

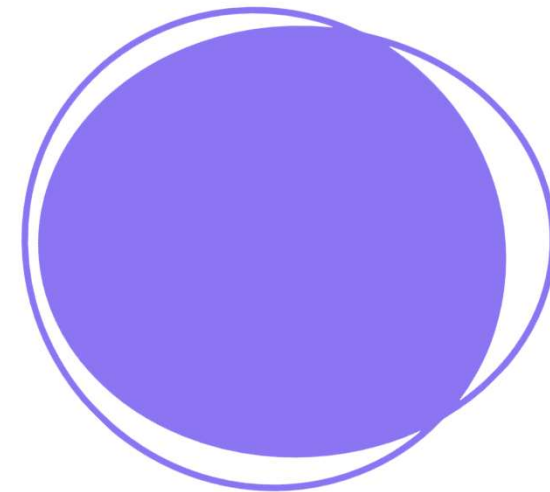


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# Market niche & Target groups

August 27<sup>th</sup>, 2024

Finding the right market niche  
Identifying your target groups

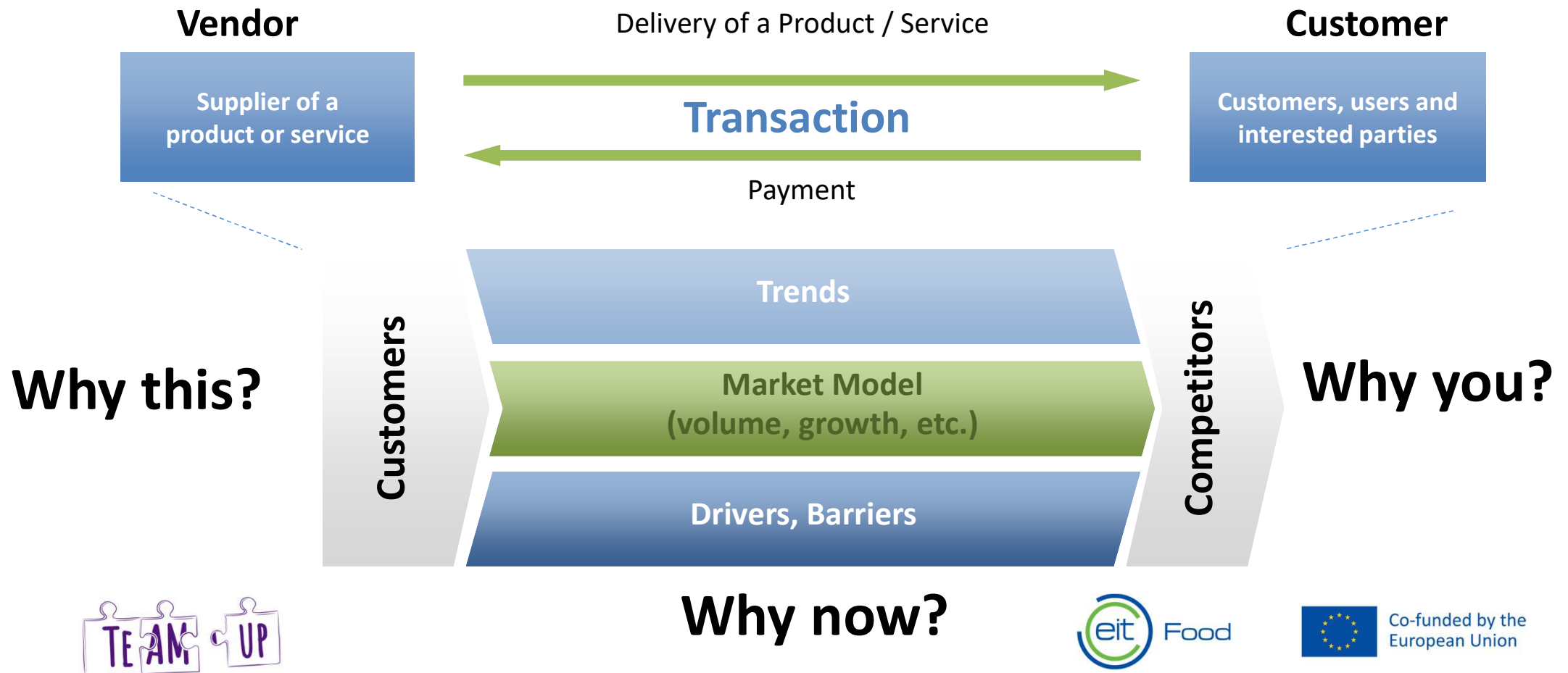


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# Recap

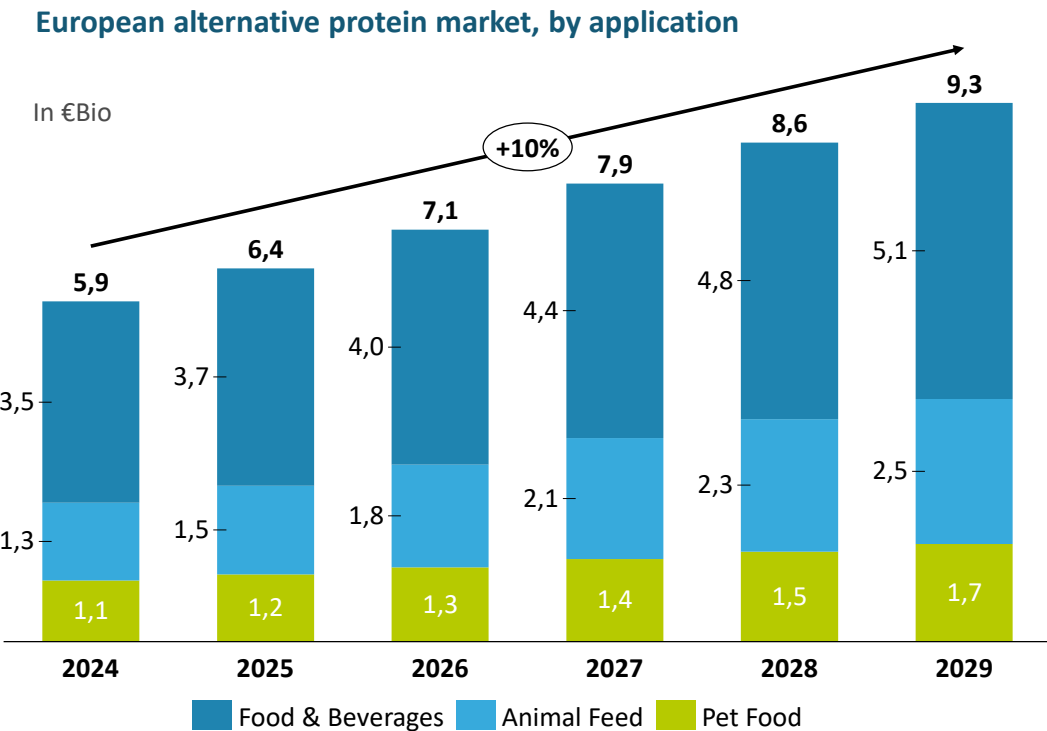
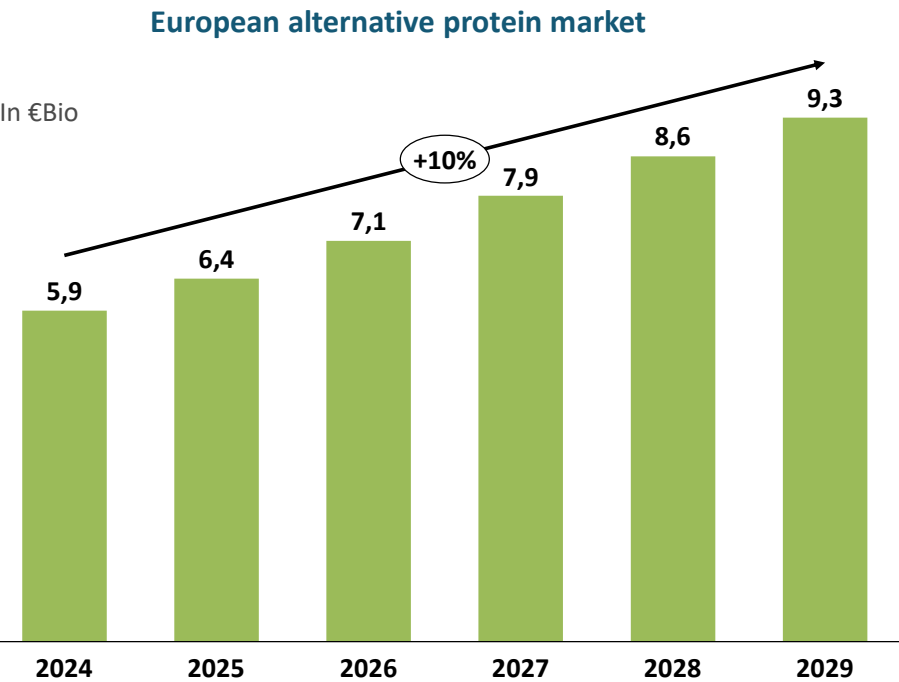
# The core elements of a market study are insights regarding trends, customers, competitors and a market model

Composition of a fully fledged market study



# Example: Insect protein

## Market definition, segmentation and sizing



# Identification of application areas



# Even with such technologies as penicillin, finding an application only seems obvious in hindsight

## Reason 1: Impact opportunities

“I know exactly what the best application for my technology is”

Finding a suitable application for any given technology is by no means a trivial exercise and only obvious with the benefit of hindsight

