

# Marketing research

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# Course Objectives

- Understand marketing research from company and researcher's perspective.
- Learn basic skills to conduct professional marketing research.
- Application of marketing research in marketing decision making

- Quality market research reports are very important for strategic decisions.

# Newsandyourviews

- Glucometers and tummy trimmers drive e-tail volumes.
- India's e-commerce market could grow to 15 times to 300 billion \$ in 15 years.
- Snapdeal:40% sales of mobile phones in tier iii cities through the app, the same as in tier-I cities.
- 40% of all phones sold in Punjab are I phones.
- 45% mobile phone sales accounted for by premium smartphones.
- 1 laptop sold every 2 minutes.
- {Source: Business Standard, June 27,2015.}



## News and your views



- 75% traffic comes through mobile devices.
- Maharashtra ,Karnataka, Delhi and Tamil Nadu key drivers of traffic.
- Home décor, furnishing and kitchen appliances are growing ahead of all categories.
- E-learning as a category has seen a lot of adoption among students and working professionals.
- {Source: Business Standard June 27 2015 }



- Tier-ii and tier iii cities account for 65% of sales.
- 40%GMV from mobiles and tablets but account for only 10% of orders.
- **GMV** is a term used in online retailing to indicate a total sales dollar value for merchandise sold through a particular marketplace over a certain time frame.
- {Source: Business Standard, June 27,2015.}



- Top selling products include wall clocks, tummy trimmers and car lights.
- Share of male shoppers down to 60%, from 70% six months ago.
- {Source: Business Standard, June 27, 2015.}



- 60% traffic on the site comes from metros
- Customers are aged 24-45 years.
- Top selling categories include home appliances, electronics, health and fitness.
- Maharashtra, Delhi and Karnataka key drivers of traffic.
- {Source: Business Standard, June 27,2015.}



# Applications of marketing research

- Advertising testing research,
- Branding research,
- Customer satisfaction research,
- Pricing research,
- Product positioning research,
- New product assessments,
- Marketing due diligence,
- Segmentation research.
- Marketing research studies are required in all businesses of any size— from venture funded start ups to middle-market and large enterprises.

- Pricing Research
- Perspective is broad when dealing with pricing research and pricing strategy decisions.
- Optimum price-product-feature configurations in the context of market positioning opportunities.
- Qualitative and quantitative pricing research tools.

- Product market research
- Serves several goals: new product design and market validation research, or assessing existing product strength and line extension potential.
- Researchers follow the product development cycle integrating research with creative positioning and technical product design efforts.

- Concept testing research
- Evaluates advertising concepts, ad theme concepts and appeals, new product concepts, pricing, brand concepts, brand names, and positioning strategy concepts.
- To develop concepts, refine, and screen to assess market potential.

- Experienced market positioning and creative branding research capabilities to define and go-to-market with a high-impact positioning strategy.
- First, it requires understanding the market positioning concept, your current and potential markets, and the process needed to generate brand name impact.

# Examples of MR

- Marketing due diligence research:
- Assessing Market Position for Private Equity and Venture Capital Firms with Expert Fast-paced Marketing Research
- Functional Experience
- Deep industry knowledge of business. The blending of functional and management expertise, and knowledge of own business and industry, makes for a productive decision-focused engagement.

- Focus Groups
- Focus groups are usually conducted at focus group facilities. These facilities have one-way mirrors so managers can listen to consumers' feedback about their products and services. A moderator, or special interviewer, usually runs the focus group. She develops a discussion guide of five to 10 questions related to the product. She then asks participants various questions about the product. The ideal size for a focus group is six to 10 people. A moderator may speak to customers about a small restaurant's new chicken sandwich meal. She may ask them if they like the idea of a new chicken sandwich, how much they would pay for it and whether or not they would purchase it. Companies often use focus groups to narrow several versions of a product down to the best offering. The

- One-on-One Interviews
- One-on-one interviews are conducted in a similar manner to focus groups, but with one person. One-on-one interviews go a step beyond typical personal interviews. Company managers use these interviews to watch someone actually use their product. For example, a computer software firm may want to test a new program, so they set up a computer and watch as individuals use the software. Like focus groups, managers observe behind one-way mirrors. Moderators then sit in the room with each person and ask them questions, including how they like the software, or how easy it is to use. Companies then determine whether they need to make changes to the software, based on actual consumer usage.



