Have Your Business’ Needs Changed?

In most discussions that I have had with small business CEOs that want to grow their business, the questions and concerns soon come down to the issue of marketing the business. I will share with you some of my notes on this topic over the next few columns.

The first step in identifying your marketing goals is to assess whether your business’s needs have changed. What worked for you in the early stages of your business may not work today. Consider these areas:

**TARGET CUSTOMERS:** Are you reaching out to new demographics (age, sex, race, income) or new geographic areas or regions (customers in a different part of the country or even globally)? If you sell business-to-business (B2B), perhaps you are targeting customers in new industries.

**PRODUCT/SERVICE:** Have you added new products or services?

**PRICE:** Have your prices changed? Perhaps you’ve shifted from a mass-market audience to an upscale, luxury niche. Your marketing must reflect your current price point.

**BUDGET:** Has your marketing budget grown since your business started? If not, you may need to increase it. Or perhaps your marketing dollars have shifted over time so you are spending more in one area than you used to. Reassess spending and focus on the expenditures that deliver the best return on investment.

**SALES CHANNEL:** Have you gone from a business-to-consumer (B2C) company to a business-to-business (B2B) focus? Have you shifted from retail to wholesale? Changes in the sales channel require revising your marketing plan.

If your business needs have changed, I suggest that you re-evaluate your target market by doing basic market research. You’ll need to find out:

**SIZE:** How big is your target market? Is it growing or shrinking?

**INCOME LEVEL:** If you are targeting consumers, what is their average income?

**SALES:** If you are targeting business customers, what are their average sales?
PURCHASING HABITS: What are the spending habits of your target customers? How much do they spend on your type of product or service?

DEMographics: For consumers, age, race, sex, marital status, whether they have children, and their stage in life (parents, empty-nesters, college students) are all aspects of demographics. For business-to-business sales, demographics include the average company size, years in business, industry, product/service sold and number of employees.

PURCHASING CHANNELS: How do your target customers prefer to buy your type of products and services? Online? In a store? By phone? Through a salesperson?

GEOGRAPHIC LOCATION: Are your target customers moving to new regions, or is your business expanding to new regions? Find out where your target market is growing and where it’s shrinking.

You can do market research directly or indirectly. Indirect (or secondary) market research uses information compiled by other sources, such as market research firms or the government. Some of these sources include: Trade associations, Census data, American FactFinder (http://factfinder2.census.gov), Economic Indicators (www.esa.doc.gov/about-economic-indicators), FedStats (www.fedstats.gov), National Bureau of Economic Research (www.nber.org), Hoovers (www.hoovers.com), and ThomasNet (www.thomasnet.com). The local library is a good resource and also the James J Hill Business Library in St. Paul.

Direct (or primary) market research uses information you compile yourself from your target customers. This can be gathered in several ways: Customer surveys (online or offline), Internet research, Social media. Focus groups, and Conversations

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