What is Marketing Research?

From the Small Business Administration Web site

According to the American Marketing Association, marketing research is the systematic gathering, recording and analyzing of data about problems relating to the marketing of goods and services.

Every small business owner-manager must ask the following questions to devise effective marketing strategies:

- Who are my customers and potential customers?
- What kind of people are they?
- Where do they live?
- Can and will they buy?
- Am I offering the kinds of goods or services they want—at the best place, at the best time and in the right amounts?
- Are my prices consistent with what buyers view as the product's value?
- Are my promotional programs working?
- What do customers think of my business?
- How does my business compare with my competitors?

Marketing research is not a perfect science. It deals with people and their constantly changing feelings and behaviors, which are influenced by countless subjective factors. To conduct marketing research, you must gather facts and opinions in an orderly, objective way to find out what people want to buy, not just what you want to sell them.

It is impossible to sell products or services that customers do not want. Learning what customers want, and how to present it attractively, drives the need for marketing research. Small business has an edge over larger concerns in this regard. Large businesses must hire experts to study the mass market, while small-scale entrepreneurs are close to their customers and can learn much more quickly about their buying habits. Small business owners have a sense of their customers’ needs from years of experience, but this informal information may not be timely or relevant to the current market.

Marketing research focuses and organizes marketing information. It ensures that such information is timely and permits entrepreneurs to:

- Reduce business risks
- Spot current and upcoming problems in the current market
- Identify sales opportunities
- Develop plans of action.

Without being aware of it, most business owners do market research every day. Analyzing returned items, asking former customers why they’ve switched, and looking at competitor's prices are all examples of such research. Formal marketing research simply makes this familiar process orderly. It provides a framework to organize market information.

1 **Step One:** Define Marketing Problems and Opportunities
2 **Step Two:** Set Objectives, Budget and Timetables
3 **Step Three:** Select Research Types, Methods and Techniques
4 **Step Four:** Design Research Instruments
5 **Step Five:** Collect Data
6 **Step Six:** Organize and Analyze the Data
7 **Step Seven:** Present and Use Market Research Findings

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Step one of the research process, defining the problem or opportunity, is often overlooked—but it is crucial. The root cause of the problem is harder to identify than its obvious manifestations; for example, a decline in sales is a problem, but its underlying cause is what must be corrected. To define the problem, list every factor that may have influenced it, then eliminate any that cannot be measured. Examine this list while conducting research to see if any factors ought to be added, but don’t let it unduly influence data collection.

Assess the information that is immediately available. It may be that current knowledge supports one or more hypotheses, and solutions to the problem may become obvious through the process of defining it. Weigh the cost of gathering more information against its potential usefulness.

Before considering surveys or field experiments, look at currently held information: sales records, complaints, receipts, and any other records that can show where customers live and work, and how and what they buy. One small business owner found that addresses on cash receipts allowed him to pinpoint customers in his market area. With this kind of information he could cross-reference his customers’ addresses and the products they purchased to check the effectiveness of his advertising.

Customers’ addresses tell much about them. Life-styles—and buying habits—are often correlated with neighborhoods.

Credit records are an excellent source of information, giving information about customers’ jobs, income levels and marital status. Offering credit is a multifaceted marketing tool with well-known costs and risks.

Employees may be the best source of information about customer likes and dislikes. They hear customers’ minor gripes about the store or service—the ones customers don’t think important enough to take to the owner. Employees are aware of the items customers request that you do not stock. They often can supply good customer profiles from their day-to-day contacts.

Secondary Research
Secondary research uses published sources like surveys, books and magazines, applying or rearranging the information to bear on the problem or opportunity at hand. A tire-sales business owner might guess that present retail sales of tires is strongly correlated with sales of new cars three years ago. To test this idea, it’s easy to compare new car sales records with replacement tire sales three years later. Done over a range of recent years, this should prove or disprove the hypothesis and help marketing efforts tremendously.

Localized figures tend to provide better information as local conditions might buck national trends. Newspapers and other local media often are quite helpful.

There are many sources of secondary research material. It can be found in libraries, colleges, trade and general business publications, and newspapers. Trade associations and government agencies are rich sources of information—GALE’s Directory is available at any public library.

