

# Are you a market-focused or product-focused business?

In your business, do you only focus on the improvement of your products and services, or how to expand your business in the market or you discuss another market segment? These are some of the questions that generally people ask business-owners. But there is one more thing that people forgot to mention i.e Is your business a market-focused or product-focused one?

## Market-focused business

A market-focused business usually focuses to find strategies outside the company for the input and collects data which is necessary to make tactical decisions. A market-focused business means understanding your customers which means that you should know who your competitors are, and anticipating their next strategy or tactic.

Market focused includes the information related to overall dynamics and forces in the marketplace and understanding how those forces might impact the business. If you go for a market-focused perspective, then it offers the best pathway to get sustainable and profitable growth in business because the market focus is all about opportunities.

Here are some of the factors included in market focus business are:

- Clarity of vision and action
- Marketing investment
- Situational responses
- **Clarity of vision and action**

It means setting a new direction or vision for the company and then adapting them and the clarity into daily activities.

Here, market-focused clarity means considering the customers and the marketplace in the first place. This clarity begins with the marketplace and the customers, and from here the decision-making process starts.

- **Marketing Investment**

You may know that marketing as an investment. Marketing is the process of building an understanding between customers and the marketplace which builds connections and relationships among them. This understanding and feedback should drive strategy, product development, and growth plans.

If there will be no investment in marketing, then it will be quite unrealistic to imagine any long-term and sustainable synchronization between your vision and what products the customer will buy.

- **Situational responses**

Market focus entails responding to situations, when appropriate. Being outwardly focused, investing in marketing, and being driven by market information yields decision points. For a market-focused business, these decision points are connection points with customers and potential moments of change. Think of these decisions as opportunities to challenge assumptions, assess priorities, and decide if a change is warranted.

## **Product-focused business**

A product-focused business mainly focuses on their offerings and continuously attempts to improve them. There is a zeal to make a product or service better, and the strategy of the business revolves around differentiation tied to product superiority.

Here are some of the factors included in product-focused

businesses:

- **Competitive advantage**

A product-focused business is always in a battlefield where they need to improve their products more faster than other competitors to take the lead in the market. This is usually done by either reducing the cost or by adding more advanced features in your product.

- **Product differentiation**

Every product should be identical in every term in a business that is product focused. The developed product should have a unique value than other products available in the market.

- **Product marketing**

Marketing is the only way to increase the sales of the product and to increase demand generation. With the help of marketing, you can take your products to a larger audience across the country.

Market focused business seeks to identify opportunities and then take advantage of them. Whereas product focus often tries to find improvements to get a competitive advantage. Both of these areas are important.

The major problem or challenge that product-focused businesses face is that sometimes they are late in discovering the critical information that keeps them behind in the competitive race which leads to slow growth because there is a delayed response to the dynamics of the marketplace.

If you are a market-focused business, then you are using your resources to meet the requirements and emerging needs of your market and by coming up with new products to meet these needs.

You don't know about your market needs, still, you are discovering them and serving them. Market research is a primary focus of the market-focused businesses and it is determined by a strong emphasis on customer service and interaction.

If you are a product-focused business, then you are using your available resources to develop new products that your customers don't even know that they need. Then you invest your time and money to build or manufacture those products so that they can look better in terms of appearance and overall performance.

For example, people who buy an iPhone don't know whether they actually need it or not. But still buy it because of better appearance, overall performance, and its unique features.

Market-focused businesses only have the aim to keep pace with the market, whereas product-focused businesses have the aim to set a new direction to take the main lead in the market.

For product-focused business, Innovation is the primary focus in areas like technical features, processes, and user interfaces and is often coupled with a strong emphasis on supply chain management so that the cost can be decreased and margins can be increased.

Then, just ask yourself that, are you a market-focused or product-focused business?