

Marketing Research!

LECTURE 1: OVERVIEW OF MARKETING RESEARCH

Definition

Business function that links an organisation to its markets through generating information that facilitates optimal solutions to decision problems

Decision problems and marketing research

- Purpose of marketing: to shift an organisation towards attractive markets and position the organisation within those markets in a competitive way to create a differential advantage
- Aims to deliver max. value to stakeholders
- Decision problem: a situation in which management has to decide on a course of action to accomplish a specific objective

Decision problems come in disguises

- What appears to be a problem could be a symptom of the true problem

Types of marketing research

- Internal: normally organizational units that reside within a company
- External: external suppliers for marketing research
 - o Suppliers are more objective and less subject to company politics
 - o Provides specialized talents
- Customized: specialized, highly tailored services
- Standardized: firms provide more general services
- Brokers: provides ancillary tasks that complement many research studies
- Facilitators: contributes services towards the completion of the marketing research project on behalf of the marketing research supplier

Transforming data into information

Data

- First-hand responses obtained about a subject of investigation via questions or observations
- Initial responses
- Have not been analysed

Data structures

- Combining individual responses into groups of data
- Can reveal patterns or trends

Information

- When data is interpreted
- Narrative meaning is attached

Marketing research phases

(1) Determining the scope for marketing research

- Defining the decision problem
- Specify the research question
- Define the research objective
- Evaluate the likely business benefits derived from information

(2) Select the research method

Research designs

- Specifies research schedule and budget
- Selecting the most appropriate design
- Exploratory research design
 - o Aims to explore characteristics of a target population
 - o Involves formalized research that are logical, objective, reliable
- Descriptive research design
 - o Aims to describe characteristics of a target population
 - o Does not address “why”, but answers how, when, what, where, who
- Causal research designs
 - o Explains cause-and-effect relationships between two or more decision variables
 - o Understanding functional relationships between the causal factors and the effect predicted on the market performance variable

Qualitative and quantitative research methods

- Qualitative
 - o Emphasized on words, stories, visual portrayals and expressive descriptions
 - o Open ended
 - o Quick to collect, difficult to summarise data into meaningful forms or numbers for further analysis
- Quantitative
 - o Emphasizes numbers and rigorous mathematical analysis
 - o Defined response formats

(3) Collect and prepare the data

Data collection

- Self-administered surveys, personal interviews, telephone interviews, focus groups
- Questioning techniques have a major advantage over observation techniques

Data preparing

- Usually assigns a logical numerical descriptor to all response categories
- Merging the different databases into one comprehensive database

(4) Analyse the data

- Turning data into data structures to use in generating meaningful information for the decision-maker

(5) Transform the results into information

- Developing a report that is useful to a non-research-orientated person is the overall objective
- Narrative interpretation is typically communicated in a research report

Marketing research proposal

- Marketing research proposal contains the essence of the project
 - o Serves as a contract between the researcher and management
 - o Official layout of the planned marketing research activity
 - o Most proposals address all steps of the marketing research process
- Key procedural considerations to evaluate a marketing research project
 - o Pricing the research project
 - o Objectivity
 - o Confidentiality
 - o Inaccurate data