

Identifying Market Gaps and Unmet Customer Needs: A Framework for Ideating Innovative Business Concepts

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Abstract: Organizational innovation and long-term performance, especially in the current turbulent environment, rely on the discovery of latent customer needs and market opportunities. It is based on the notion that there is a systematic way of identifying opportunities for growth and differentiation through analyzing trends, customers' feedback or conducting market research. Companies may be able to enhance their ability to identify new trends and customer needs in global markets in a timely and efficient manner by leveraging advanced data management tools and AI-technology. To provide an example, involvement of external players through co-creation enhances the levels of understanding and accelerates the creation of new value. The framework's applicability is shown by two case studies: One is focused on pharmaceutical innovation that employs Outcome-Driven Innovation and Jobs-to-be-Done theory, and the other, social innovation that employs Product Service System, Design Thinking, and Applied Business Analytics. These studies illustrate the efficacy of the framework with respect to challenging social issues and customer-oriented innovation. For the same reason as the methodical approach of the framework, business ideas are more relevant and are likely to succeed in the market as they stem from actual client needs. Analysing further, extending the relevance to different generations, and adapting more to the changed markets are the future strategies to be followed. Ultimately, with this framework, firms obtain the tools they require to place innovation in practice, to induce sustainable growth, and to retain competitive advantage in dynamic global environments.

Keywords-*Outcome-Driven Innovation (ODI), Service Engineering Methodology (SEEM), Minimum Viable Products(MVP) etc.*

Introduction

The identification of gaps within a market and unsatisfied consumer needs remain central to sustaining competitive advantage and encouraging business innovation in today's fast-evolving business landscape. The aim of this framework is to give to companies a formal structure on how generate and develop effective and innovative ideas that meet current consumer needs and market trends. Organizations can systematically look for opportunities for differentiation and growth through strategies such as trend identification, consumer feedback assessment, and research. One of the possible solutions that can be derived from the integration of artificial intelligence with advanced analytics is the enhancement of the ways that help identify new trends and customers' preferences with increased accuracy and in less time than before. In addition, expanding coverage of the framework to several global markets and types of consumers ensures that it will be applicable to various socio-

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cultural contexts. First of all, co-creation with outsiders, which means involving scholars and other third parties, expands the set of ideas and accelerates the process of creating innovations. This introduction provides the necessary framework for exploring the possibility of employing these strategies and approaches in order to better understand how and when companies can effectively use them to build and foster innovation and growth. Companies in an evidently competitive environment may manage threats and opportunities through the prioritization of customer-oriented strategies and constant adjustment to trends.

Literature review

Enhancing Pharmaceutical Innovation Through Customer-Centric Needs Assessment

According to Partanen, P., 2022: The thesis focuses on how companies like Janssen find out and prioritize consumers' wants with the use of Outcome-Driven Innovation (ODI) and Jobs-to-be-Done theory. Based on four patient, payer, and healthcare provider interviews, 34 needs were identified and prioritized based on their importance

and satisfaction on a scale of 0-3. It not only offers general principle on how the new goods and services can be developed but also constructs the continual customer-oriented innovation platform in the pharmaceutical industry. The research shows that

the early engagement of consumers and systematic needs analysis should be a priority when designing effective treatment logistics and enhancing industry-level innovation management strategies.

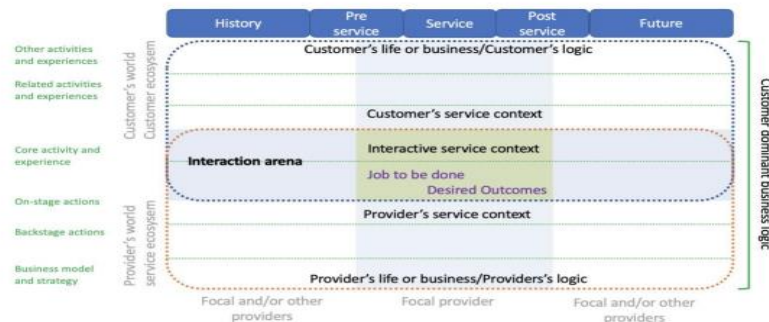


Figure 1: Visualization of the theoretical framework

(Source: Partanen, P., 2022)

Integrating Design Thinking and Applied Business Analytics for Social Innovation Systems

