

A

Seminar report

On

## **Marketing Research**

Submitted in partial fulfillment of the requirement for the award of degree  
Of MBA

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## Preface

I have made this report file on the topic **Marketing Research**; I have tried my best to elucidate all the relevant detail to the topic to be included in the report. While in the beginning I have tried to give a general view about this topic.

My efforts and wholehearted co-corporation of each and everyone has ended on a successful note. I express my sincere gratitude to .....who assisting me throughout the preparation of this topic. I thank him for providing me the reinforcement, confidence and most importantly the track for the topic whenever I needed it.

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## **Acknowledgement**

I would like to thank respected Mr..... and Mr. ....for giving me such a wonderful opportunity to expand my knowledge for my own branch and giving me guidelines to present a seminar report. It helped me a lot to realize of what we study for.

Secondly, I would like to thank my parents who patiently helped me as i went through my work and helped to modify and eliminate some of the irrelevant or un-necessary stuffs.

Thirdly, I would like to thank my friends who helped me to make my work more organized and well-stacked till the end.

Next, I would thank Microsoft for developing such a wonderful tool like MS Word. It helped my work a lot to remain error-free.

Last but clearly not the least, I would thank The Almighty for giving me strength to complete my report on time.

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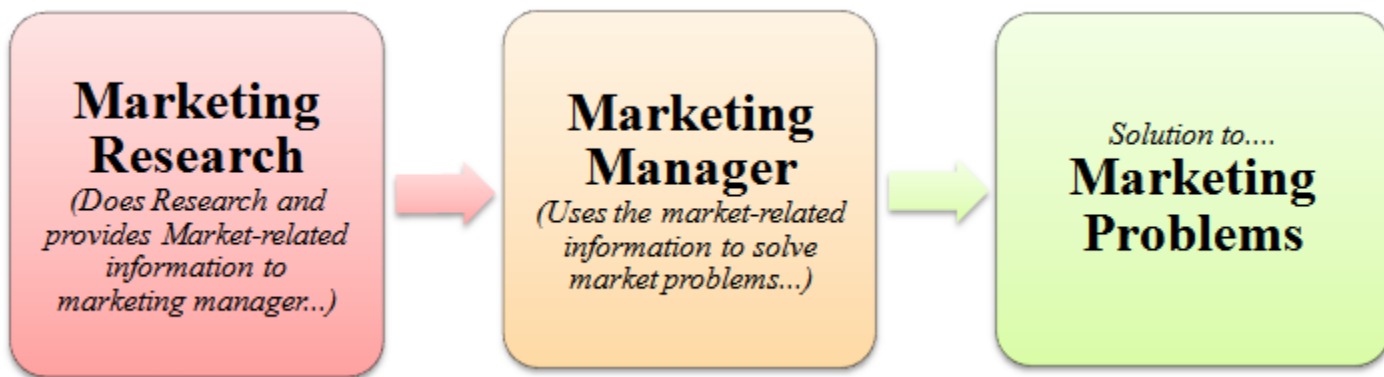
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## Introduction to Marketing Research

**Market research** and **marketing research** are often confused. 'Market' research is simply research into a specific market. It is a very narrow concept. 'Marketing' research is much broader. It not only includes 'market' research, but also areas such as research into new products, or modes of distribution such as via the Internet.

### Objectives of Marketing Research

The main objective of marketing research (MR) is to provide information to the marketing manager. The marketing manager uses this information to make marketing decision and to solve marketing problems.



The purposes or objectives of marketing research are listed below.

1. Identify the consumer response to the company's product.
2. Know the consumers' needs and expectations.
3. Seek maximum information about the consumer, i.e. the know consumers' income range, their location, buying behavior, etc.
4. Know the nature and extent of competition and also the strength and weaknesses of the competitors.
5. Check the reaction of the dealers to the company policies.
6. Evaluate the reputation of the company in the market.
7. Identify and solve the marketing problems of the company.
8. Search for new marketing opportunities.
9. Find out alternative uses of the existing products.
10. Estimate the cost of marketing of goods and service.
11. Help company to introduce new products in the market and improve its existing products.
12. Assist a company to select a suitable channel of distribution and test the effectiveness of this distribution channel.
13. Facilitate company to select suitable sales promotion measures and test the effectiveness of the sales promotion techniques.

14. Aids the company to select a suitable media for advertising and find out the overall impact of advertising.
15. Help the marketing manager to decide about the quality of the product, product modification, packaging, pricing, branding, etc.
16. Provide information to top level of management for making objective, policies, plans and strategies.
17. Provide prerequisite information to forecast the marketing budget.
18. Supply up-to-date information about market trends, demand and supply position, etc.
19. Forecast the future sales and business conditions.

