



WHOLESALE AND RETAIL:WHRT4 LESSON 12

Unit Standard: 10007: How to Identify Business Opportunities Notes and Activities

TOPIC: Analyse and select viable business opportunities

NB :By the end of this unit, you should be able to:

Define and discuss market research

Identify and list different methods of market research

Evaluate and select appropriate research method

Use selected methods to research potential business opportunities

Market research and techniques

Market research is done when you collect data that tells us important information about the needs of the people who are most likely to buy your product. Market research is a process of gathering, analysing and interpreting information about a market, a product or a service

The data collected can be **primary** or **secondary**.

- Primary data are the data that are collected for the first time e.g. customer surveys
- Secondary data is when you study the market through someone else ' research i.e. the data that have been collected by someone other than the user for example, data found in the newspapers, reports

BUSINESS IDEA

A business idea can be defined as the concept an entrepreneur has to start a business with an intention of making a profit

Generating new ideas

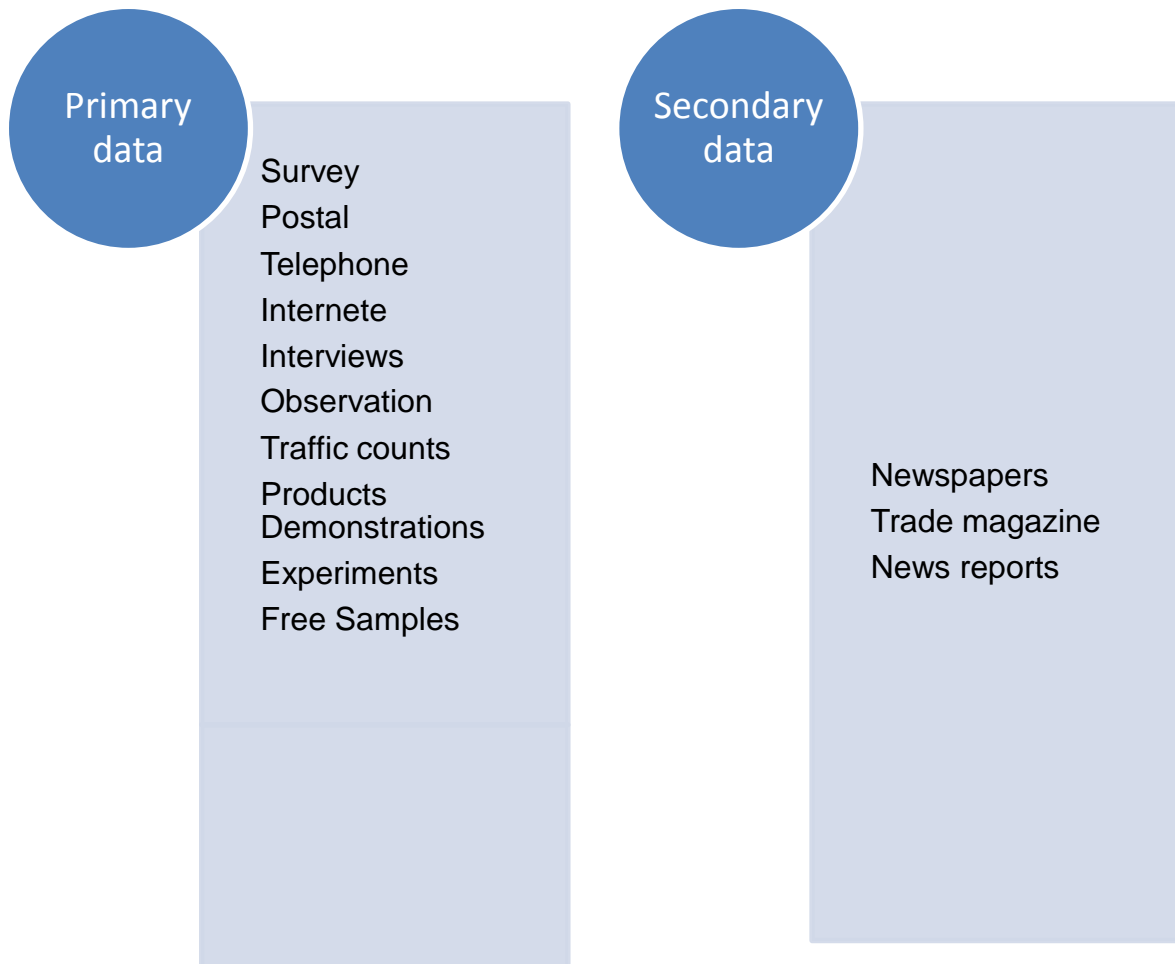
Finding a business idea can be time consuming, but it is worth the effort to look for an innovative idea that will start you off ahead of the competition. To find that elusive idea (elusive means something difficult to find or achieve), you need to look at and listen to the world you live in and ask the following types of questions

- What do people need? What do people want?
- What do people dislike doing? What do people complain about?
- What am I good at? What are my hobbies and interests? What skills do I have?
- How can I make something easier, simpler and less time consuming for people?

- Is there a product or service I have seen and liked that is not available in my area?
- Is there a unique product or service that will fit in with latest trends, which I could sell?

The best approach to generate creative ideas, one can have a brainstorming session with reliable and informative individuals who can assist in achieving your goals, which is to start a lucrative (profitable) business

The difference between primary and secondary data



MARKET RESEARCH METHODS



MARKET RESEARCH METHODS

- Door- to- door
- Telephone survey
- Interviews
- Questionnaire
- Internet

Surveys as a means of data research

Surveys involve studying your intended market or geographical area in detail. Surveys can be done using the following methods:

- By Conducting one-on-one interviews
- By Post
- By Means of the internet
- By telephone
- Door –to-door method

Telephone surveys

Telephone surveys involve phoning people and asking them questions from questionnaire.

One-on –one interviews

One –on –one interviews involve talking to people face to face. This can be done in in a shopping mall or on the streets

Postal surveys

Postal surveys involve posting blank questionnaires to people. The interviewee is expected to complete the questionnaire in his own time.

Internet surveys

This method of surveying people has proved to be successful. It cuts down on costs and increase the speed with which you receive your information

ACTIVITY 1

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|-----|--|-----|
| 1.1 | Define the concept of market research | (3) |
| 1.2 | Select FOUR possible techniques that can be used to screen potential business ideas. | (4) |
| 1.3 | Mention TWO ways you can do data research | (2) |

THE QUESTIONNAIRE AS A MEANS OF DATA RESEARCH

It is a set of written questions that you wish to ask people. It can be regarded as an interview.

- Open ended questions : candidates give their own opinion
- Closed-ended questions: you supply them with possible answers

Selecting the correct idea

- Have more than one idea
- Do your market research
- Analyse your questionnaire
- Do you have the skills to operate the business
- Do you like the business
- Will your product or services be affordable
- Can you afford to start the business?
- Is there enough profit in the product or service

- Will my business help improve my community

PRODUCT DEMONSTRATION

When you demonstrate the product, you show the client how the product actually works.

TRAFFIC COUNTS

Traffic counts are used to calculate the number of cars passing a specific point. They can also be used to see how many people walk past a specific point.

Activity 2

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|-----|---|-----|
| 2.1 | Differentiate between open ended and close-ended questionnaires | (2) |
| 2.2 | Give FOUR examples of primary data | (4) |
| 2.3 | What should a good business idea consist of? | (2) |
| 2.4 | Name and explain FOUR methods of market research | (8) |

Compiled by:

M.Ndobe
R.Kgoadi
P.Hanise
S.Lebeko
L.Hadebe

