



## Basic Steps for Introducing 'Marketing Research'

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### Abstract:

*Research means detailed, systematic and comprehensive study of a problem. Here, the details of the marketing problems are collected and studied, conclusions are drawn and suggestions (recommendations) are made to solve the problems quickly, correctly and systematically. In marketing research, marketing problem is studied in depth and solutions are suggested to solve the problem relating to consumers, product, market competition, sales promotion and so on.*

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### 1. Introduction to Marketing Research

MR is a special branch of marketing management. It is comparatively recent in origin. MR acts as an investigative arm of a marketing manager. It suggests possible solutions on marketing problems for the consideration and selection by a marketing manager.

The term marketing research is used extensively in modern marketing management. It acts as a tool for accurate decision making as regards marketing of goods and services. It is also useful for studying and solving different marketing problems in a systematic and rational manner.

### 2. Definitions of Marketing Research

According to American Marketing Association (AMA), MR is "The systematic gathering, recording, and analyzing of data about problems relating to the marketing of goods and services."

According to Richard D. Crisp, MR is "The systematic, objective and exhaustive search for and study of the facts relevant to any problem in the field of marketing."

According to Philip Kotler, "Marketing research is systematic problem analysis, model building and fact-finding for the purpose of improved decision-making and control in the marketing of goods and services."

### 3. Features of Marketing Research

Systematic and continuous activity/process: MR is a continuous process. This is natural as new marketing problems are bound to come from time-to-time in the course of marketing of goods and services. One type of research is not adequate to resolve all marketing problems. Similarly, new research projects will have to be undertaken to solve new marketing problems and challenges.

- **Wide and comprehensive in scope :** Marketing research is wide in scope as it deals with all aspects of marketing of goods and services. Introduction of new products, identification of potential markets, selection of appropriate selling techniques, study of market competition and consumer preferences, introduction of suitable advertising strategy and sales promotion measures, are some areas covered by MR.
- **Emphasizes on accurate data collection and critical analysis :** In marketing research, suitable data should be collected objectively and accurately. The data collected must be reliable. It should be analyzed in a systematic manner. This will provide comprehensive picture of the situation and possible solutions.
- **Offers benefits to the company and consumers :** Marketing research is useful to the sponsoring company. It raises the turnover and profit of the company. It also raises the competitive capacity and creates goodwill in the market. It enables a company to introduce consumer-oriented marketing policies. Consumers also get agreeable goods and more satisfaction due to marketing research activities.
- **Commercial equivalent of military intelligence :** MR is a type of commercial intelligence activity. It facilitates planned activities in the field of marketing. It is similar to military intelligence where systematic study of the situation is made before taking any military action. Marketing research acts as the intelligence tool of management.
- **Tool for managerial decisions :** MR acts as a tool in the hands of management for identifying and analyzing marketing problems and finding out solutions to them. It is an aid to decision-making. It suggests possible solutions for the consideration and selection by managers. Marketing research, is an aid to judgment and never a substitute for it.
- **An applied research :** MR is applied knowledge. It is concerned with specific marketing problem and suggests alternative solutions and possible outcome of each alternative.
- **Reduces the gap between the producers and consumers :** MR is an essential supplement of competitive marketing. It is useful for understanding the needs and expectations of consumers. It reduces the gap between producers and consumers and adjusts the marketing activities to suit the needs of consumers.
- **Marketing research has limitations :** Marketing research is not an exact science. It only suggests possible solutions to marketing manager for consideration and selection.
- **Use of different methods :** MR can be conducted by using different methods. Data can be collected through survey or by other methods. The researcher has to decide the method which is suitable for the conduct of research project. This selection is important as the quality of research work depends on the method used for the research purpose.

#### **4. Steps in Marketing Research Process**

##### ***4.1 Identifying and defining a marketing problem***

The first step in the marketing research procedure is to identify the marketing problem which needs to be solved quickly. The problem may be related to product, price, market competition, sales promotion and so on. The research process will start only when the marketing problem is identified and defined clearly. The researcher has to identify and define the marketing problem in a clear manner.

