



A Do-It-Yourself Approach to Market Research

One of the difficulties small manufacturers face is the need to know their products, industry and customers—all of which change rapidly and, sometimes, dramatically. In acquiring this information, business owners can spend hundreds, even thousands, of dollars for focus groups and surveys. They can, however, significantly reduce their costs by doing the research in-house. There are certainly times when it is critical to have the best expertise you can afford. Often, however, doing it yourself not only saves money but brings other tangible rewards.

First, completely *understanding* your product, customer and industry *will yield benefits* far outside the confines of the specific questions. For example, what you learn today about your industry and the changes it is facing may push you to ask questions that lead to significant changes in operation.

Second, seeing the product(s) *through the customer's eyes* may lead you to improve existing products or develop new ones. It takes practice to drop your own biases and defenses about your products, but once you do so, the insights you gain are tremendous.

Third, learning *why the customer buys* your product and not your competitor's (or vice versa) can inform product development, advertising and sales. Asking good, open-ended questions doesn't require extensive training in anything except listening and a genuine desire to understand another's perspective.

Once you've opted to conduct your research in-house, numerous sources are available to guide you through the maze of market research. Before you jump to the Internet or visit the library, however, take a few minutes to *reflect and write about the following questions*, being as specific as possible:

- *What* do you want to know?
- *Why* do you want to know this?
- What can/will you *do* with the information?

I suggest that you begin by understanding your market in general. Even if you THINK you know your market inside and out, make sure. *Check out the latest demographics and statistics*. Using secondary sources such as the Small Business Administration (www.sba.gov), the National Federation of Independent Business (www.nfib.org), and American Demographics archive (www.adage.com/american-demographics/archive) can give you industry, geographic and competitor data. Check out the logical suspects for information as well: local chambers of commerce and colleges/universities (especially the business schools).

Next, narrow your search to the *specifics about the customer, product and industry*. Also, find out if someone has already done some of the work. Contact your business and industry associations and state resources to see if someone has or is working on these areas. Remember, professors publish their research in journals available through college/university libraries. The popular press is another vehicle for getting general and specific information you need. Most of these publications (*INC, FastCompany, Red Herring, etc.*) are available online and easily searchable by topic.

Once you are comfortable that you know what your market looks like today — the demographics of your customers and the firmographics of your competitors — and you have perused the literature for articles, you are ready to do *primary research*. This requires that you once again reflect and write.

Based on what you have learned so far in your search, create *four or five open-ended questions* that you want to ask your customer. These questions should be general enough to not bias the response, yet specific enough to provide you with useable information. One approach is to ask compare-and-contrast questions, such as "What do you like about ..." or "What do you not like about ..." Make the questions comfortable for the customer to answer. Remember, you are seeking information, not selling your product! Then, go do it. Make a call on a customer and ask your questions. Afterwards reflect on the answers. Did you get what you wanted? If not, hone your questions and do it again.

Observation is another easy method to do if you have a retail product. Casually observe who picks up and takes or puts back your product. These data can be enormously helpful in understanding who buys and who doesn't, as well as how well your product is positioned. At trade shows, combining observation with a few targeted questions can elicit useful feedback from potential customers and competitors. You may want to review the many valuable web sites and books on interviewing and observation techniques before striking out on your own. For some easy-to-access market research tools, check out:

- ESRI: ba0.esri.com
- BizMiner: www.bizminer.com

Doing market research can be a daunting endeavor if you think you have to answer all the questions and get all the information you want. If you tackle it one small piece at a time and devote some resources to increasing your knowledge, you'll be pleasantly surprised at how much you learn about your product, customer and industry.