

Market Research

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Executive Summary

Would you like to know why, how, and when to apply market research? Do you want to get a better insight into your consumers and users? Are you interested in launching a new product, service, or even a new marketing campaign, but you're not sure what your consumers want? To answer the questions above, you'll need help from your target audience. However, how will you collect that data? In this case and in many other situations in your organisation, market research is the way to get all the answers you need (QuestionPro, 2021).

Introduction

Destinations & Marinas will be targeted within this white paper and this will be referred to organisations. Doing market research can be very important to make the right decisions for moving your destination forward, and this will grow even more in the upcoming years. Market research for new products and services development will help you to understand your users' needs, as well as potential risks and market opportunities (Attest, 2021). This white paper answers the following questions: "What is the importance of carrying out market research and why would this improve your market position?", "Why should you carry out market research?", and "How market research will improve and grow your destination?". In order to give the right answers to these questions, the definition of 'market research' will be discussed. After this, several types of market research and the

importance of carrying them out are elaborated. Finally, the impact of market research on your destination will be highlighted.

What is market research?

Definition of market research

You probably have already done market research before within your organisation. However, are you also aware of the definition of market research? Based on Investopedia's research done by Alexandra Twin (2021), market research is the process of determining the viability of a new service or product through research conducted directly with potential customers. Market research allows an organisation to discover the target market and get opinions and other feedback from consumers about their interest in the product or service (Twin, 2021). This type of research can be conducted in-house, by the organisation itself, or by a third-party company that specialises in market research. It can be done through surveys, product testing, and focus groups (Twin, 2021).

Also according to Investopedia, the purpose of market research is to look at the market associated with a particular good or service to ascertain how the audience will receive it. This can include information gathering for the purpose of market segmentation and product differentiation, which can be used to tailor advertising efforts or determine which features are seen as a priority to the consumer (Twin, 2021).

How to conduct market research

Organisations can conduct market research through various means. It is a combination of primary information – information gathered directly by the organisation itself – or secondary information, which is information an outside entity has already gathered (Lucid, 2022). Secondary research tends to be a starting point before conducting primary research.

There are several methods of primary research companies use in order to learn from consumers, according to Lucid. Some of the most popular methods include (Lucid, 2022):

1. Surveys: Surveys involve asking consumers questions they can quickly answer. These questions can be multiple choice or more open-ended. Surveys can be

conducted in-person, over the phone, through the mail, or online. They provide a fast and simple way of reaching a large audience and getting their feedback.

2. Focus groups: Focus groups tend not to involve as many participants as a survey. Instead, a market researcher leads a small group of consumers in a discussion to get a window into consumers' thoughts. Because the groups are small, most companies will assemble multiple focus groups and take all the results into account. They may observe through a one-way mirror or watch a recording.

3. Interviews: Interviews are similar to focus groups but may involve even fewer people. A one-on-one interview can be a valuable way of gaining detailed insight from one customer. These insights can be helpful but they don't provide statistically reliable data as you can get with a large survey.

4. Observation: Market observation involves watching consumers to see how they behave under natural conditions. These consumers may or may not know if they are being observed.

5. Field trials: Field trials involve making an organisation move but doing so on a smaller scale and observing the results. Companies can feel more confident if the results are a success. You can, for example, make adjustments to your products and services more easily.

Moreover, a difference between qualitative and quantitative research can be made. Qualitative research is an exploratory approach and uses activities such as focus groups, in-depth interviews, and Ethnographic research – which involves participant observation as part of field research. On the other hand, exploratory research uses objective measurements and numerical analysis of data that is collected through research methods such as surveys, polls and questionnaires (IMS Marketing, 2021).

Importance of carrying out market research

Market research can deliver valuable benefits to companies like yours. Let's look at some of the most impactful ways market research can empower your organisation to succeed.

The first benefit could be to improve sales, according to Marvin Magusara who works as an entrepreneur and marketer specialist in search engine optimization and content marketing. Thorough market research will assist you in developing your product or service. Constantly improving the product/service you provide is a must if you want your organisation to grow (Magusara, 2019). This also means taking multiple current trends and developments into consideration. Furthermore, market research will tell you your customer's needs and wants which is important.

The author also concluded, getting a better image of your customer segments is also important. Once you start pleasing your customers, they will start talking about you which is essentially free advertising (Magusara, 2019). Market research will tell you what your brand reputation is. This means that you can know what customers think of your brand which allows you to rebrand if needed. The image you build is important as it will determine which customers you can interest.

As stated by Lucid, market research is all about understanding your consumer base better, and that is an essential step to creating a customer-centric business. Customer-centric companies keep the customer experience at the forefront of all they do. Research has shown that customer-centric organisations are 60% more profitable. It is easy to see why prioritising the customer's needs and desires is a recipe for success (Lucid, 2022). Conducting market research allows you to appeal more specifically to your customer's pain points and preferences. It is a win-win for your customers and your organisation.

5. Types of market research

Market research is a broad category. In fact, there are many varieties of market research that you can use to meet the specific goals of your organisation. Below, the different types will be discussed according to research (Lucid, 2022).

Brand research

This is focused on creating or refining your company brand to make a bold and favourable impression on your target market. You could look into the level of brand awareness among your target audience, how loyal customers are to your brand, what sorts of qualities people associate with your brand, and other aspects of customers' relationships with your brand.

Marketing campaign evaluation

Some more market research focuses specifically on marketing campaign effectiveness. You can evaluate, for example, how many people have seen your online ads and what the click-through rate has been. This type of information can help you make adjustments if needed and inform future campaigns so you reach consumers effectively and keep customer-acquisition costs down.

Competitor research

Competitor research focuses on the competition to help you gain insights into how your destination/marina can pull ahead. Looking into a competitor's marketing campaigns, brand reputation, revenue or sales volume, and other important data points can help you learn from their strengths and weaknesses.

Customer segmentation research

An important type of market research, especially for new organisations, is customer segmentation. These divide your larger consumer base into different groups or personas. Understanding the different types of consumers you want to connect with can help you create individualised campaigns tailored for each group.

Consumer research

Nearly all market research involves the consumer in some fashion, but some research is focused specifically on understanding consumers within a certain segment better. You may want to learn about their purchasing habits, interests, motivations, and more. The better you understand your consumers, the more effectively you can appeal to them.

Usability testing

The focus here is on how consumers use your products and services. You may release a beta version of your mobile app, for example, and get feedback from users to find out if there are any bugs or other problems you need to work out.

The impact of market research on your organisation

As said by Lucid, market research involves gathering data to learn more about target demographics and consumers so an organisation can market itself more effectively and, ultimately, succeed in the market. Market research is a vital part of any business strategy, whether that business is B2B or B2C, big or small, new or old. It provides the answers organisations need to make decisions that will move them forward instead of backward by empowering them to base decisions on data.

Most companies know what market research is and acknowledge its importance in a general sense, but they may not realise just how crucial market research is to the success of their organisation (Lucid, 2022). When you need to identify market trends, understand your core customer better or achieve a long list of other important goals, market research is the answer.

An organisation must engage in a variety of tasks to complete the market research process. It needs to gather information based on the market sector being examined. The organisation needs to analyse and interpret the resulting data to determine the presence of any patterns or relevant data points that it can use in the decision-making process (Twin, 2021).

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