

Marketing Research - Finding the Best Consultant to Hire

Eighty percent of new products and services fail within three years. Many of these failures are a direct result of poor marketing research.

Marketing feasibility research is critical to develop business and marketing plans. Quality research will answer the following questions:

- Who are the targeted customers?
What do customers need or want?
When do customers purchase the product or service?
Where do customers purchase similar products or services?
Why do customers purchase similar products or services?

The two forms of market research are primary and secondary. Primary research is conducted for specific purposes to answer specific questions, making it costly and time-consuming. Independent marketing research companies use interviews, surveys, focus groups and expert opinions to conduct primary research.

Secondary research provides a starting-point for agri-entrepreneurs to begin market examination. It is less expensive than primary research, but fails to provide information specific to a business, product or service. This research is published by sources like the United States Census Bureau, USDA, University Outreach and Extension, trade publications, etc., and is available to everyone. Thus, it does not provide an advantage exclusive to any one entity.

Determining the amount and quality of research needed depends on project scope and goals of the agri-entrepreneur. Business ventures generally need more research as investment and risk increase. The product and industry also affect market research needs. For example, predominate market research

associated with evaluating ethanol production feasibility is secondary research and primary research is needed when determining the market for a new branded meat product.

Finding qualified research companies can be a difficult task.

Agri-entrepreneurs can contact the following sources to identify reputable market researchers:

American Marketing Association

- Marketing Services Guide
Membership roster

Quirk's Marketing Research Review Researcher Source Book

- Marketing Research Association
Council of American Survey Research Organizations

Marketing publications

- Marketing news
American Demographics Marketing Tools Sourcebook 2002

These sources can be found on the Internet or in your local library.

Selecting firms is the next challenge

Matching needs of value added businesses with appropriate market research firms is key in attaining usable and actionable information. Agri-entrepreneurs need to look for three main qualities.

- Experience - examine amount of work within the industry and similar industries.
Client relationships - investigate effectiveness by requesting a client reference list.
People - research the qualifications, experience, consulting skills, natural curiosity and creativity of the individuals to be assigned the project.

### **Request a proposal from the top three or four firms**

Proposals should be free or cost a minimal amount. Review and evaluate each proposal according to the following variables:

- The firm's understanding of business goals
- Their plan for gathering information and communicating results
- Qualifications and experience of the firm and its staff
- The firm's cost to complete the project

Agri-entrepreneurs need to prioritize these variables to select the firm that best meets their needs. Regardless of project details, marketing research is expensive. If a proposal looks too good to be true, it most likely is. Remember, you get what you pay for!

### **Marketing research does not guarantee success**

Nor should it stop you after just one study. Providing an independent and objective opinion about new ventures is the greatest benefit market research firms can provide their clientele. Markets, consumers, and competition change continuously, therefore value added ventures must be flexible and prepared to change.

Today's niche markets create an opportunity for value-added agriculture. To be successful, agri-businesses must focus on customer needs. **Research provides the information necessary to identify needs and minimize risk of marketing value-added products or services.**

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