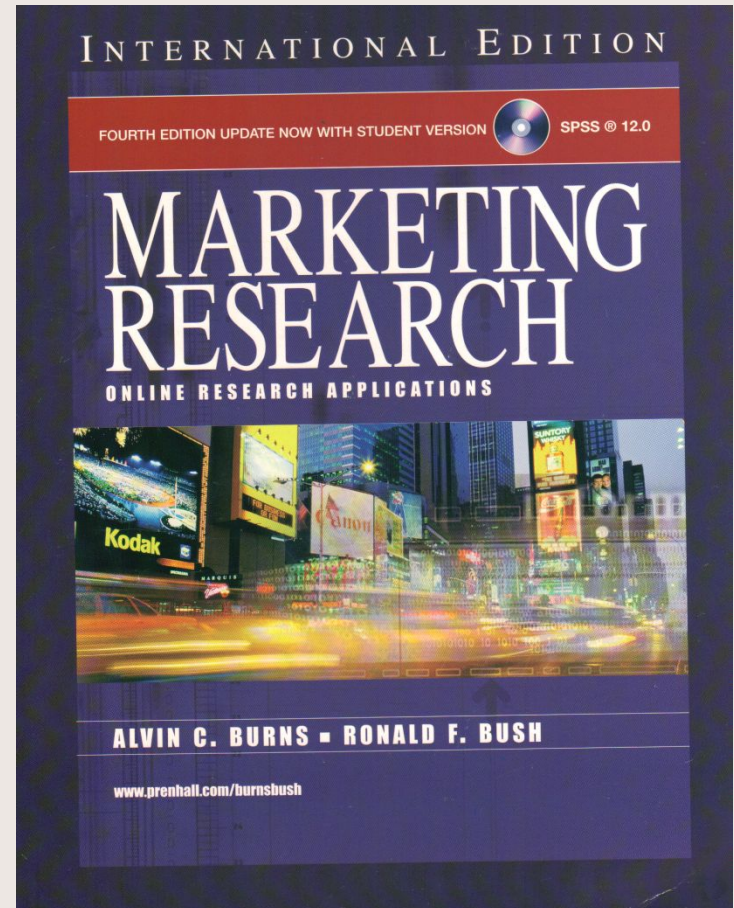


Marketing Research

Chapter 1.

An introduction to Marketing Research



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Marketing – is a process of all activities necessary for the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives.



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Information is the competitive advantage that drives **success...just so long as the information is appropriate and adequate** and we know how to use that information!
Competitors **can copy** and better equipment, processes and products but they **can't replicate** the company's information and intellectual capital.'

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‘Most marketers don’t need more information, they need the right information and the managers need to be able to determine how to use this information appropriately and effectively so as to enhance performance.’

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Marketing research – is the process of designing, gathering, analyzing, and reporting information that may be used to solve a specific marketing problem.

The purpose of *marketing research* – to link the consumer to the marketer by providing information that can be used in making marketing decisions.



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What are the Uses of Marketing Research?

1. Identifying Market Opportunities and Problems

Ex. Research shows, that one in twenty 12-year-old is dieting.

+

There is a demand for diet products for the teen market segment

- *Market segment identification*
- *SWOT – analysis*
- *Product/service use studies*
- *Environmental analysis studies*
- *Competitive analysis*

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What are the Uses of Marketing Research?

2. Generate, Refine and Evaluate Potential Marketing Actions.

What are the alternative ways of appealing to the teen diet market?

Would a new diet drink, chain of “teen” health clubs or specially formulated diet pills?

What marketing mix?

- *New product testing*
- *Pricing testing*
- *Advertising testing*
- *TV and recall studies*
- *In-store promotion effectiveness studies*
- *Distribution effectiveness studies*

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What are the Uses of Marketing Research?

3. Monitor Marketing Performance.

These studies help to evaluate how well marketing mix is performing

- *Image analysis*
- *Customer satisfaction studies*
- *Employee satisfaction studies*
- *Distributor satisfaction studies*
- *Tracking research*

4. Improve marketing as a process

These studies are needed to expand knowledge of marketing as a process

- *Predictors of new-product success*
- *The impact of long-term ads on consumer choice*
- *Measuring the advantage to being the first product in the market*

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Marketing Information System (MIS) – is a structure, consisting of people, equipment and procedures to gather, sort, analyze, evaluate, and distribute needed timely and accurate information to marketing decision makers.

