



Introduction to Marketing Research

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Definition of Marketing Research

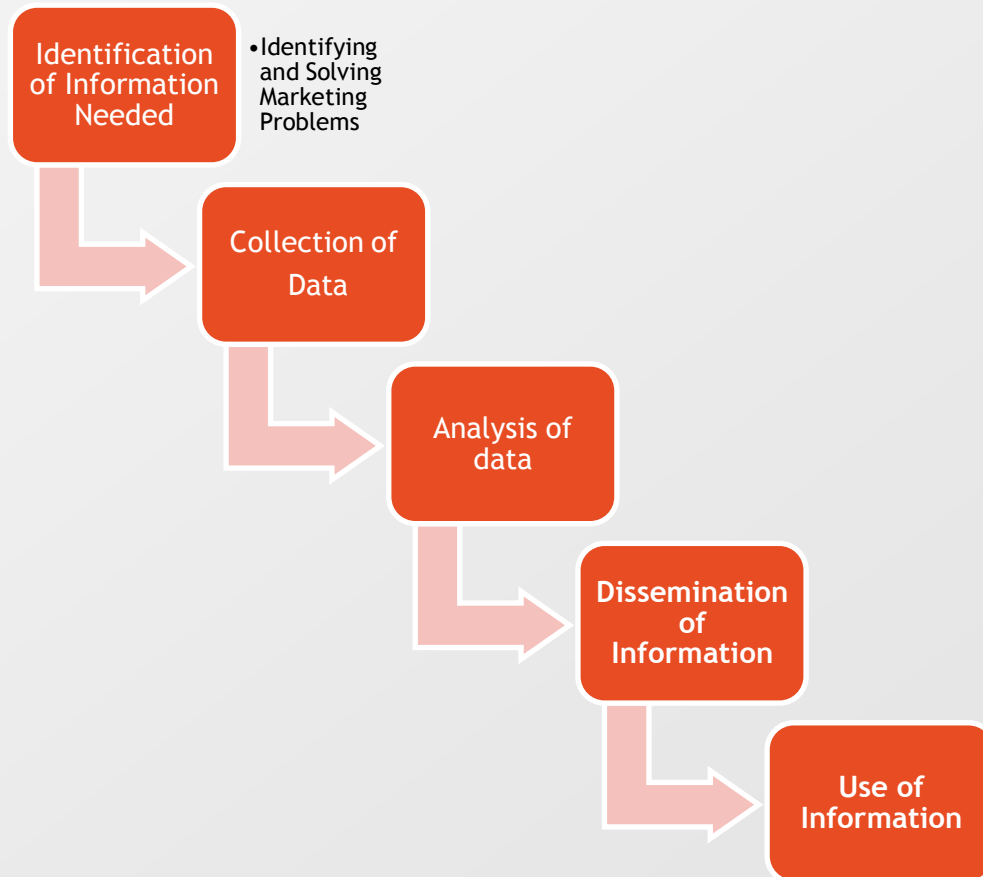
Marketing research is the systematic and objective

- 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.

