

Guide to Conducting Market Research

Overview

Market research is an essential tool for any start-up or growing business because it will give you knowledge about your customers and your market that will enable your business to offer products and services that people are likely to buy. Effective market research will give you an understanding of whether or not there is a big enough market for your business as well as deeper insights into your customers' preferences, buying patterns, your competition as well as shifts your industry and the economy.

Market research isn't just for the start-up phase but should be part of developing your ongoing strategy so that you can make informed choices about your products or services and how you market these to your customers.

These steps will guide you through the process of conducting effective market research.

Define the brief and the objectives of the research

Start with the end in mind. The research brief should identify the aims and objectives that the research is to accomplish.

Remember to:

- set SMART objectives (Specific, Measurable, Achievable, Relevant and Timely)
- define the target audience (e.g. client database, representative sample of Jersey consumers, or a more specific target audience)

- set a guideline budget, as this will influence the chosen methodology & sample size

Design an appropriate research methodology

What is your plan of action? This step should outline:

- the data you are going to gather and from whom
- how will you collect the data
- if you have a number of options, the best approach to achieve your objectives

When you are thinking about what you are going to do remember that if you need data or information you will likely use a quantitative methodology such as measuring market size whereas if you need an in-depth understanding of opinions you are more likely to use a qualitative methodology such as focus groups.

Any research methodologies have their advantages and disadvantages depending upon your objectives. Choices to consider include:

- online (mobile, tablet or PC) or paper-based
- self-completion or interviewer-led
- telephone, face-to-face, Mystery Shopping
- focus groups, co-creation groups etc.

Consider when and where you will collect the data and how you will analyse it. Take care not to bias your results and consider how you can gain a representative sample. Often there is a balance to be reached between available budget and the statistical accuracy of the results.

Design and test any survey questionnaire or discussion guide

Start your questionnaire with an introduction describing what the study is for, followed by any instructions, estimated time to complete and confidentiality. Consider whether you should incentivise completion and how, and whether you should send out any reminders.

The questionnaire or discussion guide should:

- be sensibly structured with well-designed, balanced, non-judgmental, non-leading questions
- use non-biased scales by offering as many positives

as negatives

- include appropriate probes and prompts
- not contain long or complicated questions that are ambiguous and hard to understand
- only ask one question within each question
- include 'routing' to allow for some questions being irrelevant to some respondents
- flow from the general to the specific, with sensitive questions later
- refrain from asking questions if you are not going to use the results to those questions – many questionnaires are too long because they fail to distinguish interesting from relevant
- allow you to segment the results if relevant

Consider using a mix of 'closed' questions (with response options), as well as semi-structured or more insightful, open-ended questions.

Always test/pilot your questionnaire or discussion guide on a small subset of respondents.

Specify the sample

A sample is a subset of potential customers that are representative of your entire target market, or population being studied.

Take care to:

- define the population correctly, otherwise you will be studying the wrong people
- consider how you can achieve distribution to a relevant and representative sub-sample of this target audience, as well as the sample size you would need to achieve
- consider if want to analyse your results by differing segments and if so, the overall sample size needs to be larger
- consider the likely response rate
- identify those who have already responded if you send out reminders
- decide how you could avoid multiple submissions

- ensure the sample is representative for online surveys

Collect survey data and insights

Survey data can be collected in many different ways and combinations of ways. The following are the basic methods used:

- face-to-face (can be computer/tablet aided, depth interview, focus groups, and Mystery Shopping)
- telephone, can be computer aided (CATI) or completely automated (CAPI)
- mail and hand delivery – door-to-door service
- e-mail and the Web – Survey Monkey, Google form or professional survey software

Analyse the data and information

Once all the data/information is collected have a process to identify and have control over any potential for incorrect data entry and if you can you should also conduct some random back checks if surveys have been completed by interviewers. You can then begin the data cleaning process which involves removing duplicates, correcting data which has been collected in the wrong way or only half answered, and removing some data altogether if they might be considered as 'outliers' (e.g. results that will have a big impact on average scores). You can then analyse the data/information and draw conclusions based on the results.

Ask yourself whether the way in which the research was conducted seem sound? Was the sample size large enough to mean that the result is statistically significant? Are the insights and conclusions that become apparent from it reasonable?

Act

Now that you have identified the gaps or the answers to the questions you wanted answered, it's time to review your research and use it to guide your decisions. You can tell which strategies are working and which aren't, what new services or products may be successful or not, whether any changes to customer service improved things or not. Also regular tracking, asking some of the same

questions/exploring customer insights can be very
informative for future strategy and business decisions
whilst providing great ROI!

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