According to Shah, O., 2022: This paper puts forward a Social Innovation Sourcing Framework to support social innovation by employing Product Service Systems (PSS), Design Thinking, and Applied Business Analytics. Design thinking is an innovative design approach that focuses on understanding people's needs and solving social issues. It guides the conception of innovative concepts that are inherently aligned with users' preferences and usage patterns alongside being practical. This is supported by the integration of PSS which as a result, offers efficient and lasting service delivery approaches that can be fitted within certain societal issues (Sońta-Drączkowska et al., 2024). Real-world applications of business analytics used

to generate insight reveal the essential role of applied business analytics in finding new opportunities and needs. During different stages of the innovative process, this analytical method helps to make better decisions and ensures that proposed ideas are both feasible and profitable. The Service Engineering Methodology (SEEM), a detailed process for generation, verification, and deployment of such solutions forms the base of the framework (Shrivastav and Joshi, 2021). Thus, this holistic approach allows for the systematization of a range of unmet consumer needs and market opportunities in the sphere of social innovation. The study is to improve the generation of innovative business solutions that positively impact society's sustenance and wellbeing employing the combination of the approaches.

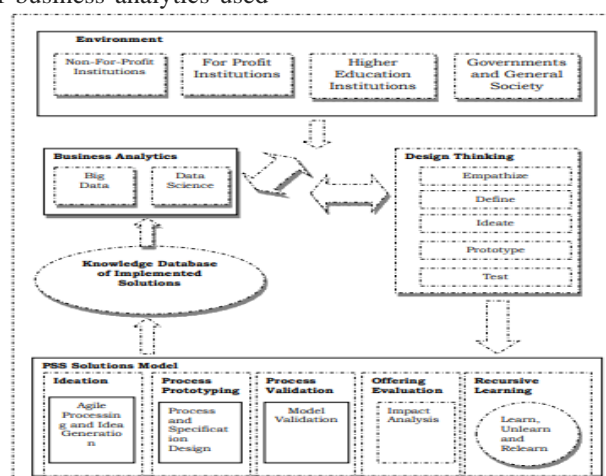


Figure 2: Proposed Social Innovation System Architecture based on BA, DT and PSS

(Source: Shah, O., 2022)

Methods

Data collection and data processing

The data collecting and processing techniques used in "Identifying Market Gaps and Unmet Customer Needs: Each of the articles within the "Strategies for Systematic Generation of Creative Business Ideas: A Framework Molded from the Best of Idea Inventory and Idea Evaluation Literature" include structured methods for data acquisition and evaluation. Some of what is involved in this is market research to be able to learn more about customer's behaviors, preferences and the areas where they are most uncomfortable. A focus group is conducted along with survey studies, interviews, and observational studies for the collection of both qualitative and quantitative data (Kivilo and Ekman,

2021). Thus, data processing methods to discover patterns and trends include statistical analysis, data segmentation, and coding of qualitative data. In this stage, ideas that may be applied to satisfy unfulfilled needs and/or to exploit market opportunities are looked for. Many sources of information can be used to identify gaps in current product/service portfolios, trends, and new ideas for business innovation (Malodia et al., 2020). The primary goal is to build the strong foundation of such customers' oriented knowledge which will form the basis for idea generation and formation of the new company strategies. This way, the information more resonates with the client needs and desires hence when implemented in the development of new ideas it's going to be appealing and more effective in the market.

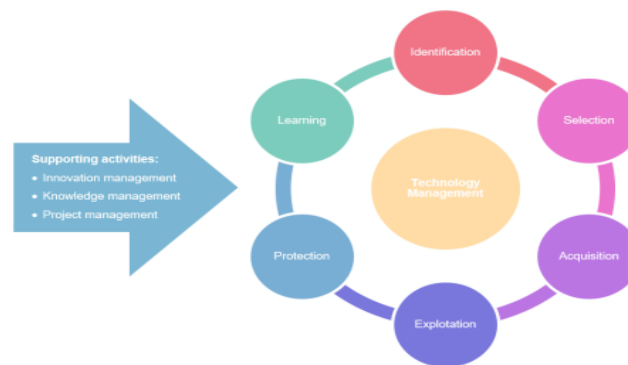


Figure 3: management activities and supporting activities

(Source: <https://www.theseus.fi/>)

