



Ask SCORE for Business Advice

"Ask SCORE" Column On-Going Research Benefits Green Bay Press Gazette, Sat., Oct. 10, 2009 by Tina Dettman-Bielefeldt

In last week's column, David Wegge, owner of Wegge Strategic Research, talked about the importance of research for start-ups. What about existing businesses? Do they need to continue budgeting for market research?"

"Yes," says Wegge. "For any organization, there will be a set of key indicators that they would want to track as part of their strategic dashboard. Naturally many of these might be internal indicators that their company monitors but others may be information from the marketplace in general or their customers in particular."

This could include market share, impressions of all the competitors, strengths and weaknesses, loyalty levels, and Net Promoter Scores (NPS). It is important for businesses to know how their customers feel. Research is also vital in determining the potential for a new product or service.

"For example, prior to the Green Bay Packers stock sale, I conducted a survey for the Packers to help determine how successful the sale would be," Wegge stated. The results of this research helped them make a decision to go forward.

Research can help a company save money and time by preventing a costly mistake. "If a business is thinking about expanding into a new market or bringing a new product/service to market, this requires a substantial investment," he explained. "If a company does so without conducting effective market research they may lose many times what the market research may cost them."

As an expert, Wegge recommends hiring an experienced research company. Many businesses attempt to do secondary research, but may not have access to the sources of information and methodological expertise that a research company has. He stresses the importance of sampling and questionnaire design, statistical analysis, and effective interpretation of the data. In addition, an expert can bring a fresh, unbiased look at the data and provide recommendations.

Wegge stated, "We offer ideas for action. It is important to connect your research objectives to the questions and then to ask what action will I take once I have this information?"

With the emergence of social media, many companies are using sites like FaceBook and Twitter to obtain consumer opinions. Wegge notes that this may be a source of information but it would rarely be a broad enough base to make significant decisions. Social media is still be used by a relatively small but growing segment of the market and may not provide an appropriate sample for your decision-making. However, he does see its value.

“It would be a good place to look for emerging trends. It is mostly qualitative information so it is somewhat more challenging to organize and summarize into cogent findings,” Wegge stated.

Regardless of the type of information sought, research is vital for all businesses. Starting a business or adding a new product based on feelings doesn't make sense. Wegge noted, “Try to go to your banker to borrow money for a new product/service based on your ‘gut’ thinking.”

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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