

Market Research: How to Find Out If Anyone Will Want What You're Selling

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Today we're going to take a look at something you really want to avoid: spending weeks, even months, developing a product or service, launching it, and then discovering no one actually wants it. If you've also spent a lot of money on your failed project then the consequences can be even more severe.

Of course, investment of both time and money is part of entrepreneurial life, and it's impossible that every project will be a runaway success. But just like the rest of us, you have a [limited amount of time](#) and money to invest in projects, so as much as possible you want to maximize your success rate.

This is certainly true whether you're developing a product or putting together a service. Either way, the development process takes time, and often money too (unless you do *all* the work yourself). It can be very demoralizing, even potentially devastating to a business, freelancer, or entrepreneur when a project fails.

So in this post, I'm going to do everything I can to help you avoid this happening to you. We'll be covering different approaches to market research and market testing that will help you avoid sinking a lot of time and money into dead-end projects.

We'll also be taking a look at how much of an impact marketing can have on the success or failure of a project, and why a project failure isn't always due to the product or service itself. Sometimes just a tweak to [your marketing approach](#) can in many cases turn a loser into a winner.

How to Conduct Market Research for Your Product or Service

OK, before anything else, here's a very important point to take in:

You are not in the business of creating new markets.

What I mean by that is, if there clearly isn't a market of people right now spending money on what you're thinking of offering, then you could be trying to create a market where there is none.

Now, you could get incredibly lucky and by some miracle stumble across a market that no one else has found. But the chances of that are slim.

Therefore, you want to avoid starting with the product in mind first, and then trying to find a market to offer it to. If you go about things the other way, then you can increase your chances of success by selecting an existing, thriving market and then making your product or service attractive to that market.

Of course, if there's existing competition, understandably that may be a concern to you. You might be asking yourself:

- How will I establish myself in an already thriving the market?
- Why would anyone buy from me instead of one of the existing options?

Well, more on that shortly. But at the simplest level, a thriving market means there's money to be made. Often *lots* of money. By presenting a relevant offer to a hungry market, you're making things much, much easier for yourself, while also greatly increasing your chances of success.

Let's Look at an Example

Perhaps you're an aspiring web designer, but because there are a lot of web designers listed in your local area, you think you can't compete, so you don't even try.

No!

All that competition means there is money to be made.

You just need to find a way to attract attention towards yourself and then turn some of that attention into sales.

So the market exists, your offering is a match for that market, and in this instance, the biggest problem to solve is one of effective marketing to help you stand out from the crowd.

If you have ideas for products or services, find the market for them first before you spend time and money developing it beyond the idea stage. If you can't find an exact market match for what you're offering, then you'll be heading into uncharted territory at a great risk to your project.

Alternatively, if you don't have any products or services in mind yet, you can browse around, explore the different types of markets available (preferably in an area that interests you), find one

that grabs your attention, and then see how realistic it might be for you to develop an offer for that market.

How to Determine The Size of a Market

Getting an exact idea of [how big a market](#) is can be very tricky. There's a reason businesses pay research firms very large amounts of money for up to date market intelligence.

However, with some very rough calculations, there are ways you can estimate the size of market.

Let's return to the example of your local web design market. Some things to consider when trying to guesstimate the size of the market and whether there is room for you include:

- How many potential competitors are there in your local area?
- How are those competitors doing? Check their portfolio to see how busy they've been. In some countries private businesses have to make their accounts public ([the UK for example](#)).
- What's the number of potential clients that exist in your local area?
- [What can you charge](#) per project?

After jotting down some rough numbers, you can establish how much revenue you need to generate in a year. Then divide that number by the average fee you could charge per project. Can your local market sustain enough projects per year to meet your annual target?

If the answer is yes, and sticking with the web design example, if you are a great designer and can make your clients happy, then it largely comes back to solving the marketing puzzle of how you're going to get attention in an established marketplace, and generate leads that convert into customers.

How to Test The Demand for a Service



Is there a demand for your offer? – image by TCmakephoto / shutterstock.com

As mentioned already, if a clear market exists for exactly what you're planning to offer, that's a very positive sign.

However, testing a service can be very different to testing a product. The main reasons are:

- Services are often much [higher priced than products](#).
- They can often require a lot of input from the client before the sale is closed.
- They're often sold through phone and in-person conversations.
- The process for delivering a service could potentially last months, depending on how much money the contract is worth, and how long your potential client takes to make decisions.

That being said if you can embrace one of the big trends of 2015 and are able to [productize your service](#), your capabilities to test the demand for your offers will be vastly improved.

Lower-priced or clearly defined services that can be sold through an order form can be tested in the same way you would test a product: send traffic to a web page, and see if it converts.