##### ***4.2 Conducting a preliminary exploration (survey)***

The marketing team may suggest many marketing problems which they face. However, it is not possible to take up all such problems for research purpose. The researcher has to study such

problems and select one major problem which is suitable for detailed investigation. For this, preliminary investigation is necessary. A sales manager may suggest a problem of declining sales. The researcher has to find out the possible reasons and which one is the most important and also suitable for detailed study. Marketing problems are not researchable and hence such preliminary exploration is necessary and useful.

#### ***4.3 Determining research objectives***

The researcher has to formulate hypothesis to fit the problem under investigation. It is a tentative explanation of a problem under study. For example, the sales are declining. According to the researcher, this may be due to poor quality and high price or due to limited interest taken by middlemen or that the product has become outdated. If the first reason is accepted, the same will be investigated in full. If the first cause is rejected, he will move to the second for detailed study through data collection.

#### ***4.4 Determining the data required and their sources***

In this stage, the researcher has to decide the type of data required for his study purpose. The hypothesis guides the data collection process. The researcher can use primary and/or secondary data for his research project. The sources of primary and secondary data are different. Similarly, for the collection of primary data, any one method such as mail survey or telephone survey, or personal interview or observation or experimentation method can be used. The researcher has to decide the method which is convenient for data collection and collect the required data accordingly.

#### ***4.5 Creating research design***

Research design is the plan for the conduct of actual research investigation. Such design provides guideline for the researcher to keep a track on his actions and to know that he is moving in the right direction on data collection.

The research design contains answers to the following questions:

What is the nature and purpose of study?

What type of data is required?

How to collect required data?

What is the technique of data collection?

How much funds will be required?

How much time/period will be required for completion of research project?

#### ***4.6 Designing the Questionnaire***

As per the objective of research project, information will be required. For collection of data, suitable questionnaire will have to be prepared. All necessary care should be taken in order to prepare ideal questionnaire, so as to collect required information easily, quickly and correctly.

#### ***4.7 Designing a sample of respondents***

For data collection, a representative group will have to be selected out of the total i.e. universe. A sample designed should be adequately representative in character. It must represent the total population under study.

#### ***4.8 Collecting Data***

Data are to be collected as per the method selected for data collection. If mail survey method is selected, questionnaires will be sent by post to respondents. If personal interview method is selected, interviewers will be given suitable guidance, information and training for the conduct of personal interview. Data collection should be quick and data collected should be reliable, adequate and complete in all respects.

#### ***4.9 Organising/Processing the data collected***

The completed questionnaires are not useful directly for tabulation and drawing conclusions. They need to be organised /processed properly for drawing conclusions. For this, scrutiny of data, editing, coding and classification of data are required. In addition, tabulation of data collected is also essential. Such processing make data integrated in a compact manner. In addition, the data are made reliable and suitably arranged for analysis and interpretation. Conclusions can be drawn only when the collected data are arranged in an orderly manner for detailed study. In short, processing of data means verification of data collected and the orderly arrangement of data for analysis and interpretation. The steps in data processing (editing, coding, etc.) are interrelated and need to be completed properly. The processing of data collected is a type of office work which can be attended by the office staff under the guidance of researcher. The processing of data is a lengthy and time-consuming activity and needs to be completed properly. This is necessary for raising accuracy and reliability of the whole research project.

The processing of data collected through marketing research involves the following steps:

- Preliminary screening of the data collected,
- Editing of the data collected,
- Coding of the data collected,
- Classification of data into meaningful categories, and
- Tabulation of data for easy and quick analysis and interpretation.

#### ***4.10 Analyzing and interpreting data***

Tabulated data can be used for detailed and critical analysis. The purpose is to establish useful and logical relation between the information and problem. Analysis of data should be made in a rational manner. This facilitates interpretation of data in an orderly manner. Conclusions can be drawn after the analysis and interpretation of data. Such conclusions are useful for suggesting remedial measures. Various statistical techniques are used for the analysis and interpretation of data. This is necessary so that the conclusions drawn will be accurate and remedial measures recommended will be appropriate or result-oriented. In brief, processing of data collected is one important and critical stage in the research process. The utility of the whole research process depends upon the manner in which the data are processed by the researchers. The services of experts should be used for such processing of data. Similarly, advanced statistical techniques should be used in the analysis and interpretation of data so that the conclusions drawn will be accurate and useful for the introduction of appropriate remedial measures. Processing of data is like examining patient by a doctor. Here, if the diagnosis is accurate, the follow-up treatment (remedial measures) will be appropriate and the patient will be all right within a short period. The same rule is applicable to processing of data in the marketing research activity/process.

