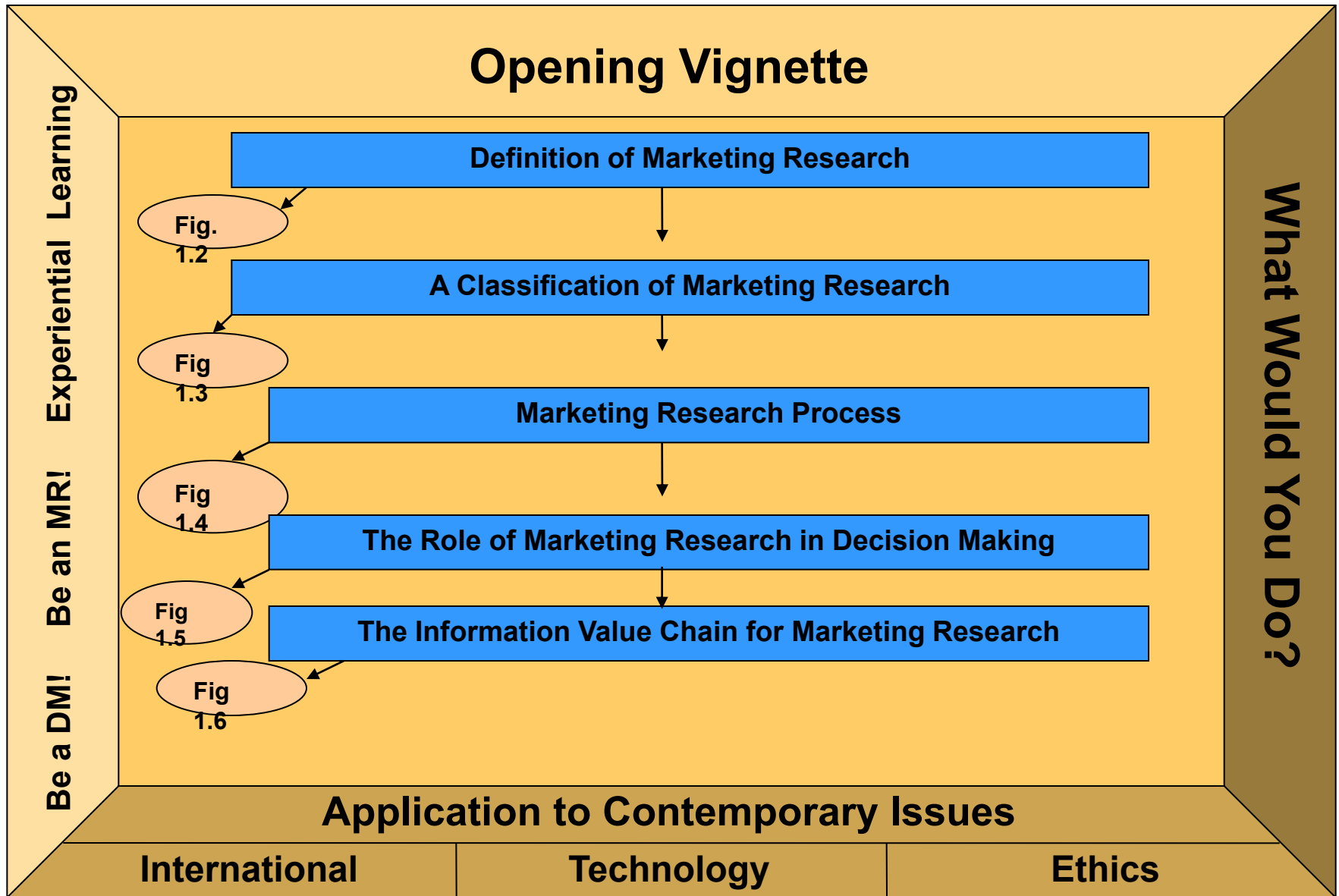


Introduction to Marketing Research

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Introduction to Marketing Research: An Overview



