

Market Needs Assessment Workshop

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Market Needs Assessment Workshop



A workshop designed to expose basic Market Needs Assessment practices for future Entrepreneurs

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Introduction to Needs Assessments

- ▶ A needs assessment is a systematic investigation of an audience(s) to identify aspects of individual knowledge, skill, interest, attitude and/or abilities relevant to a particular issue, organizational goal, or objective.
 - ▶ Simply put, the goal of a needs assessment is to design an effective program, product, or service that addresses the group's needs and "wants."
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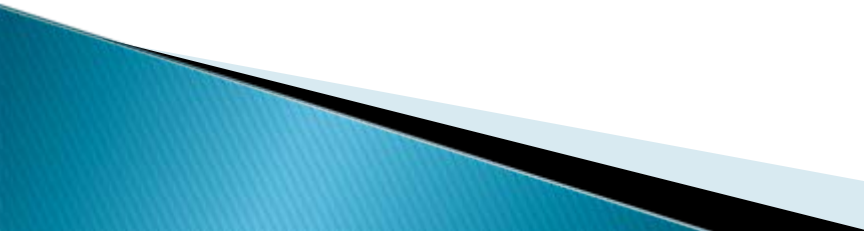
Needs Assessments

- ▶ Too often people consider only one solution (a want) and discuss it as a need, when in truth what they really need will not be addressed.
- ▶ Effective questioning can reveal the need behind the want. However it is important to remember that the “want” is often the best solution.

Two things to remember:


- ▶ **Needs are gaps** – the space between what currently exists and what should exist.
 - ▶ **Wants are solutions** – a proposed means to filling the gap.
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Types of Need Assessments

- ▶ Needs assessments can be either **single organization** or **multi-individual**. This is the type of needs assessment done to discover the needs within your own organization.
 - ▶ Examples of **single organization** assessments include new employee orientation, safety issues, customer complaints, and new software needs.
 - ▶ **Multi-individual** needs assessments are those that cover several people, but those people are not part of an organization or agency. This is the type of needs assessment you would conduct when trying to discover if the public (or your customers) have specific needs that might be addressed by a tool, service, or training opportunity.
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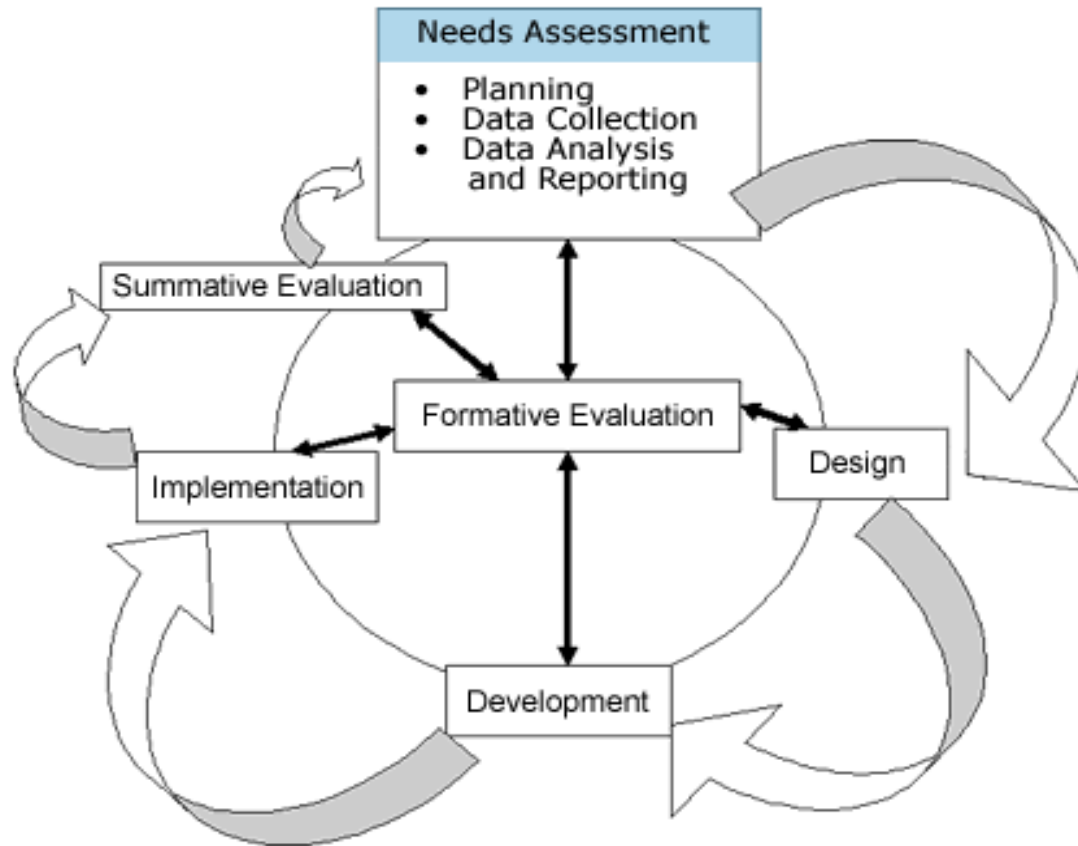
Multi-individual needs assessment

