

Topic:
B2B Research

Plunge into the Knowledge Pool

Good market intelligence is the best foundation for an effective marketing strategy. Find out what market research can do for you...

If knowledge really is power, it is surprising that many businesses seem to have trouble in truly embracing the concept. Few would argue that good information is the raw material on which a marketing strategy should be based, yet many feel unable or unwilling to devote resources to research their markets in depth. Some businesses are drinking at the fountain of knowledge, others are just gargling.

iCAD is produced by Business Advantage, a B2B research, business development and marketing consulting practice operating in the global IT, Digital and Telecommunication sectors.

Define Your Objectives

Before commissioning any research work, ensure you are clear on the objectives of the exercise. There's a tendency for people to write a two line brief, followed by a wish list demanding to know everything about their target markets from one survey. It's a good starting point simply to define the gaps in your knowledge and the problems they are causing, and then discuss the options with professional researchers. Establishing clear objectives at this stage then enables the market research (MR) professional to identify the appropriate research methodology, but also enables you to set out clear parameters on the work you want to commission.

So What Can MR Do?

MR can prompt informed decision making in every area of a marketing strategy. Here are some of its more common applications:

Keep The Customers Satisfied

Understanding your customers' views of your products and services enables you to take the right action to keep their business. A thorough analysis of this could firstly involve in depth interviews or focus groups with a small number of customers to establish the areas of your products and services that are important to them. Further telephone interviews could then be conducted with a larger sample of customers to gather views on you and the services you offer. The resulting information could enable you to take decisions on:

- improving areas that are failing to match the quality of service sought by customers
- taking urgent action on groups of customers identified as 'at risk'
- reacting to early warnings of a change in customer expectations.

Research Speak

To get a feel for the sorts of options available, it helps to be familiar with the broad categories of research.

***Primary research** is new; it is designed and conducted to meet a specific information need that other sources cannot provide. The use of professional researchers is necessary for this type of study. **Secondary research** is the process of searching existing sources such as company web sites, commercial databases and listings etc.*

An example of customer satisfaction research in an international market could be a manufacturer of electronic design automation software wanting to understand the satisfaction levels of customers in different markets. If research revealed that its US customers were more willing to take risks in trying new technologies than its German customers, (who might focus on performance, ease of use and overall reliability), then the client would know it needed differentiated and more tailored marketing and customer retention strategies in these markets.

Customer satisfaction research is particularly valuable when carried out over time as this provides a benchmark against which to measure subsequent increases or decreases in satisfaction.

[How can Business Advantage meet your customer satisfaction research needs?](#)

*Primary research tends to fall into two categories, qualitative and quantitative. **Qualitative research** is exploratory in nature and investigates opinions, trends and attitudes, and reasons behind behaviour such as purchasing decision making. **Quantitative research** is conducted to establish the magnitude of issues such as market size, market share and sales volume. These two types of research are often used in conjunction, for example qualitative research could be used to gauge attitudes to a new product, and quantitative to establish the size of the potential market for it.*

New Market Opportunities?

The February issue of *iCAD* revealed that three quarters of UK CAD/CAM resellers see the development of new services as a major opportunity in the next twelve months.

Research into what value added services the market is willing to pay for can play a vital role in this. For a new product or service MR can enable you to:

- better understand your current market
- identify other niches within this market
- identify a new market altogether

[How can Business Advantage help you assess new market opportunities?](#)

CASE STUDY - New Market Opportunities.

The Sony Corporation is a leading manufacturer of audio, video, and communications and information technology products for the consumer and professional markets. Sony BPE (Broadcast And Professional Europe) wanted to assess the new market opportunities for producing equipment to run digital moving pictures and new media content, with a view to developing their marketing strategy. Sony BPE commissioned Business Advantage to find

out which European dealers/resellers were selling what, and which markets were being penetrated. Sony provided a list of their own resellers, and Business Advantage identified additional ones from a range of European countries. Business Advantage then conducted in-depth interviews by telephone with these resellers from several European countries.

Jon Hilton, General Manager, Channel, Sony Broadcast said: *"There are very few statistics available on such a new market, and we had put together a marketing strategy based on assumptions. Business Advantage's work enabled us to confirm these assumptions and gave us a much clearer and broader view of where the digital content creation market is heading. The information supplied has played a vital role in the shaping of our marketing strategy."*

Market Size Matters

Hand in hand with identifying a new market opportunity is the need to establish the size of the beast you are tackling. Establishing this figure enables you to:

- set realistic targets
- plan your sales and marketing activity.

Desktop research can provide a rough figure by gathering opinions from industry experts and estimates from business libraries. To gain an accurate estimate however, this type of activity needs to be followed up by primary research. An example of this could be a study carried out into the UK's large format copier market. In this case, the researchers would firstly define the 'universe' in which this market stands by listing all the technical markets in the UK - architectural, engineering and so on. A sample of companies in this sector would then be taken and screened to measure the proportion who use or plan to use large format copiers; this figure can then be grossed up to produce an estimate of total market size. Generally the more niche the market, the more likely it is that such primary research will be needed.

[How can Business Advantage size your target market?](#)

See Yourself Through The Eyes Of Others

Understanding how your existing and potential customers view your company, products and services enables you to refine and re-target your marketing activity in order to raise the profile of your business. Image and awareness studies track a company's image over time in order to monitor marketing success and prove that an activity is worthwhile, and can be particularly powerful when done in comparison with your competitors. High quality information from this research supports the following type of action:

- strengthening/changing your company image
- re-allocating advertising spend if existing channels are not reaching the right people
- establishing the level of resources needed to raise awareness to a defined level
- tailor your direct marketing according to the perceived strengths/weaknesses of competitors.