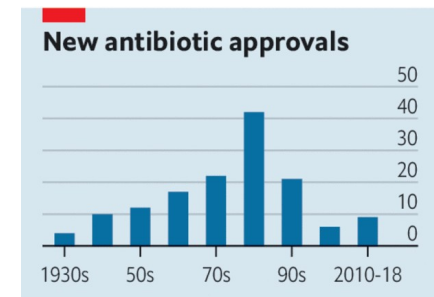


Alexander Fleming

Discovery September 1928

main application of penicillin is be in **isolating penicillin-insensitive bacteria** from penicillin-sensitive bacteria in a mixed culture, maybe potential therapeutic benefits

First application February 1941



The Economist

Penicillin revolution 1943

Systematic approach required to acquisition finding and validation



# Significant effort required for any industry to adopt a new technology, especially if the improvement is only in performance

## Reason 2: Technology and go-to-market

“My technology is so great, it practically sells itself”



**Industry: Primarily cost-driven**



**Academia: Primarily Performance-driven**

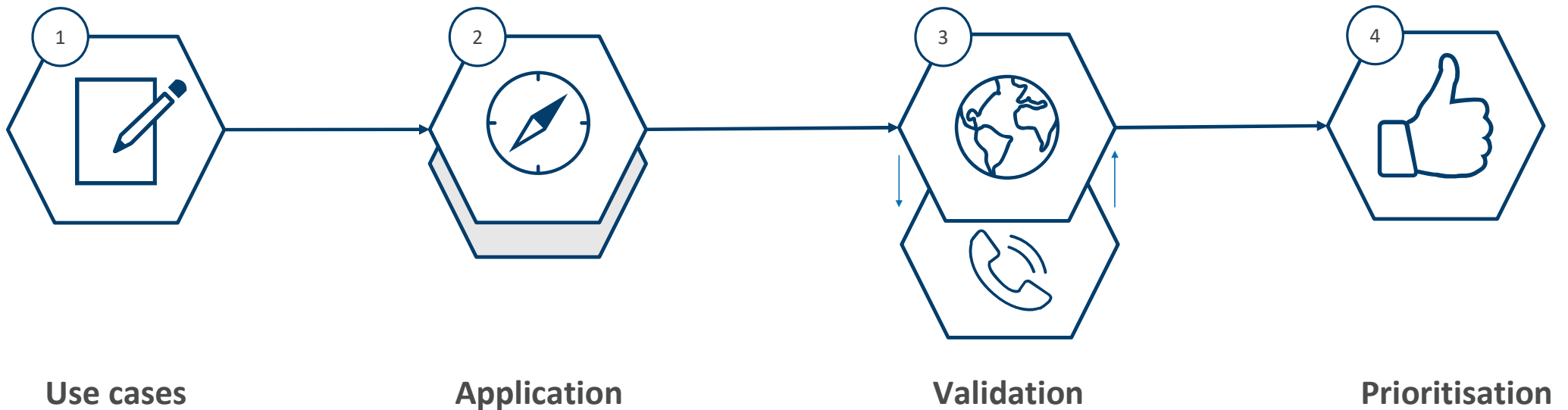


**Exception: Life Sciences  
/ MedTech**

Nothing sells itself. Realising what drives the market is key for a problem-solution fit

**The key for every innovation project is the fitness of the solution and their use cases for the application area (e.g. industrial field)**

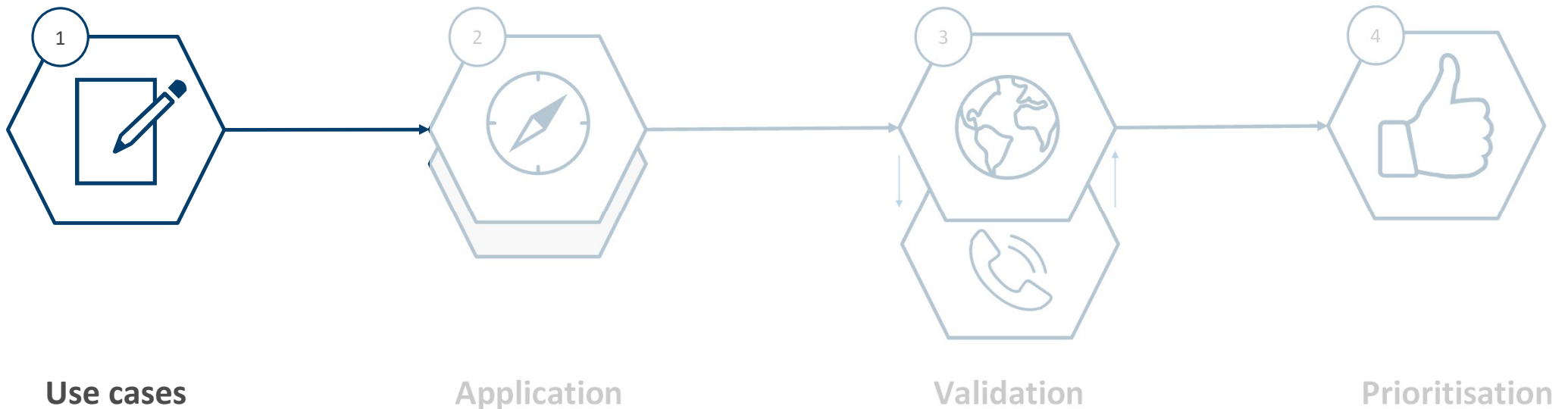
**Steps towards application areas outside academia**





# The key for every innovation project is the fitness of the solution and their use cases for the application area (e.g. industrial field)

## Step 1: Clarify your offering, its potential use cases and hypothetical key features



Products, services, solutions

Key features

Use cases



What is the knowledge / expertise?

What can be products / services / solutions?

What can be done with the solution?

What features can be considered „special“ or even „unique“?



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# Specify the offering, use cases and key features

## Step 1: Clarify your offering, its potential use cases and hypothetical key features

What is the knowledge / expertise?  
What can be products / services / solutions?



**Use background knowledge and be creative on what you could possibly offer**

What can be done with the solution?  
What are key benefits for the user or customer?

Leave the boundaries of your specific research field



**Narrow research question? Go a step back:**

e.g. from „cancer-type specific brain diagnostics“ to „brain imaging“

**Wide field? Become more specific:**

e.g. from „research analysis in the field of brain machine interfaces“ to „implant-based therapy for epilepsy“



# Specify the offering, use cases and key features

## Step 1: Clarify your offering, its potential use cases and hypothetical key features

short and simple

What is the knowledge / expertise?  
What can be products / services / solutions?



Alternative insect-based protein source for animal nutrition

What can be done with the solution?  
What are key benefits for the user or customer?

Leave the boundaries  
of your specific research  
field



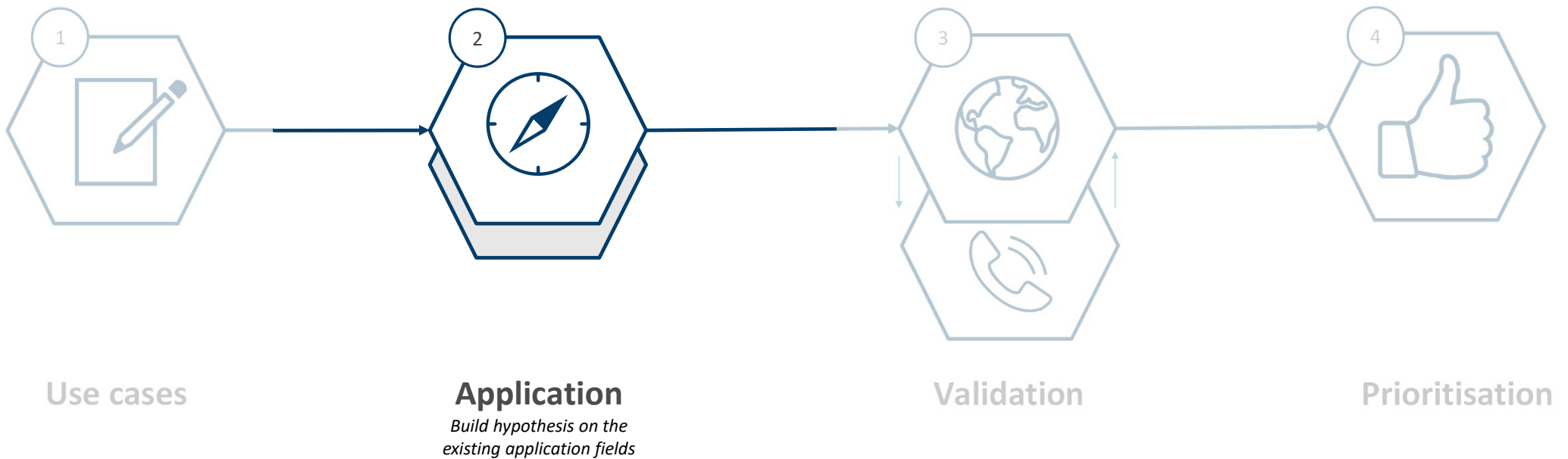
1. Hypoallergenic animal diets (Allergic Skin Reactions)
2. Sustainable animal feed solutions to reduce environmental impact (Livestock farming impact)
3. Novel ingredient for animals with digestive sensitivities (Alternative to plant-based proteins)
4. Functional diet rich in vitamins and minerals (Nutritional Imbalances)
5. ...

