

## Conducting a Direct Market Survey

The following steps detail the things you need to do and the information you need to gather in order to prepare and conduct your Direct Market Survey. You will then include your completed Direct Market Research Report in your Business Plan.

### Prepare and Conduct a Market Survey

You will need to create a survey, feel free to call or email our office to have the survey reviewed. You will need to summarize the results, question by question, and write a conclusion on your findings. Here is what you need to do:

Before developing and conducting your survey, ensure you have identified your:

- a) Core products and services
- b) Typical client/customers
- c) Trading area

You will now conduct a survey of that market to determine if there is sufficient 'motivated demand' for your product or service. In other words, what are your customers current and future 'needs', and what would motivate your typical customer to do business with you?

### Key Objectives of Your Market Survey

Core questions are used in your market survey to gather direct data from your target market. The objectives of conducting your market survey are as follows:

1. **NEEDS:** Determine what the market recognizes as needs they want to satisfy
2. **INFORMATION:** Discover information about the market in which you plan to do business, such as the characteristics of your customers, your competition, the business environment, and products and services the market truly wants that it cannot get. This information will allow you to tailor your business plan to meet market demand and strengthen your competitive advantages
3. **PROSPECTS:** Make contact with potential customers, these are leads to follow-up on once you launch your business.

### How to Conduct the Market Survey

The most useful results will come when you follow these guidelines:

1. **TYPICAL CLIENT:** Take your market survey to actual target customers that you plan to approach once you launch your business. Don't use your family and friends as your target market.
2. **TRADING AREA:** Conduct your market survey in the market area you plan to target with your product or service (the region where you will focus your marketing efforts).
3. **SUFFICIENT NUMBER:** Conduct enough surveys for each typical type of client to be able to draw conclusions that can be applied generally to the market segment. For example, you need to conduct enough surveys to see consistent patterns emerging; maybe 50 or 100 surveys.
4. **IN PERSON:** Conduct the survey in person if you are offering services/products directly
5. **OWN WORDS:** Ask each question and allow the person to answer in their own words. In other words, don't necessarily recite each possible answer to your questions.

6. CONVERSATIONAL: Engage people in conversation, giving time for additional comments beyond the scope of your survey, and write the comments down. Note: An open ended question such as “what other products or services would you like to see offered?” can often open new business opportunities.
7. TRACK RESULTS: Keep track of the total number of people you approached to do the survey.
8. PERMISSION: Ask permission before starting in on your questions.
9. THANKS: Express your thanks for their time following the survey.
10. PRACTICE FIRST: Practice on your friends and family. Time yourself and obtain constructive criticism before you go out and deal with your potential customers.

#### *Tips to Developing Good Core Questions*

1. For each question you ask, ask yourself “What information do I hope to get by asking this?”
2. Avoid leading questions
3. Keep questions simple
4. Keep the survey short – 5 minutes max
5. Focus on using open-ended questions – avoid the “yes” or “no” type questions
6. Multiple response questions are typically more open-ended
7. Begin most of your questions with the W words –Who, What, Which, Where, When, Why, and How
8. Design your survey so you can fill it in easily – include some of the responses you might expect on the survey – for your own use only

#### *Script your introduction and closing remarks*

1. Introduce yourself showing that you are fully qualified to provide the service or product  
Example: Certification, Experience etc.
2. What type of business you are thinking about.
3. You are conducting the survey to help you structure your business to satisfy the needs of the community

#### *Parts of a Survey*

By way of an example, let's say you are planning to open a business baking muffins. You can divide your research into several “topics.” The types of questions to ask vary from one set of conditions to the next. You have to be very careful when posing questions related to the backgrounds of the people buying the muffins. Anonymity will produce greater and more reliable responses.

#### **Topic 1 – Questions about the product or service**

Which muffins are popular and which are not?

#### **Topic 2 – Questions about the people who buy the product or service**

Where do they live? What are their professions, family status, marital status, children in the family, household income and eating habits? Why do they buy muffins?

#### **Topic 3 – Questions about where people buy the product or service**

What type do they prefer: frozen muffins at the grocery store, or fresh? If fresh, do they prefer to buy readymade muffins from the bakery or the type you have to bake in the oven?

**Topic 4 – Question about pricing**

What prices are they willing to pay for the muffins?

**Topic 5 – Questions about promotion**

How are they made aware of the availability of muffins? Do they read about them in newspaper, websites, ads, flyers on the street, friends referring them to a local bakery, or becoming aware of the bakery because it is on their way to work or home?