▶ Multi-Individual assessments

- Use results of market analysis to further refine training needs and wants of specific target audiences
 - Are a program development tool to guide development and design of products and services
 - Audiences are targeted based on needs perceived by organizations providing products, services, and training
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ADDIE Model of Design

ADDIE Model of Design



Needs Assessment Process

Needs Assessment Process

Planning

- Issue and audience
- Planning team
- Goals & objectives
- Characterize audience(s)
- Information and literature search
- Data collection methods

Data Collection

- Audience sampling scheme
- Design and pilot data collection
- Gather and record data

Data Analysis and Reporting

- Data analysis
- Manage data
- Synthesis and report

Design


Develop

Implement

Evaluate

12 Steps of Needs Assessment process

1. Confirm the Issues and Audience

- ▶ In this step you will establish the purpose of the needs assessment, determining if it is a legal requirement, a company requirement, or simply desired for general knowledge.
 - ▶ Always address your goals and objectives in synthesis. An executive summary is often helpful.
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1 2 Steps of Needs Assessment process

2. Establish the Planning Team

- ▶ In this step, you will establish the planning team while also determining the resources available for the needs assessment, including
 - Time
 - Money
 - Number of individuals required for statistical purposes
 - Research or prior studies
 - Expertise of researchers

1 2 Steps of Needs Assessment process

3. Establish the Goals and Objectives

- ▶ In this step, based on the available resources confirmed in step two, you will establish goals and objectives. This step has three phases:
 - Identify the optimum (desired) and actual levels of knowledge or skill.
 - Identify the cause(s) for the lack of knowledge or skill.
 - Devise a solution or series of solutions.
 - Ensure goals and objectives drive the outputs (statistical analysis and reporting).

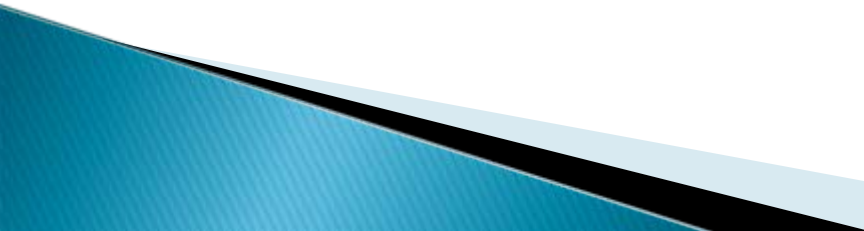
1 2 Steps of Needs Assessment process

4. Characterize Your Audience

- ▶ In this step you will determine the following audience characteristics:
 - Number of individuals present (i.e. sample size)
 - Skill and knowledge level
 - Educational level
 - Organizational niche
 - Cultural characteristics
 - Attitudes and biases
 - Ability to purchase or otherwise access product


12 Steps of Needs Assessment process

5. Conduct Information and Literature Search

- ▶ In this step you will review information and literature regarding the issue by looking at studies from management plans, public records, strategic plans, reports, and articles.
 - ▶ Surveys are often used to clarify or answer questions that have surfaced through reviewing
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12 Steps of Needs Assessment process

6. Select Your Data Collection Methods

- ▶ In this step you will decide how you will collect data, from choices ranging from personal interviews to written tests.
 - ▶ Your decision here will affect much of the time and resources you have for your project.
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12 Steps of Needs Assessment process

7. Determine Your Sampling Scheme

- ▶ Sample more than you think you need. The biggest threat to a survey is that the results are inaccurate because of the sample size not being representative

8. Design and Pilot the Collection Instrument

- ▶ Always pilot your questionnaire! Better data requires more time, money and resources.

12 Steps of Needs Assessment process

9. Gather and Report Data

- ▶ There are various strategies for increasing response rate, including reminder calls and postcards. Of prime importance is ensuring anonymity to respondents.

