

How to determine if there is a market for your business

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WASHINGTON, DC, US: Knowing whether or not your product is something that will sell is one of the biggest questions in marketing. You might think your new product or service is going to sweep the market away, but without having a foundation of information about your customer's wants and needs, you can't know if your product is going to do well.



(image: Public domain)

Conducting research to determine if there is a market for your business is key to successfully selling your product. Here are four ways to think about your business idea before moving forward to selling your product.

1. Pick proven categories

There are more challenges, and consequently more risk, when hopping into a market with a new product that is already highly competitive and successful. For example, it is difficult for companies to introduce a new smartphone successfully into a market that is already dominated by Apple and Android.

Entering the market in proven categories that show success is a great place to start. But, select proven markets that are more broad and general if you want to face less risk and competition. There are tons of problems that currently need to be solved and services that customers are looking for. By finding the answer to a problem that already exists,

you automatically have interested customers, and you do not have to search for them yourself.

2. Listen to the market

If you are in the business world, you need to accept that customers in the market determine the fate of your company's success. Customers have the final word when determining whether an item is purchased or not. Getting to know the market before you begin selling your product can give a clearer outline of what you will experience.

Before you begin developing your product or service, know the basics of the market you are entering:

- Revenues in the local, regional and national market
- Know the competition
- Determine what [life cycle](#) the market is in
- Know the [target audience](#) for your product

Once you have a better understanding of the market you are about to dive into, you can make better business decisions on how to approach the market.

3. Keep current customers

Remember that customer loyalty and brand awareness are two of the biggest factors in selling products. With the amount of choices that are in the market, you are more likely to get your current customers to purchase a new product than try and attract new ones. Consider how willing your customers are to buy, and how much they are willing to spend.

Repeat business is also less expensive than "buying" a new customer.

4. Test your product

Some of the biggest companies test their products before introducing the product to an entire market. Beginning with small testing, either online or in select stores, can help you answer questions to a degree that research may not answer. Getting customer feedback can help you tweak your product or idea before mass producing something that might fail.

Understanding the market for your product is one of the most important steps of marketing. Researching your customer's wants will help you decide whether to move forward and begin producing and selling your product.

For more information on launching a new product or business, download our [free white paper](#).

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