Definition of Marketing Research

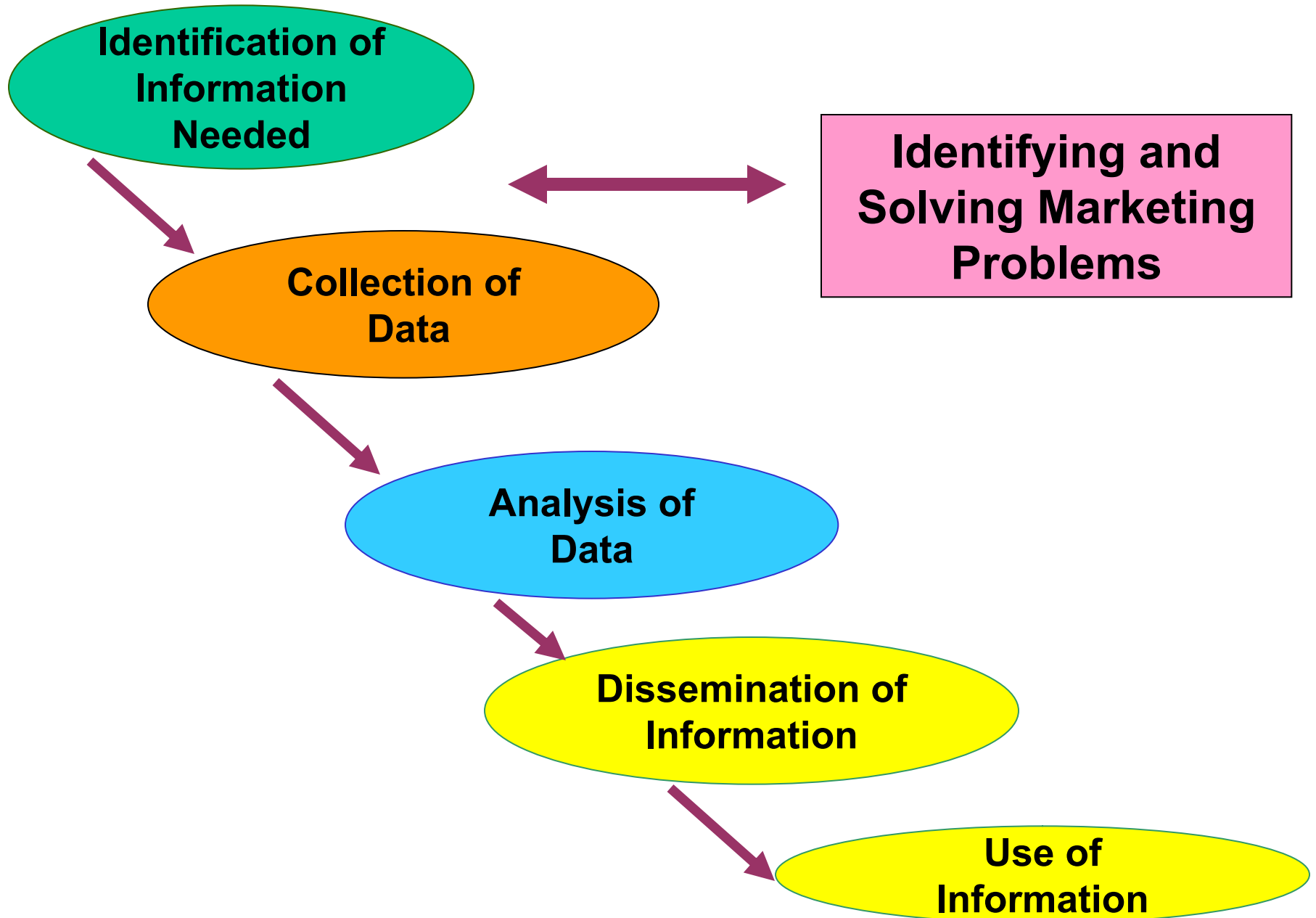
Marketing research is the systematic and objective

