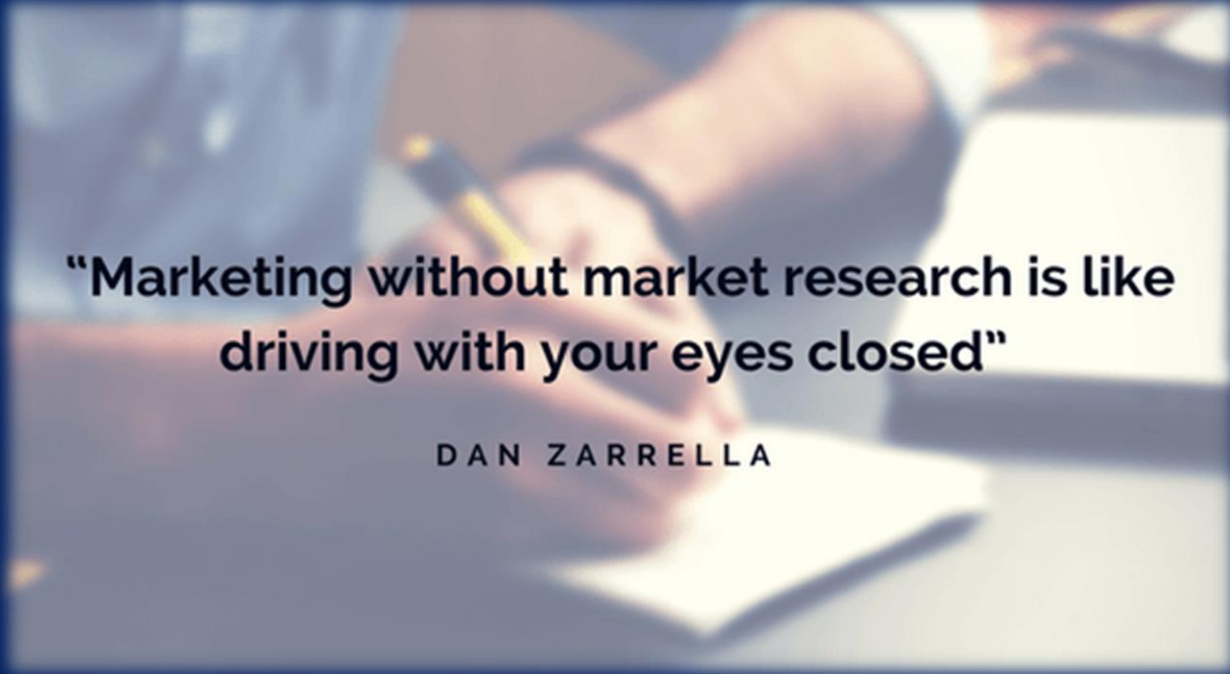




Lesson: Market Research

What is market research?

Market research is an organized effort to gather information about your products/service, your customers, the market demand for your product, and your competitors.

A blurred background image showing a person's hands writing in a notebook with a pen. The person is wearing a blue shirt and a watch. The image is semi-transparent, allowing text to be overlaid.

“Marketing without market research is like driving with your eyes closed”

DAN ZARRELLA

Market Research Goals...

- In order to get customers to buy your product or service, you have to know what they want.
- Market research attempts to gather information about consumers' perceptions and attitudes about a particular product/service idea.
- You can then use the information to **design** your product/service that meet your customers' needs and to design **marketing** campaigns that communicate to them.

How do we collect market research?

