

In-House Market Research Guide for SMEs

ManagementXP



Introduction

Market research is a cornerstone of strategic planning, helping SMEs understand their target audience, competitors, and market trends. While hiring external agencies can be beneficial, conducting market research in-house is a cost-effective and insightful approach. This guide provides detailed methodologies, tools, and actionable insights to help SMEs perform impactful market research.

In-house market research is a powerful tool for SMEs to gain valuable insights without straining budgets. By following this guide, utilising advanced tools, and adopting detailed methodologies, your team can build a deeper understanding of your market, refine strategies, and make data-driven decisions that foster growth and customer satisfaction.

Step 1: Define Objectives and Scope

Why It Matters: Clear objectives ensure that research efforts align with business goals, whether it's launching a new product or entering a new market.

Actions:

1. **Identify key research questions**, such as:
 - Who are our potential customers?
 - What challenges do they face that our product/service solves? Consider prompts like, "Are there recurring complaints in reviews or feedback that align with our solutions?" or "What unmet needs does the competition fail to address?"
 - Who are our primary competitors?
 - What trends influence purchasing decisions in our industry? For example, sustainability, digital convenience, and local sourcing are emerging drivers that significantly shape customer preferences in many markets.
2. **Determine the scope of the research** (e.g., geographic area, demographics, psychographics, customer behaviour patterns, industry-specific variables, or competitive dynamics).
3. **Allocate resources** (time, budget, team members).

Tools and Templates:

- **Objective Setting Template:** Use tools like Trello, Asana, or Notion to list and prioritise research goals, set deadlines, and assign team responsibilities for better tracking and collaboration.
- **Budget Planning:** Use Google Sheets, Excel, or Notion for tracking allocated resources and setting financial milestones.

Example: A local bakery may set a goal to understand customer preferences for artisanal bread flavours and trends in sustainable packaging. Using Google Forms, they could design a survey asking customers about their favourite bread flavours, interest in eco-friendly packaging, and willingness to pay for sustainable options. The survey results could then be organised in Excel or Google Sheets to identify top flavour trends and price sensitivities. To complement this, they could conduct short interviews with regular customers to explore deeper motivations, such as health concerns or environmental values driving their choices.

Step 2: Choose Data Collection Methods

Why It Matters: Selecting the right methods ensures you gather relevant and actionable insights. Actionable insights are those that directly inform strategic decisions, such as identifying high-priority customer needs or optimising marketing efforts. For example, a poorly designed survey might lead to biased data, while a well-structured focus group can uncover deeper motivations and pain points. Using the wrong methods, however, could lead to irrelevant or unusable data, wasting valuable time and resources.

Actions:

1. Surveys:

- Use free or low-cost tools like Google Forms, Typeform, or SurveyMonkey, and integrate data collection with CRM tools like HubSpot for streamlined insights.
- Keep surveys concise (10-15 questions) and focused on specific objectives to ensure high response rates and actionable data.
- Distribute via email newsletters, social media campaigns, partnerships with local influencers, or in-store flyers with QR codes to expand reach and drive engagement.
- Ask question that target actionable insights, for example:
 - What factors influence your decision to purchase [product/service]? - This helps identify key decision-making criteria like price, quality, or convenience.
 - How satisfied are you with your current [industry-specific solution]? - This gauges customer satisfaction and identifies gaps in existing offerings.
 - What would motivate you to switch to a new provider? - This reveals competitive opportunities and pain points.

2. Focus Groups:

- Gather a diverse group of customers (6-10 people) who represent different segments of your target audience for a structured discussion.
- Design focus group agendas that include 3-4 main topics, such as product features, pricing, and customer pain points.
- Use open-ended questions to explore opinions, preferences, and underlying motivations for customer behaviours. For example:
 - What influences your choice of [product or service]? - to uncover key decision factors like price, quality, or convenience.
 - Can you describe a recent challenge you faced when choosing [industry-specific solution]? - to identify pain points and potential areas for improvement.
 - What would make you choose one brand over another? - to understand competitive dynamics and brand loyalty.
- Record and transcribe sessions for deeper analysis.

3. Interviews:

- Conduct one-on-one interviews with key customers or stakeholders.
- Ask questions that explore motivations, pain points, and buying behaviours. For example:
 - "What specific problem does our product solve for you?" - to identify clear value propositions.
 - "What factors make you hesitate before purchasing?" - can reveal barriers to purchase.
 - "What would make you recommend our product to others?" - helps uncover drivers of customer loyalty and advocacy.

4. Observation:

- Observe customer behaviour in-store or online (e.g., time spent on a product page), using tools like Hotjar for website interactions, enabling heatmap analysis and user journey tracking to identify friction points and optimise website usability..
- Use tools like Google Analytics to monitor digital interactions.

