

Market research made easy

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Carrying out market research is simpler than it sounds. If you don't have the budget to commission a market research firm, invest your time instead and do it yourself.

Begin by deciding exactly what you want to find out.

If you are starting a new business

Some basic questions might be:

- Is market demand big enough and is it growing or declining?
- How many competitors will we face and where are they located?
- Where should we locate?

To find the answers you can:

- Search sites such as the [Australian Bureau of Statistics](http://www.abs.gov.au). Use the [First Visit](#) section to help you find the right data, such as where most of your customers are located.
- Use the Internet to find information on the industry you are entering and identify your competitors.
- Visit libraries and read printed and online magazines, trade journals and other publications that will give you a picture of your industry and where it may be headed.

- Approach your industry or professional association and the nearest Chamber of Commerce for useful data.
- Contact similar businesses in different towns or cities. Most will be helpful.
- Talk to suppliers to pick up some industry gossip.
- Use government portals such as www.business.gov.au and www.innovation.gov.au for help and resources.

More specifics

Once you have a general picture of your industry area, you can drill down for more detail. Some ideas:

- Use small focus groups of five to 10 potential customers to assess demand for your product or service and any possible improvements.
- Ask a sample group of, say, 50 potential customers if they would actually buy your product or service and how much they would be prepared to pay for it.
- Review competitors' websites for evidence of trading success, product and service range and pricing levels.
- Investigate any industry-standard pricing range (if relevant) for your type of product or service.

Complete this homework before you commit. Combine the evidence to decide whether you could make enough profit to justify the risk. If you can't bring the product or service to market at a price the market will pay, you may need to make some modifications or source cheaper supplies.

If you're already in business

Market research shouldn't stop once you're up and running - it's vital to sustaining your success. You don't want to be left behind or miss opportunities. Research leads to more informed insights that in turn result in better decision making.

Create feedback systems

You can't hope to improve your products and services unless you know what customers really think of them. Think about what kind of information you need and then design simple systems to retrieve this information.

For example, daily business dealings can enable you to capture customer details in a database that will improve your marketing. Besides contact details, decide what else you need to find out:

- Who your best customers are (so you can concentrate on them and finding more like them).

- Where they live (so you can target specific suburbs or areas).
- How much they spend (so you can offer them loyalty retention schemes or discounts).
- What they bought or didn't buy (so you can identify your core products and sell them complementary products).
- How often they bought (so you can offer refills or replacements at the appropriate time).

Train your staff

Explaining the importance of ongoing market research to your staff will help to gain their co-operation. Their feedback from customer contacts can become an important part of your market research. Encourage them to ask customers questions such as:

- "Can you suggest any ways we could improve our products or services?"
- "What other products or services could we stock to meet your needs?"
- "Would longer opening hours be of interest to you?"

Ask staff to keep a record of interesting snippets and feedback from customers so this information is not forgotten.

Hold regular meetings to discuss how the feedback could be used to improve the business. Make them aware of any business changes or improvements you do put in place and be sure to give recognition to individuals for good ideas or research gathered.

Existing customers are an important source of new ideas but unhappy customers who leave can often be the most fruitful source of business improvements. Make a point of contacting them to find out why they left and finish by asking "What changes would we need to make to win you back as a customer?"

Future opportunities and threats

Another important function of market research is spotting both new opportunities and possible threats. Opportunities could be new trends in your industry, such as better processes that could put you ahead of the pack. Threats might be disruptive technology that will make your product or service obsolete, or major new competition heading your way.

Assign staff members to specific market research. For example, a person with strong computer skills might focus on Internet research, such as competitors' websites, or spotting international trends in your industry. Another person who enjoys reading could skim magazines and journals for useful ideas and keep a scrapbook of competitors' advertising.

Remember to budget for market research. When you're starting a business, you'll need to put in some intensive market research. After start-up, set the budget by considering how important market research is to the continued viability and growth of your business and what resources you'll need to get the right information.

Next steps

- Draw up a list of market research tactics that will work best for your business.
- Complete your background research first, then start drilling down deeper for answers to specific queries relating to your business survival and success.
- Get buy-in from staff to make research part of daily business.
- Hold quarterly meetings to exchange information. Make sure staff know these meetings are coming up, so they will come to the table with something useful.
- Mystery shop your competitors: visit them yourself (or send an employee or friend if your face is known) to buy something or order online to check their efficiency and service.
- Draw up a list of what you can do better, faster, more efficiently, and so on.



We hope this guide has been useful to you.

If you require more detailed or more tailored advice and support, call us today at **(08) 9380 3555** and book a **FREE no obligation meeting**. We can catch up for a coffee and discuss your individual needs.

You can access further tools, guides and calculators at



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