

Supplier Diversity Portal Newsletter

M/WBE Technology and Growth Resource

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Using Web Market Research to Grow Your Business

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INTRODUCTION. Market research does the same thing radar does for a jetliner, it helps identify the best route to fly and also finds trouble early on so it can be avoided. Small, minority- and women-owned businesses (M/WBEs) need to do market research for the same reasons. Fortunately, the Internet is a fast, easy, and convenient way for small businesses to do market research. Some reasons - and benefits - for doing market research are:

- Find potential business opportunities
- Increase company sales and market share
- Identify direct and indirect competitors
- Determine your market niche & competitive differentiators
- Ensure service contracts and/or product agreements are up-to-date
- Develop / improve business planning – both short- and long-term
- Tailor your marketing efforts for the needs of a particular company you are targeting

There are several good reasons for a M/WBE to do market research on the Web. First, it's fast since search engines like Google.com can search over 3 billion Web sites in less than 2 seconds. Second, most of the data is free or low-cost, and is of good quality. Third, market research can be done anonymously so you don't tip off your competition. Fourth, doing market research helps maximize your chances of making the sale since you better understand the customer's needs and know how to outmaneuver the competition.

BACKGROUND. The process of gathering publicly-available information on your industry and competitors is referred to as "competitive intelligence." Market research data is often used for the following: 1) finding and qualifying potential customers (prospecting); 2) developing marketing plans; 3) creating customer-specific sales presentations; 4) getting background information for proposals submitted for bids; 5) developing a differentiation strategy; 6) determining the market for a new product / service; and 7) helping determine if a new line of business should be pursued.

MARKET RESEARCH TECHNIQUES. The Internet is the world's largest library without a card catalog to organize over 3 billion Web sites. The author recommends using the steps below:

1. Determine exactly what type of information you want (e.g., identify all competitors)
2. List all key words and phrases associated with this information (plus any combinations)
3. Check spelling of all key words / phrases
4. Conduct a general sweep using an all-purpose search engine and/or directory (e.g., Google.com and Yahoo.com, respectively)
5. Use a specialized search engine (if required) for your particular industry
6. Use a meta search engine, one that searches several search engines at one time (e.g., DogPile.com)
7. Use at least two sources to verify your research results

There are several types of Web market research information sources. Examples are: reports (eMarketer.com); newsgroups; company Web sites; research services (paid consultants); and news sites & press releases (mostly free). You can also do online surveys of your customers to get market research data using free software. Once you access the above information sources, the table below discusses what you need to look for to get the best benefit from your time.

What Information to Look for on the Web

Industry	Contracts / Procurement
<ul style="list-style-type: none"> • Industry trends (expanding / declining) • Legal and regulatory trends • Technology developments • Political developments • Economic conditions • Competitor Data (direct / indirect) 	<ul style="list-style-type: none"> • Centralized vs. decentralized buying • M/WBE participation goals and use areas • Procurement forecasts • Current prime and subcontractors • Type of contracts used • Company contacts

FREE WEB SITES. There are several very useful Web sites that M/WBE firms can use.

Business & Market Research Web Sites (to get general market / industry information) www.census.gov (free information on consumers & businesses)

www.fedbizopps.com (free system to register for contract info)

www.eMarketer.com (free and pay research reports)

www.FirstGov.gov (accesses 28,000 government Web sites)

www.SearchEngineWatch.com (search engine tutorials)

<http://finance.yahoo.com> (industry & company analysis)

Company-Specific Research Web Sites (to qualify prospects or check out competitors)•

Hoovers Business Information (Free & Pay) www.hoovers.com/free/

• Lycos Company Research (Free) www.tripod.lycos.com/smallbiz/index.html

• Thomas Register <http://www.thomasregister.com/>

• Fortune (www.Fortune.com) (Free and Pay)

• Internet Yellow Pages (Free and Pay)

–www.Yellow.com

–www.SuperPages.com

–www.SmartPages.com

•www.Switchboard.com (Business Address Locator) (Free)

M/WBE LESSONS. There are several key lessons for small businesses. The first is to establish clear goals for your company’s marketing & competitor research programs. Second, make sure your company’s Web site and electronic brochure are up-to-date (since buyers are checking you out online too). Third, use Web research to differentiate your company from its competitors to create a competitive advantage. Fourth, build business relations before they are needed and use networking to locate potential clients. Last, make market research an ongoing process.

For more information see “Free Tutorials” at: www.SupplierDiversityPortal.net

You can order a copy of the author’s book: “**Small Business Web Site Development Guide**” for \$15.00 (plus \$5.00 shipping) by calling at 630-440-9191. The book has a section on ways to differentiate and effectively market your Web site, both on-line and off-line.

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