- **identification,**
- **collection,**
- **analysis,**
- **dissemination, and**
- **use of information**

for the purpose of improving decision making related to the

- **identification and**
- **solution of problems and opportunities in marketing.**

Figure 1.2 Defining Marketing Research



Market Research

- **Specifies the information necessary to address these issues**
- **Manages and implements the data collection process**
- **Analyzes the results**
- **Communicates the findings and their implications**

Online Research

- *Online research*: the use of computer networks, including the Internet, to assist in any phase of the marketing research process including development of the problem, research design, data gathering, analysis, and report writing and distribution

5 key steps in Marketing Research

1. Define the Problem
2. Collect the Data
3. Analyse and interpret the data
4. Reach a conclusion
5. Implement your research

Define the Problem

- In this stage you need to identify the actual problems that are relating to the apparent symptoms.
- What information is needed in order to solve the problem?
- For example, poor sales within a business are not the problem, they are the symptom of a larger issue such as a weak marketing strategy.

Further business problems may include:

- Who are your target customers?
- What method could be implemented to reach these customers?
- Who are your customers and what advantages and disadvantages do they have over your business?
- What size is the consumer market you are trying to engage?

Collect the Data

- There are two types of market research that can be performed:
 1. *Primary research* - involves collecting information from sources directly by conducting interviews and surveys, and by talking to customers and established businesses.
 2. *Secondary research* - involves collecting information from sources where the primary research has already been conducted. Such information includes industry statistics, market research reports, news paper articles, etc.

Collection methods and techniques

- *Qualitative research* is where you seek an understanding of why things are a certain way. For example, a researcher may stop a shopper and ask them why they bought a particular product or brand.
- *Quantitative research* refers to measuring market phenomena in a numerical sense, such as when a bank asks consumers to rate their service on a scale of one to ten.

Analyse and interpret the data

- You must attach meaning to the data you have collected during your market research to make sense of it and to develop alternative solutions that could potentially solve your business problem.
- You should determine how the knowledge you have gained through researching your market can be applied and used to develop effective business strategies.

Reach a conclusion

- With the alternatives you have developed to solve your problem in mind, perform a cost-benefit analysis of each alternative keeping in mind the potentially limited resources available to your business.
- You may also need to perform further investigation into each alternative solution to arrive at the best decision for your business in regards to meeting consumer demands.

Implement your research

- Put your final solution into practice.
- Without completing this step your research could potentially have been a waste of your time and resources.

Demand Forecasting

- *Demand forecasting* is the activity of estimating the quantity of a product or service that consumers will purchase.
- Demand forecasting involves techniques including both Simple Survey Method such as educated guesses, and Complex Statistical Methods such as the use of historical sales data or current data from test markets.

Simple Survey Method

- Experts Opinion Poll
- Reasoned Opinion-Delphi Technique
- Consumers Survey- Complete Enumeration Method
- Consumer Survey-Sample Survey Method
- End-user Method of Consumers Survey

Complex Statistical Methods:

- Time series analysis or trend method
- Barometric Techniques or Lead-Lag indicators method
- Correlation and Regression

Classification of Marketing Research

Problem Identification Research

- **Research undertaken to help identify problems which are not necessarily apparent on the surface and yet exist or are likely to arise in the future. Examples: market potential, market share, image, market characteristics, sales analysis, forecasting, and trends research.**

Problem Solving Research

- **Research undertaken to help solve specific marketing problems. Examples: segmentation, product, pricing, promotion, and distribution research.**

Figure 1.3 A Classification of Marketing Research



Problem Solving Research

SEGMENTATION RESEARCH

- Determine the basis of segmentation
- Establish market potential and responsiveness for various segments
- Select target markets
- Create lifestyle profiles: demography, media, and product image characteristics

