

The Nature of Marketing Research

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Marketing Research

- Marketing research is one of the principal tools for answering questions because it:
 - Links the consumer, customer, and public to the market through information used to identify and define marketing
 - Generates, refines, and evaluates marketing actions
 - Monitors marketing performance
 - Underlines the understanding of marketing as a process

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Marketing research

Defined

- Marketing research is the systematic and objective process of generating information for aid in making marketing decisions

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Marketing research

Defined

- This process includes:
 - specifying what information is required
 - designing the method for collecting information
 - managing and implementing the collection of data
 - analyzing the results
 - communicating the findings and their implications

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Marketing research

The fundamental benefit

- Marketing research provides information which reduces uncertainty

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Types of research

- Basic research
- Applied research

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Basic research

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

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Applied research

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

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Scientific method

- The analysis and interpretation of empirical evidence (facts from observation or experimentation) to confirm or disprove prior conceptions

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Marketing concept

- Central idea in marketing
- Evolved over time
- Not production oriented
- Marketing oriented

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Marketing concept

- Consumer oriented
- Integrated and coordinated effort
- Long-run profitability

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Marketing strategy

Developing and implementing

- Identifying and evaluating opportunities
- Analyzing market segments and selecting target markets
- Planning and implementing a marketing mix
- Analyzing market performance

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Decision-Research link

Examples

- Marketing Strategy Stage
 - Identifying and Evaluating Opportunities
- Example of Market Research
 - Mattel Toys investigates desires for play experiences
 - MTV, monitoring demographic trends, learns the Hispanic market is growing rapidly

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Decision-Research link

Examples

- Marketing strategy stage
 - Analyze market segments and select target markets
- Example of market research
 - Cadillac investigates buyers' demographic characteristics

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Decision-Research link

Examples

- Marketing strategy stage
 - Plan and implement a marketing mix
- Example of market research
 - Price: Safeway does a competitive pricing analysis
 - Distribution: Caterpillar Tractor Co. investigates dealer service program
 - Product: Oreo conducts taste test, Oreo cookie vs. Chips Ahoy
 - Promotion: How many consumers recall always Coca Cola?

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Decision-Research link

Examples

- Marketing strategy stage
 - Analyze marketing performance
- Example of market research
 - This year's market share is compared to last year's

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Performance monitoring

A type of research

- Research that regularly provides feedback for evaluation and control
- Indicates things are or are not going as planned
- Research may be required to explain why something “went wrong”

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Research decision

Factors affecting the research decision

- Time constraints
- Availability of data
- Importance of the decision
- Cost vs. benefit

The answer to all the questions below must be yes to justify conducting research

Time

Is sufficient time available before a managerial decision must be made?

Data

Is the available information inadequate?

Decision

Is the decision of considerable strategic or tactical importance?

Benefits

Does the value of research exceed the cost of research?

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Research trade-off

Cost vs benefit

- Value
 - Decreased uncertainty
 - Increased likelihood of a correct decision
 - Improved marketing performance and resulting higher profits
- Cost
 - Research expenditures
 - Delay of marketing decision and possible disclosure of Information to rivals
 - Possible erroneous research results

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Global research

- Marketing Research is increasingly global
- Market knowledge is essential
- A.C. Nielsen - more than 60% international business

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