

Take quirky lifestyle brand Chumbak for example – which kept track of how consumers at its stores were behaving and engaging with other products. “There’s a love from consumers for personalised gifts” and by offering a customization service for phone cases, bags and notebooks their sales “grew off the back of this insight”.

Mystery Shopping – Assessing the Quality of Customer Service

Mystery Shopping involves sending trained individuals to the store or service of a brand on regular basis. Considered by a real customers perspective, such an approach enables organizations to monitor their staff's performance, quality of customer service as well as the quality of product.

Key benefits are:

- Identify the service delivery failure and operational problems.
- Comparing customer experiences against competitors.
- Discover the truth about what consumers are asking for in-store or online.

Sportswear retailer Decathlon, for instance, used this approach in the past to measure in-store navigation, staff engagement and check out experience. The feedback resulted in the installation of self-checkout kiosks and better signage in a bid to make the store easier to navigate.

Diary Studies – Capturing over-time insights from customers

Diary studies involve users writing day-to-day notes of their experiences, feelings and events involving a product or service. This way, they get long-term tracking so that companies can see how tastes are changing but also information on brand loyalty and habit formation.

Key benefits are:

- Following the spots of pain as they come and go from month to month.

How frequency of use influences satisfaction.

- Access to true, unadulterated consumer stories at your fingertips.

Example: An online fashion e-commerce platform Myntra, which is similar to Myntra. For the last month, Myntra has been getting its regular customers to track their purchases and record details of product satisfaction levels, shipping times and ease in site navigation.

return procedures. They improved their recommendation engine and logistics strategy based on these findings.

Prototype Testing - Getting Users Feedback Before Going Online

Testing the prototype Prototype testing is essentially when you show the beta version of your product or service to a handful of customers and collect feedback before launch. Perhaps this way of working is highly familiar in Tech, FMCG and consumer goods.

Key benefits are:

- To find out any design errors before mass production.
- Getting input for making the product more user-friendly.

F. The Mitigation of Market Failure It serves to reduce the likelihood of market failure."

Noise The Smart wearables company literally sent prototypes of its next smartwatch to fitness influencers and tech reviewers before the product even went live! Noise applied last few tweaks by ironing out the feedback on UI navigation, battery life and sensor accuracy.

Primary research methods provide a brand with direct access to valuable real-time insights on what people need, want and dream about. Whether is survey, focus groups, in-depth interview or observational studies, every kind of research has its own methodology to gather data for the purpose of making business decision. Pulling together a combination of techniques allows brands to create robust consumer insights that will inform the direction of future product development, customer experience and strategy.

Did You Know?



“Storytelling on packaging triggers emotional responses, helping consumers form deeper connections with brands. Narrative-driven packaging can boost brand loyalty and purchase intent, as

7.1.4 Secondary Research and Digital Insights

Secondary research / digital insights: Businesses predict customer behaviour, market trends, competition in markets space or businesses predict that a consumer may start looking for an alternative product/brand online without directly communicating with the consumers rely on secondary research as well as digital (secondary) insights. Primary research collects data not already in digital format, while secondary research makes use of information already written digitally.

and web as well as industry reports. So Businesses on analysis, can modify strategies or rephrase their offer or make amends for customer interaction. It’s awesome for trend scanning, brand mapping and evidence-based decision making.

Social Media Listening and Sentiment Analysis: Social media = consumer sentiment, preferences, and bitching. Brands are able to track conversation, hashtags and mentions of their products or services. These sentiment analysis applications enable an organization to determine whether the voice of the consumer is for or against them and what subsequent actions should be taken. If brands know why their customers are excited or frustrated, they can also be more proactive in addressing any issues.

Sample: The Indian skincare brand, Minimalist takes the age-old social media talks that take place around beauty and ramp those up all the way down to the granular level where consumers are talking about their skin care mentioning that they need more of 'x active ingredient'. Though answering questions and teaching followers is the main way in which they have built out a strong, distinct brand that users can buy into on Instagram and Twitter, I Wish They'd Taught Me is also a business that already speaks to active shoppers.

Competitor Consumer Forums & Reviews: Third party review websites and forums are a treasure trove of data on what consumers like and don't about you or your competitors. Kickboxing reviews allow business to find pain points, unearthed improvements and market voids. Forums, message boards and e-commerce reviews also work to help brands benchmark against what consumers expect from them and their competitors. All that information is gold dust for improving product features, pricing strategy and customer service experience.

Example: Ayurveda personal care brand Vilvah reviewed customer reviews of rival products on online portals. What they found was a lot of them were dissatisfied with chemical shampoo and that's when they explore the possibility of sulphate free goat milk shampoo to cater to an existing need.

Web and App Usage Data: The measuring of what people look at on a website, or in the context of mobile applications, is an effective means to interpret consumer behaviour, desires and purchase behaviour. All of what users are doing online is driven by heat maps, clicks through rates, bounce rates and session duration. On this basis, the design of the websites is optimized for a better customer experience and their product recommendations are improved. A/B testing is what companies do to determine what components are more likely to be engaging as well as would contribute in the conversation.

Example: Furlenco, a start-up which provides furniture rentals redesigned its website based on heatmap analytics. They learned that potential customers were abandoning the process of making a purchase and dropping off for the most part just because they didn't understand pricing plans. They streamlined the way pricing was displayed, and added a rental calculator that boosted their conversion rates.

Industry Reports and Market Analysis: Whitepapers, industry studies and market research reports published by agencies are GOLD to what's happening in consumer behavior or economic shifts and competitive landscape. Homedept Findings for Are Used to after the market other commale frenshere with pred iburyn or comiter. E indicated expansion and entry with thirdparty information.

Example: A brand in India selling wellness and health products, Kapiva used industry reports to learn that demand for natural supplements was increasing. Armed with that knowledge, they introduced Ayurvedic gummies for urban working professionals seeking a fast solution to health problems.

Online Search Trends and Keyword Analysis: The science behind what a particular group of people, or market, is searching for currently, known through search-engine trends. Google Trends and keyword research tools provide us all with a certain level of clues as to what the hot topics are, needs of the season, and shifts in interest. This type of data is used by businesses to enhance their content strategy, develop effective products and get visibility on search engines.

Example: Organic farm-to-table food business Anveshan looked at search trends and realized that there was a demand for cold-pressed oils on the rise. The online campaign was conceptualized to transcend and promote the goodness of wood-pressed oils.

Performance And Metric For Consumer Engagement Of Digital Ad It is a research on measure of effectiveness of advertising to ascertain the advertising effectiveness, from consumer feedback. Tracking tools, including click-throughs, engagement metrics and conversion rates let firms optimize their messaging and targeting activities. This is the secret sauce that guarantees the campaigns are put in front of the right people, and every marketing dollar spent is returned to you.

Example: A small footwear company in India, Neeman's, monitored the number of digital ads it bought on Google and Instagram as well as engagement scores. When they saw that more and more clicks were rolling in for ads for eco-friendly wool shoes, and even conversions online (and client interest in the item) peaked up – they adapted their campaigns to shift toward using sustainability messages.

Enterprises make sense of business and market opportunity with inexpensive secondary research and digital insights. That, a brand can lean on social media listening,

competitor monitoring, website analytics and industry reports — as well as search trends and digital ad data — to make more informed choices that enable them to bring out the best in someone who might otherwise choose a competitor or simply stay more closely connected with the consumer.

7.1.5 Predictive Consumer Insight Techniques

The problem is that it's not just real-time customer intelligence that matters in these lightening-speed markets they all operate in – the power comes from being able to see your customers before they even know what they want. Some technologies and AI-powered data analytics can be used to predict consumer insight, we have some ideas of big data uses in decoding patterns & next behaviour The market for generating insights in advance! use AI, neuro-science and cultural studies to optimize strategies prior to consumer tastes shift. These are the abilities that enable corporations to develop predictive marketing campaigns, innovate in terms of new products or services and solve customer problems better than ever before – all crucial requirements if you want to stay ahead in a fast moving markets. Predictive analytics are especially important for the retail, healthcare and technology sectors because they allow these industries to be out in front of consumer trends with more lead time.

AI & ML to Predict Consumer Behaviour AI and machine learning examines huge datasets to see trends on how they can predict what people will want in the future. These are the systems that know which product you bought last week, where it saw you browsing yesterday and how engaged you are with it in order to produce offers that they will like. In order to be prepared for the needs of tomorrow, companies would have to forecast behavioural changes and match their offer and messages to those shifts. AI-fed insights meant to allow companies to make better decisions about pricing, inventory and customer service make them more nimble.

Example: Myntra, the online fashion e-tailer has implemented algorithm driven AI that focuses on past browsing and purchase behavior and recommends specific clothing/footwear/accessories as a result driving an higher percentage of conversion/satisfaction for orders among customers.

Neuroscience and Biometric Feedback Unconscious consumer response to media is another area where neurological and biometric research technologies can help brands discover potential consumers' thoughts using tools such as eye tracking, facial recognition or biometrics. These techniques gauge consumers' emotional response,

their cognitive involvement and attention likelihood when a consumer is exposed to an advertisement/packaging/product. It is more revealing than old-style surveys on what prompts a consumer to first like a brand. Businesses use that data to alter the way they create ads and design products so that these things are more in line with how consumers want them.

Example: Godrej Appliances did a biometric feedback test to know how consumers respond to the design of the door and cooling performance of its refrigerators. As a result of analyzing people's eye movements and facial expressions they found out which parts of that design were most appealing for the person, and with their new changes they re-launched his product to now provide better customer experience.

Trends and Cultural Shifts: Culture shifts, new movements develop and trends take off that directly affect your customer's desires. Predicting the trends in how the needle swings by industry around consumer values is a massive head start on recentering product and message strategies to align with consumer values. Trendspotting is closely watching digital chatter, influencer content and bigger macroeconomic trends to forecast market demand in the post-pandemic future. This way the brand can continue to stay culturally relevant while innovating without competition.

Example: OZiva, a plant-based nutrition company, suspected that clean-label wellness products were starting to do very well in India. They positioned themselves as market leaders by getting in before the demand for natural and organic supplements did, beating other companies to the punch.

Predictive Analytics Sales Forecasting: A predictive analytics system runs number-crunching on the historical sales and customer response over time, along with outside influencers such as employment situation for users of a product; commodity prices; etc. This gives companies greater ability to manage supply chain, reduce inventory costs and ensure that products are there for purchase when customers need them most. These are very useful tools for the retailers, FMCG shops and e-commerce as to know not only overproduced but what is short in number.

sample: BigBasket, one of the country's largest online grocery marketplace is predicting perishable goods demand. Seasonal trends and dynamics of purchases, the stocking by

a warehouse being optimized to reduce waste and increase efficiency can be taken into account within predictive models.

PREDICTION OF BRAND PERCEPTION through social media sentiment analysisIt is an established fact that more and more potential consumers are influenced not only by what they find within social networks but also e-books, blog-lets or reviews. Applying language-mapping patterns, sentiment shifts and customer response curves companies can anticipate possible brand potholes or opportunities to lean into. And forward-thinking businesses see it as an opportunity to refine their communications and improve their brand standing.

Example: Fintech startup CRED's feedback mechanism on social media allows them to gauge customer sentiments about its reward program. Thanks to being able to catch the early signs of a revolt, it can be even more proactive in churning out new updates and keeping the masses satisfied!

Proactive customer insights methods give a competitive edge for businesses to stay ahead of market trends - anticipate where things are going or what customers' emotional triggers, habits. Leveraging a blend of AI, neuroscience and predictive analytics, brands can more effectively connect with your audiences through hyper personalized content experiences, create operational efficiencies and stay culturally relevant. And as the consumers keep changing, business that captures these smarter insights will rise above the fray through Labor Day and beyond.

7.1.6 Consumer Insight Techniques in Brand Storytelling

It's not only experience, it's data; it's story too — in a way that is meaningful to the consumer. It's there that through consumer insights, brands can construct a story that is not only emotionally evocative but authentic and long lasting. Using patterns of behavior, emotional triggers and evolving social mores, companies can engineer stories that take advantage of their audiences' desire and values. And so, marketing messages are no longer mass; they are personal and relevant — in the service of not selling.

Brand stories which are strong, based on predictive insights lead to high levels of customer engagement and help set brands apart in fiercely competitive environment

through deeper emotional connect. Here are a few key means by which consumer insights can become a brand narrative:

Brand Story Personalization Its not one brand message for everyone anymore, brands can move far from a one-size-fits-all messaging and now tell a brand story that is predictive of what each consumer may need. By examining browsing behavior, purchase history and even sentiment analysis, companies can have those data points inform messages that speak directly to what individual consumers are interested in. It shows consumers that they are being heard and can make them feel more emotionally connected to the brand.

Examples: The beauty brand, Sugar Cosmetics has been using AI driven consumer behaviour analytics to optimize its messaging. Except that when they discovered that their customers WANTED matte lipstick more than the gloss, they switched up their storytelling to be all about badass, sexy stories about matte finishes, so as to reinforce the brand.

All the world done be a-talkin'...and add some past tense to that bitty pin o'yours sweetheart, and come on! Ride on the social angle: Brands that have integrated cultural turns and societal trends are now at the wheel. The idea is that if we employ trendspotting methods, companies will be able to assemble compelling narratives in which they participate with social movements, ethical concerns and generational value systems (and) where their brand appears modern and timely with the emotions of consumers.

Example: Sleepyhead a luxury mattress brand, identified along with the rise of work-life balance culture and defined itself as a protector of sound sleep. Their advertising campaign (see above advertisement) was also about today's workers who need to sleep, so it had a sex appeal for everybody.

Building Emotional Connections on Neuroscience-Based Knowledge: The brand will have the ability to understand (from its neuroscience base) which emotions induce action in a certain individual. With some subliminal cues, brands will create a story that is specifically intended to trigger admiration, love or excitement for the brand. It's a scientific approach that helps brands create advertising, packaging and storytelling content that resonates at a profound level with the consumer psyche. **Example:** The premium tea exporter Vahdam Teas was prominent in part by mentioning the fresh-from-

the- farm-to-your-cup flavor and direct sourcing from Indian tea growers. That story served to set it apart in a global market already crowded with commodity tea brands.

Creating Brand Trust In An Era Of Data-Driven Authenticity: Modern consumers are more skeptical of advertising than ever and they want to patronize companies who they believe are transparent and authentic. And through digging into the data on sentiment analysis, they can work out what part of their business that matters to consumers most and concentrate on telling that bit of their story. That's where they become real and gain consumer trust. Sample: Livpure, pure living Livpure brings safe and quality liberating from the most modern water purification technology and gives purity in its naturalst form. Dealing with pure water and green solutions it only add to the credibility for health minded individuals.

What to Expect: You can predict what future consumer aspirations will be; you can get ahead of the game by telling forward stories about your brand. Businesses now have the chance to become the authors themselves of those narratives which are born out of ever-expanding consumer appetites. Example: Because an electric scooter brand Ather Energy used predictive insights into sustainability and pitched it as a future mode of mobility, and innovated in environmental space and future of urban mobility –and they are leaders in EV.

brand narrative consumer insights shift from advertising to connecting. Throw in a bit of predictive analytics, trend analysis and emotional triggers and your PRs will be churning out articles that not only personalise the story but also translate as ones which matter in today's interconnected world and forward looking. . Productive companies in no way have only whatever they assert as evidence in client behaviour, In addition they generate anything of a Basis for which even further engagement and brand loyalty can be established Building with the making blocks of supporter affection is one area that moves marketing from staying about charges transactionally, to getting into the long run collectively.

7.2 Developing and Communicating the Brand Story

7.2.2 The Importance of Brand Storytelling

For a business that is looking to connect with their target market on a level-it's an incredibly powerful tool. Brand storytelling isn't like marketing (read: what most businesses do), which is usually all about features and benefits of your product; it's about the compelling story behind your business that appeals to people's values, emotions and lives. Storytelling brand can be the difference for businesses that require solid and sustainable identity in an ultra-competitive world. In a crowd of millions things that are advertising, it's the stories that matter: it makes your brand be different and special by building out their story to align with theirs (values and purpose).

This is a great brand that's telling the best story And no, I mean Great Brand Story'telling' isn't some marketing pitch about your awesome product It's making sure you're building an emotional bridge to the person listening to you Through narrative, organisations can breathe life into their mission, values and vision on an emotional level.

that builds loyalty and trust. That's what can help to stand out and be more memorable for the consumer... you're able to bring in a human touch into these brands.

7.2.2 The Importance of Brand Storytelling

Brand Storytelling is now a staple and has made a lasting impact on the current state of marketing. The opportunity in storytelling is Brands have permission to control the conversation, share messages that matter and speak to people's hearts as opposed to marketing which gets a big fat rejection by way of either a participation or traditional filter. It makes a point of difference, repeat business and immediate impact for those companies who use it. So, that's why brand storytelling is important.

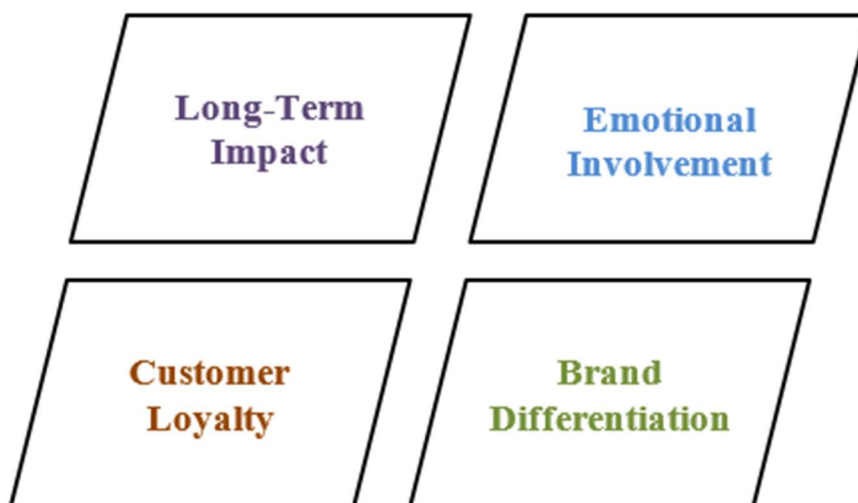


Fig 7.3 Importance of Brand Storytelling

Emotional Connect: Brand is seeking consumers with emotional connect to him (the man of his dreams), for a happily ever after story. So for a brand, if they have good storytelling, that's where the emotion is landing from on their target audience. These could be nostalgic, happy or empathetic. Emotional attachment on the part of consumers can lead to a customer's bastardy purchasing behavior, loving one brand over many.

Amul is good with such interesting topical advertisements always and that make consumer bring back the emotion to join conversation plus fun with family which is embedded in our brand story narrative.

Brand Differentiation: At a time when most brands are starting to look the same, storytelling can help separate your brand from the pack by giving it a unique set of values, mission and personality. It enables organizations to create a distinct proposition that resonates with their users and differentiates them from competitors. The richer, more robust brand story that the more powerful a story a brand has to tell — the greater its influence and memorability.

Example: "If you think about it in the way a campaign like 'Jaago Re' that Tata Tea had built, has its brand now to keep evolving story and remain differentiated amidst hundreds of brands on the shelf in tea category," he added indicating that while socially driven campaigns would have action there also touching on social awareness and empowerment among others.

Customer Loyalty and Advocacy The really good brand stories provoke legions of advocates to repeatedly praise the company to anyone who will listen. Crowd will come back to whatever brand they relate with again and again, returning customers are some of the best LIKERS when it comes to marketing a brand as they tell others how good/bad their experience was.

For example: Lenskart has a loyal customer base and it achieved this by telling a story of enabling access to good quality eyewear at reasonable costs with an additional spin on convenience and personalization in the form of Customer service. have brought up some

fantastic issues; yet I know my clients and have had the option to observe them choose purchasing on a passionate association.

Long Term Impact: Brand storytelling will require a corporation's message to be relevant, and remembered as long possible into the future. Yes, product features may evolve, but a great story line can update and remain relevant long-term to keep winning hearts and wallets. It's a slow-burn to reputation, not an ad campaign.

Illustration: Bajaj Auto has built a solid brand story around performance, quality and serendipity. It's a brand that provides freedom and function, and gives customers something to talk about. The brand's narrative has been as plain a story line as that which brought it to relevance in the hypercompetitive automotive space.

It is the essence of today's marketing and what connects with consumers on an emotional level to differentiate a brand, service or product, create brand loyalty and have a long-lasting effect. It has created a possibility for business to find an audience other than product or gimmick.

