

Exam Structure

- Two sections to the exam.
- **PART A – MULTIPLE CHOICE QUESTIONS (50% of exam):**
 - This section contains **FORTY (40)** questions.
 - Answer ALL questions.
 - Each question is worth 0.63 marks.
 - Total 25 marks.
 - Select the ONE most correct answer for each question.
 - You must TRANSCRIBE your answers from the multiple-choice question sheet to the MCQ ANSWER SHEET.
 - Use PENCIL ONLY; 2B pencil is great. Bring an eraser.
 - Two formats used: traditional and matching

Example of Matching:

- In each matching question, you will find two columns.
- Column I (left-hand) contains independent statements and Column II contains the name/title of theories/models/concepts.
- You are required to match each statement with the correct theory/model/concept.
- **The theories/models/concepts in Column II can be used more than once.**
- There is only one best answer for each statement in Column I.
- **PART B – APPLIED THEORY CASE (50% of exam):**
 - Read the short case scenario.
 - Answer **ALL FOUR** associated questions.
 - You will be asked to make **recommendations** to the client in the case on how to proceed with their research.
 - You should **justify** your recommendation using theory from the course and also the information in the case.
 - Total of 25 marks.
 - Same style as the practice exam cases given in the tutorials
 - Write in PEN ONLY. Do not use pencil.
 - Write clearly.

Lecture 1 – An Introduction to Market Research

Market Research

- The American Marketing Association dictionary (www.marketingpower.com):
 - Market research is the systematic gathering, recording, and analyzing of data with respect to a particular market, where market refers to a specific customer group in a specific geographic area.
- Pride et al. (2007):
 - Market research is the systematic design, collection, interpretation, and reporting of information to help marketers solve specific marketing problems or take advantage of marketing opportunities.
- Applied market research:
 - Conducted to address a specific marketing decision for a specific firm or organization.
 - Examples:
 - Should Coca-Cola change the shape of its coke bottle?
 - Should Pepsi change the emphasis of advertisements?
- Basic market research:
 - Conducted without a specific marketing decision in mind and usually does not address the needs of a specific organization. Rather, attempts to expand marketing knowledge in general.
 - Examples:
 - How does a product's packaging shape influence consumer's preferences?
 - How do different advertising emphases influence consumer's preferences?

Why Conduct Market Research?

- To help inform managers when making a business decision related to either marketing strategy or marketing tactics (4Ps).
- Example questions that require market research:
 - Why are our sales declining?
 - How can we attract more loyal customers?
 - How should we price our new product?
 - Which celebrity should we use to market our product to pre-teens?
 - We need to evaluate the market performance of our product and develop a sales forecast.
- Key ways in which market research contributes to decision making:
 - Helping better define the firm.
 - Value equation and service-dominant logic.
 - Helping to better define the current situation.
 - Product improvements or new product development.
 - Testing ideas for the marketing mix strategy.
 - Examining how correct a certain marketing theory is in a given situation.
- Example:
 - Lego Friends.

When to Conduct Market Research?

- Market research should be conducted when all of the following are met:
 - There is sufficient time to conduct the research.
 - Existing information (e.g. secondary data) is insufficient.
 - There is a strategically important decision to be made.
 - The benefit of the to-be-obtained information outweighs the costs.
- Alternatives to market research?
 - Seek out the opinion of experts (e.g., Delphi method).
- The main research methods:
 - Interviews
 - Focus groups.
 - Surveys.
 - Observation.
 - Experiments.
- In recent years, many of these methods can be accomplished over the internet.

Market Research Terminology:

- Data:
 - Facts or recorded measures of certain phenomena (things or events).
 - E.g.: Sales; Payment type; location; time stamp; weather.
- Information:
 - Data formatted (structured) to support decision making or define the relationship between two facts.

- E.g.: Sales vary across locations and seasons.
- Intelligence:
 - The subset of information that actually has some explanatory power enabling effective decisions to be made.
 - E.g.: Advertising campaign X is more effective in location Y during period Z.
- Research project:
 - A single study that addresses one or a small number of research objectives.
 - Uses specific techniques for solving one-dimensional problems, such as identifying market segments, selecting the best packaging design, or test-marketing a new product.
- Research program:
 - Numerous related studies that come together to address multiple, related research objectives.
 - Because research is a continuous process, management should view marketing research at a strategic planning level.