10. Analyze Data

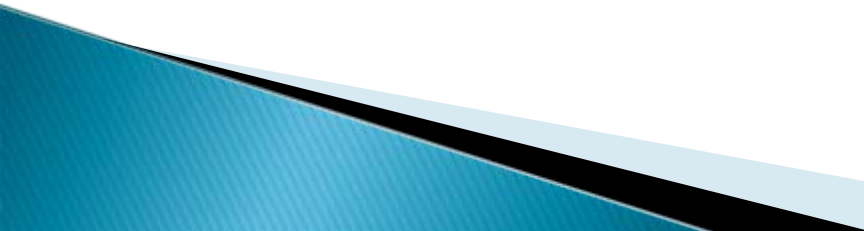
- ▶ Keep findings and interpretation of findings separate in reporting.

11. Manage Data

- ▶ This step involves determining how data will be organized and archived.
- ▶ The importance of this step is often not recognized until it is too late.

12 Steps of Needs Assessment process

12. Synthesize Data and Create Report

- ▶ Always address your goals and objectives in synthesis.
 - ▶ Report must include problems or errors with the design and the implementation of the survey. An executive summary is often helpful.
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Assessment Methods

▶ Observation



Observation Is a Means
of Data Collection

Benefits:

- Little interruption of work flow or group activity
- Generates data about actual behavior, not reported behavior
- Administrative costs can be kept to a minimum

Limitations:

- Observer can disrupt or alter the system
- Data can be skewed by observer's biases
- Data is not easily quantifiable

Assessment Methods

▶ Interviews



Interview Means One or More Series of Active Interchanges between Two or More People

Benefits:

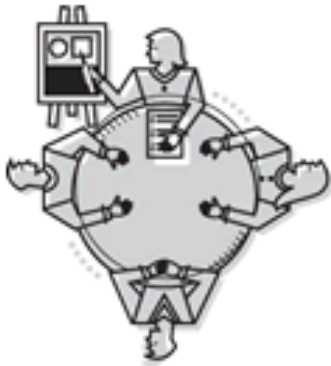
- Inexpensive to conduct
- Variety of perspectives can be elicited
- Can be very useful way to build rapport with audience/participants

Limitations:

- Bias due to data collector's interest
- Time intensive
- Unskilled interviewers can make clients feel self-conscious

Assessment Methods

▶ Focus Groups



Focus Group =
Interactive Exchange

Benefits:

- Inexpensive
- Participants may have positive public relations impacts
- Can clarify different points of view
- Can use brainstorming techniques

Limitations:

- May represent special interests
- Participants may use as “gripe session”
- One participant may influence attitudes and opinions of others

Assessment Methods

▶ Oral Surveys:

An interview where closed questions are used in order to elicit "yes" or "no" answers to a set of preselected questions.



Oral Surveys =
Asking Set of
Prewritten Questions

Benefits:

- Reach a large number of people in a relatively short time
- Data easy to summarize and report
- Does not depend on reading proficiency

Limitations:

- Little provision for free expression or unanticipated responses
- Requires substantial time and technical skill to develop
- People will hurry through answers without thinking

Assessment Methods

▶ Questionnaires

- A survey instrument through which individuals respond to printed questions.



The image shows a sample of a questionnaire form. It includes a header section with a title and a table with several columns. Below the table, there are several sections of text, likely representing different parts of the questionnaire, such as instructions and questions. The form is presented in a grayscale, slightly faded style.

Sample of Questionnaire

Benefits:

- Easiest to quantify the data
- Relatively inexpensive
- Opportunity for expression (Anonymity)
- Permit people time to think about answers

Limitations:

- Limited room for unanticipated responses
- Low return rates which can skew data
- Can be impersonal

Assessment Methods

▶ Existing Data

- Observations of existing data means looking at information that is available



Many Types of Documents
Can Be Reviewed

Benefits:

- Can be less time consuming
- Provides evidence of problems/needs
- Minimum effort

Limitations:

- May be out-of-date
- May not address specific questions
- May not address people's perception of needs

Assessment Method Review

Several different methods to be used, best to use a combination of these methods to achieve your objective.