PRODUCT RESEARCH

- Test concept
- Determine optimal product design
- Package tests
- Product modification
- Brand positioning and repositioning
- Test marketing
- Control score tests

Problem Solving Research

PROMOTIONAL RESEARCH

- Optimal promotional budget
- Sales promotion relationship
- Optimal promotional mix
- Copy decisions
- Media decisions
- Creative advertising testing
- Evaluation of advertising effectiveness
- Claim substantiation

PRICING RESEARCH

- Pricing policies
- Importance of price in brand selection
- Product line pricing
- Price elasticity of demand
- Initiating and responding to price changes

Problem Solving Research

DISTRIBUTION RESEARCH

Determine...

- **Types of distribution**
- **Attitudes of channel members**
- **Intensity of wholesale & resale coverage**
- **Channel margins**
- **Location of retail and wholesale outlets**

Problem Solving Research

Segmentation Research

- determine basis of segmentation
- establish market potential and responsiveness for various segments
- select target markets and create lifestyle profiles for demography, media, and product image characteristics

Product Research

- test concept
- determine optimal product design
- package tests
- product modification
- brand positioning and repositioning
- test marketing
- control store tests

Problem Solving Research (Cont.)

Pricing Research

- **importance of price in brand selection**
- **pricing policies**
- **product line pricing**
- **price elasticity of demand**
- **initiating and responding to price changes**

Problem Solving Research (Cont.)

- **Promotional Research**
 - **optimal promotional budget**
 - **sales promotion relationship**
 - **optimal promotional mix**
 - **copy decisions**
 - **media decisions**
 - **creative advertising testing**
 - **claim substantiation**
 - **evaluation of advertising effectiveness**

Problem Solving Research (Cont.)

Distribution Research

- **determine type of distribution**
- **attitudes of channel members**
- **intensity of wholesale and retail coverage**
- **channel margins**
- **location of retail and wholesale outlets**

