**Market research**

Researching your market helps you target your ideal customer, identify new market opportunities and improve your sales performance.

Successful businesses make regular market research the foundation of their marketing and sales planning. You can develop strong marketing strategies based on what you find out about your products and services, your customers, your competitors, your industry and the challenges in your marketplace.

Market research can also help you identify areas of your business that could be updated or changed.

It's important to clearly define your market research goals so that you can give yourself the best chance of finding accurate and useful results.

This guide explains market research methods - including primary, secondary, quantitative and qualitative research - and shows you how to research your market.

**Using market research**

Market research is an extremely valuable tool that can help you:

* make decisions about pricing, promotion, product and location
* understand how your products or services fit your target market
* deliver and expand your products and services
* better understand how your competitors operate
* understand the current environment of your industry
* identify new opportunities
* give context to your performance and reputation
* test concepts, new products or marketing ideas
* minimise risks to your business.

Market research is useful at all stages of the business life cycle. If you are starting a business, it can help you work out your [competitive advantage](https://www.business.qld.gov.au/starting-business/planning/market-customer-research/competitive-advantage). If your business is already established, you can use market research to develop new products and services and target customers more effectively.

To make your market research worthwhile, you must draw conclusions and act on the findings from your research.

Our [market research kit](https://www.business.qld.gov.au/starting-business/planning/market-customer-research/kit) will help you find key economic, demographic and statistical information about your industry. You may consider using a [business adviser](https://www.business.qld.gov.au/starting-business/planning/advisers) or market research agency if you don’t have the time, skills or ability to carry out your own market research.

**Acting on your market research**

Market research can help you identify areas of your business that require updating or change. Acting on these is a vital step in addressing customer and market needs, and growing your sales. For example, your research may show that you need to:

* review your [business plan](https://www.business.qld.gov.au/starting-business/planning/business-planning/preparing-business-plan)
* update your [sales plan](https://www.business.qld.gov.au/running-business/marketing-sales/sales/sales-plan) and improve [marketing strategies](https://www.business.qld.gov.au/running-business/marketing-sales/marketing-promotion/strategy)
* improve your [sales practices](https://www.business.qld.gov.au/running-business/marketing-sales/sales)
* [update your products or services](https://www.business.qld.gov.au/running-business/growing-business/becoming-innovative/developing-products/new-products)
* rethink your [retail design](https://www.business.qld.gov.au/industries/manufacturing-retail/retail-wholesale/retail-design/shopfitting)
* reconsider your [branding](https://www.business.qld.gov.au/running-business/marketing-sales/marketing-promotion/branding-basics).

The sooner you act on your market research conclusions, the more it will benefit your business. Over time, your marketplace, customers and competitors will all change. In this sense, market research is relevant at a certain point in time. Many successful businesses see market research as an ongoing process that helps them keep up with market trends.

**Also consider...**

* See the range of [research resources for business and industry](https://www.business.qld.gov.au/starting-business/planning/market-customer-research/resources).
* Your [business or industry association](https://www.business.qld.gov.au/starting-business/planning/market-customer-research/resources/associations) may also be able to help with market research.

**What's included in market research**

Market research involves gathering information about your:

* industry and market environment - to understand factors external to your business
* customers - to develop a customer profile
* competitors - to develop a competitor profile.

**Researching the industry and market environment**

Your research into industry and market factors will focus on information about any political, legal, economic, social and cultural issues or trends that can affect your business.

You can then use this external research to gather information about the composition of your target market, gaps in the market, new market trends and where new market opportunities might lie.

Industry and market environment research might cover:

* business regulations
* market demographics (e.g. age, gender, income)
* market size and trends
* marketing channels
* sociographics (e.g. beliefs and attitudes, interests, lifestyle factors).