7.2.3 Donald Miller's StoryBrand Framework

June 12, 2015 There are the advantages of brand storytelling like understanding the ways that stories could effect or penetrate customers deeply and knowing how to tell it. Donald Miller's StoryBrand process is a proven solution to the struggle business leaders face when talking about their businesses. In such a manner, it is possible for companies to create emotional closeness and reduce the complexity of communication and in this way make it easier to remember the brand.

the fourth is your customer is the hero and then you're the sage or guide." Here are the seven elements of the StoryBrand Framework:

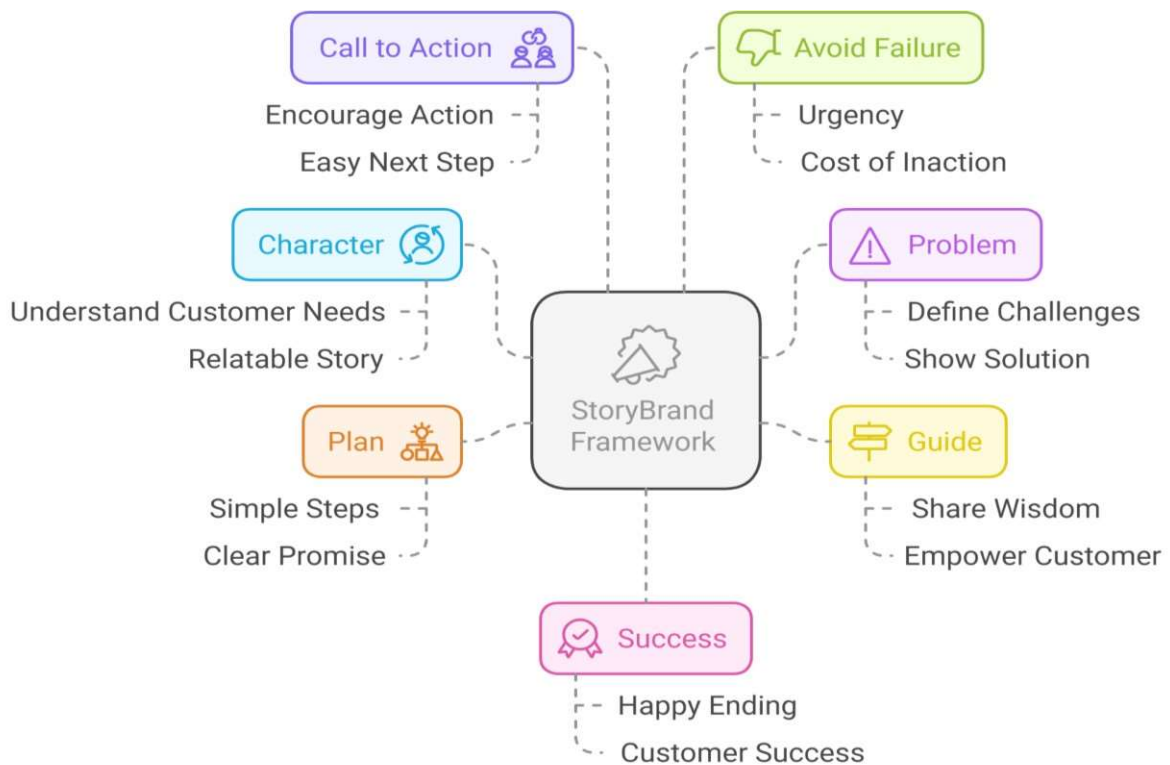


Fig 7.4 Donald Miller's StoryBrand Framework

Personality: The brand does not play the role of the hero in a story; the customer does. The brand has to understand who its customer is, what they want; then it will know how this product serves that." In this case the story is more human due to being centered on the consumer, and as such becomes more compelling.

Example: Nike is focused on the athletes' aspiration to fitness and performance. So it's a campaign designed with the consumer at its centre standing up and calling on us be great."

Dilemma: The main character's story should have a problem they need to solve. The brand must be transparent about what problem the customer has and how what it offers is uniquely designed to solve that specific problem. When the lever points to a problem, the customer knows they have a need.

Example: Apple's iPhone commercials are people annoyed with old, crappy technology and the incredibly sleek, brand-shiny iPhone as current-updated-in-every-way answer.

Guide: The brand becomes a guide of sorts, dispensing wisdom, empathy and even cheerleading. The story is not the power of the brand – it's how the brand can work for you in achieving your dreams in overcoming hurdles.

Example Value Prop: GoPro positions itself as a doorway to documenting the most thrill rides and memories of a customer's life. It is demonstrating how its product itself promotes exploration and discovery.

Plan: A winning brand story makes a plan seem simple and obvious, so you know in your heart of hearts that it's the journey your customers want to be on too. A good brand story tells the customer that there will be a transformation, and they can therefore play their part in it.

Example: Door and hinge with each other. A simple plan is that you put whole file inside the box, which becomes available wherever it needs to be, and shed off whenever required. It's very easy to set up and use, and you can rest assured with the ease of cloud storage.

Servicing: The brand has to demand the customer do something. That action — whether purchasing, subscribing or consuming content — should lead to the next step in that journey being a no-brainer for the consumer.

Example: Spotify's "Get 3 months free" promo gives users a certificate for immediate action by giving new customers a taste of their product, without forcing them to pay first.

Avoiding Failure: A good story reveals the price of inaction. It shows one idea of what could go wrong, or the opportunity that would be missed — on the part of the customer — should they fail to respond to the brand. This unnatural sense of urgency only serves to heighten an unnecessary state of emergency.

Illustrative example: Bajaj Allianz Life Insurance illustrates the message by stating that without life insurance, a family will lose its financial stability. The ad explains what can happen if you don't get a policy, and urges consumers to take action now—before it's too late—to protect their families.

Success: The brand narrative ends with one final look at how successful the customer will be if they follow through on the brand's plan. That's the happy ending that resembles the transformation they will undergo when they purchase that brand.

Example: Airbnb's not a house, it is the best traveller in you (Airbnb tells stories of best travel experiences) and also how people belong everywhere as they make travelling magical so that unforgettable experiences transform people's lives.

The Donald Miller Story Brand Process: How Can Brands Leverage It? I know a "how" brand storytelling formula from Donald Miller. When companies use this storytelling discipline of the StoryBrand they begin create brand stories that will emotionally resonate with their customers a deeper relationship, increased loyalty to one label and conversions.

7.2.4 Writing and Sharing a Brand Story

A good, interesting brand story is something that's orderly when it comes to method of approaching and executing. Each piece ensures the story rings true — and with its intended audience, emotionally. It's the story, the brand narrative, that makes businesses stand out; a story designed to engage their customers' emotions and make them 'stick', creating repeat buyers. The things below are Building and sharing the brand story :



Fig 7.5 Steps to Create and Communicate a Brand Story

Step 1: Defining brand core identity.

At the heart of every great brand story is a rich understanding and insight into what makes that brand go. This can be done by crystallizing the mission, values and USP of a brand: - Mission is what for you are in business with consumers on the market (why do they need you on the market?) - Values are how you behave/operate both towards costumers and employees / from those values you operate (based on which /principles) -USP is what should identify that your differentisansu form others. It does provide a strong brand identity the story can remain loyal to overall brand position. If that brand has a defined personality, you have something to build from for narrative and can begin developing a story spec (that will be trued-to-essence/that can also appear across media).

For Example: Himalaya Herbals has created its identity on nature and wellness, emphasising on the promise of the brand to create herbal beauty products. Their USP would just be that it nontoxic, natural healthcare is in vogue and safe for the consumer.

Step 2: Develop Brand Story

Once you've got yourself a brand, the next step is crafting an emotionally-compelling narrative that will resonate with consumers. The Best Brand Storytelling is Not (Just) About Facts and Features Great brand stories are not just about facts and features.

audience emotionally by speaking to their values, wants and dreams. It's got to be authentic and it must tap into the audience's heart-felt desires. The brand story naturally aligns with the challenge that the brand wishes to address; how it positions itself as a solution and what emotive benefits it offers. I just want to build a great story that makes people remember the story.

For example: Patanjali Ayurveda revival of ancient Indian herbal medicines and lifestyle products sales is just a 'me too' story. It emotionally attaches the consumer to the product through patriotism and their own health.

The 3rd Step: Targeted Leads for Markets

It's only when it wraps into a group of people that it becomes a story worth telling at all." "What else plays into brand story? Your audience. A brand story isn't much without an intended audience to tell it to. That would be demographics (age, sex, income) plus psychographics (values, lifestyle and interests). Knowing the audience, how they typically act and respond on an emotional level, can drive a brand to create a narrative that specifically speaks to them. So the story is well aligned with the audience and as a result, the brand becomes relevant and intriguing. The approach further accounts for how audiences will respond to the brand story and tailors it as such. Example: Nestasia Best pocket friendly designer for young homeowners and interior lovers in India for trendy homes at reasonable prices. The inherent desire of aesthetically pleasing & functional

accessories in a home turns into the narrative at Nestasia that combines beauty, craftsmanship and modern design for everyone who not just want to survive but live their living with style.

Step 4: Define the Brand Voice and Tone

Its brand voice should be consistent throughout all communication, so there couldn't have been another take of this story. Voice is how the brand sounds while tone can change (corporate report versus social media) but, sometimes, be more formal or a bit more casual. So there has to be a dialogue with the brand at its most core, but also to the emotion of the story. An equally strong, unifying voice or tone devises a consistent narrative no matter where it's told, or how. Voice and tone can have different brand values, so it fits and feels normal to some kind of people a way we say something strikes a chord with them and then starts gesturing around, resonating back and forth....if you're down with this whole communication business.

Example: Souled Store is a fun and quirky pop-culture company offering merchandise in various categories like movies, comics, t.v shows, music, sports etc. And all that only makes it an even more tantalizing proposition for a young audience whose appetite for pop culture and street fashions is none too insatiable.

In other words by identifying what IS the brand narrative (the secret behind the journey of your heroes & how they contribute to a larger story) and involving a selected audience in that story using an appropriate voice & tone, we can write great stories that attract customers, inspire loyalty and differentiates its relationships with them relative to anything on the market.

7.2.5 Components of a Brand Story

There are certain essential facets that a powerful brand story should possess in tandem forming an emotional connection between you and the purchaser. HERE is what makes the brand story clear, attractive and memorable. Strong brand stories don't merely describe what a business does, but why it comes to work each day, what it believes in and how the message is different from everything else. What makes up a great brand story:

Brand Purpose Behind every good brand story is a reason why it exists other than to make money. A brand's purpose will capture the consumer, if it captures its values and aspirations.

So, what it really comes down to is WHY has got to be true and at the core of a brand’s communications.

For instance, Phool - eco-friendly brand that recycle temple flowers into green products is an excellent example of purpose: saving environment and social impact!” Blockchain Impact: The waste management and uplifting women in the rural areas story, after all, makes perfect sense for the brand.

2) Authenticity and Transparency Both authenticity and transparency are key components when telling a brand story as it serves to gain trust of the consumers. Today’s consumers want honesty and truth, not hype. The one where a brand (or person) is transparent and will talk about his or her journey, what’s in the way, and/or what they stand for (yes-values).

Example: Bare Necessities, a zero-waste personal care brand, has kept all sourcing, packaging and production accessible. It showcases what goes into making it, educates the consumer on sustainability + builds credibility/trust.

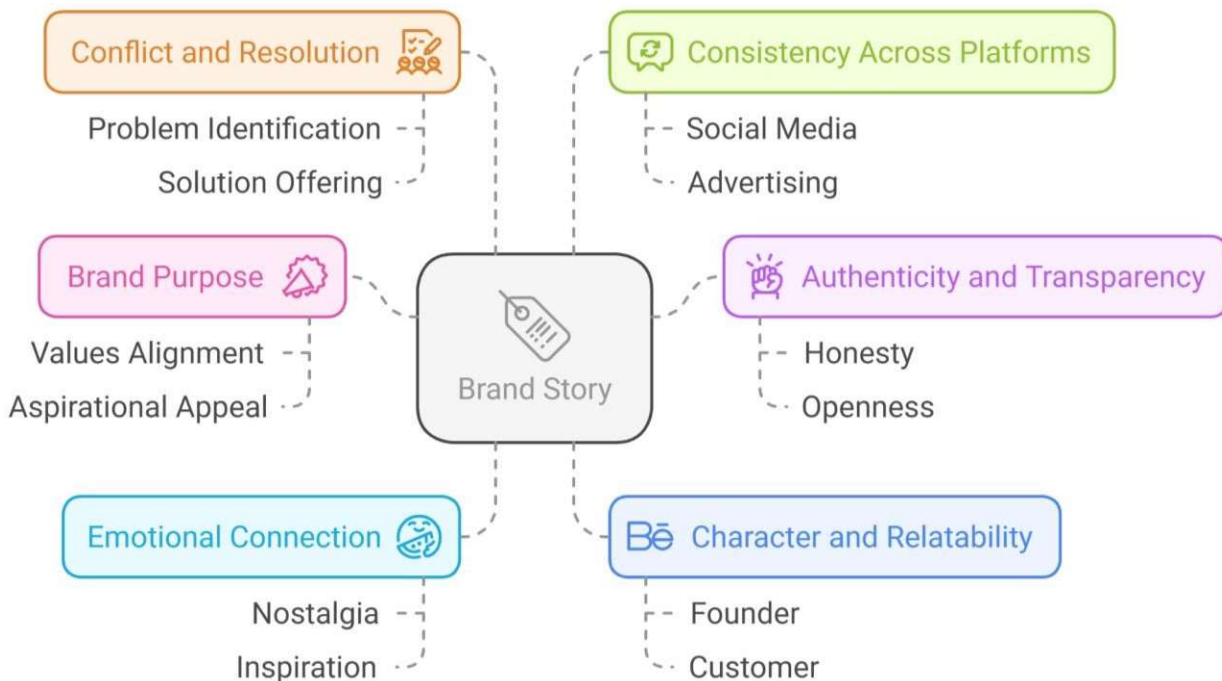


Fig 7.6 Elements of A Brand Story

Emotional Connection: The ideal brand story involves the audience and creates an engagement with them to seek a response. Nostalgia, inspiration, a quick laugh — these

are emotional responses that make the brand seem human and earn it notice. It is not just that people are content with a product but they have left your offering with the happy slap of being emotionally engaged, this makes an impact on immediate buying behavior and long-term loyalty.

Illustration: Bajaj Auto's 'Hamara Bajaj' has a nostalgic campaign that conveys emotion (of pride and nostalgia of the Indian household) and brand (an instrument of national progress). The Emotional Connect The emotional connection comes to the fore with its depiction of India's progress and the trust that Bajaj has invested in built over generations – which makes consumers feel on an emotional level about the brand, feeling that it is their trusted ally on their journey.

Character and Relatability: Each brand story needs a character or protagonist to serve as the personification of the values you want your brand to reflect. So this guy could be an entrepreneur, a user or even some kind of “brand-avatar”. You have to have someone with a personality that make sthe brand fun and human to listen too.

For example: Acko Insurance uses its founder's narrative and a digital-first approach to launching an insurance company to appeal to tech-savvy, young consumers who want their financial products convenient and transparent. This founder personality, created to provide an insurance approach focused on simplicity that drains the dread from it, helps humanize a most inhumane business-and builds trust with consumers who just want simple answers for a service that is anything but.

Conflict and Resolution – A good brand story is often rooted in a conflict or an issue to create dimension and interest. And by inviting the audience in, that premise demonstrates how hard the brand may be able to solve that conflict. What is powerful about that, and what does that have to do with them?” So what actually kind of drives this in my company is its form of self made PR type exercise for myself to just wedge me down the path that I'm probably going down any way, Generate a reason for existence out of our customers problem or high level opportunity. The answer: What our product or service do is sit at the solution end of your customers problems/ unmet needs and make their experience 10 times better By what I mean by this??

Example: The high fashion Lokal Fashion was created to combat the environmental issues of fast fashion. The brand story An industrial designer by trade, Lokal's founder

identified a need for eco friendly, locally made clothes and solved it First, she found artisans who cared as much about sustainability to create sustainable fabrics which are turned into trendy but eco-friendly clothing.

Consistency Across Channels: The brand story ought to be interesting, and the empathy felt at every touch point of a customer’s cross-section with your company – social media, advertisements and packaging but also customer service. That’s how all consumers experience a clear and united message that helps shape the brand, who it is and what values it represents. This consistent story across every touchpoint that provides those consistent experiences gives trust and builds and brands it.

Example: The laid back youth coffee culture(brand story) of Cafe Coffee Day is re-created across touch point; in-stores – on web. Their ads, cafés and even their marketing on Instagram is all singing from the same brand hymn sheet that certainly strikes a chord in it’s target audience that yes this is but an experience that is consistent and memorable.

These narratives combine to tell a great brand story that will keep your audience coming back for more, give brands long-term engagement, conveying the following six essential qualities:brand purpose, authenticity, emotional draw,personality, conflict and resolution, concision.

Did You Know?



“86% of consumers identify authenticity as an important factor when deciding which brands they support, underscoring the importance of genuine storytelling.”

7.2.6 Emotionally Engaged in Brand Storytelling

One of the most potent tools in brand storytelling for establishing that kind of strong connection with us consumers is emotional commitment. When a brand becomes

emotional it is no longer selling the hour, or oil change it's selling an emotion that the consumer will remember and attach to with their own personal story. So what this amounts to is purchasing decisions on research and development, loyalty to a brand and growing consumers into fanatics about your brand. In the way here Emotional connection Drive and buy Now explain, how Rousing tales about products affect both career as well as consumer.

Emotions and Purchase and Brand Fidelity

The emotional is an important to consumer decision making. When a meaning means behind the products or services for them." brand can pull at someone's heartstrings, that meaning becomes its. The brand they feel which stands for itself emotionally, they'll buy and then it's no longer choice of what feature is better - it becomes a matter of values and wants. Emotions help consumers become loyal to a brand as they usually provide feelings of trust and attachment.

One instance of making an emotional connection between a brand and its customers is the women's beauty brand Dove, whose message about real beauty and confidence has struck a chord with customers. Its "Real Beauty" advertising and marketing campaign, with women of all shapes, sizes and ethnicities, resonated with many customers unaccustomed to seeing themselves in beauty ads. This as a brand that valued body confidence over appearance, made women buy Dove products and more importantly imbued with consumers preferences for what the brand stood for.

Advertising, storyIM PACt The Human Connection Nothing demonstrates the strength of advertising more than its influence on consumer behavior via storytelling.

The human brain is simply wired to react to storytelling. Once the consumer is taken into a story and emotions are created, that is when the memory gets evoked. The psychology of customer behavior can help shape how a customer reacts to a brand, products or even how that client interacts with the company. The psychological effect of

at the same time once can come to love a brand, it is not that good storytelling makes people fall in love with one (through empathy or shared convictions for instance) or rather that consumers are emotionally involved, attached somehow to this brand."

Example: Mahindra's Rise': this was a brand positioning campaign about not getting stuck but surpassing the barriers. The high emotional quotient of the heart wrenching tale is what works for the Indian mind set behind it. The ads had nothing to do with the products themselves, at least not those that Mahindra sold – it was more about psychological empowerment and a bit of pride. By showcasing progress, success stories etc., Mahindra positions itself as a brand that knows what its customers want and feel (and therefore pulls them towards Mahindra over non-Mahindra options).

As a result, there is a mental impact in emotional brand reciprocity and product sale. Brands which weave emotional-based stories are nurturing this sustainable connection, right to the grass (or roots!) of their target market.

7.2.7 Brand Storytelling and Its Effectiveness

For you see, in today's thriving branding landscape, telling a good story simply isn't enough to make it stick. It has to be tracked so businesses understand whether that group ever "gets" it, and what's going to occur on the receiving end. There's no shortage of numbers to quantify how well a brand's stories did. Since "brand story" is something developed through and based on data, the many branches of this process can continue to grow... thus not allowing the message as well as the relevancy of material die. Here are a few important things to consider when tracking the success of brand storytelling:

Metrics: How to measure the success of brand storytelling The success of your brand's storytelling can be measured by a couple of important metrics that you can use so that you will have a better understanding on how consumers are engaging in different levels. It's a measure of how well a story is resonating with people, and whether it has been sufficiently powerful to effect change. And here a toolkit of such metrics – brand recall, feel towards you customer attitude, engagement levels and conversion rates – can turn into actionable data (at 52% of companies capability) that measures storytelling.

SAMPLE: Edtech player- Byju's, gauges the success of its story on customer sentiment and level of interaction on edu-videos specifically emotional stories which were high achieving in academic skill — is students. Following this entertainment driven story, Byju's noted an increase in brand recall and found that sentiment analysis for the brand picked up strongly across all social media platforms.

That was a powerful endorsement from those with the highest brand engagement, suggesting that this brand's narrative resonated deeply with its demographic.

Sharpening the Story Learn where and how to draw your narrative from data and feedback: [Brand] storytelling is evolutionary; brands will have to sharpen their story off of real-time feedback and data." Measuring and learning from the metrics and response of target audiences is beneficial, so that business can adjust and fine-tune their story. Whether it's a subtle re-orientation, heightened focus on certain aspects of the story or even (perish the thought!) plot twist, feedback is key here in such a contributor relationship with the brand's target audience. Example: The snacks brand Whole Truth has based its brand story on customer reviews and sales data. Because the company had already run a number of campaigns around their ingredients being authentic, they'd also started getting feedback from consumers that wanted more detail on where all of this came from. This forced The Whole Truth to rewrite the narrative on traceability and ethical sourcing of their products in their supply chain, and continue to build trust with a broader audience.

Brand Recall and Customer Sentiment: The brand recall as well as the positive customer sentiment are key indicators for how effectively the brand story is taking root among consumers. There's brand recall also, meaning after your consumer feels the story he can remember the brand and customer sentiment will indicate whether they love that brand or not." Much of the positive sentiment sounds an awful lot like high emotion, and negative sentiment shows them where they need to fix.

For example: A popular online food ordering and delivery platform, Swiggy measures its brand relatives and customer sentiment with its spunky campaigns that are built on relatable funny content. Scenarios based in the truth of consumer life are a staple for their campaigns — so they get an emotional hook into convenience and dependence. via listening in to customer feedback and likes on social media, brand recall from surveys or feedback forms, Swiggy continues to iterate its messaging to stay relevant with the whims of its customer, everything they are lapping up and ensuring it is in-sync with what they want at that moment in time; connecting with them base...swed emotionally!