Sources of Secondary Research
Links to the following can be found at http://www.sba.gov/starting_business/marketing/research.html
• ASAE Directory of Associations Online
• Ask a Librarian—U.S. Library of Congress
• Bureau of Labor Statistics
• Business Research Lab
• Center for Business Women’s Research
• Economic Statistics & Research
• Fedstats.gov
• Internet Public Library
• Population & Demography Resources

Primary Research
Primary research can be as simple as asking customers or suppliers how they feel about a business or as complex as surveys conducted by professional marketing research firms. Direct mail questionnaires, telephone surveys, experiments, panel studies, test marketing and behavior observation are all examples of primary research.

Primary research often is divided into reactive and non-reactive research. Non-reactive primary research observes how real people behave in real market situations without influencing that behavior even accidentally. Reactive research, including surveys, interviews and questionnaires, is best left to marketing professionals, as they can usually get more objective and sophisticated results.

Those who can’t afford high-priced marketing research services should consider asking nearby college or university business schools for help.

Links to the following can be found at http://www.sba.gov/starting_business/marketing/research.html for more information on this topic:
• Missouri SBDC’s “Market Research Workbook”
• Inc. Magazine Market Research Articles
How to Start a Small Business: From Vision to Reality

A three-hour seminar designed for those interested in learning a practical step-by-step process for starting a new business. The session will provide participants with a network and resources to use when questions arise.

$25 per person
March 9, April 6, or May 4, 2005
9:30 a.m.–Noon
March 23, April 20, or May 18, 2005
6–8:30 p.m.

QuickBooks® Basics 2004: A Fast Start to Setting up Your Accounting System

QuickBooks: Basic 2004 gives you fast and easy tools to help save time, organize information in one place and manage business finances with confidence. The seminar is designed to give participants hands-on learning experience in setting-up and using QuickBooks.

TBA
6–9 p.m.

For more information on upcoming dates, call the SBTDC at 734-462-4438.

How to Write a Business Plan: Your Road Map to Success

A one-time seminar providing an overview of what is included in a dynamic business plan. It is designed for new and existing business owners who do not currently have a business plan in place. Attendees will receive worksheets that outline the basic items in a business plan, allowing you to complete the plan on your own.

$40 per person
March 16, or May 11, 2005
9:30 a.m.–12:30 p.m.
April 13, 2005
6–9 p.m.

How to Grow Your Business: Effective Marketing Techniques for Small Businesses

A three-hour, one-time seminar providing a comprehensive guide to re-evaluating your product or service, and how to effectively price, promote and distribute it. The seminar is designed for new and existing business owners who want to get an edge on the competition and successfully compete in the marketplace. Participants will learn how to identify and retain the right customers as well as how to develop a winning annual marketing plan with supporting budget.

$40 per person
March 17, 2005
6–9 p.m.

Certified: Woman Business Enterprise

The Michigan Women’s Business Council invites women business owners to learn what it means to be certified as a Women’s Business Enterprise. If you have a product or service that you would like to market to American corporations, here’s your chance to explore certification. The Michigan Women’s Business Council is a program of the Center for Empowerment and Economic Development, an SBA Women’s Business Center. Please call WBC at 734-677-1444 to register for this seminar.

$25 per person
April 20, 2005
9–11 a.m.
Small Business Research, Statistics Easier To Find
Redesigned Advocacy Web Site Offers Easy Use, Search, and Navigation

Office of Advocacy
U.S. Small Business Administration

NEWS RELEASE

For Release: January 18, 2005
SBA Number: 05-02 ADVO

WASHINGTON, D.C.—Small business research and statistics are now easier to find thanks to the Office of Advocacy’s newly redesigned web site. The site, www.sba.gov/advo, offers intuitive, easy to use menus and search features that guide users to a wealth of data, reports, and statistics on small business and the American economy.

“The site is easier for small business owners, trade associations, researchers, policymakers, and academicians to accurately find what they need, and find it fast,” said Thomas M. Sullivan, Chief Counsel for Advocacy.

The redesign of www.sba.gov/advo is based on observations and contributions from Office of Advocacy stakeholders. Users of the newly designed site report that regulatory issues, state profiles, and other issue areas are clearly indexed and easily accessible.

The Office of Advocacy, the “small business watchdog” of the government, examines the role and status of small business in the economy and independently represents the views of small business to federal agencies, Congress, and the President. It is the source for small business statistics presented in user-friendly formats and it funds research into small business issues.

To use the newly designed Web site visit www.sba.gov/advo.

