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Market Research @ Your Public Library

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Aspiring entrepreneurs have many decisions to make while on the road to a successful grand opening. It doesn't take long to discover that decisions are always easier to make when solid research is in hand. Conducting this sort of research can be daunting to information novices, but with a librarian to guide them to the best sources, they'll soon have all data they need.

According to the Small Business Administration's Small Business Planner, market research should be part of the early stages of starting a business. Finding out if there's a market to support a product or service is key to getting financial support. And doing the research early will prevent heartbreak (and wallet-break) later. The SBA recommends completing the following tasks in the market research section of a business plan:

- Discuss the products/services offered.
- Identify the customer demand for your product/service.
- Identify your market, its size and locations.
- Explain how your product/service will be advertised and marketed.
- Explain the pricing strategy.

Once the product/service is explained, an ideal customer must be envisioned. Maybe that customer is a female between the ages of 18-34; maybe he is a retired man living on the west coast; maybe they are school-aged children. Entrepreneurs must have an idea of who they want to target. Then they must work on finding out where the ideal customers lives, some of their preferences, and how to reach them. That's where we come in.

Demographics are population characteristics. Marketers use them to lump people into groups and - they hope - to predict spending behavior. There are many sources for demographic information to be found in public libraries and on the Internet. (The Public Libraries Briefcase, No. 6, 4th Quarter, 2003 titled US Demographics is a fantastic list to keep handy.) The Statistical Abstract of the United States is probably the best starting point, as it allows the researcher to browse the kinds of available data and may lead him or her to other important sources of information through the table footnotes. The American FactFinder page of the US Census Bureau is another indispensable source. In fact, the Census is the basis for many other demographic reports, including the Economic Census. Many state and local economic development offices and chambers of commerce will have fact sheets and other information about the regions they serve.

There are some online proprietary products in the library marketplace now that do a great job of localizing demographics. At the Southfield Public Library, we subscribe to Civic Technologies, and Gale Cengage has a similar product called DemographicsNow. Yet another similar product is Simply Map. The attractive thing about these proprietary databases is being able to customize searches down to a very specific level of

geography. The reports are professional-looking, include maps and graphs, and really take a lot of the legwork out of demographic research.

Once your entrepreneurial patrons have examined their potential customers, they need to examine their competition. Again referencing the SBA's Small Business Planner, the following questions are key:

- Is my idea practical and will it fill a need?
- What is my competition?
- What is my business advantage over existing firms?
- Can I deliver a better quality service?
- Can I create a demand for your business?

Library resources can help potential business owners find the other folks who operate enterprises similar to the one they envision. A starting point would be the good old fashioned yellow pages - either print or online. Commercial databases such as ReferenceUSA are a great help in quickly identifying similar businesses in the neighborhood or outside the area. Dun & Bradstreet publishes a regional business directory which also works well for identifying local competitors. Entrepreneurs will want to get an idea of what's happening nationally in their industry too. They can use the Encyclopedia of Associations or National Trade and Professional Associations of the United States to identify industry groups; these associations' web sites can often provide industry trends and forecasts, membership lists, trade publications, and give the researcher a flavor for the business climate in their industry. Industry surveys from publishers like Standard & Poor's, Gale Cengage, and Plunketts Research are available in print and online.

These sources will help the patron identify the competition. The next step is to dig a little deeper and research each one of their primary competitors. They can do this by making phone calls and asking the questions a customer would ask; visiting the premises; scouring web pages; and possibly contacting those trade associations.

Entrepreneurs will be thrilled when they see the vast amount of information available to them through their local public library. A librarian should be among the professionals they count on for help, along with attorneys and accountants. Librarians can reach these enterprising folks through partnering with organizations like SCORE, chambers of commerce and economic development agencies. In this way, we can be vital to helping small businesses get off the ground and to our communities' economic strength.