

Market Research: Part I: Discover Your Optimal Target Markets, Messaging and Product Strategies

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Scope: This white paper discusses B2B market research on a high-level, including a discussion of benefits (Part I), common definitions, and a process map (Part II).

Target Audience: Managers to Executives

Many companies, from startups to Fortune 1000, have used primary market research with great success. Other companies are hesitant to try primary market research because of a lack of understanding about what the process involves or the benefits to be gained. It is important for executives to have a clear understanding of the benefits gained from primary market research and how it works, so they can determine if it is a feasible option for their company.

This paper is divided into two parts: first we will discuss “why” primary market research is important and what the potential benefits are for your company, and second, we will look at “what” primary market research is and “how” a typical project is structured. As you read through this paper, be thinking about how you can apply these concepts to your company’s product or services.

Why Should You Care About Market Research?

Every marketing executive is faced with those tough questions that keep them up at night or plague them during their morning commute:

- *How can I be sure my message is reaching my customers?*
- *How am I going to reach new customers?*
- *What products or features should we invest in for future product releases?*
- *Why are we losing to our competition?*
- *How do I align my product with my customer’s needs?*

*The simply answer is – **ask your customers!**
Customers are likely to tell you their pains
because they are eager to find a solution.*

Common Mistakes: Too often executives assume they know what their customers need. Sadly, they spend countless resources conducting trial and error sales and marketing campaigns to reach customers in a hit or miss fashion. Ultimately, customers are left puzzled - they either don't understand how the product solves their pain or worse they are unaware of the product entirely.

This then leads to bigger questions about the effectiveness and performance of your sales and marketing efforts:

- *How do I get my sales and marketing teams to pull in the same direction?*
- *How do I determine the best messaging for my product?*
- *How can I be sure that my planned market strategy is optimal?*
- *How do I get revenue from new markets (and what are those markets)?*

*The **biggest mistake** is assuming you know what your customers are thinking!*

Benefits: Focused Sales and Marketing Efforts

Gathering detailed information from prospective customers helps ensure resources are not wasted by identifying:

Target Segments - Gain a better understanding of customer pain, needs, and preferences and which segments have the highest incidence of pain.

Better Offerings - Create relevant and differentiated offerings that meet customers' needs and ultimately improve customer loyalty. Customers are willing to tell you what they like most and least about your offerings and will give suggestions on what's missing from your offering.

Optimal Messaging - Discover what messages resonate loudest and how to reach your customers by addressing their pains. Develop sales tools that effectively communicate to the optimal prospect base.

Accurate Resource Allocation - Make decisions that are accurate and meaningful and that are based on sound data and assumptions.

Efficiently Use of Sales and Marketing Dollars - Reduce expenses associated with activities that try to gauge the market based on a trial and error approach. Get it right the first time.

Justifiable Actions – Acquire the quantitative data to confidently support your decisions. For example: determine which product strategy to invest R&D dollars; find out which marketing materials are having the most traction with your prospects; or understand how your customers perceive your messaging and marketing efforts.

Competitive Advantage - Create a temporary competitive advantage by acquiring proprietary information unavailable to your competitors.

These are a few of the many reasons why market research is too important to ignore. Effective market research will help you identify your optimal target markets, optimal messaging, and optimal product strategies - to help you *achieve your revenue goals faster*.

Next: Part II - How To Get Started With Market Research For Your Organization

The second part in this series will look at:

- A definition of primary market research
- A guideline of each step in a typical primary market research project with tips and common pitfalls identified

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