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## Use Marketing Research to Gauge Product's Potential

by

William Lesser

Department of Agricultural Economics

New York State College of Agriculture and Life Sciences, Cornell University

With the declining profitability of many traditional crops, numerous producers are looking for alternatives. Marketing specialists, like myself, applaud such efforts to find "market niches." At the same time we warn you not to produce a product without first determining if there is a market. But what we do not tell is how to make such a determination.

Investigating the market potential for a product is known as marketing research. Large companies like Proctor and Gamble spend millions on these activities every year. Marketing research is not easy nor does it give sure results. Even with such expertise, some half of new products fail. Despite these complexities, there are a few steps the novice can take without major cost. The first is to identify your customers.

**IDENTIFYING YOUR CUSTOMERS:** You must determine first if you are selling directly to the final consumer, to an end user like a restaurant, or to a wholesaler. Although this is an obvious and basic matter, it has important ramifications for how you proceed and what kinds of information you require. Several suggestions on how to assemble information by customer-type follow.

**SALES TO FINAL CONSUMERS:** In this case you have but one clientele to serve, the purchaser/consumer. You need to know their attitude toward your proposed product. Several years ago while working on a freezer beef project, the possibility of packing cuts in less-than-

carcass lots came up. We sent a brief questionnaire to a list of current customers and got a negative response, so the idea was dropped.

If you are presently selling at a roadside stand or farmers' market you can try giving samples of a new product and asking how people enjoy it, what they like and dislike. If you do not have direct contact, perhaps you can pay for the opportunity to distribute samples at another stand.

Whenever questioning consumers, keep in mind several basic principles:

- 1) Make the questions short and easy to understand.
- 2) Remember that most people do not like to respond negatively so they will be reluctant to say they do not like something. You can try asking, "How do you like it on a scale of 1 to 5?" or "How does it compare with . . . (a current product)?" Listen carefully to what people are saying.
- 3) Recognize that different kinds of customers shop different days of the week and times of day. To get a complete picture of a customer base, you should contact customers on a range of days and times.
- 4) With questionnaires you always are in danger of having only the most positive and/or negative reply. This means you can miss the great center group which could be the largest market. This is a difficult problem but can be minimized by a) making a questionnaire short and b) calling a few people by phone and collecting answers that way.

**SALES TO RESTAURANTS:** When supplying a restaurant it is very difficult to contact the final consumer. You must deal with the restaurant buyer or chef. Take time and talk to them, taking samples if possible. You should be able to determine the quantity, quality, price, and service you will need to get your product in their menu. Remember that a restaurant does not like to be out of an item, so be prepared to talk about reliability and quantity consistency.

**SALES TO WHOLESALERS:** If you are dealing in relatively large volumes, chances are you will be selling to a wholesaler. Selling to this market is a little like a combination of restaurant and direct sales. In the final analysis, the wholesaler's buyer has final say. You will wish to discuss with him/her your product and service. But the buyer will be principally interested in serving his/her customer. Is it advantageous, then, if you can contact that group

about your product and then have the customer request of the wholesaler that the product be carried. Thus, if you wanted to sell a new super-sweet corn variety through Hunts Point Market, it might pay to start with some neighborhood produce operators and convince them you have a good product. That information will be a powerful asset when you later contact individual wholesalers.

These steps are by no means foolproof. Even if your marketing research is perfect, you can get caught up because people do not always do what they say. But if you approach it properly, you can, with some effort and cost, get a feeling for how your product will be accepted. The investment is often well worth it. But before you start out, remember that you are selling yourself and your ability to deliver on a commitment, as much as you are selling your product. You can learn about your customers but you must know yourself-what you can and cannot do.