

Build Your Business With Data

A lot has been written about how market research will help you achieve business success, and many of these claims are true.

“That connection, however, is not a simple, direct link,” says (Insert name and title) of (Insert county). “Collecting information about your potential market is useful only if you take the next step of analyzing the data.”

The analysis of your data is what yields clues about who your customers are, what they are buying and problems they face. It provides you with an insight of the benefits they are seeking.

Data analysis begins before you even start collecting the information. Thinking about the questions you want answered leads to deciding what data you need to collect. As you think about the data you need, start with data you already may have:

- Customer lists - Do the lists answer how much customers spend, when they buy and what they buy?
- Effectiveness of your marketing - Are your customers responding to your marketing and advertising efforts? If so, what efforts are working best?

Remember that you also can get information from third-party sources. Trade journals, news magazines and papers, plus writers you find online or in books, often share information about your target market.

Your local chamber of commerce or economic development office also will have information about the trade area and the people who live there.

Finally, vast amounts of data are available for free from the state and federal government. Here in North Dakota, you might check out ND Compass and the U.S. Census Bureau. Both of these are adding tools to make data analysis easier for anyone.

After having determined what information you already have and what you may find from other sources, you then can look for the gaps in the information you need.

Tools to help collect such information include surveys (paper, oral or electronic); contests structured to provide feedback information; checkout data, such as asking a question or two as a person is checking out; and customer feedback. Data also can come from observation, interviews or simple testing. Data collection can be done one-on-one, in a group or through the mail. But to this point, your data is just numbers and words. The return for your effort comes from making sense of the information. You can use in-depth statistical packages or textual analysis software. Many business owners start by putting numbers into a spreadsheet and looking at frequencies, charts and graphs. The idea is to see if any trends emerge. The same goes for textual information.

Having others look at your initial findings is helpful. This is a good time to have your mentors and advisers review the information and have some frank conversations about what everyone is

seeing. Different interpretations will emerge, giving you greater insight. If you can supplement the numbers with customer conversations, then your analysis will yield even more.

“It sounds complicated, but it’s really not,” says Glenn Muske, the North Dakota State University Extension Service’s rural and agribusiness enterprise development specialist. “Start simple and build your skills and your database. You don’t have to collect everything at once.”

When doing market research, balance what you need with the cost and time required to get it. Don’t forget to take into account your customers’ perspective, how much time are they willing to give and what information might they want to keep private.

Building your business means knowing your customers. Good market research can help you know your customers, so start your effort today.

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.