Engagement and Conversion Rates: Engagement rates (likes, shares, comments) and time people spent on brand content can help a brand figure out how compelling their story is for their audience. High engagement is usually good and suggests that the story

has struck a chord with consumers. Conversion rates, however, are the test of how well that story spurs consumers to act — to purchase (or send in for more information).

Illustration: SUGAR Cosmetics measures impact of stories it has are the engagements on social media posts and video ads. They include authentic, everyday women who use and users, to generate comments and shares. They also measure the rate of conversion after those stories lead even more website traffic and product sales. Page 1 CopyIntending to get it right, they are optimizing their content strategy linked up with its conversion rate. When certain themes are fueling sales, they double down on them in the next campaign.

Padding For Long Term Impact: Real time scores are an amazing catalyst and the most desired prize, but longer term insights into the property will be important in determining if a brand story like music is holding up and ringing through with its consumers over-time. A strong brand story is elastic enough to rise and fall with the tides of culture, yet stays true to a north star. A long-feedback loop that keeps a brand working and giving value back to its supporters.

The Himalaya Wellness for instance, an Herbal Healthcare brand story is in actual fact but market carry on and driven. It was already a brand focused on traditional recipes for everyday wellness, but with its customers' growing apprehensions around sustainability and the environment, it honed its messaging around "responsible sourcing" and eco-friendly packaging — offering that promise of whole wellness while acknowledging that they'd also want "greener" products too.

When the storytelling power is truly visible, a brand may always claim that its story played to your hearts and resonated within down to the core. From these insights: The brand recall KPI, customers' loyalty to a brand, the time that the customer is most active + conversion rate These indicators show how effective the stories are. Nurturing the story with feed and fuel will also ensure that the force is constantly changing, growing to adapt its audience's taste over time.

Knowledge



Choose the correct option:

1. What would a brand narrative emphasize apart from products and

services?

- | | |
|--|----------------|
| a) Solely price and promotions and market trends | b) Competition |
| c) Business purpose and values complaints and problems | d) Customer |
2. What effect does honesty and openness in a brand narrative have on consumers?
- | | |
|--|--------------------|
| a) Creates trust and credibility appear weak | b) Makes the brand |
| c) Decreases consumer interest prices | d) Hikes product |
3. How does emotional bonding in a brand narrative affect consumers?
- | | |
|--|---------------------------|
| a) Encourages loyalty and purchase behaviour | b) Makes people sceptical |
| c) Decreases level of engagement rational choice | d) Only deals with |
4. Why is conflict and resolution significant in brand narration?
- | | |
|--|-----------------------|
| a) It presents the brand as weak compelling narrative | b) It leads to a |
| c) It deals with only product characteristics in brand | d) It is not required |
- development

7.3 Summary

- ❖ Develop insight into consumer desires and feelings, to craft a true brand tale that resonates with loyalty to differentiate them.
- ❖ Findings from research will help develop brand narratives in line with consumer aspirations, resulting in emotionally compelling, engaging stories of brands.
- ❖ UF provide, through surveys, interviews and observation among others, brands with key consumer preferences at an individual level.

- ❖ Storytelling that involves your audience makes people trust — and buy — from you. This occurs through the interactions and experiences which are the dollar-value of the consumer.

- ❖ It is AI led, designs are anticipated in advance because we predict with trend spotting and predictive consumer insight as well as trends come out of the data too.

- ❖ Donald Miller, StoryBrand model tells we should tell the story of making customers heroes and sending them into tension toward resolution (recipient) as we do with emotive narratives.

- ❖ A cohesive translation on all platforms, also means that the brand's story can resonate, as trust is built and long term fan relationships are forged.

- ❖ The emotional hooks of a story make for memorable impressions, they are how brands become relatable, genuine and culturally plugged in.

- ❖ The brand storytelling aligns consumer values with the mission of the organization and offers a competitive edge for the brand in this saturated market.

- ❖ Brand story telling should be measured by its impact on customer sentiment, the level of engagement and rate of brand recall and not as a one time activity.

7.4 Key Terms

Consumer Insight Strategic process to dig out consumer needs, emotions and behaviours that inspire stories of real brand difference that's authentically believable and loyalty-building.

Brand Differentiation: A competitive strategy of having your branding not only tells the story, but also represents who you are and what you stand for to be noticed among those making noise.

Predictive Analytics: Statistical technique to analyze consumer response or behaviour, based on predictive modelling or other types of analytic models, using machine learning (or similar methodologies used in CRM systems), and this enables one to create predictive scores or drivers for consumers performing an action.

Authenticity: A brand value that focuses on the sharing of a story people connect, trust and believe.

Cultural Connection: Storytelling style that adapts to changes in culture and values, and which allows the brand to remain relevant by narrating relevant social stories.

StoryBrand Framework: A customer-focused storytelling framework whereby the hero is the customer and your company is his trusted guide.

Customer Actionable Research: A methodology where you meet directly with a consumer and you survey them to find out how you can tighten the story of your brand.

Consistency: There are business plans setup to ensure consistency in branding across all sequences – it's important for legitimacy, and trust for both sides.

Emotional Connect The emotional content of the story is alive and when it is, creates both empathy with the consumer at point of sale and a link to the brand.

7.5 Descriptive Questions

Why does empathising with consumers matter in terms of brand storytelling and engagement?

Why does emotional engagement matter when creating powerful, emotion-driven brand stories that offer ways for the audience to make personal connections?

What are some of the key benefits to using primary research for getting a brand story right-and touching consumers hearts?

How predictive analytics can help brands tell better stories around emerging trends in the marketplace and consumer interest looking forward?

Why is consistent continuity in every brand communication touch point so import to build trust and loyalty?

HOW DOES NARRATIVE AUTHENTICITY HELP INCREASE TRUST & CUSTOMER LOYALTY?

How does cultural synergy help maintain the effectiveness and accessibility of a brand story across varied target audiences?

How can the emotional bonds of storytelling affect consumers and their subsequent purchasing behaviour towards a brand?

What are the components of the StoryBrand framework and how does it support for brand storytelling to drive consumer engagement?

What forces a brand to be less lame about their narratives, when engagement and brand recall as such storytelling metrics have failed?

7.6 References

1. Levine, U. (2023). Fall in love with the problem, not the solution: A handbook for entrepreneurs.
2. Sinek, S. (2009). Start with why: How great leaders inspire everyone to take action.
3. Khanna, A. (2024). Ain't no EUREKA: Your idea for an enterprise journey.
4. Ahuja, S. (2022). Daily coffee and start-up fundraising.
5. Mason, H., & Mattin, D. (2015). Trend-driven innovation: Beat accelerating customer expectations. Wiley.
6. Osterwalder, A., & Pigneur, Y. (2010). Business model generation: A handbook for visionaries, game changers, and challengers. Wiley.
7. Berger, J. (2013). Contagious: How to build word of mouth in the digital age. Simon & Schuster.
8. Rothman, R. (2017). Master opportunity and make it big.

Answers to Knowledge Check



Knowledge Check 1

1. c) Values and business purpose
2. a) Builds trust and credibility
3. a) Encourages loyalty and buying behaviour

7.7 Case Study

Constructing and Delivering Brand (Hi)Stories – A Case of Dove

Introduction

In the highly competitive environment, brands storytelling is what skyrockets for the long-term of marketing success. It's a story that makes sense on some level, one that allows the company emotionally connect with its customers and identity itself as something more than products and services. The case of Dove, by far Unilever's most important personal care brand, illustrates how one can create and communicate a story around a real beauty narrative which has been the driving force behind the development and success of the brand. The company's narrative is about self-esteem and positive body image rooted in consumer wants, desires and societal obstacles that it solves. The company differentiated itself from the rest of the beauty and personal care space with its "Real Beauty" campaign.

Background

Dove was introduced in 1957, joining the Unilever stable of brands. Soap As an alternative to gentle soap, the company rebranded in 2004 as champion of real beauty

— around self-esteem and diversity. The brand became Better when it introduced one of the most significant changes a company like Unilever could have ever brought into power: possibly, the “Real Beauty” campaign that was advertised with influences to how beauty had always been seen in society. The campaign won the hearts of millions around the world, especially women who didn’t ‘conform’ to the standard definition of beauty sold by media. Dove went from being slick and promotional to a more inclusive, real story that distinguished it from the competition and enabled the brand to create emotional connections with customers. “These are inspiring times,” says Dove Global Vice President Sophie Galvani. “In the competitive world we live in with brands like L’Oreal and P&G as our competitors, Dove’s brand narrative is really inspiring which makes it really engaging point of difference for us to have loyal consumer base and role at market leader.”

Issue 1: The Standards Of Beauty Right now beauty must be certain way!

It observed an opportunity to infiltrate and subvert conventional beauty norms in personal care: an insular industry whose models were skinny, young, and almost exclusively white. Beauty was for Photoshop and aspiring magazine shots that left most women feeling ugly, not good enough. Dove had to place real women and their real bodies on the menu of options, instead of merely challenging what were called “beauty norms.”

Solution:

- Dove launched the “Real Beauty” campaign, featuring women of all sizes, ethnic backgrounds and age groups in unretouched photographs.
- The company has recently begun to highlight natural beauty rather than artificial alteration, body positivity and self-love through empowering adverts.
- Dove tells us that beauty is a source of confidence, not anxiety, and we should all refuse to be shamed by society's definition of beauty.

Problem #2: Matching the Brand Story with Consumer Values

Dove needed to update this rebranding story for a new type of consumer who has a greater social conscience and is more aware of the corporate ethics that sits behind branding. Brands are being asked to be transparent, authentic and social. Dove's communications would need to be more than words on a page advocating self-esteem; they would need to show genuine commitment to these ideals.

Solution:

- Dove funded+ various initiatives – including the Dove Self-Esteem Project. The programme aims at promoting positive body image and self-esteem among young people.
- The brand upheld their commitment to spreading the message about real beauty, this time by teaming up with schools, youth groups and mental health professionals.
- Dove also used social media to generate key conversations around beauty, self-esteem and personal power, speaking directly to consumers in candid conversation.

Issue 3: Maintaining Cohesive Storytelling Throughout the Touch Points

The proliferation of digital media also meant that Dove needed to be able to back up its brand narrative about real beauty and empowering women consistently across any touchpoint — ads, social media, product packaging or customer support. If a message did not get delivered, the whole concept would be diluted, and the brand credibility would suffer; consequently there was a need for a voice that spoke to its target public in many different forms and platforms.

Solution:

- Dove had a united message everywhere in all media, advertising, website and social - one of normal diverse women.

- It manifested in the living, breathing brand story within the marketing but also product formulations and packaging designed to be felt (through self care and wellness as opposed to superficial beauty).

Implications

- Dove's social media strategy is embodied in calls for user-based theme content on self-esteem and inclusivity that inspire customers to share their beauty story.

Reflective Questions:

Reflective Questions:

What did Dove do when it decided to deviate from the rest of the beauty brands? Canning its brand narrative and demonstrating value to a varied audience?


How can Dove follow its tradition of extending the story it tells about itself and a brand into new categories — such as men's grooming or products for children?


How did Dove's underlying continuity awareness affect consumer engagement and brand loyalty?

Conclusion

The fact that Dove was able to accomplish this, in terms of creating a brand story and getting it to the masses, is evidence of a story that resonates with consumers' hearts. Dove was not only challenging conventional norms of beauty, but also shining a light on the values of inclusivity, trust and self-esteem." Along the way, Dove got to be an expert in personal care. The That's it. case proves that a brand story is more than marketing—it's the path to both short-term consumer habits and long-term equity. Dove has been a brand that's differentiated itself by having, you know, even more of the same messaging on every platform; this helped.

Entrepreneurship and Family Business 101 Unit 8_V3.docx

 Entrepreneurship and Family Business_MBA_1

 Entrepreneurship and Family Business_MBA_1

 ATLAS SkillTech University

Document Details

Submission ID

trn:oid::3618:127096624

Submission Date

Jan 29, 2026, 10:45 AM GMT+5:30

Download Date

Jan 29, 2026, 1:31 PM GMT+5:30

File Name

Entrepreneurship and Family Business 101 Unit 8_V3.docx

File Size

411.9 KB

34 Pages

9,205 Words

53,302 Characters

*% detected as AI

AI detection includes the possibility of false positives. Although some text in this submission is likely AI generated, scores below the 20% threshold are not surfaced because they have a higher likelihood of false positives.

Caution: Review required.

It is essential to understand the limitations of AI detection before making decisions about a student's work. We encourage you to learn more about Turnitin's AI detection capabilities before using the tool.

Disclaimer

Our AI writing assessment is designed to help educators identify text that might be prepared by a generative AI tool. Our AI writing assessment may not always be accurate (i.e., our AI models may produce either false positive results or false negative results), so it should not be used as the sole basis for adverse actions against a student. It takes further scrutiny and human judgment in conjunction with an organization's application of its specific academic policies to determine whether any academic misconduct has occurred.

Frequently Asked Questions

How should I interpret Turnitin's AI writing percentage and false positives?

The percentage shown in the AI writing report is the amount of qualifying text within the submission that Turnitin's AI writing detection model determines was either likely AI-generated text from a large-language model or likely AI-generated text that was likely revised using an AI paraphrase tool or word spinner.

False positives (incorrectly flagging human-written text as AI-generated) are a possibility in AI models.

AI detection scores under 20%, which we do not surface in new reports, have a higher likelihood of false positives. To reduce the likelihood of misinterpretation, no score or highlights are attributed and are indicated with an asterisk in the report (*%).

The AI writing percentage should not be the sole basis to determine whether misconduct has occurred. The reviewer/instructor should use the percentage as a means to start a formative conversation with their student and/or use it to examine the submitted assignment in accordance with their school's policies.



What does 'qualifying text' mean?

Our model only processes qualifying text in the form of long-form writing. Long-form writing means individual sentences contained in paragraphs that make up a longer piece of written work, such as an essay, a dissertation, or an article, etc. Qualifying text that has been determined to be likely AI-generated will be highlighted in cyan in the submission, and likely AI-generated and then likely AI-paraphrased will be highlighted purple.

Non-qualifying text, such as bullet points, annotated bibliographies, etc., will not be processed and can create disparity between the submission highlights and the percentage shown.

Unit 8: Module 8: Pitching / Fundraising:

Learning Objectives

1. Learners will learn to identify and size the maximum available market opportunity for a product or service, gauging its potential size for business expansion.
2. Learners will know how to narrow down the general market (TAM) to concentrate on the segment a business can serve about its products and geographic limitations.
3. Learners will learn to estimate and identify the realistic level of market share a firm will be able to capture in the SAM, looking at competition as well as entry into the marketplace.
4. Learners will develop hands-on skills in estimating market size accurately (TAM, SAM, SOM) utilizing top-down as well as bottom-up methods, data gathering, and market inquiry.

Content

- 8.0 Introductory Caselet
- 8.1 Understanding Total Available Market (TAM)
- 8.2 Serviceable Available Market (SAM)
- 8.3 Serviceable Obtainable Market (SOM)
- 8.4 Techniques for Estimating Market Size
- 8.5 Summary
- 8.6 Key Terms
- 8.7 Descriptive Questions
- 8.8 References
- 8.9 Case Study

8.0 Introductory Caselet

“Estimating Market Size: The Path to Startup Success”

Young Entrepreneur Anika Puts Nature to Work in Your Home Meet 10-Year-Old Who's Revolutionizing Ecofriendly Household Cleaners with Her New Company, PureEase Solutions There's a new genius multi-hyphenate on the block - child inventor, children's advocate and eco-entrepreneur is teaching everyone how to go green whilst being clean. She is an incredibly passionate about sustainability, and believes in the potential of her products to introduce biodegradable, chemical-free alternatives to the Indian market. But when she meets with investors to seek funding, they challenge the size of the business's market. They ask her to provide them with concrete data about the size of opportunity, and whether her startup can capture a meaningful percentage of that market.

Anika realizes she needs to conduct a formal market sizing exercise. She finds the top 3 terms: Total Available Market (TAM), Serviceable Available Market (SAM), and Serviceable Obtainable Market (SOM). She begins with TAM — sizing up the total Indian market demand for eco detergent. Rather, she then scales down to social acceptability mapping (SAM) at which point the target group are people — households in cities and environment-sensitised consumers prepared to pay more for eco-friendly products. Finally, she calculates SOM by estimating the likelihood that her start-up can make an impact on its first attempt with a tangible share of the market factoring in competition for that market, channel to access, and exposure effort.

Anika has a strong product but struggles to gather accurate market intelligence. She has a run number of techniques- industry reports, surveys and competitive benchmarking she needs to cross-validate her assumptions. Without an accurate market sizing, she'll face a lot of difficulty raising money and game planning for growth. Anika has to figure out how to use these analytical tools now the convince investors that her business can scale and be profitable.

Critical Thinking Question

What are the best ways Anika can use market sizing strategies such as TAM, SAM and SOM to make a compelling case to investors about her startup's potential for scale and sustainability?

8.1 Understanding Total Available Market (TAM)

8.1.1 Introduction to Fundraising and Pitching for Entrepreneurs

For start-up founders, raising money is one of the more critical and difficult elements to launching a successful venture. Funding: The act of garnering monetary investment in various ventures, e.g., angel, venture and institutional funding. Despite a hot idea, Capital raising means convincing investors that the business is scalable and profitable with a clear definition in the marketplace opportunity.

ergo-the pitching of a start-up is a critical document where the vision of the business, how that product or service addresses a problem in the market, estimated size of the potential market for that business and numbers to describe cash flow estimates are presented through an organized 10-15 minute speech. It is then filtered through dimensions like market size, competitive advantage, revenue sizing and execution capacity to meet investment criteria. When there are no solid data-driven impulses from the market, even the most innovative of ideas doesn't get funded.

8.1.2 The Role of Market Sizing (TAM, SAM, SOM) in Fundraising

A great idea is not enough for any startup looking to get investment. They want to see a scalable business and a real market opportunity. A robust market size analysis indicates that the start-up has room to grow and survive in a crowded marketplace. This is why the TAM, SAM and SOM are a critical part of funding. These metrics guide entrepreneurs and investors to level set a) the market access, b) revenue potential, c) feasibility of start-ups.

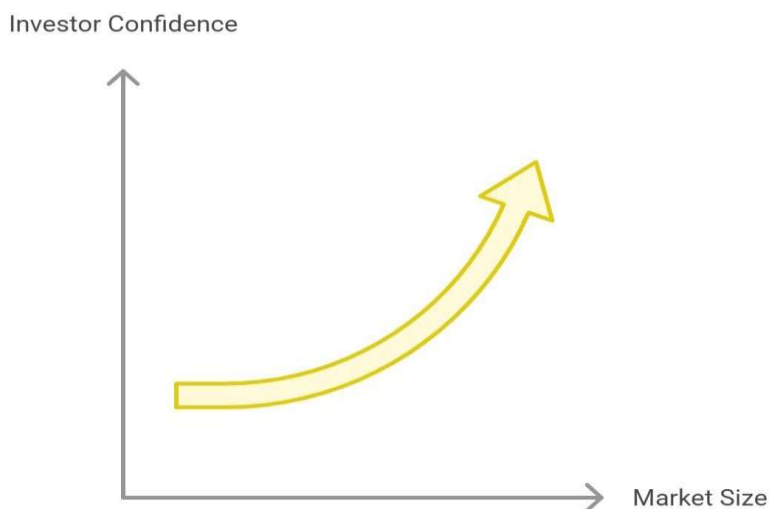
TAM, SAM, and SOM are just as important for strategic planning as they are for theoretical interest. These quantitative measures help investors decide if a start-up is worth the risk and has sustainable growth prospects. A pitch without a market-sizing model can seem unorganized as opposed to evidence-based and may be less likely to obtain financing. Generally, there are three ways to quantify a market size.

Showing Realistic Picture of Market Potential Investors need to see that the start-up operates in the high-growth market with a good demand. TAM shows the size of the total industry and

SAM, as well as SOM, further whittles it down to what a company can do. Investors want to see scalable opportunities, not big numbers on paper.

Example: An India based electric two-wheeler start-up that is targeting urban centric establishment, can quantify its TAM as the overall EV market in India and which includes \$100bn contribution by FY30E. However, its

consumers have been seeking affordable and lightweight power scooters – that can go for around 10 billion dollars. Depending on the current rate of production and distribution network, SOM can be \$ 500 million. This provides structure for breakdown investors to follow rather than a grand claim that you are going to own the whole EV market.



Increasing Investor Confidence through Market Size Analysis

Fig 8.1 Role of Market Sizing (TAM, SAM, SOM) in Fundraising

ATO Statement: By Reducing uncertainty we can increase investor confidence: Investors are taking a risk, that's the nature of investment and their main concern is whether or not start-ups are solving a problem that people want to have solved. Entrepreneurs are logical They use TAM, SAM, and SOM to show which market that they're entering into and lessen the perceived risk.

Example: An India based direct to consumer will find it difficult to justify organic skincare brand investors without robust market understanding. It is no longer just 'the Indian skincare industry, that values \$20 billion'. Rather, you're better off deeming SAM as urban consumers between 20-40 years old who are looking for chemical-free products totalling \$2 billion, and estimating SOM at a 5% share of the market in five years (\$100 million) to give your pitch some credibility and its data.

Aligning Business Strategy with Investor Agenda: Investors not only consider market size - they consider how well the start-up can execute in that market. If a company alleges its had just one billion

opportunity but does not have the capacity to capture even a fraction, investors will step back. Properly defining SAM and SOM also assists in matching the strategy for start-ups to investors' wishes.