Defining Marketing Research



Market Research

Specifies the information necessary to address these issues

Manages and implements the data collection process

Analyzes the results

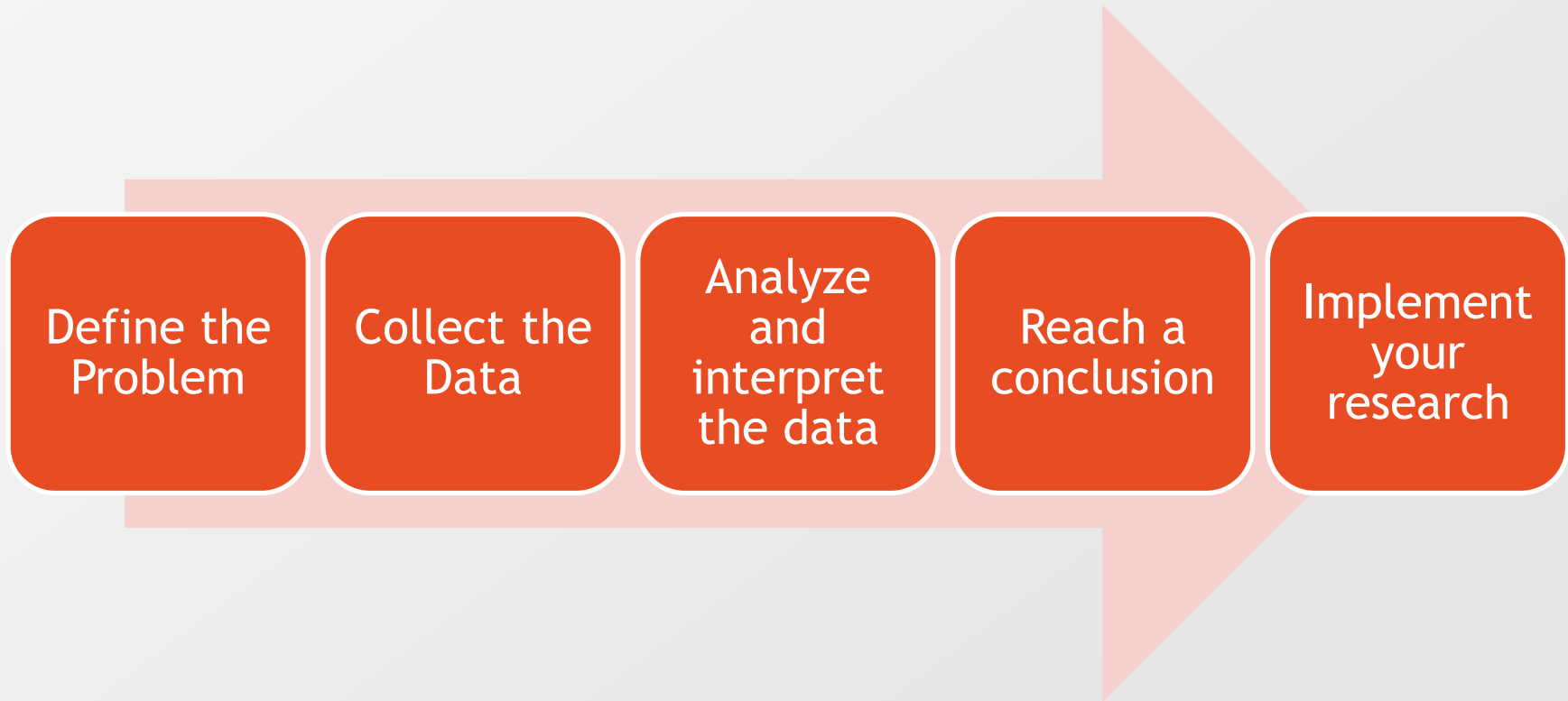
Communicates the findings and their implications



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





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

Primary research

- involves collecting information from sources directly by conducting interviews and surveys, and by talking to customers and established businesses.

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.

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.

A Classification of Marketing Research

Marketing research

Problem Identification Research

Problem Solving Research

Market Potential Research

Market Share Research

Image Research

Market Characteristics Research

Forecasting Research

Business Trends Research

Segmentation Research

Product Research

Pricing Research

Promotion Research

Distribution 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

Pricing research

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

Promotional research

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

Problem solving research

Distribution research

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

Problem Identification Research

Market Potential Research

- The estimated maximum total sales revenue of all suppliers of a product in a market during a certain period

Market Share Research

- Percentage of the target market

Image Research

- What is the image of the company on the market?

Problem Identification Research

Market Characteristics Research

- What are differences of the market?

Forecasting Research

- Exploring trends on the market

Business Trends Research

- Exploring trends in the branch

Marketing Research Process



Conclusion

- Marketing research - definition
- Process of marketing research
- Classification of research