



## Entrepreneurship & Small Business: Marketing & Research

*Conducting Market Research is one of the most important steps to opening or expanding a business. Knowing if there is a market to support your new venture is vital information to gather before you leap into a large business investment. After completing your research, then you'll be able to develop a Marketing Plan to differentiate yourself from the competition.*

### **Market Research**

Explore your competitors - name, size, location, and their market share are all important data points. What about market trends: are you ahead of or trailing the curve? At a minimum, your market research should explore the following items:

- Your Customers
- Your Local Competitive Market
- The Regional / National / Global Market

The listing below provides some suggested Market Research tools and tips:

#### Internet/Search engines

- [Google](#), [Yahoo](#), [Bing](#)
  - Find out industry trends
  - Locate competitors

#### Competitor websites

- Explore their practices
- Strengths/weaknesses

#### Libraries

- [Local public libraries](#) & [UW libraries](#)
  - Open to the public
  - Provide free research tools
  - Extensive internet databases (particularly at the UW libraries)
  - Internet directories
  - Business Information sites
    - [Harris InfoSource](#)
    - [Dunn & Bradstreet](#)
    - [Reference USA](#)

Business Information Sites provide information on:

- Suppliers
- Buyers/Target market
- Industry news/trends
- Industry/trade associations

#### United States Census Bureau

- Demographics
  - Population trends/projections
  - Income
  - Housing
  - Business & Industry
    - Industry information / trends
    - Geographic information / trends

#### United States Patent and Trademark Office

- Utilize this tool to search for similar products
- Aids in identification of competition and substitute markets.

Potential customers:

- Interviews
- Surveys
- Focus groups

Industry experts

- Individuals employed within the industry
- Universities

*Once you've finished your market research, then you can begin developing an overall Marketing Plan. This Plan, at a minimum, will need to address four distinct marketing components: the Product / Service, its Pricing, its Place (distribution and logistics) and then finally its Promotional strategy. Specific details regarding each component are described below.*

#### Product / Service

Your marketing plan should provide a detailed description of your products or service and describe why you chose those particular products / services as the basis for your business. The plan should also list any legal protections that you have acquired for the product / service, such as copyrights, trademarks, or patents. More importantly, this is where you addressed and integrate any of your product's branding, labeling and/or packaging.

#### Price

When choosing a price point, remember that customers want to buy whichever product they perceive to be their best value. However, this does not always mean that they want the lowest price. Low price strategies work in commodity markets, where great quantities of products are sold at low profit margins. On the contrary, products or services that appeal to niche markets sell fewer products with higher

profit margins. The value that the customer receives from purchasing a higher-priced product may be its perceived quality, a sense of social acceptance or personal satisfaction of ownership. Therefore, your price needs to cover your production, distribution and marketing related costs. Beyond covering these basic cost components, though, you will need to address your product's profit margin capacity – which is a function of completing a Break-Even Analysis for various price points, as well as conducting a detailed overview of your competitors' pricing strategies.

#### Place

The supply and delivery of your product / service is exceptionally important: no product, no payment. That's why it's very important to understand the entire supply chain, from start to finish, associated with your product / service. Just-in-Time is not merely a catchy business phrase; it's a fundamental reality.

#### Promotion

Whether intending to reach business-to-business or consumers directly, clearly identifying your customer profile is critically important. Each customer has a unique profile, which in turn, impacts your company's overall marketing, sales, and cash flow management techniques. That's why it is important to develop sales forecasts and corresponding promotional budgets that can be measured accordingly.

Choose promotional strategies that not only reach your target audience, but also take advantage of various cross-promotional activities to help reinforce your message. For example, even if you do not plan to conduct e-commerce a web presence is absolutely critical – especially into today's digital information environment. Additionally, active participation in social media and the utilization of Google Analytics and/or Email Marketing will likely enhance your overall promotional strategies, as well.