**Topic 6 – Questions about the competition**

Where do they presently buy muffins and what do they like about current products? What would they do to improve the muffins presently bought or available?

**Topic 7 – Questions about commitment**

How likely would they be to switch to your muffins if they were available?

**Topic 8 – Questions about other services**

What other services or products would they like to see offered by your business?

**SURVEY STEPS:**

1. Design your survey.
2. Email [info@northfraser.org](mailto:info@northfraser.org) or drop it off at our office.
3. Our Business Advisor will review it, and suggest revisions.
4. Make revisions based on our feedback to you.
5. Practise the revised survey(s) on your friends and family and make any final revisions. Make sure you know your script, can speak clearly and confidently from your survey.
6. Conduct the survey(s) with those you have identified as your target customer in your projected trading area(s). This is a big job: remember your key objectives are to determine the perceived needs of your market and to make contacts for future business. Keep records of the people you speak to.
7. In writing, summarize the results using the questions from the survey, question by question.
8. In writing, interpret the results and draw conclusions.

The following page contains a basic sample survey. Use it as a guideline, but please create your own questions tailored to your specific business.

**Sample Survey**

Date: \_\_\_\_\_ Location: \_\_\_\_\_ Company Name:  
\_\_\_\_\_

Opening script: Hello, my name is \_\_\_\_\_. My background is  
\_\_\_\_\_

\_\_\_\_\_. I am planning a new business offering \_\_\_\_\_  
(products/services) here in the Fraser Valley. Before I proceed with the business I am  
conducting this survey to determine the needs of my customer base. May I have \_\_\_\_ (one, two,  
a few, etc) minutes of your time to obtain your input? (Keep it under 5 mins.)

1. Who have you used in the past  
to \_\_\_\_\_?  
or How do you typically handle your  
\_\_\_\_\_ needs?  
or What method do you normally use to get your \_\_\_\_\_ taken care  
of?
2. Where do you look to find a supplier of this product/service?
  - I don't – we already have a supplier / someone taking care of it etc.
  - Internet Search
  - Classified ads in the local newspaper
  - Display ads in the local newspaper
  - Yellow pages – follow-up question: Do you look for ads, or just names?
    - \_\_\_ ads     \_\_\_ names
  - References from people you know
  - Other: \_\_\_\_\_
3. If you were looking for this product/service, how do you make your decision as to which  
one to use?
  - Deal only with people I know
  - Price or value
  - Guarantee offered with work
  - Convenience
  - Other: \_\_\_\_\_
4. How often do you need/buy/use/get (etc) \_\_\_\_\_?  
\_\_\_\_ daily \_\_\_\_ weekly \_\_\_\_ monthly \_\_\_\_ times per year \_\_\_\_ other
5. How much would you typically expect to pay (budget, plan to spend, do you spend) for \_  
\_\_\_\_?  
\_\_\_\_ under \$15 \_\_\_\_ \$15-\$25 \_\_\_\_ \$25-\$35 or \$ \_\_\_\_ per \_\_\_\_.
6. How beneficial/valuable/important would you consider the following in selecting a  
company to provide these products/services? (e.g. rank on a scale of 1-5) (list a few of  
your competitive advantages or specific benefits you plan to offer to your target market  
in this question)  
\_\_\_\_ 24/7 service \_\_\_\_ 6 month guarantee \_\_\_\_ rapid response emergency service

\_\_\_\_ regularly scheduled service \_\_\_\_ on-call/on-demand service \_\_\_\_

7. How likely would you also require (use this question to list other products/services you may be considering)

\_\_\_\_\_ (describe it here)

\_\_\_\_\_ (describe it here)

\_\_\_\_\_ (describe it here)

\_\_\_\_\_ (describe it here)

8. What other services would you find beneficial or that you are not receiving now?

\_\_\_\_\_

9. When I officially launch my business, how likely would you consider using my product/service? (use a percentage; a scale something like:  
Not likely 1 – 2 – 3 – 4 – 5 Very likely (or whatever works for you)

10. May I contact you when the business is launched? (always include this type of question)

- Yes. Ask for their contact information
- No. Ask May I send you a brochure instead?
- Yes. Ask for their contact information

Contact Name: \_\_\_\_\_ Company Name: \_\_\_\_\_

Street: \_\_\_\_\_ City/Prov/Postal Code: \_\_\_\_\_

Telephone: \_\_\_\_\_ Email address: \_\_\_\_\_

11. Who else do you know that I should be talking to about this? (This is an optional parting sales question) \_\_\_\_\_

Thank you for taking the time to participate in my market research.