

# UNIT 99 – UPSC - Market Research (Marketing Management)

Market research is viable process of determining the value or demand of the product in the marketplace in addition to the position of the enterprise in the industry. Theorists described Market research as the systematic and objective process of collecting, generating, evaluating and interpreting information and communicating the judgments in order to take marketing decisions. Market research work on DECIDE model which means define the market problems, enumerate the controllable and uncontrollable decision factors, collect relevant information, develop and implement a marketing plan and evaluate the decision and decision process. John Graham in American Salesman (2004) note down that marketer has vital role in launching of a product and the long-term triumph of organization in competitive business environment. It provides all the pertinent information about the active products in the market and assists the company to recognize and solve issues associated with launching of new products. It also assists companies to assess the marketing opportunities and use them for the success of firms.



Bulk of marketing studies have demonstrated that market research is beneficial for companies in numerous ways such as sales forecasting, measuring market share, identifying market trends, measuring brand images, developing consumers profiles, designing products and packaging, analysing demand, measuring price perceptions and determining advertising efficacy. Market research is an essential component of marketing. Companies rely on collecting information from consumers, competitors, and modern economic conditions to investigate prospective markets and plan efficient campaigns (O'Brien 2004).

Market research has been recognized as major activity of marketing. Callingham (2004) explained that market research can be used as a means to achieve agreements of consumers on the market structure and involve sincerely in supporting the business. Market research assists the organisations to acquire the data of customers and competitors to develop their products, devise marketing strategies, and resourcefully segment the market. In order to understand customer demands and test the conditions of market, well-designed surveys are conducted and companies can obtain real information of their marketing opportunities, tendencies, and intimidations (Fairlie 1993). Therefore, questions in surveys must be developed cautiously to gain useful data that

benefit product positioning and marketing to fulfil the needs of customers in the market. Callingham (2004) also demonstrates market research that makes the most powerful contribution to decision making in the firm can influence the environment and entire thoughts of a company. It can be illustrious that market research is very important to help companies to make strong position in the market, regulate marketing strategies, plan product pricing, and watch customer purchasing behaviours.

**The Objectives of Market Research:** Many theorists stated that the major intent of market research is to discover how business can be beneficial to their customers. Market research investigates changes in financial conditions, transformations in the product ranges of competitors, Changes in consumer tastes, Changes in technology. It facilitates companies to emphasize their weaknesses and plan to improve. Main objectives of market research are to link the consumer with the company through information, to explore the real needs and requirements of customers, to search for and scrutinize information that can be used to reach at the best alternative marketing decision, to suggest required changes in the goods and services in order to meet the market demands, to recognize in advance what kind of target markets exist in the economy where the company may launch its product, to know about the reactions of the people in the market about the existing or recently introduced products of the company, to recognize opportunities and threats in the external environment of the company and to discover reasons for slowly losing market share, and identify ways and means for strengthening company's position in the market, within and outside the nation. External sources of information such as internet, government statistics, magazines, journals, reports prepared and internal reports.

## Methods of Market Research

In theoretical literature, there are three basic methods:

1. Exploratory research
2. Descriptive research
3. Causal research

**Exploratory Research:** Exploratory research facilitates businesses to find out new ideas and find prospective market opportunities. It is used to discover a situation or search for a problem. This research process is unstructured. Product managers need not go through all the stages of the market research process from the “defining stage” to the “analysis stage”. The results from exploratory research are typically based on secondary data, open ended questions, similar case studies, a pilot study, or even results from previous research. It is found that the results obtain from exploratory research may not be appropriate for Product Managers to decide to enter a new market. The result is sometimes generalised information about probable markets and the related products or services. It is conducted with anticipation that there is need for more complete research.

**Descriptive Research:** This type of market research deals with queries such as who, what, when, where and how type questions. It is structured research in which Product managers use all steps in research process. Descriptive research discovers more detail about a market.

**Causal Research:** This type of research assists Product Managers to know the cause and effect of a relationship such as Causality can be derived by the use of “if x, then y”. Causal research is considered formal research and facilitates product managers to recognize problems and the causes of the problem.

