

Lecture 8

MARKETING RESEARCH

Marketing research is the systematic design, collection, analysis, and reporting of data and findings relevant to a specific marketing situation facing the company. Marketing research process can be segregated into five major steps, - defining the problem and research objectives, developing the research plan, collecting the information, analyzing the data and presenting the findings.

1. Define the Problem and Research Objectives

Some research is exploratory - its goal is to shed light on the real nature of the problem and to suggest possible solutions or new ideas. Some research is descriptive - it seeks to ascertain certain magnitudes, such as how many people would buy sauce at Rs.180 per Kg. Some research is causal - its purpose is to test a cause and effect relationship. For example what would happen if the price of the product is increased, or expenditure on market promotion activities is increased?

2. Develop the research plan

Designing a research plan calls for decisions on the data sources, research approaches, research instruments, sampling plan, and contact methods.

Data Sources The researcher can gather secondary data, primary data or both. Secondary data are data that were collected for another purpose and already exist somewhere eg., data available from Economic Survey of India. Primary data are data gathered for a specific research project.

Research Approaches - It refers to methods of collecting data. Primary data can be collected in five ways: observation, focus groups, surveys, behavioral data, and experiments.

Research Instruments It refers to means of collecting data. Marketing researchers have a choice of two main research instruments in collecting primary data: questionnaires and mechanical devices.

Sampling Plan After deciding on the research approach and instruments, the marketing research must design a sampling plan. This plan calls for three decisions.

- a) **Sampling unit:** Who is to be surveyed? The marketing researcher must define the target population that will be sampled.

- b) **Sample size:** How many people should be surveyed?
- c) **Sampling procedure:** How should the respondents be chosen?

Contact Methods Once the sampling plan has been determined, the marketing research must decide how the subject should be contacted: mail, telephone, personal, or on-line interviews.

3. Collect the Information

The data collection phase of marketing research is generally the most expensive and the most prone to error. In the case of surveys, four major problems arise. Some respondents will not be at home and must be contacted again or replaced. Other respondents will refuse to cooperate. Still others will give biased or dishonest answers. Finally, some interviewers will be biased or dishonest.

4. Analyze the data

The next-to-last step in the marketing research process is to extract findings from the collected data. The researcher tabulates the data and develops frequency distributions. Averages and measures of dispersion are computed for the major variables. The researcher will also apply some advanced statistical techniques and decision models in the hope of discovering additional findings.

5. Present the Findings

As the last step, the research presents the findings to the relevant parties. The research should present major findings that are relevant to the major marketing decisions facing management.