Example: Cloud-based logistics automation startups focused on e-commerce get a \$50 billion TAM in Global Logistics Tech. But its SAM Indian e-commerce logistics is going to \$5b, and SOM-D2C brands require AI-led logistics solutions-as some) themselves change brand spending into brands revenues that can become the above-mentioned \$200m. This pragmatic method places an investor ease, providing the comfort that business is a plan for orderly growth and not just wishful thinking.

Raising the Valuation and Revenues Projections of the Start-Up: The valuation of a company is directly related to the market opportunity that it addresses. Investors will then use TAM, SAM and SOM to stress test your revenue estimates and to see if you have business which can create enduring value. Baseless, or ambiguous market-sizing arguments can provide room for doubt, while a well-researched TAM-SAM-SOM breakdown helps argue why the valuation doesn't seem as high when you do your homework.

Illustration: A health-tech platform with an AI-based diagnosis for chronic diseases can claim that its TAM is \$80 billion globally. But its SAM can stand at \$5B targeting urban hospitals and clinics centers in India (entering SOM) and if a diagnostics based on SOM-AI, the wish-to-integrate opening will target around \$250 M. Investors can then do a mental back of the

envelope calculation on future revenue by entering the available market—making your valuation discussion more data driven and tangible.

Position the Start-up as a Scalable Investment Opportunity: Investors love start-ups that are scalable and also seem relevant to the markets in the long-term. A well-formulated TAM, SAM and SOM are showing a clear way of growth in business where investors can easily visualize short-term triumph and capability of long-term expansion.

Example: B2B SaaS start-up, with workflow automation for manufacturing companies as its product, keeps its TAM at \$150 billion in global industry automation market. But its SAMs could be medium scale \$3 billion manufacturers in India. SOMs might focus on early adopters in certain industry clusters, at \$150 million. This highlights how SOX's costs, as an irreversible deterrent to investment and start-up activity, can increase in a non-linear fashion over the life of the start-up and make it increasingly attractive to those investors seeking higher long-run benefits.

TAM, SAM and SOM are not simply numbers on a pitch deck – they are strategic device which allow to an investor assess the potential, risks, and ability of the startup team to execute. We feel that a robust market shape approach imparts credibility, shapes expectations, legitimizes appraisal, and positions business as something that scales. Without these insights, even

some of the most promising ideas cannot attract funding. The ability to conceptually grasp and articulate market opportunities is one of the richest sources of wealth creation a founder can attain. Investors don't fund ideas - they value opportunities to the fund that has a clear market need.

8.1.3 Introduction to TAM in Fundraising

(I) Hiring a securities expert that can explain what is TAM and why it is significant.

The total available market (TAM) is the total revenue opportunity that's available in the market if everyone in this business has adopted your product or service. It is an significant concept

for entrepreneurs to understand as it delineates the breath of market opportunity: development capacity is specimen of this base. For investors, a TAM can give an understanding of the overall market opportunity and the scalability of the start-up.

TAM not only demonstrates market value of a business goal but also tells you potentials for long-term growth. High TAM means high potential of money-making, and for investors – it is a crucial indication on the future profitability of the start-up. This is a way in which investors can look to see if the start-up's aspirations are aligned with the market size and whether it has kept growing.

(II) Investor Viewpoint: TAM as Primary Indicator of Market Scope and Objectives

TAM is a strong indicator that forms investor's mindset as to how scalable your start-up is. TAM answers the question "How big can this business get?" by defining the market size. Investors are looking to see if the start-up can massively grow a large, growing market, which could justify their investment.

A well-researched TAM also offers investors transparency around business status. If the TAM is too great and expanding, then there are so many pieces of business you can do and win in that market from some other player. It become important to look large enough for any big players to notice.

funding. On the flip side, a small TAM can raise red flags for investors — who may see it as limited in its growth potential. For these uses, TAM is used by entrepreneurs to describe their market opportunity in a way that interests investors and gives investors an obvious reason why they should want to invest.

(III) TAM's Role in Investor Confidence

Market size: How do investors think about market size, and why a "big" TAM can increase investor interest?

For investors, the market size tells them if a start-up is going after something lucrative enough to build and scale. A large TAM shows that there is potential of huge marketability to be captured and investment becomes more attractive. The greater the TAM, the more room for growth and possible payoff for investors.

Setting off doing: The completion of the TAM is an essential de-risking factor. A start-up in that big market has more room for error and more time to tweak its product or service. For investors, that is a blessing as it shrinks the chance of business failure on account of market boundaries. Given the large TAM investors have confidence that their funds can get behind a business that's going to grow over an extended period. So investors' confidence is restored, and their interest is piqued.

Illustration: Urban Company, an Indian start-up that offers home services like cleaning, beauty treatment and plumbing. For example, the TAM for Urban Company could be Indian home services industry which totals to billions of dollars and is growing higher as more people are migrating to urban cities and seek professional help. By creating a very large TAM, an urban company can show investors the big opportunity it has to capture a scale.

Investors are willing to overlook that because of continued evidence that the urban company is taking advantage of a growing, large market. Given its unique technology and expanding customer headcount, TAM reflects a healthy long-term upside potential. It shows that there is a domestic service demand enabling investors' belief in future growth potential and scale of the start-ups. Urban co would not only get a big TAM but also be outright market leader in the economy side service business, and that makes it easier for them to attract money and scale way faster.

8.1.4 Just by Note Forming a TAM The process of TAM estimation

A TAM is an estimate of the total opportunity of a product/service for a specific market. This is required in order to size the opportunity and make strategic decisions, particularly so you

can get funding. This work includes researching the market and collecting data and information on general market trends and about how big the field might become.

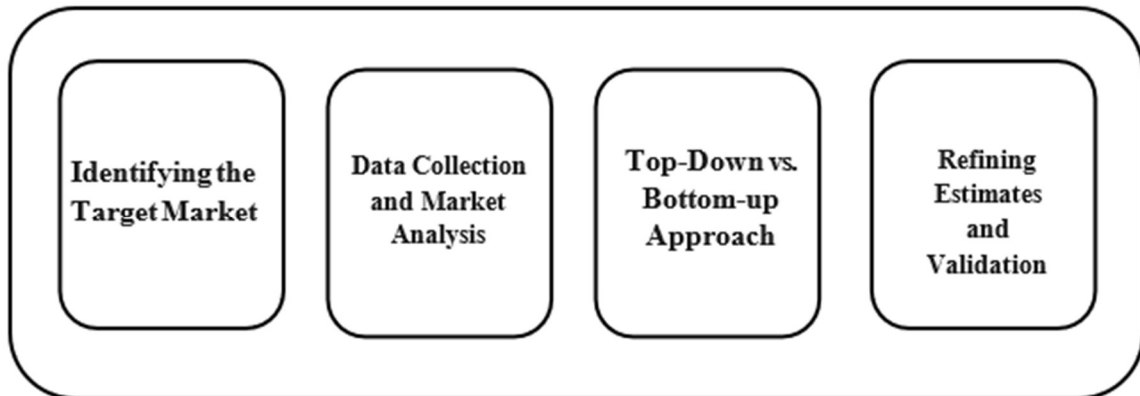


Fig 8.2 Process of Estimating Total Available Market (TAM)

Targeting the Market The identification of the target market includes certain industry, or subset within an industry, to the foray of products and services available in that category segment. And it is crucial to demarcate where the bounds of the market lie. This process also keeps companies from mispending resources on markets that don't matter and instead concentrate where they can make the biggest impact for their product or service.

Example: The Urban Company launched a home services platform targeting urban customers looking for home cleaning, plumbing and beauty solutions. It began with metro cities, where demand for professional services had risen due to busy lifestyles. The company later expanded to tier-2 cities having seen growing disposable incomes and digital penetration.

Data Collection and Market Analysis: Data in industry reports, market research studies, consumer behavior surveys are necessary to evaluate the TAM. This information gives the visibility needed to gauge market size. It is further noted that up-to-date information on TAM usage increases the dependability of TAM estimates.

Example: Razorpay gathered market data to depend on reports as well as government data to gauge the potential of digital payments in India. It analyzed volumes of transactions by industries to gauge the potential market. It also factored in insights it gleaned from fintech adoption trends to refine the TAM number.

Top-5 vs Bottom-up Approach: The top-down approach relies on industry reports (external data) to estimate TAM, and the bottom-up is based on internal data (such as turnover or

customer base) to attain market size. There are good things about both approaches and they may complement each other. The combination yields a more balanced and accurate estimate.

Example: Meesho, an Indian online fashion platform, took the bottom-up approach via number of small businesses and scaled it up for total market. It went after micro-entrepreneurs who were selling through social commerce to find its first user base. Based on their growth trends, it projected national demand and market size.

Refinements to Estimates and Validation: After calculating the TAM, start-ups refine their estimates by validating the numbers with benchmarking exercise, questioning assumptions and including feedback from those in the field. Ongoing validation assists companies to incorporate the market change and new trends.

Example: Swiggy redefined its TAM estimates for food delivery market using real-time data, customer reactions and competition analysis. It followed how often people were ordering and the average amount of goods being ordered as a way to recalibrate for market opportunity. The company also reprogrammed its projections by focusing on trends such as cloud kitchens and regional tastes.

Calculating TAM is very critical for start-ups to understand market size, invite investors and take crucial strategic decisions. Periodic fine-tuning and validation are also crucial for accuracy, as businesses need to keep pace with market changes.

8.1.5 Issues with TAM Estimation

While TAM is a useful metric, 2KA/3KN has its challenges. These challenges are due to bad data, subjective estimates and difficulty analyzing market dynamics. If we understand these problems, companies can work on improving how they research the market to estimate.

Insufficient or Incorrect Data: The fact is that, there is scarcity of the right kind of data and also data reliability being an issue. Information is limited and out-of-date...and sometimes wrong, harder to reach the Real Market Potential. Due to wrong data, companies either under-forecast or over-forecast the market size and growth and sometimes also take a false call on strategy.

Example: an Indian logistics startup Rivigo found it difficult to quantify its Total Addressable Market (TAM) as there was not enough data available to calculate technology adoption within the trucking industry, and even if they had access to some data, transportation needs varied across different regions. First the company overshot its forecast on rural demand for tech-driven logistics services, then out of synchronised with whether or not businesses there were ready to use those solutions - leading to delinquent market expansion.

Market Uncertainty and Volatility: The market is progressively getting more volatile due to rapid technology changes, evolving customer choices and movement in regulations. Such variations are likely to result in the original TAM estimates becoming obsolete as the businesses may not easily predict either the pace or extent of these changes. Volatility in the markets makes it hard to predict accurately long-term growth.

(Eg, Zepto, food delivery quick-commerce company, couldn't figure out the TAM as the instant delivery market was unknown upernet growth.) The transient demand surges and plunges from buyers, unstable unit economics, and changing rivals meant that the company had to constantly revise its market size assumptions.

Misunderstanding of Market Frontiers: We need to apprehend the frontier of a market so that we can derive an estimate its size. The firms may well not be aware of the frontier of their target market and therein either overestimate or underestimate the TAM. This misunderstanding can lead to unfounded growth expectations and disconnection from market realities.

Example: Ola struggled to keep the edges of its market clear when it first went beyond ride-sharing. International markets weren't initially included in the company's TAM estimates, so projections for growth varied accordingly. Ola fine-tuned its strategy also after defining the global divisions in the market better to global players.

Long-Term Potential Estimation: Long-term potential estimation for emergent industries is a daunting task. Lack of historical data and uncertainty in consumer demand can make it hard to predict future trends in such sectors. This approach does make it difficult to forecast an accurate market size and growth long-term.

Case: Ather Energy, a start-up in the electric vehicle domain, faced difficulty to size its Total Available Market (TAM) in the Indian context due to opaque government guidelines, infrastructural challenges and ambiguity around consumer behaviour. The company's initial assumptions had to be recalibrated as market forces changed, government incentives ebbed and road infrastructure for electric vehicles was launched, the parties say — making long-term predictions difficult.

An important exercise in estimating the total market opportunity available to startups is the calculation of Total Available Market (TAM). The precise identification and quantification of TAM helps companies to gauge their growth opportunities and establish business goals based on them. In conclusion, this exercise provides investors with useful scope and market potential.

Activity: Estimating TAM to Attract Investor Confidence



Choose a startup company from any sector and examine its Total Available Market (TAM) to evaluate whether it is likely to command investor attention. Determine the approximate size of the market the startup company is looking at and compute its TAM with available industry information. Determine main assumptions used in estimating, for instance, market trends, spending of customers, and growth rate of the industry.

How well does the startup articulate its TAM to demonstrate scalability and long-term potential for growth? Summarize how well the startup's TAM estimation is in compliance with investor expectations and suggest how it can improve its market analysis to build credibility

8.2 Serviceable Available Market (SAM)

8.2.1 Understanding SAM and Its Relevance to Investors

Serviceable available market (SAM) is that part of the total available market (TAM) on which a start-up actually can work to tailor its products, abilities, and geographical coverage.

Although TAM covers the total potential size of the market, Sam defines his niche for the start-up in the immediate term. SAM is crucial in investment due to it

gives an unmistakable, practical analysis of the capacity of the start-up to work in a segment of a market. This enables investors to judge whether the start-up offering is in keeping with market needs and desires.

Focus: StellentInvestorsBy realizing the strategy of SAM, investors gain certainly regarding a certain market that can be developed by startup more within the means it possesses in comparison to its competition. Rather than spending time trying to dream up unrealistic market opportunity numbers, investors can focus on the actual section of the broader segment this startup is actually going to reach. It's also aware of the opportunities and challenges in start-ups as well, providing investors with hints to see whether it isn't better to get an opening to go into the market.

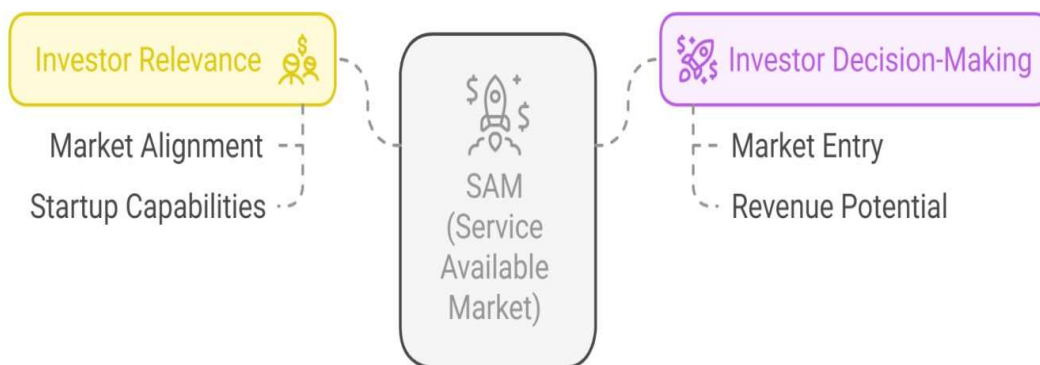


Fig 8.3 Understanding SAM

Example: Urbanclap, an Indian home services platform, which connects customers to service professionals for any task: from cleaning -plumbing to make-up and repairs. Though the TAM for home services market in India can be massive, UrbanClap is urban focused and drill them down to wherever demand are escalating very fast. Sam of the service will comprise urban professionals and middle-income households who want high quality, dependable service in cities like Bengaluru, Delhi and Mumbai. Among other things, it offers an insight into Urbanclap's addressable market through this clear targeting.

8.2.2 SAM and Investor Decision-Making

Investor Focus: SAM has a big influence in the way Investors interpret the capacity of start-ups to catch such or such market. “They want to know how a start-up is thinking about attacking the specific piece of the market and where in that segment is already at scale.” If the SAM is well-structured, it indicates that the start-up has

homework and knows how it can win. It also shows two considerations that are critical for any investment decision, the room start-ups have to enter a market and generate revenue.

Example 1: Razorpay, an Indian fintech start-up that offers payment services to businesses. For fintech services in India, TAM covers pretty much all sorts of digital payments—from people to corporates. But Razorpay connects its SAM with targeting SMEs who need a simple and secure option to receive online payments. This particular focus on the SME market enables investors to establish that Razorpay has targeted a strong niche (smaller, lower-middle market), not commoditized and with big growth potential. By zeroing in on this slice, Razorpay can serve a more addressable and digestible market size to its investors, leading to greater ease of investor belief.

Example 2: Yet another startup by the name of Bunning Bee Foods India, a durable and eco-friendly packaging in India. The world packaging industry is huge, Bumble Bee Foods targets this SAM by focusing on eco-friendly companies in major cities in India especially food and retail. This specific goal not only improves the viability of when it becomes a start-up, but also makes a better investment as its aiming into an actual secured section. Being able to effectively address this market minimizes investor fear, and shows a more organized, scalable business process.

Conclusion The SAM has been useful in upgrading the seed start-up's market focus and match it with potential investors. By shrinking down the available wide total addressable market (TAM) to a “reasonable” [and targeted part, SAM assists investors in evaluating how effective a start-up can be within a specific market segment. -Entrepreneurs must further explain their SAM so they can prove the size of Competitive Start-up Growth Continuum and that they have an ability to take a portion of market share. Having delivered an incredibly well-prepared Sam that not only fixes business problems, but instills confidence in investors that the start-up will go on to dominate its target market.

8.2.3 Process of Estimating Serviceable Available Market (SAM)

Calculating the serviceable available market (SAM) is vital for any company because it represents the portion of total available market (TAM) that a firm can actually target. It is used for selecting a proper customer base of a market and how to approach them while selling such products. Calculation of SAM helps companies in misallocated resource disposal and also market seeking sector.

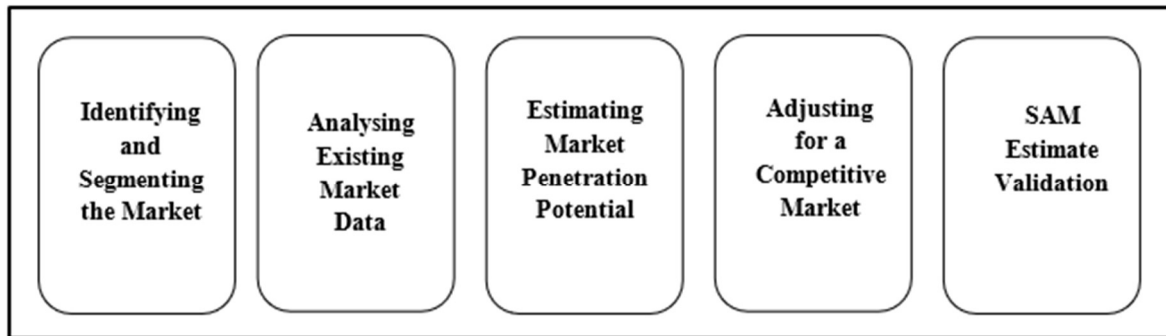


Fig 8.4 Process of Estimating Serviceable Available Market (SAM)

Segmentation and Leave Blank And The first move to evaluate SAM is breaking down and segmenting the market by characteristics that will apply whatever they may be such as location, customer types or (unreadable)??? industry.

Good segmentation helps determine which part of the market will be served best. Supplementary segmentation allows the focus of the target market for customized goods.

Example: Zomato studied the urban consumer behaviour and discovered a lot of customers in the metro cities who look for faster food delivery (not so much demand from rural areas).

Analyzing Existing Market Data: After the market is segmented, firms gather and analyze current market data including industry reports, consumer trends, and competitor performances to estimate what their target market size will be. This information refines our knowledge of which parts of TAM likely convert to Customers.

Illustration: Dream 11, a fantasy sports platform leveraged market data and consumer insight to target gamers of sport who are participating in fantasy leagues, thus focusing their SAM within the ever-expanding world of sport in India.

Calculating The Addressable Market: The next step is to estimate what portion of the SAM a company can realistically capture. The methodology involves projecting market penetration rates, estimating the pace of consumer adoption and factoring in competition. Realistic penetration expectations can be established for the BPC by looking at value proposition of its product vis-à-vis that of competition.

Example: Hyperlocal delivery service start-up Dunzo projected the number of city users that would necessarily have access to their on-demand delivery service due to convenience and speed in cities, and expanded its market share in the on-demand delivery market.

Factoring in a Market Competition: Competitiveness of the market is also to be considered when working out SAM. Both current and potential competitors must be taken into account, as well as how a product will differentiate itself in the marketplace. SAM has to quantify a justifiable potential market share, provided the competition and current market conditions.

Example: Flipkart, when it was fighting a pitched battle in e-commerce space with Amazon and all the local players, reacted by reducing its estimates for what constituted SAM (which now included considerations for competition from Amazon as well as local players) and relied on value-for-money offerings and faster delivery customized to the Indian market.

SAM Estimate Validation: In order to validate the SAM estimate, companies prove out their findings by testing assumptions using actual existing data in the form of pilot projects, feedback from customers and sales. In doing so, companies can refine the estimate of their SAM and calibrate their strategy accordingly.

Example: BigBasket (online grocery) validated its SAM estimate by running pilots in few cities, understanding customers' behavior and tweaking marketing strategy to tap urban residences with a specific grocery list.

Did You Know?



“Identifying specific segments helps start-ups present a focused and

8.2.4 Challenges of Serviceable Available Market (SAM)

The serviceable addressable market (SAM) involves companies in gauging the portion of TAM on which they can concentrate with their offering. While there's certainly more tangible information to be gleaned by aiming for SAM, it also comes with a set of challenges such as market segmentation, customer behavioral differences and resource allocation.

