

MARKET RESEARCH IN A DOWN ECONOMY

By: Debbie McNamara

(Reprinted courtesy of www.researchincorporated.com)

Time to Focus

More than ever, executives are being asked to cut unnecessary costs and reduce budgets while continuing to serve customers and market to prospective customers. Understanding who your target audience is, what they want, and how much they will pay for your products and services are critical to success in a down economy. Often, business leaders make decisions based on assumptions. However, during an economic downturn, it is imperative that we make decisions with absolute certainty. We must learn how our target audiences' needs and purchase patterns are changing in light of the current economic situation. This knowledge can make a dramatic difference in the return on your marketing investment.

Just Ask

Importantly, the only true way to learn about your customers and prospective customers is to ask them directly. There are no short cuts. Accurate market research is critical in attaining a successful, effective market position. Now, is the perfect time to get a jump start on your competition by surveying your customers and prospects to find out their true needs in the midst of your competitors' budget slashes and complacency. Gaining a better understanding of your customers and prospects will help you make the appropriate decisions when streamlining your business to meet changing needs.

Uncovering Hidden Opportunities

While market research can be used to alter market position, it can also reveal hidden market opportunities. Company executives typically know the primary reason for customers' choices, but often opportunities are revealed upon examination of customers' second and third factors of choice. Many times these secondary and tertiary priorities are the ones most affected in an economically challenged environment. Thus, proper analysis of customer preferences can help give clear and practical guidance in the area of new product development.

Customer Retention and Competition

Customer retention also becomes vital in a sluggish economy. In an economic downturn, your customers will encounter lower cost options or simply be forced to reduce their expenditures. As companies compete for a smaller pool of customers, they find it necessary to get back to the basics. Thus, customer service as well as product quality must be continuously measured to ensure that you build loyalty among your most profitable customers. Determining the proper mix of service and product quality and how it compares to your competitors' is key.

Can You Afford Not to Conduct Market Research?

Across the country, consumers and businesses are becoming uneasy in light of the uncertain economy. They are being forced to re-evaluate their priorities when deciding between what they want and what they can afford. Company executives are being forced to navigate through this uncertainty, while fine-tuning their own business operations. Now, is definitely the time to keep in touch with your customers and prospects and there is no better way than through the use of market research.