Implementation and Deployment

Implementation and deployment involve turning into practical realities such findings and creative ideas as services and goods. This stage is the same as the previous one with MVPs (minimum viable products) being created from feedback and a general assessment of customer needs (Warty et al., 2024). In the initial process, it is important to employ iterations of the idea with observing and fine-tuning between cycles. This process ensures that the proposed solutions effectively meet known market gaps and unfulfilled customer requirements. Including extended organizational members at this stage, such as cross-functional teams and outsiders, might be crucial to take input on the concept refinement from a variance of perspectives and expertise (Biazzo and Filippini, 2021). The actual

process of introducing the finished product or service into the market is called deployment. Defining the appropriate strategies for product launch, pricing policies, channels of distribution, and promotional activities that are relevant to the target market and the conditions on the relevant market are included in this phase. A further analysis and constant data collection after launching are essential for adapting to customers' behavior and reactions compared to planned outcomes. Taking everything into consideration, successful implementation and deployment ensure that such ideas introduced by companies do not only address notable gaps in the market, but also are capable of reaching the consumers, fulfil organisational objectives, and sustain viability in the relevant market settings in the long-run.



Figure 4: Gaps in the market

(Source: <https://fastercapital.com/>)

Result

Validation of Customer Insights and Concept Feasibility

To assess the popularity and the feasibility of the ideas among consumers, feedback loops and iterative testing was used to enhance company ideas. Using a systematic approach to market validation, the framework confirmed the viability and desirability of proposed solutions. Ongoing improvement was guided by the user feedback

which helped to maintain a focus on the market opportunity and untapped demand (Partanen, 2022). This way, the applicability of the ideas and their chances of successful implementation were increased as well. Offers could be built progressively, enhancing market preparedness and satisfaction, as well as reducing the threats associated with presenting new products or services by privileging customer feedback at every stage of the process.

Concept ValidationSteps of Concept Validation



Figure 5: Validation of Customer Insights and Concept Feasibility

(Source: <https://fastercapital.com/>)

Implementation Success and Market Adoption

It was specifically focused in the phase of Market Acceptance & Implementation success where emphasis is on how to make effective the launch strategies. Companies ensured that they strategically positioned their brands to gain as much attention as possible from consumers and potential consumers (Villalba de Kokkonen, 2024). The overall market penetration and the rates of adoption rendered critical experiences about initial acceptance and scaling opportunities. Measurement and evaluation

was effectuated by tracking quantifiable benchmarks such as KPIs and performance metrics so as to establish progress as well as strategise for improvements thereof. What made this strategy effective was that it ensured that the creative ideas generated operation results that its consumers can measure besides attention. It will be useful to explore which kind of information these may be that businesses might use to help enhance client acquisition, increase their expertise in methods that work, and sustain operations in extremely competitive industries.

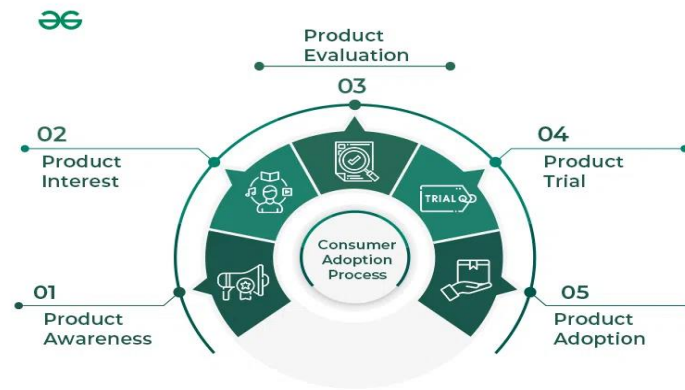


Figure 6: Stages of Consumer Adoption Process

(Source: <https://www.geeksforgeeks.org/>)

Impact on Business Objectives and Customer Satisfaction

Other significant evidence for business advancement is evident concerning a specific contribution to Customer satisfaction and Business objectives. Such acts entailed increase in revenues, increase in size of market share, and other forms of growth that can be linked with the application of ideas that has not been used before. The success of the recently launched solutions and the appreciation

that customers showed towards the latter were evident in the remarks and enthusiasm that customers offered (Shah, 2022). The framework also highlighted the goal of achieving superior value and being different for the target consumer base. With the focus on customer-oriented innovations, companies have effectively met customers' needs, outcompeted rivals, strengthened their positions in a market, and achieve long-term prosperity for their businesses in fast-growing and highly competitive industry environments.

