

## SECRETS OF SUCCESSFUL MARKET RESEARCH STUDIES

Whether your goal is to expand into new markets, introduce a new game or service, or gauge customer reactions, even the smallest of small gaming properties can benefit from a simple but well planned market-research study.

Market research helps you understand your market, your customers, your competitors and larger industry trends. Good research will reveal details about your current customers and help you target new customers. For example, before you open a “no smoking area”, find out if there’s a demand for quality service in a “smoke free environment” and if customers will patronize your location for it.

In addition to giving you insight into customer needs, market-research studies can help you avoid costly mistakes, such as introducing an unpopular new line of goods or developing a service that no one really wants. Coca-Cola’s introduction of New Coke in the 1980s shows what happens when decisions aren’t supported by good research. Coca-Cola revised the formula of its traditional Coke brand of soft drink and lost millions in sales. By performing a study and asking people what they thought of the new formula, the company could have avoided public-relations headaches.

### When you set up a market-research study for your business, follow these basic guidelines:

1. Use the right sample. The research sample – your study’s group of participants has to be just the right size. Too large a sample costs too much, and too small a sample offers inaccurate results.
2. You also need to make sure you have the right samples from your overall population. Even a sample as small as 1 percent of a market or group will work, as long as the sample truly reflects the overall geographic area or population you want to query.
3. Mirror the market. Your surveys must reflect all characteristics of the market, such as geographical area or population group from which it is drawn. Nielsen TV ratings are based on very small samplings of the overall audience, but they’re accurate to a few percentage points.

For example, if half of your target market is aged 65 and older and half is 30 and younger, make sure that the sample size accurately reflects your demographic. If one-third of your market lives in one town and two-thirds lives in another, your survey must reflect the geographic split in order to give you accurate information about your market.

Get quantifiable results. Successful studies follow proven approaches, often based on the world of statistics and sampling. But don’t worry – you don’t need a Ph.D. in mathematics. Most results can be tabulated with simple arithmetic and broken down into percentages that anyone can understand.

If you follow these guidelines, you’ll collect information that can contribute to the success of your enterprise. In short, market-research studies can save money, save time and, above all, save you from disaster.

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