

# MARKETING RESEARCH - STUDY NOTES

## 1. Overview of Marketing Research

- Marketing research is the business function that links an organisation to its markets through the generation of information that facilitates optimal solutions to decision problems.
- Principal tasks involved with conducting marketing research include:
  - establishing the boundaries of the research
  - designing the research
  - executing the research
  - communicating the results of the research.

### ✦ Decision Problems & Marketing Research

- ➔ **Decision Problem:** A situation in which management has to decide on a course of action that will help to accomplish a specific objective.
- Marketing research is the function for generating interpretable information that is accurate, relevant and timely to solve decision problems.

#### • Decision Problem Instances:

|                    |  |
|--------------------|--|
| <b>Strength</b>    | <i>Example:</i> Organisations' capability to attract clientele with a willingness to pay top prices for product quality. |
| <b>Weakness</b>    | <i>Example:</i> Ineffective marketing mix or mismatch of product, price, promotion, distribution                         |
| <b>Opportunity</b> | <i>Example:</i> Competitor has decided to exit the market  |
| <b>Threat</b>      | <i>Example:</i> Changing laws, increases in direct competition, increased consumer demand.                               |

- **Decision Problems Come in Disguise:** What often appears to be a problem could actually just be a symptom of the true problem.
  - *Example:* Decline in sales volume that follows a 10% decrease in the unit price of a certain product is not the problem, but a symptom of poor pricing policy and associated analysis and hence, poor pricing policy is the real problem that requires decision-making.

### ✦ Deciding on Marketing Research

- Upon identification of the decision problem, marketers need to determine the scope for marketing research:
  - Can the marketing research information tell the decision-maker something not already known?
  - Will the marketing research information provide significant insights?
  - How valuable is the marketing research information once collected?
- Further marketing research should be conducted only when the expected value of the information to be obtained exceeds the total cost of conducting the research.

### ✦ Growing Complexity of Marketing Research

- Digital technologies bring a great deal of opportunity and challenges for conducting marketing research.
- Current variety of available tools and techniques makes choosing a method for a particular research project increasingly challenging.
- Companies are choosing hybrid research techniques, involving multiple research methods, to overcome the weaknesses inherent in single methodologies.

### ♦ Transforming Data into Information

- Data is amassed to provide decision-makers with useable information:

|                       |   |
|-----------------------|---|
| <b>Data</b>           | <ul style="list-style-type: none"><li>• Primary/ Secondary</li><li>• Words, numbers, or observations collected through research</li></ul> |
| <b>Data Structure</b> | <ul style="list-style-type: none"><li>• Consolidated and structured</li><li>• Tables or figures</li></ul>                                 |
| <b>Information</b>    | <ul style="list-style-type: none"><li>• Managerial interpretations</li><li>• Story telling</li></ul>                                      |

### ♦ Marketing Research Phases

1. Determine the scope for marketing research
2. Select the research method
3. Collect and prepare the data
4. Analyse the data
5. Transform the results into information.

### ♦ Marketing Research Proposal

- Marketing research proposal contains the essence of the project:
  - Serves as a contract between the researcher and management
  - Official layout of the planned marketing research activity for management
  - Format of marketing research proposals vary considerably, but most proposals address all steps of the marketing research process.
- The proposal includes the title, purpose of the proposed research project and time frame, type of study, definition of the target population and sample size, sample design, technique and data collection method, specific research instruments, potential managerial benefits of the proposed study, proposed cost structure for the total project, profile of the researcher and company, and optional dummy tables of the projected results.

### ♦ Ethics in Marketing Research

- Ethical and unethical behaviours manifest in the research process, with unethical marketing research including:
  - *By the researcher:* Unethical pricing, failure to fulfil the promise, respondent abuse, selling unnecessary service.
  - *Within the execution of the research design:* Falsifying data, duplicating data, manipulating data inappropriately.
  - *By the client:* Reports gathering, false promise.
  - *By the respondent:* Dishonest answers, faking behaviour.

## 2. Decision Problems, Research Questions, Research Objectives & Information Value & Primary Data or Secondary Data: A Case for the Latter

### ♦ Marketing Decisions

- Growing complexity around marketing research and making marketing decisions.
  - Technological advances and growing internet usage driving developments in marketing research.
  - Growing emphasis on the collection, analysis and interpretation of existing data.
  - Increased use of gatekeeper technologies.
  - Widespread expansion of firms into global markets opening up new cultural, social and changing market considerations.

### ♦ Marketing Research Process

- Development and successful promotion of goods and services involves understanding consumer decisions and careful planning through a sound marketing research process.
- Market research planning involves identifying a business decision problem and determining the scope of marketing research.

- **Scope of Marketing Research:** Determining the scope of marketing research consists of four interrelated tasks:

1. **Defining the Decision Problem:** Decision problem is a situation in which management has to decide on which course of action to take — “What should we do now? Which is the best option?”
  - Inadequate decision problem is the leading cause of failure of marketing research problem.
  - Defining the decision problem includes five interrelated activities
    1. Determine the decision-maker’s purpose for the research
    2. Understand the complete problem situation
    3. Identify measurable symptoms
    4. Determine the unit of analysis
    5. Determine the relevant variables or constructs.
2. **Specifying the Research Question:** Redefine and reformulate the decision problem into research questions.
  - Decision problems are broken down into a overarching research question or a series of specific research questions.
  - Research questions are those specific when, where, who, why, what and how statements about the problem areas that the research will attempt to investigate.
  - Research questions have to be scientific and measurable.
3. **Defining the Research Objective:** A blueprint of the research project’s activities and precise statements of what the research project will achieve.
  - Specification of information required to assist in management’s decision-making capabilities and this allows to document concise, measurable and realistic events.
  - Fundamental questions in defining research objectives includes:
    - Can complete data be collected at all?
    - Can the information tell me something I don’t already know?
    - Will the information provide significant insights?
    - What benefits will be delivered from this information?