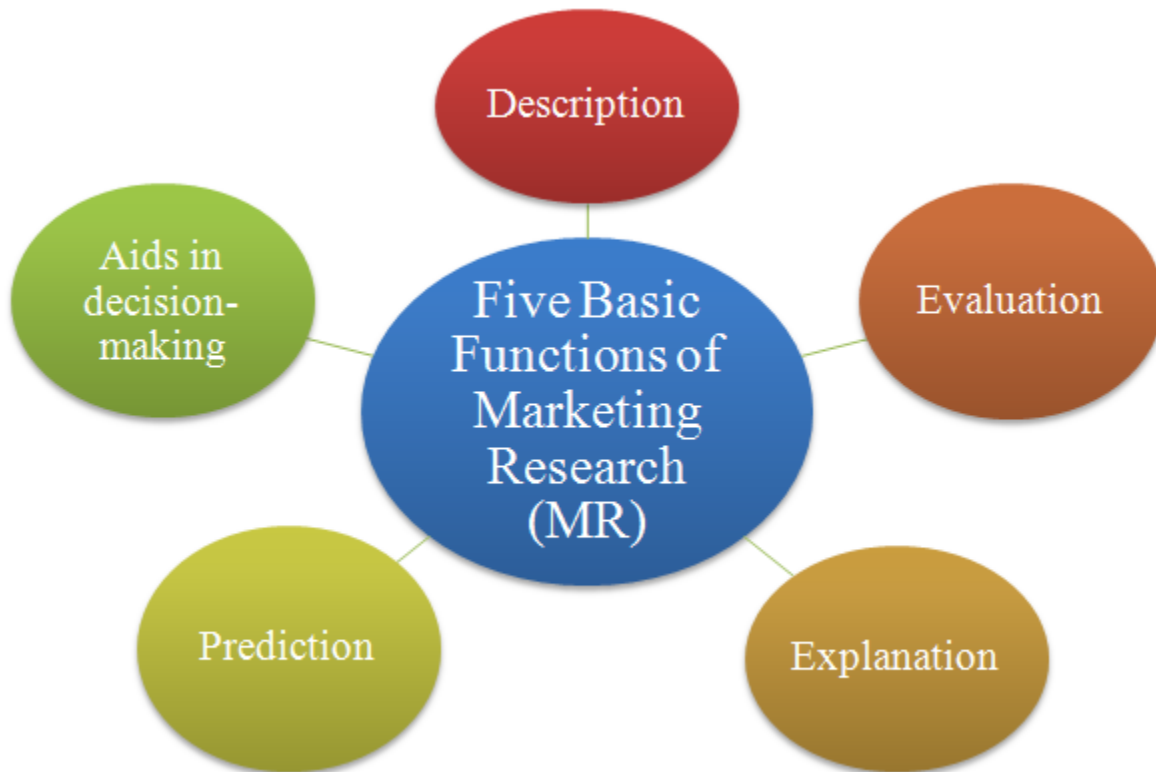
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## The Marketing research Process

Marketing research is gathered using a systematic approach. An example of one follows:

1. Define the problem. Never conduct research for things that you would 'like' to know. Make sure that you really 'need' to know something. The problem then becomes the focus of the research. For example, why are sales falling in New Zealand?
2. How will you collect the data that you will analyze to solve your problem? Do we conduct a telephone survey, or do we arrange a focus group? The methods of data collection will be discussed in more detail later.
3. Select a sampling method. Do we use a random sample, stratified sample, or cluster sample?
4. How will we analyze any data collected? What software will we use? What degree of accuracy is required?
5. Decide upon a budget and a timeframe.
6. Go back and speak to the managers or clients requesting the research. Make sure that you agree on the problem! If you gain approval, then move on to step seven.
7. Go ahead and collect the data.
8. Conduct the analysis of the data.
9. Check for errors. It is not uncommon to find errors in sampling, data collection method, or analytic mistakes.
10. Write your final report. This will contain charts, tables, and diagrams that will communicate the results of the research, and hopefully lead to a solution to your problem. Watch out for errors in interpretation.

