

MKTG202- Marketing Research

The role of marketing research and the research process

Two contemporary views

Big Data

- Market and social research informs nearly all levels of economic, social and political decision making and is a growth industry in Australia and internationally.

Business Analytics

- A career in research is fast moving, intellectually challenging and diverse, allowing researchers to get involved in the key decision making processes of a wide variety of companies and industries, from global corporations to local authorities.

What is Marketing Research?

Marketing research- The **systematic** and **objective** process of **generating information** for aid in making marketing decisions

Scientific method- The techniques used to recognise and understand marketing phenomena

- It fulfils the marketing managers need for knowledge of the market
- Marketing research provides the information needed to make strategic decisions
- Marketing research reduces the uncertainty of a decision
- It may be conducted by organisations that are not business organisations
- Involves:
 - Specifying the information required to address market issues
 - Designing the method for collecting information
 - Managing and implementing the data collection process
 - Analysing the results
 - Communicating the findings and their implications

Basic Research vs Applied Research

Basic Research/ Pure Research	Applied Research
Expand the limits of knowledge and to learn more about a certain concept	Conducted when a decision must be made about a specific real life problem
Not aimed at solving a particular problem	Aimed to understand and answer questions about specific problems
Verify the acceptability of a given theory	Undertaken to make decisions about particular courses of action or policies

Typical Marketing Projects

- **Product modification-** Which features are most attractive for these customers

- **Market segmentation-** What are the most useful bases on which the segment this market?
- **Advertising effectiveness-** What is the most effective media for our products?
- **Price sensitivity-** What will be the effect on sales if we increase price?
- **Positioning studies-** What is the most effective positioning of our brand and what are the implications for advertising?
- **Brand Value-** To what extent has the economic crisis impacted upon brand equity?
- **Competitive reaction-** How are sales of our brand affected by competitor promotions?

Developing and Implementing a Marketing Strategy: The Four Stages



- Marketing research involves investigating potential opportunities to identify attractive areas for company action
- It may provide diagnostic information about what is occurring in the environment (such as trends in consumer purchasing behaviour)
- Example:
 - Mattel Toys investigates consumers' desires for play experiences to create new products
 - Nike development of a walking shoe came from marketing research on occasions or situations associated with product use

Value of Marketing Research

- Fulfills the marketing manager's need for knowledge of the market
- Effective marketing management requires research
- Marketing research reduces the uncertainty of marketing strategies and tactics

Promotion Research- Research that investigates the effectiveness of premiums, coupons, sampling deals etc...

Performance monitoring research- Research that regularly provides feedback for evaluation and control of marketing activity

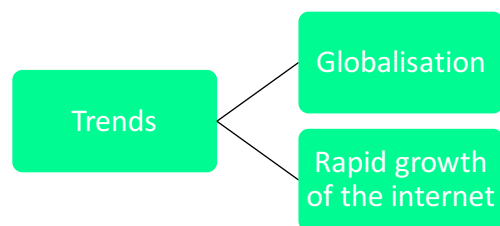
When is Marketing Research Needed?

The determination of the need for marketing research centres on:

1. Time constraints
2. The availability of data
3. The nature of the decision
4. The value of the research information in relation to costs



Business trends in marketing research



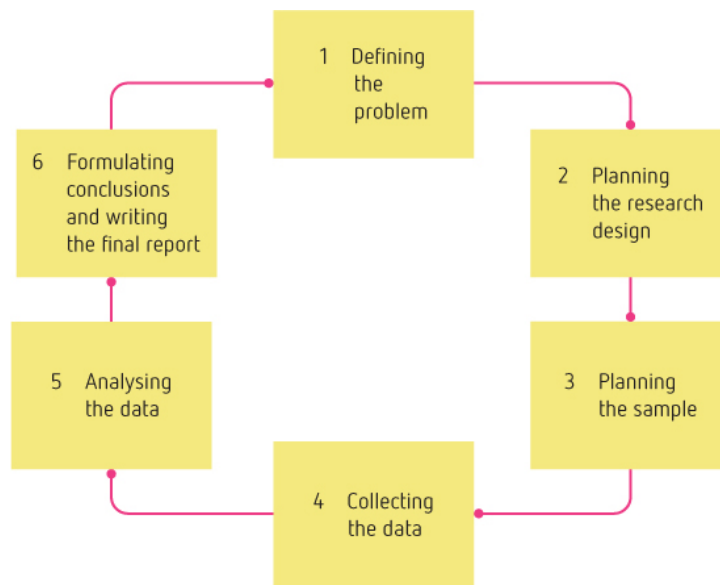
Global marketing research

- Companies that conduct business in foreign countries understand the nature of those particular markets, and judge whether they require customised marketing strategies
- Although the nature of marketing research can differ around the globe, the need for marketing research is universal

Growth of the internet and social media

- Makes obtaining and communicating research easier for marketing research
- Eg a researcher questioning people from around the globe may do so instantaneously with an internet survey and get responses 24 hours a day

Stages in the Marketing Research Process



1. Discovering and defining a problem

- A decision maker must recognise the nature of the problem/ opportunity, identify how much information is available and determine what information is needed
- **Problem definition stage** – the stage in which management seeks to identify a clear cut statement of the problem/ opportunity.
- Too often concentration is focused upon finding the right answer rather than asking the right question
- The major aspects of defining a problem in market research:
 - **Certainty** – complete certainty means that all the information the decision maker needs is available, they know the exact nature of the marketing problem or opportunity.
 - **Uncertainty** – The manager grasps the general nature of desired objectives, but the information about alternatives is incomplete
 - **Ambiguity**- means that the nature of the [problem to be solved is unclear
- The best expression of a research objective is a well formed, testable hypothesis.
- **Hypothesis**- A statement that can be refused or supported by empirical data

2. Planning the research design

- **Research design**- A master plan that specifies the methods and procedures for collecting and analysing needed information
- **Research design stage** – The stage in which the researcher determines a framework for the research plan of action by selecting a basic research method
- **Exploratory research**- Initial research conducted to clarify and define a problem
- Rushing into detailed surveys before less expensive and more readily available sources of information have been exhausted can lead to serious mistakes
- The purpose of the exploratory research process is to progressively narrow the scope of the research topic and transform ambiguous problems into well defined ones