

Business First NZ

Workshop Report:

Understanding Your Market

Following a workshop 30 March 2021, facilitated by

Dr. Pam Feetham @ School of Communication, Journalism and Marketing

Jennifer Scott, Wayne Macpherson, James Lockhart @ School of Management

Massey Business School

and

Mark Inman, CEO @ Blacksheepdesign Ltd.

Executive Summary

This report summarises the recent *Business First NZ Workshop for 2021*, titled “*Understanding Your Market*” hosted by the Massey Business School, to engage local businesses. The initiative seeks to assist business leaders to highlight business problems and seek practical solutions in their pursuit of business excellence and sustainable competitive advantage.

The initiative continues to support the Massey Business School in co-defining the ‘gap’ between research and practice, in an authentic way that focuses first on the needs of the business community, and second on how research and teaching staff can support businesses.

The most recent workshop was attended by 10 business leaders from the Manawatu, Wanganui and Wairarapa and led by Massey Business School’s Dr. Pam Feetham. Three Massey Business School staff were in attendance – Jennifer Scott, Wayne Macpherson and James Lockhart.

To date, this initiative has delivered six workshops. Two exploratory workshops in 2019, three dedicated workshops in 2020 and two in 2021 provided key outcomes, being:

- Discovery of common themes of concern among businesses in attendance
- Realisation of the potential for integration of Massey internship students with businesses
- Request for practical problem identification and solving led by Massey Business School, where businesses have tangible outputs to implement post-workshop
- Massey-led workshop development and delivery to provide facilitated discussion for actions and supplementary resources, which individual businesses can tailor as required:
 - Business models: Developing tailored business models and plans to work for you, with Professor Stephen Kelly
 - Letting go: Effective delegation for enhanced decision making, with Mrs Beth Tootell
 - Fail fast: How to fail your way to success in a crazy world, with Dr David Tweed
 - Reflections for excellence: Review, refine, and next steps
 - Understanding your market, with Dr Pam Feetham & Mark Inman

1. Businesses in Attendance

Across the *Business First NZ* workshops to date, the following business have been represented:

Business	Sector	Business	Sector
Advantage	IT Support	GasNet	Gas Delivery
AFC Motorcycles	Powersports Products	Genoese Foods	Food Preparation
Ali Arc Industries	Structural Metal Fabrication	Gillard Honey	Honey Production
Avatar Honey	Honey Production	Gropak	Agricultural Services
BakerAg	Agricultural Services	Henergy	Poultry Products
Betacraft NZ	Workwear	JR's Orchards	Apple and Pears
Business Central	Business Development	OBO	Sports Protection
CEDA	Economic Development	Palliser Estate	Winery
Carousel Confectionary	Confectionery Manufacturing	Prepack	Packaging
Dowdeswell's Derlphinium	Horticulture	Property Brokers	Real Estate
Education & Training Consultants	Education & Training	Quest Industries	Plastic Moulding
ExportNZ	BusinessNZ Division	Speirs Foods	Food Preparation
FieldAir	Aviation Engineering	Steelfort	Machinery & Equipment
Gallagher Fuel Systems	Fuel Dispensing Systems	Tasman Tanning	Leather Products
Garden Barn	Garden Supplies	Turks Poultry Farm	Poultry

2. Workshop Summary

This workshop set out to deliver to attendees a number of tools and techniques that would allow them to understand who their external stakeholders are, and how to effectively respond to their market. The goals would be to extend the market share for products and services and increase brand awareness in their marketplace.

Attendees considered Strategic Positioning of their products or services, leading to group discussions about *how and where they are competing*, and *how they are perceived in the minds of their customers*. They were introduced to Market Segmentation as a means for them to identify their customers and what, where and why they buy the products and services they do. Attendees used a number of worksheets to explore who they saw as customers, the means to categorise them, their attractiveness for being pursued, and the means to target these segments with effective messaging (marketing and engagement). A common theme of the need to understand and harness social media emerged – this will be tackled in a future workshop.

