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White Paper

Product Research Techniques for Startups

Umrah Musaffer

Why is Product Research necessary?

One of the main reasons why startup projects fail is due to the lack of awareness in the context of product fit vs. market need. According to the CB insights - the tech market intelligence platform, the top reason with the maximum percentage marks "No market Need", as the reason for a product's failure. It is, therefore, important for startups to understand that market research is a fundamental part of any entrepreneurial project and that it should be conducted precisely for the product to succeed on its journey. Out of the many techniques, some crucial aspects of how product research could be done and which techniques to be used will be discussed here.

Product Research Techniques

Profiling the Target Customer

Before proceeding with any research, one crucial aspect of product development would be to identify, define and understand the product/solution In and Out. This process is called the profiling of the target customer. One needs to have a complete awareness of what it offers and its benefits - for often, people don't buy products for what they are but rather for what they offer. Therefore having a complete understanding of the product and its scope is very important. The best way to kickstart the product research is to adhere to the molecule approach developed at LUXr, the first Lean UX firm, founded by Janice Fraser. It indeed set the building block for competitive analysis. The molecule acts as a guide to answer three questions for your startup: who are your customers, what kind of problems they struggle with, and how your offering is going to solve them? This model also acts as the guide to our comparative research.

Competitive and Comparative Analysis

Competitive and comparative analysis is a common technique that most startups use - but the real question is how to get it done effectively. Some tend to write down items in a spreadsheet, and some fixate on widgets, and most of the time screenshots of pricing pages are the only aspects considered. The first item of a comparative analysis is to identify what companies you need to examine. So the reason we call it "comparative research" instead of "competitive research" is because there is a lot to learn from products that are not direct competitors.

One could initiate the search by the market, looking into what websites, apps, and other environments your potential customers spend time? Are they PC or Mac? IOS or Android? And then move towards the problem they aim to solve.

It involves asking questions such as

1. What is the potential customer's problem or opportunity they are trying to address?

2. What are the other related problems associated with it?

One can then examine how they have come up with the solution.
and shortcomings sooner and prepares you to take corrective measures and actions.

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Ask yourself the following questions to understand the solution better.

1. How do your potential customers currently solve their problems?
2. What homegrown hacks have they developed?
3. How have other companies chosen to solve this problem?
4. Which has found market success? Why? Who hasn't? Why not?

Walking through these questions about comparative analysis will help to find your competitors. Find your competition and understand them with the same approach. Afterward, the stack ranks the companies based on potential learning value. That's subjective — discuss with the team. Most innovative? Investor's favorites? Most popular? Highest traffic? Pick the top 5 competitors and analyze. Go wide in your initial review, narrow for deeper examination, then go wide again if necessary.

Reviews and Case Studies

The next technique for good product research would be reviewing and reading the case studies related to similar products. Give priority to reading and research thereby reading the reviews as well. Reviews are a treasure of information about what customers liked and didn't like about a product. Often they detail pain points and outline specific improvements or features they would like to see. A tip to do the review and research would be through Amazon research which is the best source that I've come across.

Focus Groups

Having a focus group is another technique for better product research. Having a set of people to fit your target market to evaluate is a good approach. The look and feel, features, and benefits are a few aspects that you can discuss with them about the product. Also, individual likes and dislikes will give greater insight. Bringing a prototype or sample of your product makes the feedback you receive more meaningful and valid.

Product Marketing Research is one of the most overlooked aspects, having a great product and knowing how to price it is not the only essential part, but you need to examine the importance of product positioning and marketing strategy.

And then again, it's useful to research your competitors here.

1. How did they market their product?
2. Was their strategy successful?
3. How could you improve on it?

Consider your target audience, too.

1. Which communication channels and social media platforms do they use the most?
2. Where do they gain inspiration for the products they like to purchase?

Sometimes these marketing strategies may include a launch event, an email marketing campaign, social media posts, help from popular influencers, paid advertisements, etc. If the approach may seem exhausting, one could prepare their blueprint for a marketing guide by seeking assistance online.

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Conclusion

In conclusion, during your product research,

1. Be clear
2. Know your target audience
3. Make use of social media, give it a personal touch
4. Mix the research methodologies.

It's better to gather crucial facts before spending time and money on the product. Gaining real-time responses will make it convenient and easier for you to adjust your product in the initial stages of business. It also gives you the chance to identify mistakes and shortcomings sooner and gets you prepared to take corrective measures and actions.

Let's Talk

Sri Lanka

Colombo, SriLanka
Level 26, East Tower,
World Trade Centre,
Echelon Square, Colombo 01,
Sri Lanka.

Email: info@techventuras.com
Phone: +94 777 226 711

Nairobi, Kenya

Nairobi, Kenya
Delta Corner PWC,
6th Floor,
Chiromo Road, P.O Box 14805,
Nairobi, 00800,
Kenya

Email: info@techventuras.co.ke
Phone: +254 725 561 169

Adelaide, Australia

Level 1,
8 Beulah Road, Norwood,
SA 5067, Adelaide,
Australia

Email: info@techventuras.com
Phone: + 61 87 2285262