**MARKETING RESERCH**

**AN INTRODUCTION TO MARKETING RESEARCH**

Before defining ‘marketing research’, let us define research. **Research** always starts with a question or a problem. Its purpose is to find answers to questions through the application of the scientific method. It is a systematic and intensive study directed towards a more complete knowledge of the subject studied.

Research can be classified into two broad categories:

(i) basic research (ii) applied research.

**Basic research** is sometimes called ‘fundamental’ research, ‘theoretical research or ‘pure’ research. It aims at expanding the frontiers of knowledge and does not directly involve pragmatic problems. The essence of basic research is that it addresses itself to more fundamental questions and not to the problems with immediate commercial potential.

**Applied research**, on the other hand, proceeds with a certain problem, and it specifies alternative solutions and the possible outcomes of each alternative. Unlike basic research, it is prompted by commercial considerations..

Applied research can be divided into two categories:

1. problem- solving research, and
2. problem-oriented research.

**Problem-solving research**, as the name implies, is concerned with a particular issue or a problem and is usually proprietary in character. The latter characteristic indicates that such a research is undertaken within a firm or by an outside consultant on its behalf.

**Problem-oriented research**, on the other hand, is concerned with a class of issues of problems in which several firms may be interested. Research of this type is usually concerned with conceptual aspects but is oriented towards applied problems.

**Marketing Research**

Marketing research is a systematic and objective study of problems pertaining to the marketing of goods and services. It may be emphasised that it is not restricted to any particular area of marketing, but is applicable to all its phases and aspects. As marketing research tackles problems which seem to have immediate commercial potential, it should be regarded as applied research. We may also say that marketing research is of both types– problem-solving and problem-oriented.

The American Marketing Association (AMA) has defined marketing research as follows:

***Marketing Research is the function which links the consumer, customer, and public to the marketer through information– information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve understanding of marketing as a process.***

*Marketing research specifies the information required to address these issues; designs the” method for collecting information; manages and implements the data collection process; analyses the results; and communicates the findings and their implications.*

*The American Marketing Association* while defining marketing research emphasises that its function is to provide information to management so that it can identify and react to marketing opportunities and problems. The AMA’s definition of marketing research also indicates the scope and process of marketing research. In short, marketing research provides the requisite information for making marketing decisions.

**IMPORTANCE OF MARKETING RESEARCH**

1. To Identify the problem areas in business
2. To Understand the needs of existing customers
3. To Identify new business opportunities and changing market trends
4. To Recognize new areas for expansion
5. To Discover potential customers and their needs, which can be incorporated into business
6. To Set achievable targets for business growth, sales, and latest product developments
7. To Make well-informed market decisions about business and develop effective strategies.

**MARKETING RESEARCH PROCESS**

There are four steps in Marketing research process.

**1. Identification and Defining the Problem**

**2. Design the Research**

**3. Planning the Sample**

**4. Data Collection**

**5. Analyse the data**

#### 6. Formulating Conclusion, Preparing and Presenting the Report

**1. Identification and Defining the Problem:**

The market research process begins with the identification “of a problem faced by the company. The clear-cut statement of problem may not be possible at the very outset of research process because often only the symptoms of the problems are apparent at that stage. Then, after some explanatory research, clear definition of the problem is of crucial importance in marketing research because such research is a costly process involving time, energy and money.

Clear definition of the problem helps the researcher in all subsequent research efforts including setting of proper research objectives, the determination of the techniques to be used, and the extent of information to be collected.

### **2. Design the research**

There are three types of research designs. The design you choose will be informed by how well-defined your problem is.

If you don’t know much about the problem, you need:

**Exploratory research**. If you don’t know the major variables or factors at play, your research is ambiguous. Exploratory research can help you develop a hypothesis or ask a more precise question

If you have a vague idea about what’s important to solve the problem, you need:

**Descriptive research**. Descriptive research does what it says on the tin: it describes a certain phenomenon or the characteristics of a population. It can build on exploratory research but doesn’t give insight into the how, when, or why.

Descriptive research is useful for parsing out market segments and measuring performance.

If you want to know how cause and effect are linked, you need:

**Causal research**. Market researchers conduct causal research when they want to understand the relationships between two or more variables. Simply, causal research helps you understand cause and effect.