Determining Market Segments: SAM needs correct segmentation of the market, and business entities often find it difficult to determine the market segments correctly. Consumer preferences can be difficult to quantify when it comes to determining boundaries for a target market.

Example: In health-tech, companies like Practo had to build out the SAM with different segments such as clinics, hospitals and individual customers who have vastly different healthcare needs. Additionally, with the emergence of telemedicine, Practo had to evolve its SAM to include remote consultations and wellness services, meaning it couldn't just be applicable to physical healthcare centres.

Respond to Market Dynamics: SAM projections must be dynamic in nature, representing the market forces that are subject to technology trends, consumer demand and economic movement. "Organizations must extend their SAM analysis on an ongoing basis to reflect these developments and remain competitive.

Example: Fintech companies such as PhonePe are updating their SAM estimates on a regular basis owing to India's fast-shifting digital payments landscape. They must consider the regulation changes and adoption of UPI-based transactions which changed user behavior and expanded serviceable market.

Resource Constraint and Reach Limitation: Estimating SAM encounters one of the biggest obstacles which is resource for a start-up. Cost limits, geographic limits and infrastructure can all impose caps on how much SAM a business can realistically capture.

For instance, Paytm found its huge SAM in digital wallets but couldn't penetrate tier two and three towns where the infrastructure for rural India was missing. To bridge this, it enlisted the help of local retailers and mobile recharge shops to extend its outreach, but challenges around internet connectivity and digital literacy persisted.

Competitive and Market Saturation: The presence of a competitive market squeezes out firms as it becomes difficult to acquire your share in the SAM; that is, the market gets crowded with too much competitors. Intense competition lowers the possible market penetration and makes it more difficult to differentiate offerings. Example: Given the industry Grofers operates in, they had a huge task to build their share within several players of SAM in the online supermarket space given (refer figure) \$ A historically competitive sector with giants like BigBasket. The company had to stand out based on low pricing and hyperlocal delivery, but the challenge remained customer acquisition. Providing a definition of and measurement for the Serviceable Available Market (SAM) enables start-up companies to focus on the market that can be targeted. Breaking down markets, given competitive considerations, allows companies to develop achievable growth targets. SAM is a ring-fencing part of the market that firms need to be able to see/achieve so they can start communicating how much they've captured and get investors interested.

Knowledge Check 1

Choose the correct option:

1. Market identification and segmentation is the first step in SAM estimation because:
 - a) Widens market scope
 - b) Restricts target market
 - c) Evades niche focus
 - d) Disregards segmentation
2. SAM estimation does not include customer reviews; it relies on:
3. a) Industry reports only b) Trends and analytics
c) Surveys directly only d) Competitor feedback
4. Competitive market conditions must be taken into account in SAM estimation because:
 - a) Competitors influence share
 - b) They have no effect
 - c) Only new companies analyze
 - d) It saves costs
5. 4. The calculation of SAM is not constant because:

- a) It does not change b) No need for testing
c) Pilot testing makes it more precise d) Updating data is useless

8.3 Serviceable Obtainable Market (SOM)

8.3.1 Introduction to SOM

Serviceable Obtainable Market (SOM) refers to the realistic percentage of the market that a company will be capable of capturing in a defined amount of time considering your company's abilities, product lines and market situation. SOM is a metric that serves as an indicator of the segments or environment inside TAM and SAM that your company can serve based on its capabilities, competition and demand from customers. Accurately valuing SOM is valuable to both investors and startups so that a realistic target for growth can be achieved and expectations can be set. The focus of SOM is to ensure the estimate is achievable as well as realistic given the ability for the company to deliver its commitment.

8.3.2 Defining SOM in the Context of Pitchers

Explanation: The Serviceable Obtainable Market, also known by its anglicized versions - the Serviceable Tunable markets - SOM (This link is no longer valid. oreilly.com/2004/06/16/DropTheFourPs.html), or other buzzwords, such as Pink) refers to the portion of a market that an organization could effectively capture. It comes from SAM, but is additionally adjusted for real market circumstances. SOM is opposed to TAM and SAM due to the fact that it more relates with ground facts like geographies addressed, customers captured and competitive landscape.

Focus: In an investor pitch, you will want to provide a realistic SOM because it provides the market penetration that can be achieved given operational constraints, capital available and competitive environment. "The SOM, when accurately calculated, provides assurances to investors that the company understands its limitations and is targeting an achievable market share.

Example: Multinational challenger Zolve, which provides banking services to Indians abroad, estimates its SOM by delineating an ideal target segment of tech-savvy expatriates who desire easy digital banking. There is an equally realistic statement of the amount of SOM available to Zolve based on both the regions that this cohort is digitally banking and by the company's current coverage and marketing efforts.

8.3.3 SOM's Impact on Investor Risk Perception

Investor risk: SOM represents the portion of the market a start-up can capture in reality, which allows investors to determine what amount of the start-up's addressable market can be achieved. Understanding SOM gives investors a perspective of the risk-reward and how likely it is that the company will continue to grow. A well-understood SOM lowers the investor risk by showing the start-up's focus on attainable goals justified by realistic assumptions.

Example: E-commerce company Licious, which is into sale of fresh meat and seafood, found its SOM by concentrating on tier 1 and tier 2 cities where the demand for freshness along with quality in food items has been increasing in India. For the market space it has kept at this point of time—these geographies, operation constraints, etc., Licious gives us a clear and closer picture of how it wants to grow—and as an investor you can imagine yourself investing in such sort of businesses.

8.3.4 Process of Estimating SOM

The SOM estimate procedure further refines the Served Available Market (SAM)-based estimates with real-world factors such as business opportunity, competitors and limited resources. The process can teach companies how to establish_BASIC and realistic

market objectives and links strategic action to the real world. Estimating the SOM is crucial for start-ups and investors to know how much of the entire market a company can serve, and take decisions on expanding.

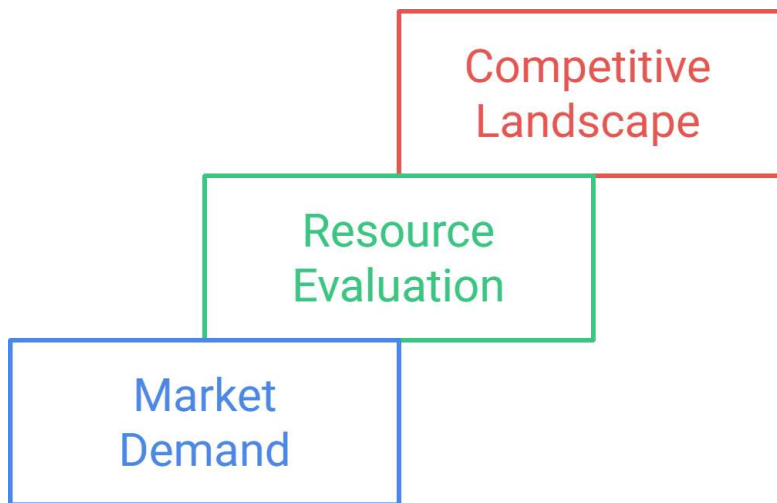


Fig 8.5 Process of Estimating SOM

Assessing Market Demand and Trends: SOM estimate requires a company to deeply investigate the trends of market and customers. Knowledge on forthcoming developments and changing requirements make it easier for the operator to estimate the accessible market share effectively. Market trends are the signs that define customer's tendencies and their behavior in purchase.

Example: Boat, a value for money and robust earphone brand decodes the growing demand of wireless sound solutions in India among millennials and Gen-Z generations. Looking at the consumer preference toward tech products, Boat estimates its SOM through surging demand in low-priced audio segment, especially in tier-I and semi-urban towns.

Assessing Resources and Capabilities: A difficult job in approximating SOM involves assessing the resources of the firm, its technology, human resource and infrastructure. They have to match their ability to operate with the demand level of the market to see how much they can capture realistically. This analysis also encompasses sales power, distributor base and customer service ability.

Illustration: Som of the startup Online food delivery companies such as FreshMenu derive its SOM from the scalability of kitchen operations and delivery network in various cities. It began

from mothball and expanded tier-1 cities gradually with sufficient operation capability. The latter is computed by the company on the basis of local demand for premium food across areas it serves.

Competitive landscape / barriers to entry: Analysis of the competitive landscape is crucial in estimating SOM. The number and strength of direct competitors in that market matters too for startups so they can calculate the amount of market share to capture. Firms should also take into account entry barriers such as capital requirements, regulations, and brand loyalty that can create obstacles to rapid expansion. Example: The scooter-sharing company Bounce fine-tunes its estimate for SOM by measuring competition from incumbents such as Ola and Vogo. While others are aggressively pursuing larger cities, Bounce is instead concentrating on smaller yet unserved regions where the scooter sharing market has not been established yet to determine its SOM according to local market penetration and how much of demand it could capture.

8.3.5 Challenges in Estimating SOM

While SOM prediction is essential for setting realistic business objectives, it brings several difficulties. These difficulties are the scarcity of data, varying market conditions, competition being fierce and rapidly changing customers. SMB companies are left to cope with these challenges and adjust their SOM estimates once they get on the market.



Fig 8.6 Challenges in Estimating SOM

Data Unavailability: One of the biggest challenges in estimating SOM is lack of good or current data for particular market segments. Without confident data from companies, they have no choice but to guess – a factor that can result in over-estimates of what can actually be reaped. So it does become absolutely critical for companies to still find better sources of data in how they accurately estimate the markets.

Illustration: **Fynd**, an India-based fashion e-commerce site, struggled to do SOM calculations for local markets where data was scarce on consumer preferences and local buying behavior. Fynd would've had to guess from typical industry trends, so their SOM estimates are inaccurate.

Market Fluctuations and Shifts: As the market is volatile, there might be sudden changes in the understandale market (Economic, societal or technical) developments. Unpredictable demand, modifying regulations or unexpected market shocks can alter the extent to which a business is able to achieve its estimated SOM. And this moving target results in an ever-changing re-estimation of market share in real-time. One has to be adaptable to remain nimble as the moves unfold.

Example: **Giva**, a jewellery company that started focusing on an emerging middle-class consumer base had to reimagine its SOM estimates after observing marked customer behaviour and disposable income changes brought about by the pandemic which influenced demand in its primary target market.

Heavy Competition: It's difficult to gauge SOM in crowded spaces where multiple companies offer similar products. The competitive dynamics can change rapidly, and companies are frequently forced to recalibrate their estimates of market share. When new firms get in, or when there are adjustments in price tactics among additional companies, the rivalrous forces can be substantially modified. fier competition and potential constraining of the market share A company should be prepared to confront a drastic competition at any time. **Example:** Footwear major **Bata India** finds it difficult to take a call on its SOM because new-age players in value fashion space – for instance, **Mochi** or **Clarks** on one hand and **Clarks** in another – are gradually gaining dominance which makes them more competitive.

Technological Constraints: In most cases firms are constrained by technology, or operation and cannot expand its product line much further beyond the current stage that would be required for fulfilling its target market. As the scale is raised, the SOM will need to be reconsidered in view of realizable capabilities. Also, technical capacity may prevent a company from seizing more of the market, so infrastructure investment in strategic terms is important.

Example: **Cure. fitenta**, a fitness and health start-up estimated its SOM incorrectly to begin with due to technological constraints around scale of the fitness app and meeting the demand it would create. Once they built up their tech stack and made a heavy investment in a better platform, **Cure. fit** repurposed its SOM through the potential to serve a larger group of health concerned people.

SOM estimates facilitate a realistic setting of growth targets for companies. Though it offers a more realistic perspective on the potential market share, but it needs constant updating for the trends and competition among consumers and for the limits of data itself are constantly changing. By designing its strategy to fit these forces, a company can better position

itself to accommodate its own capabilities and resources and see results with step-by-step growth.

8.4 Techniques for Estimating Market Size

Businesses must size the market correctly to know how much growth is possible and what opportunities exist. These strategies help companies to make sound decisions, establish strategic growth plans, and craft powerful pitches for investors.

8.4.1 Market Sizing Methods for Investors

The right market size enables companies to forecast their likely product or service demand. Top-down and bottom-up methods. The top-down approach is based on the overall market to estimate market potential, while the bottom-up approach uses internal data like sales or consumer-base to measure market potential. Both have different takes, but have to be combined to best size the market. The accurate information and realistic market sizing is necessary to help gain the trust from investors. It's realistic expectations that investors use to measure a startup for potential, scalability and return on investment. Without hard facts, companies are either speculative or appear unprepared — and that's a harder sell to investors."

Top-Down Approach The top-down approach is the market sizing model that estimates and adds all the revenue in the market ignoring segment or constraint of industry, location. For companies expanding into a new market it can be especially helpful, as it gives an overall feel for potential opportunities. Firms typically use government figures, industry research and experts' predictions to find the overall size of the market before drilling down. This "bird's eye view" approach

but doesn't always reflect the niche's market deviation or changes in consumer trends, so you need to take assumptions and run them against cold hard facts.

Example: Lenskart the largest eyewear player in India used top-down approach by beginning with estimating the size of Indian eyewear industry. They subsequently adjusted the estimate to fit the online market for eyewear and benchmarked against factors such as internet penetration, online shopping behaviour and customer uptake of digital solutions in eyewear.

Bottom-Up Method The bottom-up method is originated or grounded on the actual operating data, i.e., existing sales figures; customer purchases; and product demand, etc., and these are then projectable to estimate future market potential. This approach is an improved approximation because it relies on a real performance of the business when taking into account average external industry data. Companies that use this strategy take into consideration their conversion rates, product prices and customer retention when calculating assumed market share. But, the procedure can be restricted by company's existing market reach and need to be modified for scalability.

Example: Wakefit, a home furnishing startup, applied the bottom-up approach by examining D2C (direct-to-consumer) mattress sales, repeat buyers or local consumption trends. It then extrapolated these numbers to gauge its potential size in the fast-growing Indian sleep solutions market.

Combining the Approaches: In order to arrive at a more realistic and comprehensive estimate of market size, most organizations use one or a combination of top-down and bottom-up methods. Whereas the top-down approach offers an overall overview of the industry, the bottom-up technique is based on real company performance. Combining the two approaches enables firms to cross-validate assumptions, sharpen projections and prevent overestimating or underestimating. This hybrid model works best for companies in mature verticals where market trends and consumer behavior change frequently.

For instance, a hybrid approach was followed by Urban Ladder, an online furniture retail company, to estimate the market size. It began by using the top-down approach for estimating India's total furniture market, and later cross-validating it through the bottom-up approach by following sales, order value and customer acquisition metrics. This rooted its projections into industry growth and real business metrics.

Significance of the Study: The sound market sizing depends on the credibility of the data behind it. Working with richer, more accurate data can help make sure businesses are making rational decisions — and offering investor realistic expectations. Those sources can be government reports, industry research

companies, or customer opinions. Fragmented or uncorroborated information may lead to unrealistic growth projections and create misdirected strategies that damage investor sentiment. Companies ought to validate their predictions for the market with facts such as qualitative and quantitative data, thus improving accuracy.

Example: For validating the size of its market for digital banking products, Niyu (a Fintech) took a combination of RBI reports and direct consumer surveys. It built credibility with investors for its growth numbers by keeping reliable sources of information.

Did You Know?



“Investors prefer bottom-up market sizing as it relies on real sales data and realistic assumptions, making it more credible.”

8.4.2 Market Estimation Tools and Data Sources

Market size estimation tools and resources available to businesses include industry reports, surveys, and analytics platforms that contain data. These help the businesses in getting fair idea about the market trends, consumer sentiments and even competitor activity. They can yield information regarding future market patterns, to help re-evaluate and project increased market sizes more efficiently.

Using the right tool ensures reliable and valid market estimates. Inaccurate or outdated information could lead to faulty predictions, potentially turning off investors. It's important because you need good tools and accurate data sources to earn investor confidence and make smart business decisions.



Fig 8.7 Tools and Data for Accurate Market Estimation

Market Research Reports: The research firms which offer quality access to the market data for the Oil Emollient Industry produced by them have been our suppliers for this report. They help businesses figure out how to estimate market size more accurately by

offering structured information on prospects and industry trends. These kind of reports help businesses to prove assumptions and strategic decisions.

Example NoBroker, a real estate technology company in India used market research reports from companies such as Knight Frank and JLL to estimate its TAM in the Indian real estate rentals and sales business considering urban housing demands and online transactions for real estate.

Surveys and Feedbacks from the Customer side: Feedback received on surveys helps in gaining real-time insight into customer buying patterns, their pain areas, and requirements. That kind of quantitative and qualitative intelligence is how you calibrate your thumbs at the magnitude below market sizes, to make sure companies are engaging in a game that real customers actually want. Conducting frequent surveys can also help companies keep up with changing trends.

Example: Mamaearth, a D2C personal care brand wanting to determine the market size of toxin-free skincare products, utilizing results from customer surveys related to consumer awareness, frequency of purchase, and spends in order to make more accurate SAM estimates.

Industry analysis: Market potential is estimated by experts based on the company's growth pattern and restraints, macroeconomic indicators, and market trends. Industry analysis helps in understanding the limitations of the market and its potential opportunities for growth; it also aids in viewing the market at a not-so-broad perspective to be able to comprehend what is happening in it. Example: Electric ride hailing company BluSmart used market studies to forecast the growth of India's EV-based mobility segment, analyzing government EV policies, infrastructural development and consumer interest in eco-friendly commuting.

Real-Time Data and Analytics—From sophisticated digital software such as Google analytics, CRM tools and data dashboards real-time updates on consumer behavior, fluctuations in demand and sales performance can be delivered by organizations. These inputs are used by firms to make modifications to the dynamic adjustments on their market estimates. Example: The Sleep Company, India's smart mattress-selling online company used real-time website analysis and customer browsing history to calculate ideal SOM estimates to pinpoint high demand cities and optimise its marketing efforts by observing the real time purchase behaviour.

Determining the market size is a combination of reliable sources and methods. Approaches such as top-down, bottom-up also pull in different intuitions but when a blend is made, you make an equilibrium guess. Moreover, the employing of market research reports, optional customer surveys,

industry analysis, and market share analyses of the customers. By leveraging these tools properly, get the most out of TAM, SAM, and SOM estimates to increase investor confidence and make data-driven decisions based on desired market opportunities and growth potential.

8.5 Summary

- ❖ Startups must demonstrate they can scale, monetize and create market clarity in order to raise capital and be attractive to investors.

- ❖ Size of market (TAM, SAM, SOM) is particularly important for fundraising rounds as investors evaluate growth and risk potential based on these numbers.

- ❖ The Total Available Market (TAM) includes all potential customers in a market, and is defined by the population who have a problem or pain that your category of products/services would address regardless of whether they think the product will ultimately be left to some other solution or not.

- ❖ Serviceable Addressable Market (SAM) converts TAM to the portion of the market a start-up or small business can properly address.

- ❖ Serviceable Available Market (SOM) then reduce SAM to the territory, which can be covered by a company with its resources and competitors.

- ❖ Market sizing methodologies like top-down and bottom-up help to infer business' sustainable growth potential.

- ❖ Investors themselves use market size estimates to predict the future valuation of a start-up, its revenue forecasting and if the project will survive in the long run.

- ❖ Data inaccuracy, market variation and competition are the difficulties faced while estimating market size.

❖ Investor confidence can be achieved by companies using AI, automation and real-time data to sharpen market analysis.

❖ The Zepto case study shows you how strategic optimization in logistics, pricing and customer experience scales your business in competitive markets.

8.6 Key Terms

Fundraising: Process of acquiring monetary investments through venture capitalists, angel investors or institutional funds to grow a startup.

Total Available Market (TAM): The absolute maximum amount of demand in an industry for a product or service, assuming that no such business existed and could be trusted by potential customers.

Serviceable Addressable Market (SAM): The subset of TAM that a startup can focus on based on their product, ability and geography.

Serviceable Available Market (SOM): The portion of the SAM that can be reached given a company's competitive advantage, such as everything described in Price, place and performance constraints.

Investor Trust: How much investors trust a startup based on its market opportunity, economics, and competitive strength.

Competitive Advantage: A unique edge that a startup has over rival firms, whether it is superior technology, branding, cost savings and so on which adds the appeal for investing in.

Revenue Projections: A financial forecast of future sales, so investors have enough context to understand if a startup has a good business model.

Valuation: The estimated worth of a start-up, taking into account market size, growth potential, revenue and competitive edge.

Scalability: The potential of the business to flourish economically; to handle increased sales with little increase in costs—critical when investors are concerned.

8.7 Descriptive Questions

Why do I have to define and report the TAM/SAM/SOM of a startup that is fundraising?

What effect does investor confidence have on the likelihood of a startup raising funds and what key indicators influence an investor's belief in a company?

What are the differences in TAM, SAM and SOM, referring to the calculation of a market potential value of a company?

In such challenges, the company's future revenue streams both directly impact and are most challenging to predict for any potential investor.

How can startups demonstrate their ability to scale without losing profitability, and why is this important for investors?

What are some of the key challenges around getting a good fix on market size, and how can companies combat the inaccuracy of data and volatility in the market?

What is the reason investors prefer a data-based market analysis over general market assumptions and how does a methodical estimation of the size of a manageable market increase fundraising potential?

How should a startup be able to capture its target market, and what role do environments play in the process of competition and competitive strategy?

How is technology in marketing like AI and automation enhancing market size estimates and business growth predictions?