„out of the box“



# The key for every innovation project is the fitness of the solution and their use cases for the application area (e.g. industrial field)

## Step 2: search for existing application areas with existing use cases



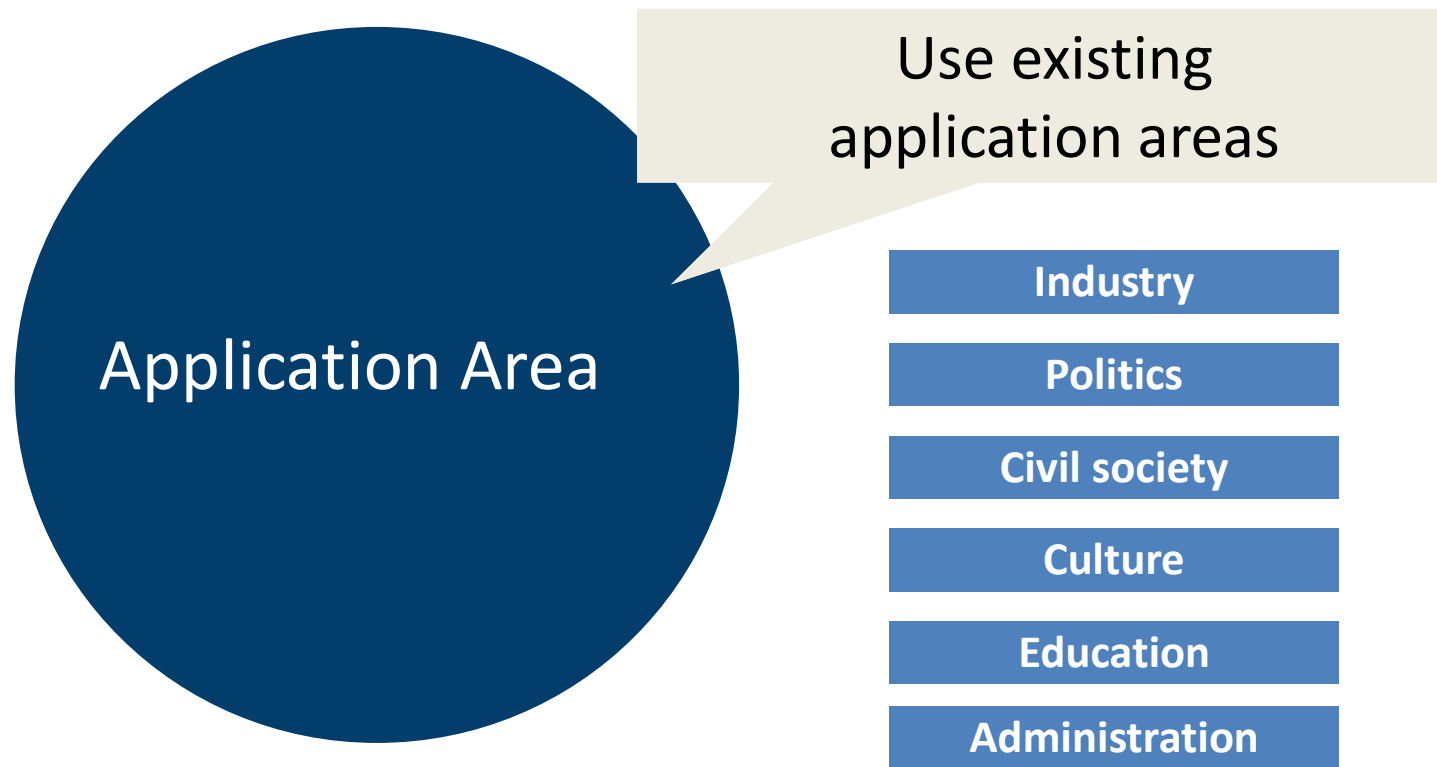
Where can my solution(s) be applied?  
Where can I create the biggest impact?  
Where do I solve the biggest challenge?  
Where can I make eventually the most money?



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**Existing classifications provide you with insights about unknown fields of application that you can search in with selected methods**

## **Domains**



...



**Existing classifications provide you with insights about unknown fields of application that you can search in with selected methods**

## Classifications and methods to find application areas

Industry	Thomson Reuters, NACE, ISIC, SICCODE etc.
Politics	Political fields, etc.
Society	Behaviour, Demographics etc.
Healthcare	Therapeutics, Diagnostics etc.
Education	e.g. ISCED
Administration	e.g. SICCODE
Others	KIdB, ISCO-88, etc.
...	...

# Classifications

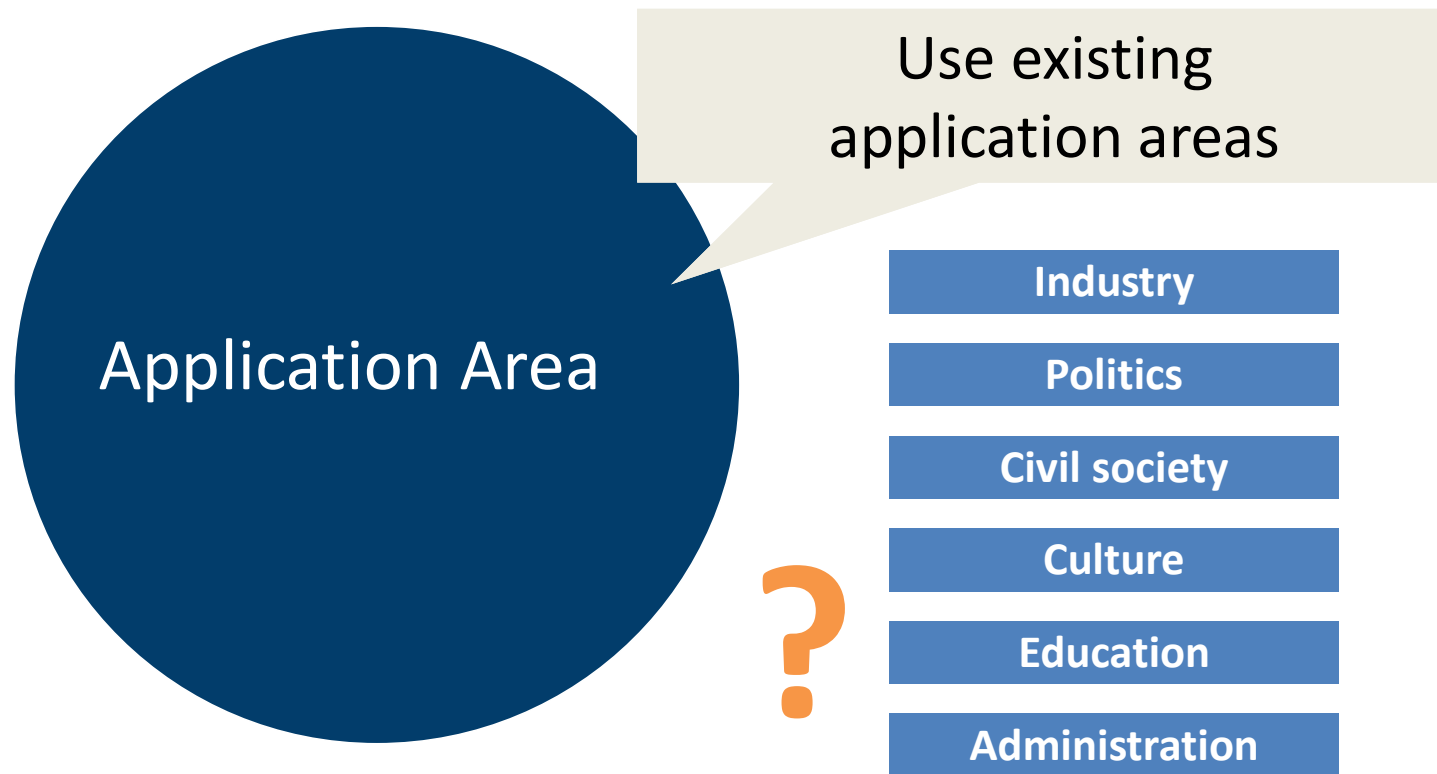
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## Example: Insect-based protein source

