

**Developing an Agricultural Lending Business:
Market Research Requirements and Sources of Information**

Type of Analysis	Questions to Focus On	Details Collected
1. Market Analysis	<ul style="list-style-type: none"> • What is the size of the market? • What are the main segments (at different levels of value chain), their characteristics, and growth potential? • What are the risks associated with each segment? • What are your strengths serving key segments? • What is your competition in targeting each segment? • What are the cost implications in serving each segment? • What channels can the bank use to reach each segment? 	<ul style="list-style-type: none"> • Overall sector analysis for key agriculture value chain • Detailed value chain map • Crop production calendars • Prices for inputs and sales prices for crops • Regional crop production profile • Weather conditions requirements for types of agriculture activity • Key crop production activity profile
2. Competitor Analysis	<ul style="list-style-type: none"> • What are our market share analysis and market share trends • Which institutions are our main competitors in agriculture finance market? • “8 Ps” analysis for primary competitors: <ul style="list-style-type: none"> ○ Product ○ Price ○ Positioning (market perception, branding) ○ Place ○ Promotion ○ People ○ Physical evidence ○ Process • Competitor SWOT analysis 	<ul style="list-style-type: none"> • Competitors’ strengths and weaknesses • Changes/trends in competition over time • Market share analysis • Customer perception of banks’ products and services compared to competition

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3. Customer Analysis	<ul style="list-style-type: none"> • What are our target market client profile and demographic for agriculture lending? • How does it compare with our current client profile? • What do clients seek/need financing for? • What is clients' price sensitivity? • What is the target clients' perception of our bank/ satisfaction with current service? 	<ul style="list-style-type: none"> • Basic demographic profiles • Current financial services use vs. needs • Perceptions of product benefits • Recommendations for product development • Recommendations on current bank position and perceived performance
5. Pre- and Post-product Testing	<ul style="list-style-type: none"> • What are target clients' understanding of: <ul style="list-style-type: none"> ○ Brands ○ Taglines ○ Corporate identity/position • What is target clients' perception of the product concepts? • What is target clients' feedback on product relevance and appropriateness? 	<ul style="list-style-type: none"> • Satisfaction levels with the product • Relevant recommendations for revision
<p>Data Collection Options</p> <ol style="list-style-type: none"> 1. Market research conducted internally by the bank <ul style="list-style-type: none"> • Secondary research • Bank expert knowledge • Current client quantitative analysis • Focus groups with current/target clients • Client interview 2. Hire market research firm to develop the survey tools and conduct a detailed assessment 3. Combination of detailed external market research complemented with internal data and expert knowledge 		