Figure 1.4 The Marketing Research Process

Step 1: Defining the Problem



Step 2: Developing an Approach to the Problem



Step 3: Formulating a Research Design



Step 4: Doing Field Work or Collecting Data



Step 5: Preparing and Analyzing Data



Step 6: Preparing and Presenting the Report

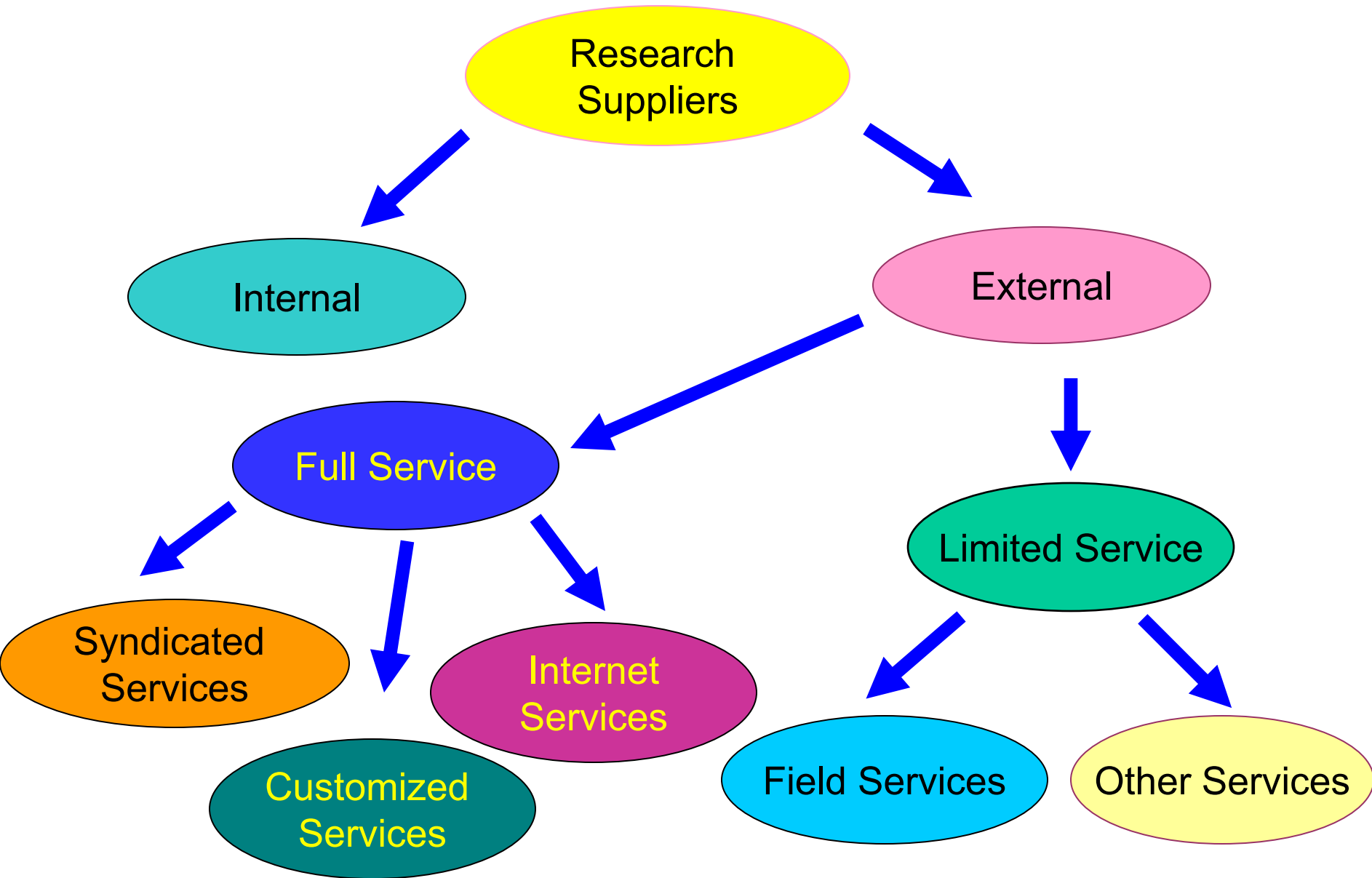
Figure 1.5 The Role of Marketing Research in Marketing Decision Making



