

The Importance of Marketing Research

Advice from Sligo company PMM

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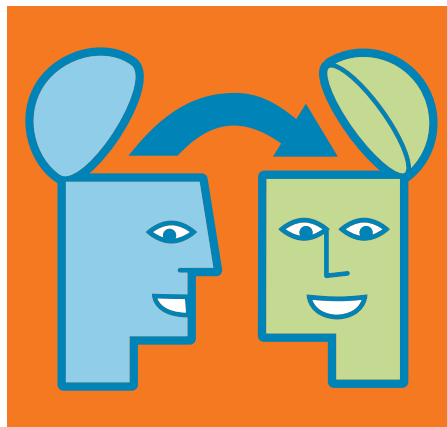
Marketing research is a crucial part of marketing strategy and should be considered an important management tool. It furnishes you with knowledge about your current and potential customers, and armed with this knowledge you have the potential to sell more and become more profitable. To understand market research it is vitally important to firstly identify what a market is. Therefore, for the purpose of market research, the market refers to the group of buyers or potential buyers of a particular good or service. However, you must also consider the environment that surrounds your market, as the marketing environment affects both you and your clients. For most businesses wishing to conduct market research they will be operating in a competitive market where competitors can freely enter and exit the market at any given time and offer similar products or services to those you wish to sell. The obvious implication of this, is that effective market research will involve looking at not only your potential or existing clients, but also examining any other operator who offers similar products or services.

Market research should involve collecting and analysing any data that is relevant to marketing your business. By doing this you will achieve four very important objectives.

1. You will identify opportunities or problems in the marketplace
2. You will be better prepared to plan your marketing activities
3. You will be able to monitor your company's marketing performance
4. You will learn about and better understand the marketing process

Opportunities & Problems

The first objective is perhaps the most important one as it will assist your business in developing strategies that will help you optimise your profitability by exploiting opportunities that currently exist in the market place, and furthermore will help you to evade any problems that may arise. By examining your market and monitoring the changes that take place in that market you should be able to become more proactive in avoiding problems as opposed to reacting to each problem as it occurs. Remember all markets are active and constantly change - therefore you cannot afford to remain stagnant in a changing market place. However, your strategies may be ineffective if you do not know what changes are occurring so market research is an on-going concern for any dynamic organisation.



Prepare & Plan Marketing Activities

When you have examined the market in which you operate or are hoping to expand or enter into, you then need to look a little closer to establish who the market is made up of, and what the demands of your market are. There are a number of basic key points that you need to identify before planning your marketing activities. These include the overall size of the market, the age, economic and social profile of the market and the players who are already serving the market. If you cannot identify these key elements of your market, then you cannot create an effective marketing plan. In order to achieve the desired effect of any marketing campaign the correct people need to be targeted. The most ingenious and creative marketing campaign is useless if it does not reach the market that it has been designed for. Therefore, to try to launch a marketing campaign without having carried out market research is like trying to build a house without foundations.

Monitor Marketing Performance

Having established who your market is and the best type of marketing campaign that will help you to connect with that market, it is then essential to monitor the performance of your marketing campaign. It is vital that your marketing campaign is effective in helping you to achieve greater profitability and increased market share. Don't leave it to chance and assume that once you have established your marketing strategy that it will be correct! Sales and market share figures before and after your marketing campaign should be compared so as to give you concrete evidence of the effectiveness of your marketing campaign. If the figures have not improved then do not continue with an ineffective marketing strategy - reassess your market and learn from your mistakes.

Understand the Marketing Process

Market research is the tool that allows you to implement an effective marketing plan for your business. It identifies initial start-up or expansion opportunities. It helps you get to know your customers and what their needs and desires are. It ensures that you know where you stand in relation to your competitors. It affords you the opportunity to measure the effectiveness of your marketing activities such as advertising or sponsorship. Overall, market research should be regarded as a valuable management tool that must be used regularly to ensure that your business at the very least retains existing market share and ideally continues to gain market share consistently.

Getting Market Research Right

The most common mistake people make in relation to market research is simply not bothering at all. However, once you have taken steps to conduct market research there are some common pitfalls that you need to be wary of.

- *Entering into the research without a defined goal*
- *Engaging in one period of market research, but not following it up with another period, so that you can track the changes*
- *Saving money by using small samples that are not large enough to be representative of your customers*
- *Even when the data is gathered in a thorough way, the interpretation of the results can be destroyed if the analysis is carried out to derive the results you were hoping for instead of the results as they actually are.*

In conclusion...

Market research is often misunderstood as simply a feasibility study or a demographic profile of the people to whom you wish to sell your product or service. Do not underestimate the importance of market research, as it is an essential on-going requirement for any business that wishes to stay abreast of changes in their market. Being present in a market for a long time does not necessarily mean that you know it well. Markets are constantly changing according to the forces supply and demand and perhaps even more unpredictably they become modified according to fashion and cultural changes. While we cannot control the changing market we can respond to when once we are well informed as to how it is transforming.