[Create a market research survey which gets more responses](https://www.typeform.com/surveys/market-research-survey-template/)

#### 3. Planning the Sample:

Sampling involves procedures that use a small number of items or parts of the ‘**population’ (total items)** to make conclusion regarding the ‘population’. Important questions in this regard are— who is to be sampled as a rightly representative lot? Which is the target ‘population’? What should be the sample size—how large or how small? How to select the various units to make up the sample?

**4. Data Collection**

There two forms of data you can collect: primary data and secondary data.

**Primary data** is gathered specifically for your project. **Secondary data** has already been collected, either **internally** or **externally** through government agencies, consulting or market research firms, websites, on social networks, and so on.

Depending on your research design, you may want to check internally for secondary data. For example, let’s say you’re trying to understand the annual purchase cycle for your business. You would gather sales and reports and company records—that is secondary data.

But of course, secondary data still needs to be prepared for analysis

**There are two ways to collect primary data**: directly or indirectly. **Direct data collection** is just that—you are speaking to your participants directly. That can be through surveys, interviews, focus groups, and so on. **Indirect data collection** typically means observation. Think in-store observation, shelf experiments, or website

### **5.Analyze the data**

Once data have been collected, these have to be converted into a format that will suggest answers to the initially identified and defined problem. Data processing begins with the editing of data and its coding. Editing involves inspecting the data-collection forms for omission, legibility, and consistency in classification. Before tabulation, responses need to be classified into meaningful categories.

The rules for categorizing, recording and transferring the data to ‘data storage media’ are called codes. This coding process facilitates the manual or computer tabulation. If computer analysis is being used, the data can be key punched and verified.

Analysis of data represents the application of logic to the understanding of data collected about the subject. In its simplest form analysis may involve determination of consistent patterns and summarising of appropriate details.

The appropriate analytical techniques chosen would depend upon informational requirements of the problem, characteristics of the research designs and the nature of the data gathered. The statistical analysis may range from simple immediate analysis to very complex multivariate analysis.

#### 6. Formulating Conclusion, Preparing and Presenting the Report

The final stage in the marketing research process is that of interpreting the information and drawing conclusion for use in managerial decision. The research report should clearly and effectively communicate the research findings and need not include complicated statement about the technical aspect of the study and research methods.

**APPLICATIONS OF MARKETING RESEARCH**

Following are number of examples on the applications of marketing research. They clearly bring out how marketing research has been helpful in resolving marketing problems or in identifying opportunities for the development of new products.

1. A pharmaceutical company carried out a study on the prescription behaviour for a major brand on account of its declining sales. The study brought out interesting findings on a number of aspects such as the relationship between the sales and the age of the brand, its regular promotion, its core therapeutic emphasis and the role of retailers in servicing prescription. On the basis of findings of the study, the company changed its marketing strategy. This enabled it to regain the lost market share of its brand.

2. **Malayala Manorama**, which is Kerala’s largest publication group, has recently launched a monthly women’s magazine in Hindi, *Vanita*. While launching this magazine, the management observed that it was convinced through market research that there was a huge vacuum in the Hindi magazine segment. This new magazine *Vanita* has been positioned as a partner and friend that the modern woman can identify with. The first print run of *Vanita* was one lakh copies. Indications are that within a short time it may become one of the popular Hindi magazines.

3. **Cadbury India Limited** launched Picnic from its international portfolio in February, 1998. It is wrapped in vibrant colours of red, blue and yellow in conformity with its international packaging. Earlier, Cadbury Indian Limited commissioned a consumer research study in Mumbai. The results of this study were encouraging and showed that the Indian youth is always interested in experimenting with new food options.

4. **Procter and Gamble (P&G)** launched Menthol, an international vibrant of Head & Shoulders. This joins the extra- conditioning anti-dandruff shampoo of the same brand. The company conducted a market research study prior to its launch. The findings of the study indicated a distinct need for a menthol-based shampoo. The study showed that in hot and humid conditions as in India, consumers prefer a shampoo which not only removes dandruff but also provides a cool and tingling sensation to the scalp.

5. Another example from P&G shows how marketing research is used to identify new opportunities in the marketplace. The company was getting a lot of data on *Vicks-Vaporub*. The analysis of such data revealed that the most common symptom of cold was a headache and that majority of adults typically take a pill to cure it. This disclosed an opportunity for a product that can treat the headache as well as the other symptoms. The company thus launched Action 500. It not only treated headache but also gave relief from blocked nose. Marketing research can therefore lead to the development of a new product.