### Domains



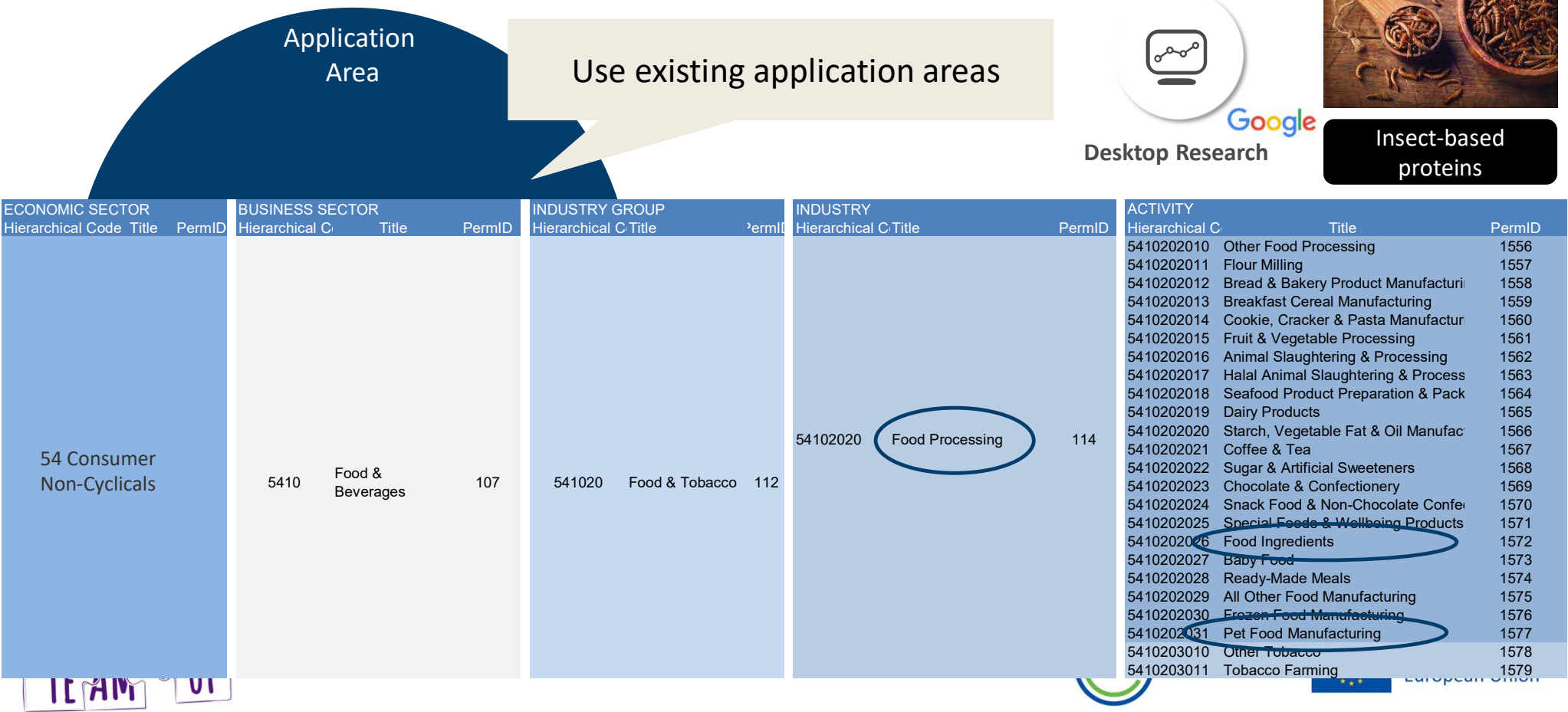
Insect-based proteins

„Alternative insect-based protein source for animal nutrition“



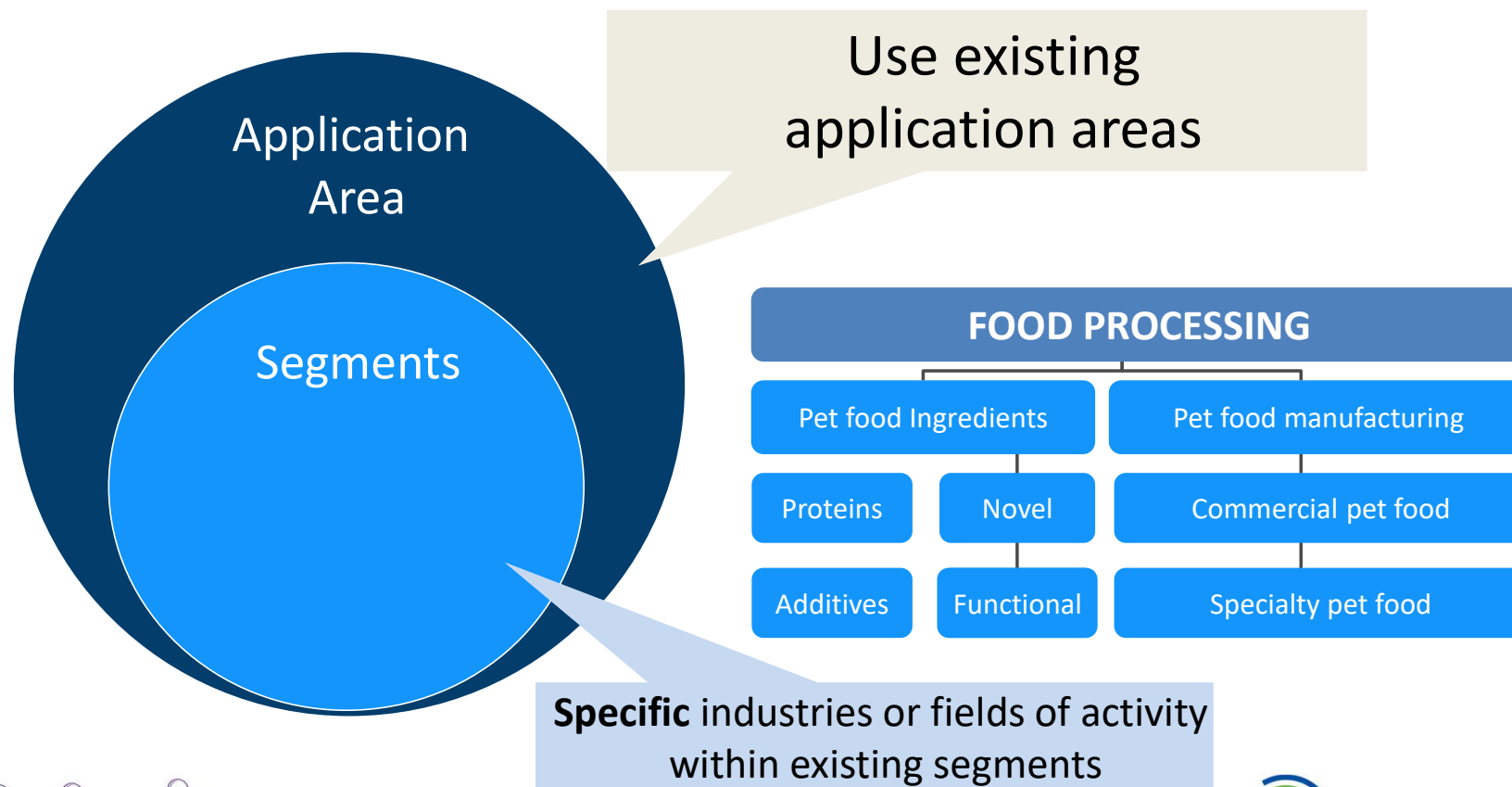
# Existing classifications provide you with insights into unknown fields of application that you can scan with selected methods

## Thomson Reuters business classification



**A detailed segmentation is necessary for connecting the use cases and further for the identification of target groups**

## Segmentation

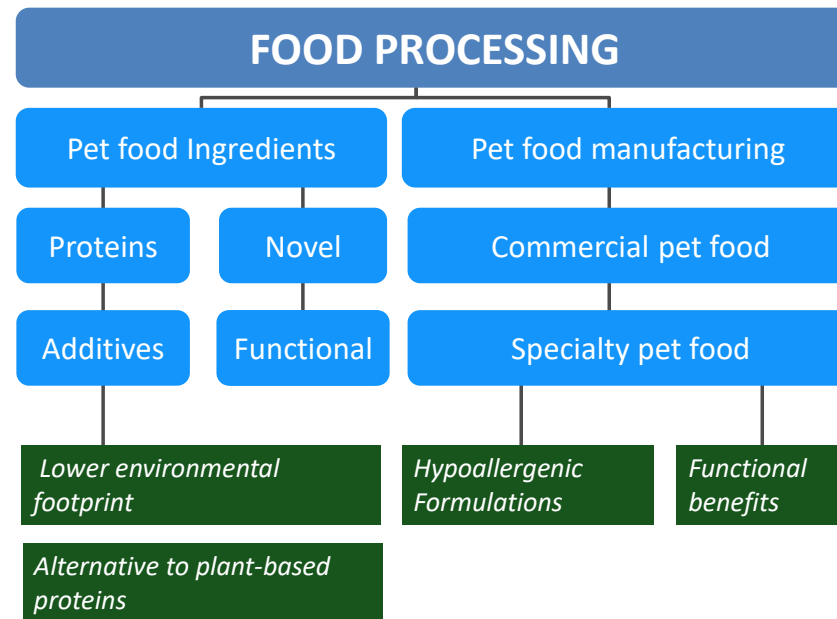
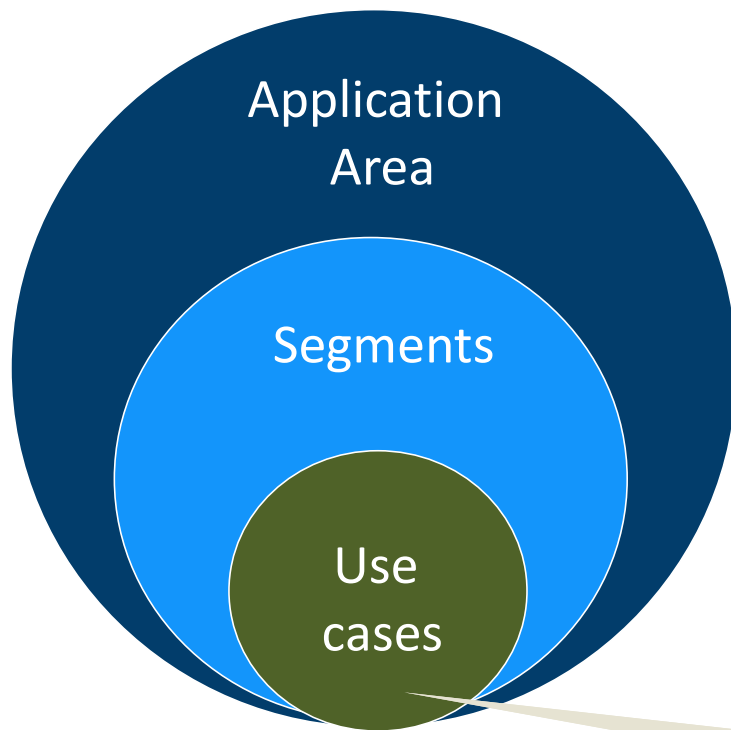


