



By G.A. "Andy" Marken

About the Author

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Conduct Your Own Market Research

Whether you are a manufacturer, distributor, dealer or retailer, thorough research is essential to survival in today's competitive market.

Market research is any planned effort that provides you with new facts and information to improve your marketing decisions. Research can be conducted for a variety of reasons, from determining whether you should make or

carry a specific product line to where you should locate your store.

Without calling it marketing research, you have been doing it for some time. Whether you sell to dealers, homeowners or businesses, you try to get as much information as possible out of your customers. You learn as much as you can about their attitudes, buying habits, long-term wants, needs and other pertinent information. In this market, you cannot afford not to do research.

Reasons for Saying 'No'

If market research is so important, why do so many companies put it off for so long? Some of the most common attitudes I have encountered include, "We know our market area because

- We have lived in this community for years."
- We have performed product manufacturing/marketing for others."
- We were working in our target market before we became an integrator."

Entrepreneurs are risk takers. They risk their savings, futures and business reputations with supreme confidence in their technical and marketing knowledge,

so they don't need research. Four manufacturers may have failed last month, two distributors may have gone under and 40 stores could have closed their doors last quarter but they are certain they will not go under because they are different. "Market research is too scientific." If you have ever read the articles in *The Harvard Business Review* or any other professional publication, it is easy to see how market research can put most people off. Don't be intimidated by the research specialist. We are referring to research in areas that are small problems from their point of view but major for you and your business.

Research is your business, your financial success and your future. It cannot be a waste of time. You may be impatient and you may feel that you have to hit the market immediately in order to keep up with the competition, but the competition may be making some serious mistakes. It is easier and less costly to learn from the mistakes of others.

You may think research costs too much, but insurance costs, too, and you would never run your business without it. This is exactly what market research is—insurance. It can help you make decisions and recommendations more confidently. It also can point out areas where changes can or should be made to improve your success.

Problem Identification

If you're a dealer, you need to know the geographic and economic areas you draw customers from or the types of

Need Research?

businesses you attract for your system sales. Distributors need to forecast end-user/dealer needs so they can add new lines and stimulate more dealers in their market area. Manufacturers often wonder if their product is on the down side of the sales curve or if their salespeople simply are tired of selling it and are focusing most of their attention on new products instead of the most profitable products.

Regardless of your position in the selling cycle, you don't have the luxury of research that takes weeks and months to complete. It has to be done in concert with your regular business.

To begin your marketing research, put your questions and problems down on paper. Don't worry about how you will get the information, just list those areas where you want or need more facts.

Problem Evaluation

Ask yourself which alternatives are available to you, depending on the results of the research. If there are alternatives, determine who in your organization supports the options.

Estimate how much a bad decision will cost your organization, and from that you can determine how much time, effort and money can be used to carry out the research.

Before you launch into the research project, get the opinions of others including engineering, marketing and sales, packaging and advertising, manufacturing, key customers, publications and bankers. They may have to act on your findings, so you need agreement at the outset.

Plan of Action

By now, you are convinced that there are some marketing problems that you can solve for your organization using very basic, simple research. Put your plan of action in writing. Committing your actions to paper crystallizes and focuses your thinking. It also keeps others informed.

First, spell out why the research is needed. This includes statements on: what you want to consider (new product, new market area, new store location, new product line mix, new advertising alternatives, etc.); what you don't know (what information you need to help you make a better decision); what your alternatives are

and how the research will help you select the right alternative; and how much you are going to spend on the project.

Information Sources

Now that you have determined what you want to find out, you have arrived continued on page 28

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at the part of the project that is the most fun and challenging getting the facts. There literally are thousands of sources available to you.

Your research approaches are divided into two categories primary, or original, resources and secondary, or printed, resources.

If you intend to use primary sources, you must pinpoint exactly who you need to contact, whether it is specific buyers in companies, heads of certain companies, heads of certain types of households or certain types of users. The use of these sources usually involves more expensive, more time-consuming research. It takes time to

get the information, tabulate it and analyze the results.

Secondary resources are materials that already are available such as those on the Internet. They have been produced by trade associations, publications such as *Water Quality Products* or the government.

It is surprising how much useful information is available. You need only know who to ask and what to ask for. There are thousands of research reports of all sizes, on every subject imaginable.

The media are good sources of research results and also can suggest other sources. They can provide you with a breakdown of their circulation as well as what they see in the marketplace and addition resources they utilize. The same is true of newspapers, radio and television. Local media spend hundreds of thousands of dollars annually to determine what their market area is doing, what its makeup is and how it is changing.

There also is a growing list of online databases available as close as your telephone and terminal. These include Dialog, Dun & Bradstreet, Dow Jones and hundreds of other national, international and regional databases.

Time Limits

As you can see, there is a world of data available to you if you only ask. In fact, there may be more information available than you have time to study. Before you launch into your research, determine exactly when the results have to be presented. This will help put limits on the extent of your research.

You have determined that there is a need for the study, spelled out the possible actions that can be taken, determined your primary and secondary sources of information and are ready to present your findings, alternatives and recommendations.

Your market research could take a few days or a few weeks. But the results will help you and your organization chart a safer course. **WQP**



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