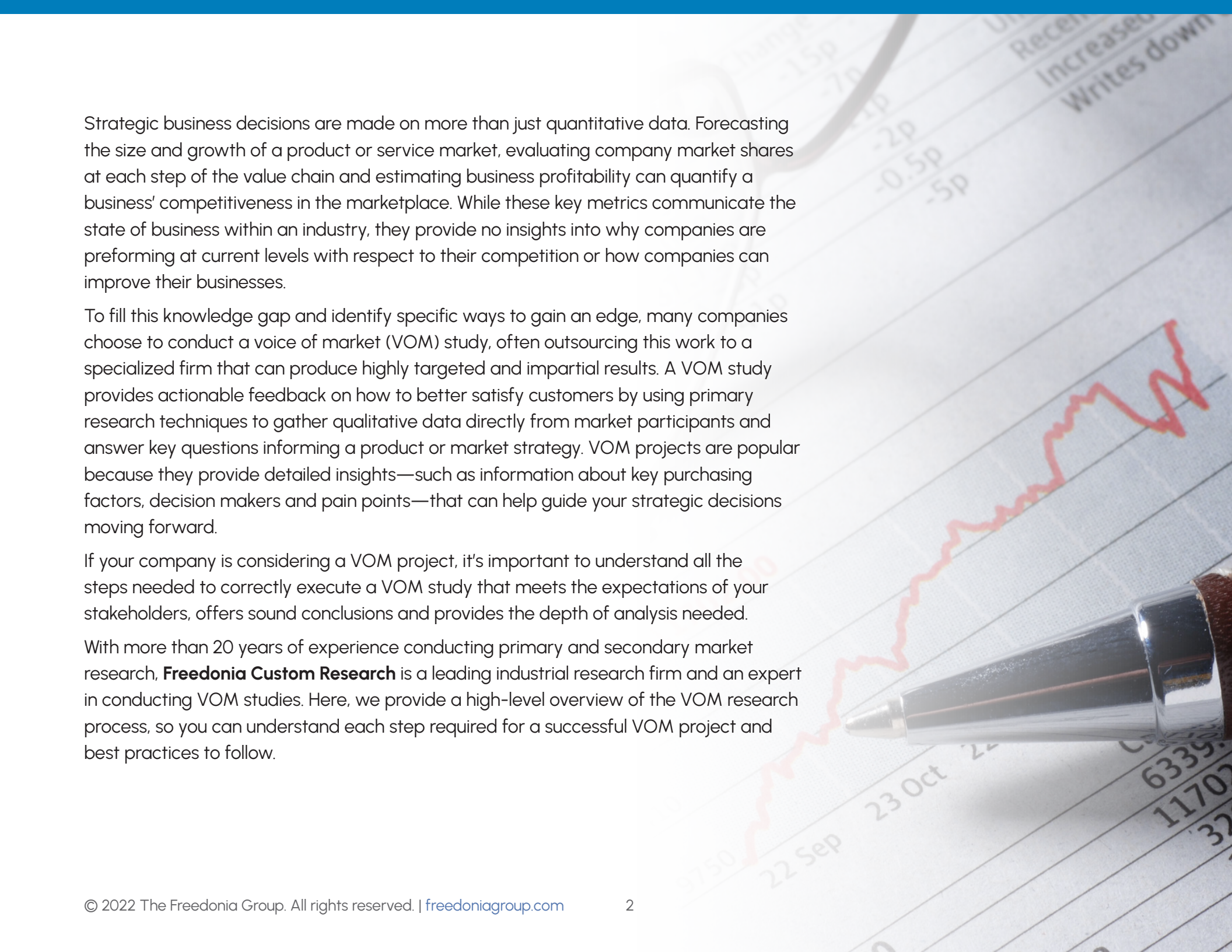


Freedonia White Paper

8 Steps to a Successful Voice of Market Project



The background of the page is a close-up photograph of a financial document. It features a red line graph with several peaks and troughs, overlaid on a grid. A silver pen with a dark brown cap is positioned diagonally across the lower right portion of the image. The document text is partially visible, including terms like 'Increases' and 'Writes down'.

Strategic business decisions are made on more than just quantitative data. Forecasting the size and growth of a product or service market, evaluating company market shares at each step of the value chain and estimating business profitability can quantify a business' competitiveness in the marketplace. While these key metrics communicate the state of business within an industry, they provide no insights into why companies are performing at current levels with respect to their competition or how companies can improve their businesses.

