Market Research
Central Inventory Network

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1. Market Size

This product has been ideated to start with inventorying grocery items, but should expand to cover the entire range of items which a general store stocks.
Thus, initially, the market would encompass at least the grocery sector, and then expand as the product grew and gained traction.

"On average, grocery stores in the United States generate about $500 per square foot of sales industry-wide, with an average supermarket size of 45,000 square feet. This brings average revenue to about $14 million a year, or $1.1 million per month". (How Much Do Grocery Stores Make? (Average Grocery Store Revenue Data 2024))
"In 2021, the grocery sector alone commanded a staggering 3.5% of the US GDP". Among different sectors of the grocery market, supermarkets generate the most revenue. (The US Grocery Market Landscape Demystified)

Users of the product would be people who use devices to access information regarding what items they can find at stores they visit. Only a portion of the population would have a tendency to do so, say 30%.
The population of Seattle was 749,256 in 2022. 30% is around 225,000 people.
"Washington households are spending an average of $287.67 on groceries each week." (Washington has 4th-most expensive weekly average grocery bill in US, data finds)
That would amount to around 15,000$ per year.
Given an average household of 2.5 people, each individual would be spending about 6,000$ on groceries per year.
With a population of 225,000 people, that amounts to 1.3 billion dollars of grocery spending.

Customers of the product would be store owners who want to include their stores in this network. They would pay a fixed rate to join the network, incrementally scaled to their customer base and revenue.

Overall, this product would have a resulting market size of at least 1 million a year from local grocery stores.

2. Competition

One competitor of this product is Google shopping search. Google's search engine is powerful, because it already holds a large market share. It is able to search across different stores for similar products. However, it is not built with the foundation of serving as a shopping resource, so there are functionalities which its shopping feature does not encompass. For example, there is no ability to add items to a shopping list.

Amazon can search across vendors, compare prices, add items to a cart, etc. Most importantly, Amazon is used for purchasing products to be shipped to a location, instead of for searching for items to buy at a store. Online shopping means there is no opportunity for customers to look at the products and select particular items themselves.

Another type of competitor is market sites of individual stores. One main issue is availability. Many stores do not have the resources to make online storefronts, so they miss out on that avenue of marketing. They also do not allow customers to search across stores.

Some brands that sell their items in third-party retail locations also have websites where users can find stores that carry their items. However, a user would need to access the site for each brand from which they sought to make a purchase, which would quickly become cumbersome.

3. Market segment

We will target the market segment of young adults ages 18-27 in the local Seattle area.

Young adults in that age range are among the population who tend to use digital technology often, and overall, their mental paradigms for understanding and interacting with technology are unique from other generations. Additionally, this age range includes the common ages for undergraduate students, who may have fewer resources and thus value a product such as this, which helps them optimize their use of time and money, more. We expect almost all people in this demographic to regularly purchase items from physical stores.

Starting the product in the local area surrounding one city will allow designers to more deeply understand the needs and opinions of a more specific range of users, and resulting designs will be able to more closely match those needs.

4. Survey data

Survey given to users https://forms.gle/RzbwCexNS2CoY2MEA
Survey data collected https://docs.google.com/spreadsheets/...

The first market research question to collect demographics is slated to be biased, because it is collected by a digital form shared by the researcher to users through online networks.
The data shows that users would have the ability to access this product.

The data varies widely but generally indicates a potential need for this product.

In terms of whether the product should prioritize implementing the feature of conserving travel time or money first, there is an even split. The product should launch with both features.

Feedback indicated that the product aggregating the list of items and specifying the degree of granularity when looking for a product would be valuable. Those should be incorporated into the product in further updates.

5. Vision changes

The vision for the product has been more clearly defined based on feedback provided by the users through the survey. Market sizing has indicated a potential for revenue from this product.