

[Welcome](#)
[Research Intro](#)
[Market](#)
[Industry](#)
[Financial Ratios](#)
[Household Spending](#)
[Census 2006](#)
[Research Services](#)
[Source Lists](#)
[Research Intro](#) / [Best approach](#) / [How much is enough?](#) / [Ask for Help](#) /

[Hype](#) / [Credibility](#) / [Talk to People](#) / [Surveys](#) / [Benefit of Research](#) / [Business Plans](#)

Canadian Business Research Intro

Credibility

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To establish a successful business, you need more than mere statistics. While numbers are a vital part of any business research, it is important to keep in mind that there is a lot of other valuable information you need to learn about your business. The most important non-statistical information you need to find is how to establish your business' credibility.

The foundation of small business success is not the size of your market but rather how your market perceives your ability to deliver value.

It does not matter that there is a huge demand for dog walking services in your neighborhood. Despite the presence of a large market of wealthy dog owners pressed for time, despite the fact that the profit margin for dog walking is high and that the competition has already lost three dogs in the park, if households do not believe you are qualified to handle dogs and care for them properly, you will not get a single sale.

Both families and businesses work hard to earn their income and revenue. They are not going to spend their money on your product/service unless they feel they are going to receive value.

Research Tip

Use Your Competitor's Advertising

Read their marketing message carefully to determine who they are targeting and how they are trying to establish credibility within that market.

This will help you to determine what influences credibility in your marketplace

There is a great deal of discussion in the media these days about "branding". The real power of a brand name is instant credibility. There is a perceived quality that customers recognize. They believe in a product if they have heard of it before.

For a small business with a limited advertising budget it is difficult to establish brand recognition in the short term so you must determine how to establish credibility in other ways.

In the case of a business service, first and foremost is the business card. If you do not have a high quality printer and graphic design skills do not go to the Staples and get the do-it-yourself cards that tear out of printer cardstock. The visual appearance of the lettering and the thin quality of the stock quickly destroy any impression of professionalism. The cost in lost sales is far higher than the savings you will achieve by doing it yourself!

Remember only friends and relatives will spend money on a "dabbler".

If you do not have enough confidence in your business to make a minimal investment, why should your clients be confident that you can get the job done?

For other businesses, the business card is not so critical. When selling a product, credibility often stands with your brochure. Again, do not fire up your desk jet with sky blue paper from Grand & Toy. Get the work done professionally. The quality of your brochure reflects directly on the quality of your product. It is not fair but it is human nature. Do you purchase a dented can of beans at full price? No. You question the quality of the product inside as compared to the perfectly formed can of beans beside it.

For restaurants and stores, the key to credibility is often the appearance of the premises. My grandfather had a credibility test he used in restaurants. He always claimed the washrooms were as clean as the kitchen. Before ordering he would use the facilities and make his verdict. There were times when the whole family was told to get up and leave!

Pricing can also be a key factor in establishing credibility. Many new entrepreneurs mistakenly believe that by having the lowest price they will make the sale. In some markets price is seen as a direct reflection on quality. If you are quoting on a major service contract and a client observes that your price is substantially lower than all other bids, they may dismiss your offer out of hand and question your knowledge of the industry or the quality of your service.

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Certainly there is a lot more to establishing credibility than a printed business card, polished porcelain and the perfect price but all are important and critical to that end. Do not squander the market potential and opportunity of your business by neglecting to establish credibility.

You must earn your clients' trust before you can earn their money.

If you are unsure how credibility is established within your market start by looking at your competitors and their strategies for establishing credibility. Also look at other businesses operating in your business environment (e.g. home office, storefront, Internet, mail order).

Of course the best source of market insight is to actually talk to people who are active in your market and industry. Ask them how credibility is judged and value is determined. Talk to your first customers and find out why they chose your business and what they think of your services. Demonstrate that you really care what they think. By taking a moment to find out their opinions on various aspects of the market and industry you build credibility as well as a network of contacts. Make people feel confident and comfortable to work with you. It is one of the easiest ways to acquire referrals and grow your business.

Next: [you need to talk to people](#)

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[Home](#) - [Research Intro](#) - [Market](#) - [Industry](#) - [Financial Ratios](#) - [Household Spending](#) - [Census](#) - [Research Services](#) - [Source Lists](#) - [Contact](#)