



## How to conduct market research on your customer base

**Market research, done well, can transform your business. Ensuring that you grow or produce what your customers want to buy. It can make the difference between succeeding and struggling, making decent profits or suffering disastrous losses.**

**In this information sheet you'll learn how to decide whether you need to do market research, what research to do, how to do it, some great sources of information, and then, most importantly, *when to stop*.**

**You can spend a lot of time and money doing market research, so it's important to ensure that you're doing it right.**

To make best use of your resources, you need to sit down and do some planning before you even think about talking to your customers. You need to start by working out which business decisions you have to make, for example:

- Should we change what we produce?
- Are we positioning our produce properly in the market or should we be aiming at a different market?
- Is our current sales and marketing strategy working well or does it need to change?
- Are there new markets that we could find for our produce?

**The aim of your market research should be to reduce the risk associated with making these decisions.**

### *Step One – Is Market Research required?*

You may already have enough information to make these decisions, in which case gathering more information will be of little or no benefit. If that's the case, then stop. Do not do any further market research.

### *Step Two – What extra information do you need?*

If you're going to need more information before you can make a confident decision then the next step is to identify what information you require. Write a series of questions that will need to be answered before you can be confident to move forward.

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### Step Three – Gather existing information

The first place to start your research is with “secondary sources” – that is general research that has already been done. There are a range of places to look, and plenty of it is free:

- *Look for answers provided by your own sales data.* Consider which customers leave without purchasing, and why; or which customers are the most profitable, and why? Consider the age and gender of these customers and how you could target other groups.
- *Examine Government and industry statistics on food purchase and consumption. Look at purchasing trends of ornamental plants.* Look at the trends for the produce you grow. There are a range of online sources for this information, several of which are listed under *Further Information* below.

### Step Four – Perform your own research

If there isn't enough existing information then you need to do (or commission) some original research. For most businesses this would be either observing their customers' behaviour, or asking them questions:

- *Observation.* Get out there and watch what your customers do. How do they use your produce? Are the package sizes right? Are customers choosing different types of plants, are they choosing perennials rather than alpines and bedding plants. Watch them shop – and watch them buy alternatives.
- *Questions.* These could be as simple as a few questions to some of your major customers, or a full consumer survey. Preparation is key - make sure that the questions will produce answers you can use. They should be neutral – not guiding customers to a specific answer. Try them out on several volunteers, then, test to see whether you can get meaningful data from the answers *before* you use them with your customers.

### Step Five – Repeat until confident

If you're still not confident that you've got enough information to make your business decisions then repeat steps three and four, refining your research and questions each time until you're satisfied.

## Further information

This information sheet is part of a series on **Marketing your Business:**

- **How to conduct market research on your customer base**
- **How to meaningfully analyse the results of market research**

See [www.horticulturewales.co.uk](http://www.horticulturewales.co.uk) or email [horticulturewales@glyndwr.ac.uk](mailto:horticulturewales@glyndwr.ac.uk)

### Online Sources of information:

For the UK: [www.defra.gov.uk/statistics/foodfarm/food/familyfood/](http://www.defra.gov.uk/statistics/foodfarm/food/familyfood/), [www.fdf.org.uk/industrystats\\_trends.aspx](http://www.fdf.org.uk/industrystats_trends.aspx), [www.statistics.gov.uk/hub/people-places/people/food-consumption](http://www.statistics.gov.uk/hub/people-places/people/food-consumption), [www.the-hta.org.uk](http://www.the-hta.org.uk) and [www.hortweek.com](http://www.hortweek.com)

Global Statistics: <http://faostat.fao.org/default.aspx>

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