So, an example of a low-priced, clearly defined, productized service, where the customer pays up front through an order form would be:

Install WordPress On Your Site – \$XX

By taking this approach, establishing the viability of a lower-priced, productized service can be very similar to testing the demand for a potential product.

When it comes to higher-priced, bespoke services – such as a custom website build – the testing process is more focused on generating a lead and then opening a dialogue with the potential client. So, in this scenario, if you're able to generate leads for your service, that's a great start.

Then it comes down to converting those leads into sales. Since that often requires phone calls or in-person meetings, a lot of the conversion rate will depend on your sales technique, rather than if there is a demand for what you have to offer.

But really, if you're getting leads, then that's generally the proof you need. It clearly shows that there's a market for what you're planning to offer.

Your Credibility in the Market

As well as offering a service people want, successfully selling a service is [all about credibility](#). Every visitor to your site is asking:

“Is this person the right choice for the job?”

That's one reason it can be difficult to get started with selling a service since you don't have a proven track record. This is true whether you're selling the service directly from your website or on a marketplace like Upwork.

So how do you demonstrate your credibility in order to let people know that you can be trusted to get the job done? Well, here's a few options:

- **Offer the service initially for free** (or low-priced), in return for getting customer and client reviews and testimonials that you can publish on your site.
- If you've earned positive feedback from past ventures and endeavors, there is a good chance they can be leveraged to support your new project. **Perhaps publish positive reviews from those past roles or projects.** This can show you have a good track record and are a capable individual. However, it's important to make it clear the feedback is from other services, so you're not misleading people.
- Perhaps **don't ask for any money up front initially**, but start billing your customer once you've delivered a small part of the project to them and they're happy with the work. This moves the risk away from the customer and onto you, which makes getting those initial sales easier.
- And of course displaying a **portfolio with great samples** can be very effective too.

While some of these ideas might be anathema to those already established in their chosen field, when it comes to breaking into new markets, sometimes drastic measures such as working for free or at a lower rate can be beneficial in the long term.

In addition to this, be sure to make use of all the tried-and-tested marketing tactics that work well for any product or service, including:

- [Email collection](#) and follow-up.
- [Testing](#) different copy.
- [Promotional partnerships](#) (borrowing other people's credibility and audiences).

The ability to convert visitors into leads is a great sign that people are interested in the service you're offering. This is especially true if you're asking for an above-average amount of information when a lead enters their details: phone number and business address, for example.

How to Test the Demand for a Product



How to announce your new product – image by relif / shutterstock.com

There are a lot of variables that come into play when launching a product. Therefore, the testing process can be more complicated compared to that of a service in order to ensure its something that people are actually willing to spend money on.

Again, marketing will play a large part in whether your project will succeed or not. However, creating something that people actually want is essential.

So let's say you're a WordPress developer and are considering creating and selling a WordPress plugin. Well, the good news is there most certainly is a market for [commercial plugins](#).

Offering something people are already spending money on is a pretty safe position to start from. However, in most cases, you will need to make sure your product is different enough to be unique, without straying too far from what has already been proven to work. If you can make your product better than the competition, at least in a few key areas, then so much the better.

However, waiting until your product is perfect means you'll be waiting a very long time and as the saying goes, the early bird catches the worm. Holding fire on your launch until everything is perfect can be a recipe for disaster as [a recent guest on the Divi Nation podcast](#) discovered to their peril.

The Power of the MVP (Minimum Viable Product)

When it comes to testing the demand for your project, putting together an MVP ([Minimum Viable Product](#)) and getting it in front of your target audience can often be the best approach.

An MVP can be as limited as an alpha version with just the bare bones of functionality. As long as the key features that make your product unique are present, then you can worry about adding your dream list of supporting functionality later, once you've established that people are prepared to pay for it.

You can promote your MVP as a pre-launch version, an early-bird version, or a beta version – however you wish to get the point across that it's not the finished version. Make it clear that it's still a work in progress, while offering your early adopters a reward.

Of course, since your product might be buggy and lacking features, it should be priced accordingly, with special offers for early-bird customers to sweeten the deal.

For example, as early-bird customers take a risk by spending money on software that isn't quite there yet, in return, when the final version of the software is ready, they can upgrade at no extra cost, and perhaps even get a lifetime license.

The response from the market to your MVP can tell you straight away whether you're on the right track or not. Of course (as can't be repeated enough times) [marketing plays a key role here](#). As well as doing all you can to [drive targeted traffic to your site](#), you also need to focus on your sales copy in order to [compel visitors](#) to part with their money.

Where to Launch Your MVP

Your product can be tested and launched at the places where your target market can be found. This could include discussion forums, specific social media platforms, online groups, and offline events and meetups.

