Glossary

Terms related to *market analysis*

Sensitivity analysis - Involves testing how changes in key assumptions, such as sales volume, pricing, or costs, affect a business's financial projections. It helps identify potential risks and the resilience of the model under different scenarios.

Market analysis - A comprehensive evaluation of the industry, market trends, customer demographics, and demand for a product or service. It includes analyzing market size, growth potential, and key drivers that can impact a venture's success.

Pro-format statement - Financial projections that estimate future income (profit & loss) statements, balance sheets, and cash flow statements based on expected business performance. These statements help demonstrate financial feasibility and are thus useful as planning tools.

Competitors - Other businesses/organizations offering similar products or services within the same market. Competitor analysis examines their strengths, weaknesses, pricing strategies, market share, and positioning to identify opportunities for differentiation.

Differentiation - This is what sets one business/venture, or product/service, apart from others operating in the same market.

Target market - The specific group of customers a business/organization aims to serve, defined by characteristics such as age, location, income, interests, and buying behavior. Understanding the target market helps tailor marketing and product strategies.

Core competency - A unique strength or capability that gives a business a competitive advantage. This can include specialized expertise, proprietary technology, superior customer service, or efficient operations.

SWOT analysis - A strategic planning tool that evaluates a business's Strengths, Weaknesses, Opportunities, and Threats. It helps identify internal advantages and challenges while assessing external factors that can impact success.

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