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<b>Meta Description</b>	<i>Learn the 3 best methods for researching your business idea by looking at competitors, trends and target audience in our guide.</i>
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# How To Do Market Research For a Business Idea

If you're thinking of starting a business, you've come to the right place. Taking the initiative is just the first step! Not every business idea is guaranteed to work – you need to conduct in-depth market research for a [new business](#) to succeed. This involves getting to know your target customers and learning about trends in your chosen industry.

This guide will take you through the importance of market research and discuss key market research methods to help you get a competitive advantage from your business idea.

## Why is market research important?

New businesses and startups should never underestimate the power of market research. The research and analytics industry in the UK alone is valued at [over £7 billion](#), so its importance cannot be ignored. Good market research can help you identify types of information about your target demographic that you might have otherwise missed. Finding out what they want, need and seek out will help you create a product or service that is in demand.

Market research will also enable you to unearth gaps in your chosen field by looking carefully at what your competitors are doing well and where they are missing. Use exploratory research methods to learn more about your idea's strengths and weaknesses so you can fix issues early on in your business. This will save you time, money, resources and effort in the long run.

## Types of market research

Market research usually falls into two categories: primary and secondary.

Primary research is any investigation you undertake by yourself. You will own all the data collected in your research, and you will need to plan, schedule and organise the market research yourself. [Secondary research](#) happens when you use existing data for your own needs. You just need to know where to look and plan how to collate all the information.

Both forms of research make use of quantitative and qualitative research methodologies:

- Quantitative research: This form of market research is statistical in nature. You will need to look for numbers, percentages, values and measures for your data.
- Qualitative research: This data focuses on the thoughts, feelings, opinions, wants and needs of people. Emotional reactions are a key part of this.

Now that you know what market research is and why it is important for your business, let's discuss how to carry out market research efficiently.

## How to market research for a business plan

One of the first questions to ask yourself when setting up a small business is, "are there enough customers out there who will pay money for my idea?" You want your business to thrive, and the only way this can happen is if other people are just as excited about the idea as you and are willing to support it. You have a [30% higher](#) chance of growth with a solid business plan in place.

Here are 3 ways to test out your business idea using market research:

## **1. Interview potential customers**

Conducting an in-depth interview with your potential target market is a sure way to understand what they want and if they are in favour of your business idea. You need to be where your customers are so you can accurately define your buyer's persona and look for patterns in their buying habits.

There's no point setting up a children's daycare centre in an area of town populated with college students and no young families. Some of the biggest product ideas and design changes in the past ten years have come about because of [feedback received](#) from focus groups. Use surveys, phone calls, focus groups and questionnaires to dive deep into their personality. Ask open-ended questions about your business idea to get qualitative data that offer insight.

## **2. Identify competitors**

Pay close attention to the activities and happenings of your competitors. Make a note of how they price their product, what kind of marketing messages they use and how much of a market share they have. Competitor market research will also help you identify any gaps that you can fill and places that they are struggling to do better.

When conducting your customer research, remember to include plenty of open-ended questions about your competitors and find a way to reassure them that you will be addressing their grievances as much as possible.

Competitor analysis does not always have to be about rivalry. You never know when you might need to lean on a competitor for a campaign, a partnership or future collaboration. In 2019, fast food giants Burger King and McDonald's [joined forces](#) to market together in support of a cause. Identify competitors who share the same values you do, and make a separate list of those you do not agree with.

## **3. Listen and follow trends**

People love sharing their opinion, especially on social media. If you want to know whether your business idea is going to be a hit, you need to be following trends and conversations

across the web. Stay on top of news in your industry for new developments by reading reports that predict upcoming customer purchasing decisions and current demands.

Scroll through the comments section and on forums to be a part of your customer's conversations. There's nothing worse than a business idea that could go out of fashion within a month. Your idea needs to be sustainable, and for that, you need to be agile, adaptable and staying on top of your customers' needs.

**RELATED:** [How To Conduct A Market Analysis In 4 Simple Steps](#)

There is no fixed way to do market research, and we recommend undertaking two or three of these techniques at a time, so you have a range of results to compare against each other. It is also useful to conduct each form of market research separately for each of your target market segments.

Channelling your business idea into a solid business proposition takes time and patience. You might also want to learn how to create an effective [marketing strategy](#) to take things further. Explore our blog for more tips and tricks on starting your own business.