The near-saturated CAD market presents a major challenge to new start-ups trying to pull market share away from established competitors. Before being gobbled up by their ultimate target, Revit devoted huge energy raising awareness of its products, and aggressively targeting the potential weakspots of competitors. Any company with such ambitious objectives needs to keep close tabs on the impact its marketing efforts are having.

[How can Business Advantage help you understand the image and awareness of your products/services in markets around the world?](#)

Why Do People Buy/Not Buy?

Usage and attitude studies are used to investigate all aspects of the relationship between consumers and a specific product, service or market. Understanding the needs and preferences of your potential customers puts you in a strong position to market according to these needs and deliver the right products and services in the right way. Specific benefits of usage and attitude studies include:

- the ability to assess the appeal of particular products and services
- understanding what people are *actually* doing rather than working on perceptions, in order to provide a sound base for marketing strategies
- the ability to segment a market according to particular types of use, or particular user groups, to enable gaps in the market to be identified

There is a tendency for companies to have an over or under inflated view of the real significance of their products or services to the market. Did the design solution vendors pushing 'Internet-enabled' products look carefully at the receptiveness of the market for such solutions, or push them out on the wave of optimism for everything e-related? The objectivity and accuracy of independent market research can be vital to successful marketing decisions.

[How can Business Advantage help you to understand how and why your target markets use certain products/services?](#)

CASE STUDY - Usage And Attitude Study

The Hewlett-Packard Company is a leading global provider of computing and imaging solutions and services. HP wanted to better understand the purchasing behaviour of users of consumables for large format printers, and the capabilities and cost structures of its channel. To achieve this, Business Advantage conducted in-depth interviews by telephone with customers and channel partners in the UK, Germany, France and Italy.

Diane Orlando, World Wide Market Research Manager for HP, said: *"Business Advantage has provided us with the answers to some vital questions. For our customers, we now have a much better understanding of where and why they purchase, and how open are they to changing these patterns. For our channel partners, we have a greater understanding of their margin expectations, and their sales empowerment needs."*

Getting To Know Your Best Prospects

The more you know about your prospects, the better your chances of converting them into long term customers. In-depth company profiling involves getting right inside a business to understand their decision making processes - including who is involved, the criteria for choosing a supplier, and what they expect from a supplier. Benefits of this type of study include:

- better targeted sales and marketing campaigns
- the ability to produce solutions to the concerns and problems of potential customers
- the ability to develop better services based on knowledge of real needs

In-depth company profiling can be particularly effective for more complex products and services that may involve a change in working methods for the purchaser, and for which there might be internal differences of opinion over the value of such a change. So, for example, a company selling product lifecycle management solutions could establish the extent to which there is serious commitment to this approach in a large company, anticipate the likely problems in the evaluation and implementation, and likely budgets available for such investments.

[How can Business Advantage help you sell to key prospects more effectively?](#)

Will Our New Product/Service Hit The Right Buttons?

Launching a new product or service requires knowledge of what potential customers actually want. Research can uncover reactions to a new idea, or identify the detailed features that potential customers need and/or prefer. The development of an existing product or service can be researched by using focus groups to identify how it could be improved, and then quantifying these features to determine which ones you can afford to incorporate. Further research can indicate the likely demand for the new product.

[How can Business Advantage find out what features of a new product/service your target market really wants?](#)

Get Under The Skin Of Your Rivals

To compete successfully you need to know what you're up against. Access to in-depth analysis of your main competitors - their structure, strengths, strategy and weaknesses - enables you to shape your own strategies to counter strengths and exploit weaknesses and therefore maximise your own business advantage. Skilled interviewing of sources at competitors, suppliers, distributors and customers can produce information that enables you to:

- implement product/service improvements to counter their strengths and weaknesses
- target your sales policies through knowing their distribution channels
- offer competitive discounts and terms
- target your marketing communications strategy in response to competitors' messages and where/how they are delivered

CAD Spaghetti covered competitor analysis in more depth in '[Do You Know Enough About Your Rivals](#)' in our April 2001 issue.

[How can Business Advantage help you understand and tackle the strengths/weaknesses of your rivals?](#)

Many businesses will quote cost as the main barrier to commissioning the types of research outlined above on a bespoke basis. While considering the cost versus benefit question, it's important also to think about the costs of *not* doing the research on an identified knowledge gap, e.g. the loss of key customers because you failed to pick up on their preferences for a rival's improved service. Outcomes from research studies are not guaranteed, but agreeing realistic objectives, and planning for the resources required for follow up action should enable you to at least make an informed decision about the value of proceeding.

A cheaper option than bespoke research is to club together with others whose target markets overlap with yours. Omnibus surveys are those which take place on a regular basis and companies can hop on and off with questions whenever they wish. Syndicated studies involve companies joining together to commission a survey of interest to all of them, to which they can add questions to suit their own individual interests. These have the advantage of being tailored to individual needs and targeted at exactly the right respondents.

Actions Speak Louder Than Words

Ultimately the value of MR lies in what you actually do with it. The most incisive findings become useless if lack of resources or internal wrangling prevents decisive action from being taken. Again there is a factor here for your choice of marketing research agency. Ask to see the sort of format that their findings are presented in. You don't want reams of research speak - the report should enable you to act straightaway, with recommendations in the language of your business.

Business Advantage's team of specialist researchers carry out market research on a world-wide basis, with the [CAD/CAM market](#) as one particular area of expertise. Over the past ten years we have completed IT and telecommunications assignments in over 100 countries, spanning five continents. Contact us now to discuss any market research requirements you are considering david.eaton@business-advantage.com, or tel: +44 (0)1689 873636.

Please [Click HERE](#) to leave a comment or question.