

EFFECTIVE METHODS OF MARKETING RESEARCH

Market research can provide critical information about the buying habits, needs, preferences and opinions of current and prospective customers. There are many ways to perform market research, but most businesses use one or more of five basic methods:

1. Surveys.
2. Focus Groups.
3. Personal Interview.
4. Observation.
5. Field Trails.

The nature of information required and the amount of money you're willing to spend would determine which techniques you choose for your business.

Under considered detailed characteristics of marketing researches, which can be provided with the help of different methods. They can be used with dependence on situation and necessity.

1. Surveys:

Using concise, straightforward questionnaires, you can analyze a sample group that represents your target market. The larger the sample is, the more reliable the results.

- In-person surveys are one-on-one interviews. They allow you to present people with samples of products, packaging or advertising and gather immediate feedback. While In-person surveys can generate response rates of more than 90 percent they are also costly.

- Telephone surveys are less expensive than in-person surveys, but costlier than mail. However, due to consumer resistance to relentless telemarketing, getting people to participate in phone surveys is difficult.

- Mail surveys are a relatively inexpensive way to reach a broad audience. They're much cheaper than in-person and phone surveys; however they only generate response rates of 3 percent to 15 percent. Despite the low return, mail surveys are still a cost-effective choice for small businesses.

- Online surveys usually generate unpredictable response rates and unreliable data because you have no control over the pool of respondents. But an online survey is a simple, inexpensive way to collect anecdotal evidence and gather customer opinions and preferences.

2. Focus Groups:

In focus groups, a moderator or facilitator uses a discussion guideline to lead a discussion among a group of people. These sessions are usually conducted at neutral locations, using videotaping techniques or tape recorders to record the discussion session. A focus group usually lasts for one to two hours, and it takes at least three groups to get balanced results.

3. Personal Interviews:

Like focus groups, personal interviews include unstructured, open-ended questions. They usually last for about an hour and are typically recorded. These type of surveys provide more subjective information than surveys do. The results usually don't represent a large segment of the population; nevertheless provides valuable insights into customer attitudes and are excellent ways to uncover issues related to new products or service development.

4. Observation:

Individual responses to surveys and focus groups are sometimes at odds with people's actual behavior. By observing consumers in action by videotaping them in stores, at work or at home, you can observe their actual buying behavior. This gives you a more accurate picture of customers' usage habits and shopping patterns.

5. Field Trials:

Placing a new product in selected stores to test customer response under real-life selling conditions can help you with information regarding product modifications, price adjustments or package improvements. Building rapport with local store owners and Web sites can help Small business owners test their products.

If you can afford it, professionally conducted market research may help you dramatically improve the results of your direct mail fundraising program. By intelligent use of focus groups and of donor, member or subscriber surveys, you can tailor your direct mail packages for maximum effectiveness.

Market research allows you to pinpoint a host of key business factors about your market. It can help you identify: 1) Growth trends in your business sector; 2) Size of your target market; 3) Best location for your business; 4) How your business stacks up against the competition; 5) Factors that influence buying decisions; 6) Degree of demand for your product or service.

Once you analyze the results of your market research, you'll be in a better position to create a focused business plan, develop a targeted advertising campaign, set competitive prices, select a new business location, or take other steps to grow your company.