3. Key Takeaways

3.1. Strategic Positioning

Here attendees focused on increasing market share and brand awareness, using the following questions:

- How are you competing and where are you competing?
- How are you perceived in the minds of your customers?

An example of a small business hair care salon helped attendees understand how to unpack sub-questions in order to articulate their **Position**:

- How are you competing?
- Where are you competing (physical location)?
- How do your customers describe your business?

Once attendees were able to articulate their position, they were encouraged to think about whether the following are reflected in their intended position:

- brand
- premises
- customer service
- website
- marketing communications
- internal and stakeholder relationships

3.2. Target Markets

Attendees were introduced to the concepts within market segmentation, including groups of customers who have similar needs and characteristics and similar purchasing behaviour

A useful basis for segmentation is the 4 Ws

- Who the customers are
- What they buy
- Where they buy their products and services
- Why they buy

The facilitators guided the group through how to determine who their customers are using the following characteristics:

- Demographic – age, gender, family size, ethnicity
- Socioeconomic – education, income, occupation
- Stage of Life – full nest, empty nest, etc.
- Lifestyle – working, dinks (double income no kids)
- Psychographic – values people hold

Finally, attendees were guided through considering whether segmentation is the way to go for their organisation at this point in time. Included in this, was a consideration of whether a segment is sufficiently attractive to an organisation, using four factors:

- The Market
- The Competition
- Economy and Technology
- The Business Environment

<p style="text-align: center;">Market</p> <p>Size; growth rates; life cycle stage; predictability; price elasticity; bargaining power of suppliers; cyclability of demand</p>	<p style="text-align: center;">Economic and Technological</p> <p>Barriers to entry and exit; bargaining power of suppliers; technology utilization; investment required; margins</p>
<p style="text-align: center;">Competitive</p> <p>Intensity; quality; threat of substitution; degree of differentiation</p>	<p style="text-align: center;">Business Environment</p> <p>Economic Fluctuations; political and legal; regulation; social; physical environment; pandemics</p>

3.3. Reaching your target market segments

Attendees were encouraged to:

- Keep in mind you want to develop customer value, communication, and delivery strategies
- Create customer value - understand the value drivers of each of the targeted market segments.
- Keep marketing communications aligned with your organization’s positioning strategy
- Consider if their website reflects their position

3.4. An Industry Perspective

Mark Inman, of *Blacksheepdesign*, participated in a Q&A following a brief presentation about what to expect from a market consultancy service. Key points Mark highlighted included:

- Make sure you start with telling your story – *people love stories*
- Your website is not for your CEO – it is for your customers and for you to ‘sell’ the business/product/service
- Think of your website as a worker – pay attention to it, resource (fund) it – it is “engaging” with potential customers 24/7
- Evaluate against your goals – are you achieving what you wanted with what you are doing?
- Focus not on “the business” but an individual – you’re dealing with people who make business decisions
- Focus on the lifecycle stage of a business – start-up, established, looking to change, etc.
- You pay for what you get – but you can ask for various options deepening on your specific, current needs and resources

4. Proposed Next Steps

While there are no formally set workshops for 2021, at the final workshop for this year, we will discuss co-designing the future structure for the *Business First NZ* initiative.

Workshop	Overview	Tangible Takeaway	Logistics
Supply Chain Management: Playing the Game	This session will be led by Massey experts in quality management, logistics, and supply chain management. This interactive afternoon will see you working through simulated experiences to delve deeper into negotiation, leadership, and collaboration competencies while exploring concepts relating to supply chain decision making and management in response to internal and external challenges and opportunities.	At the end of the session you will have deeper insight and understanding of the mechanics of supply chain and the means to review, test and evaluate differing approaches in the face of disruption.	1 June 2021 2:30pm – 6:00pm facilitated session with nibbles and drinks provided

Thank you

We would like to thank you for your continued participation in these workshops, and welcome any feedback, comments, ideas, or questions you may have. Please note, if there are any issues or amendments required, we would greatly appreciate your feedback on this report. Feel free to contact the group via Dr Wayne Macpherson, W.Macpherson@massey.ac.nz.