Created by Congress in 1976, the Office of Advocacy of the U.S. Small Business Administration (SBA) is an independent voice for small business within the federal government. Appointed by the President and confirmed by the U.S. Senate, the Chief Counsel for Advocacy directs the office. The Chief Counsel advances the views, concerns, and interests of small business before Congress, the White House, federal agencies, federal courts, and state policy makers. Economic research, policy analyses, and small business outreach help identify issues of concern. Regional Advocates and an office in Washington, DC, support the Chief Counsel’s efforts. For more information on the Office of Advocacy, visit www.sba.gov/advo, or call 202-205-6533.

Financing Growth Roundtable

TEAM SBA debunks the myths and demystifies the process of bank financing—in plain English. You will learn how your loan application will be analyzed, what underwriting criteria are used, and how banking regulations affect the decision. We will answer your questions based upon your business model. Over the last five years, TEAM SBA has helped hundreds of entrepreneurs gain a better understanding of the financing process. To help you, we require that you have good credit, a solid business idea, and money to invest in your business.

March 18, 2005
9–11 a.m.
No admission charge
To register, please call the SBTDC at 734-462-4438.

This Cooperative Agreement is partially funded by the U.S. Small Business Administration. SBA’s funding is not an endorsement of any products, opinions, or services. All SBA funded programs are extended to the public on a nondiscriminatory basis and available to individuals with disabilities.
How Do You File a Claim?

It is inevitable that if you contract with federal government agencies, you will be faced with the prospect of filing a claim. Frequently, inexperienced contractors are very reluctant to pursue a claim, viewing it as comparable to “suing your customer.” More experienced contractors recognize that the claim process is Congress’ chosen method for making adjustments in contract price caused by government actions or inactions.

A claim may be triggered by a variety of events. The government may order a formal change in the work to be performed or in the delivery schedule, and the government and the contractor cannot agree on how the contract should be adjusted because of the changes.

Changes also can be more subtle, sometimes referred to as a constructive change. This occurs when the work has changed, but not because of a written change order. Here, the parties may not even agree a change occurred. A claim also may result from defective specifications, terminations, stop work orders or government delay.

If you believe government action or inaction has increased your cost of performance or caused a delay, you should not immediately file a claim. First you should notify the government of the “change” and submit a Request for Equitable Adjustment or REA. A REA is not a claim, but it is clear notification to the government that some event has occurred that justifies a change to the contract. It makes sense to submit an REA to resolve issues without using the claims process, if possible. Since the cost of preparing and submitting an REA is recoverable to include professional help such as legal fees and accounting services, you can develop your rationale to support your loss during the REA phase. Submitting an REA first allows you to maximize the recovery of your costs while hopefully reaching a mutually agreeable settlement.

If the REA process is not successful, filing a claim forces the government to respond to your demand. Remember, a claim must be filed before final payment of the contract. Once a contract is complete and all payments made, the right to file a claim stops.

If you are wrestling with a potential claim situation, it makes sense to talk to an attorney familiar with the claims process. Most attorneys will meet with a potential client and review the REA-claim-dispute rules at no charge for the initial meeting.

George W. Ash is a member of the law firm of Foley & Lardner LLP in Detroit, where he specializes in government procurement issues. He may be reached at 313-234-7147.

Note: This update provides information of general interest presented in summary form, and does not constitute individual legal advice.
Upcoming Seminars and Events

RESERVATIONS REQUIRED for all seminars
For more information contact the Business Development Center at 734-462-4438 or inforeq@schoolcraft.edu

How to Become a Government Contractor

Did you know the federal government purchases more than $200 billion of goods and services a year? Find out what it takes to successfully sell your goods and services to the federal government and the State of Michigan. In addition, learn about the services and resources the Procurement Technical Assistance Center has available to help your company with the contracting process.

$40 per person
April 14, May 26, or June 16, 2005
9 a.m.–1 p.m.

Federal Supply Schedules: Finding Your Way to GSA

General Services Administration Federal Supply Schedules are contracts that allow federal customers to acquire more than 4 million products and services directly from over 8,600 commercial suppliers.

Mike Klewicki a GSA expert, will educate clients on the many mysteries of the GSA procurement arena and FSS. This class is intended for businesses interested in learning about Supply Schedules, buying potential and marketing through a GSA Schedule.

