



Guide 5: Market Research

Key Definitions

Market research – the process of gathering information about what consumers need and want

Target market – a particular group of consumers which a product or service is aimed at

Unique Selling Point – what differentiates a product/service from others on the market

Competitive advantage – what makes a business better than its competitors

Learn

Carrying out Market Research

Market research will help you understand both **the market you are operating in and your customers** (who will buy your product or service and why). The results will help you identify your particular **target market**. They will be the focus of your promotion efforts.

Here are three ways you can conduct your market research:

- A **survey**. This is the fastest way to learn about your target market's **preferences and buying habits**. Create a set of **10-15 short questions** that are **clear, unbiased** and will lead to **useful information**. Carry out the survey with at least **20 people** in your **target market** (look for real potential clients, not just friends and family!).
- A **focus group discussion** with about 10 people and questions designed to gather more detailed information.
- An **observation**. Watch and record how people react e.g. to a sample product, stall or poster.

Conducting a Competitor Analysis

Competitors are the people who sell the same or a similar product or service as you. **A competitor analysis** will help you find out the **strengths and weaknesses of your competitors**. Then you can work out how you can make your product/service different from those already on sale!

Get your students to research information about your competitors, and then answer these questions:

- What product/service do they sell and at what prices?
- Where is the competitor located? What are their opening hours?
- Who are their customers? What marketing methods do they use to attract them?
- What are they really good at? What are they not so good at? (Think about what you can learn from their local reputation).
- How are they trying to develop or expand?
- What is their **Unique Selling Point** (i.e. something they have that you do not?) How can you beat it?

Where to find information about your competitors

- Product brochures
- Shops – pricing, advertising and promotions
- Chats with potential customers who are connected with your competitors

Now think about how you can use this information to creatively set yourself apart from your competitors. This is known as your **competitive advantage**.

Conducting a SWOT Analysis

A **SWOT Analysis** is a way to assess your own **Strengths** and **Weaknesses**, and identify **Opportunities** and **Threats** you may face. Strengths and weaknesses are internal to your business and in the present, whereas opportunities and threats are external and in the future.

Strengths

- What advantages do you have?
- What resources have you already got?
- What is your Unique Selling Point (USP)?

Weaknesses

- What could your team improve on?
- What would others see as your weakness?
- Why might people not buy your product or service?

Opportunities

- What opportunities does your location provide?
- Are there any local events?
- Are there any changes in your area of people, lifestyles, trends and buying habits?
- Can you use technology to help your business?

Threats

- What problems might you face?
- What are your competitors doing?
- Do you have all the money you need?
- Could any of your weaknesses threaten your business?

Check

Try answering these questions to check what you have learned. If you are not sure of the answers, go over this guide again before you move on.

1. Name three different ways you could carry out market research.
2. What is competitive advantage?
3. What is the difference between a strength and an opportunity? What is the difference between a weakness and a threat?

Do

Do these activities:

Fill in your Bronze Business Plan template: Done

1	Carry out your Market Research	Section B: Market Research and Target Market	
2	Analyse your competitors	Section C: Competitors and Competitive Advantage	
3	Conduct a SWOT analysis	Section D: SWOT Analysis	