Insect-based proteins



# A detailed segmentation is necessary for connecting the use cases and further for the identification of target groups

## Use cases



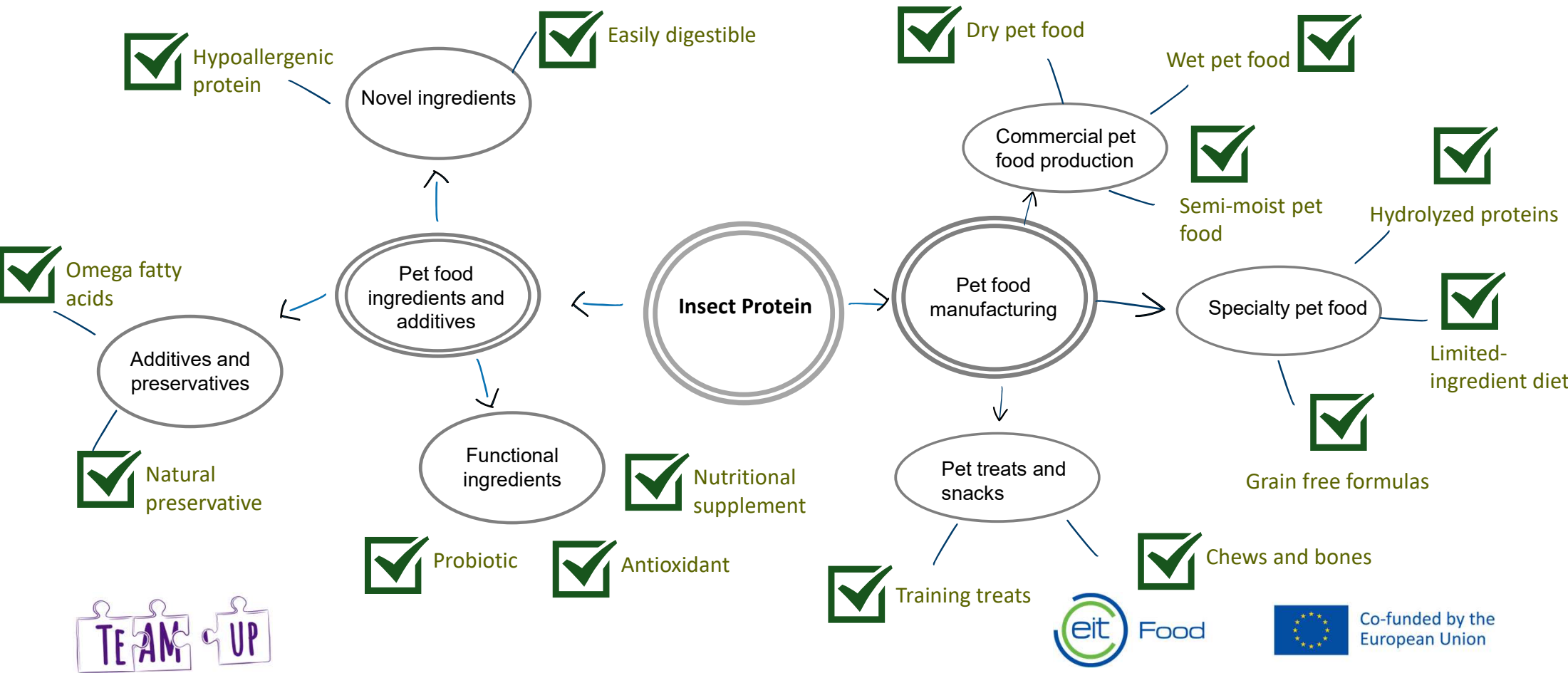
Insect-based proteins



The actual use of knowledge / solutions

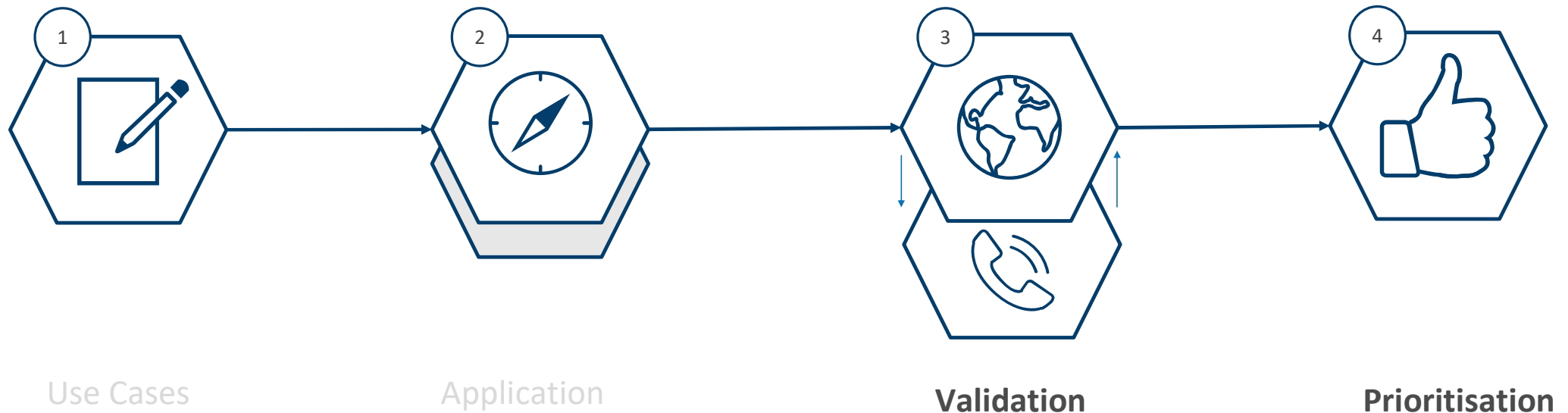
# Detail the application areas within relevant segments

## Step 2: how to create a real-world application mind map in a systematic manner?



# The key for every innovation project is the solutions fitness and their use cases for the application area (e.g. industrial field)

Step 3: validate and evaluate existing application areas with existing use cases



## External selection criteria:

- Impact range
- Effectiveness
- Interests / needs
- Contextual factors
- Degree of novelty
- ...

## Internal selection criteria :

- Strategical orientation
- Achievement of objectives
- Personal motivation / image
- Networks and contacts
- Impulse / context for research
- ...





# Three main criteria to prioritise one application over the others

## Assessment criteria



### Product Market Fit

Identified problem to be solved, Relevant value proposition



### Market Potential

Impact, Market volume, market growth, trends, drivers and barriers for market development, competitive landscape



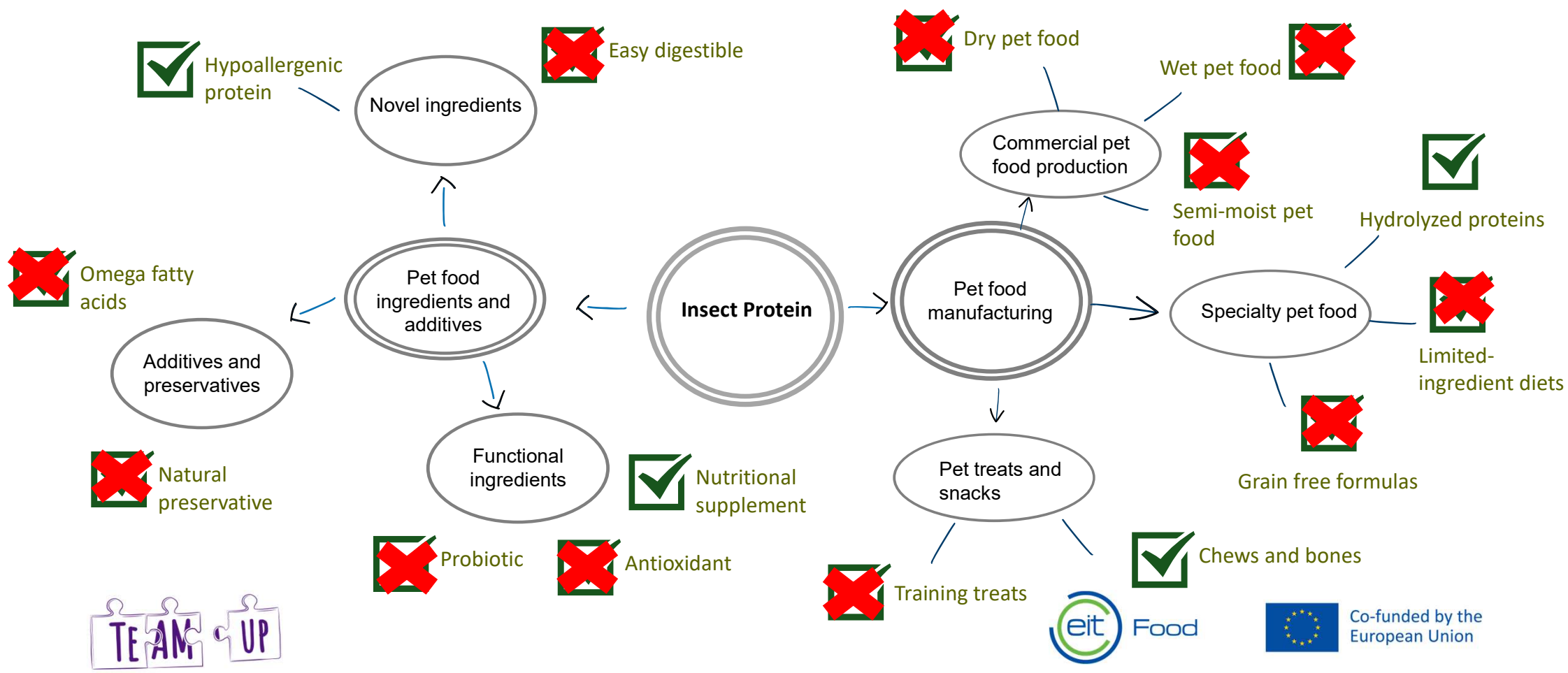
### Risk Assessment

Regulatory, access to relevant customers, drivers and barriers for adoption of innovation, requirements of innovation, etc.