**Sources for researching industry and market**

* Our [market research kit](https://www.business.qld.gov.au/starting-business/planning/market-customer-research/kit)
* Our [research resources for business and industry](https://www.business.qld.gov.au/starting-business/planning/market-customer-research/resources)
* Relevant [business and industry associations](https://www.business.qld.gov.au/starting-business/planning/market-customer-research/resources/associations)
* Newspapers and print or online trade journals
* [Council](http://www.bettercouncils.net.au/find-your-council) business support services
* Television and print media
* Industry expos and trade shows
* The [Australian Bureau of Statistics (ABS)](http://www.abs.gov.au/)
* Regional councils and other state government departments (depending on your industry)
* Privately sold marketing or consumer lists
* Internet search engines.

**Researching customers**

You can use [customer research](https://www.business.qld.gov.au/starting-business/planning/market-customer-research/researching-customers) to gather information on who your customers or potential customers are and what, when, where and how they buy. Customer research can also give you valuable insights into your customers' attitudes towards your business and your products and services.

Customer research might cover:

* customer demographics (e.g. age, gender, income)
* social and lifestyle trends
* needs and expectations
* attitudes towards you and your competitors.

**Sources for researching customers**

* Our [market research kit](https://www.business.qld.gov.au/starting-business/planning/market-customer-research/kit)
* Observations of customer behaviour
* [Surveys and questionnaires](https://www.business.qld.gov.au/starting-business/planning/market-customer-research/researching-customers/surveys-focus-groups) for customers and staff
* Point-of-sale feedback
* Phone surveys
* Focus groups
* Personal interviews
* Sales staff
* Local business development offices (local council and independent)
* Social media
* [Australian Bureau of Statistics (ABS)](http://www.abs.gov.au/).

**Researching competitors**

Your competitor research will gather information about existing and potential competitors. You can use your competitor research to gather information such as your competitor's current market advantages, weaknesses in their promotional strategies, and how their customers view their products and service.

Competitor research might cover:

* current turnover and market share
* pricing structures
* products and services
* marketing, advertising and branding.

**Sources for researching competitors**

* Our [market research kit](https://www.business.qld.gov.au/starting-business/planning/market-customer-research/kit)
* [Benchmarking data](https://www.business.qld.gov.au/starting-business/planning/market-customer-research/benchmarking)
* Competitor marketing and advertising material, price lists
* Businesses directories
* Official offices such as licensing bodies
* Competitor stores, websites and social media pages
* Complaints blogs and chat sites
* Past clients
* Suppliers
* Personal and staff observations
* Competitor print and electronic mailing lists.

**Also consider...**

* Use our [competitor profile chart](https://www.business.qld.gov.au/starting-business/planning/market-customer-research/competitor-profile) to further understand your competitors.
* Use a range of [research resources for business and industry](https://www.business.qld.gov.au/starting-business/planning/market-customer-research/resources).
* Find important market data at the [Australian Bureau of Statistics (ABS)](http://www.abs.gov.au/).
* Get useful Queensland market statistics from the [Queensland Government Statistician's Office](http://www.qgso.qld.gov.au/).
* Find statistics on the South East Queensland market on the [ABS Social Atlas](http://www.abs.gov.au/ausstats/abs@.nsf/mf/2030.3/).

# Defining market research goals

Thinking carefully about your goals will help you design a research project that gets the accurate, useful results you need. You need to be clear about your research objectives and how these will influence the methods you use. It's also important to identify issues such as the time frame and budget for your project.

When conducting research, be careful not to let your opinions and preferences, or those of your team, affect surveys or the results. Never decide the conclusion in advance. Be prepared to find market information that is unanticipated, as this builds a more accurate picture of your target market and will be more useful to your business.

**Establishing market research objectives**

Clearly define your objectives and the outcomes you expect from your market research, as unclear objectives lead to conflicting expectations and irrelevant data. Carefully consider and list your objectives and keep referring back to them during your research.

**Determining key objectives**

List the key information you want your research to uncover. For example, you may have questions about:

* your product's performance or reputation in the market
* new markets for your business
* customer reactions to price increases or product changes.

**Developing a list of questions**

From your set of key objectives, you can develop a list of research questions such as:

* Is there a demand for my product or service?
* What sales can I expect?
* Who buys my products (e.g. age, gender, income, occupation, lifestyle)?
* What is the best price for my products or services?
* How should my products look, feel, taste, etc.?
* What is the best location for my business?
* Are other businesses offering similar products or services?
* Is there sufficient demand for my product to make the business viable?

