

Based on: "On Target" by Isabella Trebond

Without researching the market that you intend to serve, how can you come up with a viable business idea that is likely to last for as long as you would like? Without finding out exactly what your potential customers have available to them before you introduce your services, how would you be able to effectively differentiate your services or products in their eyes? Without at least basic research, which many companies that went under in the dot-com bust failed to conduct, how can a startup possibly know if there is even a market for the services it wishes to provide, and that it is large enough to keep it in business? (Boone and Kurtz 279) And if a company finds that its products do in fact have a reasonably sized market, how can it market the products in such a way as to convince the target market to actually make a purchase?

All of these questions simply emphasize the importance of market research before, during, and after a startup is launched. There is no doubt that market research is integral to the success of any company of any size, but the focus of "On Target," an article by Isabella Trebond that consists of a series of tips on how to conduct market research, is on small businesses and individual entrepreneurs. As Trebond points out, there is a huge paradox in the business of market research: "Conventional market research is expensive (corporations regularly budget tens or hundreds of thousands of dollars for it), but no one needs it more than a startup entrepreneur. A couple of marketing blunders won't put a giant manufacturer out of business, but just one can sink an entrepreneur with shocking ease" (Richardson 82).

Both Trebond's "On Target" and the Boone and Kurtz text, especially chapter eight, "Marketing Research, Decision Support Systems, and Sales Forecasting," provide the reader/entrepreneur with pointers on conducting market research effectively without spending the fortune the reader has not yet earned. Trebond goes through a series of steps that the new business owner can follow, from defining a target market and deciding whether it exists and is large enough (especially important for businesses limited by geographic location) to really getting to know the market and its habits from both statistics and simple (but keen) observation. Trebond encourages the entrepreneur to formulate extremely specific questions and form a generic ideal customer portrait, then find out how many people in the population that the business will be exposed to fit the portrait. If there are too few people that fit, or if the entrepreneur just feels as though something is going to go wrong, Trebond advises him or her to terminate before disaster strikes and "revamp the idea"---at this point, she writes, "at least you've just saved yourself a potential financial disaster" (Richardson 83).

The market research process includes the collection and interpretation of both primary and secondary data (Boone and Kurtz 262). Trebond advises the use of reference librarians, Department of Commerce field offices, university libraries, and Small Business Development and SBA offices to obtain secondary data. This data typically answers the potential startup entrepreneur's questions regarding the existence of a workable target market, and offers thousands of statistics on population size, divided by gender, ethnicity, and other demographics, as well as forecasts. However, according to Boone and Kurtz, secondary data certainly has its limitations. "First, published information can quickly become obsolete. A marketer analyzing the population of various areas may discover that even the most recent census figures are already out of date because

of rapid growth and changing demographics. Second, published data collected for an unrelated purpose may not be completely relevant to the marketer's specific needs" (Boone and Kurtz 263). For instance, it is rare that statistics will reveal a certain market's contact preferences: do the people respond to email but never answer their phones?

The solution to these limitations is, of course, primary data collection. This involves primarily qualitative information that it may take months to generate and fully comprehend in terms of what it may mean for a business and its target market. Secondary data can be gathered by reading the newspapers and magazines that people in the company's target market generally subscribe to; by talking to them about the types of products they use and their reasons for not using competitors' products; by bringing them together in a focus group to discuss things of common interest (Boone and Kurtz 270); or by surveying them randomly. These techniques, obviously, are just a few of the things that an entrepreneur can do to ascertain that he or she has an idea that will live and breathe for a long time.

Trebond advises entrepreneurs to "check out the competition" and find out the things they emphasize about their products or services, as well as taking careful note of the things they attempt to put in the background---"what are they not mentioning?" (Richardson 84) Anything that the new entrepreneur can make the target market realize that they have been missing, and then successfully provide this thing, is a source of competitive advantage for the startup.

Boone and Kurtz list a number of methods for businesses to conduct research and obtain secondary data. Some of the techniques discussed include surveys, such as telephone interviews, personal interviews, focus groups, mail surveys, fax surveys, and internet questionnaires. (268-272) The fact is, however, that technology such as caller identification and the government's do-not-call list influences the practicality of many of these methods of research, and even if people answer the phone or respond to a survey given by other means, there is not much to motivate them to give completely honest, in-depth answers. It may be a better idea for some businesses to simply go for a walk through a mall, central shopping area, or other locations where its target market is known to spend time, and just observe or even befriend the people, allowing access to their personal prejudices, likes and dislikes, and opinions on virtually anything.

Of course, as a marketer, it is extremely important not only to ask the right questions in the right way, but also to listen (not hear). This concept is the focus of the "Etiquette Tips for Marketing Professionals" feature in the Boone and Kurtz textbook, on page 269. Members of a company's target market can provide virtually any information of interest to the marketer. For instance, if someone discusses a problem or difficulty he or she is having, this may actually give the entrepreneur ideas that had not occurred to him or her before. It all comes down to how well the marketer listens, and how interested in the conversation he or she appears to be to the speaker. The more attuned the listener is, the more likely that the speaker will continue to get comfortable with voicing his or her opinions. And the quieter and more attentive the marketer is, the happier he or she will be with the results of the marketing effort. As the etiquette tip box reminds marketers, "If you think you're talking too much, you probably are." Of course, the target market should not be made to feel this way, for the more relevant information a marketer gathers, the more effectively the company's campaigns and ultimate success will be.