

Understanding Your Market

Your business will not succeed just because you want it to succeed. Determining if there is a market for your products or services is the most critical time of planning. Once you decide on your product or service, you must analyze your market; a process involving interviewing competitors, suppliers and new customers.

However, before you begin researching your market, you should take a brief, but close, look at your product or service from an objective standpoint. In terms of a checklist, you should ask yourself the following questions:

- Is this product or service in constant demand?
- How many competitors provide the same service or product?
- Can I create a demand for my product or service?
- Can I effectively compete in price, quality and delivery?
- Can I price my product or service to give me the projected profit?

Once you are satisfied that these questions are answered, move on to performing your research.

Market research is extremely beneficial; the information gathered can increase your profit potential and the success and longevity of your business. With the rapid changes occurring in the world current information is key to staying alive and growing your business.

Market Research

- Shows alternative approaches to your market.
- Provides a more accurate base for making profit assumptions.
- Aids in the organization of marketing plans.
- Assists in the development of critical short/mid-term goals.
- Breaks down your market's profit boundaries.

Unfortunately, many entrepreneurs fail to complete this critical section of their business plan. Collecting research data can be frustrating unless you have defined your goals and organized the collection and analysis process. To prevent this from happening, you must plan how you will collect,

sort and analyze the information. Maintain a notebook and file in which to store, organize and retrieve data as needed.

Questions to Ask

Your research should ask these questions:

- Who are your customers?
- Where are they located?
- What are their needs and resources?

Is your service or product essential in their day-to-day activity?

- Does the customer recognize they have a problem and if they do, do they want to fix it or simply continue to do the work-around they are currently using?
- Can the customer afford your product or service?
- How often do they purchase the product or service?
- Where can you create a demand for your service or product?
- What areas within your market are declining or growing?
- What is the general economy of your service or product area?

Market Data

Knowing your market not only requires an understanding of your product, but also an understanding of your customers' socio-economic conditions. This information will serve as a map in letting you know what is ahead.

More market information can be found in:

- Library listings of trade associations & journals.
- Regional planning organizations' studies on growth trends.
- Banks, realtors and insurance companies.
- Competitors.
- Customer surveys in your market area.
- U.S. Government publications.

Once you have obtained and analyzed this information, it will become the foundation of your business plan. Research data is important because it supports the basic assumptions in your financial projection...your reason for going into business.

Summary

To be successful, a small business owner must know the market. Market research is simply an orderly, objective way of learning about people...the people who will buy from you.

Marketing Information Web resources

- [Advertising Age-Ad & Marketing Industry News](#)
- [Ageless Marketing Blog](#)
- [Marketing Power-American Marketing Association](#)
- [B2B Marketingbiz.com](#)
- [Podcasting Archives:Church of the Customer](#)
- [Market Research for Exporting](#)
- [Creating Customer Evangelists](#)
- [Marketing Engineering-Computer Assisted Marketing Analysis and Planning](#)
- [MarketingProfs: Marketing Resources for Marketing Professionals](#)
- [Marketing Research Association](#)
- [MarketingSherpa: Practical Case Studies and Know-How](#)
- [Marketing Teacher Homepage](#)
- [Marketing PowerPoint](#)
- [MediaPost Advertising & Media Directory](#)
- [PR Toolkit for Small Businesses](#)
- [Radio Advertising Bureau](#)
- [Marketing & Advertising from Allbusiness](#)
- [Customer-Driven Marketing](#)
- [Internet Marketing Tips](#)
- [Free Online Marketing Courses](#)
- [The Six Simple Principles of Viral Marketing](#)
- [Business Owner's Toolkit: Marketing Your Product](#)
- [FREE Marketing Research Resources @ResearchInfo.com](#)

Federal/State/Local Government Information

- [Washington Department of Commerce](#)
- [Better Business Bureau \(BBB\)](#)
- [U.S.Department of Commerce](#)
- [Bureau of Economic Analysis](#)
- [Bureau of Labor Statistics](#)
- [U.S.Government's Official Business Link](#)
- [U.S.Government-Women Owned Businesses](#)
- [U.S. Census Bureau](#)
- [U.S.Census-Current Industrial Reports](#)
- [U.S. Census-Business & Industry](#)

- [NAICS-North American Industry Classification System](#)
- [State and County QuickFacts](#)
- [U.S.Census Statistical Abstract](#)
- [Center for Minority Veterans](#)
- [Department of Veterans Affairs](#)
- [Center for Women Veterans](#)
- [The World Factbook-C.I.A.](#)
- [Consumer Product Safety Commission \(CPSC\)](#)
- [NTIS-FedWorld](#)
- [STAT-USA](#)
- [Dept. of Defense-SBIR/STTR Programs](#)
- [Dept. of Labor Compliance Assistance](#)
- [Dept. of Labor elaws-employment laws assistance for Workers and Small Businesses](#)
- [Employee Benefits Security Administration](#)
- [ESA Employment Standards Administration](#)
- [Occupational Safety & Health Administration \(OSHA\)](#)
- [Office of Small Business Programs-Dept. of Labor](#)

Economic Statistics

- [U.S. Dept. of Commerce Bureau of Economic Analysis](#)
- [U.S. Bureau of Labor Statistics](#)
- [Business & Industry Stats - U.S. Census Bureau](#)
- [STAT-USA](#)
- [Small Business Administration \(SBA\) – Research and Economic Statistics](#)
- [Economic Indicators](#)
- [Federal Statistics Directory](#)
- [Journal of Business & Economic Statistics](#)
- [The Economic Statistics Briefing Room](#)

Company & Industry Data & Statistics

- [Free Business Statistics and Financial Ratios](#)
- [Business and Financial News](#)
- [Current Industrial Reports U.S. Census Bureau](#)
- [U.S. Economic Stats and International Market and Trade Reports](#)
- [Safety Standard Industrial Classification \(SIC\) System Search](#)
- [S.E.C. EDGAR System](#)
- [Information for Small Businesses from S.E.C.](#)
- [Standard and Poor's Homepage](#)
- [Yahoo! Industry Center Performance Information](#)

International Business Information

- [A Basic Guide to Exporting : Exporting 101](#)
- [Thomas Global-A Complete Directory](#)
- [Central Intelligence Agency \(CIA\) - The World Factbook](#)
- [EuroPages : The European B2B Search Engine](#)
- [Inter-American Development Bank](#)
- [International Council for Small Business \(ICSB\)](#)
- [International Trade Administration](#)
- [ZANA Network Basic Exporting Guide](#)
- [International Business Planning](#)
- [Fair Trade Federation](#)
- [U.S. Dept. of Commerce-Official Export Promotion Magazine](#)
- [World Trade Ref](#)
- [International Business Brokers Association](#)
- [Small Business Administration \(SBA\)-International Trade](#)