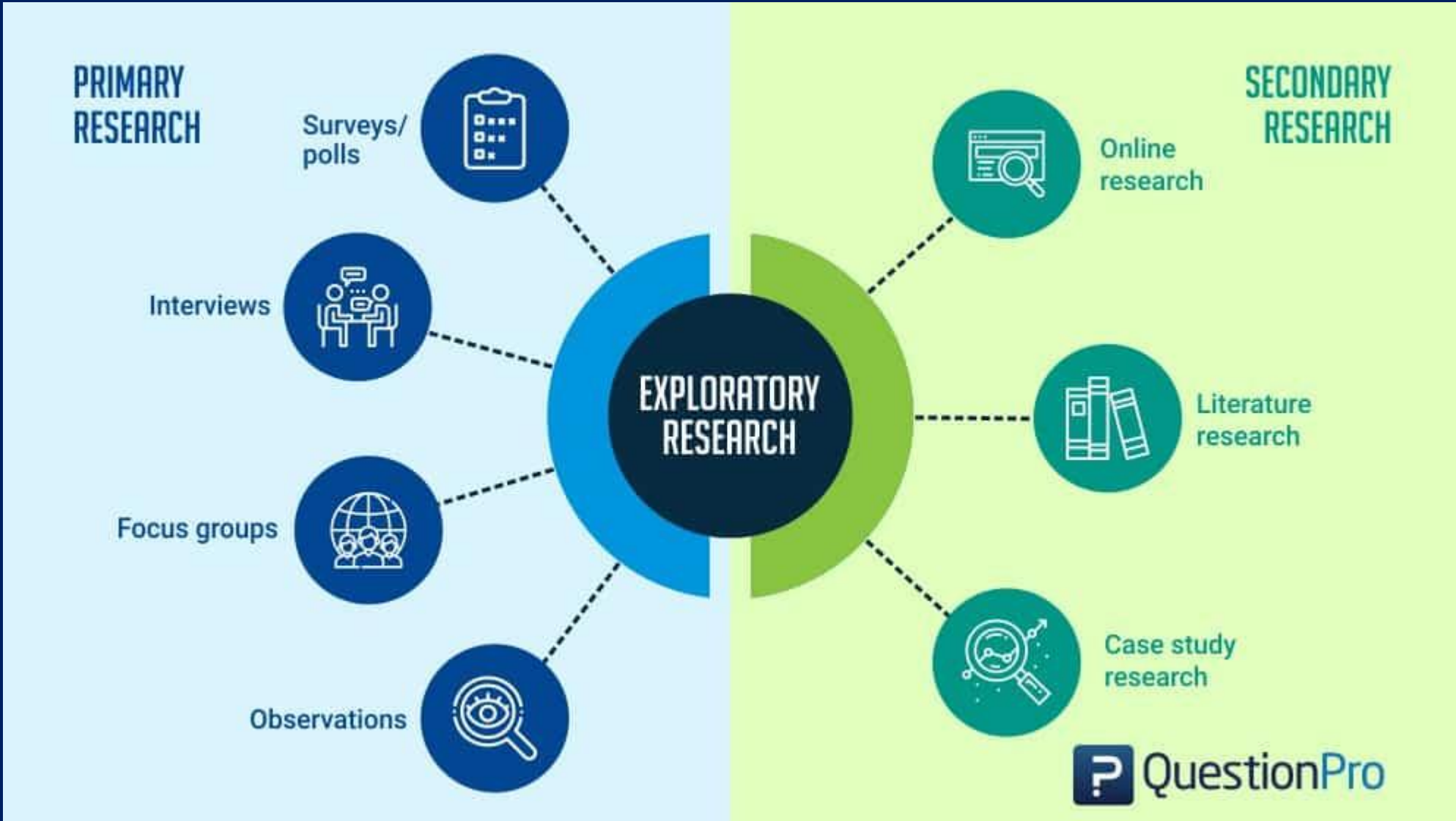
Primary information

This is research you compile yourself or hire someone to gather for you.

Secondary information.

This type of research is already compiled and organized for you. **Most of the research you gather will most likely be secondary.**

Examples



MARKET RESEARCH

- Market Research is the work of learning what your potential customers think about your business.
- Surveys, samples, test marketing, mini-sales are all ways of finding out if your business is going to be successful. Also, focus groups, where a small group of people study a product, service or problem and share their thoughts in detail.
- Quality, selection and price are just a few of the factors that can be researched.
- When creating an advertisement, **researching people's response to different messages** can be just as important as price or quality.

RESEARCH ETHICS & EFFECTIVENESS GUIDELINES

- Always offer the person the opportunity to decline from your survey.
- **Courtesy Bias**...when doing your survey, people often give you the answer they *think you want* to hear, not necessarily the **truth**.
- **Leading Questions**...you steer the person towards the answer you want to hear.
- **Open ended questions**...you may not get the information you need.
- **Personal or Private Information**...Be sensitive to people's desire for privacy.

STEP BACK AND ASK WHAT YOU WANT TO LEARN FROM THIS SURVEY:

- Accurate
- Opportunities to improve
- Trends / Patterns
- Attitudes & Emotions
- Be open to surprises & new ideas

TIPS ON HOW TO WRITE A GOOD SURVEY

1. Don't write leading questions

Top survey mistake #1: Questions should never be worded in a way that'll sway the reader to one side of the argument. Usually you can tell a question is leading if it includes non-neutral wording.

Bad Question: How short was Napoleon?

The word "short" immediately brings images to the mind of the respondent. If the question is rewritten to be neutral-sounding, it can eliminate the leading bias.

Good Question: How would you describe Napoleon's height?

Leading questions can also be the cause of unnecessary additions to the question.

Bad Question: Should concerned parents use infant car seats?

The term "concerned parents" leads the respondent away from the topic at hand. Instead, stay focused by only including what is needed in the question.

Good Question: Do you think special car seats should be required for infant passengers?

2) Avoid loaded questions

Sometimes questions will be written in a way that forces the respondent into an answer that doesn't accurately reflect their opinion or situation. This top survey mistake will throw off your survey respondents and is one of the leading contributors to respondents abandoning surveys.

