



VISION INSTITUTE OF TECHNOLOGY, ALIGARH
SUBJECT- IDEA OF BUSINESS MODEL
UNIT-1 INTRODUCTION

Business

- Business is the act of providing goods or services to customers in exchange for money.
- The main aim of business is to earn a profit by satisfying the needs and wants of customers.
- It can be a small enterprise, such as a local shop or a large organization like a multinational corporation.
- To run a successful business, it requires careful planning, management, and investment in order to achieve its goals.

Business Idea

- A business idea is a creative or innovative concept that can be turned into a profitable business venture.
- It's something that identifies a problem or gap in the market and has the potential to meet the needs of a specific target audience.
- A successful business idea can lead to the creation of a new product, service, or business model that can generate revenue and profit.

Search for a Business Idea

Here are some steps you can follow to search for a business idea:

- 1. Identify problems or gaps in the market:** Look for areas where there is a need for a solution. This could be in industries that you have experience or interest in, or areas where you see a lack of options.
- 2. Research current market trends:** Keep up to date with what's happening in the market by reading industry publications, attending trade shows or conferences, and conducting online research. This will help you identify emerging trends and opportunities.
- 3. Assess your skills, passions, and interests:** Consider what you are good at and what you enjoy doing. This will help you identify potential areas where you can start a business.
- 4. Look for inspiration from your own experiences:** Consider your personal experiences and challenges you've faced. Is there a product or service that you wish existed to make your life easier? This could be an opportunity to create a business that addresses a need that you and others have.
- 5. Identify emerging technologies:** Stay on top of emerging technologies and consider how they can be applied to create new products or services. For example, the rise of artificial intelligence and machine learning has led to the development of chatbots and virtual assistants, which can be used to improve customer service and sales.
- 6. Evaluate your resources:** Consider your available resources such as time, money, and skills when evaluating potential ideas. Choose an idea that you can realistically pursue with the resources you have.
- 7. Evaluate potential ideas:** Analyze each idea by considering the market size, target audience, competition, and potential profitability. Narrow down your list to the ideas that have the greatest potential.
- 8. Test your ideas:** Before committing to an idea, test it with potential customers. This could involve conducting market research or creating a prototype to get feedback.



How to choose an idea

Choosing the best business idea from a list of potential ideas can be challenging. Here are some tips to help you select the best idea:

- 1. Assess potential profitability:** Consider the market size, competition, and potential revenue of each idea. Choose an idea that has the greatest potential for profitability.
- 2. Consider your skills and interests:** Choose an idea that aligns with your skills and interests. This will make it easier for you to stay motivated and committed to the business.
- 3. Evaluate business-lifestyle fit:** If you want to have time for both work and family, choose a business that won't require you to work long hours. If you don't like being in an office, choose a business that can be run from anywhere. Picking a business that fits your lifestyle can help you avoid getting too tired.
- 4. Evaluate the market need:** Consider if there is a real need for the product or service that you are considering. Look for gaps in the market that you can fill.
- 5. Evaluate the competition:** Consider the level of competition for each idea. Look for ideas where you can differentiate from competitors and offer a unique value proposition.
- 6. Test your ideas:** Before committing to an idea, test it with potential customers. This could involve conducting market research or creating a prototype to get feedback.
- 7. Be willing to pivot:** Even if you choose what seems to be the best idea, it's important to be willing to pivot if needed. Be open to feedback and willing to adjust your idea to better meet the needs of the market.

Remember, choosing the best business idea requires careful evaluation and analysis. By considering the factors above, you can select an idea with the greatest potential for success.

Product

- A product is something that is made or created to be sold or used by customers. It can be a physical item, such as a toy or a piece of clothing, or a digital item, such as software or an app.
- Products can be designed for different purposes, such as entertainment, education, or productivity.
- They are typically created to meet a specific need or solve a particular problem for the customer.

Selection of Product

Product selection is the process of identifying, evaluating, and choosing the best product ideas to bring to market. It is a crucial step in the product development process as it determines the success of a product in the market. Here are some important notes on product selection:

- 1. Simple and Affordable to Develop:** When selecting a product, it is important to consider its development cost. Choosing a product that is simple and affordable to develop can save time and money in the long run. This could mean selecting a product with a basic design, fewer components, or a shorter development timeline.
- 2. Evaluate the feasibility:** Consider the technical, financial, and operational feasibility of bringing your product to market.
- 3. Consider your expertise and interests:** Choose a product that aligns with your expertise and interests.



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It will help you in creating a product that meets the market need, and you will enjoy working on it. 4. **Analyze the competition:** Analyze the existing competition to understand their product offerings, pricing, and marketing strategies. This analysis will help you create a product that is unique and better than your competitors.

5. Determine your budget: Determine the budget you have for product development, manufacturing, and marketing. This will help you choose a product that fits within your budget.

6. Consider the scalability: Choose a product that can be easily scaled up or down according to the market demand. This will help you in managing the production and distribution of the product effectively.

