



# Small Business Service

---

*Discover the future*

# Practical, affordable, market research for small businesses

Market research can seem a daunting prospect for small businesses. There are many different types of research and the market research profession has its own jargon that can seem confusing for the uninitiated. The other big consideration is often the cost. Spending tens of thousands of pounds on a single research project is often just not practical for most small companies.

Unfortunately, most big market research agencies are set up mainly to focus on serving larger customers – customers with big budgets and their own in-house research experts. It can all seem a world away from the reality facing most small businesses.

But it doesn't have to be like that. We believe small businesses benefit from market research just as much as large ones. So we've designed this guide to help highlight some practical and affordable options that are better suited the needs of a small business with a limited budget.



# Where do I even start?

---

Big companies employ their own research experts to advise them on what market research they need. But most small business owners are not market researchers, so where do you even start? Do you even need market research?

The only reason anyone ever needs market research is to answer important questions that their business needs to know. Here's some examples of why you might benefit from market research:

- To help you design better marketing materials.
- To test a new idea to see if customers will like it.
- To get ideas for a new product or service.
- To understand what your customers think of you.
- To find out about important new industry trends.
- To prove to an investor that you understand your market.



# Coping with market research “jargon”

---

The market research industry has its own jargon:

- “Quantitative”, “Qualitative”
- “Conjoint”
- “Regression analysis”
- “Van Westendorp’s Price Sensitivity Metre”
- “Significance Tests”

But what does it all mean?

The simple answer is that you don’t really need to know! Think of it this way. If someone takes a car into a garage to be fixed, they don’t care what tools the mechanic uses. All they care about is that the car gets fixed. They trust the mechanic to know what tools to use.

There is no reason why market research should not work the same way. Tell us what you need to find out: Let us pick the right tools to use to get you what you need.





# Market research on a tight budget

---

Another concern that small businesses often have about market research is: is it expensive?

The answer is that it can be if you really need to run a major multi-country study and you have the budget for it. But there are also a number of realistic lower cost options that are available for smaller businesses.

In this guide we will detail a number of market research options designed to suit businesses with limited budgets:

1. Market information from existing sources.
2. Commission a mini-survey.
3. Spread the cost with a syndicated survey.
4. Buy a published report.
5. Running your own surveys.

But, before we look at these...

# First: let's be realistic - establish the budget limits

---

For the purpose of this guide, we define a small budget as being under £5,000+VAT. It helps a lot to know the realistic budget range at the start so that we can recommend practical and affordable solutions. Consequently it is worth giving some thought to which of these price bands is likely to be right for you:

£2,500-£5,000+VAT

£1,000-£2,499+VAT

Under £1,000+VAT

Now, let's take a look at what we can do within this kind of budget range...

# 1) Market information from existing sources

---

There is a huge amount of information published online every day. The good news is that this data goldmine is mostly available to us for free. The bad news is there is clearly an enormous volume of it available.

What you need might be available free but, if you are not a market researcher, you may struggle to find it. Or you may find it but only after it takes up a larger than expected amount of your valuable time to find.

This is where we can help: By employing our research experience, we can quickly search for, curate and report on the key information you need. That way you are sure to get what you want and you save yourself valuable time.

Let us know what you need to find out and we will let you know how we can help and what it will cost. If you want, we can give you a number of options at different price levels. That way you can pick the best option for you.



# How about commissioning your own survey?

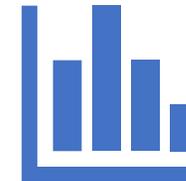
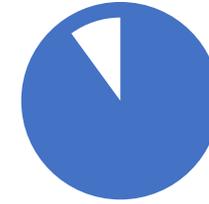
---

Designing and running a bespoke survey means you can reach the exact market you want with the exact questions you need. The information you get back from it is therefore highly relevant and specific. This is what we call an original piece of research work. In an ideal world, the best solution is usually to commission original research like this.

When you see market research reported in the press, you may well have noticed that sample sizes of 1000 or 2000 people often get quoted. That sounds a lot, so you may well be wondering how much a survey like that might cost.

