



**Launch Engineering**  
Part art. Part science.

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## **Business Benchmarks: How Much Research Other Companies Do?**

Want to build a brand worth 71 billion dollars U.S? Spend 3% of your sales on market research! (that's what Coke does and why the Coca Cola brand is worth A\$121B.)

In the mid 90's a study reported that Industry usually only spends 0.2% of sales on market research. In contrast, product development research was found to run to five or ten percent of sales.

Often, the root cause of the "80% of all product fail" cliché, is the introduction of products with little or no market potential.

Launch Engineering recommends a rough guideline: Businesses with over \$2.5M in sales are urged to have a separate market research department, or at least an information manager responsible for the corporate knowledge base.

Less than 0.2% of sales on research is a strong indicator of weak management, creating a foundation for an uncertain corporate future. Between 0.5% and 1% is a conservative budget, but should return significant long-term advantage and better corporate ROSF than an alternative, lower budget.

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**Identify your target audience, understand its needs and appeal to its desires, with a Launch Engineering segmentation study.**  
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