

## **Marketing Series for Women Entrepreneurs**

### **Part 2: Market Research: Being In the Know**

Market research always sounds to me like something a very serious professional with a stern face, large glasses, and clipboard should be doing, but not enjoying. Admit it, it does sound just a little bit dull, doesn't it?

There are a multitude of things you'll want to know before you launch your business, including many operational, financial and legal considerations. However, before you start digging into the details on those very important logistics, you need to know there is a market for the products and services you'd like to offer.

#### **Solid Business Foundation**

I frequently remind entrepreneurs that a business idea without a clearly defined revenue stream is a simply a hobby. You need to be able to answer some key questions to know which one you have on your hands. First determine the basic business concept:

1. Have I identified a need that isn't being met?
2. Can I clearly articulate a benefit my business offers which meets that need?

These questions lead to a few more to answer the hobby vs. business question.

3. Who are my direct and indirect competitors?
4. What makes my business different?
5. Who are the people who will purchase the benefit I've identified?

Remember, what you uncover will determine whether or not you have a viable business.

#### **How to Research Your Market**

Your best tools for market research are curiosity and observation which will assist you in gathering facts to make well-informed decisions. In addition to a spirit of adventure, here are some categories of information that you should explore to gather data for your business.

##### General Industry Information

Spend some time both in person and on the Internet observing how companies like yours do business. Take a look at the local landscape, as well as how things may be done in other places. Learn what products and services are offered, how the company communicates with its customers, and how their customers feel about them. Note where there may be opportunities for you to fill needs that are not being met.

Look at the competitive landscape, both direct and indirect competitors. Direct competitors are those companies quite similar to you, but with some differentiating factors. Coffee shops are a good example. Each offers something slightly different but in essence they are there to provide coffee. An indirect

competitor may be a juice bar or tea house which also offers beverages, but is not going head to head against the coffee shop.

### Trends and Growth

Read industry related publications, located at your library, business resource centre or online, to learn about trends and growth areas. This is valuable information as you continue in business, to ensure that you stay current with what customers want and need, as well as ideas on how to grow your business.

The volume of information can be overwhelming, so remember to scan. Take note of new legislation, industry challenges, and economic influences which may affect the industry in future. And be on the lookout for up-and-comers who are trying new things. When an industry becomes saturated with competitors there are always a few early birds creating new trends. It pays to take note.

Tara Black and Marion Neuhauser, owners of [Origin Gluten-Free Bakery](#) in Victoria, started their business when they discovered that friends with dietary restrictions were having a hard time finding wheat-free baking. They dug a little deeper and learned there was a growing demand for gluten-free products, because of an increase in wheat intolerance and celiac disease throughout the population. There was no gluten-free bakery in Victoria.

### Industry Statistics

Statistics are collected by government agencies and provide perspective to understand the larger landscape in which your business operates. These are available at your library or business resource centre, and include a variety of data related to general industry and consumer demographics.

Statistics can be overwhelming, so look at them for specific information. For example, collecting demographics for your area can help determine where to set up shop. The mistake of leasing retail space to sell children's items in a neighbourhood full of seniors can be avoided when you understand the demographics of the area.

### Interactive Research

There's nothing like learning about prospective customers directly. Officially known as "primary research" because you are obtaining first-hand information rather than relying on others' data collection, it's the only way to get a genuine sense of how people will respond to your product or service. Even then, it can be misleading if it's not objectively gathered.

Before opening a retail location, Tara and Marion sold their products at a market stall in Bastion Square so they could gather more specific information about potential customers. "We needed to determine whether customers wanted a bakery experience or if they wanted to buy the product at the grocery store. We also needed to know how often people with gluten-free dietary needs would come back, which particular products they wanted and how much they would pay." They soon found that people with celiac disease were lacking a safe and comfortable environment where they didn't have to worry about cross contamination of food and that they tend to purchase more baked goods than the average person.

Face to face surveys (always keep them brief), online or print surveys, and even focus groups are all tools to engage with people and test both ideas and assumptions. "Do you prefer red or blue" is a leading, non-neutral question because the real answer may be neither. "Select the colour you prefer" and listing

several options as well as “other” is a more neutral way to frame your question. For sample questions, [click here](#).

The key to gathering valuable market research, both primary and secondary, is remembering to stay objective. That means not relying on your family and friends to be your primary source of feedback. As much as they love you – because they do – they cannot be fully objective.

It also means staying flexible to adjust your business proposal early on, in light of information you may uncover. Good market research ensures you have a solid business case with data to support your decisions.

*Written in collaboration with Liz Gaige.*

*Liz Gaige, owner of [Market Navigators Consulting](#), specializes in bringing creativity and a shot of inspiration to business and marketing strategies for businesses of all sizes. By her own admission, she does her best work when she's just a little bit cheeky!*

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All examples cited are BC business owners who have been profiled at Women's Enterprise Centre publications, events or workshops.