**Identifying potential research issues**

Identify the issues involved in your market research. For example:

* when you need the information by - allowing your research deadlines to slip may mean your results occur too late to effectively implement certain decisions
* what your research budget is
* how you want to use the information
* particular problems or sensitivities you need to manage
* the amount of time you can afford to invest
* the size of the research project - those that become too large and time-consuming may fail to give you the results you need in the time you need them.

Understanding issues that could impact on your market research will help you set goals that are realistic and achievable. It will help you design a market research process that suits your needs and capacity. Considering these issues before you carry out your market research will help ensure you get the information you need, when you need it, without stretching your budget or wasting your time.

**Also consider...**

* Use our [market research kit](https://www.business.qld.gov.au/starting-business/planning/market-customer-research/kit) to find key economic, demographic and statistical information about your industry.

**Market research methods**

The type of information you want to gather about your customers, market or competitors will influence the research methods you choose. There are different ways to gather information (from primary or secondary sources) and different types of information to gather (quantitative and qualitative). You may use any combination of these research approaches to get the results you need.

**Primary and secondary research**

Primary and secondary research relate to the *way* you gather information.

**Primary research**

Primary research (or field research) gathers original information directly for your purpose, rather than being gathered from published sources. Primary research includes:

* surveys
* direct observations
* interviews and focus groups that are developed and conducted by you or your researcher.

Primary research gives you control over the type of questions you ask and information you gather. Primary research results can be extremely valuable; however, they can also be much more time-consuming and costly to gather than secondary research.

You may choose to use primary research methods once you have conducted secondary research to determine what information already exists.

**Secondary research**

Secondary research (or desk research) gathers existing information through available sources. Secondary research examples include:

* information on the internet
* existing market research results
* existing data from your own stock lists and customer database
* information from agencies such as industry bodies, government agencies, libraries and local councils.

Secondary research allows you to make the most of existing information about your market. However, it can be a challenge to find the information you really need. Learn more about different [research resources for business and industry](https://www.business.qld.gov.au/starting-business/planning/market-customer-research/resources).

You may use secondary research to get an initial understanding of your market. It is often faster to analyse than primary data because, in many cases, someone else may have already started analysing it. However, when using secondary research be careful how you interpret it, as it may have been collected for a different purpose or from a market segment that isn't relevant to your business. Also make sure that any secondary information isn't out-of-date, as the market can change quickly and this will affect your results.

As well as understanding your market, you can also use secondary research to examine factors inside your business, such as sales figures and [financial records](https://www.business.qld.gov.au/starting-business/licensing-obligations/legal-obligations/meeting-obligations/records).

**Quantitative and qualitative research**

Quantitative and qualitative research defines the *type* of information you gather.

**Quantitative research**

Quantitative research gathers numerical data. Quantitative research includes:

* surveys on customer return frequency
* sales figures
* industry product sales numbers
* online or phone questionnaires
* financial trends.

You can use this approach to identify the size of your market and how much it might be worth to your business, and to find areas for sales growth. Quantitative research can also help you understand the demographics of customers, such as their age and gender.

Quantitative research often produces a lot of statistics. These are useful as an overview of your market, but make sure you don't rely solely on statistics in your research. Consider all of the information you have. For example, the 'average' price your target market suggested it would pay for a product could be distorted if a few a participants selected a very high amount (i.e. not reflecting the high number who would not pay that much).

**Qualitative research**

Qualitative research gathers views and attitudes. Qualitative research includes:

* focus groups with customers and potential customers to understand their feelings and attitudes towards your products and services
* formal and informal conversations with customers about their satisfaction with your business
* visits and reviews of competitors to understand their products and customer service practices.

You can use this approach to get a better understanding of your customers' interests, needs and habits, and identify opportunities for growing sales and improving customer service. Analysing qualitative data requires a different approach and can take longer to interpret than quantitative data because of the nature of the information.

