



Knowledge Is Power: The Case For Studying Your Customers, Market And Competitors

The likes of Coca-Cola and Nike STILL conduct market research every year - why aren't you

BY MICHELLE STRYDOM

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All the brilliant marketing efforts in the world - whether they be social media, email or advertising campaigns - mean nothing if you don't know who your customer is, you don't have a keen understanding of the market you are operating in, or know your competitors.

This is Shirley Anthony's advice to all new entrepreneurs or business owners whose businesses are stagnating or failing.

Anthony is the founder of marketing consultancy, [Marketing Breakthroughs](#). She is also an author and speaker and has over twenty years experience in the marketing industry.

Anthony cut her teeth in the highly competitive fast-moving consumer-goods industry (FMCG) and has consulted in over twenty-five industries, including mobile tech, travel, banking and beauty where she has helped skincare

brands like [Ponds South Africa](#), and international skincare brand [Olay](#), gain insight into who their customers are, how to brand their products, and the right price points for their products.

The only way to gain insight into whether your product has potential customers, the market is viable, and the correct pricing and branding strategies - is by researching them.

The [Standard Bank](#) small business guide, 'Small Capital', shows that one of the leading causes of business failure is entrepreneurs' lack of market knowledge.

Which is why large corporates like [Coca-Cola](#) and [Nike](#) spend millions of dollars every year on market research to develop new products, test consumer behaviour towards their products, and to identify their competition.



Some of the biggest product flops from major brands (left to right) who didn't listen to their customers 1. The Debonairs Pizza Kota which failed after pizza lovers saw it *as a form of cultural appropriation* 2. The Starbucks Coffee Chantico, the *coffee-and-soda hybrid never took off for their customers* 3. A lack of interest from the market meant The Watermelon Oreo never took off 4. The McDonalds' McWings *never piqued the interest of customers*.

There are practical and real ways that SMEs can achieve similar results with the fraction of the cost. Anthony shares **5 ideas** that you can do today to get to know your market better and start seeing results.

1. Talk To People

Because you will be selling your product or service to real people, find out who they are, what they want, and ultimately build a relationship with them, Anthony says.

The lack of customer insight and communication is a mistake that Anthony says she often sees her own clients making.

"A couple of years ago I did a project for a big architectural firm here in Johannesburg who also have an office in Mumbai and have been growing for 60 years. Their business was drying up a bit and they weren't just getting projects automatically. What I did for their project is draft a 10 point questionnaire that the property developers they work with would have to answer - they are the ones that give the architects the jobs. We found out that the property developers felt the architectural firm did not do a good job building a good relationship with them.

"We said okay, every quarter they're going to make contact with property developers, send them an interesting article or whatever, and maybe also host a function for two or three of them."

2. Find Out If Your Market Is Viable

Your business won't survive in a dying market, so do your research - the simplest, and probably cheapest way to do this is going online and using resources such as industry surveys and reports and running an email campaign to get feedback from potential customers. As Anthony explains, you want to make sure that you are "in a market segment that's growing and that has potential".

"A perfect example is the video store [business]," she says.

Market research would have revealed that the industry was on its way out.

3. Know Thy Competition

Your competition can teach you what could also work for your business, and what would not, advises Anthony.

"Look at your competitors' online presence, look at their websites and social media pages. Also look at how they interact with their followers, what their followers are saying about them, what they are doing well, and not so well."

4. Consider External Factors

External factors like the state of the economy or political stability can also affect your business, says Anthony. She suggests business owners use P.E.S.T.L.E

"In short P.E.S.T.L.E looks at political, economic, social, technological, legal and environmental factors - what's happening in your environment."

For example, how will a new labour law affect your business, she adds.

5. Keep An Eye Out For Global Trends

There are always new trends, don't ignore them because the next one could give you the big break you need, says Anthony.

You could be the first to introduce a concept or product that is already big overseas into the local market, she adds.

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