Based on the validation, clean the mind map

Step 4: prioritise the most promising use cases



# Prioritise application areas and see, where you can create value


















## Prioritisation

	Pet food ingredients		Pet food manufacturing	
				
	Novel ingredients	Functional ingredients	Specialty pet food	Pet treat and snacks
	Description			
Insect protein serves as a novel ingredient, providing an alternative to traditional plant-based proteins like soy and wheat		Insect protein, rich in essential fatty acids, vitamins, and minerals, helps correct nutritional imbalances		Insect protein can be used to produce hydrolyzed protein formulas, which are specially processed
				Formulation of nutritious and highly palatable treats, providing pets with enjoyable and healthy snacking options



# Prioritise application areas and see, where you can create value

## Prioritisation

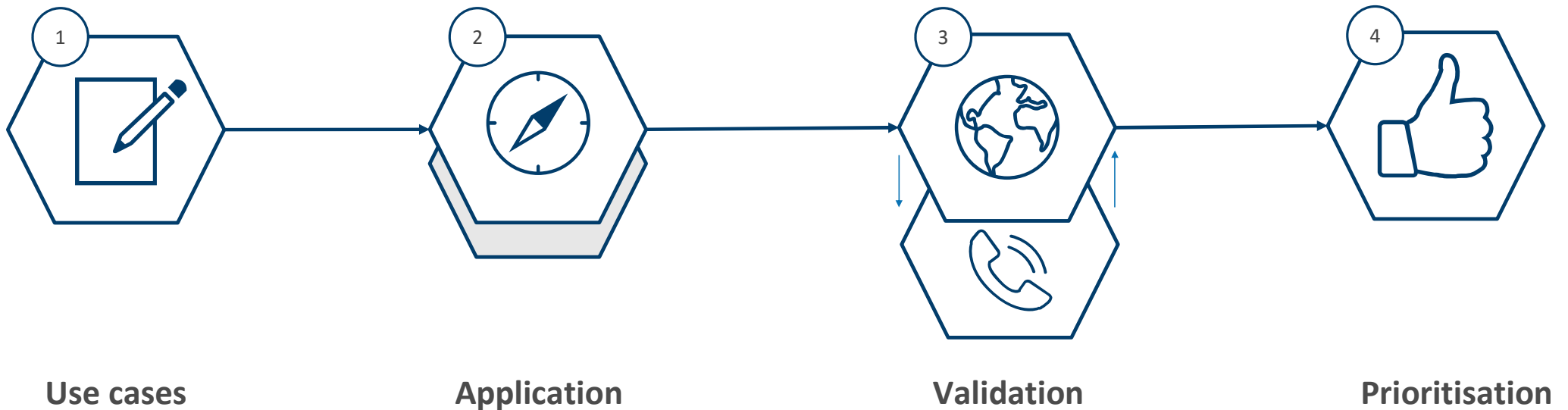
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	Problem-Solution-Fit 	Problem-Solution-Fit 	Problem-Solution-Fit 	Problem-Solution-Fit 
Market Potential				
Risk Assessment				



# Practice

**The key for every innovation project is the fitness of the solution and their use cases for the application area (e.g. industrial field)**

**Steps towards application areas outside academia**

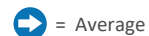
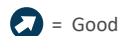




# Identify up to 5 application areas and prioritise them based on your knowledge or assumptions with regards to the dimensions below

## Practice

Application Area	xxx	xxx	xxx	xxx	xxx
Use Cases	xxx	xxx	xxx	xxx	xxx
Problem-Solution-Fit					
Market Potential					
Risk Assessment					



# Excercise

## Team work



Number	Team Name	Team members	Team member's role
1	BARBELO	Viktoria Ferencz	Tech
		Ricardo Esteruelas Tesán	Biz
2	Behavix	Massimiliano Carraro	Tech
		Stefania Malfatti	Tech
		Luisa Poisa	Biz
3	Bionova	Ayşe Sultan Akgün	Tech
		Melike Arslan Samhour	Biz
4	BizToys Ltd	Stoyna Wahdat	Tech
		Roxana Lazar	Biz
5	Earthfarms Collective	Sara Featherston	Tech
		Cem Bokeer	Biz
6	FutureFastFood	Mari Aasmäe	Tech
		Martin Mintchev	Biz
		Daniela Yordanova	Biz
7	Gojenie	Ebrar Yildirim	Tech
		Emre Ertem	Biz
8	KELPEAT	Luca Cerruti	Tech
		Tea Vrcic	Biz
		Alberto Navajas	Biz
9	DonaViva	Marko Petkovic	Tech
		Felipe Salmeri	Biz
10	Nexodify	Syed Tajmeel Hussain	Tech
		Jelena Nedeljkovic	Biz
11	NutrisAvIng Advisor	Ítala Marx	Tech
		Pablo Baleirón Pampín	Biz
12	RegenFarm	Cosmin Ghinea	Tech
		Aleksander Stefanowicz	Biz
13	The Green Float	Vasco Abreu	Tech
		Carlota Abreu	Tech
		Diogo Moura	Biz
14	TropicStream	Carlo Antonio Ng	Tech
		Nuno Catarino	Biz
		Emma Barrios Casaus	Biz
15	Vevibal	SELEN ŞENAL	Tech
		Mert Kalayci	Biz
16	Yield Hunter	Miloš Lazarevic	Tech
		Miloš Čiprijanović	Tech
		Arman Aksoy	Biz

# Identification of target groups

**Looking at the market side of stakeholders will mostly provide a complete new view on your research and the innovation potential**

**Who is my customer? Who am I partnering up with?**



**Who benefits by applying your offering?  
Who would “pay” for your offering?**

**TEAM 4 U**



**You can't do it all on your own!**

**Who supports your project?**



**Who is offering alternative solutions?**



**One key question for the business model: „which type of market is my technology going to address?“**



## B2B vs. B2C

Business-to-consumer (B2C)	Business-to-business (B2B)
Scores of customers scattered across vast regions	Few customers, often with a regional focus
(typically) Small transactions	(typically) Large purchasing decisions
Short decision cycles	Long decision cycles
Addressing mass markets through advertising (e.g. TV)	Focus on personal sales
Few strict product standards (except medical/pharma)	Very strict product standards

B2B or B2C?





# A distinction between B2B and B2C proves to be very useful for market segmentation



## Typical criteria for market segmentation

Business-to-consumer (B2C)	
Geography	Country, Region, urban, rural, ...
Demography	Socio-economic group, age, gender, occupation, ...
Behaviour	Willingness to buy, use rate, loyalty, ...
Psychographics	Personality, lifestyle, attitude, ...

⋮

⋮

Business-to-business (B2B)	
Demography	Industry, company size, location, ...
Operations	Technology, user status, capabilities, ...
Purchasing approach	Purchasing decision path, KPC, relationship type, ...
Customer state	Urgency, project size, application, ...
Personal characteristics	Loyalty, willingness to take risks, ...

⋮

⋮



# Especially in B2B, a „customer“ is not just a customer

## The many „faces“ of a customer

Consider?

Avoid?

The Focus?



The user



The experts



The purchaser



The saboteur



The  
recommenders



The decision  
maker



The outsiders



The influencers



# Especially in B2B, a „customer“ is not just a customer

## The many „faces“ of a customer

The Focus



The decision  
maker



The user



The influencers

Consider



The purchaser



The experts



The  
recommenders

Avoid



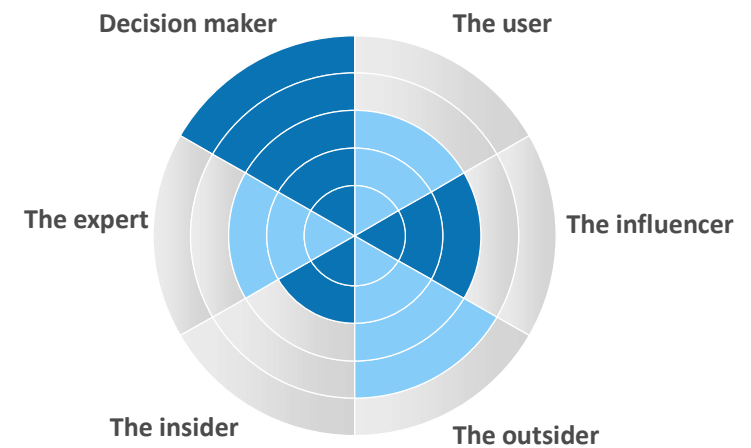
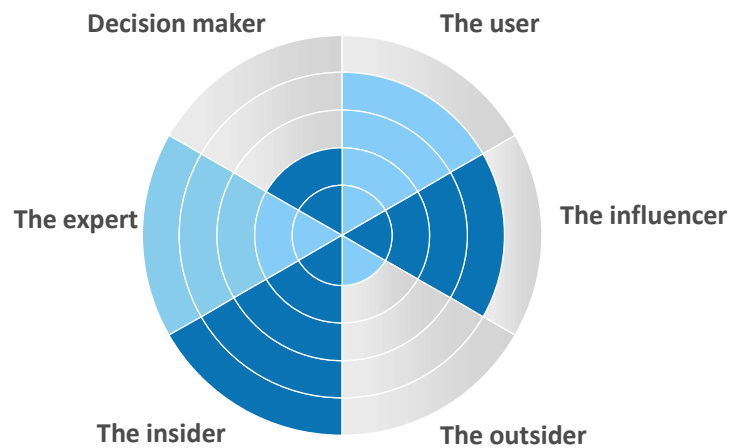
The outsiders