#### ***4.11 Preparing research report***

After drawing conclusions, the researcher can make concert suggestions/recommendations for solving the marketing problem in a satisfactory manner. A researcher also prepares a document giving details of research problem, data collected, conclusions drawn and the recommendations made. Such document is called research report which is the final outcome of lengthy research process. The report will be prepared in a suitable format for the convenience of readers. It acts as a self-explanatory document.

#### ***4.12 Presenting research report***

The researcher will submit the report to the decision-makers in the field of marketing. The decision-makers will study the report minutely and find out the desirability of execution of the recommendations made. The final decision is to be taken by the decision-makers (marketing managers and top level management) only.

#### ***4.13 Follow-up steps***

If the recommendations made are accepted, the decision-makers have to take follow-up steps for the execution of the recommendations made. The follow-up steps should be controlled effectively so as to have positive results in the cause of time.

The steps in the MR process (as noted above) are normally used in all MR projects. Certain modifications are also possible in a specific research project. The research process is lengthy and time consuming and needs to be completed in a rational and systematic manner. This gives promising results in the sense that appropriate solution to marketing problem is available.

The researcher has to follow this lengthy MR procedure carefully. He has to take various decisions while conducting the research work. The research project may be conducted by an outside consultancy firm or an advertising agency. Sometimes, the research work is conducted internally i.e. through the marketing research department or sales department. Here, the research department takes up the major marketing problem (e.g. declining sales or profits of the company) and organise the research project in order to find out the causes (e.g. causes for declining sales or profit) and appropriate remedial measures. A sales manager may be asked to organise the research project for dealing with the problem of declining sales. Here, he has to organise the whole research project and finalize the details of different steps involved.

### **5. Advantages of Marketing Research**

- **Indicates current market trends** : Marketing research keeps business unit in touch with the latest market trends and offers guidance for facing market situation with confidence. It facilitates production as per consumer demand and preferences.
- **Pinpoints deficiencies in marketing policies** : MR pinpoints the deficiencies as regards products, pricing, promotion, etc. It gives proper guidance regarding different aspects of marketing. They include product development, branding, packaging and advertising.
- **Explains customer resistance** : MR is useful for finding out customer resistance to company's products. Suitable remedial measures are also suggested by the researcher to deal with the situation. This makes the products agreeable to the consumers.
- **Suggests sales promotion techniques** : Marketing research enables a manufacturer to introduce appropriate sales promotion techniques, select most convenient channel of



distribution, suitable pricing policy for the products and provision of discounts and concessions to dealers. It facilitates sales promotion.

- **Guidance to marketing executives :** Marketing research offers information and guidance to marketing executives while framing marketing policies. Continuous research enables a company to face adverse marketing situation boldly. It acts as an insurance against possible changes in market environment.
- **Selection and training of sales force :** Marketing research is useful for the selection and training of staff in the sales Organisation. It suggests the incentives which should be offered for motivation of employees concerned with marketing.
- **Facilitates business expansion :** Marketing research enables a business unit to grow and expand its activities. It creates goodwill in the market and also enables a business unit to earn high profits through consumer-oriented marketing policies and programmes.
- **Facilitates appraisal of marketing policies :** Research activities enable marketing executives to have an appraisal of the present marketing policies in the light of research findings. Suitable adjustments in the policies are also possible as per the suggestions made.
- **Suggests marketing opportunities :** Marketing research suggests new marketing opportunities and the manner in which they can be exploited fully. It identifies existing and emerging market opportunities.
- **Facilitates inventory study :** Marketing research is useful for the evaluation of company's inventory policies and also for the introduction of more efficient ways of managing inventories including finished goods and raw materials.
- **Provides marketing information :** MR provides information on various aspects of marketing. It suggests relative strengths and weaknesses of the company. On the basis of such information, marketing executives find it easy to frame policies for the future period. MR provides information, guidance and alternative solutions to marketing problems.
- **Suggests distribution channels :** Marketing research can be used to study the effectiveness of existing channels of distribution and the need of making suitable changes in the distribution system.
- **Creates progressive outlook :** Marketing research generates a progressive and dynamic outlook throughout the business Organisation. It promotes systematic thinking and a sense of professionalization within the company. It also creates enthusiasm among executives concerned with marketing. This brings success and stability to the whole business unit.
- **Social significance :** Marketing research is of paramount importance from the social angle. It acts as a means by which the ultimate consumer literally becomes king of the market place.

