

Market Researching

Using the Internet for market research

As a source of free information, the Internet is a powerful and effective tool. No matter what your interest is in, you can access relevant documents almost instantly. However, not all the information available is reliable, and you may need to consider the following before you sort the wheat from the electronic chaff:

Internet Search Engines

You can access a search engine by typing its name in the address bar of your browser. It will provide a search box in which you can enter keywords related to your research. The search engine will generate a list of websites containing your keyword. The first websites listed are most likely to relate to your research.

When you provide your keywords, type the most significant first, as some search engines will prioritise the words in the order they are given.

A variety of techniques can help you find keywords that are used together. For instance + can be used to find combinations of words that appear on a single webpage. As such, +spending +saving will generate website content that includes both words.

If you want to search for a full phrase rather than single words, type the phrase within quotation marks (for instance: "interest rates" rather than "interest" and "rates").

What Else do Search Engines do?

Search engines provide instant access to a wealth of information. Nevertheless, the sheer volume of material generated means that many of the websites will be only slightly related to your topic, and still more will not be connected at all. It is down to you to sift the most informative websites from the list you're given.

Strengths vary between search engines. One way to take advantage of this is to use a "cross engine site". These will conduct a search using several search engines at the same time, eliminate duplications and provide a combined list of results.

On an “umbrella site”, key sources relating to a topic are appraised and collated. This can provide a more focused list of links.

Other Resources

Fora and user groups allow you to contact people with knowledge in your area of interest. You can bulletin or “post” a question, which other users will answer.

Online newspapers and password-protected journals have archived material that may be relevant to your subject. However, to access journals you may need to make a one-off payment for an article, or take out a subscription.

Double Check your Findings!

One last piece of advice: the internet is not regulated and there are few guarantees of reliability online. Remember to double check sources of factual content before using them.

Get ahead of the competition

Get to know your competitors inside out, and you have a great advantage in enhancing your market position.

Competition is healthy, and can be a key driver in developing your company’s strengths. But to get ahead, you need to stay informed of what your competitors are up to. Few businesses do this systematically, yet it can give you an excellent commercial advantage.

Identify Your Competitors

Who is offering a product / service similar to yours, through similar channels? These are your direct competitors.

Who is selling the same product or service, but by different means? These are your indirect competitors. An example might be an online dating site, as opposed to a singles events organiser.

Keep a Record

Research your competitors and file your findings. Suppliers and employees are a good place to start in your search for information. You may want to pose as a customer to receive mailing lists or sales literature. Keep track of information in the public domain, such as features in trade publications or Internet reports. Obtaining their credit reports online can provide further insights – such as employee numbers, and when they outsource.

Key Questions for Your Research

- Where do their products and services overlap with yours? Do your prices compare favourably? What do they offer within their price – can your value for money be improved?
- Do they position themselves as a luxury product or service? Or are they cheap and cheerful? How do you position your product in relation to theirs?
- How do they market themselves? Do they use similar advertising media to you – or have they found a channel you have yet to exploit?
- Do they offer any unique selling points? What selling points do you share? Which benefits are their particular strengths – and can you learn from them?
- Do they show the same passion and commitment to the product as you? Or are they more concerned with profit margins?
- Is there sales literature attractive? How does yours compare? How might a potential client respond to their literature, and how might they respond to yours?
- Are they in the same vicinity as you? Can you take advantage of this – are they attracting more custom to the area?
- Is their business expanding, declining or steadily maintained? Are they succeeding anywhere that you are not? Are they making mistakes that you can protect yourself from in the future?

Whether you want to lead in your market or serve a niche more effectively, you need to optimise your attractiveness to the customer. Get to know your competitors inside out, and you have a great advantage in enhancing your market position.

Conduct Your Own Market Research

What is Market Research?

Market Research is the cornerstone of customer insight. Without it, you have only guesses and hunches to guide your business decisions.

Market Research is a process of identifying customer needs, and evaluating how your company can meet them. Though the analysis of existing data, and your own efforts to collate information, you can find out who your customers are, what they want, who is competing for their attention and whether they like your product.

There are two types of market research: quantitative and qualitative. **Quantitative Research** produces numerical data – such as demographic information (your customers' age, gender and location.) **Qualitative Research** highlights the beliefs or attitudes of its respondents, and is particularly appropriate for developing new ideas and strategies.

How Do I Get Started?

Day-to-day conversation with your customers is a useful place to start, but it is hard to collect methodically and you will not be able to draw wider conclusions from their comments. A survey provides a much more consistent means of measuring and comparing customer opinion.

Design Your Own Survey

If you decide to design your own survey, have clear objectives. What do you need to know about your customers? Are you assessing their response to an advertising campaign, a new product or improvements in your service? Or do you want to identify customer preferences with a view to developing new products and services in the future? Make sure every question is relevant and helps you to meet your objective.

A survey is a good opportunity to confirm customer records and also to build customer profiles with demographic information such as age, gender and social class. However, in the case of handling personal information, you must comply with Data Protection Legislation. Make sure you are familiar with the law when carrying out your survey, and include an appropriate Data Collection Notice.

Response Rates

A simple survey design and an incentive for responding are key ways to increase your response levels. Make submission of responses as easy as possible – for instance, by using a freepost address.

How many responses you need varies with the size of your customer base, and whether you want to extrapolate your results to make generalisations about a larger group. If you have only a few clients, it would be quite feasible to include all of them. However, if you have several thousand, a sample of 100 – 200 would be appropriate.

If you conduct your survey by post, expect a 10% response rate. To obtain a sample of 100 – 200, mail out 100 – 200 questionnaires.

Interpret your Findings

Analysis of your data need not be complicated. Before inputting any responses, scan answers to get an idea of general trends. If you have a fairly small sample, and your data is quantitative, a simple spreadsheet or database may be sufficient to collate replies. There is also a range of software packages catering to researchers; this is better suited to your needs if you have a large number of responses to analyse, and if you need to include data such as responses to multiple choice or open-ended questions

Once your results are processed, you should be able to identify key trends. Are there any responses or issues that come up repeatedly? What might the implications be for your business? Draw your conclusions, and shape your future strategy accordingly.

After your first survey, conduct a follow-up study in 6 months to a year. This will allow you to measure the impact of any changes and update your customer knowledge.

Equipped with hard data, you have the best possible base for business growth.