The saboteur

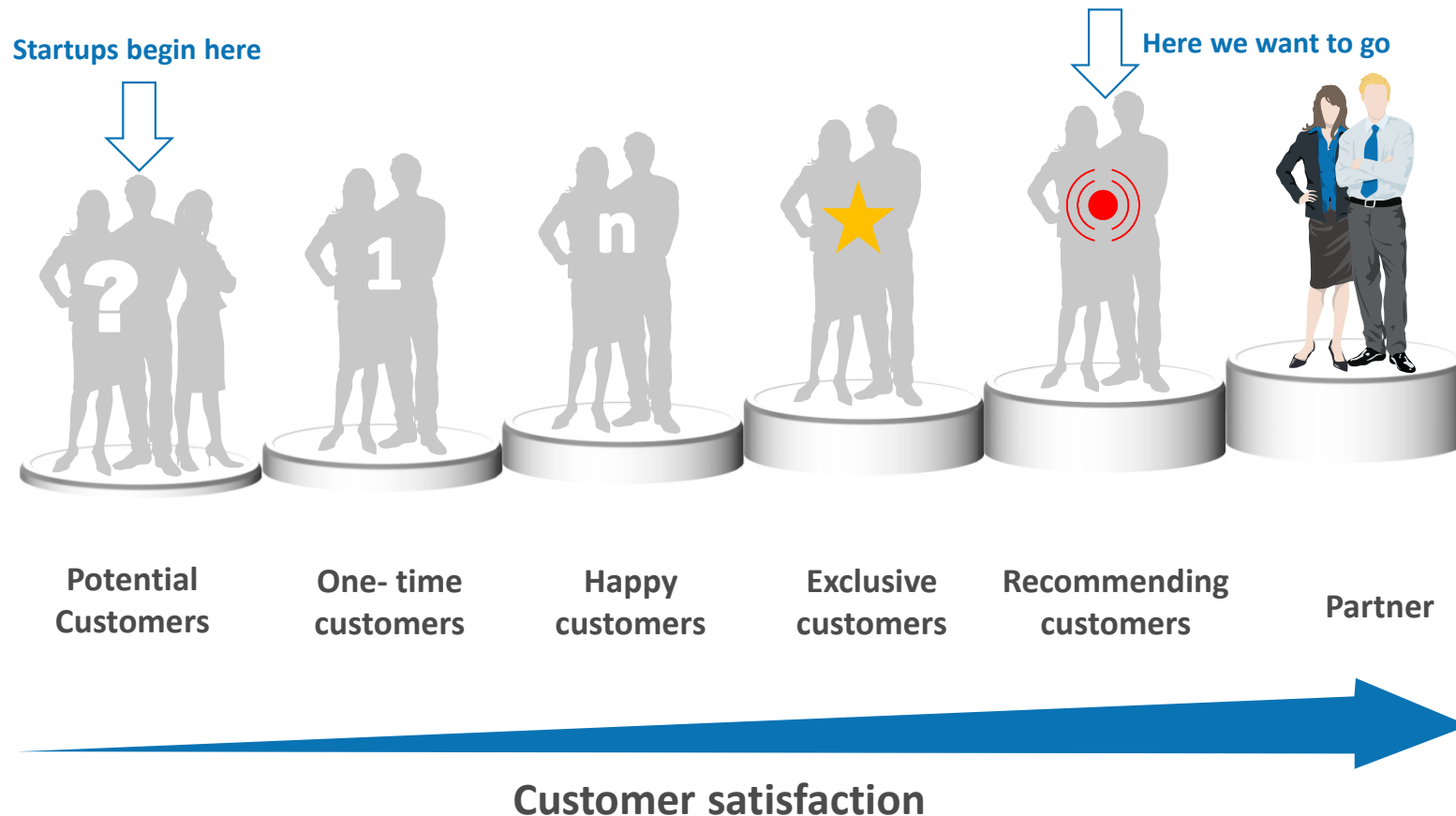
# Especially in B2B, a „customer“ is not just a customer

## The many „faces“ of a customer



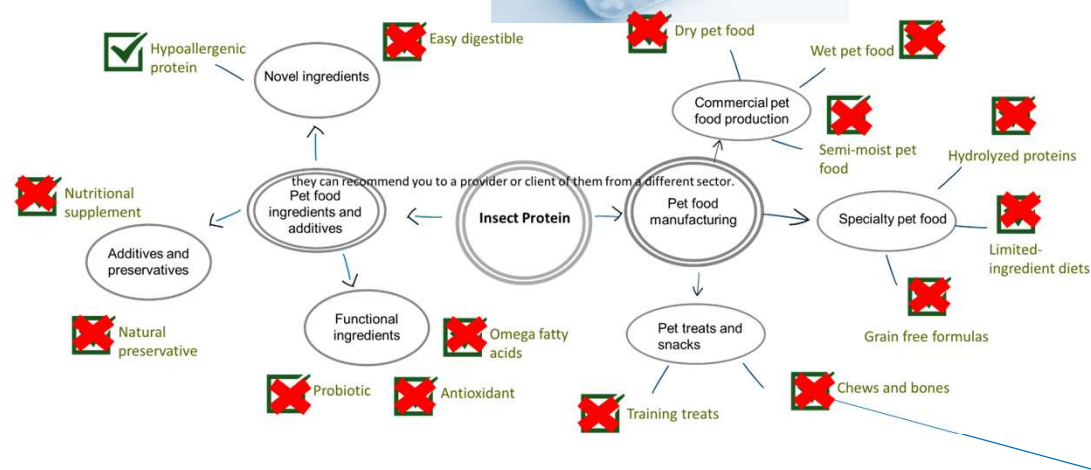
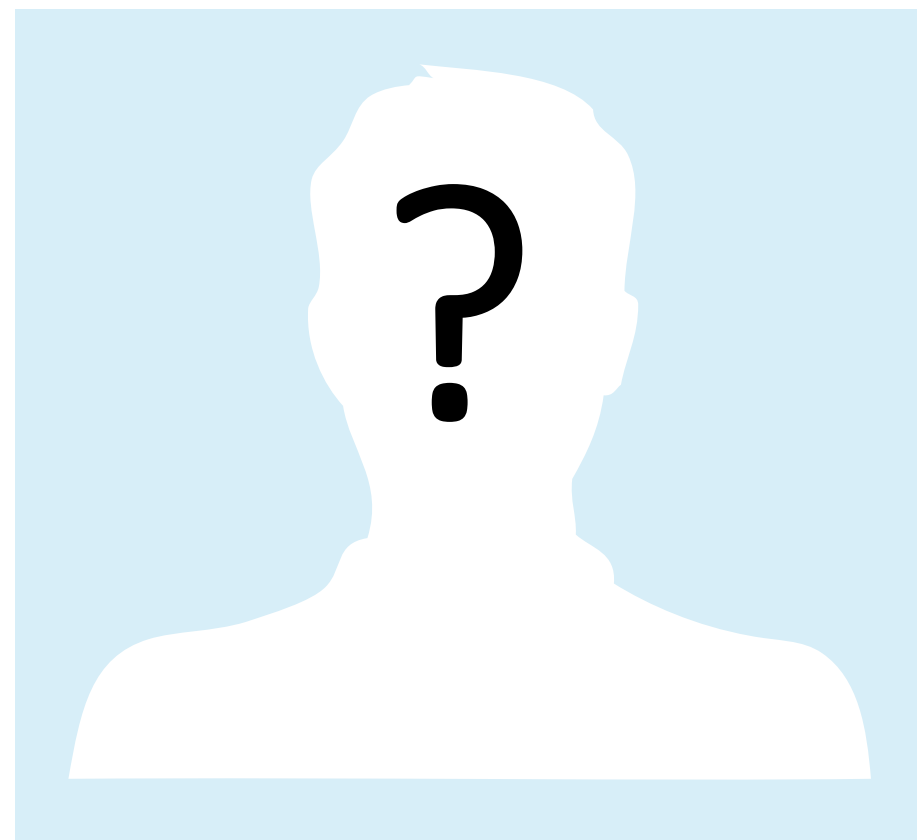
**There are different types of customer relationships.**  
**With start-ups, there is a lot of uncertainty at the beginning**

**Customer types**



# The next step towards innovation is the most under-estimated aspect: Who is my customer?

## Target groups



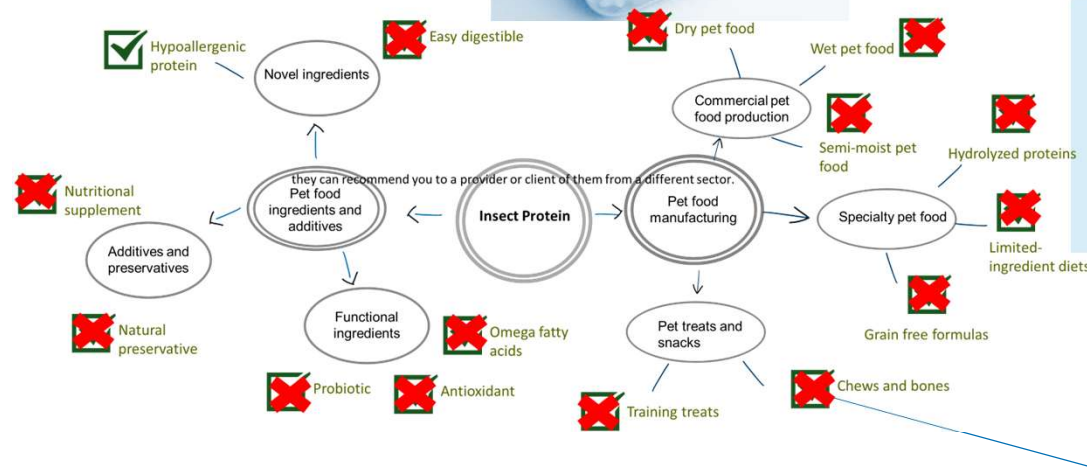
# The next step towards innovation is the most under-estimated aspect: Who is my customer?

