



2. Research the Market

You have your idea. Turning it into a business requires some research, followed by a straightforward exercise in building that research into a plan. Here's how to go about it.

First, research your potential customers, the competition and a price point by visiting competitors' sites, online trade sites/forums, reading reports, and seeking intelligence from experts.

Look for data and comments that will answer the following questions:

- What is the number of potential customers you can serve, and how do these customers like to be served?
- What are their core characteristics and spending patterns, and who are their key influencers?
- Who is currently serving your market?
- Where are your potential customers going for their goods and services?
- What do they like about what they're getting and, more importantly, what do they dislike (as this opens up opportunities for you to improve on the status quo)?
- In view of the above, what price can you charge for your product/service?

Price yourself at a rate that's competitive with other providers in the market, that takes into account the amount of time, personal service and added value you offer, and that will turn a profit at the end of the day.

WHAT AM I WORTH? *How much do you think customers or clients would pay for your product or service? Take a look at how similar offerings are priced and talk to people about how much they'd be willing to pay. Then talk to suppliers to check you can source materials and deliver at a price that covers your costs. Since starting a business from home (which I recommend you do!) will save you lots of money, you can pass some of these savings onto your customers. It will give you an edge over other businesses. But don't undercharge for the expertise and knowledge you offer. Only consider charging less for work that will reflect well on your business and boost your reputation, perhaps in the media or with a particularly important customer.*

You can also source primary, or firsthand, data by conducting a survey or posing questions on social media channels.

Survey tools

- SurveyMonkey | www.surveymonkey.com
- Wufoo | www.wufoo.com

Social media channels

- Twitter | www.twitter.com
- Facebook | www.facebook.com
- LinkedIn | www.linkedin.com
- Instagram | www.instagram.com

Or, of course, you can hit the streets with a clipboard!

Imran Merza is the entrepreneur behind Jealous Sweets and, for him, it was the London Business & IP Centre that gave the start he needed...

CASE STUDY

Name: **Imran Merza** | Business: **Jealous Sweets** | London BIPC: www.bl.uk/bipc/resmark/index.html

It was in trying to impress a girlfriend that Imran spotted a gap in the market and came up with the idea for his new start up.

“I started dating a girl who loved sweets and was vegetarian and at the start of our relationship I was trying to get into her good books by finding her vegetarian sweets. The best sweets contained gelatin which is derived traditionally from pig, beef and horse hoofs and parts of the animal that we don’t usually eat.

As I scoured the Internet and shops I realised no one was making gelatin free sweets and when I did come across the occasional brand of vegetarian sweets in health shops, they tasted awful! I also realised sweets are aimed, branded and marketed towards children. This is when I decided to start a grown-up candy company taking out the gunk and junk found in traditional sweets. I quit my job and one of my best friends Taz Basunia joined me to start the revolution of bringing credibility back to candy.”

Imran and partner Taz had no knowledge of the confectionery market and no idea where to begin, but whilst searching the web for sweets, Imran had found a link showing the British Library had reports on the confectionery industry.

“I went along to the BIPC (Business and IP Centre) and started to look at the various reports. The more I researched, the more engrossed I got in the confectionery world. I realised there was very little or no innovation in sweets and they were mass produced, cheap and inferior to chocolate. This research alone gave me confidence that my idea would have some merit and allowed me to build some credibility.

I wanted to know everything I could about the confectionery market; the size, competitors, trends, spending habits, the opportunities and threats of someone starting out with no prior experience. As an outsider, I felt I needed to know everything possible to see if I could really make a splash in the market.”

Imran feels this vital research phase gave him the confidence to talk about what he was planning to do and it helped build a blueprint and business plan.



“One brick at a time I built the foundation of knowledge. Without this it would be very difficult to sound credible when talking to retailers. It helped me target our audience market and their spending habits and I knew exactly where I would sell our products.”

This clear vision has been realised and the company is now selling in Selfridges, Somerset House and Harvey Nichols, as well as overseas.

“We are starting to export into Europe, Asia and the Middle East and we’re getting a lot of interest from other countries too.”

From dating a girl to going global, this is one entrepreneur who spotted a gap in the market after carrying out some serious market research that came absolutely free.

www.thejealouslife.com | [@thejealouslife](https://twitter.com/thejealouslife)

The name game

Coming up with an idea and carrying out research will get you thinking about what to name your business. If selling your knowledge, the company could be named after you – for example, ‘Emma Jones Advisory Services’. In which case, job done! But if you’re looking for something else, think of a name that:

- is easy to spell
- has an available domain name
- is not already registered with Companies House (use the free web-check service to access existing company names at www.companieshouse.gov.uk)
- people will remember.

You might want to protect the name with a trademark. See later for information on how to go about that.

Most domain registration websites offer alternative name suggestions when searching for domain availability, which can offer inspiration:

- 123-Reg | www.123-reg.co.uk
- GoDaddy | www.godaddy.com

- I&I | www.1and1.co.uk

If you get stuck, visit Enterprise Nation (www.enterprisenation.com) where you will find people who can help you: the site is buzzing with talented copywriters and wordsmiths.

SWOT analysis

With your idea, and now your research in-hand that supports it, prepare a SWOT analysis. This stands for: **S**trengths, **W**eaknesses, **O**pportunities, **T**hreats and looks as follows:

Strengths

What are my strengths?

What can I do better than anyone else?

What resources do I have?

What's my unique selling point?

Weaknesses

What are my weaknesses?

What should I avoid?

Where do I lack skills?

What might hinder my success?

Opportunities

What opportunities do I see?

Does my idea tap into any trends?

Are there any emerging technologies that could help my idea?

Has there been anything in the news related to my idea?

Threats

What threats might I face?

Who's my competition?

Does changing technology affect my idea?