Actually, as long as the survey is not too long, and we are looking to complete it with a broad cross section of the general public, then a survey of this scale is possible within a limited budget. Certainly within the £2,500-£5,000 range. But what about if your budget is lower, or if your survey is a long one? What then?

However, before we go into that, you might well be wondering... *what's so special about 1000 interviews anyway?*



# Why pick sample sizes of 1000 or 2000 people? What is so special about these numbers?

---

Part of the answer is that this is for no other reason than because it has become an accepted norm. This is especially the case if you want your survey to get you some coverage in the press – journalists expect it.

But is there actually a technical reason?

Certainly. The larger the number of people who complete a survey, the more reliable the results of that survey are likely to be. Of course, no survey can ever be 100% accurate. At the end of the day if you interview 1000 people at random you'd get a slightly different mix of views than if you interviewed **all** 56 million or so UK adults. This is what we'd call, in statistics, a margin of error.

You may have seen this margin of error reported in news items about surveys. Sometimes people talk about it using the expression "95% confidence limits". This is a statistical term which actually means *"if our survey of 1000 people tells us 50% of people like cats; how confident can we be about the actual number of people who like cats IF we were to ask all 56 million UK adults?"*

In essence, then, if our survey says 50% like cats we can (statistically) be 95% *confident* that somewhere between 46.9% and 53.1% of ALL UK adults actually like cats. Our margin of error, in this case is +/- 3.1% (50%–3.1% = 46.9%; 50%+3.1% = 53.1%).

# The margin of error does not change as much as you'd think if we do a lot more or less interviews

If the number of interviews in our survey is...	And, the % of people who say they like cats in our survey is...	The statistical error margin for a survey of this size will be...	Therefore the % of people who like cats in the whole UK is likely to be..
1000	50%	+ or - 3.1%	Between 46.9% & 53.1%
2000	50%	+ or - 2.2%	Between 47.8% & 52.2%
5000	50%	+ or - 1.4%	Between 48.6% & 51.4%
500	50%	+ or -4.4%	Between 45.6% & 54.4%
250	50%	+ or -6.2%	Between 43.8% & 56.2%
100	50%	+ or -9.8%	Between 40.2% & 59.8%

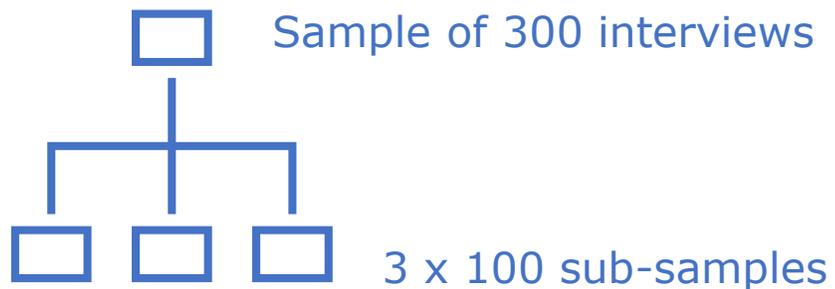
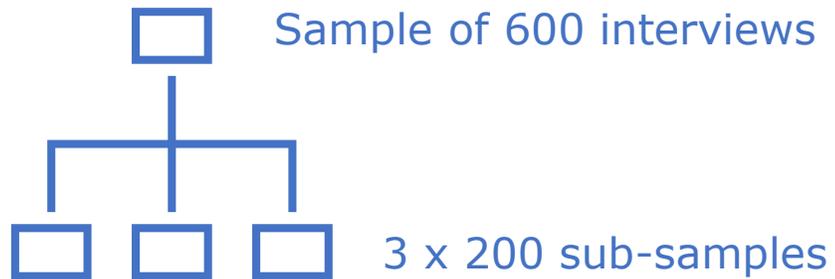
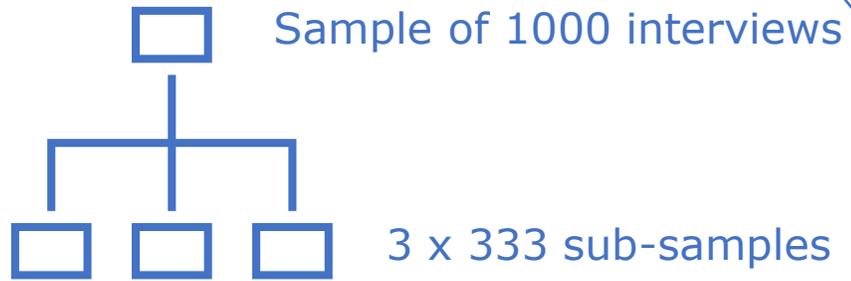
As we hope you can see, there is a certain law of diminishing returns at play here. The larger your survey sample, the smaller the margin of error. BUT, doubling the sample size does **not** halve the error margin! Even a sample of 250 is actually big enough to reliably tell you that somewhere between 43.8% and 56.2% of people like cats. If you are happy with that level of reliability, then you only need 250 interviews!

