



10 Tips for Effectively Choosing a Test Market

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Test Markets are groups used to gauge the viability of a product or service in the mass market, typically prior to a wide-scale roll out of the product or marketing campaign. Test Markets can also be comprised of segments of people tracked during a campaign launch who are not marketed to using the same strategy as the remaining total population of the market.

It is important to understanding what a Test Market is before exploring the strategic options for effectively choosing a Test Market.

1. The Test Market should have a likeness to the planned distribution outlet.
2. There should be a relative isolation from other geographic areas or profiled segments.
3. The Test Market should be a comprised of a representative population size. Be aware that the Test Market is only a representation of the total market, and results of the test may show a distorted outcome.
4. Availability of advertising media and public relation: the Test Market must have a reasonable amount of exposure to promotional outlets used in the test.
5. There should be stability of year-round sales.
6. Dominant media outlets should be available (if applicable).
7. Freedom from unusual influences: this may include industry dominance from a competitor.

In addition, be aware of the competition on the market; test market launches provide competitors with an advanced warning of your intentions.

8. Suitability of the market segment is key. Profit potential should be gauged based on the company's resources to serve the segment.
9. Market Intelligence and analysis is instrumental for obtaining and reviewing the results of the test. Examples of what you should seek to determine are:
 - Buyer intentions
 - Demands of the market
 - Controllable and uncontrollable decision factors of the market
 - Evaluate the decision process
 - Sales force estimates

- Impact of environmental variables on the market segment
- Collect all relevant information and identify best alternatives (if applicable)

10. Strategic Planning, based on the results of the test, to determine how to best allocate resources needed to best achieve your campaign's objectives.

The results of a Test Market campaign, if executed effectively, could serve as a great tool for determining the strategy for the full marketing launch. It's often a great idea to consult with a marketing agency before developing and launching your test market campaign.

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