

# Conducting Primary Market Research

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**Categories :** [A Comprehensive Guide to Market Research](#)

If you've been following along with us on this market research journey, you've already [conducted a situation analysis](#) to [determine your business's market research question](#). You've also begun [conducting competitor research](#) and looking into *other* [forms of secondary market research](#). If you've done your due diligence, the investigating you've done so far has almost certainly provided you big-picture intelligence on matters such as industry trends, demographic data, consumer behavior, economic indicators, your competitors' strategies, and more.

Now that you've got the broad view—including a clear idea of how your offering measures up and your business compares to others in your industry—it's time to home in on *your* particular market segments, and conduct more tailored research to answer the questions specific to *your* business, *your* products, *your* advertising, *your* location, *your* [business website](#)... and so on.

In other words, it's time for *primary* market research.

## What is Primary Market Research?

Primary market research is the research you conduct to collect data *directly from the source* (namely, your prospects and customers). Whereas *secondary* research involves digging into the data that others have already gathered *for you*, primary research is firsthand, fresh, and original data that you create *yourself*—by asking, listening, and observing.

In other words, primary market research involves collecting information through direct human communication (and, in some cases, through observation). As such, it means you get to learn your target market intimately—which will ultimately increase your empathy for, and understanding of, your prospects and customers. Your target market will feel heard, which will drive them to your business. So of course, you *can* hire a research firm to do primary market research *for you*... but we'd advise getting in on the process as much as possible. It will be a worthwhile participation.

While primary market research can be costly (particularly if you hire that firm) and typically takes longer to conduct than secondary research does, it will get you answers to very specific questions from an audience that's wholly relevant to your business. That means tailored, focused, conclusive results—and clear insights for the best ways to move forward.

For example, *secondary* research might show you that your competitors are outselling you; but only *primary* research will tell you *why*: What prospects dislike about your current offering, or which features you could improve upon to better meet their needs. While *secondary* research can give you an overview of consumer behavior and buying trends, *primary* research can reveal the precise factors that influence buying decisions. (Is it price? Convenience? Branding? Customer service? Home delivery options?) *Secondary* research might reveal a gap in the market—maybe a particular product doesn't exist yet; but *primary* research will alert you to whether consumers even *want* that product you've envisioned. Primary research will help you clarify *your* buyer personas, *your* customers' expectations, and *your* marketing messaging—decisions that secondary research is simply not equipped to help you make.

## Methods of Primary Research

The vast majority of primary research used to be done through direct mail, telephone surveys, or direct observation. These techniques still have value, though digital technologies have certainly altered the sphere of data collection. With this growing array of sophisticated and economical data-collection tools, it'll be well worth it to you to evaluate *all* your options. Of course, the method you choose will depend on many factors: resources, timing, budget, the nature of your inquiry, and your demographic.

Below are brief descriptions of the most common types of primary research businesses undertake. In later pages, we'll delve deeper into [surveys](#), [one-on-one interviews](#), [focus groups](#), and [observational research](#).

### Surveys

Surveys can be sent through a variety of channels: direct mail, email, telephone, social media platforms... they can even take the form of pop-ups on your business website. Consumers' expectations of what those surveys should entail will vary depending on the medium: [Website surveys](#) will likely be shorter than direct mail surveys, for example, since the latter can be completed offline, without distractions. Social media surveys will likely target a different demographic—and therefore, contain differently-posed questions—than telephone surveys do. In general, surveys are cost-effective (although *less* so if you send them through direct mail), and let you ask targeted questions to a hand-picked audience (although *less* so if you post them on social media).

In *all* cases, you'll want to consider users' environments and states of mind. Where *are* they when they're receiving or accessing your questionnaire? How much time (and patience) do they have? What *kinds* of questions do they have the time and patience for (Y/N questions, ratings questions, open-ended questions, etc)? How *many* questions are they probably willing to answer? Tailor your questions appropriately.

While they *are* cost effective, you won't get your most in-depth information through surveys. This is why they're a great method for the early stages of a market research project, to take the general temperature. Telephone surveys—those that involve human interviewers rather than automation—will give you a *bit* of room to ask follow-up questions; but most participants will expect brevity. So be sure your questions are focused: You won't be able to ask too many of them.

### **One-on-one interviews**

These can be conducted over the phone, over video chat (with [Zoho Meeting](#), [Skype](#) or [Google Hangouts](#), for example), or in person.

The advantage of one-on-one interviews is that—if done well—they take the form of free-flowing conversations. They're not restricted to a limited number of questions: If an interviewee says something unexpected, or if the natural course of your questioning precipitates a conversation about an aspect of your business you hadn't considered, you can go down that path *together*. Moreover, because you're interacting directly with a customer or prospect, this method gives you a much better feeling for, and understanding of, your target market. In-person interviews in particular will let you witness facial expressions and gestures; you may learn as much about your target market's sentiment through these nonverbal signals as you will through what they're actually *saying*.

