

Marketing Research

Sunday, 12 March 2017 10:42 PM

Market research

A business activity that discovers information of use in making marketing decisions. Market research informs business regarding:

<ul style="list-style-type: none"> • Price • Place • Promotion • Product 	<ul style="list-style-type: none"> • Physical evidence • Process • People 	<ul style="list-style-type: none"> • Market segmentation • Sales performance • Attitudes and behaviours
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Market research comprises of five key components

1. Defining research problem
2. Designing research methodologies
3. Collecting data in accordance with the research design
4. Analysing data and drawing conclusions
5. Presenting results making suggestions

Competitive structure	Description	Example
Pure competition	Numerous competitors offer undifferentiated products ✓	Sugar ✓
Monopolistic competition	Numerous competitors offer products that are similar, prompting some form/s of product differentiation ✓	Laptop computers ✓
Oligopoly	A small number of competitors offer similar, but somewhat differentiated, products. There are significant barriers to new competitors entering the market ✓	The Australian supermarket industry ✓
Monopoly	There is only one supplier and there are substantial, potentially insurmountable, barriers to new entrants ✓	A city's government-operated train service ✓
Monopsony	The market situation where there is only one buyer ✓	The Australian federal government purchasing fighter jets for the Royal Australian Air Force ✓

Marketing Information Systems (MIS)

The **structure** put in place to **manage information gathering** during the usual operations of the organisation.

When is marketing appropriate

Before conducting market research, organisational must decide if appropriate. The following must be considered.

- Relevance
- Timing
- Availability of resources
- Need for new information
- Cost-benefits analysis

Ethics in market research

Market researchers have an **ethical responsibility** to their clients or employers and to those who participate in the research. Self regulation through Australian Marketing Social Research Society (AMSR)- Detailed code to govern marketing tactics to ensure ethically conducted activity.

Defining Market Research Problems

Research Problems - the questions that the market research project is intended to attend

- The question that the market research project is intended to answer.
- A clearly specified research problem will ensure that the research will actually answer the question asked of it.
- A poorly defined research problem will lead to research that does not generate the information required to enable the marketing organisation to make Marketing decisions.
- As the **research proceeds the original questions asked may be redefined**

Market Research Brief

- A set of **instructions and requirements which outline the general research problem**, information required, timeframe, budget, and other specifications
- The brief is not exclusively for proposing methodologies or approach marketing research
- Specific problems, require specific questions and research to gain accurate results

A marketing brief may include:

<p>Executive summary Overview</p> <p>Introduction Explains why research needs to be conducted</p> <p>Background Details market research problems, provides all knowledge such as facts and history</p> <p>Problem definition The questions that are to be assessed, addressing set objectives</p>	<p><u>May also include:</u></p> <p>Time and budget Available budget and contingency and milestones when results are needed</p> <p>Reporting schedule Report format details and precise dates</p> <p>Appendices Additional detailed background information</p>
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Research designs and issues

- Decline in traditional surveys and interviews
- Challenges in using social media
- Use the method that is most appropriate

Types of research

1. **Exploratory research** - Gathers information about loosely defined problem
2. **Descriptive research** - Solving issues through defining characteristics of specific phenomena's
3. **Causal research** - assumes particular variable causes specific outcome, to test outcome other variables are held as constants

Secondary data

Data originally gathered or recorded for a purpose other than to address the current market research problem, **information that is already available.**

Primary data

Data collected specifically for the current market research project.

Data mining

Processing large data sets to identify patterns and trends not obvious or even discernible by observation.

Quantitative Data

- Research that collects information that can be represented numerically.
- Quantitative market research approaches include:
- experimentation, observation and neuroscience.
- Surveys are the most common quantitative research tool.
- There is a global shift towards quantitative

Qualitative data

- Research intended to obtain rich, deep and detailed information about the attitudes and emotions that underlie the behaviours that quantitative research identifies.
- Qualitative research looks to identify the attitudes and emotions that underlie behaviours.

- Qualitative research techniques include interviews and focus groups.

Data collection, analysis, and reporting

Data collection must involve scheduling and sequencing, as it must be efficient and effective. **Gantt charts for scheduling and sequencing**, visual guide for time management. **Critical path analysis**, dividing research process into parts, estimating time to complete each and arranging them so that a stage cannot process until all prerequisites are completed.

Quantitative analysis

Can be illustrated through software such as excel or SPSS, and can identify patterns easily. Expressed numerically.

Qualitative analysis

Can not be expressed numerically, gains personal, deeper, and richer information. Researches **reduce** data by categorising concepts and key variables. **Coding** developing a series of propositions about the relationship between key concepts identified. May use diagram to visually illustrated relationships.

Report

Must be a clear format and address all points, and assess the effectiveness of marketing research in order to prove return on investment.