

Market Analysis - Identifying Your Customer

Describe your target customer and their demographics, i.e. gender, age, income level, education, occupation, location, ethnicity, family/group or individuals, etc.

Describe your target customer's shopping habits. Where do they shop? When do they shop? Why do they buy (what motivated them)? How do they shop (online, in person, by phone)?

What does your target customer want and/or expect from your product, or service (home delivery, organic certification, pick-up location)?

Where did you get the information about your target customer? What research methods did you use to learn about your target customer?

Market Potential

Is your market area your community or somewhere else?

How large is the region you will market your product in?

How will you determine your market area? Note: Include a map in your business plan marketing section.

Market Size and Trends

How many potential customers live within your market area?

How many of these potential customers fit the demographics of the target customer for your business product/service?

Of potential customers that live within the market area, and fit your target demographic, how many can you actually sell to?

- *How many do you anticipate they will typically purchase at a time?*
- *How many times a year might they make those purchases?*
- *What is the price per unit?*

Multiply these figures together, in the chart following, to determine your estimated yearly sales volume.

Formula to Estimate Yearly Sales Volume

_____	x	_____	x	_____	x	_____	=	_____
number of potential consumers	x	number of units per sale	x	number of yearly purchases per consumer	x	price per unit	=	estimated yearly gross sales

Is your potential market growing, declining or holding steady?

Agricultural Entrepreneurship and Business Planning

Seek out data regarding the average annual dollars spent, per person, on your product/service, or the average number of units purchased by an individual, and the frequency of these purchases, per annum. What is the per capita consumption of your product/service?

What are the price trends for your products/services?

What is the lowest price you are likely to receive for your product/service?

What is the highest price you are likely to receive?

What market conditions will dictate these prices?