?

What is the
ROLE?



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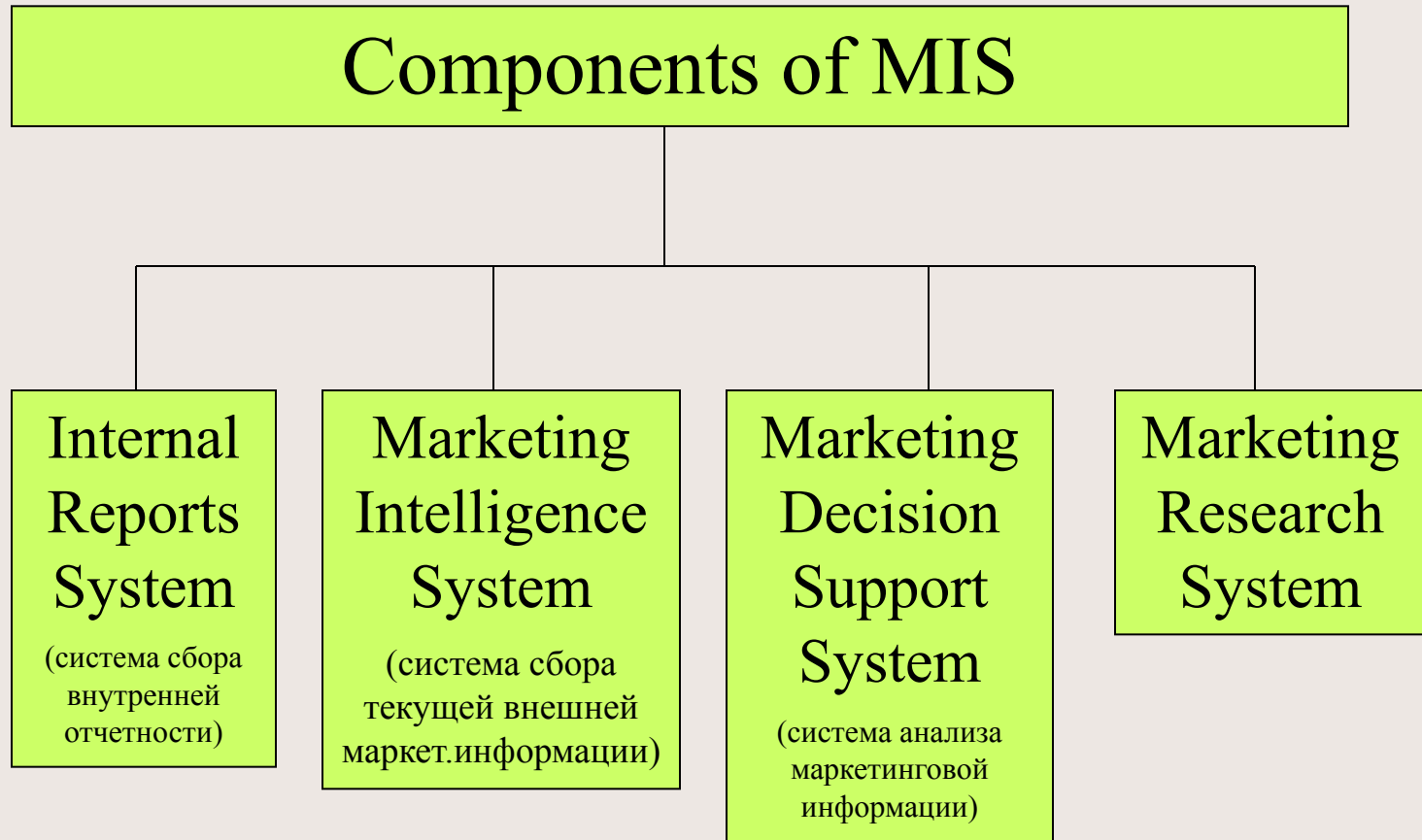
The ROLE of the MIS – to determine decision makers' information needs, acquire the needed information and distribute that information to the decision makers *in a form and at a time* when they can use it for decision making.

