

## INDUSTRY RESEARCH

Before you begin a business, you will want to conduct research on the industry in which you would like to launch your business. Industry research is not the same as market research. Market research has to do with the research of a specific geographic location. Industry research is a study of the overall perspective of any specific business. For example, if you wanted to start a rental property business, you would want to know the general state of housing across the country, what are the trends, what is the overall housing market, are more people buying or renting, are rents on the increase or decrease, what impact will interest rates have on the market, are insurance rates rising, etc? That would be industry research. Once you have an understanding of the industry, you could focus in on a particular market, such as Ft. Wayne, Indiana. The industry research will tell you about general trends, and help educate you on the business itself. Market research, which is specific to a location, as with our example of Ft. Wayne, would tell you about the rental property business in that specific location.

Now that you have an understanding of the difference between Industry and Market research, we can begin our discussion on Industry Research.

One reason many new businesses fail is lack of planning. Through careful research and effective planning you can significantly increase the chances that your business will be a success. The better you understand the challenges ahead, the more likely you are to overcome them. There will be challenges associated with each industry and you may conduct research on several industries before you find one in which you feel you have the tools to be successful. That is okay. Time spent planning and researching is time well spent.

Small business owners are responsible for the entire business, and providing goods or services is just part of it. You will also have a host of administrative and managerial duties related to running your business. Having a thorough understanding of the operation of a business in the industry that you are considering will help you make an informed decision about whether or not you should become the owner of a business in that industry.

### Performing the Research

I will not enter into a long description of how to perform the Industry Research as most teachers are already adept at performing research. A few suggestions I would offer are:

- Start simple – Perform a search using your preferred search engine with terms similar to “Overview of \_\_\_\_\_ industry. This should provide several sources that will allow you to begin your research.
- As you begin your research one source should lead to another, and should allow you to begin to develop a body of information on your industry of choice.
- The U.S. Small Business Administration ([sba.gov/](http://sba.gov/)) may be a useful resource.
- Sites such as Google Trends (<http://www.google.com/trends/>), Google Scholar (<http://scholar.google.com/>) and The Pew Research Center (<http://www.pewresearch.org/>) may be helpful.

- In addition to online research, speak to some people in the industry. Find out their thoughts about the current state of the industry.
- Most industries have some sort of an association. Such groups can provide a wealth of information and may be able to provide regional or local information that could be used later, when performing market research.