Bad Question: Where do you enjoy drinking beer?

By answering this question, the respondent is announcing that they drink beer. However, many people dislike beer or will not drink alcohol and therefore can't answer the question truthfully.

Breaking it down – Products and Services

What information do you want to gather about your product or service?

Market research is an organized effort to gather information about **your products/service**, your customers, the market demand for your product, and your competitors.

It's important to put your interest aside and ask the customer.

Yellow may be your favorite color for a vehicle, however how many yellow vehicles do you see on the road?

Breaking it down – Products and Services

What information do you want to gather about your product or service?

Market research is an organized effort to gather information about **your products/service**, your customers, the market demand for your product, and your competitors.

Examples of product and service market research:

- Survey questions regarding product specs (*color, price, shape/sizes, designs, flavors, etc*)
- Survey questions regarding pricing (*price range people are willing to pay*)
- Survey questions regarding service options (*operating times, full service, service plans etc*)
- Research competitive products or service (*start locally, then provincially, then nationally etc.*)
- Research competitive pricing and sales channels (*how much do they charge and how do they sell?*)
- Research competitive branding (*what do they focus on? Are they premium or value*)

Breaking it down – Your customers

What information do you want to gather about your customers?

Market research is an organized effort to gather information about your products/service, **your customers**, the market demand for your product, and your competitors.

The purpose of gathering information about your customer is to segment the market and identify your target market as specifically as possible.

Market Segmentation:

Breaking the complete group of consumers down into smaller targeted pieces. The smaller the group, the more accurately they can be marketed to.

Breaking it down – Your customers

What information do you want to gather about your customers?

Market research is an organized effort to gather information about your products/service, **your customers**, the market demand for your product, and your competitors.

Examples of customer market research:

- Survey questions regarding demographics (*age, gender, profession, children, location, education, etc*)
- Survey questions regarding interests (hobbies, free time, activities, etc)
- Survey questions regarding shopping habits (*online, retail, referral from friends, coupons etc*)
- Research competitive advertisements and identify target consumer in ads

Breaking it down – Market demand

What is the market size for your product or service?

Market research is an organized effort to gather information about your products/service, your customers, **the market demand for your product**, and your competitors.

The purpose of gathering information about your market demand, is to identify how large the market is, and how much of it you can target.

Market Demand:

Market demand describes the demand for a given product and who wants to purchase it. This is determined by how willing consumers are to spend a certain price on a particular product or service.

Breaking it down – Market demand

What is the market size for your product or service?

Market research is an organized effort to gather information about your products/service, your customers, **the market demand for your product**, and your competitors.

Examples of market demand research:

- Survey questions regarding buying habits (*how often, where, price vs quantity etc.*)
- Research market size for your product/service (*wherever you plan to sell first*)

The focus here is Market Size:

- Market size is the number of individuals in a certain market segment who are potential buyers.
- You can conduct research and also make estimates based on certain assumptions
- IE – if you are opening a car repair shop in Miramichi
 - How many people live in Miramichi? How many cars are there?

Breaking it down – Competitors

Who are your competitors and how will you be different?

The purpose of gathering information about your competitors is to learn from their successes and failures.

The most important part of competitor research is to identify how you will differentiate from your competitors.

Market research is an organized effort to gather information about your products/service, your customers, the market demand for your product, and **your competitors.**

“YOU CAN’T LOOK AT THE COMPETITION AND SAY YOU’RE GOING TO DO IT BETTER. YOU HAVE TO LOOK AT THE COMPETITION AND SAY YOU’RE GOING TO DO IT DIFFERENTLY.” STEVE JOBS



Made with ❤️ by recitethis.com

Breaking it down – Competitors

Who are your competitors and how will you be different?

Market research is an organized effort to gather information about your products/service, your customers, the market demand for your product, and **your competitors.**

Examples of competitor market research:

- Survey questions regarding brands (*what brands do they currently buy*)
- Research what your competitors focus on (price, quality, eco-friendly, social value, all natural, etc)
- Research what price your competitors charge (pay attention to size/weight based on pricing)

Summary

Market research is an important tool to help you better understand what your customers want, and how to best market it to them.

It is also a valuable tool to help you better understand your competitors and how you can differentiate your product or service.

Lastly, market research is an important step in validating your business idea and identifying how big you can grow your business.



On the day he unveiled the Macintosh, a reporter from Popular Science asked Jobs what type of market research he had done. Jobs responded by scoffing, "Did Alexander Graham Bell do any market research before he invented the telephone?"

— *Walter Isaacson* —

AZ QUOTES

NEXT STEPS:

Please complete the Market Research Assignment.

Review the survey question examples in this presentation for more info.