

Cheap and Cheerful Market Research

Online Workshop

Sponsored by **Drive, the Partnership Network**

The purpose of this workshop is to transfer some skills for conducting your own market research. Our primary assumption is either

- you don't have the thousands of pounds necessary to pay for market research, and/or
- your business doesn't require expensive market research.

NB: Even when your business gets successful enough to hire a market research firm, you should always do this process in house first, to inform your brief. You'll save thousands if your market research firm is already pointed in the right direction.

The secondary assumption is that to gain your insights, you will use your networks (Drive and any other professional networks of which you're a member), your web site, social media channels and all existing customer data.

What is Market Research For?

Market research is the basic process you need to conduct before you build anything or make any major investments. The results will either validate your plans or make you re-think them.

The outcomes of market research are

- Discovering if there is a market for your product or service.
- Identifying your ideal customers or clients, otherwise known as your Ideal Customer Profile (ICP).
 - Understanding their needs, worries, financial and emotional pain points.
 - Discovering the different people who make the purchasing/contracting decisions within your ICP, and if their needs differ. These various roles are called your ICP "personas".
- Identifying your competitors.
 - Comparing your product or service to theirs.
- Discovering your differentiation.
 - What do you do differently that makes your product or service unique, more competitive, more enjoyable, more affordable, easier to use...?
 - Are there existing gaps in the market you can fill?
 - Do you anticipate emerging gaps?
- **Discovering whether your business model is financially viable and will give you the kind of life you want.**

Your Ideal Customers or Clients

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The first task in market research is to define your Ideal Customer Profile and exactly what makes those companies the perfect match for your business.

Some of the most important questions to ask are

1. Where are these companies based?
2. How big are they, in terms of revenue or number of staff?
3. Is there something about their work environment or culture that makes them perfect for you?
4. Why don't they already have a product like yours? Or, why don't they already have in-house personnel for the service you offer?
5. Did they previously have a product like yours or another service provider like you?
 - a. If yes, what was wrong with the old product or service?
6. What are the greatest needs and concerns of your ideal customer or client?
7. How will your product or service improve their lives?
8. Who are the various people within your ICP who would be involved in purchasing your product or service, and if yes, how do their concerns differ?
9. **Can you name three companies that fit your Ideal Customer Profile?**
 - a. **If not, stop this process and re-think your profile!**

Your Competition

Of course, in an ideal world, thorough market research will result in your having no competition. Meaning, no company serves your Ideal Customer Profile exactly the way you do.

However, customers are having their needs met by alternatives to your business. You need to understand how these alternatives operate.

Among the most important questions to ask are

1. Who/what do your ICP companies currently use instead of you? That's your competition.
2. What do they offer?
3. Who else do they serve?
4. Do they serve the exact customers or clients you want to target?
5. Why do customers leave your competition? And who or what do they leave them for?
6. If you offer a service, what tools do your competitors use to carry out that service?
7. How does their methodology differ to yours?
8. How many staff do your competitors have?
9. What is the income range of people working there?
10. Do you offer something they don't?

With this data in hand, you should be able to determine if there is a market for your product or service.

Your Personas

Understanding the buying process at your ICP will reveal your personas. There are a number of reasons for creating detailed personas:

- In order to market to your ideal customers/clients effectively, you must understand their needs.
- Knowledge of them helps you create the compelling words that will sell your product or service.
- If you discover yourself working on a marketing campaign or a new product or service that doesn't target your exact personas, then either a) you shouldn't be putting time into it, or b) you need to improve your personas.

In the example below, your company offers press release distribution services to niche technology markets. Your ideal customers are European B2B public relations firms with a staff of fewer than 40.

1. You have determined there are three decision makers in your ICP's buying process:
 - a. The actual user of your product
 - b. The financial officer
 - c. The chief executive
2. Now you've gotten as specific as possible about those three roles.
 - a. Mary is a 38-year-old account director for a public relations firm.
 - i. Among her responsibilities is managing press release distribution.
 - ii. She is senior enough that the executives listen to her opinions.
 - iii. Her biggest concern is not having enough time to maintain the databases of journalists, editors, analysts and bloggers in each of her client's niche markets.
 - b. Bob is the 50-ish financial officer for Mary's firm.
 - i. His role is to push back whenever a new or more expensive service is proposed.
 - ii. The CEO trusts Bob's facts.
 - iii. His greatest concern is balancing corporate growth with keeping the business on a sound financial footing.
 - c. Louise is the 42-year-old whiz kid CEO.
 - i. Her top concern, in regard to press releases, is ensuring that her clients' announcements reach all the significant influencers in their niche markets.
 - ii. She has to balance the cost of an external distribution service against the employee time it takes to build and maintain the niche databases.

Your Differentiation

All your market research has provided insight into such areas as why your ICP has changed providers in the past, and existing or emerging gaps in the market. Now you can focus on your differentiation.

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Your differentiation answers the question “Why choose you over another provider?” It includes both tangibles and intangibles. Some generic examples follow, but we hope you’ll be able to discover many more that are specific to your industry:

- Your prices are better than the competition (and you can sustain those lower prices).
- You do it faster than the competition.
- You offer more functionality.
- You provide something new that will fundamentally improve the lives of your customers or clients.
- You do it better.
- You make it easier.
- You have an excellent reputation in your community.
- Your staff are all genuinely kind people who are good to work with, even in a crisis.
- You have unique internal systems that are transparent to the customer/client and prove compliance with your industry’s regulations.
- Customers and clients are guaranteed a certain response time or turnaround time.

We hope you enjoyed this session! We look forward to next week’s follow-on workshop, 5th May 2020, when we’ll talk about writing the compelling words that will attract your ideal customer.

About Cambridge Go-to-Market

Founded in 2008, **Cambridge Go-to-Market** are a consultancy specialising in reducing time-to-revenue for new companies and technologies.

Our clients are

- start-ups that have technology but no products packaged for market, or
- established companies launching new product lines or entering new regions.

The two principals, Prue Butterworth and J Laurence Sarno, have 45 years’ combined experience in product marketing and strategic communications. Having begun our careers in semiconductor design and since worked in most hardware, software and infrastructure markets, we are well grounded in deep tech.

In the early 2000s, Laurence shepherded seven start-ups to merger, acquisition or Initial Public Offering.

Our consultants can act as an interim go-to-market team at crucial points in a company’s development, and then help hire and train permanent staff.