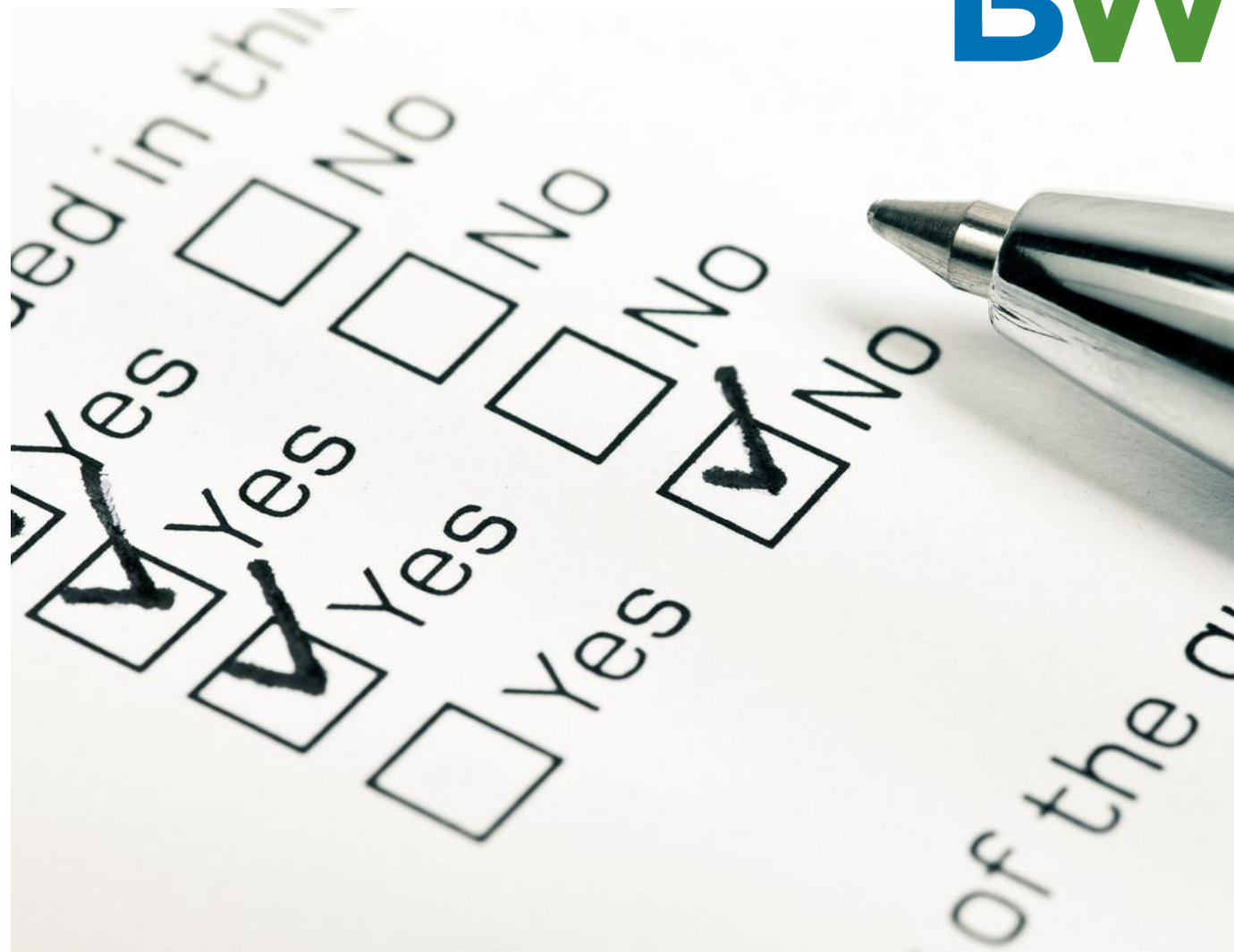


Validating Your Big Idea



Value in Market Research

- Builds confidence you are on the right track
- Helps you iterate and further refine your concept to mitigate risk
- Provides you with the information to help make a Go/No-Go decision for your business idea
- Has the core information to create a complete business plan
- Gives you direction as you continue your journey



Ready, Set.....



Every entrepreneur has ideas....

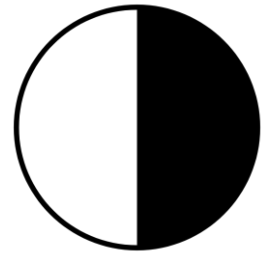


But not all ideas are destined for greatness



Test your assumptions before you leap

Ignoring Market Research



50% of New Businesses Fail

MYTH

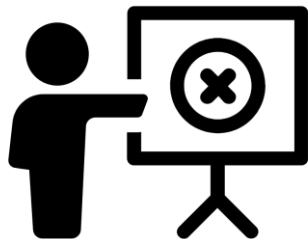
Only 20% of new businesses fail in the 1st year

