Resources to understand your Market

Tuesday, Feb 19, 2013
HASTINGS CCC
ENTREPRENEURSHIP Class
presented by Shawn Kaskie

Shoppers’ Shifting Priorities

Last year, consumers pulled back on spending and the retail sector suffered. But not all retailers are faring worse than they did a few years ago.

Against a baseline of spending levels in 2003, sales in computer stores have continued to rise. Restaurant and liquor-store sales are at much higher levels, and purchases at warehouse stores are up nearly 50 percent.

Still, in major retail divisions like home furnishings and clothing, sales faltered in 2007 and are now below their levels of 2003.

Source: NY Times
Topics

1. UNK, CRRD, and our outreach services
2. Examples of how we can help...and tools to help yourself
3. Market Research & Strategy: What it is and why it’s important-successes and failures
4. Creating a Niche that Draws Customers
5. Key Strategies/steps to learn and adapt to your market...rural business ownership common sense
1. Our Focus

COLLEGE OF BUSINESS & TECHNOLOGY

- Providing student-centered educational opportunities including experiential learning;
- Advancing knowledge through applied and pedagogical scholarship;
- Providing service to our stakeholders
What we do
Local Experts in Many Fields - Faculty Consulting

- Software development
- Economic impact studies
- Pricing studies
- **Marketing research**
- Marketing planning
- Sales training
- Strategic planning
- Feasibility analysis

- Leadership development
- Statistical analysis
- Transportation efficiency
- Web marketing
- Quality control and improvement
- Process analysis and improvement
- IT training
Student Consulting

“We value experiential, hands-on learning”

- Marketing research studies
- Advertising plans
- Marketing plans
- Web marketing projects

- New venture plans
- Habitat for Humanity
- Translators
- Quality improvement projects
- Database projects
Role of CRRD in Encouraging Rural Entrepreneurship in Global Marketplace

STAGE 1
NASCENT ENTREPRENEUR

STAGE 2
NASCENT ENTREPRENEUR ACQUIRES ENTREPRENEURIAL KNOWLEDGE AND SKILL-SETS

STAGE 3
NASCENT ENTREPRENEUR BECOMES A NEBRASKAN ENTREPRENEUR DOING BUSINESS IN A GLOBAL MARKETPLACE

CRRD

Gov’t

Business
Economic Developers
University

Entrepreneurial activities
Retention of young, educated population
Globalization
Retention and Attraction of innovators
Other Programs & Activities: **Entrepreneurship Education**

**Baldwin Free Enterprise Seminar Series**

**Nebraska State Agency Director Lecture Series**

& International Business

**Entrepreneurship Networking Group facilitation**

- UNK Business Innovation Summit
- Eship clubs
- YPN groups

**STATE FAIR**

- UNL Eship Summit – UNEB
- Marketplace CFRA
- Gov. Conf on Rural Development
Our Niche - Primary Market Research

FOCUS GROUPS
- Interactive portable Technology
- New, State of the Art, Facility
- Professional Moderation (Proctor & Gamble training)

SURVEY
- Paper – Mail or Interview
  - 12 years of Community Needs Assessment Experience
- Online
  - Over 15 projects completed since 2010
  - Extensive Library w/ nearly 300 tested surveys
- Telephone
  - New confidential facility w/ trained Marketing Students
2. What is Marketing?

Marketing is EVERYTHING you do to promote your business, from the moment you conceive of it to the point at which customers buy your product or service and begin to patronize your business on a regular basis.

The key words to remember are *everything* and *regular basis*.

- Jay Conrad Levinson
Traditional Marketing Elements

Three “parts” to the marketing process:

RESEARCH
ANALYSIS
STRATEGIES and TACTICS

The “P’s of Marketing” that will guide your research, analysis and strategies:

PRODUCT
PRICE
PROMOTION
PLACEMENT
(& PEOPLE!)
Determining your MARKET POTENTIAL

- Research > Industry Trends, potential issues

- Analysis > What’s your best chance to access to this industry based on these trends, issues, and typical customer profile
3. Parts of Market Analysis

1. Determine the “PROFILE” of your customer

2. Determine your MARKET AREA-geographic boundaries and size

3. Determine the number of people (or businesses) in your trade territory who potentially “FIT” your customer profile

4. Determine the MARKET POTENTIAL for your business in your trade area
Market Analysis Example – Understanding the Consumer

Demographics:
• Population
• Household Size
• Household Income
• Age Distribution
• Ethnicity
• Education
• Marital Status
• Occupation
• Housing Units

Lifestyles:
Use zip code or block groups to segment consumers using systems developed by private companies like Claritas and ESRI.

Households are segmented into unique clusters that describe their lifestyle, media and purchasing characteristics.

