

## How to Conduct an Industry Analysis

This how-to guide developed by North Carolina's Small Business and Technology Development Center (SBTDC) is intended to assist you with your research as you perform an analysis of your business industry. The following steps should be used as a template to report major findings and organize your research.

Several key factors must be considered as you analyze your industry:

- ✓ **Geographic Area** – local?, regional?, statewide?, national?, international?
- ✓ **Industry** – size, trends, outlook
- ✓ **Product**
- ✓ **Buyers** – target customers
- ✓ **Regulatory Environment**
- ✓ **Company Information** – identify and research most successful businesses

### Identify the Industry

Determine the Standard Industrial Classification (SIC) Code and/or NAICS Code for the industry.

### Industry Overview

Include:

- A brief history
- Factors that affect growth
- Government regulations
- Leading businesses in the industry

**Library Resources:**

- *Standard & Poor's Industry Surveys*
- *US Industry & Trade Outlook*
- *Encyclopedia of Emerging Industries*, Gale Research
- *Encyclopedia of American Industries*, Gale Research

**Internet Resources (free or for purchase):**

- Trade Associations – Find appropriate associations in: *Encyclopedia of Associations* or a general Internet search)
- Hoover's Online ([www.hoovers.com](http://www.hoovers.com)) – Companies and Industries Section
- MarketResearch.com ([www.marketresearch.com](http://www.marketresearch.com)) – Retailer of private market research reports

Include:

- Estimated size of the industry – Dollars? Products/Services sold?
- Establish trends in sales over recent years
- Determine current operational/management trends within the industry?
- What types of marketing strategies are prevalent within the industry?
- Is the industry seasonal?
- Is the industry sensitive to economic fluctuations?

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- o *Standard & Poor's Industry Surveys*
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**Internet Resources (free or for purchase):**

- o Trade Associations – There may be more than one per industry  
*Note: Ask specific questions, e.g., "How large is the textile market in North Carolina in terms of dollars?" or "Do you have a list of food distributors available for the Southeast?"*
- o ZapData – Dun & Bradstreet offers free statistical industry data on their website [www.zapdata.com](http://www.zapdata.com). Free registration is required.
- o BizStats – [www.bizstats.com](http://www.bizstats.com)
- o SBDCnet – [www.sbdnet.org](http://www.sbdnet.org)
- o Hoover's Online ([www.hoovers.com/](http://www.hoovers.com/)) – Companies and Industries Section
- o MarketResearch.com ([www.marketresearch.com](http://www.marketresearch.com)) – Retailer of private market research reports

## Industry Developments, News, Innovations, and Government Regulations

**Resources:**

- o Literature searches of newspapers, journals, and magazines – Local library publications and online databases (NCLive, Dow Jones Interactive, InfoTrac).
- o Trade associations and industry magazines – Connect through association websites
- o Better Business Bureau ([www.bbb.org](http://www.bbb.org))
- o Library of Congress's Legislative Information (<http://thomas.loc.gov/>)
- o North Carolina General Assembly ([www.ncleg.net](http://www.ncleg.net))

## Consumer Market Data

Include:

- Demographics** – Population/household size, median income, age, sex, race, ethnicity, family status, housing status, etc.
- Psychographics** – Lifestyle information, tastes, preferences, and buying habits

### **Library Resources:**

- o *Lifestyle Market Analyst*, SRDC – used for collecting psychographic data
- o *Demographics USA County or Zip Code editions*, VNU Publishing

### **Internet Resources (free or for purchase):**

- o Bureau of the Census web site: [www.census.gov](http://www.census.gov)
- o ESRI – Has free demographic data available by zip code on their website, [http://www.esri.com/data/esri\\_data/demographic.html](http://www.esri.com/data/esri_data/demographic.html)
- o EASI ([www.easidemographics.com](http://www.easidemographics.com)) will give estimated demographic statistics within a user-specified radii for any address
- o For psychographic information and analysis of zip code areas, use Claritas' website: <http://www.claritas.com/MyBestSegments/Default.jsp>

## Competitor Information

Include:

- Who are the major businesses in the industry?
- Where are they located?
- How long have they been in business?
- What is their market share?

### **Library Resources:**

- o *North Carolina Business Directory*
- o *Encyclopedia of American Industries*, Gale Research
- o *Harris InfoSource Business Directory*

### **Internet Resources (free or for purchase):**

- o Trade Associations
- o Securities Exchange Commission (for research on public companies) – [www.sec.gov/edgarhp.htm](http://www.sec.gov/edgarhp.htm)
- o ReferenceUSA (subscription-based service for libraries and government agencies – See their parent company site, InfoUSA at <http://home.infousa.com/>)
- o NC Employment Security Commission's WebSARAS site ([www.websaras.org](http://www.websaras.org)) – Go to the 'Employers' link to find information on North Carolina Companies
- o Dun & Bradstreet's Zapdata ([www.zapdata.com](http://www.zapdata.com))
- o Hoover's Online ([www.hoovers.com](http://www.hoovers.com))
- o Thomas Register ([www.thomasnet.com](http://www.thomasnet.com)), Thomas Regional ([thomasregional.com](http://thomasregional.com)), or Thomas Global Register ([www.tgrnet.com](http://www.tgrnet.com)) – Free registration is first required
- o Search company websites for more information on their business.

## Leads and Other Information on the Internet

Perform a search in a search engine such as Google ([www.google.com](http://www.google.com)), Search.com ([www.search.com](http://www.search.com)), or Dogpile ([www.dogpile.com](http://www.dogpile.com)). Use common industry jargon and/or search to see if the identified trade associations have web sites. Use quotes around a multi-word phrase when searching, to ensure that it will be treated as one phrase instead of two/several words. Many times the most commonly asked questions about an industry will be published online.

## More Information

For more information and business data sources on the web, check out the SBTDC's Internet Resource List at [www.sbtcd.org/resources/web.asp](http://www.sbtcd.org/resources/web.asp). For useful guides, view SBTDC's Publications at [www.sbtcd.org/publications](http://www.sbtcd.org/publications).

## About the SBTDC

The SBTDC is North Carolina's leading resource for growing and developing businesses. Since 1984, the SBTDC has helped over 100,000 North Carolina business owners and prospective entrepreneurs make better decisions – often leading to increased revenue and employment. Our average established business client has experienced double-digit percentage increases in sales and employees soon after working with the SBTDC. Our clients also credit the SBTDC with saving revenues and jobs – an average of 4,000 NC jobs each year. Learn more about how we can assist your business at [www.sbtcd.org](http://www.sbtcd.org).