

Special Management Series

# How to Do Market Research: A 6-Step Guide

This is a series of Training for your  
Management TEAM

Presented by J.W. Owens



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# How to Do Market Research: A 6-Step Guide



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Today's buyers hold all of the power when making a purchasing decision. You're also likely aware that they're doing some of their research online.

But have you really adapted your marketing plan to match the way today's customers shop and buy?

**Consider three recent statistics about modern buyer behavior:**

- 80% of Instagram users currently follow a business account, according to 2017 data from Instagram.
- 75% of smartphone owners turn to a search engine first to address immediate needs, according to 2018 data from Google.
- Emails that don't display clearly or correctly on mobile devices may be deleted within 3 seconds, according to 2018 data reported by HubSpot.

**What's a marketer to do to make sure your buyers find you early and often? Go where they're going.**

That might sound obvious, but how deeply do you understand exactly where your buyers are doing their research and what is influencing their decisions? That's where market research comes into play.

Whether you're a newbie or experienced with market research, this guide will give you a blueprint for conducting a thorough study of your product, target audience, and how you fare in your industry.

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## Primary vs. Secondary Research

There are two main types of market research that businesses conduct to collect the most actionable information on their products: primary research and secondary research.

## Primary Research

- Primary research is the pursuit of firsthand information on your market and its customers. You can use focus groups, online surveys, phone interviews, and more to gather fresh details on the challenges your buyers face and the brand awareness behind your company.
- Primary research is useful when segmenting your market and establishing your buyer personas, and this research tends to fall into one of two buckets:
- **Exploratory Research:** This kind of primary market research is less concerned with measurable customer trends and more about potential problems that would be worth tackling as a team. It normally takes place as a first step before any *specific research* has been performed, and can involve open-ended interviews or surveys with small numbers of people.

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**Specific Research:** This kind of primary market research often follows exploratory research, and is used to dive into issues or opportunities the business has already identified as important. In specific research, the business can take a smaller or more precise segment of their audience and ask questions aimed at solving a suspected problem.

## Secondary Research

- Secondary research is all the data and public records you have at your disposal to draw conclusions from. This includes trend reports, market statistics, industry content, and sales data you already have on your business.
- Secondary research is particularly useful for analyzing your competitors. Here are three types of secondary research sources that make this process so beneficial:
- **Public Sources:** These sources are your first and most accessible layer of material when conducting secondary market research. Being free to find and read -- usually -- they offer the most bang for your buck. Government statistics are arguably your most common public sources, according to Entrepreneur. Two U.S. examples of public market data are the U.S. Census Bureau and the Bureau of Labor & Statistics, both of which offer helpful information on the state of various industries nationwide.

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- **Commercial Sources:** These sources often come in the form of market reports, consisting of industry insight compiled by a research agency like Pew, Gartner, or Forrester. Because this info is so portable and distributable, it typically costs money to download and obtain.
- **Internal Sources:** Internal sources deserve more credit for supporting market research than they generally get. Why? This is the market data your organization already has in-house. Average revenue per sale, customer retention rates, and other historical data on the health of old and new accounts can all help you draw conclusions on what your buyers might want right now.

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## How to Do Market Research

- Define your buyer persona.
- Identify a portion of that persona to engage.
- Engage your market research participants.
- Prepare your research questions.
- List your primary competitors.
- Summarize your findings.

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## 1. Define your buyer persona.

Before you dive into *how* customers in your industry make buying decisions, you must first understand *who* they are. This is the beginning of your **primary market research** -- where buyer personas come in handy.

Buyer personas -- sometimes referred to as marketing personas -- are fictional, generalized representations of your ideal customers. They help you visualize your audience, streamline your communications, and inform your strategy.

**Some key characteristics you should be keen on including in your buyer persona are:**

- Age
- Gender
- Location
- Job title(s)
- Job titles
- Family size
- Income
- Major challenges
- The idea is ultimately to use this persona as a guideline for when you reach and learn about actual customers in your industry (you'll do this in the steps below).
- To get started with creating your personas, check out [these free templates](#), as well as [this helpful tool](#). These resources are designed to help you organize your audience segments, collect the right information, select the right format, and so on.
- You may find that your business lends itself to more than one persona -- that's fine! You just need to be sure that you're being thoughtful about the specific persona you are optimizing for when planning content and campaigns.

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## 2. Identify a portion of that persona to engage.

- Now that you know who your buyer personas are, you'll need to find a representative sample of your target customers to understand their actual characteristics, challenges, and buying habits.
- These should be folks who recently made a purchase (or purposefully decided not to make one), and you can meet with them in a number of ways:
  - In-person via a focus group
  - Administering an online survey
  - Individual phone interviews
- We've developed a few guidelines and tips that'll help you get the right participants for your research. Let's walk through them.