However, creating your own platform first, such as [your blog](#) or [email list](#), can give you the perfect springboard for launching your new project. You can also attempt to leverage the platforms of others, such as creating a partnership with a popular figure in your niche or striking a deal for a mention on a leading blog or email list in your industry. Be on the lookout for opportunities such as sponsored blog post or podcast guest spots.

You have to be prepared to do whatever is necessary to get your MVP in front of your target audience. Whether that is putting in the time and effort to build your own platform and forge key connections in your industry or paying for advertising and exposure in the places where your target audience hangs out.

Even if every fiber in your being is screaming out that you want to fix this bug, tweak the appearance, and add that feature, it could all be wasted effort if no one wants to buy your product. So get to MVP as quickly as humanly possible, test, and then decide where to go from there.

Remember – what people say they’ll do, and what they actually do, can be worlds apart. So asking people whether they would spend money on what you’re creating is no proof at all. People will often be polite and say yes. The ultimate test is whether they actually type in those credit card details and click submit.

And one further point – don’t get too attached to any one product. Yes, a product may sell well. But sooner or later sales will fade, and then you’ll be left without an income stream. So, however well your products are selling, keep developing new ones and growing your product line. The benefits on offer from having a diversified product range include greater income and stability and we can all appreciate the appeal of that.

Impact of Marketing on an Offer’s Success



Never underestimate the power of marketing – image by Bloomua / shutterstock.com

The key theme running through this article is that your marketing efforts can make or break the success of your product or service, no matter how good (or bad it is). Sadly, it’s not uncommon for amazing marketing to sell terrible products and services.

Such marketing often promises the customer exactly what they want (which is why it sells so well), only for the product to fail at meeting the customer’s expectations. This can sometimes be because it’s not actually possible to deliver what was promised in the sales copy.

Weight loss and ‘make money online’ products are infamous for this. For example:

- Lose and keep your weight off while eating whatever you want.
- \$5,000 a month in passive income with this “push button” software.

Both of those claims are very appealing. But they’re just not realistic. However if the sales copy is good enough, that product will sell because it’s what people want. If the person behind the product doesn’t mind deceiving their audience and can put up with 50% refund rates, they might still make a lot of money.

So powerful marketing can sell anything, but it has to match the product or service if you want a long-term business. After that, by meeting, or even exceeding, those initial expectations, one-time customers are turned into long-term customers and that is often where the real money is made.

So let's run through a few points (some we've highlighted already) that are vital to have in mind when marketing a product or service:

- Again, **credibility has such a huge impact on sales**. Demonstrating your credibility can be achieved through testimonials, walkthrough videos, trials and demos, free consulting (for services), publishing great content, third party endorsements and promotions, and much more.
- The success of an offer largely comes down to **message to market match**. Are you offering exactly what the market wants, and presenting it in a way they will respond to?
- If you're in a very price sensitive market, then you may need to [compete on price](#), but that can often be a losing strategy. Instead, **offer more value, or demonstrate more credibility than your competitors**. Or better yet, go into markets where lots of money is being spent, and where your customers aren't counting every dime.
- **Be in front of people when they're ready to buy**. Most people will come to your site and then forget all about you within minutes. So [get their email for regular follow-ups](#). Be visible within your market on social networks. Plus of course, be a regular blogger and guest contributor. The more you well known and recognizable you become in your market, the more likely people are to remember you when it's time to buy.
- **Time-limited offers** (discounts, bonuses, etc) can drive a lot of sales in a short amount of time, as long as this tactic isn't overused.
- **Think far beyond the first sale**. When offering services, one customer can be worth tens or even hundreds of thousands of dollars over the years to come. When you factor in that they may refer other customers to you, their value could even be in the millions. So whether selling products or services, the initial sale is just the start of your business relationship.

Final Thoughts

Rather than starting with the idea for a product or service and then trying to find people to sell it to, think about starting out by creating a product or service already proven to sell in an existing market. Then aim at making your offer better and more value-added than the competition where possible.

Next, you want to test as quickly as you can. Promote your MVP (Minimum Viable Product) and see if people will pay for it. Or start offering your service and see if you can generate viable leads for it. By testing early, you'll know whether you're on the right track before you've spent too much time and money perfecting your service or product.

Of course, never forget the importance of marketing. How well you market and promote your project will have a huge impact on the success of your venture. Strong marketing can turn even a

questionable offer into a winner. Plus the more credible you and your product or service appear to your target audience, the more likely they are to buy.

Do you have a product or service you've been thinking about that you can get to market soon and start testing? How do you plan to market your offer? What actions can you start taking this week to increase your credibility online? Please share your thoughts in the comments below.

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By Joe Fylan

Joe uses WordPress almost every day and enjoys writing about his experiences for a number of different blogs. If you need help with your next project, or you want some cracking content for your blog, you know where to look.