

A Practical Guide to Conduct Market Research
By Dr. Bridget K. Behe
Professor of Horticulture, Michigan State University

Learning how to conduct sound market research is about as challenging as learning to play a musical instrument or play a sport. Developing a marketing plan, and doing some market research to get information for the plan, is a bit like putting together a puzzle. You need many, but not all, of the pieces to “get the picture.” The pieces need to fit together in order to make a good picture, too. Here are some guidelines to use as you work your way through the process of marketing a new product.

- I. What do you know? What factual information do you have about sales of similar products and the customers who buy them? What do you know about the competition? Facts can be based on observation, but not on intuition (Fact: I know that cold beverages sell faster in hot weather; Intuition: I think customers like red ones more than blue ones).
 - A. The **Customer**. Who would buy or is buying a similar product? Can you describe them in terms of measurable variables like age, income or home value, gender, ethnicity, zip code, or education level? Do you know how often they purchase the product or similar products? Do you know how they use the product? Do you know where they use the product (at home, at a friend’s home, in the car, or at a restaurant)? Do they go to get the product or service or does it come to them? Do you know why they purchase the product or similar products? Are there enough of them in the current market?
 - B. The **Product**. What is the product? Can you describe the product in terms of its features (technical aspects), functions (how someone could use the product), and benefits (what does the feature do for the customer?). Do products need to be customized or can they be mass produced? Can they be stored easily or are they perishable?
 - C. The **Competition**. Who is the competition? Think broadly about substitute products (chocolate milk can substitute for some in the place of white milk but there are no substitutes for gasoline in a car engine). Is anyone selling the product or good products in the market you’re considering entering?
 - D. The **Market**. What is the market like? How much control do suppliers have over things you need? How easy is it for buyers to negotiate price or other product attributes? Are there a lot of substitutes in the market? What is their value proposition (how do they compare on price, time, and quality savings or expenditures)? How stiff or lax is the competition? How easy is it for a new business to “start up”?

- E. Your **company**. What about your company? How does it compare in a SWOT analysis? What are the business' strengths? What do you do very well? What do you have problems doing or what are some weaknesses? Do you have the resources to invest to overcome the weakness? What have you learned from past mistakes? What opportunity do you see outside the company? What have competitors not seen and/or not done well? What have they failed at doing and what leads you to believe you could be successful? What are the strengths of the competition (threats to your business)?
- II. What of the above missing information above can you observe? Can you talk with others informally who can provide you with factual information? Can you visit other businesses and gain some factual information?
- III. What information listed above do you need to find? Try to find it first in a secondary source, such as the Chamber of Commerce, community organization, library, Internet, or printed source before you consider collecting the information from consumers themselves.
- IV. Take the information you now have and create a marketing plan. The customer/product matrix is helpful to determine market segments that you plan to address (uses A and B below).
- A. Consider the array of potential products you may offer, including the sizes, shapes, colors, and cultivars of each.
 - B. Which customer segments will you target? How do you most easily describe them?
 - C. How will you price the product? What will be your value proposition? Will you have high or low quality? Will you have customers invest time for the product or save them time? Will the price be low or high? Remember, customers want high quality at low prices and low time investment, but this combination is not sustainable for most businesses.
 - D. How will you communicate with customers in promoting the product?
- V. Even with an excellent marketing plan, you need good intuition and good luck. The best laid plans don't always come to fruition, and sometimes a good hunch can be worth millions.