

Secret two: How do I find a market need?

In times like these, the idea of a side hustle, side business, or part time business looks increasingly appealing.

As we've discussed before here on KONP's business bits, the number one factor that determines success will always be "to find and understand a market need."

The number of people who go into business because they've always wanted to do such and such baffles me. Do these people understand they are serving a target market of one?

This is sad, because I believe that the communities here offer tremendous potential in underserved needs.

"How exactly do I go about finding those needs?" is the natural question to ask.

So of course, I have an answer. In fact, I have three.

The first answer is to start with your own experiences.

About one third of the investor pitches and loan appeals I've heard started with a personal discovery, often brought about by a life event.

- "After we had our first child..."
- "When we bought our first home..."
- "My aging mother needed..."

Triumph or tragedy, changes in our lives give us just a moment of insight, seeing a new situation with new eyes — in that briefest of moments before whatever changed fades into routine and slips from our grasp.

All you need is curiosity and a little critical thinking.

- What frustrated, disappointed or inconvenienced you?
- Where are you making due, settling or doing without?
- How many people does this kind of situation impact?
- What could you do to make it better?

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- How often would you need it?
- How much would you have been willing to pay?

This internal dialog, consistently applied, can help you discover needs, pains and gaps in your everyday life that might lead to a great business idea.

The second answer is to be a student of human nature.

- Observe other people, individually and in groups, and ask the same questions
- Look for frustration, anxiety and doing without
- Check local facebook groups, craigslist and similar media.
 - What are people searching for?
 - What did they find?
 - Are they happy with the status quo?
- Assess the scope of the opportunities you discover
- What would it look like to serve those markets?

Popular search engines like Google and Bing can tell you more about what people are searching for. You can also look at bids for online ad words - the higher the bid, the greater the demand.

Pitches for businesses serving these discovered needs often start with the observations made.

- “When I visited the local beach, I noticed almost everyone struggled with...”
- “While I was waiting for my luggage at the airport, it seemed to me that most people...”
- “After taking the bus to work for almost a year, I saw that all of us were struggling with...”
- “When I go on social media, I keep seeing “In Search Of” listings for...”

In this model, your powers of observation will bring inspiration. Rather than burying yourself in your personal digital devices, become a dedicated people watcher. The willingness to take notes will help drive and validate your conclusions.

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- How often does the situation occur?
- Who does the situation impact most?
- How frequently is this an issue?
- What is the cost to the person dealing with the challenge you've observed?

Opportunities here can often lead to a single solution that can be widely replicated.

Third is to become a student of life.

Look out the window, find a process to observe, watch a procedure or track a transaction. What's not working? How could you fix it? Where would you start?

Pitches in this market space usually start with that key insight into some form of incomplete market.

- "Every time someone made a purchase, they had to wait for..."
- "The reviews said shipments frequently arrived late..."
- "The information needed to complete the process came from many different..."

The needs, pains and gaps in this opportunity space can be the most difficult to address but often result in national and even global scale.

The market needs in all of these situations are there, right now, waiting for a curious, observant, critical thinker to bring a solution.

Your opportunities are limited only by your willingness to pursue them!

Kevin Hault