

Private: How to conduct market research

Market research will enable you to make informed business decisions in the start-up, development and growth phase of your organisation.

Market research is the process of gathering information on how people will react to your current or potential products and services. This will enable you to make informed business decisions in the start-up, development and growth phase of your organisation.

Market research can be complex or straightforward. It is generally very valuable and worth the investment. It is a good idea to do some form of market research to help to improve your services.

How to decide if you need to do market research

The main aim of market research is to inform you about what your clients want and equip you with the information you need to make informed business decisions. This applies to start-ups, as well as more mature organisations that wish to grow or innovate.

Market Research can be time-consuming, and there is often a cost involved, so it is essential to be prepared before you undertake this process. You need to ask yourself key questions to ensure it's the right approach for you

Ask yourself what you need to know

Market research can confirm elements you already know, or it can shine a light on things you weren't aware of. To help you decide whether to undertake market research, consider the following questions:

- Have you conducted research on your existing clients before?
- Do you know your existing client's thoughts, feelings or impressions about your organisation?
- Would you like to gain better insights into your clients' needs?
- Could this information help to improve the type of service you provide?
- Can you access quality industry data or other published information on your service that will provide the information you need?
- Do you have the time and financial resources to commit to a market research project?

The answers to these questions may convince you that market research is the way to go and that you are able to commit the required time and resources.

Consider cost versus benefits

You can measure the risk or cost of doing market research by calculating the time and financial resources needed, versus the quality of the results.

- What will the gains be for your clients if you implement changes based on your market research?
- Will improving the value of your service also improve your financial return, thereby mitigating the investment in market research?

- Can you efficiently assess the level of investment versus gains achieved?
- Would improvements to your service that result in an increase in clients or keeping existing clients happy justify the financial outlay?
- Can you afford NOT to do market research?

What can market research tell us about our organisation?

Market research can answer many different questions about your organisation:

- What is the potential take-up of our services?
- How can we attract new clients?
- How can we establish or improve our organisation's brand?
- How can we define our area of expertise and make our services more appealing?
- How can we ensure our marketing budget is on target?

Information gathered through market research can guide you to optimise your business plan or improve your day-to-day activities. It can help to ensure you are on the pathway to achieve maximum business growth and excellent service delivery.

Plan when to conduct market research

Whether you know it or not, when you talk with your clients, you are usually doing market research. Formalising the process can provide you with much more targeted information to help you get to know your clients, improve relationships with them, and adjust services to meet their needs better.

Market research should ideally be undertaken as a part of your organisation's business planning. An accurate assessment of the market and is equally important both for new and existing enterprises.

Identify your “market segments”

Market segments are distinct groupings of existing and potential clients.

- **Primary market segments** include your main client group – e.g. all NDIS eligible people in your defined location.
- **Secondary markets** may include relevant segments for your organisation – e.g. all NDIS eligible people in a defined area requiring a specialised service that you offer.

Make sure the market segments you want to target are relevant to the services you offer. For example, you may wish to focus the families of NDIS eligible people because they may be involved in the decision making for their dependents.

A targeted approach assures stakeholders, donors or investors that your organisation is a 'good fit' for them as funding partners.

Consider if you'll do both primary and secondary research, or just secondary.

Also refer to [How to evaluate market segments](#).

Start by doing primary market research

Primary market research is the research you gather through your own efforts. For example, you might ask your clients to respond to some questions or a survey (refer to [How to create a survey](#)).

Ask yourself the following questions to help work out what information you want from your clients.

- Who are my clients and how am I reaching them?
- What services do they need or want?
- Am I meeting their needs?
- How can we improve services to clients?

There are many ways to reach your clients.

- Face to face contact
- Phone calls

- Sending emails
- Sending a survey via email or mail to existing clients. This could be a simple set of questions on how you are tracking, are their needs being met and what else can you do to help them?
- Developing a social media campaign or closed interest group. You could pose a topic to collate feedback (also see [How to create a social media plan](#)).
- Organising small focus groups of existing clients.

Next step – secondary research

You can only gather limited information via primary research. Secondary research uses existing resources such as business records, past surveys, research studies and published data. It can be less time consuming than primary research and less expensive so you may opt just to do secondary market research.

Some things to consider when reviewing these documents are:

- What are the demographic characteristics (age, sex, education level, income level, marital status, occupation, religion etc.) of your clients? Do you provide for all life stages or touch points along the way?
- What trends are influencing your business – economic conditions, client preferences, price, new technology? Are those conditions changing?

Consider conducting a SWOT or PEST analysis.

- [How to do a SWOT analysis](#)
- [How to do a PEST analysis](#)

Report and use your findings

Once you've gathered your research, report and share it with those who participated, and most importantly, now you can use it to review and improve your practices and services.

Resources

Australian Marketing Institute (AMI). [The “marketing for good toolkit” for not for profit organisations](#)

Survey Monkey – [Reach the people that matter most and design your own survey with confidence.](#)

Entrepreneur – [Advice on the best ways to do market research for your business plan.](#)

Hubspot – [An easy guide on how to conduct market research, step-by-step.](#)

Australian Charities and not for profits commission (ACNC)

- [Research | ACNC](#)
- [Australian Charities Report | ACNC](#)

Referenced links

- [How to decide if you need to do market research](#)
- [How to evaluate market segments](#)
- [How to create a survey](#)
- [How to create a social media plan](#)
- [How to do a SWOT analysis](#)
- [How to do a PEST analysis](#)