Module 3B:
5 Ways to Perform
Low-cost Market Research

How Do I Perform Research?

- Market research sounds like a perk of big-business budgets, but it's also a valuable tool for small businesses

- Possible to get great information to help your winery grow without breaking the bank

5 Ways to Perform Low-cost Market Research

1. Surveys
2. Focus Groups
3. Suggestion Box
4. Become a Detective
5. Seek Out Free Information

1. Surveys

- Best way to know customers is to talk to them
- Learn about your target market, customer feedback, concept testing, and much more
- Types: Phone, email, letter, on-site, online

Phone Surveys

- Calling takes time and can be perceived as intrusive

- Provides an opportunity to connect with your customer on a personal level

- Typically yield valuable insights and information you wouldn't expect

Email Surveys

- Cheap, easy to set up, fast results
- Create online, then email the survey link to your customers via Constant Contact or MailChimp
- Post your survey link on Facebook, Twitter, etc.

Email Survey Tools

- SurveyMoneky.com

- SurveyGizmo.com

- QuestionPro.com

- All offer free service plans that capture responses and include analytics such as open rates

Letter Surveys

- Mail a paper survey to your customers
- Pay postage, and possibly return postage
- More barriers to collecting useful data

On-site Surveys

- On the receipt
- With the check
- In the bag with their purchase
- On the table

Online Surveys

- Create or embed a survey page on your website
- Pose a simple question on your Facebook page and tabulate responses manually from the comments
  - Use Facebook Poll app
  - Use other app such as ShortStack or WooBox

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2. Focus Groups

- Small, typically 6-12 participants
- Have a moderator to keep group on topic
- Meet no more than 90 minutes
- Host provides refreshments
- Has fewer participants than a survey, but more opportunity for in-depth feedback

Focus Group Example

Invite customers to your winery and get feedback on:

- what they like best
- why they come to you
- what would they add, or could do without
- what would get them to come back more often

Market Research TIP # 3:

Watch out for common market research pitfalls:

- Asking the wrong questions
- Not listening to the responses
- Not being objective.

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3. Suggestion Box

- Simple idea, easy to execute

- Works well IF you

  o Read the suggestions every month
  o Act on the suggestions you receive
  o Reward those who give you good ideas

Suggestion Box Truths

- If you reward good results, you will get more good results.

- If you do not reward them, you will end up with an empty suggestion box and the mistaken belief that everything is just peachy.

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4. Become a Detective

- Visit your competitor's wineries and count the customers. Listen to their sales process.

- Review their websites, and track their social media efforts. Like them on Facebook, follow them on Twitter, and sign up for their email newsletters.

4. Become a Detective

- What are they doing well (that is consistent with your brand image or personality) that you can adopt and put your own spin on?

- What are they not doing well that you can turn into a competitive advantage?

4. Become a Detective

- Visit other wineries while on business trips or vacations and learn from them.

- Talk to the owners when available to compare notes on products, services, vendors, and marketing techniques.

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5. Seek Out Free Information

- Industry and market data, and statistics are available from government websites like www.census.gov, local chambers of commerce, and trade associations

5. Seek Out Free Information

- Subscribe to trade journals and attend trade shows to keep current on marketing developments in your industry

- Other orgs exist such as Wine Market Council, which provide research with your paid membership

5. Seek Out Free Information

- Area schools with MBA programs could be a source of free labor; professors often look for real-world learning opportunities for their students

Market Research Process
Winery Example

Step 1:
Define the Problem

- There is a low awareness of my winery and our products or services

Step 2a:
Define Research Objective

- Determine why people aren't coming to the winery and apply what we learn to get more customers and increase sales

Step 2b:
Set Budget

- Budget (if applicable): $0 spent in this case

Step 2c:
Decide on Timetable

- Timetable: Four weeks
  - o   1 week to prepare research tool (e.g. write survey)
  - o   2 weeks to gather responses
  - o   1 week to tabulate results and draw conclusions

Step 3:
Select Research Vehicles

1. Online competition research

2. Online customer survey; most common research instrument is the questionnaire

Step 4a:
Perform Competition Research

- Do a Google search for wineries in your area

- Spend time reviewing different websites; note the words they use to describe themselves, services they offer, menu items, event calendar, Facebook page posts, etc.

Step 4a:
Perform Competition Research

- What do they do better than you? What do you better than them?

- Read online reviews and testimonials to find out what customers like and don't like

Step 4a:
Perform Competition Research

- What do you offer that customers don't seem to know about?

- What can you offer your customers that they don't yet have?

Step 4b:
Write Customer Survey

- Incorporate what you learned from your online research into a survey to your existing customers.

- For example, use the survey to find out what they like about your winery, and to learn what could motivate them to visit more often.

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Step 4b:
Write Customer Survey

- Note: Effective surveys are challenging to write. A poorly written survey may not generate many responses, and won't provide you with information that can help guide or grow your business.

Step 5.
Launch Survey & Collect Data

- Build survey with online tool such as SurveyMonkey.com

- Email your customers an invitation to the survey using a provider such as MailChimp.com; post link on Facebook

- Data is automatically collected within your SurveyMonkey account

Step 6.
Organize & Analyze Data

- Super easy with an online survey account; built-in analytic tools automatically tell you how many people took your survey and how they responded

- More challenging to tabulate data gleaned from phone or paper surveys

Step 7.
Apply Research Findings

- For example, if you asked customers to rank winery features by order of importance and 68% of them reported that Events were the #1 thing that drew them, then you know that you need to offer more events – and promote them! – to attract customers.

Paid Market Research

- Hire a firm to do the research for you
  - ➢ Wine Opinions www.wineopinions.com

Paid Market Research

- Purchase research reports that already exist regarding the wine industry or your target

  ➢ ResearchandMarkets.com
     http://www.researchandmarkets.com/reports/451859/wineries_industry_in_the_u_s_and_its#pos-0

  ➢ The above "Wineries Industry in the U.S. and its International Trade [2014 Q3 Edition]" report costs $599

In Summary

- Surveys are the most common research tool
- Make sure surveys and other tools are designed well - not leading or biased - to avoid skewing your data
- On-site suggestions boxes are easy and useful
- You can do a LOT of research online about your competition, industry, and target market
- Free sources of info are available

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Coming Up Next…

- The Secrets of Writing an Effective Survey

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