- Phone Surveys
- Companies use phone surveys to further validate information obtained from focus groups and one-on-one interviews. Marketers conduct phone surveys among higher numbers of consumers and customers. Consequently, data obtained from the higher number of phone surveys are more indicative of what the average consumer thinks about a particular product or service. For example, a bank may conduct 300 phone surveys to measure how satisfied customers are with its customer service. Marketers would develop a questionnaire from which to ask the questions. They may include key measurable elements like friendliness, timeliness and accuracy in the questionnaire, and then ask customers to rate those elements on a scale of 1 to 10, with 10 being the highest rating. The bank may ask

- Testing
- Companies often take marketing research one step further with actual test marketing. For example, the restaurant company may actually roll its chicken meal out into five of its 10 local restaurants, advertising the meal on local television and radio and through coupon magazine ads. Corporate marketing managers may then track sales and profits to validate the success of the new meal. The restaurant would then know if its marketing research was an accurate indicator of success.

## 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.

# 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**.

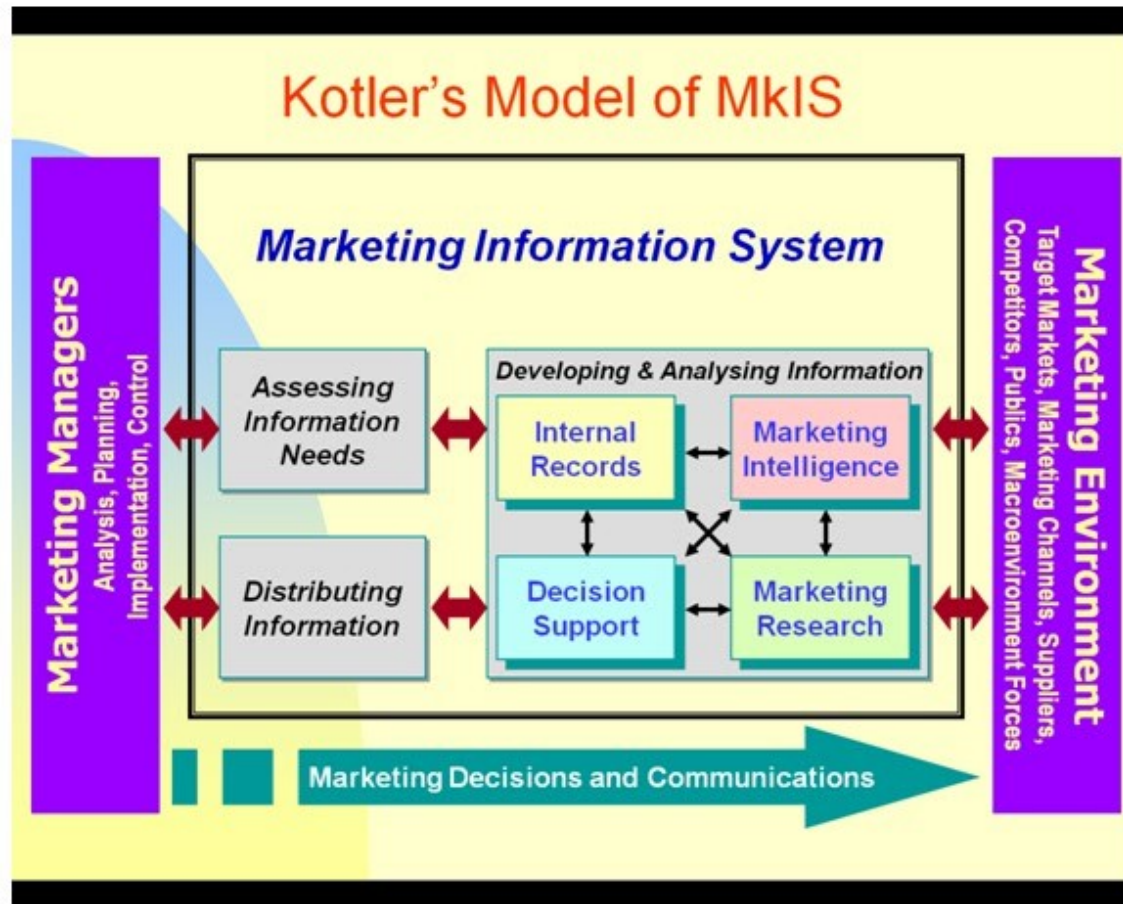
# Managers attitudes toward MR

Statements	%Agree /Disagree
Marketing researchers are more concerned with techniques than with problem solving.	Agree 31.1
Marketing research is frequently too complex to be useful.	23.5
Marketing research often takes too long to be of use to managers.	35.8
Many marketing research techniques are too technical to be of use to me.	33.9
Marketing research reports are too technical.	20.2
Marketing researchers can usually relate their findings to the managers' problem	Disagree 14.1
Marketing research approaches are consistent with the needs of managers	19.8

# Managerial value of business research

- Identifying problems or opportunities.
- Diagnosing and assessing problems or opportunities.
- Selecting and implementing a course of action
- Evaluating the course of action

# The marketing information system



- The tactics of marketing research-Planning the research project



# Examples of Management and research problems

## Management problem

Allocate advertising budget among media.

Decide whether to keep office open on Saturday

Introduce a new health service

Change the marketing program

Increase the sales of a product

## Research problems

Estimate awareness generated by each media type

Evaluate use of services on Saturday and determine if customers can do these on weekdays.

Design a concept "test" through which likely acceptance and use can be assessed.

Design the test marketing situation such that the effect of the new program can be estimated.

Measure current image of the product.

# When is business research needed

- Time constraints
- Availability of data
- Nature of the decision
- Benefits versus costs

# Business research in the 21<sup>st</sup> Century

- Communication technologies
  - Virtually everyone is “connected” today.
  - The way information is exchanged, stored and gathered has been revolutionized completely.