## There are several ways to do marketing research survey

**Focus Groups:** Focus groups are generally performed at focus group facilities. These facilities have one-way mirrors so managers can take note to consumers' feedback about their products and services. A moderator, or special interviewer, usually runs the focus group. They develop a discussion guide of five to ten questions related to the product and ask participants to answer various questions about the product. The perfect size for a focus group is six to 10 people.

**One-on-One Interviews:** One-on-one interviews are done in same way to focus groups, but with one person. One-on-one interviews have one step ahead to typical personal interviews. Company managers utilize these interviews to observe someone actually use their product.

**Phone Surveys:** many firms conduct phone surveys to further authenticate information obtained from focus groups and one-on-one interviews. Marketers carry out phone surveys among higher numbers of consumers and customers. Subsequently, data obtained from the higher number of phone surveys are more suggestive of what the average consumer thinks about a particular product or service.

**various methods to conduct market research to investigate the demand of product in**



**market.**

## Steps in Market Research Process

**Identification and definition of the objectives:** In market research, this is the first step and it is of great importance as it gives the direction of the research work. The research process begins by making a clear and brief statement of a problem or issues that is to be examined. A comprehensible definition of the problem facilitates the researcher in all succeeding research

efforts including the setting up of proper research objectives, the determination of the techniques to be used, and the extent of information to be collected.

**Statement of research objectives:** In this step, the researcher develops a formal statement of the research objectives and explains the reasons and aims for which the research is being undertaken. Such objectives may be stated in qualitative or quantitative terms and are expressed in the form of research questions, statement or hypothesis.

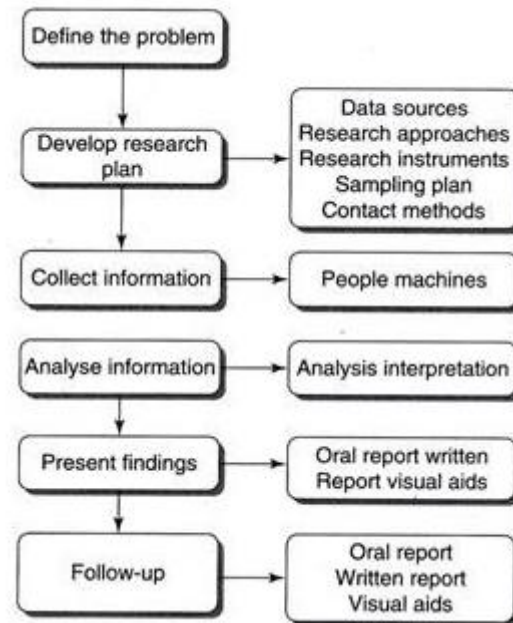
**Planning the research design:** The next step is to develop research design which is a master plan indicating the procedures for collecting and analysing the essential information. It symbolizes a frame for the research plan of action. The objective of the study is incorporated in the research design to make certain that data gathered are applicable to the objectives. The researcher also decides the sources of information needed, the data collection method such as survey, interview, the methodology, timing and possible costs of research.

**Planning the sample:** Sampling involves procedures whereby a small number of items or parts of the 'targeted population' are taken to stand for the whole population. It involves several important decisions such as defining the target population; selection of a sample which actually represents the population; the sample-size to be used for the purpose and selection of various units to make up the sample.

**Data collection:** In this step, researchers gather relevant facts that are to be used to resolve the problem. Data is primary, if it is collected from the original base through empirical research by means of various tools such as observation, experiment and survey methods. It may be collected from various sources like salesmen, customers and dealers. Data is secondary, if it is gathered from concerned reports, magazines and other periodicals, especially written articles, government publications, books. The data sources may be internal or external. Internal sources exist within the firm itself like accounting data, salesmen's reports, while sources outside the firm are external sources.

