

Using Your SWOT Analysis to Drive Your Market Research

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

If you've already done the intensive work of [conducting a SWOT analysis](#) with your team, you've probably got a lot of thought-material to work with now. You've got a clear, comprehensive sense of your business's internal strengths and weaknesses, as well as the *external* factors that represent possible opportunities and threats to your organization. Now: What do you *do* with all this information? How does it inform the next market research campaign you take on?

Analyzing Your SWOT Results

As you fleshed out the four categories in your SWOT matrix, you probably began to recognize relationships between the items in its quadrants. Here are some questions worth asking yourself (and your team) to clarify the ways these four categories inform each other:

- How can we act on our company's *strengths* to maximize the business *opportunities* we identified?
- How can we wield the *strengths* we identified to combat or reduce the *threats* we described?
- How can we overcome or minimize the *weaknesses* we listed so we can better exploit the *opportunities* we identified?
- How can we overcome or minimize the *weaknesses* we identified to avoid the *threats* we listed?
- Will taking advantage of any of the *opportunities* we listed ultimately neutralize any of our *threats*?
- Can any of our business's *strengths* correct any of our *weaknesses*?

Your initial answers to these questions don't have to be complex, or even fully fleshed out (*that'll* be the job of your market research). They only have to recognize what needs to be *exploited*, and what needs to be *minimized* or *avoided*, in order for your business to be even more successful in its next iteration of itself.

Once you've answered these questions, you're in a position to prioritize which of these matters to tackle first with market research. *What* you decide to prioritize will likely be based on some combination of:

- 1) the likelihood of it happening** (if you're focusing on taking advantage of an opportunity or minimizing a threat);
- 2) the feasibility of implementation** (if you're focusing, for instance, on exploiting a strength); and
- 3) the increase in profits your business would see** if you discovered a viable solution.

SWOT Example: Translating a SWOT Analysis into Market Research Questions

Below is an example of a fictitious Japanese restaurant, located in a seaside tourist town, that used its SWOT analysis to inform its market research strategies. Naturally, *your* SWOT matrix will look different (indeed, probably *very* different) from the one below; but hopefully it will serve as a model for what it *can* look like when the results of a situation analysis are narrowed down, prioritized, and translated into a set of actionable, investigable queries.

Restaurant SWOT Analysis

Note we didn't include specific numbers here (the amount allocated for their advertising budget or the price differentiation from the competition); as you conduct your *own* SWOT you'll include those details.

Now let's imagine how a strategic planning conversation around the restaurant's SWOT analysis chart might unfold. First, the participants might realize there are some items on the matrix that can be improved with easy fixes. Maybe, for example, someone is put in charge of researching and acquiring a straightforward and economical [employee scheduling software platform](#), which takes care of the fact that the restaurant is "still scheduling shifts with pen and paper," listed under their weaknesses.

Looking at the restaurant with a big-picture perspective, though, we see that it's got a strong reputation (especially among tourists who pass through and afterwards give them rave reviews), an outstanding product in their sake, and a fairly sure foothold in their location, thanks to out-of-town foot traffic. However, much of their business comes from tourists; and there's a concern about what that might mean with new competition cropping up and a less-than-ideal parking situation.

On the other hand, the fact that the town is *growing* means the number of "locals" in town is increasing. Maybe some SWOT participants realize that, in catering to tourists, the restaurant hasn't addressed the local population as well as they could. Maybe that means they *should* register to participate in the food fair listed under "opportunities." It would mean, after all, tapping into the "local" population the next town over... and if they do well at the fair, *those* locals might be willing to take the 25-minute drive on a weekend to visit their new favorite Japanese restaurant.

But it also suggests that the restaurant needs to find other ways to strengthen and nurture its relationships with locals—a population that perhaps cooks dinner at home to avoid evening tourism on Main Street. The question might arise: How do we get local residents to try our food *for the first time*... because once they do, they're likely to come back? (Remember, their advertising budget isn't great, so *that* avenue is closed.) Looking over their SWOT, one participant points to that last item in "Opportunities": "Potential for partnership with a catering service to work local events."

Now our restaurant suddenly has a direction for its market research campaign. A whole set of questions suddenly arises: How financially viable (let alone *profitable*) could such an endeavor *be*? Is there even a *market* for Japanese catering companies in this area? Wait... what do we mean when we say "this area"? A 15-mile radius? 30? How many catered events even *occur* in "this area"? And so on.

Our restauranteurs would then have to create a strategy for answering these questions. They might begin by reading [industry reports on the state of the catering business](#). (Yes, [they're out there](#)). They'd learn about industry growth, forecasts, and average profitability. They could narrow their search to data such as payroll and profitability *by state*. They might then seek out catering companies within a 50-mile radius of their restaurant, learn about their prices, their profitability, what their marketing looks like, how busy their social media profiles are, whom they've catered for. Maybe they'd look through local newspaper archives and marriage records, or contact cultural organizations such as museums, opera houses, and houses of worship to find out how many events (corporate events, weddings, graduation parties, and so on) are held annually in their town.

If initial research suggested that a catering company might, indeed, be a successful endeavor, it'd be time for [primary research](#). This might come in the form of a simple questionnaire handed out to customers; a more formal, [in-depth survey](#) sent out to local organizations who often host events; or even a [focus group](#) composed of local event planners who could advise the restaurant on what *they* look for when hiring a catering company.

As the restaurant moved forward in its research, the questions would get more detailed: What dishes would prospects want; what dietary restrictions should they prepare for; what would prospects be willing to pay for additional services. And so on.

Post-SWOT Analysis Steps

Hopefully this fictional SWOT gives you an idea of what's possible in creating your *own* action plan. Your SWOT will allow you to take the following four steps to ready yourself for research:

1. Define the problem you want your market research to solve. There's *a lot* of information out there; and diving into the data without a clear objective is only going to overwhelm you. Knowing *what* you need to know and *why* you need to know it will keep your research on target. Our restaurant, for example, used *one* primary question to lead their market research: How profitable would it be to introduce a catering aspect to our already-thriving restaurant?

2. Form a hypothesis about what your market research will reveal. You may end up being way off; but that's not the point. Forming a hypothesis will keep you actively engaged in the process: What will you do if your predictions are proven right? What consequences will it have for your business? What if you're proven wrong? Do you have a back-up plan in case you're taken by surprise?

3. Translate your question from a business problem into a research objective. Once you know *what* you want your research to accomplish, you'll have to figure out *how* to obtain the data that will accomplish it. Will you have to dig into public data like financial records and annual reports? Will you create your *own* data from surveys, focus groups, and one-on-one interviews? What sources will best answer the question you have? What will your methodology be? How long will it take? What are the costs?

4. Determine your sample size. How many people will you need to hear from to have an accurate picture of what your target market wants? How many prospects would have to express an interest in a new feature or service to make further research worthwhile? Your sample size will depend upon many things; but it's good to have this criteria set before the research begins. After all, you'll need to know when it's time to *stop*, so you can move forward with implementation.

Congratulations; you've got your market research question in hand! In the next section, we'll dive into [the details of competitor research](#)—the strategies for gathering as much valuable information about your competitors as possible.