To fill this knowledge gap and identify specific ways to gain an edge, many companies choose to conduct a voice of market (VOM) study, often outsourcing this work to a specialized firm that can produce highly targeted and impartial results. A VOM study provides actionable feedback on how to better satisfy customers by using primary research techniques to gather qualitative data directly from market participants and answer key questions informing a product or market strategy. VOM projects are popular because they provide detailed insights—such as information about key purchasing factors, decision makers and pain points—that can help guide your strategic decisions moving forward.

If your company is considering a VOM project, it's important to understand all the steps needed to correctly execute a VOM study that meets the expectations of your stakeholders, offers sound conclusions and provides the depth of analysis needed.

With more than 20 years of experience conducting primary and secondary market research, **Freedonia Custom Research** is a leading industrial research firm and an expert in conducting VOM studies. Here, we provide a high-level overview of the VOM research process, so you can understand each step required for a successful VOM project and best practices to follow.

- 1 Identify the Research Objective**
- 2 Focus Your Scope**
- 3 Get Your House in Order**
- 4 Compile Foundational Secondary Research**
- 5 Identify Key Research Questions**
- 6 Conduct Primary Research**
- 7 Write a Conclusive Report**
- 8 Plan and Implement Strategic Decisions**



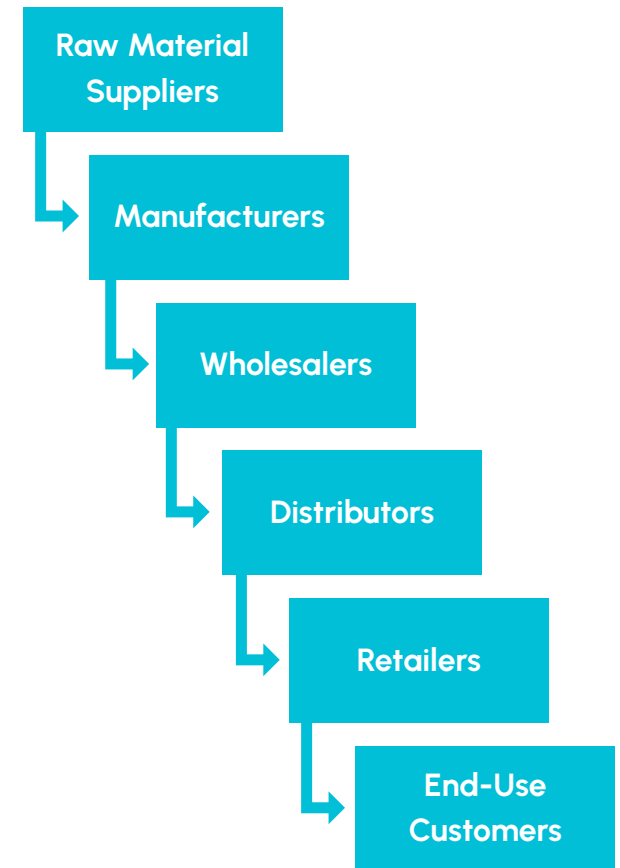
1 Identify the Research Objective

The first step to initiating a VOM study is identifying a problem area and considering what information is needed to support strategic decisions guiding improvements. For example, a company may be working to develop a new innovative product for the US market but is looking to minimize the business risk associated with this product launch. To help ensure the new product will gain favor in an already crowded market, the company seeks targeted voice-of-market insights to gauge the potential acceptance of the new product by key end-users and purchasing decision makers.

2 Focus Your Scope

Once you understand your research objective, the next step is to define the scope of the research. As you do so, consider the following key elements:

- a. **Product or service**—Identify the product or service that is the focus of the research. Define the scope of what products are included in the research. What technical parameters define whether a product is in or out of scope?
- b. **Geographic segmentation**—Define the region of the world you want to focus on and determine the level of detail you need. Consider how you want the data to look at the end of the project. Do you want to know market forces and preferences at a high-level (a global view), or do you need to know how buying preferences differ at a regional level? For example, a company might need to know how the US market preferences for paper towels differs from the European market, or how the window material and preference selection in the Southern US differs from the Northeastern US.
- c. **Target constituent groups**—Who are the key targets for research? What node of the value chain do you want to target? Consider every step in the value chain, including competitors, customers and trade partners. Think about what roles and responsibilities you are interested in, and if multiple personas are warranted. Decide which groups you need feedback from to gain a holistic understanding of the topic.



Keep in mind that if you are partnering with an experienced firm like Freedonia Custom Research, we can help identify which groups you should contact to ascertain the best answers. Based on our long track record, we know what sort of questions to ask various constituent groups, and because we are an independent third-party firm, you can trust that their answers will be candid and unbiased.

3 Get Your House in Order

After you outline the scope of the project, collect all the internal information you have related to the question you are investigating. Research projects work best when internal knowledge is communicated upfront, and key stakeholders are engaged from the beginning.

