

Methodological note: Guide to preliminary market analysis

Methodological notes supporting the PDCA toolbox – Guide to preliminary market analysis

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Methodological note: Guide to preliminary market analysis

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Introduction

This document describes the methodology used to conduct the Preliminary Market Analysis in the BIN2BEAN project. It is intended for cities or organisations wishing to replicate this activity as part of the BIN2BEAN PDCA replication approach. The full analysis produced in BIN2BEAN is confidential and not publicly shared; only the methodological approach is made available here.

Scope

The analysis covers two interconnected dimensions: (1) the market for bio-waste-derived soil improvers (soil conditioners and soil amendments) in the geographic context of the Living Lab cities; and (2) the local bio-waste supply landscape, including collection models, volumes, treatment infrastructure, and derived products. The analysis is preliminary and intentionally broad as its purpose is to establish a general understanding of the market context, not to produce a detailed business case, which is addressed in later stages of the PDCA process.

Methodology

Data collection

Data are collected primarily through desk research, drawing on secondary sources: commercial market reports (e.g. The Business Research Company), Eurostat and national statistics offices, EU policy documents, and sector publications (Zero Waste Europe, European Compost Network). Local context information is gathered from Living Lab city partners. Where available and affordable, access to at least one commercial market database is recommended to ensure up-to-date and geographically granular data, as open sources alone may not be sufficient for all regions.

Analytical framework

Three complementary analytical tools are combined to provide a structured picture of the market context and the viability of bio-waste solutions under consideration.

1. **Market sizing:** quantitative data on market size, growth trends, and segmentation by product type (soil conditioners vs. soil amendments) are collected for the relevant geography. Data are gathered at national level and, where available, at regional level. Key indicators include market value (EUR), compound annual growth rate (CAGR), and share by end-use segment (agriculture, urban greening, landscaping). This dimension provides the demand-side evidence needed to assess whether a market exists for bio-waste-derived products.
2. **PESTEL analysis:** A PESTEL analysis is conducted at national or regional level for each geographic context, covering Political (waste and agricultural policy, public procurement), Economic (market growth, investment climate, consumer spending on soil health), Social (public awareness, acceptance of bio-waste products, urban food culture), Technological (treatment infrastructure maturity, innovation in

composting and anaerobic digestion), Environmental (soil degradation trends, climate targets, circular economy goals), and Legal (Waste Framework Directive transposition, EU Fertilising Products Regulation EU 2019/1009, national biowaste ordinances) dimensions. The PESTEL provides the contextual framing needed to interpret market data and anticipate barriers or enablers specific to each city or country.

3. **SWOT Analysis:** for each bio-waste solution under consideration, a SWOT analysis is conducted to assess Strengths (e.g. established collection infrastructure, high organic fraction in local waste), Weaknesses (e.g. low TRL, high logistics costs), Opportunities (e.g. growing demand for organic soil amendments, favourable policy frameworks), and Threats (e.g. competition from synthetic fertilisers, regulatory uncertainty on end-of-waste status). The SWOT analysis draws on both the market data and the PESTEL findings and is validated where possible through input from local stakeholders and Living Lab partners.

The three tools inform each other iteratively: market sizing data feeds into the PESTEL economic dimension; PESTEL findings shape the Opportunities and Threats quadrants of the SWOT; and SWOT conclusions are used to rank solutions by market readiness and replication potential.

Key limitations

Market data for soil improvers are often available only at national level and may not reflect urban or regional specificities. Commercial databases provide the most up-to-date and granular figures but require a paid subscription; open data sources alone may be insufficient for all regions and geographies. The PESTEL and SWOT analyses are qualitative and should be validated with local stakeholders before being used to support investment decisions. The analysis is preliminary, providing a general market orientation, not a substitute for a full feasibility study or business plan, which are addressed in later stages of the PDCA process.

Annex 1 – PESTEL analysis template

Instructions: for each dimension, answer the key questions in the context of the city and country where the activity will be implemented. Focus on factors directly relevant to bio-waste collection, treatment, and soil improver valorisation.

Factor	Key questions to address
Political	<i>Waste and agricultural policies; public procurement rules; political will for circular economy; national biowaste strategies; EU Green Deal targets.</i>
Economic	<i>Market size and growth of soil improvers; CAPEX/OPEX of bio-waste treatment; consumer willingness to pay on organic inputs; funding opportunities (grants, blended finance); competitive landscape (synthetic fertilisers).</i>
Social	<i>Public awareness and acceptance of bio-waste products; urban food culture; willingness to pay; community engagement in source separation; PAYT schemes.</i>
Technological	<i>Maturity of composting and anaerobic digestion infrastructure; TRL of candidate solutions; availability of smart collection systems; innovation ecosystem locally.</i>
Environmental	<i>Soil degradation and carbon sequestration needs; climate targets (GHG reduction); circular material flow goals; landfill diversion rates; environmental standards for soil improver quality.</i>
Legal	<i>Transposition of EU Waste Framework Directive 2018/851; EU Fertilising Products Regulation EU 2019/1009; Landfill Directive 2018/850; national biowaste ordinances; end-of-waste status rules; product classification.</i>

Annex 2 – SWOT analysis template

Instructions: complete one SWOT per bio-waste solution under consideration. Draw on the market sizing data and the PESTEL findings. The prompts in each quadrant are examples to guide the analysis; replace them with findings specific to the local context. Validate key assumptions with local stakeholders before finalising.

STRENGTHS	WEAKNESSES
<i>What advantages does this solution have? Examples: established collection infrastructure; high organic fraction in local waste; strong municipal support; existing composting facilities; low contamination rates.</i>	<i>What limits this solution? Examples: high logistics costs; low technology readiness; limited local expertise; high CAPEX requirements; seasonal variability in bio-waste volumes.</i>
OPPORTUNITIES	THREATS
<i>What external factors could support this solution? Examples: growing demand for organic soil amendments; EU funding opportunities; favourable regulatory trends; increasing interest from farmers; urban agriculture expansion.</i>	<i>What external factors could hinder this solution? Examples: competition from synthetic fertilisers; regulatory uncertainty on end-of-waste status; public opposition to treatment facilities; market price volatility; changes in national waste policy.</i>