



Ask SCORE for Business Advice

"Ask SCORE" Column - Beyond Demographics Green Bay Press Gazette Sat., Oct. 3, 2009 by Tina Dettman-Bielefeldt

In the past few weeks, this column has reviewed the importance of demographic data in making business decisions. While many businesses use only this type of information, David Wegge, owner of Wegge Strategic Research and operator of the Survey Center at St. Norbert College, takes research to the next level. He has conducted numerous research studies and his survey work has been used by such prestigious publications as *The Wall Street Journal*, *The Economist*, and *Newsweek*.

Wegge calls it "market intelligence information and insights." Through research, he generates information that can assess market potential; determine what drives customer satisfaction, loyalty and whether customers recommend your product or service; conduct economic analyses; conduct organizational assessment, and help solve problems and grow companies.

He has worked with start-ups and existing businesses. For start-ups, Wegge said that research could help determine the need for a specific product or service. Because there may not be any historical data to refer to, an entrepreneur will need to define the market.

"If it is a product or service that is provided by another company, you might begin by doing some competitive analysis," Wegge recommended. "Who is providing this right now? How well are they doing? How do their customers rate them at providing this product/service? Do their customers recommend them to others?"

This can be accomplished by surveying customers who use the product or service. A profile should include information of all of the competitors including market share, key market segments, strengths and weaknesses, and whether their customers recommend them.

Wegge said that focus groups might be a good place to start, but a larger sample size is necessary to obtain reliable information. He noted, "Focus groups are great for exploring an area but they should NOT be used to make a major decision because you cannot generalize from focus group data to a broader population of potential customers." He might use information obtained from a focus group to develop a detailed survey.

Properly conducted, the survey should provide direction to a start-up on developing a market niche, filling voids in the market, motivating potential customers, offering value,

and understanding the market. The type of research conducted would depend on the nature of the business.

For example, if an entrepreneur was thinking of starting an upscale spa, Wegge said he would begin with secondary research of the market by looking at the competition and reviewing operations, fees, services, trends in the market, and need for another spa. After answering these questions, if he felt there was a need, he would conduct a market study.

“Research generally produces two outcomes for the client,” Wegge stated. “It confirms what they thought they knew and/or challenges what they thought they knew. Both are extremely valuable. If you have confirmation of what you thought you knew, you now have good statistical evidence to backup your claims and secure funding.”

If you'd like to learn more about the necessity of research, contact the Green Bay Chapter of SCORE. Visit www.greenbayscore.org or call Cindy Gokey at 920-496-8930 for information.

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