Figure 1.6 The Information Value Chain



Figure 1.7 Marketing Research Industry: Supplier and Services



Marketing Research Suppliers & Services

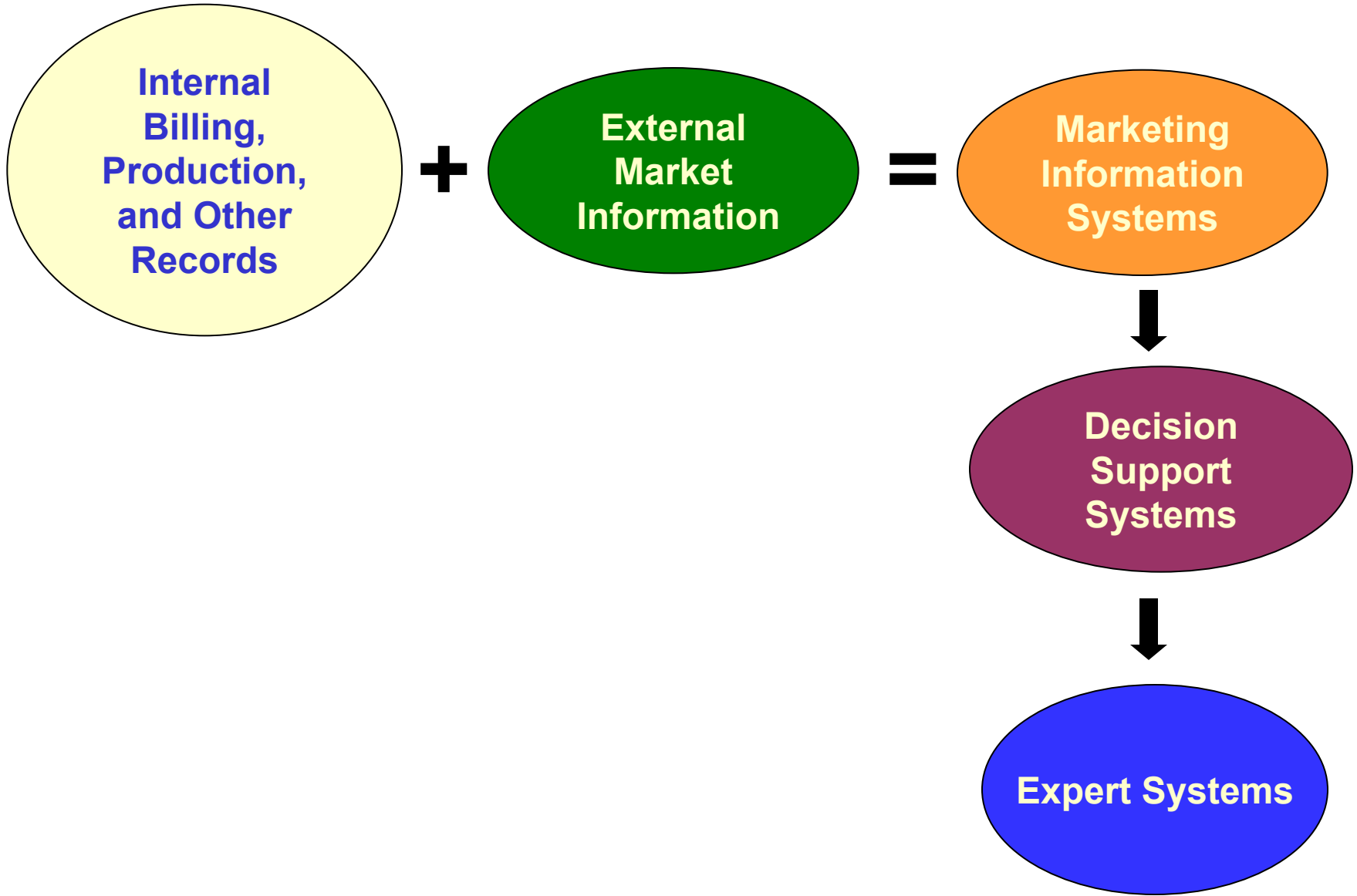
- **Internal suppliers**
- **External suppliers**
 - **Full-service suppliers**
 - **Syndicated services**
 - **Standardized services**
 - **Customized services**
 - **Internet services**
 - **Limited-service suppliers**
 - **Field services**
 - **Coding and data entry services**
 - **Analytical services**
 - **Data analysis services**
 - **Branded marketing research products**

Criteria for Selecting a Research Supplier

- What is the reputation of the supplier?
- Do they complete projects on schedule?
- Are they known for maintaining ethical standards?
- Are they flexible?
- Are their research projects of high quality?
- What kind and how much experience does the supplier have? Has the firm had experience with projects similar to this one?
- Do the supplier's personnel have both technical and non-technical expertise?
- Can they communicate well with the client?

Competitive bids should be obtained and compared on the basis of quality as well as price.

The Development of MIS and DSS



Marketing Information Systems (MIS)
vs.
Decision Support Systems (DSS)

