Market Research Enhances Business Decision-Making

By Antonio Barrios

Market research is the process of collecting relevant data for the purpose of enhancing business decision-making. An analysis of market conditions is important whether moving to a new location, offering a new product or service, or buying an existing business. The analysis will provide business owners with current industry factors and probable future trends.

Two types of data may be used for researching a market. Primary data is information that may be developed by the researcher or developed by an outside engagement. Secondary data is information available from reports and studies completed by government agencies, trade associations, or other businesses. The research process begins with compilation of secondary data.

A productive search starts with the following resources:

Internet
The “Net” itself is essentially millions of computers connected via telephone lines, networks and communication satellites. By connecting to the Internet, computers are linked as part of the net from businesses or residences.

Local Library
Most cities and counties have a library system and librarians are a good source to start the search. Inquire about the type of information needed, and librarians can point you in the right direction. GALILEO (Georgia Library Learning Online) is a world wide web-based virtual library that provides access to multiple information resources. For example, ABI Inform Complete (GALILEO – database) covers over 1,400 US and international journals and trade publications.

Federal and state government websites compile information that is useful for small businesses. For example, the Economic and Statistics Administration (www.economicindicators.gov), is the bureau within the U.S. Dept. of Commerce that provides access to daily releases of key economic indicators from the Bureau of Economic Analysis and the U.S. Census Bureau. Indicators such as the gross domestic product or GDP (the output of goods and services produced by labor and property in a specific area) and demographic data (e.g. population and housing statistics) are common tools for research.

Also, the Federal Reserve Board (www.federalreserve.gov) collects statistics about the economy. The Current Economic Indicators or “Beige Book” provides a snapshot of the economy with statistics in the areas of Consumer Spending Habits; Manufacturing and Other Business Activity; Construction and Real Estate; Banking and Finance; Natural Resources and Agriculture; and Labor Markets, Wages and Prices.

Based on the industry, other government departments have resources available for research. For example, the U.S. Department of Agriculture (www.usda.gov) maintains a database of current and historical official data on production, supply and distribution of agricultural commodities for the United States and key producing and consuming countries.

Similarly, state government websites provide industry data. For example, the Georgia Department of Economic Development (www.georgia.org) has information about demand for exports as well as resources to other key statistics.

Another source of information is a local Chamber of Commerce, a general conduit into the local business community. The Georgia Chamber of Commerce (www.gachamber.org) provides information about local chambers. Also, trade associations provide statistics such as the number of businesses, size of the market, and economic and legislative issues.

Local colleges and universities are another valuable source of information. Faculty members frequently complete research and papers on different topics. Some institutions also have a Small Business Development Center with publications and other resources for market research.

Other sources of information are business publications, articles, and private databases. Companies such as Dun & Bradstreet (http://smallbusiness.dnb.com) maintain business databases. Also, Bizjournals (www.bizjournal.com) includes business news from 41 local U.S. markets.

Keep in mind that most of these publications charge fees to access articles and databases.

For market research, business owners should compile information from different sources. First, gather information from secondary data sources and then proceed with specific primary data collection as needed. Successful business owners know that the best decisions are made with adequate information.

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