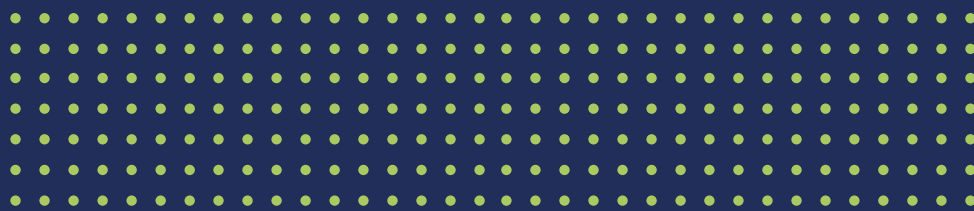




INNOVATIVE ENTREPRENEURSHIP



Market Research



This project is funded by the European Union.



Market Research

This factsheet looks at what are the various types of market research and what market research should be carried out not just prior to starting a business but also throughout the lifespan of any business.

Market research generally can be divided into two different types of research - primary and secondary.

PRIMARY RESEARCH

This is research you carry out yourself. It involves going directly to the marketplace to ask questions and gather information from potential customers. Examples of primary research include;

- Observation
- Postal surveys
- Telephone interviews
- Online surveys
- Face-to-face surveys
- Focus groups
- Test marketing

Primary research usually costs more and often takes longer to conduct than secondary research, but it gives more accurate and relevant results.

SECONDARY RESEARCH

This is a type of research that has already been compiled and gathered by others. Examples of secondary research include;

- Government reports
- Chamber publications from particular sectors or industries
- Internet reports and articles
- Newspapers and magazines

Typically, most research is secondary, because it can be obtained faster and cheaper than primary research. It should be noted that secondary research tends to be less accurate and specific than primary research and it is often generic and outdated quickly.





Before starting any businesses and even for existing businesses market research is vital for ensuring you fully understand your customers, competitors and marketplace. Many businesses do not pay enough attention to market research or do not undertake it properly and this can be a fundamental factor in struggling to attract not just new customers but also to retain their existing customer base.

MARKET RESEARCH - CUSTOMERS

The most successful businesses make profits by understanding their customers and identifying their needs. Good customer research helps you choose products, tailor your marketing, and develop sales tactics for the people in your market based on reliable, accurate information.

Customer research should be part of your overall market research and should be conducted regularly. While your market research looks broadly at your customers, competition and industry to identify who you will market to, customer research provides more in-depth information on the needs, wants, expectations and behaviours of your customers.

By identifying information about your consumers such as where they work, what they read and where they look at advertising, you can improve the strategies you use to attract them. It is also important to understand their purchasing behaviour and attitudes with regards to brands and products. Testing new product or marketing concepts with potential customers is also a good way to prepare for a launch to see if your work has potential to translate to success.

Identifying your customers' needs and preferences allows you to tailor the strategies and tactics you use in your marketing plan. This will help you to:

- attract more customers
- set the best price for your products
- create the right marketing message
- increase how much your customers spend
- increase how often your customers spend
- increase your sales
- decrease your costs
- refine your approach to customer service.

MARKET RESEARCH - COMPETITORS

Researching your competitors is easier than it may seem - for example, you can simply collect any flyers and price lists they produce for customers, read their online material, or even buy their products and services to compare them with your own.

Analyse what they do better than you:





- Are their prices lower?
- Are their products of a higher quality?
- Is their customer service highly regarded?
- Is their marketing material more engaging?

Ask yourself these questions to see where you can improve. Being critical of your own business and taking inspiration from your competitors can help you be more competitive.

MARKET RESEARCH - MARKET PLACE

Your research into the market place will focus on information about any political, legal, economic, social and cultural issues or trends that can affect your business. You can then use this external research to gather information about the composition of your target market, gaps in the market, new market trends and where new market opportunities might lie.

Marketplace market research should cover:

- business law and regulations
- market demographics (e.g. age, gender, income)
- market size and trends
- marketing channels
- sociographics (e.g. beliefs and attitudes, interests, lifestyle factors).

