

Marketing essays - family owned business



Family Owned Business

Comparison of Market Research between Small Family Owned Business and Big Organization

A family business is a company owned, managed, and operated by members of one or several members as employees, but in smaller companies, the top positions are often allocated to family members. The purpose of this paper is to analyze the differences in Market Research between big organization and small family owned business. The aims, method, tools and evaluation criteria will be compared.

Market Research deals with the gathering of information about a markets size and trends. Organization or small company usually undergoes market research to change their current strategy in order to improve the growth of their business. Family owned business market research is usually discussed by the family members who are member of the company. While in big organizations, market research is discussed by high ranking personnel and a team of marketing personnel. We will discuss the importance of market research in a small family owned business. Family businesses have their own special set of challenges. Not only are you in personal relationships with a number of the people you are working with, which can complicate those relationships and those with your other employees, but you also need to deal with leadership roles and how ownership is passed to future generations. (www. smallbusinessnotes. com).

Small Family Owned Business

Market research deals with the gathering of information, analyzing data and recording. Its uses include helping create a business plan, launch a new product or service, fine tune existing products and services, and expand into new markets. Market research can be used to determine which portion of the population will purchase the product/service, based on variables like age, gender, location and income level. It can be found out what market characteristics a target market has. With market research, companies can learn more about current and potential customers. (www. wikipedia. org).

Like any other business the small family owned business needs to have a market research to be able to have a strategy that will drive the family members involve in the business to focus with. Market research is important to be able to clearly identify the development needed by the company and to be able to adopt the proper strategy for the company. Family members who are involved in the business usually have contradicting ideas and sometimes resulted in misunderstanding because emotions interfere. This is a market research should enters. The family members should put in mind that in market research the success and growth of the business is possible. Market research will also reduce the risk at the earliest stage.

Small and big companies start the market research by gathering market information to ensure that they can serve their client by: remaining current with trends, keeping ahead of their competitors and seeking out new markets.

Market Research

There are several steps that need to be done in order to have a successful market research. The first thing that we need to identify is the problem involve in the company. A family owned company usually have problem in concluding in several things. One of the dimensions that need to be overcome by the family owned company is involvement of emotion during decision making. In a market research it is a waste if you proceed into something without identifying the problem first. Like any other business the family owned business should be able to identify the problem of their business correctly. Market research also helps companies develop information regarding new products or product lines and learn how well new items will be received. It can also help businesses learn how the public responds to a comparable product already on the market. In this way, business can stay in the loop, keeping in touch with the wants and needs of potential consumers. They can halt production of a product that the public shows little or no interest in, or change it, improve it, or lower the price as necessary based on market research information.

Aims

Contradicting ideas may occur since not all the members of the family have the same focus on the business. Unlike in big organization the aims and purpose of the research are usually identified by a group of researchers of the company. They may have contradicting ideas but because the emotion does not interfere they can easily come up with an answer right away. The big organization can start with their market research after identifying the problem.

The aim of the company was identified upon deliberation. In a family owned business since emotions involved in the decision it may take time before a concrete aim will be concluded. (www. canadabusiness. ca). The small and big organization has one aim in common to become successful in their business.

Methods

The difference in methods or strategy depends on the budget. Small family owned business usually uses strategy that is cost effective. Since a small business has a low budget for this, they will choose methods that can be effective with a low budget. Big organization usually has an allotted amount for this. They have assigned a group of employee to handle this method. Small business use survey strategy which is cost less and effective. It is usually done using questionnaire and conducting it in the chosen population of the family.

Small business usually uses a qualitative research because of the following reasons: It uses a smaller size, in this reason a small business can provide budget for this. It has a less structured and it has an open ended survey design. Results are not project able to any group or population.

Methodologies in this kind of research involve focus group and one on one interview, observations and analysis. Since this involves a small family owned business the method is being conducted by the member of the family.

Big organization uses a quantitative research wherein the methodologies involves communications apparatus such as telephone, internet, main or person to person interview. It

involves a large number of samples that requires a big amount for budget. This method usually undergoes several steps conducted by the different department of the company. In a big organization the teams compose of a team leader and a staff in different areas such as in marketing, IT and others. These mean additional budget for every department in which the small business cannot handle.

Tools

Both the small and big organization uses several tools in conduction the market research. These tools will help the organization to create a business strategy suited for their business. The use of internet resources in searching for the data and ideas in marketing will be a very good tool. The small family owned business may try to view cases of family owned business. From that case they may have an idea on how to deal with the problems in the organization. The tools involve questionnaire, designed to the intended participants. Questionnaire includes question which is also related in this field. It maybe answered thru the internet or online or by visiting the company. The focus group will answer these questionnaires to evaluate the capabilities of the group. Another tool which is useful both in small and big organization is the computer. Using on line services as a tool in the evaluation, conducting surveys and gathering data will provide a positive result.

