

Marketing Strategies

Know Your Market

Your business will not succeed just because you want it to succeed. Determining if there is a market for your products or services is the most critical part of planning.

Once you decide on your product or service, you must analyze your market -- a process involving interviewing competitors, suppliers and new customers.

Before you begin researching your market, you should take a brief, but close, look at your product or service from an objective standpoint. Some questions you should ask are:

- Is this product or service in constant demand?
- How many competitors provide the same service or product?
- Can I create a demand for my product or service?
- Can I effectively compete in price, quality and delivery?
- Can I price my product or service to give me the projected profit?

Once you are satisfied that these questions are answered positively, move on to performing your research. This information can increase your profit potential.

Market Research

- Shows alternative approaches to your market.
- Provides a more accurate base for making profit assumptions.
- Aids in the organization of marketing plans.
- Assists in the development of critical short/mid-term goals.
- Breaks down your market's profit boundaries.

Unfortunately, many entrepreneurs fail to complete this critical section of their business plan. Collecting research data can be frustrating unless you have defined your goals and organized the collection and analysis process. To prevent this from happening, you must plan how you will collect, sort and analyze the information. Maintain a notebook and file in which to store, organize and retrieve data as needed.

Questions your research should answer:

- Who are your customers?
- Where are they located?
- What are their needs and resources?
- Is your service or product essential in their day-to-day activity?
- Can the customer afford your service or product?
- Where can you create a demand for your service or product?
- What areas within your market are declining or growing?
- What is the general economy of your service or product area?

Market Data

Knowing your market not only requires an understanding of your product, but also an understanding of your customers' socio- economic conditions. This information will serve as a map in letting you know what is ahead.

More market information can be found in:

- Library listings of trade associations and journals.
- Regional planning organizations' studies on growth trends.
- Banks, realtors and insurance companies.
- Competitors.
- Customer surveys in your market area.
- U. S. Government publications.

Once you have obtained and analyzed this information, it will become the foundation of your business plan. Research data is important because it supports the basic assumptions in your financial projection, your reason for going into business.

Summary

To be successful, a small business owner must know the market. Market research is simply an orderly, objective way of learning about people -- the people who will buy from you.

How To Get More Information

Information is power! Make it your business to know what business information is available, where to get it and, most importantly, how to use it. Sources of information include:

U.S. Small Business Administration

- SBA District Offices
- Small Business Development Centers (SBDCs)
- SCORE, Counselors to America's small businesses.
- Small Business Institutes (SBIs)

Consult your telephone directory under U.S. Government for your local SBA Office or call the Small Business Answer Desk at 1-800-8-ASK-SBA (1-800-827-5722) or on the internet send inquiries to anserdesk@sba.gov. (Note a response to your email may take up to 5 business days.) Resource Directory for Small Business is also available. Request a free copy from your local SBA office or the Answer Desk.

Other Sources

- State Economic Development Agencies
- Chambers of Commerce
- Local Colleges
- Manufacturers and suppliers of small business technologies and products.
- All SBA programs are at your public library on a nondiscriminatory basis.