

2.3 Researching markets

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| PRODUCT |
| DISTRIBUTION |
| PROMOTION |
| PEOPLE |
| FINANCE |
| RISK |
| GROWTH |

- > *Primary market research*
- > *Secondary market research*

Every business owner, if they want to be successful, must know

- > who their customers are
- > where the product or service fits into the current market situation
- > what their competitors offer
- > the wants and needs of the targeted market

To find out the above information research must be done. The research will vary according to the stage of business you are in. If you are just thinking of starting up you will want to find out:

- > If there is a product or service that meets the needs of a particular market

OR

- > If there is enough people who will buy your product or service

If you are established, you may be looking at increasing your product range, expanding your retail outlets, or raising your price.

Types of market research

Market research is done in two distinct areas:

- > Primary market research is actual, detailed and specific data that directly answers your questions about your market and product (e.g. a survey that you have undertaken).
- > Secondary market research involves the gathering of information from other sources that give you general information (i.e. sales data about your product, or Australian Bureau of Statistics data).

Primary market research

Primary market research involves first hand interviews, surveys and discussions specific to your product or service and market.

First and foremost, primary market research involves talking to your current customers, and analysing your sales data. It may involve

- > Field studies (e.g. handing out samples of food and getting feedback)
- > Qualitative research (e.g. focus group)
- > Quantitative research (e.g. telephone, personal or mail survey)

Secondary market research

This is information of a general nature that doesn't answer your specific questions but does give you a good overview of the

market/product you are working with. Secondary market research may involve

- > Internal—information that you have already existing within your own business
- > External—sources that provide you with general information (i.e. size of market, demographics, population, major competitors, government regulations)

Sources include

- > Australian Bureau of Statistics surveys and reports
- > Information from trade/business associations and journals
- > Government studies
- > Sensus surveys
- > Libraries
- > The internet
- > Data from industry experts

Once you have gathered information, the next steps are to analyse and interpret your findings.

Survey templates

www.questionpro.com/akirashowSurveyLibrary.do?surveyID=109&mode=1

www.questionpro.com/akirashowLibrary.do?mode=1&categoryID=5

www.statpac.com/surveys/

www.researchandmarkets.com/categories.asp?cat_id=11

Case study

Recipes for Success www.affa.gov.au/corporate_docs/publications/pdf/food/recipesforsuccess.pdf