

Market and Competitor Research

Businesses use research to help identify how big the market is (how many people are interested) for their product, service or campaign and what the preferences are of their potential customers. They also research into their competitors (others offering the same or similar thing as them) - the information they learn about their competitors lets them develop their ideas to perform better than the competition.

KEY POINTS

Market Research

Businesses use two types of research - quantitative (numbers and values) and qualitative research (thoughts and opinions). Quantitative research is easy to analyse and show results. Qualitative research give more depth to your findings but can be more difficult to analyse. There are also different methods of research, here are some of the most used methods:

Surveys

With clear and simple surveys or questionnaires , you can find out about your target customers, or at least a sample of them. The larger the sample, the more reliable your results will be. There are different ways to carry out surveys:

- a. Face-to-face – usually done where there are a lot of people, such as a supermarket or shopping centre. This allows you to present people with samples of products, packaging or advertising and gather immediate feedback.
- b. Online surveys – systems like SurveyMonkey help you create very simple and cheap online surveys that you distribute via social media or email. They also summarise the data for you.

Focus groups

In focus groups, a facilitator uses a series of questions or topics to lead a discussion among a group of people. These sessions are usually recorded so the responses can be written up and analysed afterwards. A focus group can last over an hour, and it takes at least three groups to get balanced results. This approach could be used in your school with your class. You could ask for a show of hands on a number of questions and then ask them to discuss your idea, branding etc.

Personal interviews

Personal interviews are similar to focus groups but take place with just one person. These can be useful to do with people who know a lot about the product/campaign you are developing.

Field trials

Placing a new product in selected stores to test customer response under real-life selling conditions can help you make changes to your product, adjust prices, or improve packaging.

Competitor Research

Find Out Who Your Competitors Are

You can find out who your competitors are by doing an internet search. Your Big Idea may have a local focus - if so, you might start by asking people who live locally and focussing your internet search on a particular area. Your Big Idea may also have national or international competitors that you need to be aware of. You want to make sure you identify all your possible competitors.

Then Find Out About Them

Next you need to gather the information about your competitors to carry out the competitor analysis.

You need to know:

- who buys from your competitors;
- what benefits do your competitors offer;
- why customers buy from them;
- as much as possible about their products and/or services including pricing;
- how they promote their product/service/campaign

A visit to the company's website is a good place to start. You can learn a lot about your competitors' products and services, pricing, and even promotional materials there.

Once you've gathered the information about your competitors, you're ready to analyse it.

Analysing the Competition

Just listing a bunch of information about your competitors in the competitor analysis section of the business plan misses the point. It's the analysis of the information that's important. Study the information you've gathered about each of your competitors and ask yourself : How are you going to compete with that company? Why would a potential customer chose you rather than them? What's your USP?