If you are looking to improve an existing product, gather feedback from sales reps first. Discuss the research objectives with product managers, purchasing managers, engineers, executives and other internal stakeholders to better understand the problem and identify the potential points of resistance.

Pull technical parameters reflecting key markets and related information to define the specifics around the product or service improvement you are investigating. (Reflect on how these specifics relate to your scope. Revisit whether the products are in scope, and what parameters deem a product or service out of scope.)

As you collect internal information, be sure to include the viewpoints of internal stakeholders early on. Consider who you want involved on the project. Those you plan to present to at the close of the project should not be introduced at the final presentation because they likely have a slightly different view of the scope or purpose of research.

4 Compile Foundational Secondary Research

Primary research should always be supplemented with secondary research available through industry models, published market research reports, company annual reports



and presentations, industry publications, past primary research, trade data, government data, press releases and a wide array of information that is publicly available. Before initiating interviews or surveys, gain an appreciation for what information, trends and topics may come up during primary research.

Freedonia Custom Research can give you a head start on secondary data collection. We have access to a catalog of 4,000 market research reports from the trusted research brands The Freedonia Group, Packaged Facts and Simba Information, which provide reliable data on market sizing, growth, competitive intelligence and industry trends.

5 Identify Key Research Questions

Next, identify a short-list of key research questions, the answers to which are essential to completing this VOM effort successfully. Start by gathering feedback from your internal team to get everyone's viewpoint on which questions are most important to the objective of this project.

Prioritize questions that are need-to-know versus nice-to-know. Don't necessarily cut the nice-to-know questions, just deprioritize them, or bucket them under a core question as supporting information. Get all stakeholder's buy-in on what is most important. This step is complete when you have a list of 6-8 core questions that will guide the results of research. Consider the depth and breadth of questions on this list and consider any potential follow-up questions.

6 Conduct Primary Research

Primary research based on in-depth interviews and surveys should be impartial, unbiased and representative of your target group in order to result in the best concrete insights on the back end. This is where the rubber meets the road, and you start getting realistic, real-time, actionable feedback.

Typically, in-depth interviews are the best means of eliciting the knowledge needed

Examples of Questions We Have Answered During VOM Studies

- What are the key purchasing factors?
- Who are the key decision makers?
- How do you currently pay for your [product] platforms (CAPEX, OPEX)?
 - Why is this funding method preferred?
- Are there specific pain points associated with current [product] platforms that increase operating costs?
- Are you willing to switch from current [product] platform to new [product] system that offers a lower total cost of ownership (~50% less), ease of operation (<60 minute training) and similar levels of performance?
 - If not, what are some of the specific reasons you would not switch to this new platform (e.g., risk aversion, made recent spend on new equipment or workflow built around current system)?

to inform a VOM study. Based on the number of calls and constituent groups, a more thorough VOM typically runs anywhere from 4-12 weeks, depending on the contacts per vertical.

*Designing, conducting and completing primary research is **one of the hardest and most critical steps of a VOM study.*** Primary research is one of Freedonia Custom Research's key capabilities. Our impartiality and extensive experience conducting and navigating primary research helps ensure we collect a representative sample of information from the market.

Primary research is a key phase of the project, consisting of several steps, as follows:

1. Write the interview guide (or survey).

- *Interview guide development is at the core of VOM research.* The interview guide is not a questionnaire or script to be recited on every call. Conversely, the interview guide is a master list of all the questions that must answered through in-depth interviews.
- Interview guides are tailored to each constituent group targeted during the project, based on the viewpoint of the respondent, structure of the industry or organization and sensitivity of the subject matter.

2. Build the prospect list.

- Depending on the scope of the project, the prospect list may be hundreds of respondents long, covering multiple constituent groups.
- Freedonia Custom Research maintains contacts in a wide range of industries, which we call on regularly, in addition to new prospects added to every project.

3. Conduct in-depth interviews per constituent group.

- The number of interviews required depends on project specifics, such as the magnitude of the scope, level of detail sought in key research questions and level of segmentation by which the VOM results will be presented.



- All interviews are reported anonymously, including a general title and company name, while the respondent's name is concealed to ensure their anonymity.

4. Reach out again when needed.

- Oftentimes, in-depth interviews require speaking with the respondents more than once, or with more than one role, to complete an interview.
- Especially, after receiving feedback from other interviews, our analysts often speak with previous respondents again, to refine details, ask questions left unanswered on the initial call and confirm information heard elsewhere.

As calls are completed, corroborate current assumptions and understandings with new information to identify trends, consensus, inconsistencies and conflicting viewpoints as they relate to the role interviewed and industry vertical.