## 6. Limitations of Marketing Research

- **Offers suggestions and not decisions :** Marketing research is not a substitute for decision-making process. Ready-made decisions on marketing problems are not provided by the researcher. Marketing research does not solve any marketing problems directly. It only aids management in decision-making and problem solving process.
- **Fails to predict accurately :** In marketing research, efforts are made to predict the possible future situation. For this, certain research studies are undertaken. However, the

predictions arrived at may not be perfect. Future is always uncertain and exact prediction about the future is just not possible through marketing research.

- **Cannot study all marketing problems :** Marketing research cannot study all marketing problems particularly where it is difficult to collect relevant data. Similarly, research study is not possible where value judgments are involved. Thus, all marketing problems are not researchable and all research problems are not answerable. MR is not a 'panacea'.
- **Resistance to research by marketing executives :** Researchers study marketing problems and offer guidance to marketing executives in their decision-making process. However, some executives are reluctant to use the solutions suggested by the researchers. They feel that such use will act as a threat to their personal status. Marketing executives also feel that researchers give solutions which are academic in character and lack practical utility.
- **Time-consuming activity :** MR is a time-consuming activity. The research work takes longer period for completion and the findings when available may prove to be outdated. Even data collected very soon become old due to fast changing market environment.
- **Costly/expensive activity :** MR activity is costly as research work requires the services of experts. Advanced training in economics, computer technology, sociology, etc. is also necessary on the part of research staff. Even giving responsibility of research work to an advertising agency or to a management consultant is costly.
- **Dearth of qualified staff :** For scientific MR, professional marketing researchers with proper qualifications, experience and maturity are required. Research work is likely to be incomplete /unreliable in the absence of such expert staff.
- **Complexity of the subject :** MR fails to give complete and correct guidance to the management on marketing issues. This is because MR is not an exact science. It is concerned with the study of human behavior which is always difficult to predict. As a result, the conclusions drawn and recommendations made are not cent per cent correct.
- **Uncertainty of conclusions :** Consumer is the focal point in marketing research. However, consumer's buying motives are difficult to judge precisely and accurately. This brings some sort of uncertainty in the conclusions drawn from the MR.
- **Limitations of data used :** MR process solely depends on the data collected and used for analyzing the marketing problem, for drawing conclusions and making recommendations. However, the whole process will come in danger if data collected are inadequate and unreliable.
- **Limited practical utility :** MR is mainly an academic exercise. Researchers take more interest in research work rather than in supplying information and guidance to marketing managers in decision-making process. Many research reports are rather bulky and unintelligible. This brings down the practical utility of marketing research.

## 7. Importance of Marketing Research

Marketing research is fast growing in its importance due to increasing competition, fast moving technological developments and changing consumer needs, expectations and attitudes. The importance of marketing research is universally accepted. The status of marketing research in business management is identical to the position of brain in a human body.

The following points suggest the importance of marketing research.

- **Planning and execution of marketing plan** : A business unit can plan and execute all activities right from manufacturing to marketing with reasonable accuracy and confidence due to the guidelines available through marketing research.
- **Quick and correct decision-making** : MR facilitates quick and correct decision-making by marketing managers. It enables management to take quick and correct marketing decisions.
- **Effective solutions on marketing problems** : MR provides effective solutions to marketing problems. MR is the radiology and pathology of marketing operations of business. It diagnoses the business ailments and suggests measures to remove them. Marketing researcher acts like business doctor and prescribes treatment for business elements.
- **Huge spending on MR** : Large companies spend crores (1 Crore = 10 million) of rupees on marketing research activities. New techniques and methods are used in the conduct of research activities in an accurate manner. This suggests the growing importance of MR.

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