

Marketing Research Process

Introduction

Marketing research has gained significance due to increasing competition, changing consumer preferences and tastes, changes in technology leading to product innovations, and emerging markets in which youth are prime drivers of consumption. As companies have started utilizing the services of research firms, there is a growth in the number of agencies offering a range of solutions from research to strategy formulation. With the increasing number of techniques and tools for data collection and analysis, research has become complex and simple. Complex because firms require investigation of a large number of variables; simple because there is technology that handles complex data.

Marketing Research Process

- Problem definition
- Statement of objectives, scope and hypotheses
- Research design choices
- Identifying data sources
- Selecting a data collection method
- Sampling respondents
- Data preparation and analysis
- Report preparation and presentation

Types of Research

(A) Exploratory research- It helps understand a phenomenon and paves way for deeper inquiry to identify variables and their relationships. It provides preliminary understanding or a feel of the issue.

(B) Descriptive research – It helps describe the phenomena in terms of relationships of variables involved in it.

(C)Causal research - It helps measure variables, the extent of their interrelationships and explains the cause and effect sequence in a phenomenon. Yet another way of identifying research types is based on the data collected.

(D)Quantitative research – The data collected is hard data expressed in terms of numbers like days, metric tons, and meters, Example: Time series data of demand which can be examined for growth and variations.

(E)Qualitative research – The data collected is soft data such as perceptions, attitudes, values, satisfaction, expectations etc. Example: Study of consumer attitudes toward different shampoo brands.

Steps in Marketing Research Process

- **Problem Definition** -The researcher should realize that a problem well defined is a problem half solved. Careful attention to problem definition allows the researcher to set the proper research objectives. If little or no planning goes into the problem definition and research objectives, the data that is collected may be of little value.

To define the research problem, the researcher may choose one or more of the following ways:

- Discussion with the decision maker(s),
- Interviews with industry experts,
- Analysis of secondary data, and
- Some qualitative research

What is the ‘problem’? What kind of information is missing for the problem solver to make a decision? For instance, sales people are not performing well. This is a problem to the organization because it requires good performance. To solve the problem, the organization needs information about the causes.

“What caused the sales people to perform in a poor way?”

The causal factors need investigation. The question the researcher can frame is:

What factors are responsible for the poor performance?

The problem is too broad for investigation. The factors are wide ranging.

Relate to manufacturing like – delay in production causing late delivery to customers, poor quality leading to customer rejections, short supplies making customer disappointed etc.

Relate to price - priced more than the competitors, no discounts, Relate to promotion- too high promises, limited ads, sales force overloads, poor motivation among sales people, etc.

Relate to distribution-lack of interest among channel members, poor commission to dealers, etc.

Competition – Competitor has strong brands, better marketing program.

At this stage, exploratory research is often used. It helps refine a vague idea of a problem into one that can be researched. Exploratory research progressively narrows the scope of the research. There are four basic exploratory techniques.

They are: (i) secondary data, (ii) pilot studies, (iii) case studies, and (iv) Literature review .

Secondary data is data previously collected and assembled for some project other than the one at hand. It is as such historical data. Secondary data can often be found inside the company, at public libraries and universities, or purchased from a firm specializing in providing information. In the above case, the records of the company can be consulted to find performance appraisals data, sales data region wise for the past quarters in this year and previous year, and customer profiles in case of industrial products. Based on the data, it can be verified whether it is a seasonal phenomena (happens during the period every year), or because of poor performance of sales people, or because of some major customers leaving the company.

Pilot studies – Pilot study is a small study undertaken prior to launching a large scale study. It may adopt any one of the data collection methods. The data collected from the ultimate subject of the research project serves as a guide for the larger study. Usually the data collection methods used for pilot study are informal. The methods can be observation, focus group interview or panel discussion. The findings obtained from such methods may lack precision. It means they are at best indicative, but not conclusive. They however, can suggest possible topics for formal investigation.

In the above case, a pilot study in one region maybe conducted to have a first feel of the reality. Interviews with sales people, company customers, users of competitor products, examination of promotion efforts, etc will give an idea about the specific problem.

Case studies –A case study is related to a person or company or a place. It is study of a single unit of the total population.

In this case, we may take a branch office as a case study unit and conduct inquiries. Assuming the case applies to the whole unit, problem can be defined for investigation.

Literature review – Latest literature which consists of cases of such companies facing sales decline, or conceptual research papers.

In the present case research papers which developed logic for poor performance can be of help in gaining better outlook for problem solving.

Statement of Objectives, Scope and Hypotheses

Development of a broad specification of how the problem will be addressed allows the researcher to break the problem into salient issues and manageable pieces. This involves the following -

- Developing a theoretical framework
- Framing research questions
- Stating objectives
- Designing an analytical model
- Formulation of hypotheses

Theoretical framework - Research problem requires a context to define. It can be defined in the knowledge context as a gap to be bridged; something unknown to be known.

The case of poor performance falls in the ambit of performance management in the literature. The theoretical model can be taken and all the variables can be identified and presented for examination in the present context.

Research questions – Research questions indicate what the inquiry is about. The researcher will identify the most relevant variables that have impact on performance and questions their relationship to the phenomena investigated.

In the present case, say researcher has identified poor motivation of sales force as a variable for performance. He raises questions as follows.

What factors determine the motivation of sales force?