Of course, it's more difficult to get people to sit for a one-on-one interview than it is to get them to fill out survey questions. You'll want to be *very* specific about whom you invite to this time-consuming and potentially expensive conversation: They should be an accurate representation of your ideal customer (as close as possible to the persona you've created), and that may take some time to determine. And because people likely won't be willing to *freely* give you their precious time, you should offer an incentive of some kind: payment, vouchers, discount coupons, and so on.

### **Focus groups**

Focus groups are *like* one-on-one interviews... except they involve a few more "ones." *One-on-one* interviews can be particularly valuable when you anticipate your interviewees won't want to share private information with a larger group (if the market research concerns financial services, or weight-loss programs, or personal hygiene products, for example). But if vulnerability *isn't* a concern, there's a lot to be said for focus groups. Convening a small but intimate group means creating a space for participants to bounce ideas off one another. You'll get varying points of view. And because you'll get to watch how participants *respond* to each other, you'll have a better sense of what makes your target market tick—and what their buttons are.

Focus groups aren't cheap to host (you may want to hire a professional moderator who's trained in facilitating discussions *alongside* paying your participants); but they're a popular technique for the reasons we just mentioned. They *can* be hosted virtually, thanks to web and video

conferencing—but of course, the group dynamics will be different, which is something worth keeping in mind.

## Direct observation

Observational research is exactly what it sounds like: a method of market research that involves watching consumer behavior *without* interacting with them—or, at least, without interfering with their process. This could mean anything from watching how a consumer behaves when interacting with a product (How do they handle the device? Is it intuitive for them? What is their overall experience as a user?) to watching how consumers move through your brick-and-mortar store (What products are they initially drawn to? Where do they go from there?).

Other observational techniques include eye-tracking (What are users most drawn to on your website?), mystery shoppers (What do hired shoppers observe about consumers' behavior in your competitor's store?), movement tracking, and contextual inquiry (How do consumers work/play/behave in their natural environment?). Because consumers' *actual* behavior doesn't always square with their *reported* behavior, direct observation can be a valuable tool for discernment.

## Choosing the Primary Market Research Method that's Right for You

As you can already see, you've got a lot of primary data collection methods to choose from; and of course you can't employ all of them at once. The method you choose will depend on *your* business, *your* target market, and *your* inquiry in this particular round of market research. (Remember, you'll be doing market research for as long as you're in business, so your method may change for the next round).

If you want to know how your competitors' products compare to yours, for example, maybe you'll opt for observational research, go to your competitors' store, and handle the product yourself. (You'll also learn about their team and their customer service this way.) If you're wondering if adding that new product to your line would be a viable move, maybe you'll start with a survey to gauge interest—and you'll research your demographic to determine where to *place* it. (If your demographic is young—or if you've already got a substantial Twitter following, for example—you'd probably choose social media.) Once you've determined that there's *interest*, but now you need details about specific features customers want, maybe you'd convene a focus group for more in-depth discussion. And so on.

There *will* be a method that fits your market research inquiry. Don't make the decision alone: Get input from your team—*especially* those members who best know your target market. Choosing the right sample, after all, will make or break your outcome.

## Selecting the Right Group of People for Your Primary Market

## Research

Your market research might be geared toward any number of segments: *current* customers, *former* customers (if you want to increase your loyalty or retention rates, for instance), *failed* leads (if you hope to learn why prospects choose your competitors), *current* prospects (those within your target market), or the general public (if you want to better understand your brand image, for instance).

But your research might also be interested in a *segment* of one of those segments. For example, when Zoho was gauging interest in a free concierge service to help our customers match our technology with their business requirements, we narrowed down our research group to our [Zoho One](#) customers, rather than to our entire customer base. After all, *those* customers had access to all of our applications, and would be in a better position to tell us whether such a service would be valuable. Maybe your qualifying parameters concern age, income, gender, job title, geographical location, or purchase history. The point is that your sample be representative of the views of the *segment* you're most concerned about—regardless of how big that "segment" is. (Keep in mind that there may be a difference between the segment that *buys* your product or service and the segment that *uses* it.)

Once you've determined your target population, it's time to determine your sample size. That might mean setting a threshold number. For instance, let's say you own a furniture shop, and you're thinking about adding an upholstery-cleaning service to your offerings. You might look at the data (standard industry prices for such a service, the number of businesses who *offer* the service in your area, the amount your demographic is spending on similar services, such as dry cleaning) and determine that *at least* 125 customers would have to agree that this is a service they'd be interested in before you could close that particular survey, deeming it a viable option. At that point, you might begin asking prospects and customers (perhaps through a survey) further details about what they'd like such a service to entail.

Whether it's a threshold number, a percentage of your total respondents answering a question in a particular way, or whatever *other* criteria you determine beforehand, make sure it's well-considered (as in, it gives you close to 100% confidence in your next move)... and make sure you stick to it. It's always possible to *overdo* market research; and at some point, more answers won't equal more confidence.

*So now you've got a broad overview of primary market research methods... it's time to start getting into the nitty-gritty. In the next section, we'll [look at market research surveys in greater depth](#)—including best practices and best kinds of questions to pose to consumers.*