

4.3: The importance of market research

The modern world can feel unpredictable. It is increasingly difficult to keep up with trends, customer needs, popular opinions and competitors. So, how can you keep your brand and products relevant to ensure you are meeting your customers' needs?

The answer is to conduct market research. Market research helps you make informed business decisions. It involves systematically gathering, recording and analysing data about customers, competitors and the market, and turning this data into insight that can drive marketing strategies, product design and positioning and communications strategies.

Online market research is the process of using digital tools, data and connections to glean valuable insights about a brand's target audience. In other words, it's the process of learning about your audience by engaging and observing them online. Technology plays a key role in gathering data and connecting with research participants, and can make the whole process quicker and easier to manage than traditional offline research methods.

Traditional and online market research have the same goals and underlying principles, but online market research has the benefit of using digital technology, which provides a range of benefits.

- The Internet is always on, meaning that data is readily available at any time.
- Many of the processes for finding, gathering and storing data can be automated. For example, you can get an automatic email alert if someone mentions your brand, or you can set up self-administered digital surveys.
- You have access to a large number of participants around the world at the click of a button. A lot of the information you will use is already being automatically collected such as web analytics and social media data all you need to do is access it.

Note

Remember that comments made on social networks cannot represent the views of your entire target market. The validity of any data must be considered in light of your research design.

People are often happy to share their own research, insights and methodologies online, so you can access this trove of resources to inform your own research.

Online market research can be much more cost effective and quick to set up than traditional research techniques.

There are many reasons why you should conduct regular market research:

- To gain insights into your consumers, this can include:
 - What customers want and need from your brand
 - What customers like and dislike about the brand
 - Why customers buy the brand's products or services
 - Why potential customers might choose your brand over another
 - Why (or why not) customers make repeat purchases
- Understand the changes in your industry and business
- Discover new market trends on which you can capitalise
- Find new potential sales avenues, customers, products and more
- Find and engage new audiences
- Allow customers to help steer your business.

If you are able to understand your customers and the greater business context, you will be able to market more effectively, meet their needs better, and drive more positive sentiment around your brand. All of this adds up to happier customers and, ultimately, a healthier bottom line.

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