

Conducting an Industry Analysis

This guide 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. Find codes at the US Census Website: <http://www.census.gov/eos/www/naics/>

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 (<http://www.hoovers.com/>) – Companies and Industries Section
- 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?

Library Resources:

- *Standard & Poor's Industry Surveys*
- *US Industry & Trade Outlook* (see online version at: http://www.trade.gov/td/industry/otea/OTII/want2_industry.html)
- *Encyclopedia of Emerging Industries*, Gale Research
- *Encyclopedia of American Industries*, Gale Research

Internet Resources (free or for purchase):

- 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?"
- ZapData – Dun & Bradstreet offers free statistical industry data on their website <http://www.zapdata.com>. Free registration is required.
- BizStats – <http://bizstats.com>
- SBDCnet – <http://www.sbdnet.org>
- Hoover's Online (<http://www.hoovers.com/>) – Companies and Industries Section
- IBISWorld (available at NCSU, UNC-CH, ECU, UNCG, UNCC, UNC-W)
- MarketResearch.com (<http://www.marketresearch.com>) – Retailer of private market research reports

Industry Developments, News, Innovations, and Government Regulations

Resources:

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

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

Internet Resources (free or for purchase):

- Bureau of the Census web site: <http://www.census.gov>
- ESRI – Has free demographic data available by zip code on their website, http://www.esri.com/data/esri_data/demographic.html
- EASI (<http://www.easidemographics.com/>) will give estimated demographic statistics within a user-specified radii for any address
- 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:

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

Internet Resources (free or for purchase):

- Trade Associations
- Securities Exchange Commission (for research on public companies) – <http://www.sec.gov/edgarhp.htm>
- ReferenceUSA (subscription-based service for libraries and government agencies – See their parent company site, InfoUSA at <http://home.infousa.com/>)
- NC Employment Security Commission's WebSARAS site (<http://www.websaras.org>) – Go to the 'Employers' link to find information on North Carolina Companies
- Dun & Bradstreet's Zapdata (<http://www.zapdata.com>)
- Hoover's Online (<http://www.hoovers.com>)
- North Carolina Business Directory, online (<http://www.resourcelinks.net/indexnc.htm>)
- Thomas Register (<http://www.thomasnet.com>), Thomas Regional (<http://thomasregional.com>), or Thomas Global Register (<http://www.tgrnet.com/>) – Free registration is first required
- 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 (<http://www.google.com>), Bing.com (<http://www.bing.com>), or Dogpile (<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 (<http://www.sbtcd.org/resources/web.asp>)