

***Need to Know***

By Jack Miller

**Why do we need market research? Why do we need any kind of market intelligence? What kind of market intelligence do we need?**

**If we don't need it why do we bother with it, but if we do need it, what's it worth?**

**When my job was Director of Market Intelligence I asked these questions all the time. Usually, it was about selling more.**

**But . . . Sell more what? Sell it to whom? If you don't know where you're going, you probably won't get there.**

**Market Intelligence can start with market and customer segmentation to determine what you want to sell more of and to whom you want to sell it. Bigger share with existing customers? New products to existing customers? Existing products to new customers? New products to new customers? If you don't know, then you probably NEED market research.**

**Now that you know what you want to sell and to whom you want to sell it, you need to know why they will buy from you. Who do they buy from now? Why? What would trigger a decision to switch suppliers? Once they decide to consider a change, what process will they use to decide on a new supplier?**

**Do you know the answers? Maybe you think you do. What does it cost if you're wrong? What would it cost to be sure you're right?**

**You can put 10 people in a conference room for a day and brainstorm. Come away with a few action items and meet again in two weeks. Maybe, rather than figuring out what information you need in order to make good decisions, you send the staff out to collect as much data as they can find that somehow touches on the topic at hand. Then someone has to crunch the numbers. When you meet again in two weeks, some of the action items have been done, some not.**

**Sound familiar?**

Maybe, after you do this three or four times, you have a plan. But is it based on market intelligence, or guess work? Or is it just “management by wishful thinking?”

Maybe you get it wrong, and try something else. Maybe you get it right six months later than you should have. What did that cost?

You could have done some good market research. Maybe it would have cost \$25,000. Maybe even \$50,000 or \$100,000. There’s no budget for this but when you look at the alternatives, it might not seem so expensive.

And did you think about the cost of all those meetings? The cost of an employee is roughly two times his or her salary when you consider benefits, support, office space, computer, etc. Figure an average of \$1,000 per day per person for all those meetings. Add in the action items and the number crunching and you’re easily up to \$50,000. Not counting coffee, muffins, lunches.

And, when it’s all over, do you know what you need to know?

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