

# SAFA Entrepreneurial Lesson

**Knowing your products demand**

# Warmup

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Watch this short video to introduce the concept of demand.



# What is demand exactly?

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Demand is an important concept to know for aspiring entrepreneurs. Demand is how willing a customer is to purchase your product. Demand is created in some of the following ways...

1. How significant is the problem that your product is solving.
2. How effective is your product at solving the problem.
3. What price you are selling the product for.
4. Reviews and satisfaction from previous customers.
5. How reputable your company is.

# Why is demand so important?

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Demand is important because it is a valuable benchmark for entrepreneurs to gauge the potential success of their product. It is important to maintain a high demand for your product because the more that people want to buy your product, the more successful your company will be.

You can maintain a high demand for your product by ethically increasing profit margins, proper marketing techniques, and by maintaining customer satisfaction.

Supply and demand have an inverse relationship, but for now we will not consider the role that supply has on changing demand.

# Activity Time

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In your entrepreneur journal, rate what you think your demand is for your product on a scale of 1-10. Before you circle a number, actually reflect how willing you think people would be to purchase your innovation in today's market.