What are the best ways to estimate market size, and how can a combination of top-down and bottom-up estimation help companies be more precise?

8.8 References

1. Levine, U. (2023). *Fall in love with the problem, not the solution: A handbook for entrepreneurs*.
2. Sinek, S. (2009). *Start with why: How great leaders inspire everyone to take action*.
3. Khanna, A. (2024). *Ain't no EUREKA: Your idea for an enterprise journey*.
4. Ahuja, S. (2022). *Daily coffee and start-up fundraising*.
5. Mason, H., & Mattin, D. (2015). *Trend-driven innovation: Beat accelerating customer expectations*. Wiley.
6. Osterwalder, A., & Pigneur, Y. (2010). *Business model generation: A handbook for visionaries, game changers, and challengers*. Wiley.
7. Berger, J. (2013). *Contagious: How to build word of mouth in the digital age*. Simon & Schuster.
8. Rothman, R. (2017). *Master opportunity and make it big*.

Answers to Knowledge Check



Knowledge Check 1

1. b) Limits target market
2. b) Trends and analytics
3. a) Competitors affect share

8.9 Case Study

Using Rapid Delivery and Customer Discovery to Scale Zepto

Introduction

The instant commerce industry is expanding like crazy as consumer habits change and we all want everything now. Companies in this space have to focus on operational efficiency, delivering great customer experiences and solving last mile logistics to stay competitive. This case dives into how Zepto, a 10-minute grocery delivery service, overcame operational and customer experience challenges by making product changes that allowed it to scale fast in a competitive market.

Background

Zepto was founded in July 2021 by Aadit Palicha and Kaivalya Vohra to cater to the rising demand for grocery deliveries at lightning speed. Despite providing a unique value proposition, the company faced several operational issues that impacted service reliability and customer experience. Some of the problems included super high cart abandonment rates, delivery times all over the place and poor order fulfilment. As the quick commerce space heats up, Zepto had to ensure it can operate at peak efficiency while providing a seamless and reliable service all within a cost-effective business model.

Issue 1: High Rates of Cart Abandonment

Zepto also noticed that many users added items to the cart, then didn't purchase. 'There were many reasons – no up-front price, unclear minimum order values or the sudden addition of delivery fees at the last minute. Some customers abandoned their baskets when they discovered they had to pay for additional fees or the minimum shop. In addition, there were no personalized recommendations or reminders to ensure potential customers returned to place an order.

Solution:

- Zepto had a straightforward pricing structure and presented all costs like delivery fees right from the start, again preventing any last minute surprises.
- The company added AI-driven reminders and push messages for pushing its clients to finish their deals, with promotions that are valid only in a limited time frame.
- Relevant product recommendations by order history were added to increase engagement and conversions.

Problem 2: Inconsistent Delivery Times

Zepto's guarantee on 10 minutes delivery was reportedly tough to maintain consistently, due to spikes in demand in real-time, traffic jams and lack of delivery staff in certain parts of the city. Customers were frequently made to wait even longer than they had planned, giving rise to disappointment and a lack of confidence in the brand's dependability. Causes were not just unsure about the type of delay but could not always track orders down to a specific percent and customers who had been promised delivery in a certain window, like the morning or afternoon, also did not know if orders would arrive in that time frame. Solution:

Zepto used demand heatmaps to optimise its micro warehouse locations and keep inventory positioned in such a way that they are closer to high order areas.

- Dynamic delivery assignment systems were implemented efficiently to re-route the riders, reduce lateness during rushes.
- Live tracking was enhanced with accurate ETAs and automatic notifications along the delivery journey to keep customers informed of their deliveries at each stage.

Problem 3: Inefficient Order Fulfilment

The first challenge Zepto faced was operating economically with its inventory, a problem that caused stockouts and lost orders. Users would select products only to learn they were not in stock when it came time to check out, unfriendly to user retention. Manual picking and packing at dark stores further delayed the time it takes until an order was fulfilled, which made it difficult to maintain a consistent 10-minute delivery promise.

Solution:

- Zepto introduced AI-based inventory management systems to predict demand trends and keep popular items in stock.
- Fulfillment centers introduced robotic picking systems reducing processing time and order accuracy by a wide gap.
- Partnered with local suppliers to quickly replenish inventory, and reduced dependence on centralised distribution centres.

Reflective Questions

How does fast commerce balance speed and efficiency with profitability?

How are AI and automation applied to optimize last-mile delivery operations?

How are quick commerce companies building loyalty in the face of intense competition?

Conclusion

By conquering cart abandonment, ensuring delivery and fulfilling orders better than the competition, Zepto well served its users while saving a bunch of money. By using AI-powered logistics, transparent pricing and live tracking, the company was also able to expand its business while meeting customer requirements. The case also shows how relentless optimization and a focus on data wins it in the difficult.

Entrepreneurship and Family Business 101 Unit 9_V3 (1).docx

 Entrepreneurship and Family Business_MBA_1

 Entrepreneurship and Family Business_MBA_1

 ATLAS SkillTech University

Document Details

Submission ID

trn:oid::3618:127169140

37 Pages

Submission Date

Jan 30, 2026, 10:27 AM GMT+5:30

9,808 Words

Download Date

Jan 30, 2026, 10:31 AM GMT+5:30

57,799 Characters

File Name

Entrepreneurship and Family Business 101 Unit 9_V3 (1).docx

File Size

824.4 KB

*% detected as AI

AI detection includes the possibility of false positives. Although some text in this submission is likely AI generated, scores below the 20% threshold are not surfaced because they have a higher likelihood of false positives.

Caution: Review required.

It is essential to understand the limitations of AI detection before making decisions about a student's work. We encourage you to learn more about Turnitin's AI detection capabilities before using the tool.

Disclaimer

Our AI writing assessment is designed to help educators identify text that might be prepared by a generative AI tool. Our AI writing assessment may not always be accurate (i.e., our AI models may produce either false positive results or false negative results), so it should not be used as the sole basis for adverse actions against a student. It takes further scrutiny and human judgment in conjunction with an organization's application of its specific academic policies to determine whether any academic misconduct has occurred.

Frequently Asked Questions

How should I interpret Turnitin's AI writing percentage and false positives?

The percentage shown in the AI writing report is the amount of qualifying text within the submission that Turnitin's AI writing detection model determines was either likely AI-generated text from a large-language model or likely AI-generated text that was likely revised using an AI paraphrase tool or word spinner.

False positives (incorrectly flagging human-written text as AI-generated) are a possibility in AI models.

AI detection scores under 20%, which we do not surface in new reports, have a higher likelihood of false positives. To reduce the likelihood of misinterpretation, no score or highlights are attributed and are indicated with an asterisk in the report (*%).

The AI writing percentage should not be the sole basis to determine whether misconduct has occurred. The reviewer/instructor should use the percentage as a means to start a formative conversation with their student and/or use it to examine the submitted assignment in accordance with their school's policies.



What does 'qualifying text' mean?

Our model only processes qualifying text in the form of long-form writing. Long-form writing means individual sentences contained in paragraphs that make up a longer piece of written work, such as an essay, a dissertation, or an article, etc. Qualifying text that has been determined to be likely AI-generated will be highlighted in cyan in the submission, and likely AI-generated and then likely AI-paraphrased will be highlighted purple.

Non-qualifying text, such as bullet points, annotated bibliographies, etc., will not be processed and can create disparity between the submission highlights and the percentage shown.

Unit 9: Introduction to Family-Managed Business

Learning Objectives

1. Learners will understand the unique characteristics and issues of family businesses.
2. Learners will know the most important determinants of the success and survival of family businesses.
3. Learners will be able to write and deliver a successful business pitch for a family business.
4. Learners will develop effective communication skills to deliver the strengths and issues that are unique to family businesses in a pitch.

Content

- 9.0 Introductory Caselet
- 9.1 Introduction to Family-Managed Business
- 9.2 Preparing and Delivering An Effective Business Pitch
- 9.3 Summary
- 9.4 Key Terms
- 9.5 Descriptive Questions
- 9.6 References
- 9.7 Case Study

9.0 Introductory Caselet

“A Young Entrepreneur Faces the Tradition vs. Innovation Quandary”

Ishaan Mehta, 27, an MBA who has just inherited his family's textile business — the existing-50-years-old-when-it-was founded Mehta Fabrics in Surat, famed for its high quality handloom fabrics. Although Ishaan points out that while the firm has had a reputation for decades and stable clientele, it is finding hard to survive against tech-savvy brands of today. He imagines modernizing the business with, say, an e-commerce portal and analytics-driven inventory management and digital marketing campaigns. But his father and uncles — who have run the business for generations — are hesitant to make the changes. They are also believers in old-school business — word-of-mouth sales and personal relationships with former customers.

After Ishaan pitches the idea at his first corporate family-meeting, he failed to convince senior members. His father attributes their success *ceteris paribus* to the level of trust of the individual and apprehensions that brand respect would get diluted with an online sales. Ishaan is fuming that he plays second fiddle to his own ideas while facing the reality of delicate family equation. And he knows that to bring others on board, he needs to show them how his vision is the family value and articulate clearly what it means to innovate — and then build a powerful pitch between reconciling mission and going outbound.

Ishaan doesn't manage to show the commercial aspect of his proposal as well because the old-timers are intuitive decision makers, not data driven. His business cousins disagree, he said, and it is harder to agree. What Ishaan comes to realize is that doing well in a family business is less about great ideas than cajole-ability, respect for things the way they were and oh-so-skillful manipulation of personal politics. While he gets ready to hone his pitch, he has to find a way to bridge the gulf between tradition and innovation that will keep the company vibrant for generations.

The Ishaan story is that old one of the next-gen entrepreneur in a family business. They're supposed to advance new ideas, they're supposed to provide new strategies but in addition to that, there needs to be an acknowledgment of the existing culture and something akin of buy-in has got to take place if we're ever going to see any types of agreement. This paper is a methodological paper which examines the process in which strategic communication, negotiation and flexibility are practiced to facilitate the successful transformation of a family firm into innovative sustainability.

Critical Thinking Question

Now how can Ishaan actually do a successful business presentation which does justice with his elders' values and also conveys the message of change? What does he need to do to communicate toward a common commitment and break the long-standing culture of the tradition-bound company?

9.1 Introduction to Family-Managed Business

9.1.1 Introduction

For many countries around the world, family-run companies form the lifeblood of their economies — creating jobs, amassing wealth and stabilizing industries. “In the course of history, family businesses have been very conservative and need to see how they integrate between professional management and their own interest as a family. The opportunity and challenge -which like a coin has two sides and is grounded somewhere between risk (literally), Business here becomes more than just buying/selling crude oil, in most cases it involves family- choices made through value systems so personal that personal decision making looks centralized decision making. This will help you understand what businesses of this nature are all about, how they're managed and what makes them successful over long periods.

Defining Family-managed Businesses

Family-controlled Firm: A firm in which the owner has exclusive control and ownership, being passed through generations. The family often has a large say in management and decision making, so leadership is preserved as well as the long term view on strategy.

Example: The Kirloskar Group, which was founded almost a century ago, is a family business even today. They have alternated in the helm, innovation and expansion of business. They were able to have a workable business model and be adaptable to market needs.

9.1.2 Characteristics of Family-Managed Businesses

There are some special features of family business firms as compared to the non-family managed firms. These features have influenced their decisional aptitudes, functional effectiveness and durability. Because if for stable it all depends on having family-based engagement, centralized management; in business it is necessary to sacrifice: succession and emotional decisions. And that's healthy for entrepreneurs, who are forced to balance the pros and cons of being in a family business.

Legacy and Strong Family Values: In the case of family business, core values or essentials have been transferred down through the generations. It will also decisions that are based on family values over market competition, and reveals how the firm hopes to mold its strategy and culture. This lodestar has long advised the workers building businesses organized by Bertoina, and it's blocked the way to fixing a few things that are backward in business now.

Illustration: An Indian 1900-born conglomerate, Murugappa Group thrived for over a century on the twin pillars of sound values and business discipline. It stressed prudential financial management, ethical corporate governance and a stable and long-term growth path.

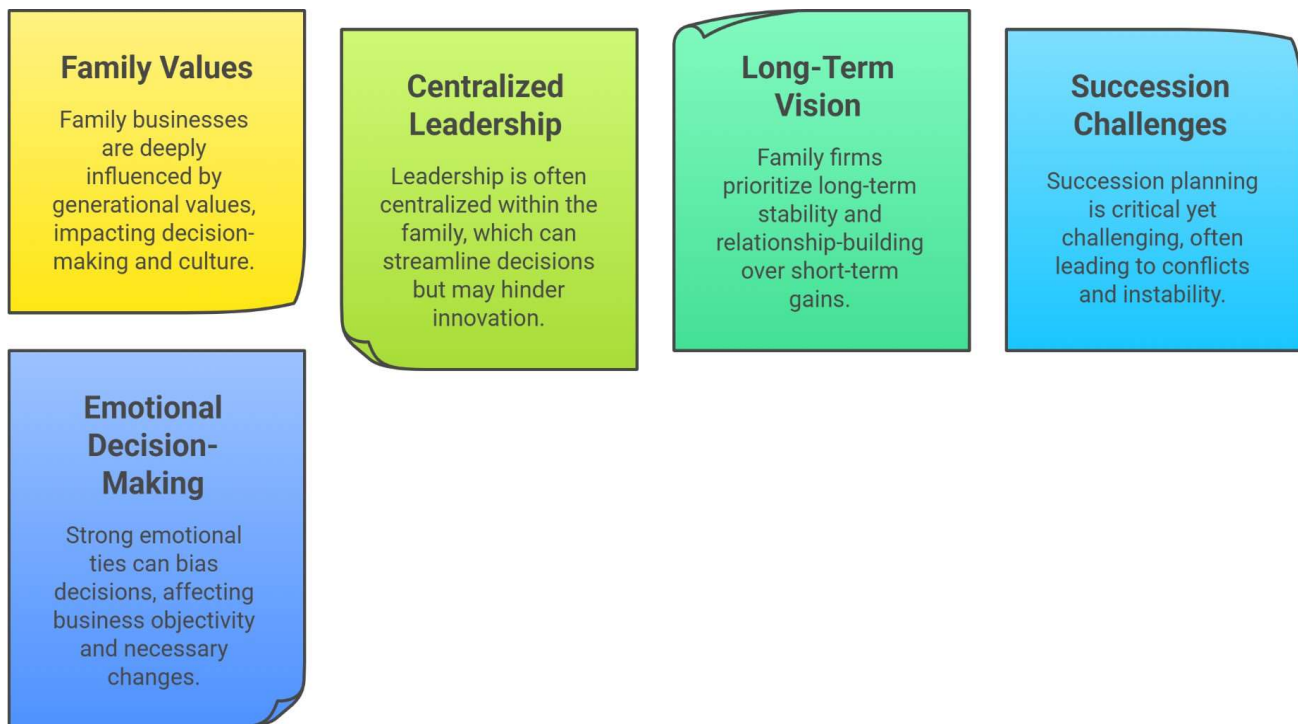


Fig 9.1 Characteristics of Family-Managed Businesses

Centralisation of Decision Making and Control: Family owned businesses are generally controlled by the VRI head or any senior family member where the business is provided for few relations and power becomes centralised. That kind of leadership tends to create smooth lines of control and authority, but it can stifle creativity on the whole since external thinking is absent. Turn of success in the long run, it takes a good mixture of professional management and family management.”

MUMBAI | DELHI Eg: Emami Group (whose business is fast moving consumer goods and where no professional CEO is in charge) even though suffering from geriatricitis for being owner-managed might have an edge since its led by younger `old people' who can take quicker decisions. They were managed by seasoned management in addition to being family, and the latter was responsible for strategic management and operational efficiency.

Long-term view and stability Family businesses aren't concerned only with the next quarter's results; they are focused on long-term value unlike shareholder based short term oriented companies. They value relationships and making lives better for employees through a method of slow growth, not fast growth. That builds corporate resilience but can also slow fast market growth.

Example: India-based TVS Group, an automotive manufacturer, is built on sustained growth and positive rapport with both staff and customers. Their forbearance on the marketplace has enabled them to remain relatively immune and brand loyal.

Issues with succession planning Success in leadership is the most challenging one due to family businesses. The absence of an effective succession plan can lead to family issues and never-ending growth.&nbs... Generational differences lead to conflict in their leadership so there is a requirement for succession planning and development programme.

Examples: Ambani family (Reliance Industries) that had the iconic Mukesh and Anil fighting a lavish tale of an advertised fight over ancestral property which eventually erupted into a gigantic corporate bust-up.

9.1.3 Governance and Leadership in Family Businesses

Emotional Attachments As An Impediment In Business Decisions Family members are emotionally attached to the business and there's a lot of hesitancy on their part in giving an objective analysis or solutions. Personalities can foster good loyalty and dedication, but this so many times happens at the cost of keeping bigotry intact where personal relations surmount professional perception. It's this emotional attachment that can also become the force of resistance to change and financial trade-offs.

Example: The Raymond Group also sees issues of family conflict struggle with control between father and son, textile industry operations in India. The ongoing court case and the red light on further expansion make investors lose trust in the company.”

Did You Know?



“Family-owned businesses account for 64% of the U.S. gross domestic product, generate 62% of the country's employment, and are responsible

9.1.4 Financial management and growth of family businesses

Management and leadership in the small-sized family-like firms is crucial for the firm stability and long-term success missed often by many public companies. Family businesses need to balance the private side to their business relationships so that they can function at optimal levels. Governance, then, becomes a means to addressing issues and achieving sustainable development. With clear leadership and vision, old ideals can be combined with new forms of management for competitive advantage.

Family Council Application: Family council is the starting point from which family members consider strategic direction, money and dispute. “Because it keeps everything above the line and transparent, so your decision-making is in line with what you want for the business and also what you want to have happen for your family.” A well structured family council helps bring unity to the family and eliminate confusion between family members.

Illustration: The Dabur family, who spearhead the FMCG business created a Family Council to separate property management from business operations. That enabled the professional managers to become running the business and have a smooth transition into professional management with no internal acrimony."

Importance of Succession Planning for Business Continuity- Generation to generation, a succession plan is required for the smooth transfer of one leader to another. Simmering disputes and a power vacuum can make the company susceptible to internal strife and an absence of leadership that leads to disruption in service. The company is part of the firm to provide clarity on the process of succession planning for future generations.

E.g. An Apollo Hospitals or Ranbaxy kind of health company director has nurtured the next generation and inducted - Dr Pratap Reddy with his daughters, Not short shuffling traditional corporate governance norms. The healthy expansion of the hospital chain was allowed and encouraged.

Combining Family Influence and Professionalism: Most family businesses fail to integrate the desire for maintaining its familial nature with professionalism. Family = heritage and long-term commitment; professional managers = industry expertise and operational efficiency. A Weighing machine: the scale for businesses with no internal tension A board not tied that does whatever it wishes and has outside experts to help.

Example: FMCG company Marico, family-run firm from which Harsh Mariwala stepped down as the professional CEO. He stressed talent from the outside, innovation and globalisation as well keeping some of the strategic family drivers.

Governance Mechanisms to Avoid Family Conflicts: Governance instruments such as shareholders agreement, council structures, and conflict resolution mechanism keep family owned business on a track. All compensation, business decisions and voting rights are pre-arranged, minimizing dispute and promoting impartiality. Example: Indian engineering conglomerate the Kirloskar Group has also brought in a governance policy that spells out the equity structure and voting rights to prevent family members from getting embroiled into disputes. This has allowed family to come together toward company objectives.

Transition from traditional management -styles to modern corporate systems Family owned companies are growing up and business executives need to honor their family origins and at the same time leverage on current corporate best practice. This is successful by utilising technology, dovetailed with strategy shifts and a culture to underpin innovation. Membership advisory councils, along with leadership development programs, assist organizations in managing the old world of experience against new business sensibilities.

Case: Godrej Group, a diversified conglomerate, by placing professionals at different levels in the company but retaining family members in select positions of authority. The firm expanded the international side of its business, holding onto its core values.

What it needs is proper financial management to stay in business, and for it to expand its reach. Unlike public firms, the majority of family businesses use self-financing, long-term financing management and re-investment to grow. This financial strategy effectiveness also supports management in continuing to grow, and you are still in command of the business because of it by managing for upcoming capital structure events and funding road blocks.

Family Firms, Capital Structure And Ownership Control: The family business firm prefers a capital structure where ownership is maintained within the family. Rather than raising public equity, they rely on retained earnings or long-term bank loans or private investments which is a safe process but again might not enable the company to grow fast given that the inflow of capital is limited.

Illustration: V-Guard Industries Like reverse osmosis water purifier which is an electrical appliances manufacturer V-Guard Industries has grown using family money or cash and thus hasn't diluted the ownership.

Barriers to Funding and Capital: External funding may be a challenge - investors might be cautious about investing in businesses where family influences seem strong, because they can sniff when decisions are not transparent. It is quite difficult for most of these family businesses to access either private equity or venture capital, unless they have professionalized management.

Example Parle Agro (Soft Drinks) The company was unable to raise funds from external investors during its early days but attracted attention after diversifying the product portfolio and strengthening governance mechanism. Answer.

Capital Structure and Ownership Control

Funding Difficulties and Access to Capital

Reinvestment Strategies for Growth

Balancing Debt and Financial Risk

Strategies for Expansion and Diversification

Fig 9.2 Financial Management and Growth Strategies in Family Businesses

Reinvest in the Business for Growth – Family owned companies how ever large - are run by the family that owns it and a disproportionate percentage of what they earn is put back into the business rather than being paid out to shareholders as dividends. Reinvestment this kind of support is needed to increase production capacities, product diversification and infrastructural renovation that are all required for a sustainable development of firms in the long run.