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## Choosing Which Buyers to Survey

- When choosing whom you want to engage to conduct market research, start with the characteristics that apply to your buyer persona. This will vary for every organization, but here are some additional guidelines that will apply to just about any scenario:
- **Shoot for 10 participants per buyer persona.** We recommend focusing on one persona, but if you feel it's necessary to research multiple personas, be sure to recruit a separate sample group for each one.
- **Select people who have recently interacted with you.** You may want to focus on folks that have completed an evaluation within the past six months -- or up to a year if you have a longer sales cycle or niche market. You'll be asking very detailed questions, so it's important that their experience is fresh.
- **Aim for a mix of participants.** You want to recruit people who have purchased your product, folks who purchased a competitor's product, and a few who decided not to purchase anything at all. While your own customers will be the easiest to find and recruit, sourcing information from others will help you develop a balanced view.

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## 3. Engage your market research participants.

- Market research firms have panels of people they can pull from when they want to conduct a study. The trouble is, most individual marketers don't have that luxury -- and that's not necessarily a bad thing. In fact, the time you'll spend recruiting exclusively for your study will often lead to better participants.
- Here's a simple recruiting process to guide your efforts:
- **Pull a list of customers who made a recent purchase.** As we mentioned before, this is usually the easiest set of buyers to recruit. If you're using a CRM system, you can run a report of deals that closed within the past six months and filter it for the characteristics you're looking for. Otherwise, you can work with your sales team to get a list of appropriate accounts from them.
- **Pull a list of customers who were in an active evaluation, but didn't make a purchase.** You should get a mix of buyers who either purchased from a competitor or decided not to make a purchase. Again, you can get this list from your CRM or from whatever system your Sales team uses to track deals.
- **Call for participants on social media.** Try reaching out to the folks that follow you on social media, but decided not to buy from you. There's a chance that some of them would be willing to talk to you and tell you why they ultimately decided not to buy your product.
- **Leverage your own network.** Get the word out to your coworkers, former colleagues, and LinkedIn connections that you're conducting a study. Even if your direct connections don't qualify, some of them will likely have a coworker, friend, or family member who does.
- **Choose an incentive.** Time is precious, so you'll need to think about how you will motivate someone to spend 30-45 minutes on you and your study. On a tight budget? You can reward participants for free by giving them exclusive access to content. Another option? Send a simple handwritten 'thank you' note once the study is complete.

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## 4. Prepare your research questions.

- The best way to make sure you get the most out of your conversations is to be prepared. You should always create a discussion guide -- whether it's for a focus group, online survey, or a phone interview -- to make sure you cover all of the top-of-mind questions and use your time wisely.
- (Note: This is not intended to be a script. The discussions should be natural and conversational, so we encourage you to go out of order or probe into certain areas as you see fit.)
- Your discussion guide should be in an outline format, with a time allotment and open-ended questions allotted for each section.
- *Wait, all open-ended questions?*
- Yes -- this is a golden rule of market research. You never want to "lead the witness" by asking yes/no questions, as that puts you at risk of unintentionally swaying their thoughts by leading with your own hypothesis. Asking open-ended questions also helps you avoid those painful one-word answers.

**Here's a general outline for a 30-minute survey of one B2B buyer. You can use these as talking points for an in-person interview, or as questions posed on a digital form to administer as a survey to your target customers.**

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## Background Information (5 Minutes)

- Ask the buyer to give you a little background information (their title, how long they've been with the company, and so on). Then, ask a fun/easy question to warm things up (first concert attended, favorite restaurant in town, last vacation, etc.).
- Remember, you want to get to know your buyers in pretty specific ways. You might be able to capture basic information such as age, location, and job title from your contact list, there are some personal and professional challenges you can really only learn by asking. Here are some other key background questions to ask your target audience:
  - Describe to me how your work team is structured.
  - Tell me about your personal job responsibilities.
  - What are the team's goals and how do you measure them?
  - What has been your biggest challenge in the past year?
- Now, make a transition to acknowledge the specific purchase or interaction they made that led to you including them in the study. The next three stages of the buyer's journey will focus specifically on that purchase.

## Awareness (5 Minutes)

- Here, you want to understand how they first realized they had a problem that needed to be solved without getting into whether or not they knew about your brand yet.
- Think back to when you first realized you needed a [name the product/service category, but not yours specifically]. What challenges were you facing at the time?
- How did you know that something in this category could help you?
- How familiar were you with different options on the market?

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## Consideration (10 Minutes)

- Now you want to get very specific about how and where the buyer researched potential solutions. Plan to interject to ask for more details.
- What was the first thing you did to research potential solutions? How helpful was this source?
- Where did you go to find more information?
- If they don't come up organically, ask about search engines, websites visited, people consulted, and so on. Probe, as appropriate, with some of the following questions:
  - How did you find that source?
  - How did you use vendor websites?
  - What words specifically did you search on Google?
  - How helpful was it? How could it be better?
  - Who provided the most (and least) helpful information? What did that look like?
- Tell me about your experiences with the sales people from each vendor.