7. Determine the cost and potential profit: Calculate the cost of producing and marketing your product and determine the potential profit. Make sure the profit is worth the investment.

8. Consider the regulatory and legal requirements: Make sure your product meets regulatory and legal requirements before bringing it to market.

9. Recurring Revenue: Another important factor in product selection is its potential for generating recurring revenue. This could involve selecting a product that requires consumables or ongoing maintenance, or a product that has a subscription- based revenue model. Recurring revenue can help ensure a stable cash flow and sustained growth for the business.

10. Test the product: Before launching the product, test it with a sample group of your target market to gather feedback and improve the product.

11. Keep the future in mind: Select a product that has long-term potential and can stay relevant in the market for years to come. This will help you in generating consistent revenue and creating a sustainable business.

The Adoption Process

The adoption process is a marketing concept that describes the stages a consumer goes through in accepting and purchasing a new product or service. This process can be broken down into five stages:

1. Awareness: In this stage, the consumer becomes aware of the new product or service. This can

happen through advertising, word of mouth, or other marketing efforts.

2. Interest: Once the consumer becomes aware of the product or service, they may start to show interest. This can happen if the product or service meets a need or solves a problem for the consumer.

3. Evaluation: In this stage, the consumer starts to evaluate the product or service. They may research it, read reviews, or compare it to other products or services.

4. Trial: If the consumer is satisfied with the evaluation, they may try the product or service. This can happen through a free trial, a demo, or a small purchase.

5. Adoption: If the trial is successful, the consumer may adopt the product or service and continue to use it. This can lead to repeat purchases and positive word of mouth.



Product Innovation

• Product innovation refers to the process of creating new products or improving existing ones with the goal of meeting customer needs, improving the quality and performance of existing products, and enhancing the overall customer experience. It may involve the integration of new technologies, materials, or processes to enhance product performance, functionality, and usability. Product innovation may also involve the development of new features, designs, packaging, or marketing strategies to differentiate products from those of competitors and capture the attention of customers.

• Innovation in products is required for several reasons:

- 1. Competitive Advantage:** With constantly evolving markets and changing consumer needs, businesses need to innovate their products to stay ahead of their competition and gain a competitive advantage.
- 2. Customer Satisfaction:** Innovation can lead to the creation of products that better meet the needs and preferences of customers, ultimately resulting in higher customer satisfaction.
- 3. Increased Revenue:** Innovative products have the potential to attract new customers, retain existing ones, and increase revenue through the introduction of new and improved features.
- 4. Brand Image:** Innovation in products can help build a positive brand image for a company, positioning it as a leader in its industry and driving customer loyalty.
- 5. Cost Reduction:** Innovations in products can also lead to cost reductions through increased efficiency, reduced waste, and improved supply chain management.

Production, Planning, and Development strategy

• Production, planning, and development strategy refers to the process of creating a plan for the manufacturing of products that meets the needs of the market while also being cost-effective and efficient.

It involves a series of steps that start with identifying the demand for the product and end with the delivery of the finished product to customers.

• Here are the 7 steps in production, planning, and development strategy:

- 1. Idea generation:** This is the first step in the process where the idea for a new product is generated. This can be done through various methods such as brainstorming, customer feedback, competitor analysis, and market research.
- 2. Idea screening:** The second step is to screen the generated ideas and choose the most feasible and viable one. The idea should align with the company's goals, objectives, and capabilities.
- 3. Concept development and testing:** The third step is to develop the concept of the product and test it with a sample group of target customers to evaluate its feasibility and effectiveness.
- 4. Business analysis:** The fourth step is to conduct a thorough analysis of the product's potential profitability, target market, production costs, and pricing strategies. This analysis helps in determining the financial feasibility of the product.



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5. Product development: The fifth step is to develop the actual product, design its packaging, and create a prototype.

6. Market testing: The sixth step is to test the product in the market with a small group of target customers to gather feedback on the product's performance, features, and packaging.

7. Commercialization: The final step is to launch the product in the market. This involves creating a marketing plan, setting up a distribution network, and training sales staff to promote the product.

New product idea

There are several ways to get new product ideas, including:

- 1. Use social media:** Use social media platforms to monitor conversations about your industry and products. This can give you insights into what people are looking for and what they're not happy with.
- 2. Identify gaps in the market:** Look for gaps in the market where there are no existing products or where current products are not meeting customer needs.
- 3. Industry trends:** Keep up-to-date with industry news and trends to identify gaps in the market that your business could fill.
- 4. Research and development:** Invest in research and development to come up with new ideas and products.
- 5. Crowd-sourcing:** Use online platforms to gather ideas from a large group of people.
- 6. Customer feedback:** Conduct surveys, focus groups, or social media listening to gather feedback from customers about what products they would like to see in the market.
- 7. Personal experience:** Pay attention to your own experiences and identify products that you wish existed or problems that you would like to solve.
- 8. Competitor analysis:** Analyze your competitors' products and identify areas where you can improve or create a better product.