Source: Small Business Administration 2020

Reasons for Failure



60% **Not Investigating the Market**



- **42% No Market Need**
- **33% Poorly Visualized Business Plan**

Path to Success

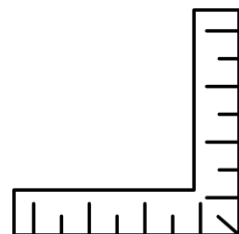
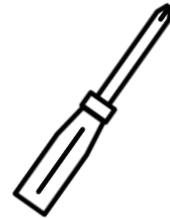
With the Right Research, Planning
& Flexibility You Can Avoid Pitfalls



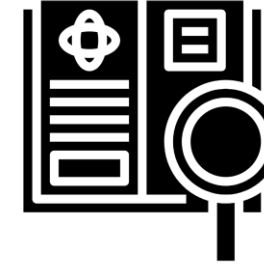
Tools for Your Toolbox

You don't need all these tools to start your business.

These are tools to help you along your journey.



Types of Market Research



• Primary

- Firsthand information on your market and its customers
 - Phone or In-Person Interviews
 - Forums
 - Online Surveys
 - Focus Groups

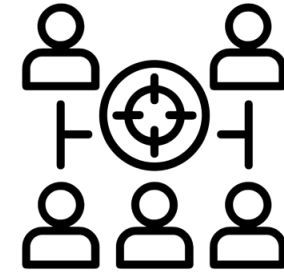
• Secondary

- Data and information you can gather from outside sources
 - Trend Reports, Research Papers and Market Statistics
 - Trade Associations
 - Census Data/Government Website
 - Local Chamber of Commerce/Community Organizations
 - Online Tools and Services

What to Research



Market Trends



Market Potential



Competition



Customer Insights



Market Testing

Market Trends

What are you trying to uncover?



- Current Industry Outlook
- Changing Dynamics
- Social influences
- Industry size
- Projected growth
- Technology impact
- Policy & regulation
- Buying trends
- Latest small business trends

**General
Market
Outlook
Resources**

Google

Is Your Friend



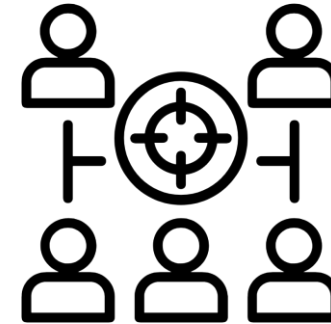
General Market Outlook Resources



- Trend reports and research Papers
- Federal & local government websites
- Trade association websites and publications
 - Start with the [National Trade and Professional Association](#) (NTPA) directory
- Live and virtual events
- Subject matter experts
- Product/service reviews
- Social media platforms

Market Potential / Market Size

- How many people **could** be your customers?
- What is the Total Addressable Market (TAM)?
- How many people **are likely** to be your customers?
- What is your Serviceable Addressable Market (SAM)?
- What is size of where you are going to start?
- This is your Initial Target Market (ITM)



- Later:
 - Percentage of SAM or ITM you can capture (market share)
 - Financial projections = Market Share x Average Customer Revenue

Market Size Example

- “I want to help construction companies improve efficiency and reduce costs by providing operational consulting.”

Total Addressable Market	U.S. Construction Companies with < 500 Employee	700,393
	U.S. Construction Companies with < 20 Employees	643,304
Total Serviceable Market	U.S. Construction Companies in the DMV	33,944
	U.S. Construction Companies in the DMV with at least 15 Employees	1,170
	Initial Target Market	

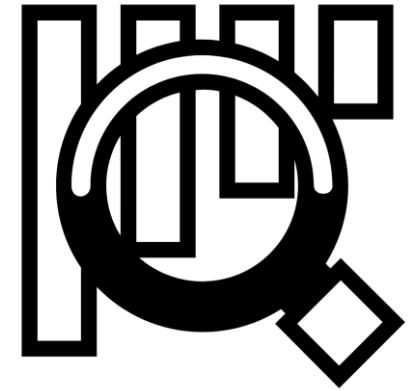


- “I want to help **small** construction companies in the **D.C. metropolitan area with at least 15 employees** improve.....”

Source: U.S. Census Bureau

Market Sizing Resources

- Government websites
 - **U.S. Census Bureau**
 - Bureau of Labor Statistics
 - USA.gov
 - Local and community government websites
- The Small Business Administration
- Commercial market data sites



Customer Insights – B2B

- Who your customers are
 - Sector
 - Company Size
 - # of Employees
 - Revenue
 - Location
 - Age
 - Department
 - Job title(s) / Roles
 - Who is the buyer? Who is an influencer?
- What motivates them or matters most to them in their job?



- How they are solving the urgent problem right now?
- What are current solutions to their problem?
- What factors are most important in selecting this product or service?
- Why do they buy?
- How do they buy?
- How often do they need to buy?
- What are they currently paying for comparable products or services?
- Where are they getting their product/service information?

Customer Insights – B2C

- Who are your customers?