  - “Time is collapsing”, and “distance is disappearing.”
  - Means of communication.
  - Easier data collection and data analysis.

# Information systems and knowledge management

- Data: facts or recorded measures of certain phenomena.
- Information : Data formatted (structured)to support decision making or define the relationship between two facts.
- Business intelligence: The subset of data and information that actually has some explanatory power enabling effective decisions to be made.

# The characteristics of valuable information

- Relevance
- Quality
- Timeliness
- Completeness

# Researchers contribution in decision making

- Helping to better define the current situation.
- Defining the firm-determining how consumers, competitors, and employees view the firm.
- Providing ideas for enhancing current business practices.
- Identifying new strategic directions.
- Testing ideas that will assist in implementing business strategies for the firm.
- Examining how correct a certain business theory is in a given situation.

- Decision making
- Business opportunity : a business opportunity is a situation that makes some potential competitive advantage possible.
- Business problem: is a situation that makes some significant negative consequence more likely.
- Symptoms: observable cues that serve as a signal of a problem because they are caused by that problem.
- Decision making: is a process of developing and deciding
- Among alternative ways of resolving a problem or choosing from among alternative opportunities.





# Types of business research

- **Exploratory research**
- Conducted to clarify ambiguous situations or discover ideas that may be potential business opportunities.
- Not intended to provide conclusive evidence from which to determine a particular course of action.
- Conducted with the expectation that additional research will be needed to provide more conclusive evidence.
  
- Is particularly useful in NPD.
- Eg. Sony and Honda

- **Descriptive research**
- Major purpose is to describe characteristics of objects, people, groups, organizations, or environments.
- Paint a picture of a given situation by addressing who, what, when, where and how questions.
- Eg. NSSO-current population survey.
- Market segmentation studies.

- Types of descriptive research.
- **Longitudinal studies**-sample of respondent studies over a period of time.
- Viewership of TV shows.
- Retail store audit
- **Cross sectional studies**-consists of a sample of the population of interest.

- **Causal research**
- Allows causal inferences to be made, seeks to identify cause and effect relationships.
- The different types of research discussed are often building blocks.
- Exploratory research builds the foundation for descriptive research. which usually establishes the basis for causal research.

# Why design research

- Research is not an ad hoc or random action.
- The problem, types of variables, units of analysis, comparison of units, data collection and analysis impact research design.
- A research design consists of a series of planned steps of how the data will be collected, from whom they will be collected, and how they will be processed and analyzed.
- A research design is like an architectural blue print.

