

2. Market Research

- A business activity that discovers information of use in making marketing decisions, including market segmentation, sales performance, product, distribution, promotion, pricing, attitudes and behaviours.
- Market research is an essential component of understanding the market, and it is only of value if the information it provides contributes to improved performance.
- Before undertaking market research, relevance, timing, availability of resources, need for new information and cost-benefit analysis should be considered.
- Market researchers have an ethical responsibility to their clients or employers and to those who participate in the research.

Five Major Components

- Defining the research problem
- Designing the research methodology
- Collecting data
- Analysing data and drawing conclusions
- Presenting the results and making recommendations

The Research Problem

- The question that the market research project is intended to answer.
- A clearly specified research problem will ensure that the research will answer the question.
- 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 that generally states the research problem, the information required, and specifies the timeframe, budget and other conditions of the project.
- The market research brief will not necessarily propose a methodology or approach for the market research.
- The more specific the problem, the more specific the answer will be.

- A typical market research brief will include:
 - Executive summary: overview
 - Introduction: explains why the research needs to be conducted and who is proposing the research
 - Background: details of the marketing problem, providing all known facts and related projects
 - Problem definition: the question that is to be addressed including set objectives
 - Time and budget: the amount of money the marketer is able to spend; when the results are needed; various milestones and contingencies
 - Reporting schedule: includes precise dates on which reports are required and details about report format
 - Appendices: additional detailed background information

Research Design and Issues

- The detailed methodology created to guide the research project and answer the research question.
- Decline in traditional surveys and interviews
- Challenges in using social media

Types of Research

- **Exploratory research** - gathers more information about a loosely defined problem
- **Descriptive research** - solves a particular and well-defined problem by clarifying the characteristics of certain phenomena
- **Causal research** - assumes that a particular variable causes a specific outcome and then, by holding everything else constant, tests whether that variable does indeed affect that outcome
- **Hypothesis** - a tentative explanation that can be tested

Types of Data

- **Secondary 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