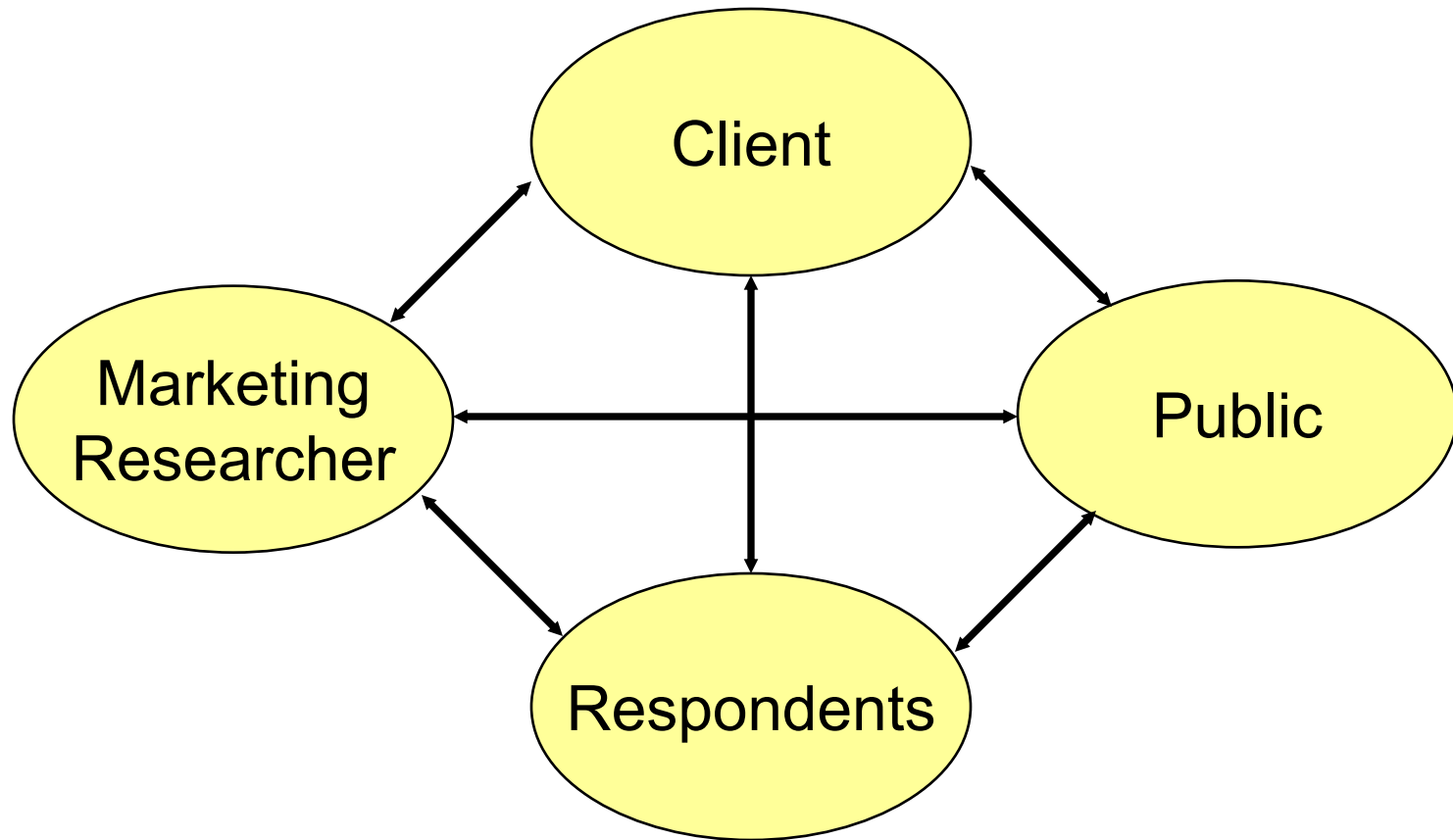
MIS

- **Structured problems**
- **Use of reports**
- **Information displaying restricted**
- **Can improve decision making by clarifying new data**

DSS

- **Unstructured problems**
- **Use of models**
- **Adaptability**
- **Can improve decision making by using “what if” analysis**

Stakeholders in Marketing Research: An Ethical Perspective



Assignment of semester work

- Find a company with following features:
 - IT related company
 - Settlement in Brno or nearby
- Make a basic marketing analysis of this company, based on marketing framework
- Prepare short presentation (max. 6 slides)