**Data processing and analysis:** In this step, whatever information gathered by researchers is processed and analysed. It is therefore changed into a meaningful format so as to suggest answers to the originally identified and defined problems. Data processing starts with the editing or inspection of data for checking reliability in its classification and coding. The scrutiny of data characterizes the application of logic to the understanding of the data collected. It may involve determination of reliable patterns and summarizing of proper details by using various analytical techniques. The plan of this step is to verify whether empirical findings support or disprove the statements or hypothesis made previously.

**Formulating conclusions and preparing the report:** In the last stage of market research, researcher interprets the information and drawing conclusion to take business decisions. The research report should clearly and successfully communicate the research findings. If needed, the researcher may bring out his suitable recommendations or suggestions in the theme. The presentation of the report is prepared in such a way that it must be technically precise and explicable.



### Major steps in market survey (Kotler)

**Importance of market research:** There is great significance market research in competitive business world. It facilitates planned production by forecasting probable sales, helps in identifying the reasons for consumer resistance to existing or new products, reveals the nature of demand for the product i.e. whether the product is in demand throughout the year or has a seasonal demand, indicates the product utility as well as the effectiveness of existing channels of distribution, may reveal certain new uses for the existing products and provides information about potential or future markets. It helps in the detection of new lines of production.

**Online Market Research:** The speedy developments of technology allow persons to connect with the world instantly through the Internet. In today's technical world, the Internet is now strongly linked and inseparable from business. Various companies are involved in conducting online market research to know the condition of current markets to apply proper marketing strategies to sponsor their products. As compared to conventional market research, online market research has immense benefits such as the Internet has reduced problem such as time and distance that exist between firms and customers (Krishnamurthy 2003). Online market research offered opportunities and limitations to marketers. Diversified factors that companies must address to the Internet include lower price to manage the websites and connect with stakeholders, more clear information than traditional communication manners, and less time to deal with issues (McGarvey& Campanelli 2005). The extensive usage of the Internet offers good base for marketers to sponsor their products, build connection with consumers directly, and distinguish consumer perceptions and attitudes rapidly. O'Brien (2004) stated that traditional market research methodologies include telephone, mail, fax, face-to-face, and focus groups; though, these processes seem incompetent when compared with online market research. Conventional market research is time-consuming and expensive such as it can take few days to send questionnaire by mail to the customers and the company also has to manage the surveys for another period of time. Krishnamurthy (2003) designates categories of online market research which can be divided into two dimensions, including qualitative and quantitative research. Qualitative research deduces investigating customers' deep insights with open-ended questions such as online focus groups interviews and search log analysis, whereas quantitative research associated with market interference through analysing large scale of information such as online surveys through pop-ups

and emails. Fitzgerald (2009) argues that online market research which is also an important part for business-to-business marketing tool produce real-time information to gain latest data.

Marketing research can assist firms to find out consumers opinions on a vast range of issues such as views on products' prices, packaging, recent advertising campaigns, recognize competition, identify opportunities/gaps in the market and lessen the loss of the business. Marketing research gives valuable information regarding the current state of the market but data collected from research is useful to anticipate future customer needs. Firms can make the needed adjustments to their product portfolios and levels of output in order to get success. Market research is quick and comparatively easy to obtain the facts. It can provide a good insight in to positions of rivals with least cost. Secondary data obtained from research can be used to generate new ideas.

Despite of the advantages offered by the Internet, there are still assorted restrictions for marketers to take into consideration when they arrange business campaigns. The drawbacks of market research are that, much of the information published is old and competitors have access to the information. It is not specifically designed for required purposes. Marketing research deeply explores consumer behaviour and marketing environment. Since these factors keep on changing, it cannot give precise information. Marketing research cannot be an option to decision making. It can lessen the business risks.

To summarize, market research is significant approach for organizations that enter in market. It helps to understand whether product is likely to generate demand. Market research is an important means to guarantee customer satisfaction, investigate the target market and assist execution of marketing policy. Market research is the application of the scientific method in search of the fact about marketing trend. These activities include defining the market opportunity and problems, generating and evaluating market ideas, scrutinizing performance, and understanding the marketing process.