Example : Kalyan Jewelers, A Jewel Retailer to a single store upto pan-Indian was just based on steady incremental growth in Store expansion and marketing without raising significant external funding.

Indebtedness and Financial Risk Family owned companies ought to be careful of risks associated with their debt because a high leverage exposed a firm to financial distress that may in turn dissipate family wealth. For the overall health of a business, it is also necessary that they borrow responsibly from banks.

Example: Haldiram's – the snack food major leveraged through internal funds as opposed to taking aggressive positions in bank loans or with a private equity player and expanding it way beyond money that was practically unmanageable.

Family business growth and diversification: There are a number of well-documented ways in which family owned companies grow their businesses during their life, such as sectoral or geographic expansion and multinationalisation. According to the company's Business Objectives "Strategic growth (in business) is critical for it allows the Company to use its customer base and brand name to overcome any financial difficulties that may arise".

Example: Dabur Indian based conglomerate company in consumer goods space though has ventured out of its ayurvedic base to personal and health care supplements with internal capital with controlled borrowing for other operations.

Innovative financial management can ensure that family businesses work and grow in the long run. The leverage of capital re-organization, funding and reinvesting capital income will allow these businesses to locate control because it differs as time passes. Some of them are also keeping a very middle-of-the-road approach to their financial planning that allows them to increase but not waste what they have built.

9.1.5 Balancing Family and Business Interests in Family-Managed Businesses

Personal and professional factors influence family businesses. Family and business checks balanced would be key for such a "peaceful atmosphere, soft" set of decision-making tools as well as for performance beyond the short term. Conflicts, lack of a governing structure may lead to inefficiency and battle for leadership. Conflict management, transparency of decision making, and leadership is likely to improve commercial relationships and family relations.

Dispute Resolution Mechanism Family business disputes are basically about conflicting visions, runaway financial extravagance, malformation or underutilization of succession legislation. We not only have the well-planned communication network and formal outline on

resolve conflicts avoid extensive changes to the conflict, and keep tasks moving forward. The majority of professional disputes are best handled through arbitration, third party mediation or a formal family governance structure” politicaldynastiesariate.com Estate Planning is the process of arranging and considering asset management in advance.

Illustration: After the death of Dhirubhai Ambani, a dispute erupted over who would get to have a say in the running of Reliance group through Kokilaben (Dhirubhai Ambani's wife) mediation. The structured settlement enabled an orderly redirection of funds (and thus, no interruption to the business).

Decision Making Structures: Separating personal from professional will be key for a family business. A good framework — whether in the form of a family constitution, an advisory board or some other structure — removes the emotional bias from decision-making. Evidence-based decision-making, and transparent evaluation Evidence-based decision-making is a good guide for government policy decisions—where practical and feasible giving assurances that then public’s interests will be taken into consideration. A clearly established authority, based on evidence could help to make the process of deciding more fair.

For Example: Buy Shree Cement has resolved internal family dispute for the top job via planned succession and inducted professionals from outside like many other firms to run day-to-day affairs.

Leadership Dynamics and Succession Clear leadership roles will aver power struggles when parents have failed to communicate the realities with transistioning generations. The succession planning is helpful in drawing the map of future leadership and expectations of them, hence no disturbances to be made in business. Such a program also becomes "official" mentorship and leadership event for the successors, which allows to smooth the transition process.

Sample: RPG-Sanjiv Goenka Group, Diversified Business Conglomerate The succession roadmap worked to a tee there moving on to the younger scion of a business family with work exposure outside and then in again, into the driver's seat at senior leadership levels.

Business is Personal: It's hard to keep personal emotions separate from professional duties when working so closely with family. The process is objective and promoted decisions responsibilities and business or management decision. AEP to respond and be the official source of communication out channel for AEP can reduce personal bias at employee to employee engagement.

Case in point: Marico, the consumer goods company launched by Harsh Mariwala in which instituting a shift from family firm to professionally managed did not come at the cost of its 'familiness'. That is exactly what innovation right beside long-term stability.

Professionalization of Management Without Family Losing its Value: Professional management in family businesses is more and more important with an organization's size. Introduction of those outside control in the operations and development of companies governances codes, helps from forcing family businesses every time to be affected by daily exigencies⁷⁷. Similarly, what family members gain from being in outside industry is professionalism before they enter the firm.

Illustration: Kalyani group a manufacturer of Engineering & Defense equipment being family owned and professionally managed; restructured its professional management by bringing in professionals with vast experiences to occupy key positions in the company while the strategic control remains within the fold of the family.

And knowledge-based governance, clear leadership functions and professional arenas for decision-making is what creates this balance between family and business. Good conflict resolution is thus an area of prime importance for successful family businesses if they are to continue beyond the third generation.

9.1.6 Sustainability and Long-Term Vision in Family Businesses

For long-established family enterprises, the objective is not just managing the trade-off between profit and growth on one hand and what we call corporate responsibility on the other, but to sustain that balance so future generations can continue to enjoy it.

Assuming they have been smart in their planning, they should be able to respond to market conditions while still preserving the heart of what makes them special. It's what makes the responsible stewardship of their resources and environment, and the development of leaders enable them to be agile and successful for generations.

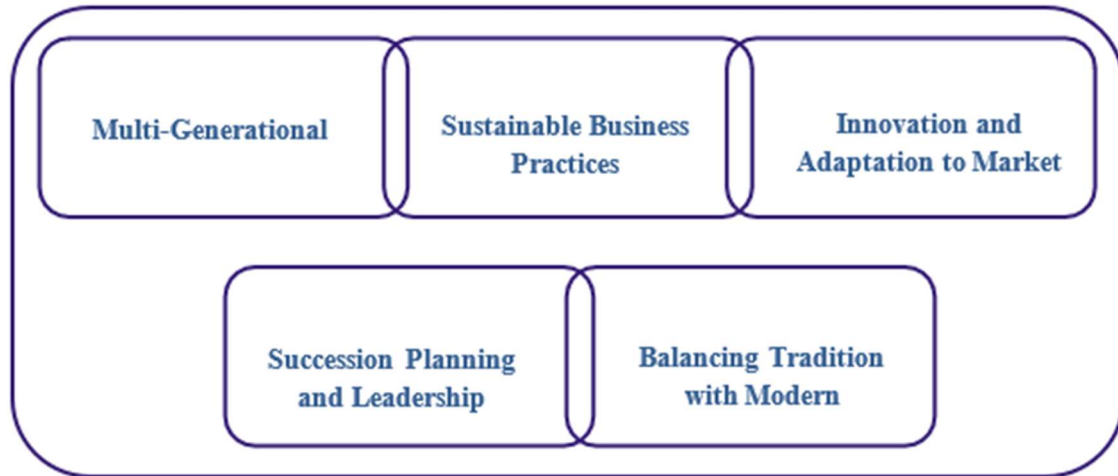


Fig 9.3 Sustainability and Long-Term Vision in Family Businesses

Generation to Generation Strategic Planning: Businesses that are owned by family seek sustained growth, progressive strategies and yet they hold respect for traditions; such associations with pride of history continues into the future. Focus In many ways, these families are focused on similar themes as in the past – developing leaders-in-waiting to succeed them; maintaining financial health and agility (their term is often 'flexibility'), adapting to shifting market circumstances – but above all ensuring that the company will continue to exist long after they're gone.

FOR: V-Guard Industries transformed from a small stabilizer company to a diversified electronics giant by adapting the long-term strategy to evolving markets.

Sustainable business practices: Sustainable business practices are important for family businesses wishing to survive over the long term. They are investing in sustainable sourcing, energy-efficient production and eco-friendly operations to reduce their environmental impact as they make money. These beside increasing their glory also add to their height with the world wide business trend.

Illustrative: Godrej & Boyce have turned an Environmental ravenous manufacturing unit of an integrated group into a carbon shedder and have ensured long term sustainability with cutting through use of energy efficient technologies, and sustainable supply chain.

Innovation and Response to Market Changes: To survive, family businesses must embrace new technologies, extended their product ranges and react to changing customer demand. By innovating, future-oriented family businesses can size up opportunities to keep their key strengths.

For example, Havmor Ice Cream started as a mom-and-pop shop and became a nationally distributed brand by introducing new flavors and forming fresh distribution alliances.

Succession Planning and Leadership Succession: Business continuity demands a good succession. Family businesses, have a formal succession planning by the river bank of internships and professional management guarantees that smooth transitions do not scar business. "It creates a relieved atmosphere and really solidifies the organization's future.

Illustration: Sheela Foam In the case of Sheela Foam, maker of Sleepwell sleep products, a well-scripted succession plan has been in place — only occasional moves that have been made are consultants who advise the family in brainstorming and formulating strategies.

Tradition meets Management: As reasonable combination of traditional family values against modern business management is essential to be successful on the long run. Traditionally, family serves as trusted network and support system.

brand loyalty. Competitive advantage That competitive advantage needs to be preserved by using modern business practices such as digital transformation, customer centricity and work process management.

Examples: 1) MTR Foods (Packaged Food Brand) was built on legacy of authentic Indian food production, who needed to transform manufacturing process and packaging minus traditional digital marketing to address new generation aspirational consumers.

Family-Enterprises Family enterprises have a long-term horizon. Family business planning with the head and the heart; sustainable family businesses, creating tradition from innovation, successful succession plans that work and melding in new practices with the old are crucial for long-term business health of a company which will perpetually evolve.

9.1.7 Economic and Market Impact of Family Businesses

are one of the major driving forces of any economy. The family businesses are leading contributor of the employment, market and financial leverage of the any economy. These firms usually pass the sitting the company down to their sons or daughters. They invest in a vision which is only recognized by the members of the family hence the so buffer the economy from the affect of not maximizing the short term given money. "The familial generational handover, the long-term investment orientation and the buffer function with regard to the economic repercussions of the future-orientation are the reasons why they are indispensable motors of economic development". Contribution to Employment & Job Creation: The family businesses give the most jobs of any developer in almost all cases. The family businesses maintain their headcount and hire more workers across industries. In comparison to when the pricing increases for family businesses, economics decline for a short period. These providers don't want to end in the market which means they keep the same employees during rebounding. The career is presented as an upward position inside the business. Example: Shree Cement Cement/Pozzolana Manufacturer. Creates thousands of jobs in India . Inducts thousand number of people in the skills and Plant being setup in rural to provide employment. Stable and Healthy During Downturn Economical: Family companies are focusing on the long-term future s and emphasize into the future instead of the short term financial gain. Reprint by Order 8 7!/> Ä They focus on sustainable development instead of making a profit. Stability and resilience during economic downturns. Family businesses focus on creating wealth, not the maximization of profits. Conclusions v:s some studies have shown that prior shock evidence that family business can sustain than other. They usually have good equity base to operate through crises. They plow earnings back into the business permit not stock market. Previous study shows: Case : NRB Bearings v:s Automotive Components proved that to survive economic downturn diversified products cut cost and increase export turnover. Swithc body: That means a good business in a slow business too.

Catalyst for Local and Regional Economies : Family businesses are the man driving force of local economies due to setting up manufacturing base, support to small suppliers and industrialisation in non metros. beside business contribution because of play family

businesses increase the economic wealth of its market through investment in infrastructure, transport and raw material supplies.

Eg : Incense Manufacturer - Cycle Pure Agarbathies Along with trade promotion in Mysore, The measure of journey of this incense manufacturer can be drawn not just by its abetment to the commerce in Mysore but also in terms of employment generation, Cottage industries (small suppliers) strengthening thus business development empowerment provided to them.

Entrepreneurship and Innovation: These family businesses, because of their legacy origins have the family business still at its core but they innovate and tap into new markets through entrepreneurship. They are a breeding ground for start-ups in their firm, favouring the development of young employees who can innovate and use new technologies – very important when it comes to long-term competitiveness.”

Example: The motorcycle leader Hero MotoCorp attempted to push past motorcycles into electric-vehicle technology and mobility start-ups, in its pursuit of future transportation trends.

Impactions on Capital Mkts and Wealth Creation If the more of the big family business above are bottom heavy sustainable growable + better corp gov., then investment community will thump the new leader with their inherent confidence in the B as call options come a roar of endorsement. So institutional and retail investors alike perk up and pay them heed — rendering them to be major players in wealth redistribution. They have also engaged in corporate social responsibility initiatives that they are more economic powerful.

NOTE: Example : Sun Pharma profit & revenues earned by investing in healthcar R&D and affordable medicine stock markets did well... the foreing investors were attracted to Share market.

Activity: Assessing Sustainability and Long-Term Vision in a

urban and regional development, innovation, and stability in capital.

markets. Because it is sturdy and weathers well, the family business stands as one of the building blocks of national economies and of the world economy. Choose a family-owned business and consider how it balances sustainability and long-term vision. Assess its multi-generational strategic planning, sustainable operation, innovation, and succession planning. Consider how the company responds to changes in the marketplace while maintaining its core values and blending tradition with contemporary management.



9.2 Preparing and Delivering An Effective Business Pitch

9.2.1 Introduction

A business pitch is a crucial document for any entrepreneur to have in their back pocket when they are trying to get their company off the ground, convince potential partners or customers about what it is they are doing — or even trying to drum up some buzz. All of the effects that you want to happen around what is arguably the most important thought you will ever have about or for your business, in a short, concise and compelling manner can be triggered by one small thing: a good pitch. Pitching model: a clear value proposition One of the most important thing about value prop is that it's not supposed to express what something is worth but instead, it suggests how much value could probably lead to gains and benefits. Business pitch is a condensed form that describes your vision, operations plan, potential value and strategic plans. But when all of these aspects are clear then a business pitch can be outstanding and the possibility to get funded or invested grows exponentially.

9.2.2 Key Elements of a Business Pitch

Business Pitch Four of the key elements to a good business pitch are generally: problem, solution, market opportunity and revenue model. That would lead to an opening pitch, which would settle the fundamentals of what the business is and its faint whispers of promise.



Fig 9.4 Key Elements of a Business Pitch

Problem Pick out the pain: Step one of a business pitch is explaining the problem or pain that your company is designed to solve. “Subject” that is pitched to an audience, if the ‘problem’ then it’s resonance has a roughly predictable schema for explaining why it matters. We are making a scene for the Business Solution by emphasizing the problem, we need to know that in order to understand why we need business and even Why Business is there anyways.

Example: Giva, the jewellery brand that experienced first hand, too many expensive and shoddy and dated choices of jewellery online. Ultimately, they wanted to remedy this issue by offering stylish and affordable products that the modern consumer can enjoy.

Solution: It should describe how the business will meet the need or problem that they’ve identified. And this is where the section shows how unique your product or service is, and why it can be used to solve that problem in particular. The answer should be practical, scalable and innovative- which is why it’s essential to demonstrate how it will realistically drive long-term success.

Dean Sample: Blyss Technologies (a Tech Start-up) has designed portable air purifier which utilizes cutting edge filtration to purify the air in public places, homes and offices – providing a cleaner environment for our customers in an over polluted world.

Market Opportunity: This quantifies how large is the market opportunity for company's product or service. This includes your audience, who they are, what the industry trends are and competition. That ability to grasp a market opportunity can also help in painting a picture of how big that business could become, for potential investors or partners.

Illustration: UrbanClap, a home service platform, realized that more people were looking for something like instant verification of home services on demand in cities or the big Indian markets. They capitalized and began selling services that span from home cleaning to beauty at home, carving themselves a spot in the booming gig economy.

Revenue Model: A revenue model is a company’s plan for making money. This could mean direct sales, subscription dollars, licensing and hybrids of ways to make money. If your revenue model can't be executed as a part of the whole business strategy it needs

to fit into but still function (profit for not only the owner, but enticing enough by customers so they buy). THEN YOU CANNOT GO TO MARKET.

Example : Razorpay – A fintech company, business model is transaction based revenue (cut on each payment they process using their tech platform). They have built out their model by bolting on higher-value added products like lending and business banking – which diversified the revenue streams.

9.2.3 Structuring a Persuasive Pitch Deck: Slide-by-Slide Breakdown for Investors

A visually appealing pitch deck is a must-have if you're looking to raise capital as an entrepreneur. It's a sort of visual and narrative framework for what the start-up does, and investors instantly grasp why it's valuable. The perfect pitch deck design is simple, explained and that responds to the main investor concerns: market size, business model, numbers. Here's how to reverse engineer each slide of an expert-level pitch deck, with examples across a few different industries.

Cover Slide: Create a First Impression The cover slide is the first impression; it should be attractive, professional and should include useful information. The first slide should be the organization, logo, plain tagline and background style as per brand image. A good title slide gets the audience ready for what they're about to see, and helps establish a favorable first impression.

Example: The title slide Deck (above) of Artificial Intelligence based skincare company CureSkin is designed with pizzazz and even the tagline "AI Meets Skincare – Personalized Dermatology at Your Fingertips" confirms its uniqueness.

Pain Point – What is the problem you are trying to solve? Be clear about your business's core problem and why it needs to be addressed. It should include statistics data that's relevant and live examples of why this problem is critical to solve. The ... Trending In: The Problem: – This should be presented in such a way that investors will understand this is a problem/issue that needs solving.

Example: Healthcare Tech, Neeramai You present a slide on how breast cancer detection is a challenge and the data shows early detection and contrast with that by

late-stages as access to east-breast mortality in India, exposing to west stage at diagnosis.

Solution. How the Company Solves the Problem: Your solution slide should provide a direct answer to your problem statement, showing how your startup brilliantly solves it. It would have to be simple but irresistible, revealing some form of discrimination on innovation, technology or services. A good solution slide should convince investors that the company has a plan to solve the problem long-term.



Example: A new space-tech start-up called Agnikul Cosmos, and it has its own 3D printed rocket engine technology which it hopes will be able to send small satellites into orbit at a fraction of the cost.

Market Opportunity – Business Validation: This slide puts figures on the TAM, SAM, and SOM. The large and expanding market also shows that the business scales, which investor are reassured by. When you add that to graphs and reports from the industry, and market trends, it adds more weight to the evidence-based position of this.

Case in point: An EV battery swapping outfit, Battery Smart is an epitome of rapid evolution in India's extended electric vehicle universe and increasing preference for low-cost efficient battery-swapping solutions.

Business Model - Revenue Generation Slide: revenue generation of a startup and how it will grow over the long term. This could include revenue streams, pricing strategy and ways to make any adjustments. The businessmodel also should be transparent and scalable which investors want to see the profit potential.

Example: ReNew Power (not the only one with the business model but one of very few not govt.), grows extremely steadily to become a dominant player (we should all love competition) while getting loads of PE and then leverage capital and, which produced whatever x cents on a \$ invested to revenue (yah its about recurring over years and not something different each year).

“Competitive Advantage” – How we're unique: In “What is your company's competitive advantage,” you essentially explain if the business is unique (difficult to replicate). This might make its own technology, patents, a strong brand, network effect or operating skill. A dramatic competitive edge is why investors can bed down knowing things aren't going to change.

Example: Space Tech, Pixxel flaunts its advanced hyperspectral imaging satellites providing high res. earth observation data than competitors and making you the best for accuracy of imagery.

Go-to-Market Strategy – Business Cursing Pros: This slide tells how the startup is getting customers concerning from acquisition to conversion and retention. This would involve copying and replicating marketing strategies, sales techniques, retention and user acquisition tricks. Large GTM gives investors comfort that the company has a way to scale. Take for instance, the audio content platform Kuku FM which focuses on multilingual content, social media marketing and strong distribution partners to expand its presence in the regional India market.

Financial Projections - Revenue, Costs and Profitability Analysis: Not surprisingly Funders want to understand how you will make money, pay the bills and when you expect to start being >profitable. This slide should be returned to real-world development budgets, break-even thresholds and funding capacity. Graphs and KPI's, broadly reassure the investors.

AtherEnergy – Electric Vehicle Company – financial forecast on getting what bikes will be sold in how many years, how much of operational costs and profitability would look like, when they'd break-even.

Funding Ask – How you will use the investment: The final slide will illustrate the investment required and what purpose you are going to use it. How is the money going to come in It's good to include a bit more detail on how you see funding increasing such as product growth, market expansion, hiring. The clear funding let investors know the financial plan, no questions asked.

Example: An online meat delivery firm Licious, mentions a use of funds that deploy investments in scaling up the supply chain, marketing initiatives and the technological stack.

A well-crafted pitch deck investor presentation is adduced to the essential function of an effective business pitch: Clearly and coherently addressing the objections, one by one, in sequence. Every slide is there to tell a part of the story, from Problem statement up till Financials. "Sewing the deck: Just doing a really great job of being able to uptick their probability of gaging an amazing investment and pacing them well," as Ursini put it.

9.2.4 Financial and Valuation Aspects in a Pitch

Investors look at a start-up's ability to grow and the financial climbing it is capable of taking. The pitch deck can nevertheless place in more information regarding the long-term financial projection and revenue model of the assessment section, Time frame to profitability Plan towards funding This part closes on a good note to persuade investors that if the business has value, scales, and provides returns. The following is an analysis of the most important valuation and financial components.

Business Model- Revenue Model (g) Revenue model: It provides the guide of how a firm generates revenue, for example types of sales and collecting commission and fees. This could be in the form of membership dues, trade commissions, licensing or the freemium model. A recurring business model with lifetime guaranteed cash flow. And it helps investors to see if there's more cash flow in the business, which decreases risk related to losing the financial reputation.

