

MARKET RESEARCH

Chapter 43
SdP



the role of market research

Planning research involves:

- gathering, processing and analysing information about the marketing environment and the company and its competitors
- identifying the key issues and opportunities for the company

Why research the market?

- to find out what customers want
- to know the size of the market
- to know the strengths and weaknesses of competitors
- to know the best time to launch a new product
- to know the best price to charge
- to know the best distribution channels
- to know the best promotional methods

Primary research or field research

Primary research is research that is carried out by the researcher to collect data directly from the source. It is also known as field research.

The types of primary research

- Qualitative
- Quantitative
- Focus group
- Interview
- Observation

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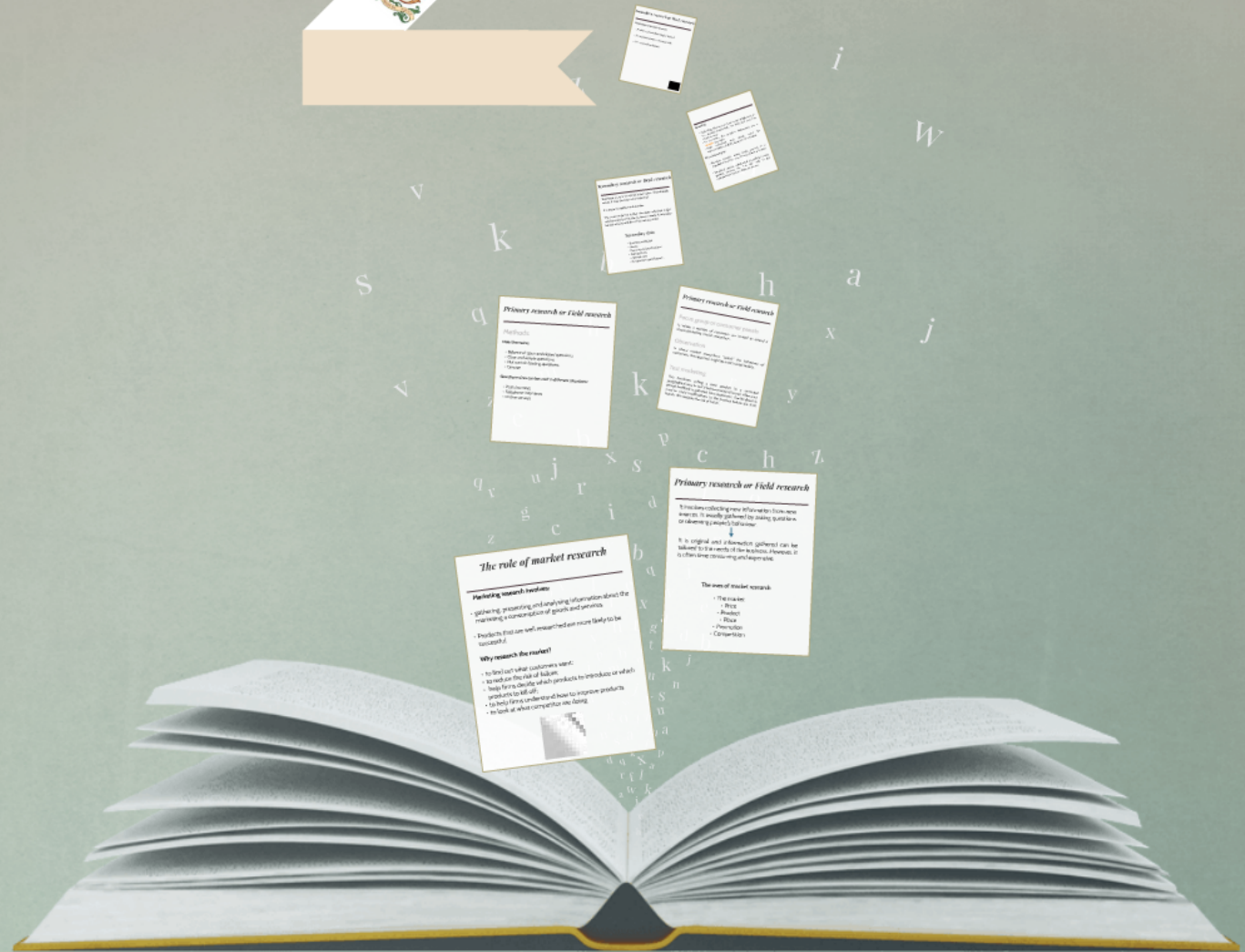
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Primary research or Field research

It involves collecting new information from new sources. Is usually gathered by asking questions or observing people's behaviour.



It is original and information gathered can be tailored to the needs of the business. However, it is often time consuming and expensive.

The uses of market research

- The market
 - Price
 - Product
 - Place
- Promotion
- Competition

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Primary research or Field research

Methods

Questionnaires

- Balance of open and closed questions;
- Clear and simple questions;
- Not contain leading questions;
- Concise

Questionnaires can be used in different situations:

- Postal surveys;
- Telephone interviews
- Online surveys

Primary research or Field research

Focus group or consumer panels

Is where a number of customers are invited to attend a discussion led by market researchers.

Observation

Is where market researchers "watch" the behaviour of customers. This approach might be used in retail outlets.

Test marketing

This involves selling a new product in a restricted geographical area to test it before a national launch. After a set period feedback is gathered from customers. The feedback is used to make modifications to the product before the final launch. This reduces the risk of failure.

Secondary research or Desk research

Businesses use it to collect information that already exists. It may be internal or external.

It is easier to gather and quicker.

The main problem is that the data collected might not be exactly what the business needs. It may also be out of date and therefore not accurate.

Secondary data

- Business websites
- Media
- Commercial publications
- Competitors
- Internal data
- Government publications

Sampling

- Gathering information from every single person in a market would take too long and cost too much money.
- To overcome this problem businesses use a **sample** of people.
- Their behaviour and views must be representative of all the people in the market.

Choosing samples

- Random sample: every single person in a population has the same chance of being chosen.
- Stratified sample: subdivided according to age, gender, income, etc. This will help to get representation across different groups.

Secondary research or Desk research

Limitations of market research

- Market research data may be biased.
- Human behaviour is unpredictable.
- Poor research technique.





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