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Components of MIS



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1. Internal Reports System – gathers info. generated by internal reports.

- Revenue
- Product purchase price
- Transportation charges
- Direct costs of sale, such as commission to sales persons
- Rental cost for retail space
- Salaries and wages

collects all information about internal space of the company

2. Marketing Intelligence System – is a set of procedures and sources used by managers to obtain everyday information about developments in the environment

Informal
information
-gathering
procedures

Formal
information
-gathering
activities

collects all information about external space of the company

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3. Marketing Decision Support System is defined as collected data that may be accessed and analyzed using tools and techniques that assist managers in decision making.

4. Marketing Research System.



For specific situations!

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NOTE!

Marketing Research projects are launched only when there is a need of information, not available from:

- internal reports system
- marketing intelligence system
- marketing decision support system

Ethics and Marketing Research



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Ethics may be defined as a field of inquiry into determining what behaviors are deemed appropriate under certain circumstances.

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One's philosophy usually determines appropriate, ethical behavior.

We use the 2 philosophies of **deontology** and **teleology** to explain this behavior.

In the area of MR there are **codes of Ethics**:

- Prohibiting selling under the guise of conducting research;

-  Maintaining research integrity by avoiding misrepresentation and omission of pertinent research data;

- Treating outside clients and suppliers fairly

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Several ethical issues may arise in the practice of MR that center around how others are treated.

- Buyers
- Suppliers
- Respondents

✓ deception (can occur in 2 forms: omission of information and giving the respondent false information)