Example: A small skincare brand aiming to expand its product line could use surveys to gather customer preferences for new ingredients or formulations. They might distribute the survey via email and social media using Google Forms. To delve deeper, they could host focus groups to discuss the appeal of various product concepts, uncovering underlying motivations like a preference for natural ingredients or eco-friendly packaging. Observing customer interactions with sample products in-store or online using tools like Hotjar would provide further insights into preferences and usability.

Step 3: Collect Secondary Data

Why It Matters: Secondary data complements primary research by providing a broader market context and helping to validate findings. It also saves time and resources by leveraging existing datasets, such as industry reports or government statistics, to identify trends and benchmarks.

Actions:

1. Use publicly available data sources such as:
 - Government statistics (e.g., Office for National Statistics).
 - Industry reports from associations or analysts (e.g., Statista, IBISWorld).
 - Competitor analysis through websites, reviews, and marketing materials.
2. Explore social media insights:
 - Use free tools like Facebook Audience Insights, Twitter Analytics, and LinkedIn Analytics to gain targeted demographic and engagement insights.
 - Identify trending hashtags and topics related to your industry by monitoring platforms like Twitter, Instagram, and LinkedIn. Tools such as Hashtagify or BuzzSumo can help track relevant trends efficiently.

Tools and Resources:

- **Public Data Sources:** Office for National Statistics, Eurostat.
- **Industry Reports:** Statista, IBISWorld, Nielsen.
- **Social Media Analytics:** Facebook Insights, Twitter Analytics, Hootsuite.

Example: A food delivery SME might review competitor app reviews to identify common pain points like delivery speed or packaging quality.

Step 4: Analyse Data

Why It Matters: Insightful analysis transforms raw data into actionable strategies by identifying trends, uncovering opportunities, and pinpointing barriers that can inform targeted decisions and improvements.

Actions:

1. Organise data by categories (e.g., customer demographics, preferences, trends).
2. Use advanced analysis tools:
 - Excel or Google Sheets for quantitative data (e.g., calculating averages or percentages).
 - Word clouds or text analysis tools for qualitative data.
3. Identify key patterns, such as:
 - Popular product features.
 - Barriers to purchase.
 - Emerging market opportunities.
4. Compare findings with your initial objectives to identify gaps or next steps.

Detailed Techniques:

- Use pivot tables in Excel to segment data by region or demographic.
- Conduct sentiment analysis on open-ended responses using tools like Kimola.
- Visualise findings with tools like Tableau or Canva.

Example: A tech start-up analyses survey responses and finds that 70% of respondents value affordability over additional features, leading them to adjust pricing strategies.

Step 5: Present Findings

Why It Matters: A well-presented report ensures team alignment and facilitates informed decision-making.

Actions:

1. Summarise findings in a clear and concise format:
 - Use visuals like charts, graphs, and infographics.
 - Highlight actionable insights and recommendations.
2. Tailor the presentation to the audience:
 - For internal teams, focus on actionable changes (e.g., product tweaks or marketing adjustments).
 - For external stakeholders, highlight growth opportunities and ROI potential.
3. Include a roadmap for implementing insights.

Best Practices:

- Create a one-page executive summary for decision-makers.
- Use infographic tools like Piktochart to visually represent data.
- Host a meeting or webinar to present key findings interactively.

Example: A fitness SME creates a slide deck showing customer demand for virtual classes, prompting an investment in an online platform.

Step 6: Continuously Improve

Why It Matters: Market research is not a one-time activity but an ongoing process to stay competitive.

Actions:

1. Schedule regular research updates (e.g., quarterly surveys or bi-annual focus groups).
2. Monitor the performance of implemented changes using KPIs.
3. Stay informed on industry trends through newsletters, forums, and conferences.
4. Refine your research methods based on past experiences.

Ongoing Strategies:

- Set calendar reminders for periodic research reviews.
- Use tools like Google Alerts to track industry updates.
- Gather feedback from team members on research process improvements.

Example: A coffee shop reviews sales data after introducing customer-suggested flavours and finds that sales for new flavours increased by 20%.

Links

Google Forms	<u>https://www.google.co.uk/forms/about/</u>
Asana	<u>https://asana.com/</u>
Notion	<u>https://www.notion.com/</u>
Typeform	<u>https://www.typeform.com/</u>
SurveyMonkey	<u>https://www.surveymonkey.com/</u>
Hubspot	<u>https://www.hubspot.com/</u>
Hashtagify	<u>https://hashtagify.app/</u>
BuzzSumo	<u>https://buzzsumo.com/</u>
Kimola	<u>https://kimola.com/</u>
Tableau	<u>https://www.tableau.com/en-gb/products/public</u>
Canva	<u>https://www.canva.com/</u>
Piktochart	<u>https://piktochart.com/</u>
Hotjar	<u>https://www.hotjar.com/</u>
Statista	<u>https://www.statista.com/</u>
IBISWorld	<u>https://www.ibisworld.com/</u>
Office for National Statistics	<u>https://www.ons.gov.uk/</u>
Eurostat	<u>https://ec.europa.eu/eurostat/data/database</u>
Nielsen	<u>https://www.nielsen.com/</u>

