

MARKET RESEARCH: A BUSINESS TOOL FOR SMALL BUSINESSES

Market research is vital for new businesses seeking a commercial opportunity or for small firms looking to grow their business. From discovering a gap in the market to ensuring customer satisfaction and planning effective marketing campaigns, research can provide the market intelligence needed to encourage success, enhance competitiveness and maximise profits.

Put simply, market research is the collection and analysis of information about markets, organisations and people to support better business decisions.

Various research techniques are used in line with the requirements of the business and the budget available. Face-to-face interviews, surveys via the internet, by telephone, and postal questionnaires are all used to gather quantitative (numerical) data. Qualitative research, by face-to-face interviews with individuals or focus groups, is geared to providing insight into why people hold the views they do, and therefore yields greater understanding of customers.

Market research has an important role in many business situations. It can help target products and services to make them more profitable. New markets can be investigated. Insight into market trends can be assessed and business plans adjusted to advantage. Ideas for new product development and launches can also be tested to limit risk.

Additionally, research supports the planning of effective marketing campaigns. Media research can identify the best places to advertise or obtain editorial coverage. Tracking and evaluating results ensures the marketing budget is effectively targeted and well spent.

How to go about it

The most effective way to undertake market research is to employ a professional. The Market Research Society (MRS) produces an annual *Research Buyer's Guide*, which lists over 700 research suppliers and their areas of expertise. Only organisations that are MRS Company Partners or employ MRS Members are listed in the *Research Buyer's Guide*, and all the organisations listed must adhere to the MRS *Code of Conduct*.

Using specialist suppliers for market research need not be prohibitive for start-up companies, but it is important that you have a clear idea of what you want to achieve within realistic budgets:

- Draw up a shortlist of agencies with appropriate skills
- Ask the agencies to submit costs on similar-scale projects to yours
- Discuss your detailed requirements with them including budget available
- Obtain fully-costed proposals and choose your supplier on compatibility and competence, as well as cost.

What to expect

The length of time a research project takes depends upon the intricacy of the information you require and scale of the survey (of course, a national research project is going to take far longer to undertake and analyse than a local programme). Once the research has been completed, you should expect to receive a comprehensive report on your researcher's findings, in answer to your brief. The researcher will also provide recommendations on your best route forward and any further research that may be useful to you.

Remember, market research does not guarantee business success, but the greater knowledge you have, the better equipped you will be to make a positive start.

Points to consider for successful market research:

- Have a clear view of what you want the research to tell you
- Make use of *The Research Buyer's Guide*
- Select a professional research supplier
- Provide your research supplier with a detailed brief
- If you are not happy with the path your research supplier is taking, discuss it with them
- Remember that impartial advice is available if necessary
- Read the report your research supplier provides – don't just tuck it away in a drawer
- Act upon your research suppliers recommendations

Information on research suppliers can be found in the MRS *Research Buyer's Guide*, which lists suppliers and their areas of specialisation. To obtain a copy, please contact MRS on 020 7490 4911 or visit the RBG website: www.rbg.org.uk

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