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## Decision (10 Minutes)

- Which of the sources you described above was the most influential in driving your decision?
- What, if any, criteria did you establish to compare the alternatives?
- What vendors made it to the short list and what were the pros/cons of each?
- Who else was involved in the final decision? What role did each of these people play?
- What factors ultimately influenced your final purchasing decision?

## Closing

- Here, you want to wrap up and understand what could have been better for the buyer.
- Ask them what their ideal buying process would look like. How would it differ from what they experienced?
- Allow time for further questions on their end.
- Don't forget to thank them for their time and confirm their address to send a thank-you note or incentive.

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## 5. List your primary competitors.

- Understanding your competitors begins your **secondary market research**. But keep in mind competition isn't always as simple as Company X versus Company Y.
- Sometimes, a *division* of a company might compete with your main product or service, even though that company's brand might put more effort in another area. Apple is known for its laptops and mobile devices, for example, but Apple Music competes with Spotify -- which doesn't sell hardware (yet) -- over its music streaming service.
- From a content standpoint, you might compete with a blog, YouTube channel, or similar publication for inbound website visitors -- even though their products don't overlap with yours at all. A toothpaste developer, for example, might compete with magazines like Health.com or Prevention on certain blog topics related to nutrition, even though these magazines don't actually sell oral care products.

## Identifying Industry Competitors

- To identify competitors whose products or services overlap with yours, determine which industry or industries you're pursuing. Start high-level, using terms like education, construction, media & entertainment, food service, healthcare, retail, financial services, telecommunications, agriculture, etc.
- The list goes on, but find an industry term that you identify with, and use it to create a list of companies that also belong to this industry.

**You can build your list the following ways:**



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- **Review your industry quadrant on G2 Crowd.** In certain industries, this is your best first step in secondary market research. G2 Crowd aggregates user ratings and social data to create "quadrants," where you can see companies plotted as contenders, leaders, niche, and high performers in their respective industries. G2 Crowd specializes in digital content, IT services, HR, ecommerce, and related business services.
- **Download a market report.** Companies like Forrester and Gartner offer both free and gated market forecasts every year on the vendors who are leading their industry. On Forrester's website, for example, you can select "Latest Research" from the navigation bar and browse Forrester's latest material using a variety of criteria to narrow your search. These reports are good assets to have saved on your computer.
- **Search using social media.** Believe it or not, social networks make great company directories if you use the search bar correctly. On LinkedIn, for example, select the search bar and enter the name of the industry you're pursuing. Then, under "More," select "Companies" to narrow your results to just the businesses that include this or a similar industry term on their LinkedIn profile.



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## Identifying Content Competitors

- Search engines are your best friends in this area of secondary market research. To find the online publications with which you compete, take the overarching industry term you identified in the section above, and come up with a handful of more specific industry terms your company identifies with.
- A catering business, for example, might generally be a "food service" company, but also consider itself a vendor in "event catering," "cake catering," "baked goods," and more.
- Once you have this list, do the following:
- **Google it.** Don't underestimate the value in seeing which websites come up when you run a search on Google for the industry terms that describe your company. You might find a mix of product developers, blogs, magazines, and more.
- **Compare your search results against your buyer persona.** Remember the buyer persona you created during the *primary research* stage, earlier in this article? Use it to examine how likely a publication you found through Google could steal website traffic from you. If the content the website publishes seems like the stuff your buyer persona would want to see, it's a potential competitor, and should be added to your list of competitors.
- After a series of similar Google searches for the industry terms you identify with, look for repetition in the website domains that have come up. Examine the first two or three results pages for each search you conducted. These websites are clearly respected for the content they create in your industry, and should be watched carefully as you build your own library of videos, reports, web pages, and blog posts.

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## 6. Summarize your findings.

- Feeling overwhelmed by the notes you took? We suggest looking for common themes that will help you tell a story and create a list of action items.
- To make the process easier, try using your favorite presentation software to make a report, as it will make it easy to add in quotes, diagrams, or call clips. Feel free to add your own flair, but the following outline should help you craft a clear summary:
- **Background.** Your goals and why you conducted this study.
- **Participants.** Who you talked to. A table works well so you can break groups down by persona and customer/prospect.
- **Executive Summary.** What were the most interesting things you learned? What do you plan to do about it?
- **Awareness.** Describe the common triggers that lead someone to enter into an evaluation. Note: Quotes can be very powerful.

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## 6. Summarize your findings.

- **Consideration.** Provide the main themes you uncovered, as well as the detailed sources buyers use when conducting their evaluation.
- **Decision.** Paint the picture of how a decision is *really* made by including the people at the center of influence and any product features or information that can make or break a deal.
- **Action Plan.** Your analysis probably uncovered a few campaigns you can run to get your brand in front of buyers earlier and/or more effectively. Provide your list of priorities, a timeline, and the impact it will have on your business.
- Conducting market research can be a very eye-opening experience. Even if you think you know your buyers pretty well, completing the study will likely uncover new channels and messaging tips to help improve your interactions.

**Not to mention, you'll be able to add "market research" as a skill to your resume.**