## Functions of marketing research



The five main functions of marketing research (MR) are:

1. Description,
2. Evaluation,
3. Explanation,
4. Prediction, and
5. Aid in decision making.

1. **Description** : Marketing research gives full description about the consumers. It describes their age, sex, education, income, etc. It also gives a description about the competitors and the market situation. This description is used to take marketing decisions and solve marketing problems.
2. **Evaluation** : Marketing research helps to evaluate the company's performance. It helps to evaluate the company's production and marketing policies. It finds out the customer reaction to the quality of the product, price, packaging, advertising, sales, promotions'



techniques, etc. If the consumer reactions are bad, then the company must change its policies. It also compares the company's policies with the competitors' policies.

3. **Explanation** : Marketing research gives explanations (answers) for all the marketing problems. For example, it answers in detail, why are the sales falling, why are the retailers giving negative reaction, etc. It gives all the causes or reasons for the problem. It also tells how to solve the problem.
4. **Prediction** : Marketing research also gives predictions. Predictions mean to forecast or guess about the future. It gives a prediction about the future sales, future market opportunities, future risks, future marketing environment, future consumer behavior, etc. All the prediction may not be correct. However, these predictions help the company to make future plans and policies. It helps to take advantage of future opportunities. It also helps to avoid future risks.
5. **Aid in decision making** : Marketing research helps the marketing manager to take decisions. It provides all the concerned data, which is necessary to take decisions. Decision making means to select a course of action from two or more alternatives. Decision making requires up-to-date and correct data. MR helps the marketing manager to take decisions. It provides all the data, which is necessary to take decisions. It also provides alternative course of action. It gives the merits and demerits of each course of action. It also helps the marketing manager to choose the best course of action. It helps the marketing manager in all aspects of distribution, selection of sales promotion techniques, selection of media for advertising, etc. So, MR helps to take quick and correct marketing decisions. It also helps to implement the marketing decisions.

## Need and Importance of Marketing Research (MR)

A business faces many types of marketing problems. It faces problems about its product, price, place and promotion. It also faces problems about product design, packaging, branding, marketing channels, advertising, etc. Some marketing problems are very serious. Therefore, in the marketing, managers use marketing research as an important tool to solve marketing problems.

### Need and Importance of Marketing Research

1. Marketing Research (MR) provides valuable data.
2. It studies consumer behavior.
3. It helps to select suitable sales promotional techniques.
4. It supplies market-related information.
5. It helps a company to evaluate its marketing performance.
6. It also has miscellaneous importance.

#### 1. Provides valuable data

Marketing research provides valuable data to the decision makers. It provides data about demand, supply, consumer behavior, competition, etc. This data is used for decision making. This data improves the quality of decisions. It makes the decision very successful.

#### 2. Studies consumer behaviour

Marketing research provides data about consumer behavior. It provides data about age, incomes, likes, dislikes, etc. of the consumers. It also finds out the opinions of the consumers about a company's product. This data is used to make production and marketing policies.

### **3. Selects promotional techniques**

Marketing research helps the company to select suitable sales promotion techniques. It helps to select marketing techniques. It helps to select proper media for advertising. It helps to solve the problems of after-sales service. It also helps to prepare the budget for advertising and sales promotion.

### **4. Supplies marketing information**

Marketing research supplies data about the market situation.

This market-related data is used to find out:

1. The present and future demand and supply position.
2. The level of competition and steps taken to control it.
3. Market opportunities.
4. The cause of fall in sales level.

### **5. Evaluates marketing performance**

Marketing research helps the company to evaluate its marketing performance and to take steps to improve it.

Marketing research is used to find out the effect of price, package, brand name, etc. on sales. It is used to find consumers' reaction towards the company's product. It is used to evaluate the inventory and pricing policies. It is also used to evaluate the effectiveness of advertising, sales promotion techniques, channels of distribution, etc.

### **6. Miscellaneous needs and importance**

Miscellaneous needs and importance of marketing research are as follows:

- Marketing research improves the efficiency of the marketing department. This creates goodwill and good reputation.
- It helps the marketing manager to take the rational and effective decisions.
- It helps to choose suitable staff for doing research.
- It is used to make growth and expansions programs.
- It benefits all i.e. it benefits the company, distributor, advertising agency, consumer, government and the entire society.

## Methods

Methodologically, marketing research uses the following types of research designs:

### Based on questioning

- Qualitative marketing research - generally used for exploratory purposes — small number of respondents — not generalizable to the whole population — statistical significance and confidence not calculated — examples include focus groups, in-depth interviews, and projective techniques
- Quantitative marketing research - generally used to draw conclusions — tests a specific hypothesis - uses random sampling techniques so as to infer from the sample to the population — involves a large number of respondents — examples include surveys and questionnaires. Techniques include choice modelling, maximum difference preference scaling, and covariance analysis.

