



# Advantages of Marketing Research

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## 1. 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.

## 2. 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.

## 3. 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.

## 4. 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.

## 5. 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.

## 6. 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.

## 7. 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.

## 8. 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.

## 9. 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.

## 10. 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.

## 11. 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.

## 12. 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.

## 13. Creates progressive outlook

Marketing research generates a progressive and dynamic outlook throughout the business Organisation. It promotes systematic thinking and a sense of professionalisation within the company. It also creates enthusiasm among executives concerned with marketing. This brings success and stability to the whole business unit.

#### **14. 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.

#### **• Limitations of Marketing Research**

##### **A. 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.

##### **B. 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.

##### **C. 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'.

##### **D. 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.

##### **E. 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.

##### **F. 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.

##### **G. 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.

##### **H. 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.

##### **I. 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.

##### **J. 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.

##### **K. 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.

##### **L. Miscellaneous Limitations**

Problems developed due to changing marketing environment cannot be solved quickly through MR. Research report may be bulky, technically worded and difficult. Its execution is difficult at lower levels. The limitations of marketing research (noted above) do not suggest that it is a redundant activity. It only suggests that the marketing research activity should be conducted with proper care and caution. This will make research activity meaningful and result-oriented.

##### **M. 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.

**N. 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.

**O. 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.

**P. 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.

**Q. 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.