

MARKET RESEARCH

SBDC STARTUP SERIES

Why do market research?

Market research is an essential part of the business development process. Thorough and systematic research can help you understand your market and the potential demand for your product or service.

How do you do market research?

There are two kinds of market research: primary and secondary.

Primary Research

Primary research means gathering your own data. For example, you could do a traffic count at a proposed location or conduct surveys or focus group interviews about potential customers' preferences. Professional market research can be very costly, but there are many resources available for small business owners to do effective research on their own.

Secondary Research

Secondary research means using published sources of information such as industry profiles, trade journals, newspapers, magazines, Census data and demographic profiles. This type of information is available from public libraries, government agencies, industry associations and chambers of commerce. Start with your local library; you'll be amazed at how much information you can find there.

What information am I looking for?

Your research will become the basis of your marketing plan. Consider the following:

- Who is my target market? What is their age, gender, location and income?
- What is the total size of my market?
- What is the current demand in the market?
- What is the growth potential and opportunity for a business my size?
- What products and businesses are competing with me? How do I compare?
- What is my niche? What makes my product or service unique?

Free online market research resources:

- ceic.mt.gov
- montanasiteselector.com
- factfinder.census.gov

ABOUT THE MONTANA SBDC

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The Montana Small Business Development Center Network is a partnership among the Montana Department of Commerce, the U.S. Small Business Administration, regional economic development organizations and institutions of higher education.

This network consists of 10 centers throughout the state that offer free, confidential, one-on-one business counseling and low-cost training programs to small businesses and entrepreneurs.

The SBDCs are dedicated to helping small businesses throughout Montana grow, innovate and succeed. Our network combines the resources of federal, state and local organizations with the education system and private sector to meet the specialized and complex needs of the small business community.

Visit sbdc.mt.gov and contact the SBDC nearest you to learn more about counseling services and training programs available in your area.

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