

CONNECT LOCAL

Scotland's local food
and drink marketing
advisory service

Know your market

Simple research methods to grow sales

Good Practice Guide

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Why is market research important?

Knowing your market is fundamental for any business operating within the food and drink sector. You can have a fantastic product but if it is not available in the right place to right customer you will not maximise sales.

Historically market research was almost exclusively carried out by the large food and drink companies as it was very expensive due to the methods used. Today there are a vast range of free research tools and many low cost ways to access information, such as [Scottish Enterprise's Research Service](#) and [Scotland Food & Drink's UK Market Intelligence](#) service

Market research helps you to:

- Understand the best routes to market for your products
- Know your target customer and their demographics
- Provide confidence to your trade customers and assist with selling in
- Support decision making in new product development
- Keep you up to date and benchmark against competitors
- Provide positive and interesting statistics that can be used to drive PR content



Why do it

The consumer

The marketplace

Your shopper and consumer

It is important to establish who your target shopper and consumer is – often they are the same but in some instances they can be two different things and your marketing should appeal to both, take spaghetti hoops as an example, the shopper is likely to be a mother and the consumer likely to be a child. There are a number of ways to understand your customers better:

- Using Facebook and [Google Analytics](#) on your website to understand the demographics of your followers and site visitors
- Working with your trade customers to leverage their insights
- Capturing customer data through online competitions and at trade shows
- Using secondary data sources such as panel data such as [Kantar](#) and trade reports
- Hosting [focus groups](#) with current customers



Once you have built up a knowledge of your target shopper and customer, it is useful to build a number of 'pen portrait' profiles for your target customer/s. These pen portraits should be used to support decision making when it comes to targeting specific outlets and developing new products in the future. A useful way to do this is understanding demographic lifestyles through [segmentation](#).

Testing new products and concepts is an important part of research – demonstrating proof of concept and enabling you to glean constructive feedback to make improvement. It is important that this should be done with your target groups, and not with friends and families, even if they fall into the target group as you will not get an honest response.



Why do it

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Understanding your marketplace

For small companies it can be daunting to acquire market data as it can be expensive .
Alternative, effective sources can include:

- Trade press and news articles
- [Government](#) and [ONS](#) (Office of National Statistics)
- Free advice and report access through Connect Local and Scotland Food & Drink
- Analysing trade sales to understand which store formats and locations perform best
- For larger companies targeting multiple retail it may be necessary to use more advanced sources, this is something [Scotland Food & Drink](#) can help with

The place where you sell your product can be fundamental to success or failure, so using your customer research and pen portraits will help to effectively target the most relevant outlets. Before approaching them you should research to ensure:

- Your target customer and the shop's customer are similar
- If you are targeting restaurants, cafes and bars you should understand if they use a wholesale or distribution company
- You understand their future aims and plans and what sort of products they want
- You have a solid sales presentation including basic market information such as trends and growth rate to justify sales



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