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How Market Research Can Boost Your Startup

Market research is an essential tool for entrepreneurs to understand their consumers and competitors, develop new compelling products and create a marketing strategy.

There are many ways that this can help to boost a startup. Creating a new business is a result of a continuous learning process that is applied to achieve a problem-solution fit, a product-market fit and business scalability. Collecting and analyzing market data during the transformation stages of a new business helps to craft an appealing business concept, test business assumptions, and transform and scale new businesses.

When creating a new venture, the risk of failure is high—market research can gather information on a defined problem, which can be used to mitigate associated risks and choose the best option going forward. In this way, it can validate a new business concept and help achieve scalability.

Developing a business concept involves design thinking, customer mapping and value stream analysis. In design thinking, business ideas are tested to observe target consumers and uncover challenges that need a quick fix. This includes interviewing potential customers and analyzing their comments based on preset criteria.

Once you have your new product, an agile approach to product development cultivates customer experience. Agile product development is an intercept of three distinctive functions: engineering, business and customer experience. By doing this an entrepreneur can test a solution to a potential problem before producing product specifications, sketches, storyboards and prototypes. A product is successfully tested only if it fits the market and customers' requirements. To prove the product-market fit, an entrepreneur will need to test the acceptance of potential customers.

Finally, when testing scalability, assumptions of prospective business growth are assessed. A business is proven for scalability if a large group of customers are actively buying its products and referring other customers. Market research can uncover new potential customers and grow sales, evidencing the likelihood of business scalability.

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