

Target Market Information

“The most difficult thing is the decision to act, the rest is merely tenacity. The fears are paper tigers. You can do anything you decide to do. You can act to change and control your life; and the procedure, the process is its own reward.”

—Amelia Earhart

“It is not the strongest or the most intelligent who will survive but those who can best manage change.”

—Charles Darwin

How does your business plan to navigate market challenges? As a business owner, you already know all about your customers ... their likes, dislikes, and ways you can add value. Savvy business owners know they need to delve deeper into their market and customer information to inform their growth decisions, train team members, and edge out the competition. Below are some free resources.

THE SIX MOST COMMON SOURCES OF MARKET INFORMATION

1. Government Sources of Market Data: The U.S. Government offers a wide range of online consumer data statistics to help you identify customer spending traits and emerging trends. Some of the more useful websites are:

- [Consumer Credit Data](#)¹
- [U.S. Bureau of Economic Analysis](#)²
- [Consumer Product-Related Statistics](#)³
- [Inflation and Consumer Statistics](#)⁴
- [Employment Statistics](#)⁵
- [Export Research](#)⁶

2. Trade Groups: There is a trade group for everything. Trade groups and associations often collect data from their members, which can provide valuable insight into your specific product or service. Use a web search to locate trade groups and organizations relevant to your specific product or service. [The Directory of Associations](#)⁷ is also an example resource for trade group research.

3. Business Magazines: Many specialized business trade magazines offer free subscriptions or allow free access to their websites. A quick search of the Internet will help you locate publications related to your product or service.

4. Academic Institutions: Many colleges and universities have statistics relevant to your customer base. Business departments or experts in your product or service may have data available at little or no cost. For example, a quick search shows Pepperdine University offers a free computer science database; Rutgers University, a clinical trials database; and Stanford University, a zoological records database.

5. Surveys/Focus Groups: Customer surveys and focus groups are some of the best forms of gathering information, and the Internet has made them far easier than ever before. For guidance on deciding which methods are worthwhile for your small business, the SBA provides counseling services through their resource partner network at <https://www.sba.gov/local-assistance/find/>.

6. Your Business Data: Your own sales data and inventory data can provide a wealth of information, including locations, what the most popular products or services are, and buying habits.

Other sources of market information include public libraries and business librarians.

For more information, check out:

- [Free Small Business Data and Trends](#)⁸
- [Market Research and Competitive Analysis](#)⁹
- [SCORE: Simple Steps for Growing Your Business Workbook](#)¹⁰
- [The Pennsylvania Small Business Development Centers' list of databases](#)¹¹

Also, [check your local Small Business Development Center \(SBDC\)](#)¹² to see if there are similar resources near you.

MARKET INFORMATION ANALYSIS

After you have your information, analyze it by asking a series of questions. Some of the questions below may help shed light on your target market.

- **Size:** How big is your target market? Is it growing or shrinking? For example, if you target millennials looking for housing on the East Coast, then ask if that population is increasing or decreasing.
- **Income/Sales:** If you are targeting consumers, then what is their average income? If you are targeting business or government customers, then what are their average revenues or budget expenditures?
- **Spending Habits:** What are the spending habits of your target customers? How much do they spend on your type of product or service?
- **Demographics:** For consumers, age, race, sex, marital status, whether they have children, and their stage in life (parents, empty nesters, college students) are all aspects of demographics. For business-to-business sales, demographics include the average company size, years in business, industry, product/service sold and number of employees.

- **Purchasing Channel:** How do your target customers prefer to buy your type of products and services? Online? In a store? By phone? Through a salesperson? Through a request for proposal (RFP)?
- **Location:** Where is your customer located? Are there any significant patterns (e.g., relocation to towns with universities, etc.)?
- **Psychographics:** What motivates your customers? What values, attitudes and interests influence their purchasing?

To Do

Complete the Market Research Worksheet using the research resources mentioned, ones you find and your existing data you have on your customers and market. Use the left column for numbers and the right column for notes and actions.

- **Tip:** See sample worksheet for guide.
- **Additional:** Turn your market research into a pitch deck to use internally and with key stakeholders.

Example

STRATEGIC MARKETING MARKET RESEARCH WORKSHEET

Business: Personal training business

Growth concept: App to push out workout routines to clients

	NUMBERS	NOTES
Industry Size/Trends	Mobile fitness apps Size: USD 4.19 billion in 2016 Growth: 44.2% CAGR Source: Grandview Research <i>mHealth App abstract</i>	Takeaway: Growth industry globally. Demand on rise.

