

1.1 Spotting A Business Opportunity

Supplier- A business which sells (or supplies) products to another business.

Customer- Any person or organisation which buys, or is supplied with a product by a business.

Markets- Where buyers and sellers meet to exchange goods and services.

Customer needs- The wants and desires of buyers of a product.

Market research- The process of gaining information about customers, competitors and market trends through collecting primary and secondary data.

Primary (or field) research- The gathering of new information, called primary data, which has not been collected before.

Survey- Research involving asking questions of people and organisations.

Respondents- Those who provide data for a survey, usually by answering questions in a questionnaire or interview.

Questionnaire- A list of questions to be answered by the respondent, designed to gather information about consumers' tastes.

Focus group- In market research- a group of people who brought together to answer questions and discuss a product, brand or issue.

Secondary (or desk) research- The process of gathering secondary data, which is information that has already been gathered, such as sales records, government statistics, newspaper articles or reports from market research groups.

Quantitative data- Data that can be expressed as numbers and can be statistically analysed.

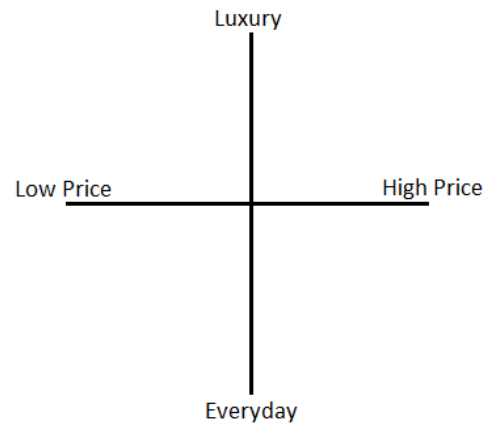


Market segment- Part of a market that contains a group of buyers with similar buying habits, such as age or income.

Price sensitive- When the price is very important in the decision about whether to buy or not.

Market map (or Perceptual map, or positioning map)-

A diagram that shows the range of possible positions for two features of a product, for example:



Gap in the market- Occurs when no business is currently serving the needs of the customers for a particular product.

Added value- The increased worth a business creates for its product, it is the difference between what a business pays its suppliers and the price that it is able to charge for the product/service. (difference between cost price and selling price)

Product range- A group of similar products made by a business, like a number of different cereals- Cornflakes, Coco Pops

Brand- A named product which customers see as being different from other products which they can associate or identify with.

Brand image- The idea/impression/image that customers have in their minds about the brand.

Unique Selling Points or USP- A characteristic of a product that makes it different from other similar products being sold in the market- such as design, quality or image.

Franchise- The right given by one business to another to sell goods or services in its name.

Franchisee- A business that agrees to manufacture, distribute or provide a branded product, under licence by a franchisor.

Franchisor- The business that gives franchisees the right to sell its product, in return for a fixed sum of money, or a royalty payment.

Entrepreneur- A person who owns and runs their own business and takes risks.

Enterprises- Another word for business.

Enterprise- A willingness by an individual or a business to take risks, show initiative and undertake new ventures.

Risk- The chance of damage or loss occurring as a result of making a decision.

Goods- Physical products like a car, a pair of scissors or a TV.

Services- Non-physical products such as a taxi journey, a haircut or a television program.

Thinking creatively (or creative thinking)- Coming up with new and unique ideas.

Competitive advantage- An advantage a business has that enables it to perform better than its rivals. It makes the business stand out and should be legal.

Deliberate creativity- The intentional creation of new ideas through recognised and accepted techniques.

Lateral thinking- Thinking differently to try and find new and unexpected ideas.