7 Write a Conclusive Report

At the close of the project, the deliverable is a comprehensive report answering every question identified and agreed as key research questions.

A VOM report contains:

- **Introduction**
 - Includes restatement of scope and objective, and anonymously reported primary research participants
- **Executive summary**
 - Highlights the most important results of research
- **Synthesis of findings**
 - The report body including verbatim quotes from in-depth interviews, and conclusions answering key research questions.
 - Findings are organized in a wide variety of structures and presentation styles,

depending on prescribed segmentation and results of the research.

▪ **Appendix (as applicable)**

- Especially in the case of a survey, the appendix would include a collection of tables detailing survey results in a clean and compact manner.

8 Plan and Implement Strategic Decisions

The final step of every successful VOM study is taking the conclusions from the report and making strategic decisions guiding the future of your business and implementing actionable changes. When commissioning a project with Freedonia Custom Research, our analysts and project managers support your team throughout the process, including after report delivery. Many clients reach out months later to ask questions to inform their implementation. Moreover, many clients commission subsequent studies with Freedonia Custom Research due to the depth of our analysis, sound conclusions, collaborative process and professional and transparent approach to research.

Clients consider Freedonia Custom Research as an extension of their team and trusted partner in industry and market research. The client company owns the work product, and Freedonia will neither publish the work product nor publicize that it is conducting research on behalf of its clients.

Our Approach to Project Management

Freedonia uses disciplined project management throughout the engagement to establish and to maintain the project structure, workplan, milestones and a regular cadence of communication. Every project is a collaborative effort between Freedonia and the client. The project manager will coordinate Freedonia resources and is the primary point of contact. This individual will maintain close contact throughout the project. At regular intervals during the study, Freedonia will preview findings and keep you informed of our progress, communicated via email and conference call.

Examples of Primary Research Quotes Collected During VOM Projects

Primary research gives you an unobstructed view and a “boots on the ground” level of industry knowledge that’s difficult to achieve through any other approach. These insights can help you understand influential industry trends and customer pain points that could be impacting your business. Here are a few examples of insights gleaned through VOM studies.

Custom Software Development Competitive Pricing Analysis

“Every company that didn’t have a cloud strategy suddenly realized they needed one due to COVID. We saw a lot of work related to companies that had call centers that came offline due to COVID (in healthcare, financial services, etc.) because they needed a way to handle customer interactions remotely.”

– *Competitor A (United States)*

Filling Equipment Market Assessment

“Most suppliers are not geared toward our product/material (i.e., peanut butter), which is very abrasive and can cause machines to break down more often than do other materials.”

– *Maintenance Technician
Food Producer*

The nature of the research process is to gain an appreciation for your target markets you weren't aware of previously, and often that leads to more, deeper questions to be answered beyond what was laid out at the project commencement. Especially in the beginning of a project, we have the ability to pivot in order to secure the best information to inform your strategic decisions. Moreover, we work diligently to uncover new findings related to the key research questions through the final days of the project to answer deeper follow-up questions related to the project objective.

Finally, as you consider the scope and key research questions of your VOM project, there will likely be project elements your team needs assistance in defining. As an expert in customized industry research, Freedonia Custom Research will assist your team in defining the project scope and goals in order to provide your team with actionable insights, through a thorough and iterative proposal process.

About Freedonia Custom Research

Freedonia Custom Research was born from the need for customized, targeted and impartial industry research. Over 90 percent of the industrial companies listed in the Fortune 500 are clients of The Freedonia Group. In addition, our client list comprises a who's-who of the Global 1000, and we have clients in more than 40 countries that rely on our team of analysts to provide actionable insights that result in sound, confident strategic decisions. Freedonia Custom Research is an experienced industrial research firm. Our expertise is harbored in our approach to customized research projects, primary research process, industry connections and relationships, industry and value chain knowledge and professionalism in project management. Freedonia Custom Research operates as an extension of your team, communicating results of the research in real-time throughout the project.

Filling Equipment Market Assessment (con't.)

"Something driving pricing up now is the desire of manufacturers to incorporate Industry 4.0 connectivity (essentially Internet of Things sensors and networks), which allow for more granular visibility into the product's processes. For example, some machines can be outfitted with sensors that can detect when a foil lid gets stuck, so there isn't a manual check required. Also, machines will incorporate other sensors that can feed operational data (like RPMs, throughput and other condition data) back to a central processor for analysis to improve efficiency, as well as allow us to schedule maintenance based on actual condition reporting, instead of at a fixed interval. This allows for maintenance to be done only when it's really needed, keeping the lines up and running."

– VP of Production and Engineering
Food Producer

Please visit our [website](#) to learn more and get in touch. We are happy to answer any questions you may have via chat, email or phone.