The budget of the big organization is much higher than the family owned business. This is an important tool in market research. A budget for every research will provide a better result since the researcher can do all the

means of researching without fear of having short budget. This is much different in the case of a small business owned by a family. Since they have low budget to provide their researches maybe limited only depending on the budget. In this case they may have a strategy but this may not be good enough since they were not able to do the research properly because of lack of financial support from the company. The budget may also cause a confrontation among members of the family. For example, a bakery business was being managed by the daughter. Her uncle and brother act as a consultant. She thinks that the company should be having a market research to reach their goal. Her uncle and brother refuse because they don't have a good amount of money for the project. This resulted in misunderstanding resulting in a bigger problem in the company. In a big company the budget are being tackled by the department assigned by the employer. Since emotion are not that evident in this organization they can easily resolve this situation and even come up with a better answer.

Outcomes

The design and outcomes of a market research project have to reflect not just the results from the data, but the way in which your organization could and should use the data. As mentioned in the first part of this essay the emotional involvement is a hindrance in the success of the family owned business. The result or the outcome of the market research may not be that successful as compared to big organization. The focus of the market research is mainly the customers' needs and wants or understanding demand; your business will be under constant threat from competitors and

may be failing to extract the maximum value from your market. The outcome of the research depends on the way the organization will carry this out.

An organization usually focuses on the customers need; this is the general aim of all the businesses. The small family owned business may have several outcomes it may be a positive result or it may be negative. A positive result depends on how the family will carry out the market research. If they will not involve emotions in decision making the business may have a good result from the research. A member of the family owned business must act as an employee and not a member of the family during the business process. Each family member involve in the business should have their own roles to avoid overlapping of duties. Several studies have done in the business world shows that a large number of family owned business usually claim bankruptcy as reason for their closure. According to the experts the reasons lies on the proper strategy and focus of the company.

A big organization can resort in different strategies since they have a group of people assigned to do the researches and studies for the company's success. The group assigned to this is composed of marketing managers who specialize in marketing strategy. Since the

salaries of the managers involve in business strategy is too high for a small family owned business then they sometimes do it by themselves. Since the family member is not that expert in the said business strategy the outcome would be not that good.

During the financial argument in a family owned business it is best to ask the advice of the outside sources if in case one of the family members opposes the view of others. One way to help these relatives see that " you have to spend money to make money" is to base your arguments for the expenditures on fact and figures that non-family employees have gathered. Suggest to the opposing family members that the matter be settled on a cold dollar basis; for example, " by spending money for this machine, we can increase profits and get our money back in four years."

The above analysis is not an indication that the big organizations are the one who usually survive in the business world. There are some instances that even the well established organization fails. The market research will not only provide help to both group but also provide a better understanding of the business they are involve.

Evaluation Criteria

The data gathered will be evaluated base on the answers provided by the participants. It will be evaluated by a member of the family who was assigned to do the task. One main idea that we need to evaluate is our customer. (Guide to Market Research and Analysis, 2006). Surely questionnaire includes questions like what do you think the company needs to improve? Or are you satisfied with the services that we provide? From these data we will be able to evaluate what the things are lacking in this organization. Since large organization involves deeper analysis of the business the evaluation of the result of the research may take for a while. In small business a result or recommendation can come up upon <https://assignbuster.com/marketing-essays-family-owned-business/>

tabulating the results given during surveys. After the analysis the managers from the big organization will meet to define the criteria they will use. Some of the criteria include the level of market demands and their ability to be produced profitably. Other criteria maybe more specific such as potential numbers of employee that might involve in an enterprise, the role of women, and any negative effects that producing the products might have on the environment. (www. ciat. cgiar. org).

Discussion

To summarize the difference of small family owned business and a large organization a table was provided.

Market Research	Small family owned business	Large organization
Aims	To identify the customer needs	To identify the customer needs

	To identify their competitors	To identify their competitors
Methods	Qualitative	Quantitative
Tools	On line services; small focus group; questionnaires	Telephone, media, internet, large number of participants
Outcomes	It varies depending on how they	It varies depending on how they carry

	carry out the research h	out the research h
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From the above result we may say that small business and large organization differs in some factors. The result of the research may depend on how the companies carry this out. Market research should be the focus of companies that are suffering because of poor business strategy. It is best to consult someone who are professionals in the said field.

Conclusion

The analysis done on the small family owned business and the large organization resulted in the similarities of the two groups in some aspect of market research. The great difference lies on the outcome of the research. Family owned family should not let emotions interfere with the business. This will not be of help in this business. Member of the families who are employed in the business should be dedicated in what they now. The aims and goals of a business should be analyzed properly. The focus of the study of the companies is to understand the need of the customers. Identifying the competitors will be a useful tool in the success of the business. Important factors to consider in doing a market research are as follows: budget, aims, scope, length of time needed for the research, proper analysis, understanding and cooperation. Family owned business should not let emotions interfere, for this might give the company a negative result. Marketing Research is the function that links the consumer, customer, and <https://assignbuster.com/marketing-essays-family-owned-business/>

public to the marketer through information--information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve understanding of marketing as a process. The success of the business lies on the hand of the members and employees. A proper approach is important. Necessary evaluation of the situation is important. Get help with your essay from our expert essay writers...

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