**Also consider...**

* Learn more about measuring your business performance through [benchmarking](https://www.business.qld.gov.au/starting-business/planning/market-customer-research/benchmarking).
* Find out more about primary [customer research methods](https://www.business.qld.gov.au/starting-business/planning/market-customer-research/researching-customers/customer-research).
* Read about how to understand your business's performance through [financial statements and forecasts](https://www.business.qld.gov.au/running-business/finances-cash-flow/managing-money/financial-statements-forecasts).

**Market research process**

The market research process involves researching your customers, competitors, industry and market environment. You can research each of these separately, and then combine the results to get an overall view of where your business fits in the market.

Undertaking your own market research is generally more cost-effective than hiring someone else to do it for you. It can also help you build stronger relationships with your customers, and learn valuable market research skills and knowledge. However, conducting your own market research can be time-consuming and may require specialised skills to make informed judgements and objective recommendations.

If you plan to conduct your own market research, consider these important steps.

**Making an initial investigation**

Before you start researching your market, conduct an initial investigation to work out what kind of information you need and what you can expect to get. You need to check that you have enough sources to get useful information. If not, you may need to reconsider your market research objectives. Alternatively, you may find there is a lot of information already available to you, so you can reduce the scope of your research to save time and money.

**Planning your market research**

Your initial investigation will help you work out what methods and sources you will need to use to meet your objectives. You may choose to combine different research approaches to gather the right information.

You will also need to consider how much time and money you have to conduct your market research and if your staff will be able to help. This will help you work out how in-depth and comprehensive your research will be. It will also impact on the methods that you use.

**Collecting the data**

Once you have a clear plan for your research, you can start collecting data. It's important to stay true to your planning - stick to the sources you have identified. Also, make sure you monitor your budget carefully - don't let your quest for information exceed your budget.

To get the most out of your market research, make sure all the information you collect is as detailed and complete as possible. Incomplete data can produce misleading or irrelevant results.

**Processing the data**

Keep your research objectives in mind when you process your data. Coming up with some practical ways to process the information and data you have uncovered will make it easier later on to reach conclusions. These may include:

* using tables to list and group your information
* identifying major trends and themes as well as [strengths, weaknesses, opportunities and threats](https://www.business.qld.gov.au/starting-business/planning/market-customer-research/swot-analysis)
* writing a sentence for every major point you uncover (to help you gain an accurate picture of what the key points and opinions are), and listing them according to the number of times the point appears.

**Interpreting the data**

Interpreting or analysing the results you have gained is a key step to getting the most from your market research. It is essential to gain a thorough understanding of what your research is saying - as you may get some unexpected results.

As you review your information and start to interpret what it means for you, consider whether you have gathered enough data to give you conclusive results. You may need to do further research to reach a conclusion.

**Reaching conclusions**

Your data analysis provides the basis for drawing conclusions. Ultimately, market research provides information that reduces risk and uncertainty and increases your chance of business success. The final conclusions should meet your initial objectives; consider what options you have discovered in your analysis to best meet your larger business objectives. To reach conclusions about your research:

* examine the major themes and trends
* review the tables you created when processing your data and refer to your objectives to be sure you have enough information to reach informed conclusions
* assess and separately list the [strengths, weaknesses, opportunities and threats](https://www.business.qld.gov.au/starting-business/planning/market-customer-research/swot-analysis)you have identified
* look for gaps in your information that make it difficult to draw a definitive conclusion from the results of your research
* review your initial research plan and consider what you need to change to provide more comprehensive results.

**Also consider...**

* Find [market research information for small businesses](http://www.abs.gov.au/websitedbs/D3310114.nsf/home/Services+we+provide+to+small+business).
* See the [research resources for business and industry](https://www.business.qld.gov.au/starting-business/planning/market-customer-research/resources) to find out how to make the most of your research.
* Watch a free [business webinar](https://www.business.qld.gov.au/starting-business/advice-support/support/business-webinars) to help improve your business.
* Consider reviewing and updating your [business vision](https://www.business.qld.gov.au/starting-business/planning/business-planning/vision) and [business plan](https://www.business.qld.gov.au/starting-business/planning/business-planning/preparing-business-plan).