	NUMBERS	NOTES
Target Market Size	<p>Phase 1: Existing and previous clients: 500 women</p> <p>Phase 2: Pilot app in metro area with busy women psychographic: 20,000 women aged 21–60 (caregivers, professional women)</p> <p>Source: <i>Local data site/local economic bureau</i></p> <p>Search: “number of professional women in _____ metro area”</p>	<p>Takeaway: Target existing clients first, then roll out to metro area (two separate marketing plans).</p>
Income (Sales for B2B)	<p>Phase 1: Average income \$48k–\$96k</p> <p>Source: <i>Local data site/economic bureau</i></p>	
Spending Habits	<p>50% Food/housing 10% Clothing 10% Entertainment 10% Health 10% Transportation 10% Savings/Investment</p> <p>Sources: <i>Focus group of 40 clients</i></p> <p>Additional source: Bureau of Labor Statistics¹³</p> <p>Search: “women aged 21–60 spending habits”</p>	<p>Takeaway: Clients view this product as “health.” Would like to be able to pay for it with their FSA (Flexible Spending Account)/HSA (Health Savings Account).</p> <p>To Do: Follow up with Colin by end of month re: FSA/HSA payment processing</p>
Demographics	<p>Phase 1: Current Clients 35% Caucasian 25% African American 15% Biracial 7.5% Hispanic 7.5% Asian</p> <p>Source: <i>Company data (client intake sheet)</i></p> <p>Phase II: Prospective Clients (Metro Area) 35% Caucasian 25% African American 15% Biracial 7.5% Hispanic 7.5% Asian</p> <p>Source: <i>Focus group of 40 prospective clients (app users)</i></p>	<p>Takeaway: Focus group of potential new clients (app users) has strong resemblance to existing client group.</p>

	NUMBERS	NOTES
Purchasing Channel	<p>Phase 1: 95% online purchasing 5% gift certificate (purchased online and presented to client)</p> <p>Source: Focus group of 40 clients</p> <p>50% onsite after information session 50% online (having heard through word of mouth)</p> <p>Source: Focus group of 40 prospective clients (app users)</p>	<p>Current clients have strong preference for online purchasing. “We don’t want to have to transact before or after, we just want to work out” was consensus.</p>
Location	<p>Phase I and Phase II are in local metro area. 50% new residents (located within last 4 years) 50% long-time residents (located for 20+ years)</p> <p>Source: Company data (client intake sheet)</p>	
Psychographics	<p>Phase I Current client top common values/interests: Family Community/social Health Fitness Longevity Stress release</p> <p>Purchase of \$50-\$100 per month for something fitting into these categories = acceptable.</p> <p>Source: Company data (client intake sheet)</p> <p>Phase II top common values/interests: Weight loss Maintenance of weight loss Community/social Health</p>	<p>To Do: Look into possible partnership w/ local weight loss groups as potential app users have increased interest in this vs. current client base.</p> <p>Pilot: Social groups each month to do “trial run” of work-out routine release to accommodate social/community value of both Phase I and II groups</p>

Practice

STRATEGIC MARKETING MARKET RESEARCH WORKSHEET

Business: _____

Growth concept: _____

	NUMBERS	NOTES
Industry Size/Trends		
Target Market Size		
Income (Sales for B2B)		
Spending Habits		

	NUMBERS	NOTES
Demographics		
Purchasing Channel		
Location		
Psychographics		

- ¹ *Consumer Credit—G.19*, Board of Governors of the Federal Reserve System, <https://www.federalreserve.gov/releases/G19/> (accessed Dec. 7, 2018).
- ² U.S. Bureau of Economic Analysis, <https://www.bea.gov/> (accessed Dec. 7, 2018).
- ³ *Research & Statistics*, United States Consumer Product Safety Commission, <https://www.cpsc.gov/Research--Statistics/> (accessed Dec. 7, 2018).
- ⁴ *Inflation and Consumer Spending*, U.S. Department of Labor, <https://www.dol.gov/general/topic/statistics/inflation> (accessed Dec. 7, 2018).
- ⁵ *Current Employment Statistics —CES (National)*, United States Department of Labor Bureau of Labor Statistics, <https://www.bls.gov/ces/> (accessed Dec. 7, 2018).
- ⁶ Search Market Intelligence, [export.gov, https://www.export.gov/Market-Intelligence](https://www.export.gov/Market-Intelligence) (accessed Dec. 7, 2018).
- ⁷ Directory of Associations, <https://www.directoryofassociations.com/> (accessed Dec. 7, 2018).
- ⁸ *Free small business data and trends*, U.S. Small Business Administration, <https://www.sba.gov/business-guide/plan-your-business/market-research-competitive-analysis#section-header-5> (accessed Feb. 10, 2020).
- ⁹ *Market Research and Competitive Analysis*, U.S. Small Business Administration, <https://www.sba.gov/business-guide/plan-your-business/market-research-competitive-analysis>.
- ¹⁰ *Simple Steps for Growing Your Business Workbook*, SCORE (May 7, 2015), <https://www.score.org/resource/simple-steps-growing-your-business-workbook>.
- ¹¹ *Research Tools*, Pennsylvania Small Business Development Centers (SBDC), <http://www.pasbdc.org/services/research-tools> (accessed Dec. 7, 2018).
- ¹² *Find Your Local SBDC Office*, SBDCNet, <http://www.sbdcnet.org/find-your-local-sbdc-office> (accessed Dec. 7, 2018).
- ¹³ Foster, Ann C. (12/2015) *Consumer expenditures vary by age*. *Beyond the Numbers*, v 4 #14. Accessed 12/7/2018. <https://www.bls.gov/opub/btn/volume-4/pdf/consumer-expenditures-vary-by-age.pdf>.