Best way to achieve these methods are:



Use Established Networks to Find Data




Review Documents for Relevant Data




Consider That Trying to Find Some Data Might Be Wasted Time

Market Needs Assessment

- ▶ Market Needs Assessments are conducted using Multi-Individual Need Assessment guidelines because it involves different people and seeks to satisfy a need through the manufacture of a product or service.
 - ▶ Needs Assessment tools are powerful for developing decision-making criteria needed to start your business.
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Market Analysis

- ▶ Market Analysis is a term with a broad scope and includes all aspects of a business or service environment. It asks questions about competitors (in our case other groups who provide similar information, products, or services), market structure, regulations or other restrictions, economic trends, technological advances, and numerous other factors that make up the business environment.
 - ▶ Typically a market analysis consists of the following phases:
 - Inventory
 - Literature and Other Research
 - Analysis of Inventory
 - ▶ The results of a market research provide a context to determine an organizational or product niche and identify target audiences.
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Market Analysis – 3 Phases

- ▶ A market analysis typically consists of three phases.
 1. The first is taking an inventory of product and service providers in the region that might be customers.
 2. The second is conducting a literature search.
 3. The last is performing the actual analysis.
- ▶ Types of Questions asked:
 - Target audience, demographics?
 - Delivery systems: methods, access to participants, follow-up
 - Promotional strategies: how are programs marketed?

Preparing to start a business

You have an idea to start a business – a **clothing shop**.

We will go over the steps needed to develop a Needs Assessment to determine the demand for clothing that you hope to offer.



Clothing Shop

- ▶ 1. Confirm the Issues and Audience

What kind of clothing is in demand? Why?

Who will buy the clothes that you are trying to sell?

Will it be sold locally, regionally or Internationally?

Discuss Issues and Audience



Clothing Shop

▶ 2. Establish the Planning Team

Who is on the planning team? Yourself, business partner or family member?

How much time and money is available to conduct this needs assessment?

How many people are needed to obtain the information needed?

Is there any available research or information?



Clothing Shop

▶ 3. Establish the Goals and Objectives

Based on step 2, you will determine what the outcome is. You want to find out where will people buy your clothing?

Who will buy your clothing products?

How much are they willing to pay?

What kinds of clothing do they want?

Do they need additional services such as fitting, customization, or delivery?

Clothing Shop

▶ 4. Characterize Your Audience

How many people do you need to talk to?

Who is your ideal customer?

What income levels do they need to have in order to purchase your product?

How do they feel about your product?



Clothing Shop

- ▶ 5. Conduct Information and Literature Search

Now it is time to conduct observation or surveys using whichever method fits your situation best. In this case, you can go to stores and interview people when they are leaving the shop.

You can conduct a focus-group at school, workplace or online.

Next is to review all the material relevant to your research, other clothing companies, catalogs, publications and reports about your industry.

Clothing Shop

▶ 6. Select Your Data Collection Methods

Now it is time to decide how much data you wish to collect. It is always better to have more than less.

\$100 dollars on research to build a \$5,000 dollar business is a good investment. If you don't do research, chances are you will fail your business.

Clothing Shop

▶ 7. Determine Your Sampling Scheme

You want to consider different types of people that you will use for your interviews, focus group or surveys.

Young adults, workers, teachers, business owners, social worker, factory worker, farmer, etc.

Make sure you have a good mix, not only family and friends since it can skew your sample.



Clothing Shop

- ▶ 8. Design and Pilot the Collection Instrument

Always pilot your questionnaire! Better data requires more time, money and resources.

Think about what kind of questions you want to ask for both, Oral and Questionnaire surveys. Also think about what kind of questions you would ask a focus group?

Clothing Shop

▶ 9. Gather and Report Data

There are various strategies for increasing response rate, including reminder calls and postcards. Of prime importance is ensuring anonymity to respondents.

Think about places where you can find your future customers. These survey respondents may buy from your business when you are ready.

Clothing Shop

- ▶ 10. Analyze Data

Keep findings and interpretation of findings separate in reporting.

Regarding clothing products, you may have feedback about types of products.

When people are likely to buy? How much they are willing to pay?

It all depends on the design of your surveys and data-collection methods.

Clothing Shop

- ▶ 11. Manage Data

This step involves determining how data will be organized and archived.

The importance of this step is often not recognized until it is too late.


In this case, you may want to use MS Office applications such as Word, Excel or PowerPoint.

Clothing Shop

▶ 12. Synthesize Data and Create Report

Always address your goals and objectives in synthesis. Report must include problems or errors with the design and the implementation of the survey. An executive summary is often helpful.

Now you should have a better idea of what people want regarding clothing products that you hope to sell.




Clothing Shop Needs Assessment

Conclusion

A well-designed needs assessment will help you understand what your potential customers want.

From here, you will be able to determine whether or not you are currently equipped to meet those needs. You can either decide to modify your business to meet those needs or look for another business that will fulfill the needs of your future customers.



References

- ▶ Needs Assessment Steps
 - <http://www.csc.noaa.gov/needs/home.html>