Ex: Start Up, Nobroker a Real Estate Tech company and work on commission free revenue model earn by home premium listing services financial value added products not routing others brokerage charges. A variety of revenue streams gives Nobroker the kind of risk cushion that one or the other does not, when market is up and down.

Cost Structure – Out-flow and Profit driven: Investor measures behavior of profit a considerable gap between fixed, variable cost where I want. This also includes the infrastructure costs, man-power needed, marketing and logistics. A start-up with its own unique cost equation, however, can command nice margins and grow.

break-even points. Cost structure clearly laid out shows potential for savings A well-structured cost structure displays the potential for savings and where processes could be streamlined.

Models: Pride of India, The High have the ability to do away with such additional burden by buying raw weed straight from Indian farmers maintaining the cost of procurement same under strict high standards. By making use of that local partnership, Boheco has and does permanent supply chain management which is a win-win for farmers as well as the company.

Unit Economics – Profit per Customer or Transaction: Unit economics represents how much a company earns for each customer, sometimes transaction, after the deduction of associated costs. This includes CAC and LVT. Strong economicsGoonit.co.uk U.E.UAKey and healthy economics are the mark of a robust business it s long term profitability, growth and scalability that will hook investors! Good unit economics is also a sign of good pricing, and how to retain customers cost effectively.

Example: B2B seafood startup Captain Fresh aggregates small retailer orders reducing logistics costs and keeps margin per transaction. It optimizes unit economics by aggregating demand from small retailers to reduce the cost borne on a per-unit basis for

supply. By automating your supply chain processes, we increase cost efficiency and profit margin.

Financial Projections – Estimating Growth: Projected financial statement organising a plan for growth. Realistic estimates make fact-based assumptions to allow the investor Strengthened Confidence 信心 CONFIDENCE. They also help companies plan on future spending requirements, growth and risk management. Good estimates are the starting point for what a startup needs to allow it to get its act together.

Sample: Chalo, Public Transport Tech Ticketing apps and smart mobility subscriptions will be a growing share of revenues from a range of cities in the next 5 years. Leveraging Chalo's data analysis powered by AI, the company is further perfecting its forecasts and optimizing its revenue growth plans.

A Break-Even Analysis: : BEP is reached? You are now making money with your business
a) A break-even analysis for your business, including (i) your break even point in units and in charges ² after you have paid all of your fixed costs. Another financial advantage for investors: A straightforward way to break even that lets them tread water snugly. Startups that break the sound barrier, meanwhile, often attract more money because they show sound monetary stewardship. Investors also employ this metric to ascertain how much risk they are "taking" (as though it is a subway train) and what they might expect in return.

e.g. Nesta Toys (a sustainable toy brand) expects year 3 to see economy of scale and brand recognition have taken costs down to break even. And then it taps into the perpetual motion machine that is universities to increase brand equity and the pace of sales growth.

Valuation – Applying a value to the Business: Startup valuation determines the worth of a company based on revenue, market size and investor interest. There are various justifications provided for the investment by DCF, comparable company analysis etc. Formal evaluation techniques facilitates to increase investments as it indicate market existence and possible growth. Sample: In a similar way, Fintech Lending combines on an assessment basis of the projected debt book evolution and risk estimat[i]o[n] to convince institutional investors at a premium valuation. Sequel Charts Legendary

Investors demonstrate Long-term scalability in the form of low defaults and high customer repeat rates.

Funding Ask – How much are you asking for: Here you will enter the amount of money you want your investor to invest and where will it be spent. Startups need to articulate how it is going to be used as a tool for growth towards financial milestones. Follow-on investors are more likely to invest when you have a written money plan with realistic projections about how much and by when, as well as expectations of traction.

Examples: A specialty coffee chain cafe Blue Tokai aims to raise capital for expansion of branches and build the supply chain potential, digital sales channels. The blue torch is there to ensure all that confidence remains in tact by blaring out the fact that ongoing increases in consumer demand and its little exception circumstances are sooooo freakin' special.

I'm not even going to address the investment banking "fees" these companies pay that are higher than a high interest credit card loan... Capital Allocation – Investing The Investments: how will this investor capital be put to work in order to grow your business/portfolio? A structured capital allocation plan prepares you to spend behind product development, marketing, team expansion and technology upgrades. Capital allocation means you're spending and investing money in high-payoff projects that generate revenue growth and competitive advantage.

Sample: EGD Hedge Fund distribute funds for artificial intelligence career assessment tool, user acquisition bonanza and strategic Alliances with Edtech Start up Universities. Development and investment into technological enhancement is also supported with material that provides a more compelling business case.

2) \xA0 Exiting —possible return to investors A good exit secures liquidly and return for our money. And overall do you see a lot of preferences for IPO, mergers, acquisitions and secondaries? Startups with well-

no clear exit strategy which is a" Unlike aspect that's: pulls more (investors) through the door as investors are looking for confidence in terms of an exit plan. A credible way out further increases investor confidence.

Example: Online pharmacy PharmEasy is also said to have an exit plan that involves hitting the public markets, and making acquisitions as a part of its strategy to grow market share. By continually expanding the health-related ecosystem, an IPO or sale is made more likely.

The financial and valuation aspects are important for the investors as they show that there is a potential to become profitable, you could monetize it. Straight out of the gate, a strong financial presentation in your pitch deck signals long-term stability plus directness around how money is being spent leading up to that point. If you tell your financial story (past, present and future) connecting to what investors would want, startups can significantly enhance their credibility and do a much better job than other pitching companies in raising capital by being engaging.

Knowledge



Choose the correct option:

1. What one important feature does the revenue model establish in a startup's fiscal plan?
 - a) Method of earning accessibility
 - b) Customer
 - c) Trends in market
 - d) Cost reduction
2. Why is unit economics essential to investor faith in a pitch?
 - a) Reveals per-customer earnings
 - b) Measures overall demand
 - c) Is concerned with cost reduction
 - d) Prevents investor risk
3. Which financial indicator determines at what point a startup achieves profitability?
 - a) Valuation approximation
 - b) Streams of revenues

- c) Break-even level expenditure
- d) Capital
4. How does an effective exit plan help investors?
- a) Provides ROI
- b) Trims costs
- c) Increases revenue requirements
- d) Decreases funding requirements

9.2.5 Mastering Investor Communication: Persuasive Delivery and Handling Objections

A good interpersonal (face-to-face) marketing and non verbal communication strategy alongside with its conventional values such as trust, rapport and reliability will allow the entrepreneur to make his new client feel being respected, understood. Being able to take questions and objections from investors, who will come knocking as well, is also key.

run the numbers on cost, business model and market risk before you jump. You can address those things well, and doing so doesn't demonstrate confidence but is a requisite condition to getting funded. Pitching a great business pitch is not just about data, it's about communications and persuasion so you can keep your investor interested.

Entrepreneurs preparing to object establishing confidence in investors and motivating them toward a decision, Motivating distribution. Here, in my opinion, are the high-level keys to communicating well with investors.

Weaving a Narrative That Connects Emotionally Investors do not invest in companies, they invest in people and their dreams. A good story that tells problem and solution, entrepreneurship is fostered with an emotional attachment. Storytelling ensures the pitch sticks and is believed, which prolongs the life of a business. By injecting the real-world challenges and motivations of actual entrepreneurs, they can buy into that mission.

Example: Bambrew, a Sustainable Packaging Imagine The Founder is upset to see the excessive plastic wastage in the e-commerce packaging. Understanding the need they spotted and creating another eco-packaging alternative, Founder brought their investors on board who felt the pain and power of mission/impact business.

Tone Of Voice, Clarity & Speed -This greatly influences how the elevator pitch is perceived. Talking clearly and confidently, with no ums, helps add to your credibility.gui Speaking clearly, without the ums would get you bonus points. The sensor-based

entrepreneur has to keep the lines open, but every word from him should be a brick in the wall of business. Good Verbal Delivery is also well-informed and rehearsed and this eliminates the skepticism that investors feel.

the wall of business. Good Verbal Delivery is also well-prepared and practiced, and this eliminates the doubt from investors.

Example: Saarthi. ai (Conversational AI Start-up) and pitched with authority and clarity to investors while they made their voices heard to AI that could change how we interact with clients in regional languages. In other words, founders' ability to explain technical stuff made a major difference when raising money.

Relevant Non Verbal Communication: What you do with your body, eyes and hands can either be a deal maker or breaker. EYE CONTACT: Holding eye contact builds trust, open gestures = enthusiasm, honesty. NEVER slouch, have an open honest posture of self confidence and stop odd nervous ticks as you do not appear professional. Nonverbal signals The tone that is confident and more attractive.

Eg: Padcare Labs was a sanitary waste management solution and this pitch stood out to Shark Tank India with the founder looking straight into his eyes, showing no fear in his face and using calculated hand gestures which speak directly about not wanting to compromise on fixing the issue of waste disposal.

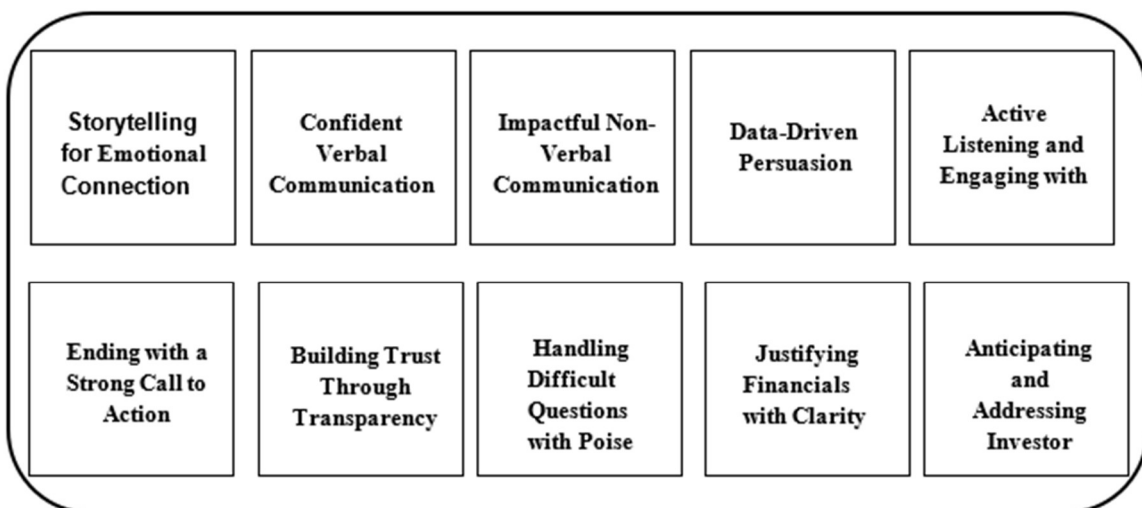


Fig 9.6 Mastering Investor Communication

Data-Driven Persuasion:”Investors want data to show if the business has power. Responding to a financial matrix of market size, projected growth and sober facts helps cement the bond. Never has there been a greater need for that level of detail to support

the claims, whether it is in comparison between research and bench racing, or even performance from previous seasons. Leveraging data ever more powerfully to drive out interpretation — and, in turn, grant business models greater confidence.

Examples: A Digital Health (MOSAIC WELLNESS) team employs advanced analytics and market intelligence to track trends that rise in demand for Telehealth & Personalised Wellness, making a strong case for investment.9.2.6 A Comparative Study of Family-Managed Businesses (FMBs) of Different Sizes

Aspect	Small FMBs	Medium FMBs	Large FMBs
Governance Structure	Informal decision-making is typically led by a single family member or a small group.	More formal structure with family members in key roles, but may involve external advisors.	Structured with multiple family members in leadership roles; may have a board of directors, including non-
Market Reach	Primarily local or regional markets with limited scale.	Expanding to national markets, with regional dominance and expanding brand recognition.	National and global presence, with established brands across multiple industries and markets.
Succession Planning	Often lacks formal succession planning, relying on family decisions.	More structured succession planning may involve training younger family members or hiring outside talent.	Well-defined succession plans with professional development programs for the next generation.
Challenges	Limited resources for scaling, vulnerability to market fluctuations, and lack of formal business processes.	Balancing family influence with professional management, managing growth while retaining family values.	Maintaining family control while dealing with complex organizational structures, dealing with external stakeholders and governance issues.

Strengths	High level of trust, close-knit relationships, flexible decision-making.	Ability to scale while maintaining family values, better resource allocation, and diversified leadership.	Stability due to resources and professional management, strong brand reputation, and large market presence.
Innovation & Adaptability	Limited by resource constraints, but often agile in adapting to local market needs.	A balanced approach—can invest in innovation while maintaining core values.	Can invest heavily in research, innovation, and technology but may be slower to change due to large organizational scale.
Leadership Style	Informal, often paternalistic or autocratic.	A mixture of autocratic and democratic styles, as family input balances with professional advice.	Professional and strategic leadership, with clear delegation of responsibilities across departments.

Did You Know?



“Family-owned businesses account for more than 70% of global

9.3 Summary

- ❖ Family-owned firms are the backbone of economic stability, and one usually opposes to formality the professional way of managing them.

- ❖ Long-term perspective, centralized leadership and millennia-old family values are weighing in their favor: There’s stability in that, but it can also be hard to sell upset-the-apple-cart innovation.

- ❖ Succession planning is a significant challenge, structured hygiene and leadership transition plans are required.

- ❖ Governance mechanisms – eg family councils and advisory boards that promote business harmony.

- ❖ Financial strategies cover dependence on internal sources of finance, and borrowing predominantly from prudent borrowing management and reinvestment for long term growth.

- ❖ There needs to be a composure between personal and business relationships keep it away from decision making.

- ❖ Continuity, and long-term consideration, are crucial for the multi-generational success that emphasizes risk taking and flexibility.

- ❖ Family business play a crucial role for job creation, economic sustainability and local economic development.

- ❖ A good business presentation can attract investors—so explain the problem and solution, as well as the revenue model.

- ❖ The strategic management viewpoint of Reliance Industries focused on entering new products and responding to market trends, with the elements of sustainable development also playing a significant position.

9.4 Key Terms

Family Governance: The structure by which family councils are used to reach consensus on decisions and disputes within the FMN.

5) Succession Planning: The process of leadership transfer from one generation to another in conflict free manner while preserving the existence of the organisation.

Concentrated Leadership: When a small handful of kin members make the lion's share of decisions — fosters stability but also risks limiting diverse perspective.

Reinvestment : This is a phenomenon where a family company reinvests the profits, that it makes, in itself rather than giving to owners as dividend and/or growing.

Economic MOAT: Competitive advantage that prevents rivals from taking away market share, maintaining and increasing profits.

Business Pitch: A structured explanation of a business concept and how it embodies value that is considered high potential for investors, similar to what you would want from an investor presentation.

Innovation and Adaptability That family businesses are able to adapt with the times while maintaining traditional values.

Diversification Strategy: A company's plan to enter new lines of business, in order to minimize exposure to risk and become financially stable.

9.5 Self-Descriptive Questions

How do Family Businesses navigate the tension between tradition and professional management, which is essential to sustain the enterprise over generations?

Discuss succession planning issues in family firms and how they can be managed.

What is the influence of centralisation in decision-making in family business, on innovation and adaptability?

Explain the concept of financial reinvestment as applied within the context of family business and how that behaviour differs from financial management approaches in public corporations.

What is the impact of family emotional attachment on business decisions and what corporate governance mechanisms can reduce risks?

Examine the economic contributions of family-owned businesses with regard to the employment and development in the regions.

Describe the economic pit and give examples of how family businesses can build a durable competitive advantage.

What are the key factors of a good business narrative and how should family businesses use it to secure funding and earn growth?

Examine how diversification strategies affect family companies and the role they play in risk reduction and growth.

How does Reliance Industries address market disruptions in the telecom sector and what are learning for family businesses from its approach?

9.6 References

1. Levine, U. (2023). *Fall in love with the problem, not the solution: A handbook for entrepreneurs*.
2. Sinek, S. (2009). *Start with why: How great leaders inspire everyone to take action*.
3. Khanna, A. (2024). *Ain't no EUREKA: Your idea for an enterprise journey*.
4. Ahuja, S. (2022). *Daily coffee and start-up fundraising*.
5. Mason, H., & Mattin, D. (2015). *Trend-driven innovation: Beat accelerating customer expectations*. Wiley.
6. Osterwalder, A., & Pigneur, Y. (2010). *Business model generation: A handbook for visionaries, game changers, and challengers*. Wiley.
7. Berger, J. (2013). *Contagious: How to build word of mouth in the digital age*. Simon & Schuster.
8. Rothman, R. (2017). *Master opportunity and make it big*.

Answers to Knowledge Check



Knowledge Check 1

1. a) Earning method
2. a) Shows per-customer profit
3. c) Break-even point
4. a) Ensures ROI

9.7 Case Study

Reliance Industries and the Strategic Business Moves

India's largest company, and a Fortune 500 company, RIL is based in India and has business interests across the entire energy value chain from conventional to unconventional resources. And managing such a massive portfolio demands strategic decision making, disciplined financial planning and flexibility. The case study 'Reliance: An Indian conglomerate's diversification strategies' presents the challenges faced by Reliance in a resource-scarce, high-potential market with an economy poised for growth and change, its ability to cope up with these issues and yet grow continuously - largely due to its management of the various business divisions it has ventured into as also how well it has aligned itself so as to stay ahead in several areas.

Background

Founded by Dhirubhai Ambani in 1966, Reliance started as a textile company and diversified into petrochemicals, refining and telecommunications. Reliance Industries gradually made its way through the country, becoming a large player in several businesses with huge market penetration. Today, Reliance is one of the largest and most profitable conglomerates in India, with a market value well over \$200 billion. Despite its

size, RIL's focus on growth and profitability is apparent in its cutting-edge initiatives like technology adoption, vertical integration and bold expansion.

1 Managing Diversification and Synergies in Multiple Sectors

"The Reliance group's move into a wide variety of sectors including petrochemicals, and telecommunications led to problems in achieving synergies among businesses and ensuring that investments across unrelated businesses were coordinated for the highest potential growth," it added. The company was looking to balance its core business of petrochemicals and refining with newer growth engines, like Jio (telecommunications), while maintaining an overall profitability and sustainability.

Solution:

Reliance Industries made sure that synergies were derived across the board (for example, use of petrochemical products in telecommunications infrastructure).

— Deals with global majors such as BP in refining and Google in digital services have enabled Reliance to take the front rank of innovation while it has continued to strengthen its traditional business lines.

● Investments in back and forward integration have assisted Reliance to retain control of its supply chain with lower outsource facilities leading to cost efficiency.

PROBLEM STATEMENT 2: MARKET READJUSTMENT IN THE TELECOM INDUSTRY It was the entering of companies from other markets into telecommunications market that prevented such oligopoly scenario to emerge.

Reliance Jio shook up the highly-competitive telecom sector in late 2016 by offering internet and voice calls practically free for its millions of customers, most of whom were from India's lower-to-middle income areas. The market was crowded, the competition intense. With Jio's launch with free voice plans and data, the price models of all telcos

went for a toss leaving them having to scratch their head to find alternative ways. Reliance had to continue leading other businesses to secure Jio's long-term future.

Solution:

Jio has redefined the Indian telecom landscape since its launch, with the world's lowest data charges and free voice calls.

—Juliao Juio rapidly gained market share in India and became the country's biggest telecom operator through massive investments in 4G infrastructure and ultra-aggressive marketing.

● To make its business more resilient, Reliance has welcomed investment from global giants such as Facebook and Google -- who saw the benefit of Jio's base and customer infrastructure.

Problem Statement 3: Sustainability & Environmental Responsibility.

As one of the major industrial players, reliance came under scrutiny for its environmental footprint which included petrochemicals and refining operations. They had a hard time managing their sustainability initiatives and keeping profit margins high when the rest of the world started transitioning to green energy and renewables.

Solution:

"Reliance has already made substantial investments in renewable energy, especially solar and also wind; it plans to invest further in the development of materials required for these projects (considerable quantities of speciality steel etc) over the next 3-5 years With a view to reducing its carbon footprint Reliance Company Limited plans to leverage its strong balance sheet." In 2020, he unveiled a \$10 billion green energy plan.

- The company further scaled a range of sustainable practices across its refining and petrochemical businesses, such as carbon capture capabilities, wastewater treatment and resource recycling in order to enhance its environmental footprint.

- Reliance has also broadened the presence of sustainable retail with its “Reliance Retail” venture, which introduced eco friendly product lines and used its extensive retail infrastructure to promote and sell green products.

Reflective questions:

How did Reliance Industries succeed in its leadership across such multiple industries through strategic alignment & synergy?

How did dislocation in the telecom sector lead Reliance to rethink its wider growth approach?

How did Reliance corner the market on sustainability and keep making money in petrochemicals, as well as in refining, while also capitalizing on clean energy?

Conclusion

Reliance Industries not only has the elasticity to traverse multiple sectors while leading by example in its core sector, it also appears to have a good grasp of market dynamics and strategy. How would you have sustained long-term success when some of your peers do a pretty good job on integrating synergies, reacting to market hiccups and embracing sustainability? Reliance got carved as an articulated “vision” company through its aggressive lever of traditional ammunitions (basically petrochemicals and refining) and then embracing next-gen tech to green field energy play. Its agility and flexibility in adapting to market cycles, coupled with a vibrant culture of innovation has moulded it into a giant in the Indian and global landscape.