6. **Pepsi Foods** has assigned great importance to marketing research. Through research it gets systematic information about its markets and its customers. All its research is done by the IMRB. Broadly, research studies done for Pepsi Foods fall in the following three areas:

* (i)  Studies undertaken on a continuous basis like marketing tracking studies and retail audits.
* (ii)  Studies are from time to time as per the requirement of the company such as a study to ascertain the effectiveness of an ad campaign.

All these types of research studies have tremendously helped Pepsi Foods to strengthen its position in the market. It feels the pulse of the market and is always in touch with the latest developments in the market.

7. Another mu1tinational company **Whirlpool Asia** lays considerable emphasis on marketing research. In this company, every activity, strategy and decision is based on data collected through the research process. It believes in planning research in advance though it is rather difficult. It strives to have a meaningful dialogue with the consumer in order to know his real opinion about its products, what difficulties he experiences and what suggestions he has to offer. Information thus received proves to be quite useful to the company in modifying its products or in evolving new ones.

Whirlpool has gained an insight into the various segments in the market. In India, it has segmented the market on the basis of the different stages of the product life cycle.

Decisions like which size of refrigerator should be put in the market or what should be the price of a particular model are based on research. Marketing and Research Group (MARG) has been the main marketing research agency for Whirlpool.

**LIMITATIONS OF MARKETING RESEARCH**

The preceding discussion on the different applications of marketing research should not lead anyone to assume that marketing research can solve all the problems of marketing. While it can be extremely rewarding to a firm, it is wise to know that it is subject to certain limitations. One must be aware of these limitations in advance so that one is clear about what marketing research can and cannot do. The following are the main limitations of marketing research:

1. Many a times, marketing research tends to be fragmentary in its approach as a result of which it becomes difficult to have an overall perspective in which a marketing problem is to be viewed and studied.
2. Marketing research is criticised on the ground that it becomes too superficial and faulty in industry. While the principles of marketing research are good and based on scientific lines, in industry, marketing research is very often used by those who have had no formal training in the subject. Such persons avoid using detailed investigations and sophisticated techniques which require both time and patience on the part of marketing researchers.
3. There is an absence of a meaningful dialogue between the marketing management and the marketing research team. As a result, marketing researchers get diverted from the main stream of marketing. This denies them any opportunity to test their findings in the practical marketing situation. Marketing researchers tend to think that “research is the be all and end all”. This attitude further reduces the utility of research to the management
4. Marketing research is not an exact science. There are several problems which come in the way of getting accurate results. For example, consumer behaviour is an area which is rather elusive and the theory does not go very far in disclosing it very precisely. Analytical tools of marketing research are still deficient and cannot give us a precise idea, especially on the behavioural aspects.

Apart from these limitations of marketing research, one finds that it is sometimes *misused*. These mis-applications, strictly speaking, are not the limitations of the subject as such. Another misuse of marketing research is found in deliberately delaying decision-making. In the hands of vested interests, it may be used to avoid taking a certain decision or delaying it until the findings of marketing research are available. Finally, it is used to grab power and authority in an organisation. Executives who are over-ambitious may use marketing research· to consolidate and strengthen their position in the organisation as also to extend their authority over their colleagues.

**MARKETING INFORMATION SYSTEM**

According to Cundiff, Still and Govoni “Marketing information system is an organised set of procedures, information handling routines and reporting techniques designed to provide the information required for making marketing decision.”

**Characteristics Of MIS**

1. MIS is an ongoing process. It operates continuously.

2. MIS acts as a data bank and facilitates prompt decision-making by manager.

3. MIS operates in a rational and systematic manner and provides required information.

4. MIS is future-oriented. It anticipates and prevents problems as well as it solves marketing problems. It is both a preventive as well as curative process in marketing.

5. The gathered data is processed with the help of operations research techniques. Modem mathematical and statistical tools are available for problem-solving in the field of marketing.

6. MIS is a computer-based method of data collection, processing, and storage.

7. Management gets a steady flow of information on a regular basis — the right information, for the right people, at the right time and cost.

8. Marketing Information System stands between the marketing environment and marketing decision-makers. Marketing data flows from the environment to the marketing information system. Marketing data is processed by the system and converted into marketing information flow, which goes to the marketers for decision-making.