### Based on observations

- Ethnographic studies — by nature qualitative, the researcher observes social phenomena in their natural setting — observations can occur cross-sectionally (observations made at one time) or longitudinally (observations occur over several time-periods) - examples include product-use analysis and computer cookie traces. See also Ethnography and Observational techniques.
- Experimental techniques - by nature quantitative, the researcher creates a quasi-artificial environment to try to control spurious factors, then manipulates at least one of the variables — examples include purchase laboratories and test markets

Researchers often use more than one research design. They may start with secondary research to get background information, then conduct a focus group (qualitative research design) to explore the issues. Finally they might do a full nation-wide survey (quantitative research design) in order to devise specific recommendations for the client.

## Marketing Research Types

Basic research

Applied research

### Basic Research

- Attempts to expand the limits of knowledge.
- Not directly involved in the solution to a pragmatic problem.

### Basic Research Example

- Do consumers experience cognitive dissonance in low-involvement situations?

### Applied Research

- Conducted when a decision must be made about a specific real-life problem

### Applied Research Example

- Should McDonalds add Italian pasta dinners to its menu?
  - Marketing research told McDonald's it should not
- Should Procter & Gamble add a high-priced home teeth bleaching kit to its product line?
  - Research showed Crest Whitestrips would sell well at a retail price of \$44

## Features of Marketing Research

The salient characteristics or features of marketing research are as follows:

1. **Wide and comprehensive scope** - Marketing research has a very wide scope. It includes product research, packaging research, pricing research, market research, sales research, etc. It is used to solve marketing problems and to take marketing decisions. It is used to make marketing policies. It is also used to introduce new products in the market and to identify new markets. Marketing research is used to select channels of distribution, in advertising strategy, for sales promotion measures, etc.
2. **Systematic and scientific** - Marketing research is conducted in a step-by-step manner. It is conducted in an orderly fashion. Therefore, it is systematic. Marketing research uses scientific methods. Thus, it is also scientific.
3. **Science and art** : A Science collects knowledge (data) while an Art uses this knowledge for solving problems. Marketing research first collects data. It then uses this data for solving marketing problems. Therefore, it is both, a Science and an Art.
4. **Collects and analyzes data** - Marketing research gathers data accurately and objectively. It first collects reliable data and then analyses it systematically and critically.
5. **Continuous and dynamic process** - The company faces marketing problems throughout the year. So, Marketing research is conducted continuously. It continuously collects up-to-date data for solving the marketing problems. Large companies have their own marketing research departments. They conduct Marketing research continuously throughout the year. Therefore, Marketing research is a continuous process. It is a dynamic process because it goes on changing. It does not remain static (the same). It uses new methods and techniques for collecting, recording and analyzing the data.
6. **Tool for decision-making** - The marketing manager has to take many decisions. For this, he requires a lot of data. Marketing research provides correct and up-to-date data to the marketing manager. This helps him to take quick and correct decisions. Therefore, Marketing research is an important tool for decision-making.
7. **Benefits company and consumers** - Marketing research is useful to the company in many ways. It increases the sales and profits of the company. It helps the company to fight competition and boost its goodwill in the market. It reduces the marketing risks. In short, Marketing research brings success to the company. It also brings the company closer to the consumers. It gives convenience and satisfaction to the consumers.
8. **Similar to military intelligence** - Marketing research is a commercial intelligence-gathering activity. It works similar to military intelligence. Marketing intelligence first makes a systematic study and only then takes a business action. Marketing research collects reliable data about the consumers, the competitors, the market, etc. This data is then organised and used for planning, decision-making and problem solving. This data is also further used for introducing new products and services in the market.
9. **Applied research** - Applied research is used for solving problems. Marketing research is used for solving marketing problems. Therefore, we can say that, Marketing research is also an applied research. It has a practical value because it is used for solving present and future problems.

10. **Connected with MIS** - Marketing research is a component of Marketing Information System (MIS). Marketing research and MIS are interrelated. Both are used to solve marketing problems and to take marketing decisions.
11. **Reduces gap between producers and consumers** - Marketing research informs producers about the needs and wants of the consumers. The producers produce goods according to the needs and demands of the consumers. This brings satisfaction to the consumers and in return producers make good profits. So, Marketing research reduces the gap between the producers and the consumers.
12. **Uses different methods** - Marketing research uses three methods for collecting data, viz., Survey Method, Experiment Method and Observation Method. All three methods are scientific. The researcher has to use a suitable method for collecting a reliable data.
13. **Has few limitations** - Marketing research has few limitations too. It is not an exact science. So, it does not give accurate results. It provides suggestions and not solutions. It is also a costly and time-consuming process.
14. **Accurate data collection and critical analysis** - Marketing research gives much importance to accurate data collection and its critical analysis. Thus, in a Marketing research, the data must be first collected accurately. That is, collected data or gathered information must be accurate, reliable and relevant. Later, this information must be systematically and critically examined before making any decisions.

