Monitoring Your Business Market

Today, I will share with you a discussion that I had with some CEOs as I was visiting a SCORE Chapter in a neighboring state. These folks were wanting to dig into how they can manage their business to be competitive and stay competitive in their marketplace.

Monitoring your business’s market for changes can be vital to continued success. Unless you keep abreast of how your market is evolving, you could find your business left behind as your product or service offerings become outdated, your target market moves on to a new trend or business, and your competitors eat your lunch. We agreed that by monitoring your market, you can know when to:

- raise or lower prices to meet what your market can afford and your competitors are charging

- adjust your product and service to meet your market’s changing needs

- target new demographic or geographic markets that can add to or replace your current one

I am not an expert in market research, but I had just read a very helpful piece done by Rieva Lesonsky, CEO, President & Founder of her company called GrowBiz Media. We used her article as a backdrop for our discussion and focused on some key items that the group felt was very helpful.

We concluded that there are four primary market factors you should be monitoring:

1. Your Geographic Market

Keep track of what's going on in the geographic regions you sell to.

If you own a local restaurant, for instance, this might just include your town and the surrounding communities within driving distance. If you sell online throughout the U.S., you’ll want to monitor national trends. If you sell to customers internationally, you should monitor the situation in the primary nations you do business with.

Lesonsky shared that “By monitoring your market, you can know in advance when your demographic is shrinking or moving out of your area so you can plan how to deal with the loss. You can also find out about new markets you haven’t tapped into before and plan how to capitalize on them.”
2. **Your Demographic Market**

What's going on with the demographic niche you sell to? Whether you sell B2B or B2C, you should have a profile of your target customer; use it to keep up-to-date on what's affecting that group. For instance, if your target customers are middle-class suburban moms, pay attention to trends affecting them. If your target customers are buyers at regional women’s clothing retailers, you’ll need to track what's going on with retail businesses of this type and size.

3. **Your Competitors**

Keeping up with what your competitors are doing is vital, as it can tip you off to new threats and opportunities. Are your competitors launching new products, opening new divisions or expanding into new markets? Have they redesigned their website or launched a new ad campaign? Are they hiring employees or laying people off?

4. **Your Industry**

What trends are transforming your industry? Are there new technology tools to help businesses like yours be more productive? Is overseas competition squeezing profit margins? Is there a shakeout on the horizon that will consolidate small players? Could proposed government regulations or upcoming elections affect businesses like yours?

After we identified and discussed the above prime areas to monitor, then our attention turned to “how do we do it?”. I will share that in the next column.

____________________
Dean L. Swanson
Southeast Minnesota SCORE
c/o Rochester Area Chamber of Commerce
220 South Broadway, Suite 100
Rochester, MN 55904
www.seminnesota.score.org/
*Dean is a volunteer SCORE Mentor and Regional Vice President for the North West Region