# So why do people bother with 1000 interviews then?

Given the limited differences in accuracy of 1000 interviews vs. smaller samples, you might be wondering why people don't opt for smaller samples more often? Why spend all that extra money?

Partly, it is only because 1000 is the sample size that many people have grown accustomed to. For one thing, journalists are reluctant to cover smaller surveys.

But a more scientific answer is because often people don't want to look only at the top line results. You might want to compare people in different sub-groups or sub-samples. Here the margin of error will depend on the size of the sub-sample. So splitting down 1000 interviews into 3 age groups (e.g. 18-34 vs 35-59 vs 60+) creates 3 sub-samples of c.333. But splitting a sample of 300 in three groups would create sub-samples of 100, with a commensurately higher error margin. And if you wanted to compare 5 or 6 age groups, you can quickly see why people might need samples of 1000.



## 2) Mini surveys

So it is not always necessary to have a sample as large as 1000 interviews. If you are only mainly interested in the overall picture and less interested in making comparisons between different sub-groups of people, then a smaller sample could well be all that you really need.

Mini surveys would therefore be a good bet for a tight budget where the overall picture is the key thing you're after.

If your budget is tight (under £2,500) then this is a good option to get some original market research that directly addresses the specific issues you need to know about.

If you let us know what you need to find out, we can advise you on the different options in detail for mini-surveys of under 1000 interviews. It is quite possible that mini-survey combined with targeted use of existing sources can provide you with greater value for less money than a single large survey of 2000 interviews.



500 interviews:  
Maximum error  
margin +/-4.4%



250 interviews:  
Maximum error  
margin +/-6.2%



100 interviews:  
Maximum error  
margin +/-9.8%

# Other Mini-Survey Options (for budgets under £2,500)

---



**In-depth interviews:** A small number of in-depth interviews can often yield a lot of useful feedback from your market. These interviews are longer (usually 20-30 minutes+), more detailed and open format in nature. We would usually conduct these by telephone or by video-calls. They can provide a very cost effective alternative to focus groups and are an ideal way for clients with tight budgets to get comprehensive feedback from a small group of prospects and customers. This approach can often deliver the same quality of information you get from a focus group of similar size, for significantly less cost.



**Customer surveys:** If you only wish to conduct research amongst your customers, then as long as you have enough customers and good quality contact details, you can reach out to a significant number of them directly. This means you save yourself the cost of buying a sample – although you will need to do more of the leg-work yourself in terms of encouraging people to complete a survey etc. However, we can help you with this by designing a questionnaire, hosting it online for people to complete a survey and by analysing and reporting on the results for you. That way, simple customer surveys, run along these lines, can easily be delivered within your budget.

## 3) Survey syndication

---



There is no escaping the fact that to design and conduct a large scale survey that addresses complex issues and, perhaps has an

international dimension, would cost a lot more than £5,000.

This may well be beyond the budget limits of many small companies and, for a fairly comprehensive program, may even stretch the budgets of many mid-sized businesses as well.

However, it may well be that many of the issues, concerns and challenges that you face are also being faced by many other competitors, partners and suppliers that serve the same market.

If this is the case, an option you may wish to consider would be survey syndication. That means clubbing together with other businesses and splitting the cost of a survey between you.