Free Zip Code Lookup:
http://www.esri.com/data/esri_data/tapestry.html
Free Sources

- For Secondary Market Research

NEDI Online - Community GIS Information

To generate a report, complete "City" or "County" information.

- City
  - Select Community: Grand Island
  - Default radii: (change if desired)
    - 10
    - 25
    - 40
    - miles
  - (Note: Data available up to 50 miles outside Nebraska.)

- County
  - Select County: NA

Click for results: Get Demographic Data

(Grand Island results below: 2009 data, 2014 projections)

Results for Grand Island, Nebraska
(12/6/2010 2:24:52 PM)

<table>
<thead>
<tr>
<th>2009 Snapshot</th>
<th>10 miles</th>
<th>25 miles</th>
<th>40 miles</th>
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<tbody>
<tr>
<td>Population</td>
<td>56,593</td>
<td>111,189</td>
<td>158,166</td>
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<tr>
<td>Households</td>
<td>21,526</td>
<td>43,480</td>
<td>62,989</td>
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<tr>
<td>Families</td>
<td>14,607</td>
<td>29,202</td>
<td>42,264</td>
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<tr>
<td>Average Household Size</td>
<td>2.5</td>
<td>2.5</td>
<td>2.4</td>
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</tbody>
</table>
Free Sources

- For Secondary Market Research
Market Analysis Example – Defining the Trade Area
Market Analysis Example – Examining Lifestyles of Residents Sample Segment in Superior & Red Cloud: Prairie Living

Segment Code: 37
Segment Name: Prairie Living
LifeMode Summary Group: L11 Factories and Farms
Urbanization Summary Group: U11 Rural II

Household Type: Married Couple Families
Median Age: 41.3
Income: Middle
Employment: Skilled / Farming
Education: High School Grad; Some college
Residential: Single family
Race/Ethnicity: White

Financial: Own CD longer than 6 months
Media: Listen to country music on radio
Vehicle: Own / Lease 4, all-wheel drive vehicle
Activities: Own pets
Go hunting, birdwatching
Grocery Store Location, Poverty and Net Worth in Nebraska
Sample Market Research

- Top Employers in Industry within 50m 68847.xls
- Primary Market Research Resources
4. Creating a Niche that Draws Customers

A **niche** is a critical mass of businesses serving a common market segment(s) that is also jointly marketed and promoted

- Niche strategies allow a downtown to gain a dominance in certain business categories
- Niches work well in highly competitive business environments (market differentiation)
- Niches **require cooperation between local businesses** (education about niches)
- Niches can be based on consumer segments or product segments
5. Encouraging Innovative Businesses

Online Clearinghouse

- Case studies of retail and service businesses that are Innovative

- Searchable by
  - Type of business
  - Size of community

- Eventually include hundreds of businesses from small to medium sized downtowns

http://www.uwex.edu/ces/cced/downtowns/innovative/
6. Changing Consumers & KEY STRATEGIES to adapt

• Retail will be impacted by a slow economic recovery.
• How some downtown retailers have/will respond:
  ✓ Add value – quality goods and more attentive service
  ✓ Exhaust alternative markets (e-commerce, business-to-business)
  ✓ Cultivate niche markets
  ✓ Find customers who are not price sensitive
  ✓ Develop customer loyalty programs

Drawn from: N David Milder
Key Strategies: Find your Niche and Add value

Alma NE, Coffee Shop and more

- Combination coffee shop, bike shop sales & service, photography retail product sales & studio, and printing & graphic design services
Key Strategies: Why Analyze the Competition?

You *Might*:
- Learn more about what the customer really wants (or doesn’t want!)
- Discover unserved “niche markets”
- Get ideas for marketing, merchandizing, product mix
- Obtain valuable advice, support, information (particularly from remote or indirect competition)

You *Will*:
- Determine if you have any COMPETITIVE ADVANTAGE
**Key Strategies:**

**What Do You Sell ???**

A Product???
A Service???

NEITHER!!

⇒ **BENEFITS !** ⇐

*Sell the Benefits!*

**Features:**  Size, Quality, Varieties, Types, Materials Used

**BENEFITS:**  What will your product or service DO FOR or GIVE TO your customer?
Key Strategies: Market Potential

What percent can you Really get from your competition?

And

Even better, be the first in your market to discover what you customer WILL WANT IN THE FUTURE!

And

Use common sense...perceptions lead to behavior &
Start free or low cost, test small markets, get objective feedback, and retry if necessary.
Local, Public, Funds & Programs
(Other than General Fund):

- Redevelopment Zones or Downtown Development Districts
- Local or Regional Revolving Loan Funds
- Tax Increment Financing-TIF Districts
- Banks, School Districts, other NGO’s
Contact Information

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