The Impact of Customer Satisfaction on Business Success



Figure 7: Importance Of Customer Satisfaction In Business

(Source: <https://fastercapital.com/>)

Discussion

In the discussion section, indicators for evaluating the effectiveness of promoting innovation and the fulfilment of market needs are examined. The systematic approach to data gathering and analysis can be defined as critical for uncovering latent consumer and business opportunities. Organizations succeeded at looking for shortcomings in the existing product portfolios and identifying emerging needs through performance methods such as trend analysis, customer feedback analysis, and research (Al Dawood, 2022). Moreover, the process of testing consistently on two populations and refining

the ideas with the help of consumer insights ensured that suggested solutions were feasible in the context of the market environment. They hence adopted such strategies to boost the chances of getting into the market and at the same time minimize the risks associated with new products or services. The roles of the framework in delivering sustainable business advantages were also evident within its emphasis on customer satisfaction and distinction from rivals. However, the issues such as changing demographics of customers, changing customer preferences and increasing competition cannot be addressed merely through policy responses but requires a more

profound understanding of the need for market innovation. Lack of obsolescence and constant adaptation to market dynamic and technological innovations is the essence of structuring a firm when operating in a dynamic environment that demands a paradigm shift (Kruachottikul et al., 2023). Altogether, the framework was useful as a guide to help the companies move toward the paths that, by offering more than adequate service to meet and predict the needs of the consumers, would lead to further growth and competitiveness in the evolving markets.

Future Directions

The further evolution of this framework comprises a set of strategic enhancements designed to enhance the effectiveness of search for the unserved market needs and unmet clients' needs. First of all, there is a growing probability to integrate artificial intelligence (AI) with complex analysis. Organizations could obtain more detailed customer behaviour patterns within real-time or at least more frequent by applying big data processing along with machine learning and forecast models. This technology advancement will enhance the ability of the said framework in terms of establishing new trends and generating a more precise estimation of future market requirements (Trevino Ruiz, 2020). Second of all, it is still necessary to expand the coverage of the described framework to various international markets and consumer demographics. Such factors as geographical or cultural variations that are from one area to the other have a significant impact on the consumer's needs and behaviors. Thus, the variation in the framework to adapt to other circumstance changes will ensure that it is relevant and effective in other situations. Moreover, creativity could be evoked through cooperation with other interested subject, such as academic institutions for learners, industry professionals, and startups through co-creation projects. This cooperative strategy may make it easier to exchange information, material and brilliant ideas that lead into providing wide and deep solutions (Lysenko, 2021). Last but not least, to be able to appropriate a new product, it is necessary to remain in motion and be able to improve the model as it takes into account changing the market and new technologies. This means tracking down disruptive innovations, changes in the regulatory environment as well as social and economic trends that may influence market opportunities and customer needs. It can

blossom into a more comprehensive and adaptive tool for business to systematically appraise and capitalize on emerging market opportunities as these stochastic orientations suggest.

Conclusion

In conclusion, the framework described in this paper can be a valuable tool for an organization to address the challenges of identifying the space in the market that is not currently filled or client needs that are unmet. Enterprises could improve the understanding of consumer behavior and market trends through methodological approaches to data collection, empirical analysis, and gradual trial-and-error. By doing so it drastically reduces the risk inherent in any form of innovation because it increases the chances of success in bringing value adding products or services into the market that will be useful to the target clientele. This is done by highlighting how the current Market Value Proposition and the flexibility of the proposed framework in changing markets and keeping its applicability alive by making a focal point of the new additions of advanced analytics, AI and co-innovation endeavors. These strategies work because, under the umbrella of increasing customer satisfaction, organizations can respond to competition and, thus, ensure sustainable business development. In the future, the framework that has been created for this purpose will have to be modified and developed to deal with this growing customer demand and technological progress. Meanwhile, in an increasingly integrated global economy businesses could reap new opportunities and sustain its dominant position within the industry provided that they learn how to become more responsive and receptive to market shifts or realignment.

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