



Getting started with the course


Understanding e-commerce and why it matters


Terms, tools, and strategies in e-commerce


Getting started in e-commerce


 **Video:** Market research  
4 min


 **Reading:** Get started with market research  
20 min


 **Practice Quiz:** Activity: Perform a competitive analysis  
1 question


 **Reading:** Activity Exemplar: Perform a competitive analysis  
10 min


 **Video:** Identify your target audience  
2 min


 **Reading:** Learn more about identifying your target audience  
20 min


 **Video:** How to do product research  
7 min


 **Video:** Product sourcing  
2 min

 **Reading:** Researching and sourcing products  
20 min

 **Video:** Branding in e-commerce  
4 min

 **Practice Quiz:** Activity: Identify brand values  
1 question

 **Reading:** Activity Exemplar: Identify brand values  
10 min

 **Reading:** Case study: How Prados Beauty's brand uplifts the indigenous community  
20 min

Review: Introduction to make the sale: build, launch, and manage e-commerce stores

# Get started with market research

As you've already learned, one of the first steps to build a successful e-commerce business is market research. This reading will cover more information about how to get started with market research.

## Introduction to market research

**Market research** is the process of gathering information about consumers' needs and preferences. It's an important process because it helps you determine the potential for growth and success within a specific business or industry. It can also help you tailor your marketing, advertising, and business policies to meet the needs and desires of your target audience. Your **target audience** is the group of people most likely to purchase your company's products.

## Types of market research

There are two ways you can go about gathering research information. The first is **primary research**, which is research that's done by you (or someone you hire to do it for you). It might include conducting surveys or interviews, directly observing someone interacting with a product, or conducting a focus group.

The second type of market research is **secondary research**, which is research that uses information someone else has put together. It requires gathering information from published sources, such as consumer insight reports, published surveys or interviews, or other resources.

Because secondary research requires less time and money, it's often the best place to start. You don't have to find consumers to participate in your research or reimburse them. Although you may have to pay for access to information from these published sources, the cost is typically much less than you would pay to conduct primary research.

By starting with secondary research, you'll get a general overview of the industry and a better understanding of consumers' needs and preferences. Then you'll have a better idea of where to focus your efforts when you conduct primary research to gather information that wasn't available in the secondary research.

Primary research takes more time, money, and effort, but it can provide information that's very specific to a particular business. It also provides the most up-to-date information, since the market may have changed since the secondary research was conducted.

## Market research questions

Before you start conducting research, it's helpful to figure out what type of information you need. This will depend on the company's goals for market research, such as launching a new brand, entering a new market, rebranding an old product, or a different goal. The goals for market research could be to learn more about the size of the market, your target audience, or the competition—or perhaps all three.

If your company has done market research before, you may have access to some of this information already. In that case, you may not need to research all of these areas. Or, your responsibility may be to find out if the market has changed since the last time your company did market research. In that case, you may need to start your research from the beginning, finding out all you can about the size of the market, your target audience, and your competition.

Here are some questions that can help guide your market research:

1. Is there a large enough demand for the product or service you're trying to sell?
2. Is there room for growth in the market?
3. Does your target audience want to buy this type of product or service?
4. Is the product or service within their price range or budget?
5. How much competition exists?
6. Who are your most important competitors?
7. How can you differentiate your business from the competition?

## Sources for secondary research

Secondary research is often the best way to start researching the market because it helps you form a basic understanding of your specific industry. It's also the most budget-friendly option. Plus, it's a faster way to gather information than conducting primary research.

Here are some examples of sources for conducting secondary research:

- Government data, statistics, and resources
- Small business association resources
- Research agencies
- Industry publications
- Trade journals
- Research published by competitors
- Internet research for competitor information
- Transcripts of competitors' earnings calls
- Google Trends

**Pro tip:** Check the publication date first to make sure the data is recent enough to be relevant.

## Sources for primary research

Primary research involves gathering your own information by asking questions or observing someone interacting with a product. It takes more time than secondary research, but it can also offer insights that are more specific to your business.

Here are some examples of sources for conducting primary research:

- Interviews
- Surveys
- Analytics data
- Focus groups
- Direct observation of consumers interacting with a product
- Visit to a competitor's brick-and-mortar store (if possible) or online store

## How often to do market research

Market research isn't something you do once and then never revisit. The market can change over time. For example, social or cultural behaviors might evolve, consumers' needs and desires might change, or new competitors might enter the market. The market could also change very abruptly if there's a major event that disrupts the market.

That's why it's important to revisit market research regularly. How often you conduct market research depends on your business's needs. Some businesses conduct market research annually or every few years. Other businesses conduct market research only when there's a specific need, such as the decision to start a new business, launch a new product, expand an existing category of products, or identify the reasons behind a long-term slowdown in business.

## Benefits of market research

With the information that you gather through primary and secondary search, you'll be able to make decisions that increase the business's chance for success. There are multiple ways that market research can benefit your business.

Here are a few ways you can benefit from market research:

- Optimizing your marketing and advertising campaigns
- Boosting your return on investment (ROI)
- Focusing your time and budget on efforts that are likely to produce meaningful results
- Reaching more customers
- Increasing sales
- Improving customer relationships

## Key takeaways

Market research is a valuable process that helps businesses understand consumers' needs and preferences related to their specific industry. You can conduct market research using primary research or secondary research methods to gather the information you need to make business and marketing decisions.

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