

Marketing Research

Week 1 – Chapter 1

The basic functions of marketing research are (1) to gather data, and (2) transform the data into useful information that managers can use to make decisions and take action.

Marketers need information about the environments in which they operate. It is easy to confuse *data (the raw facts, recorded measures of certain phenomena)* with *information (transformed and organized facts in a form suitable for managers to base decisions)*.

Marketing research can be defined as the organization's formal communication link with the environment. Through marketing research, the organization gathers and interprets data from the environment for use in developing, implementing, and monitoring the firm's marketing plans.

People involved in marketing research include:

- *Producers of products and services*: often conduct research designed to develop and market their products and services, e.g. Kraft Foods, Dove.
- *Advertising agencies*: conduct research to help create and measure the effectiveness of advertising campaigns; determine the market potential of a proposed new product or the client's market share; better understand consumers, their interests and behaviors. Refer to MEC segmentation study
- *Marketing research companies*: specialize in conducting market research

Week 2 – Chapter 2

A **problem** is defined as a process of trying to identify specific areas where additional information is needed about the marketing environment. An **opportunity** is defined as a process of trying to identify specific areas where additional information is needed about the marketing environment.

The **problem formulation process** is as follows:

Step 1: Meet the client

Step 2: Clarify the problem/opportunity

Step 3: State the manager's decision problem

Step 4: Develop possible research problems

Step 5: Select research problem(s) to be addressed

Step 6: Prepare research request agreement.

Step 1:

Meet with the client to obtain:

- Management statement of problem/opportunity
- Background information
- Management objectives for research
- Possible managerial actions to result from research.

Planned versus unplanned change:

- Planned change – increases revenue, introduces new products

- Unplanned change – react to customer suggestions, discover new uses for old products through customer feedback.

Step 2:

One of the most important things a researcher can do for a manager is to provide a different perspective on the problem

This is the chance for the researcher to fully analyze the “heart of the problem” with the client’s help.

Step 3:

Discover-oriented versus strategy-oriented decision problems:

- Discovery-oriented decision problems are common with unplanned changes in the marketing environment. *What is going on? Why is it going on?*
- Strategy-oriented decision problems are common with planned changes in the marketing environment. *How can we make this happen? Will it have the desired impact?*
- Researchers should conduct strategy-oriented research if possible.

Step 4:

- Decision problems describe the manager’s view of the situation
- Research problems restate decision problems in research terms
- *E.g. Why are store revenues so low? >> Investigate current customer satisfaction; assess target market perceptions of store and competitors.*
- *E.g. how do we increase store traffic? >> Investigate effectiveness of different sales promotions; determine consumer response to two proposed ad campaigns.*

Step 5:

Review each possible research problem in terms of the trade-off between benefits of the information to be obtained, the importance of the decision(s) to be made, and the costs of obtaining that information. (Refer to previous selection).

Step 6:

The research request agreement should be executed between the research and the client and should include:

1. Background – the events that led to the manager’s decision problem
2. Decision problem – the underlying question confronting the manager
3. Research problem(s) – issue(s) used to address the decision problem
4. Use – supplying logical reasons for each piece of research
5. Population/subgroups – Groups from whom information must be gathered
6. Logistics – estimates of resource requirements.

After the problem has been defined and research problem(s) agreed upon, it’s time to think about the techniques that will be used to conduct the research. Here we create a *research proposal*, which lays out the proposed method of conducting the research.

Many research proposals are written in response to a *request for a proposal*. This is a document that describes the problem for which research is sought and asks providers to offer proposals, including cost estimates, about how they would perform the job. They should contain most of the elements following:

- **Problem definition and background:** short summary of the information contained in the research request agreement, including the background of the problem, manager's decision problem, and specific research problems to be addressed by the project.
- **Research design and data sources:** discusses type of research design and type of data to be sought.
- **Sampling plan:** starts with a detailed description of the population to be studied.
- **Data collection forms:** the forms to be used in gathering data are discussed in this section.
- **Analysis:** primary information that appears in this section is the type of data analysis, including any specialized statistical techniques that are to be performed, to convert the collected data into useable information,
- **Time schedule:** detailed outline of the plan to complete the study.
- **Personnel requirements and cost estimate:** provides a complete list of all personnel required,
- **Appendices:** includes data collection forms, any technical information or statistical information that would have interrupted text etc.

Week 3 – Chapter 3

Types of Research Design

Exploratory research: research design in which the major emphasis is on gaining ideas and insights.

Descriptive research: research design in which the major emphasis is on determining the frequency with which something occurs or the extent to which two variables covary.

Casual research: research design in which the major emphasis is on determining cause-and-effect relationships.

Exploratory Research

This is conducted to provide a better understanding of a situation. Through it, researchers hope to produce hypotheses about what is going on in a situation.

Types:

- *Literature search:* a search of popular press, trade literature or published statistics from research firms or governmental agencies for data or insight into the problem at hand.
- *Depth interviews:* interviews with people knowledgeable about the general subject being investigated.
- *Focus groups:* an interview conducted among a small number of individuals simultaneously; the interview relies more on group discussion than on directed questions to generate data.
- *Case analyses:* intensive study of selected examples of the phenomenon of interest. (Benchmarking and ethnography).

Descriptive Research Designs

This type of research is very common in business and other aspects of life. Here, we are usually trying to describe some group of people or other entities. It is used for:

- Describing the characteristics of certain groups
- Determining the proportion of people who behave in a certain way.