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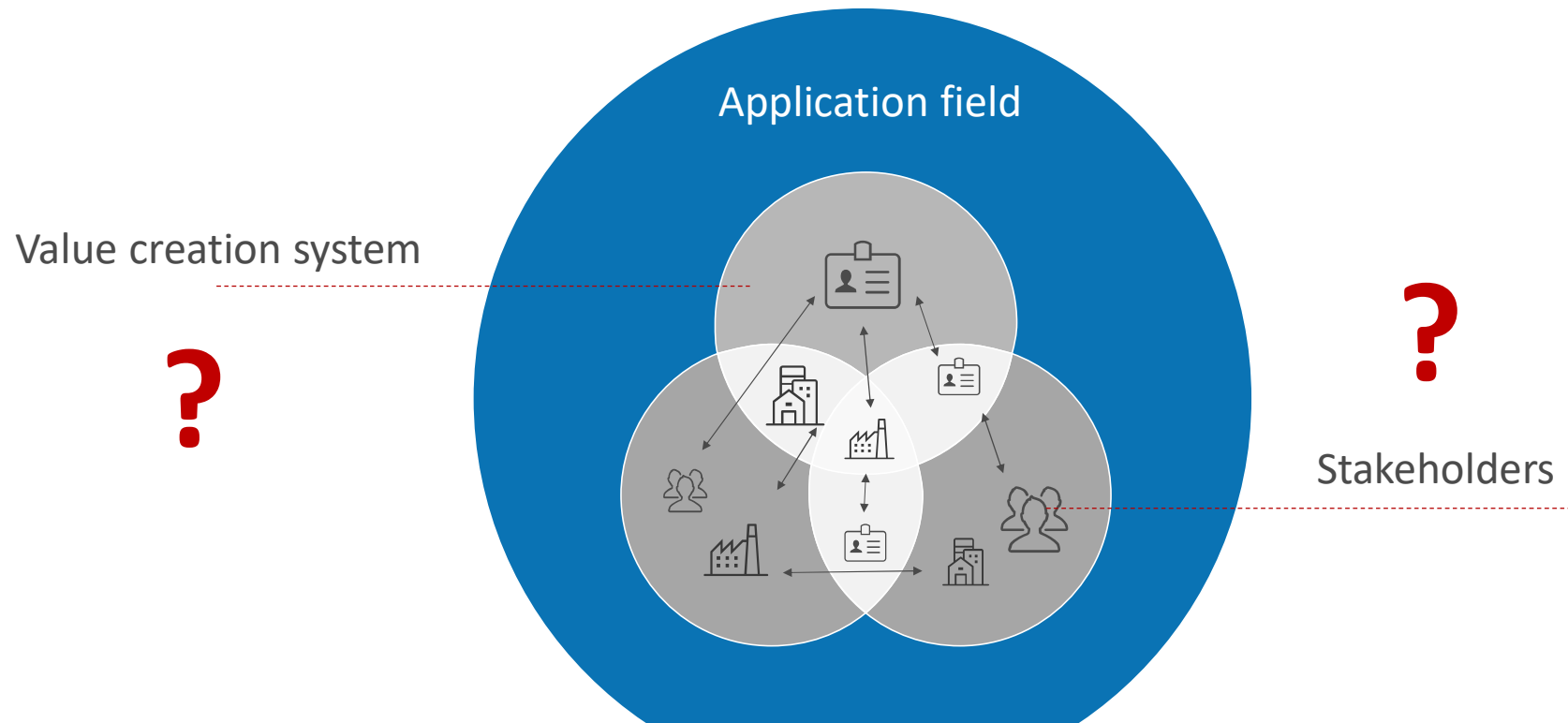
Ingredient supplier

Pet food manufacturers



# Looking at the market side of stakeholders will mostly provide a completely new view on your research and the innovation potential

Who is my customer?



All stakeholders interact within a value creation system within the application field with their specific roles.  
Identifying your role is crucial to address the right people and organisations

# The value chain is the simplest form of a value creation system

## Value chain definition

”

A value chain is a set of activities that one or many organisation(s) perform to deliver a **valuable** product for a market

Example:



Iron ore

\$121 / metric ton



Raw steel

\$3.631 / metric ton



Steel foil

\$10.213 / metric ton

...



# The value chain is the simplest form of a value creation system

## Example



## Example: Pet food ingredient and additives value chain

Not so simple



Production



Process

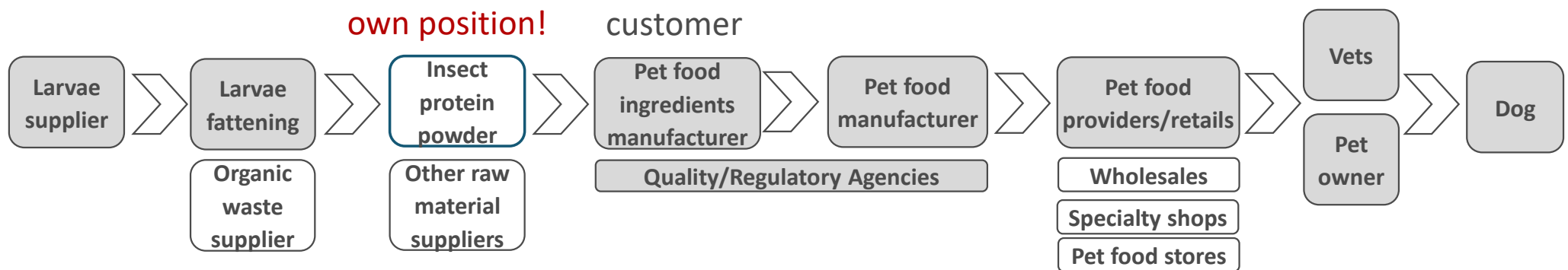


Commercialisation



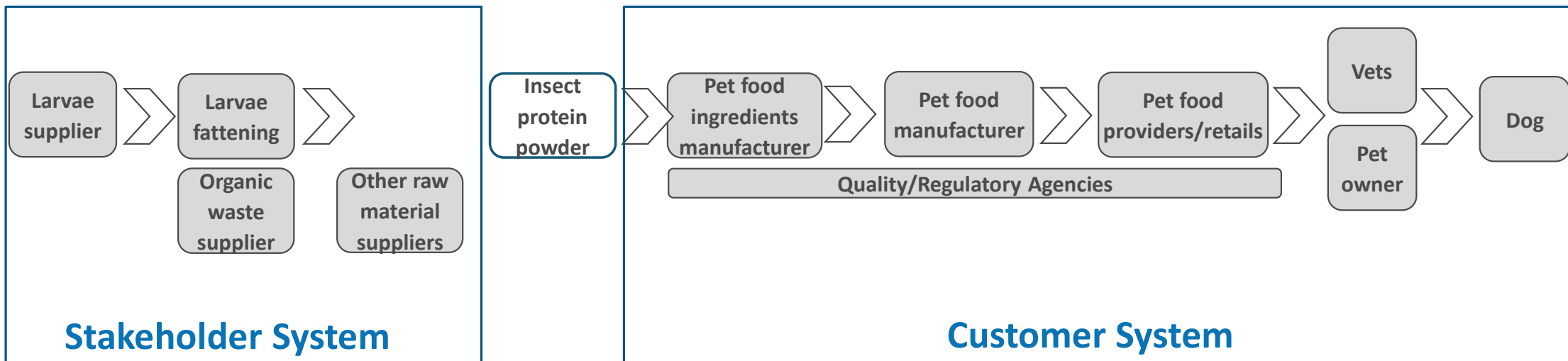
# Example: Pet food ingredient and additives value chain

## Solution



## Example: Pet food ingredient and additives value chain

### Value creation system



# Practice

## Case study

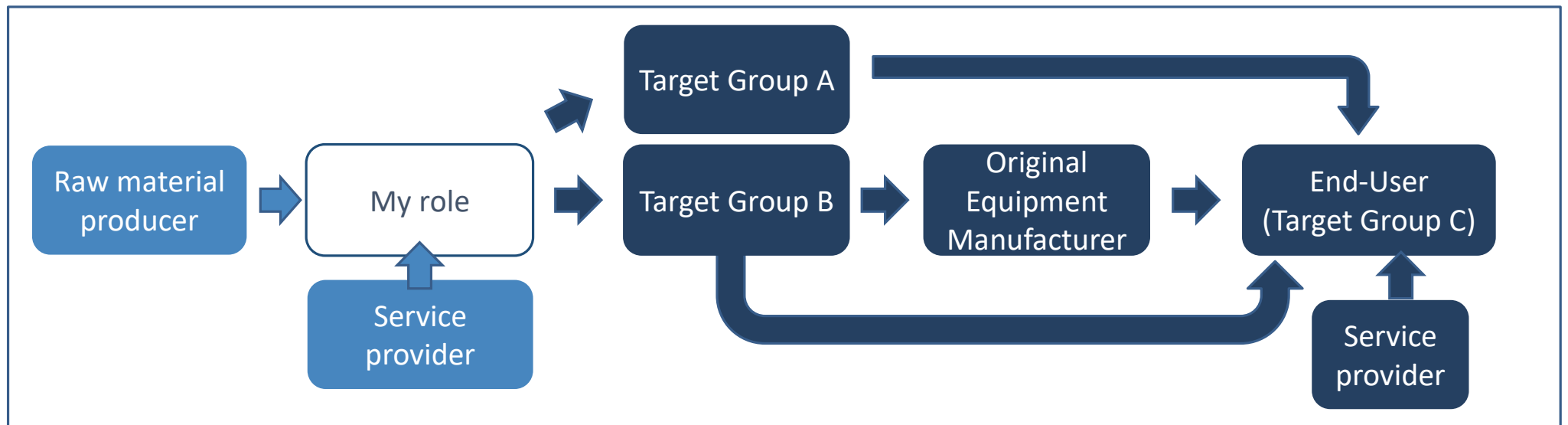
### Practice with your own value chain

Search for **existing supply chains / value chains in your value creation system** to get a better understanding of the organisations and activities involved!

1. What is the set of activities to solve the problem in the addressed application field(s)?
2. Who is involved in the value creation?
  - a. List relevant stakeholders and connect the value creation system  
or
  - b. Search for existing value creation systems online and adapt.
3. Position yourself. Identify target groups, competitors and partners.

## Value Chain

Describe the value creation system your solution is involved in and define your role in it



Describe the stakeholder system and your role

Describe the customer system and its drivers, barriers and requirements



# Target Groups

**Describe the primary target groups and their interests regarding your solution**

**Target group A**

- Description of the target group and their needs and challenges regarding your solution

**Target group B**

- Description of the target group and their needs and challenges regarding your solution

**Target group C**

- Description of the target group and their needs and challenges regarding your solution

Thank You



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