## Limitations of Marketing Research

### Limitations of Marketing Research

1. Marketing Research (MR) is a **costly** affair.
2. It is also lengthy and **time-consuming**.
3. It has a **limited scope**.
4. It has a **limited practical value**.
5. It **can't predict** consumer behavior.
6. It **can't give 100% accurate results**.
7. It provides **suggestions and not solutions**.
8. **Non-availability of qualified and experienced staff**.
9. It uses a **fragmented approach**.
10. It **can be misused**.
11. **Non-availability of a reliable data**.
12. It is **resistant to marketing managers**.

1. **Costly:** Marketing research is a costly affair. It needs a lot of money to conduct various market research activities. Huge funds are required to pay salaries, prepare



questionnaires, conduct surveys, prepare reports, etc. It is not a viable choice for small businesses. It is suitable only to large companies who can afford its cost.

2. **Time consuming:** Marketing research is a lengthy and time-consuming process. This process involves many important steps. All these steps are crucial and not even a single step can be neglected or avoided. In other words, there are no short-cuts in MR. Generally, it takes at least three to six months to solve a marketing problem. Therefore, it cannot be used in urgent or emergency situations.
3. **Limited scope:** Marketing research solves many business-related problems. However, it cannot solve all business problems. It cannot solve problems related to consumer behavior, income and expenditure relationship, etc. Thus, its scope is limited.
4. **Limited practical value:** Marketing research is only an academic exercise. It is mainly based on a hypothetical approach. It gives theoretical solutions. It does not give realistic solutions to real-life problems. Its solutions look good on paper but are harder to implement in a real sense. Thus, it has a limited practical value.
5. **Can't predict consumer behavior:** Marketing research collects data about consumer behavior. However, this data is not accurate because consumer behavior cannot be predicted. It keeps on changing according to the time and moods of the consumers. Consumer behavior is also very complex. It is influenced by social, religious, family, economic and other factors. It is very difficult to study these factors.
6. **No accurate results:** Marketing research is not a physical science like physics, chemistry, biology, etc. It is a social science. It studies consumer behavior and marketing environment. These factors are very unpredictable. Therefore, it does not give accurate results. It gives results, but it cannot give 100% correct results.
7. **Provides suggestions and not solutions:** Marketing research provides data to the marketing manager. It guides and advises him. It also helps him to solve the marketing problems. However, it does not solve the marketing problem. The marketing manager solves the marketing problems. So, MR only provides suggestions. It does not provide solutions.
8. **Non-availability of technical staff:** Marketing research is done by researchers. The researchers must be highly qualified and experienced. They must also be hard-working, patient and honest. However, in India, it is very difficult to find good researchers. Generally, it is done by non-experienced and non-technical people. Therefore, MR becomes a costly, time-consuming and unreliable affair. So, its quality is also affected due to non-availability of technical staff.
9. **Fragmented approach:** Marketing research studies a problem only from a particular angle. It does not take an overall view into consideration. There are many causes for a marketing problem. It does not study all causes. It only studies one or two causes. For example, if there is a problem of falling sales. There are many causes for falling sales; like, poor quality, high-price, competition, recession, consumer resistance, etc. It will only study two causes viz; low-quality and high price. It will not study other causes. So, it is not a reliable one.
10. **Can be misused:** Sometimes, marketing research is misused by the company. It is used to delay decisions. It is used to support the views of a particular individual. It is also used to grab power (managerial) in the company.
11. **Non-availability of reliable data:** The quality of the marketing research report depends on the quality of the collected data. If the data is complete, up-to-date and reliable, then

the MR report will also be reliable. However, in India, it is very difficult to get full, latest and trustworthy data. So, non-availability of a reliable data is also its limitation.

12. **Resistance of marketing managers:** The marketing managers do not use the suggestions given in the marketing research report. Primarily, they feel that these suggestions are not practical. Secondly, they also feel that their importance will become less if they use these suggestions. There is a conflict between the marketing managers and the researchers.

## References

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