

Guide: Surveys and market research

Running a survey or conducting market research is a great way to find out what customers and prospective customers want.

By gathering some useable data, you can tailor your products and services to your clients' needs.

It's also a great way to monitor the marketplace and find out how you are perceived.

Market Research

Market research is a term given to any exercise where you are collecting information from the marketplace.

Market research is generally conducted for:

- Planning marketing
- Business development
- Product/idea testing

Surveys

Surveys are a type of quantitative primary research.

This is a very common method of conducting market research. Questions can be tailored to discover the necessary information just as the participants can be targeted to a particular demographic.

Surveys are quick and easy to set up and the results are generally easy to collate and analyse.

The main drawback for a survey is that they generally do not provide in-depth information. Surveys are great for collecting statistical data.

Customer advisory board

Customer advisory boards are qualitative primary research.

A customer advisory board is an exercise where a business chooses a selection of customers to participate in a frank discussion about the company.

Customer advisory boards involve much planning and organisation, however the outcome is very specific and in-depth business development advice which can be relevant for years to come.

These work well for service providers.

Your accountant can facilitate a customer advisory board for you.

Focus groups

Focus groups are much the same as customer advisory boards, but are not necessarily made up of existing customers.

Focus groups test products and respond to ideas. These work well for product-oriented businesses.

Concept testing

Concept testing is when you test an idea before developing the product or service. Both quantitative and qualitative research methods are often used.

Product testing

Product testing is when a select group of people are given pre-market products or services and rate their experiences. Both quantitative and qualitative research methods are also used in product testing.

Types of Survey

Face-to-face survey

This is an old fashioned survey where a person is approached, often on the street, and asked a series of questions.

This is most suitable for market research which canvasses clients and non-clients. Questions are generally yes/no or on a scale.

Data is then keyed in and analysed back in the office.

Pro: Great variety of people involved

Con: Much paperwork involved

Phone survey

This is a typical type of market research which can be aimed at the customer database or a wider demographic.

These are often run by specialist companies and the data is provided in various forms.

Pro: Easy to outsource

Con: Stigma attached to phone surveys

Email/Online survey

These types of surveys are put together using online software and can be sent out by viral marketing or social networking or emailed directly to a customer database.

Results are automatically collated and generally have built-in tools for analysis.

Pro: Cheap and easy to use

Con: Need email addresses for all customers for targeted surveys

Service Providers

Online survey builders

There are plenty of online survey builder tools available at minimal cost. Two tools stand out as the most widely used:

- SurveyMonkey www.surveymonkey.com
- Qualtrics www.qualtrics.com

Market research companies

The Market Research Society of New Zealand has member information on its website www.mrsnz.org.nz.

There are many market research companies in New Zealand including:

- Colmar Brunton www.colmarbrunton.co.nz
- The Nielson Company www.nielson.com
- Digipoll www.digipoll.com

Most market research companies can put together a package combining surveys and focus groups.

Your accountant

Your accountant is perfectly placed as an impartial contact to facilitate your customer advisory board.

On market research

Former Apple Inc. CEO Steve Jobs has famously scorned market research and focus groups:

“It’s not about pop culture, and it’s not about fooling people, and it’s not about convincing people that

they want something they don't.

We figure out what we want. And I think we're pretty good at having the right discipline to think through whether a lot of other people are going to want it, too. That's what we get paid to do. So you can't go out and ask people, you know, what's the next big thing?

There's a great quote by Henry Ford, right? He said, 'If I'd have asked my customers what they wanted, they would have told me a faster horse.'

Keep in mind that market research can only go so far, and a truly innovative idea or product may not initially be well received. A true entrepreneur needs to trust their gut.

You are not Steve Jobs

You need to know your customer and your market. Apple Inc. can get away with not doing market research, identifying target markets, or going out and talking with customers because of their industry and their cult following.

Your business is not Apple Inc. and you are likely not selling iProducts, therefore you may need to do research to understand your customers.

While Steve Jobs says he doesn't do research, it's clear that his team goes out to thoroughly study the behaviours and interests of those they think will buy their products, even if they're just friends and family.

Maybe don't ask your customers directly what they want. If you are developing a revolutionary new product, consider doing your own research by going into their environment and ask lots of 'why' questions until you have thoroughly explored the ins and outs of their decision making, needs, wants, and problems.

Some simple product or service testing will tell you if you're on the right track.

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