The Role of Market Research Agencies

Definitions:

- In-house research:
 - Research performed by employees of the company that will benefit from the research.
- Outside agency:
 - Research performed by a supplier under contract to deliver research against a brief supplied by the research buyer.
 - <https://www.amsrs.com.au/research-company-directory>
 - <http://marketing.com.au/business-directories/market-research-agencies/>

Agency Types:

- Limited-service research suppliers:
 - Specialize in particular research activities, such as syndicated services (standardised information for many clients), field interviewing, omnibus surveys, data warehousing, or data processing.
- Custom / Ad hoc research suppliers:
 - Projects that are tailored specifically to a client's unique needs.
 - Are capable of completing all stages of the market research process

Relative Benefits:

- In-house research:
 - Greater understanding of the research objectives and the business/industry context.
 - x2-3 times less expensive than an outside agency.
- Outside agency:
 - Relatively more experience conducting research.
 - Specialist skills (e.g., research methods, data analysis).
 - Usually greater capacity and so faster delivery times.
 - Avoids the market research process being corrupted by internal politics.

Components of a Research Brief:

- Standard inclusions:
 - Objectives / research questions.
 - Background.
 - Timeline.
 - Industry / category / methodological experience.
 - Project team.
 - Deliverables.
- Non-standard inclusions:
 - Research design.
 - Fieldwork requirements.
 - Budget.

Typical Market Research Costs:

- Focus group:
 - Internal: \$2000.
 - Agency: \$4500 - \$7000.
- Telephone survey:
 - Internal: 500 consumers, 10-minute survey: \$20,000.
 - Agency: 500 consumers, 10-minute survey: \$35,000.

- Online survey:
 - Internal: 500 consumers, 10-minute survey: \$4,500.
 - Agency: 500 consumers, 10-minute survey: \$20,000.

Lecture 2 - The Market Research Process

The Stages of Market Research

Stage 1 – Problem Definition:

- A problem definition:
 - Indicates a specific marketing decision to be clarified or problem to be solved.
 - Specifies research questions to be answered and the objectives of the research.
 - Involves several interrelated steps.
- Example:
 - Management wants to figure out what new pet product to develop.
 - RQ1: What pain points do pet owners have when caring for their dog’s health needs?
 - RQ2: What pain points do pet owners have when taking their dog out into public areas?
- The process of problem definition:
 1. Ascertain the decision-maker’s objectives.
 2. Understand the background of the problem.
 3. Isolate and identify the problems (not the symptoms).
 4. Determine the unit of analysis.
 5. Determine the relevant variables.
 6. State the research questions/objectives.

| Research Design | Exploratory Research | Descriptive Research | Causal Research |
|---|--|---|--|
| Degree of certainty in the problem definition | Unaware of the problem | Aware of the problem | Problem is clearly defined |
| Examples of situations faced | “Our sales are declining and we don’t know why” | “What kinds of people buy our product? Who buys our competitors’ products?” | “Would buyers prefer this new package design?” |
| | “Would buyers be interested in this new product idea?” | “What features do buyers prefer in our product?” | “Which of these two ad campaigns is more effective?” |

**Stage 2 – Research Design:

- A master plan that specifies the methods and procedures for collecting and analyzing the needed information.
- Three types of research design:
 - **Exploratory** research designs.
 - Conclusive research designs:
 - **Descriptive** research designs.
 - **Causal** research designs.
- The type of research design selected depends on the degree of uncertainty in the problem definition:
 - High level of uncertainty → Exploratory research.
 - Low level of uncertainty → Conclusive research.
- Uncertainty can be reduced by obtained more information:
 - This is why we often start with exploratory research and finish with conclusive research.

Exploratory research:

- Conducted to clarify ambiguous situations or discover ideas that may be potential business opportunities.
- Initial research conducted to clarify and define the nature of a problem.
 - Does not provide conclusive evidence
 - Subsequent research expected
 - Particularly useful in new product development.
- Relies mostly on qualitative methods:
 - Interviews; focus groups.
 - ****Focus groups:** formalised process of bringing a small group of people together for an interactive, spontaneous discussion on one particular topic or concept, used to provide the researcher with as much information as possible about how the group regards the topic or concept, usually 6-10 people who are guided by a moderator through an unstructured discussion that lasts typically 90-120 minutes.

