

DIVE INTO THE BENEFITS AND "HOW TO'S" OF MARKET RESEARCH

Entrepreneurial Success Through Strategic Market Research

Publication Date: December 12, 2024



Will Jenson is a nuclear energy economist at the Idaho National Laboratory in Idaho Falls, Idaho. In this role, he conducts comprehensive market research on nuclear energy as well as other energy sectors. His work includes analyzing the economic implications of energy transitions on regional systems and markets. Will's expertise is rooted in labor and regional economics, with prior roles at the Idaho Department of Labor and as the Director of Business Research at the Research and Business Development Center (RBDC). He has also contributed to academia by teaching economics at Brigham Young University–Idaho and Idaho State University. These roles have provided him with extensive opportunities to engage with entrepreneurs.

These insights are taken from episode two of “Entrepreneur Voices: The Idaho Entrepreneur Center Podcast” where Will joined as a guest to share what he had learned in the world of market research. The full episode can be listened to on [Spotify](#) or [YouTube](#).

The intended audience for this paper includes aspiring and established entrepreneurs, small business owners, and professionals seeking practical insights and strategies for conducting effective market research to enhance business decision-making and sustainability.

What is Market Research?

According to Will, market research involves analyzing various factors such as geography, demographics, consumer behavior, preferences, and competition. It seeks to answer essential questions about the problem being solved, the target audience, and their willingness to pay for a solution.

This research is vital for ensuring the sustainability of a business. Will emphasizes that many entrepreneurs, driven by passion, often dive into creating products or services before confirming whether there is an actual demand for them. This approach can lead to significant financial loss if the product fails to resonate with consumers. “You could spend a lot of money before you realize there is not a need for your product,” he explains.

However, market research does not always necessitate abandoning an idea. Instead, it can guide entrepreneurs in refining their concepts to better fit the market. With the right adjustments, entrepreneurs can carve out a niche and successfully address consumer needs. This due diligence is not just a precaution; it is an investment in building a sustainable and market-ready business.



Key Takeaways and Tips for Entrepreneurs

- ✓ **You don't want to get into a business that doesn't have a market.**
Understand the problem you are trying to solve.
"If there is not a problem, then what are you trying to do?"
- ✓ **Understand your competition.**
You may think that nobody else is doing what you want to do. Don't let that fool you! There is always going to be some kind of competition.
- ✓ **Online data can be found in unexpected places.**
"There's always going to be data out there that can help you make some kind of decision easier."
One free resource is to look into competitor reviews on their websites.
- ✓ **Find out the location quotients.**
A great competitor analysis anyone can do is to use the [Bureau of Labor Statistics](#) to find the number of establishments by industry per capita. Begin by examining the number of establishments within a specific industry per capita in your area. This data can help calculate location quotients, a metric that compares local industry concentration to national averages. A higher location quotient indicates a more competitive environment, suggesting that businesses in this industry face greater competition locally compared to other areas.
- ✓ **How do you find the appropriate target audience for your business?**
Start by making assumptions and then testing those assumptions. Ask questions. You may have to go back to the drawing board a couple of times. From your very first sale, you should be collecting data about your customers, which will help define your target audience.
- ✓ **Use social media for customer analyses.**
Social media polls can be an effective tool for gathering insights, provided they are carefully designed. Craft a single question that directly addresses the key information you aim to collect, ensuring the response options accurately reflect the question's intent. Social media platforms also provide demographic data that can enhance the interpretation of poll results. Before scaling the poll, it is advisable to test it with a small group of 5-6 individuals. This preliminary analysis helps refine the question and response options, ensuring the poll effectively captures the insights necessary to address the research objective.
- ✓ **Increase the cost of switching.**
Loyalty programs will help with customer retention because you are creating a cost to switching. Airline companies and hotels do this all the time.
- ✓ **Porter's Five Forces is vital for entering a new industry.**
Conducting a Porter's Five Forces analysis is great for making strategic decisions when entering a new industry. You need to be paying attention to all five of the forces at the same time.
- ✓ **Ditch the SWOT analysis.**
Use Porter's Five Forces instead because it is more strategic and causes you to think more.
- ✓ **Will's tips for small businesses with small budgets:**
 - Begin with the end in mind – what problems are you trying to solve for your customer.

- Make sure you're asking questions that will answer what you need to know.
- Get contact info from your customers so that you can follow up with them: do little surveys, reach out frequently but not too much to alienate them, and keep it personalized.
- Use Ai like [ChatGPT](#) but start collecting your own data too.
- Utilize government data.
- Look into doing class projects with universities.

✓ **Contact the people at the [Department of Labor](#).**

There are economists at the state level to help small businesses get information and guide them to resources they don't already know about.

✓ **Don't underestimate your ability to get involved in new industries.**

"Take some risk but do it with some data behind you."

For more valuable insights, compelling anecdotes, and practical details, be sure to tune in to the full podcast episode!

Listen on Spotify [here](#). View on YouTube [here](#).

PHONE NUMBER

(208) 540-4300

EMAIL

info@idahoecenter.org

ADDRESS

35 N 1st E, Suite 3, Rexburg, ID 83440

JOIN OUR MAILING LIST

[Click Here to Join](#)

WHITEPAPERS

[Read Here](#)