- Gender
- Age
- Education
- Ethnicity
- Socioeconomic status
- Family size
- Marital or family status
- Profession
- Geography
- Personal Interests



- What matters most to them in a product or service – price, quality, delivery time, etc.?

- How they are solving their urgent problem right now?
- What are current solutions to their problem?
- Why do they buy?
- How do they buy – online, brick & mortar?
- Where do they buy?
- How much or often do they buy?
- What are they currently paying for comparable products or services?
- Where are they getting their product/service information?

Customer Insight Resources

- Census data/government websites
- Trade associations
- Civic/community organizations
- Product/service reviews
- Social media platforms
- Primary research



Competitors or Alternatives

- How many are making the same or similar offer?
- How many are serving your target market, in your target market?
- Who are they?
- What are their core areas of focus?
 - Features and benefits – what do they offer that you won't?
 - Delivery method
 - Pricing
 - Marketing strategy – positioning, key phrases
- How big are they - revenue/employees?
- How are they different? / How are you different?
- Why would a customer pick their business over yours?
- Can the market support another player?



Competitive Intel Resources



- Industry reports
 - Competitor websites
 - Trade Associations
 - Government websites
 - Online directories & comparison sites
 - Business information sites
 - Online retail sites
 - Online consumer review sites
- Primary research
 - Talk to competitor customers
 - Talk to suppliers
 - Talk to “frienemies” – usually a distant competitor
 - Join a Trade Association
 - Industry events

Market Testing

- Do people find VALUE in your product or service?
- Will they actually PAY for your product or service?
- Create an elevator speech and take some virtual elevator rides
 - Friends and family – BUT...built in bias
 - Business friendlies
 - SMEs
 - Potential customers
- Use social media to float ideas and solicit comments
- Ask questions about the urgent problem in online forums
- Offer your idea as a potential solution to problems being shared in an online forum or groups and measure interest
- Survey your target audience



The Free / Pro Bono Offer



FIND 2-3
POTENTIAL
CUSTOMERS



OFFER YOUR
PRODUCT OR
SERVICES FOR
FREE



GAIN
FIRSTHAND
FEEDBACK

=



INSTANT
CUSTOMER
TESTIMONIALS



Market Research Bottom Line

- **A critical step if you don't want to waste time, money and effort**
- **Consider market research an investment in your future**
- **Don't get stuck in analysis paralysis**
- **Keep moving forward**

Market Research Resources

<https://boomerworks.org/market-research>



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Market Research Resources

This list is by no means exhaustive but will give you a good start in gaining an understanding of your market, customers, market potential and competitors.

Government Resources

1. The [U.S. Census Bureau](#) turns out reams of inexpensive or free business information. It can be an invaluable resource in determine market size and defining consumer/business demographics.
 - a. General census data covers age, sex, education, employment, families, geography, health, housing, income, population, voting & registration and countless of other census data points.
 - b. The [North American Industry Classification System \(NAICS\)](#) is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy.
 - c. However, there are many other valuable data resources and surveys:
 - i. [American Community Survey](#) is the premier source for detailed population and housing information about our nation. It's Data Profiles have the most frequently requested social, economic, housing, and demographic data.
 - ii. [Statistics of U.S. Businesses](#) is an annual series that provides national and subnational data on the distribution of economic data by enterprise size and industry.
 - iii. [Survey of Business Owners and Self-Employed Persons](#) provides the only comprehensive, regularly collected source of information on selected economic and demographic characteristics for businesses and business owners by gender, ethnicity, race, and veteran status.

Competitive Research Tools

In addition to tools listed above:

1. Designed primarily as a sales tool, [D&B Hoovers](#) combines the world's largest commercial database from Dun & Bradstreet with sophisticated analytics to deliver great intelligence on competitors.
2. [Owler](#) provides access to exclusive information on over 13M public and private businesses, including annual revenue, employee count, funding, and top competitors. Be careful, their competitor data can sometimes be off depending on the corporate description.
3. Also designed as a sales and marketing tool, [ZoomInfo](#) can offer actionable and accurate business insights. Take advantage of their free trial.
4. [Alexa Tools](#) allow you to uncover a variety of details about your audience's demographics, interests, and habits.
 - a. The [Audience Overlap Tool](#) allows you to enter your website or up to 10 competitors to see a list of other websites that the audience regularly frequents. This helps you get to know what other interests your audience has as you can see what other types of websites they use. You can demo the tool for free.
 - b. The [Competitive Keyword Matrix](#) helps you get a look at the terms your ideal audience is using in search to find your website and your competitors' websites. You can use this report to see which terms are leading your target audience to competitors and create a plan to target those similar keywords.



What's Next?

Future BoomerWorks videos and Zoom recordings on these topics from the [Lean Business Plan Template](#):

- ✓ Unique Selling Proposition
- ✓ Running the Business
- ✓ Accountability
- ✓ Crafting Your Brand
- ✓ Revenue Potential
- ✓ Future Revenue
- ✓ Spreading the Word / Marketing
- ✓ Expenses
- ✓ Alliance Partners
- ✓ Key Action Items





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