If a market research study cost £18,000 to run, that might well be a long way beyond the means of a small business. But if six businesses club together in a syndicate, then the cost is spilt. You only need to spend £3,000 each to get hold of a significant amount of valuable, in-depth information!

If you feel this might be an option for you, feel free to contact us to discuss the possibilities and we will happily help facilitate the process of setting it up.

## 4) Published Reports

---



One of the most cost effective ways to get hold of good market research information is by buying a published report.

Purchasing published reports has its pros and its cons:

- **Pros:** The cost of the research is split between all the people who buy the report. That means you get great value for money. Also, because it is already published, you get immediate access to the information.
- **Cons:** Reports are based on research that has already been designed and conducted. So they are unlikely to be an exact match for your specific needs.

Although a report may not be exactly what you ideally want, you can sometimes find that they offer very good value for money. You never know, you might be able to get 80% of what you need at 10% of the cost!

We aim to publish good quality reports that are ideal for those with more limited budgets. As a general principle we price our reports at under £750 each, so that they are accessible for small businesses.

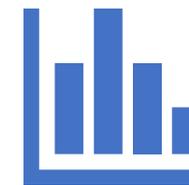
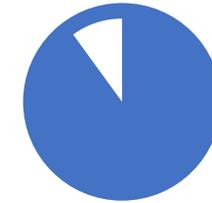
We are very open to ideas, suggestions and requests. So if there is a market research report on a particular issue you'd like to see, please let us know. If it sounds like a good idea we'll probably publish it!

# 5) Running your own surveys

Some people may elect to run their own surveys in-house. It is possible to acquire simple online survey tools that enable you to run simple surveys without breaking the bank. But what exactly will you need to do if you do everything in house?

- 1) Define the audience & decide how to approach them.**
- 2) Write your questionnaire.**
- 3) Script your questionnaire (i.e. in a software tool)**
- 4) Complete the interviews & collect the data.**
- 5) Analyse the results & create your report.**

You'll also need to allocate adequate time in your schedule to perform these tasks. However, if you've not done this before, there are some particular challenges you should think about first.



# Considerations for running your own surveys in-house

---

Before you start you first need to be sure that this is going to work for you. Here are some points to consider:

- **Don't be tricked into thinking survey tools are free:** There are a number of survey tools that do offer basic versions for free. However, these versions usually come with serious restrictions (e.g. you can only complete a limited number of interviews).
- **Do you have the IT skills?** You will need to be comfortable with using the software. There are videos online to help but if you are not the sort of person who is happy tinkering around with new applications; then this is probably not for you.
- **Do you have the research skills to design and analyse a survey?** This can be very time-consuming & challenging for the uninitiated.
- **How will you get people to complete a survey?** Usually the only "free" way to do this would be, for example, if you invite your own customers to complete a survey by email (GDPR permitting). Otherwise you may need to buy sample from a third party & make sure you have the right survey tools to meet their requirements (i.e. not the free stuff).
- **Do you have the time?** If you are very busy with your day job, running your own surveys is probably not for you.

# How we can help you with your in-house survey

---

There is a middle road you can take here. You can choose to manage some tasks in-house and outsource others. We can provide you with a modular service, that enables you to select only the services you need:

- **Questionnaire design service:** Based on a brief you provide, we can design a survey questionnaire for you in MS Word format. You can then do the rest.
- **Scripting & Hosting:** We can script and host a questionnaire online for you if you are happy managing the fieldwork by driving respondents to the survey. We'll simply collect and output the data for you.

- **Analysis and Reporting service:** Maybe you just need a helping hand with analysing the data and reporting the results. We can offer everything from a basic analysis to assistance interpreting and performing statistical analysis on the results. Maybe you'd like us to create a presentation to give to your management team, or maybe you'd prefer to do this in-house.

Whatever your specific needs, we are happy to discuss the options with you and provide the level of support that's right for you.

# Contact us for more information or to discuss a potential project

---

Paul Watts

Director

T: +44 (0) 7780 761 634

[Paul.watts@synchronixresearch.com](mailto:Paul.watts@synchronixresearch.com)