✓ confidentiality and anonymity

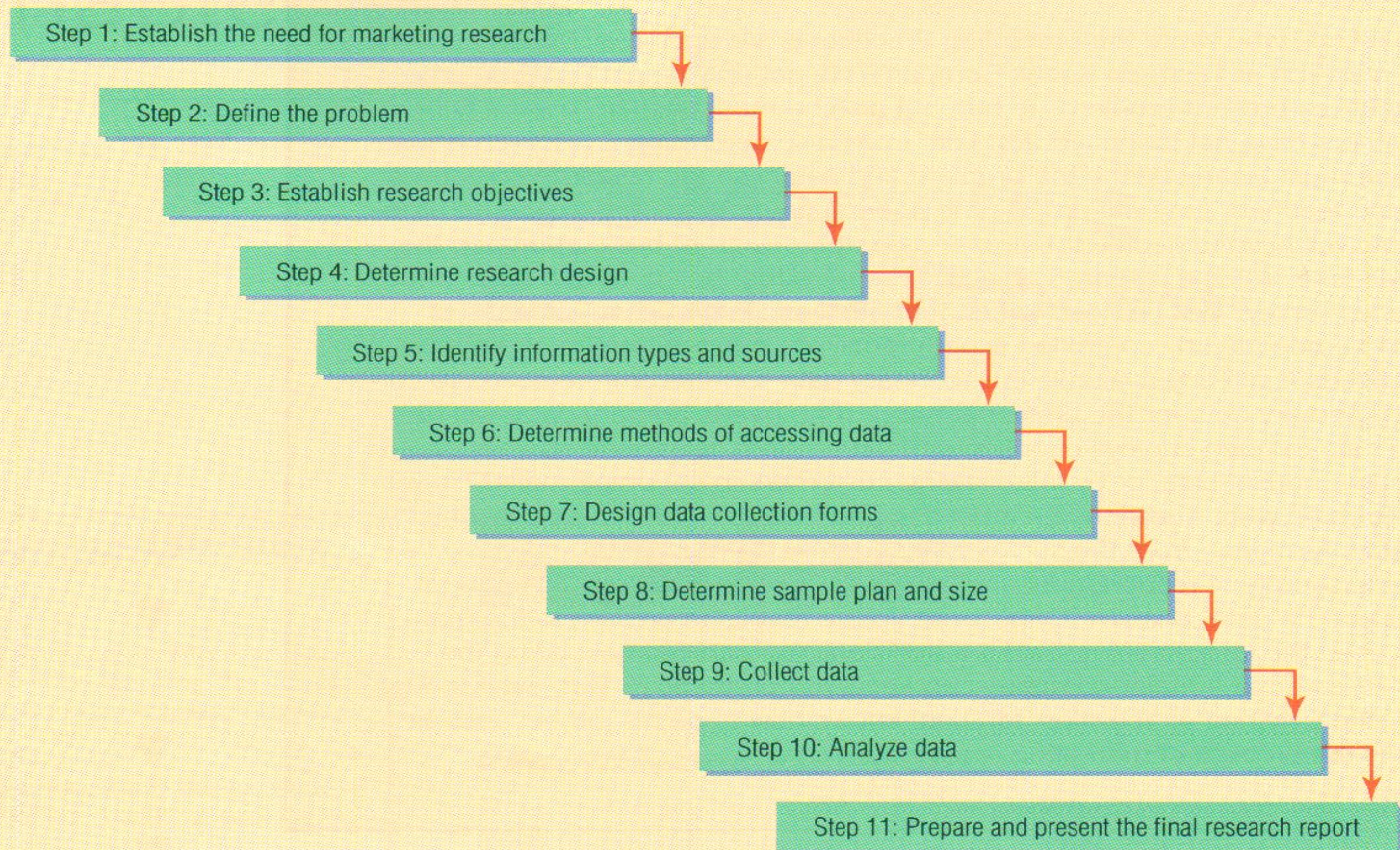
✓ invasions of privacy

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The MR process

Chapter 2 The Marketing Research Process



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The MR process

- 1. Establish the need for marketing research.**

Marketing Research

Chapter 2 – Defining the Problem and determining research objectives

Defining the problem is critical to setting the direction for all subsequent steps of the MR process.

This is particularly true for custom-designed research as opposed to standardized research.

There are 2 instances in which Marketing Research should be undertaken.

- If it helps you gain a meaningful competitive advantage
- If it allows you to stay abreast of your markets



Marketing Research

Chapter 2 – Defining the Problem and determining research objectives

There are 2 types of problem with which a marketing researcher must contend:

1. A marketing-management problem

We always have symptoms

2. The marketing research problem - providing relevant, accurate, and unbiased information (соответствующая, точная и объективная информация) that managers can use to solve their marketing management problems

Marketing Research

Chapter 2 – Defining the Problem and determining research objectives

*Sometimes marketers confuse **problem** with **symptoms**.*

Xerox become concerned a number of years ago that it was rapidly losing photocopier sales to Japanese competitors.

Is it a problem or symptom?

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Chapter 2 – Defining the Problem and determining research objectives

Consider, for example:

The new-product introduction for which sales are below target. ← symptom

The marketing management problem – what to do about the shortfall?

- Should the target be revised? Was it too optimistic?
- Should the product be withdrawn?
- Should one of the other elements of the marketing mix, such as advertising, be altered?

One of the possibilities – the adv.campaign, supporting the new-product introduction has been ineffective (was not creating sufficient awareness)

This suspicion could serve as the basis for a research problem.

What is the research problem?

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Chapter 2 – Defining the Problem and determining research objectives

The research problem would then become:
The assessment of product awareness among potential customers.

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Chapter 2 – Defining the Problem and determining research objectives

Marketing management problem – what needs to be done?

Research problem involves determining what information to provide and how that information can best be secured.

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Chapter 2 – Defining the Problem and determining research objectives

Relationship between decision problem and research problem

Mar.management problems	Research problems
Develop package for a new product	Evaluate effectiveness of alternative package designs
Increase market penetration through the opening of new stores	Evaluate prospective locations
Allocate adv.budget geographically	Determine current level of market penetration in the respective areas
Select foreign distribution channels	Evaluate current channel structures and channel members in each of the countries being considered

Marketing Research

Chapter 2 – Defining the Problem and determining research objectives

Once the marketing management problem is fully defined, the marketing researcher must wrestle with the marketing research objectives.

Research objectives are specific bit of knowledge that need to be gathered and that serve to close information gaps.