$40 per person
April 21, 2005
9 a.m.–Noon

Registration Assistance for Government Contractors

Procurement Technical Assistance Center clients looking for assistance completing their Central Contractor Registration, SBA’s Procurement Marketing and Access Network (Pro-NET), the State of Michigan Vendor Registration, or any other online registration are invited to the PTAC for this seminar. Counselors will be available to help clients understand and complete their registrations, using the PTAC’s computer lab.

$15 per person
April 21, June 2, or June 23, 2005
9 a.m.–Noon

Society of American Military Engineers Conference

May 25, 2005
More details to come

Service Disabled Veteran Owned Business Conference

Spring/Summer 2005
More details to come

Watch your mailbox for additional seminar details or log onto our Web site at:
http://www.schoolcraft.cc.mi.us/bdc/seminars.htm#government

Please note: During inclement weather, seminars will be cancelled if Schoolcraft College closes. Tune to your local news station for information on college closings.
Online Representations and Certifications

The following was reprinted with the permission of the Defense Logistics Information Service.

To: Federal Vendor       Re: Online Representations and Certifications Application (ORCA)

Dear Vendor,

Beginning January 1, 2005, the Federal Acquisition Regulation (FAR) requires the use of the Online Representations and Certifications Application (ORCA) in federal solicitations as a part of the proposal submission process. ORCA is a Web-based system that centralizes and standardizes the collection, storage and viewing of many of the FAR required representations and certifications previously found in solicitations. With ORCA, you have the ability to enter and maintain your representation and certification information, at your convenience, via the Internet at http://orca.bpn.gov. In addition, rather than receiving and reviewing paper submissions, government contracting officials can access ORCA and review your information online as a part of the proposal evaluation process. You no longer have to submit representations and certifications completed in ORCA with each offer. Instead, a solicitation will contain a single provision that will allow you to either certify that all of your representations and certifications in ORCA are current, complete and accurate as of the date of your signature, or list any changes.

Although architecture-engineering firms can voluntarily submit the Standard Form 330 Part II through ORCA, a firm still must submit this form to each agency for which it wants to be considered for projects that are not publicly announced.

To prepare for this requirement and to register in ORCA, you need to have two items: an active Central Contractor Registration (CCR) record and a Marketing Partner Identification Number (MPIN) identified in that CCR record. Your DUNS number and MPIN act as your company’s identification and password into ORCA. Visit www.ccr.gov for more information on creating and entering your MPIN. The basic information provided in your CCR record is used to pre-populate a number of fields in ORCA. Vendors are reminded to protect their MPIN from unauthorized use.

Once in ORCA, you will be asked to review pertinent information pre-populated from CCR, provide a point of contact, and answer a questionnaire that contains up to 26 questions. The questionnaire will help you gather information you need for the clauses. The questionnaire is not the official version. Be sure to read the provisions carefully.

The answers you provide are automatically entered into the actual FAR provisions. You are required to review your information, as inserted, in context of the full-text provisions for accuracy; acknowledge three additional read-only provisions; and click a time/date stamp before final submission. You will need to review and/or update your ORCA record when necessary, but at least annually in order to maintain its active status.

Detailed information regarding ORCA, how to submit your record, and whom to call for assistance can be found on ORCA’s homepage at http://orca.bpn.gov under “Help.”

Thank you,
Teresa Sorrenti
IAE Program Manager
The newest landmark on Schoolcraft College’s campus is the VisTaTech Center, a technology-rich venue for training, business meetings, corporate events, innovative learning, and culinary arts education. VisTaTech is the result of a $27 million addition to, and renovation of, the Waterman Campus Center, which for years has served as a gathering place for the College community.

VisTaTech is home to Schoolcraft College’s award-winning Business Development Center and its acclaimed Culinary Arts Department. The facility includes meeting spaces for large and small groups; advanced telecommunications technology throughout; flexible furniture configurations; on-site catering services; and some of the nation’s most advanced instructional kitchens.

VisTaTech is now available for conferences and teleconferences, training sessions and work meetings, and product demonstrations and industry expositions.

For additional information call 734-462-4610 or email vistatech@schoolcraft.edu.
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 really understand exactly where your buyers are conducting their research and what's influencing their decisions? This is 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. What is Market Research? Types of Market Research. Primary vs. Secondary Research Market research is defined as the process of evaluating the feasibility of a new product or service, through research conducted directly with consumers. Market research methods allow organizations and individual researchers to discover their target market, collect and document opinions and make informed decisions. Learn more with market research types and examples.