

Market Research for Growth-Oriented Companies

What is market research, and why should you care?

The quick answer is that market research provides access to accurate, timely and relevant information that helps a small business owner make better strategic decisions, avoid costly mistakes, and successfully grow his or her enterprise. Market research is a discipline practiced by all Fortune 500 companies; smaller companies also need to practice it to gain a competitive edge in their market space.

Market research sources typically include published resources on the internet, in libraries, and in subscription databases; personal contacts and industry experts; and information about customers and competitors gained through interviews, surveys, and online social networking sites.

Market research can help answer business owners' questions in the following key areas:

- **Competitors**

Who are my competitors? Who else is in my space? What are their market advantages and strategies? Where are their potential weaknesses? What market niches are they not addressing? What are their market distribution channels? What can I learn from the competitive space that will guide my own strategic thinking? Are there any competitors or suppliers with whom I can partner to increase my value in the market? What are the threats from new sellers entering the market?

- **Customers**

What are my ideal customers groups, and how do I reach them? What does the customer need and value? How can I satisfy that need? What motivates them to buy? What are they willing to pay? What power do buyers have in my market? What are the sales channels? What can I learn from my customers that will allow me to target additional sales venues? What substitute products are available in the market? How can I increase my credibility and value with my current and potential customers? Are there opportunities for connections and dialogue with customers through social media avenues? How can I obtain and leverage referrals from my current customers?

- **Market**

What are the trends in my market? Is it shrinking or growing? How saturated is it? Who are the key players? What are the market drivers? Is there a viable market for my product or service? What is my market advantage? Is my product or service scalable? Where are the most profitable markets for my offerings? How do I connect to suppliers and distribution networks? What power do suppliers exert in my market? What are the gaps and niches in the marketplace that I might exploit? What steps do I need to take to be ready for the market? How do I protect my intellectual property?

- **Industry**

What are the legal and regulatory issues affecting my industry? What are the potential opportunities, challenges and threats related to supply chain, technology and market shifts in the industry? How can I monitor the changes in my industry?

Armed with strategic information that addresses these questions, a business owner can proceed more confidently in assessing current opportunities and committing his or her limited resources to the avenues most likely to succeed.