What is the level motivation of the sales force?

What is the sales performance of sales force?

What is the impact of motivation on sales performance?

How sales force motivation can be increased?

Objectives - Breaking the research questions into suitable objectives will help researcher in designing the study better. The objectives will help define scope of the study (form a model) and state hypotheses to be tested.

In the case of performance improvement study, the objectives can be-

To study the motivation levels of sales people and their determinants.

To examine the influence of motivation of sales people on their performance.

To suggest measures to increase motivation of sales people.

Scope or Model for analysis - Scope defines the area of inquiry. It can be better understood by providing a framework in which the problem is defined and investigated. To provide a visual of the problem, a model can be used. It provides a better and precise understanding.

For research in performance management, the integrated model of performance management may be used to identify the relevant variables under study. By establishing interrelationships among the variables, a model can be developed for investigation.

Hypothesis formulation- Hypotheses are statements of expected outcomes, which a researcher seeks to verify by his or her research. The outcomes are expected in two ways:

1. The managers concerned may have some expectations. The expectations are usually developed by their experience or intelligence (information gathered during their work, through reading, and participation in meetings and conferences). However, they are not sure and want to verify them.
2. The researcher has the literature base, which points out at some probable conclusions. These conclusions are valid for the past situations and for some companies. Their applicability is questionable. However, they can be taken as tentative conclusions to start the research.

Research Design Choices

A research design is a master plan specifying the methods and procedures for collecting and analyzing the needed information. The researcher has to design an approach for data collection based on the sources keeping in mind the time schedule and budget for the research.

The relevant questions for research design are:

What kind of information is needed?

From what sources can it be collected?

What method of inquiry would be appropriate to gather data?

If people are involved, how many persons are to be contacted

Surveys

The most common method of generating primary data. It is a technique in which information is gathered from a sample of people by use of a questionnaire. Questionnaires can be administered by mail, phone, or person-to-person. Each administration method has its advantages and disadvantages, and all are appropriate in different situations.

Observation Techniques

The objective of research is often merely to record what can be observed. The advantage of it is that it is nonreactive and the data can be unobtrusively and passively collected without a respondent's direct participation. For the inexperienced researcher it can be difficult to administer and its biggest disadvantage is that it cannot observe intangible states of mind.

Experiments

The method is useful for establishing cause-and-effect relationships. Experiments allow investigation of changes in one variable while manipulating one or two other variables under controlled conditions. Causal factors can be isolated because outside factors do not come into play.

One example of experimentation is test marketing. Marketers introduce a new product in a city, in which consumers represent by and large the target market of the product. If the product succeeds to sell there, it is launched nation-wide. Otherwise, reasons for failure are analyzed and steps are initiated to offer a better product.

Identifying Data sources

There are two research approaches-**Primary data research and Secondary data research.**

Primary data is requires asking. Since asking has to be systematic to make data collection from managers. Trade persons, sales people, customers, etc., researcher has to develop some sort of information check list or questionnaire to gather data.

Secondary data research involves using past data to project future figures for a particular event or phenomena. This technique uses greater quantitative sophistication than is employed at the exploratory level of research.

Data Collection Instruments

The process of collecting information from respondents requires a method. For example, the survey method requires direct participation, and use of checklists, questionnaires, interview schedules, panel discussions etc., while an unobtrusive method of collecting data may use observation methods.

Sampling

Another critical decision is the design of sampling; sampling involves any procedure that uses a small number of items, or that uses part of the population to make a conclusion regarding the whole population. A sample is a subset from a larger population. There are two basic types of samples:

Probability sample: In this method, every member of the population has equal selection chances.

Non-probability sample: The sample is selected on the basis of convenience or personal judgment. The chances are biased and not free from human intervention.

Data Preparation and Analysis

The researcher should understand that the purpose of data analysis is to derive meaning from the data which has been collected. For that, data must be converted, through editing and coding, into a format that will answer the marketing manager's questions.

Editing – It involves checking the data forms for omissions, legibility, and consistency in classification.

Coding - Before the edited data can be tabulated, meaningful categories must be established for groups of responses - this process is called coding and it facilitates computer or hand tabulation.

Analysis-It is the application of logic to the understanding of data that has been gathered; it varies from the simple determination of patterns to complex statistical analysis. Researchers use bi-variate or multi-variate analysis techniques, depending upon the requirement. With the availability of computer softwares, even complex data processing has become easy and simple.

Report Preparation and Presentation

The report should address the specific research questions identified in the problem definition, describe the approach, the research design data collection, and the data analysis procedures adopted, and present the results and the major findings. The findings are communicated to the client.

This stage involves preparing the information and making conclusions which will be useful for decision-making purposes. The research report should effectively communicate the research findings. If a research report is too long, complex, etc., for managers to use, then it is totally useless.

Limitations in Research

Marketing research process consists of steps which are interdependent. Each step depends to some extent on the other. The first step must be planned with the second, third, and remaining steps in mind.

For example, the marketing researcher must have a good understanding of the research objectives in order to identify the information needed to achieve the research objectives. The form and content of the “required /needed information” will strongly affect the questionnaire or any instrument to be used for data collection; this sequence, in turn will affect the collected data and result in findings, which may be of poor quality. If not properly designed, each step in the research process can be a potential source of error.

An error in step, would mar the entire process and gives wrong findings. As such care is to be taken to make each step effective.