

Keep Current With Your Small-business Customer Base

Know what your customer wants.

This is a key to building a successful business. Of course, you still have to meet that need, let customers know you have what they want and price it at a level that customers feel is acceptable. But the process begins with knowing the problem they are trying to solve.

Market research is how to get the answer to this question.

“Small-business owners need to use market research,” says (Insert name and title) of (Insert county). “When doing so, they also need to remember that all customers are not the same and that desires change through time.”

Examining and understanding each part of the demand for a business’ services and products will help the owner be far more precise in understanding and planning how to meet the demand. Just like owners know that customers have a variety of responses in terms of acceptable prices, customers vary in the specifics of what they want.

To understand the idea of market research better, let’s look at food-related businesses.

People need food to sustain themselves. Thus, the need is very basic. Yet the demands for food can take a variety of paths, which offers business owners various opportunities.

When thinking of the opportunities, an owner might begin with the foods your customer grew up with in terms of heritage, culture and local offerings. This is only the beginning today, however. Now some people want to experience new things. Others would like to do it themselves, while some want the foods already prepared. Of those who want it prepared, some want to do the final cooking at home, while others will get it from a full-service restaurant.

So one desire can turn out to be multiple desires and multiple opportunities for a business. This does not even take into account the fact that for customers, the choices aren’t an either/or but are somewhere on a continuum.

“As a market researcher, you shouldn’t stop there,” says Glenn Muske, the North Dakota State University Extension Service’s rural and agribusiness enterprise development specialist. “You have individuals who need certain specific diets and others who just desire such a diet. You also have people who want the items grown locally and those who are happy to accept getting what they want from whatever source that will provide it.”

Market research can find these niches. Each one may (emphasize the “may”) be an opportunity for a small business or a new line for an existing business.

Market research is not a one-time task, though. Times change, people change and our worldview changes. People age and travel, and technology brings new ideas. Thus, an opportunity today might not be there in five or 10 years. Look at restaurants that come and go. Think back to what

grocery stores offered 10 years ago to what they offer today. Or go to a different region of the country and see how a grocery store's offerings differ just based on regional differences.

Being successful in business means knowing what the customer wants. Knowing what your customer wants comes from ongoing market research.

For help, contact your local Extension Service office at [insert phone number and email address]. Also visit NDSU's small-business support website at www.ag.ndsu.edu/smallbusiness and sign up for the monthly newsletter. Or check out Facebook at <https://www.facebook.com/NDSUextsmallbiz> or Twitter at @gmuske.

Other resources include <http://powerofbusiness.net> and www.eXtension.org/entrepreneurship. The Small Business Administration and its related organizations, such as the Small Business Development Centers and SCORE, also can be valuable resources.

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For more information, contact glenn.muske@ndsu.edu or call (701) 328-9718. You also can visit our website, www.ag.ndsu.edu/smallbusiness.