# Research Activity

- Suppose you owned a jewelry store in Thane. You are considering opening a second store just like your current store in Pune. Why would you decide to have some research done before making the decision.
- Find recent examples of news articles involving the use of business research in making decisions about different aspects of business.
- How do you believe the internet has facilitated research ? Using internet find out the total annual sales of Starbucks, McDonalds.
- An automobile manufacturer is conducting research in an attempt to predict the type of car design consumers will desire in the year 2020. Is this basic or applied research? Explain.

# The major parts of research methodology

- Research method
- Sampling plan
- Questionnaire design
- Field work plan
- Analysis plan

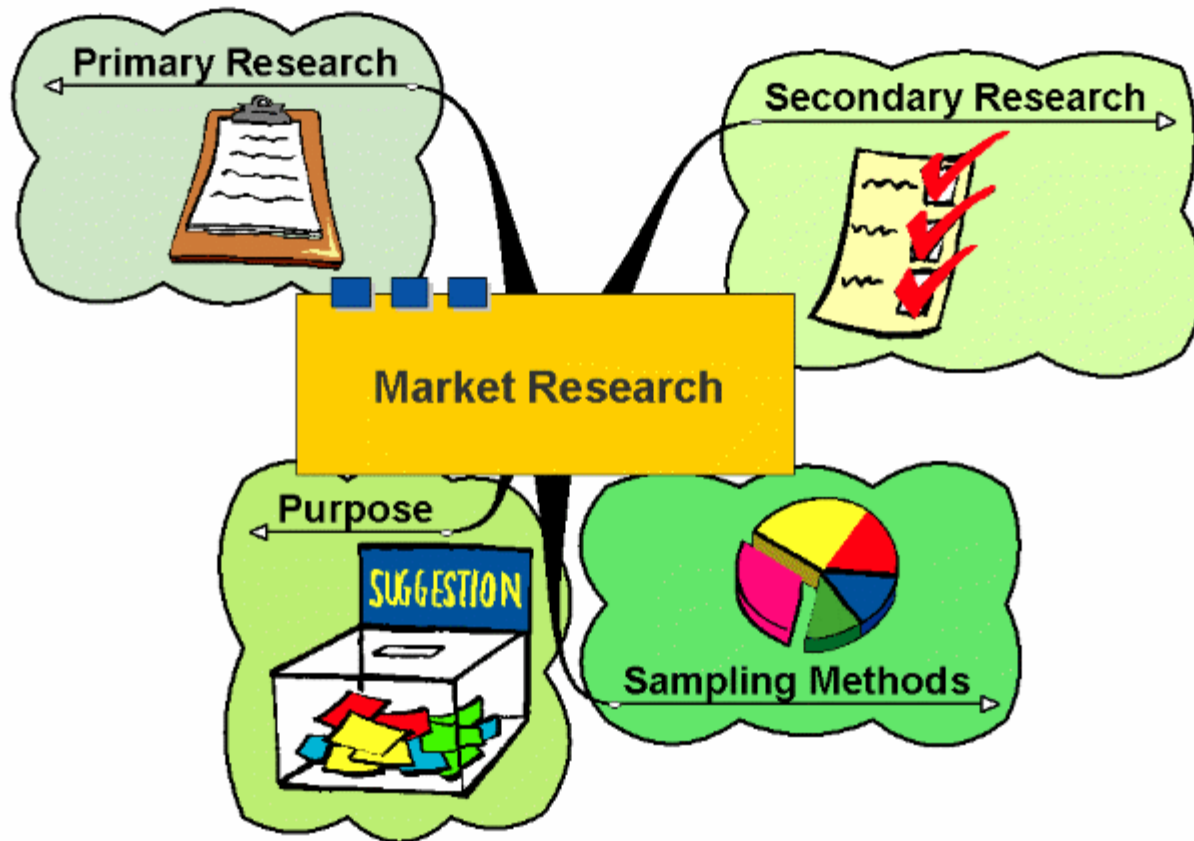
# Designing research methodology

- The major parts of research methodology
- 1. Research method-Secondary and primary.
- 2. Sampling plan
- 3. Questionnaire design (If applicable.)
- 4. Field work plan
- 5. Analysis plan



- 1. Research method-Primary and secondary
- Primary information sources-
- Survey
- Observation
- Experimentation
- Qualitative techniques
- Other specialized techniques-Consumer panel, Retail audit, TV audience measurement.

# Market Research



# Survey-telephonic, mail, in person



Observation:







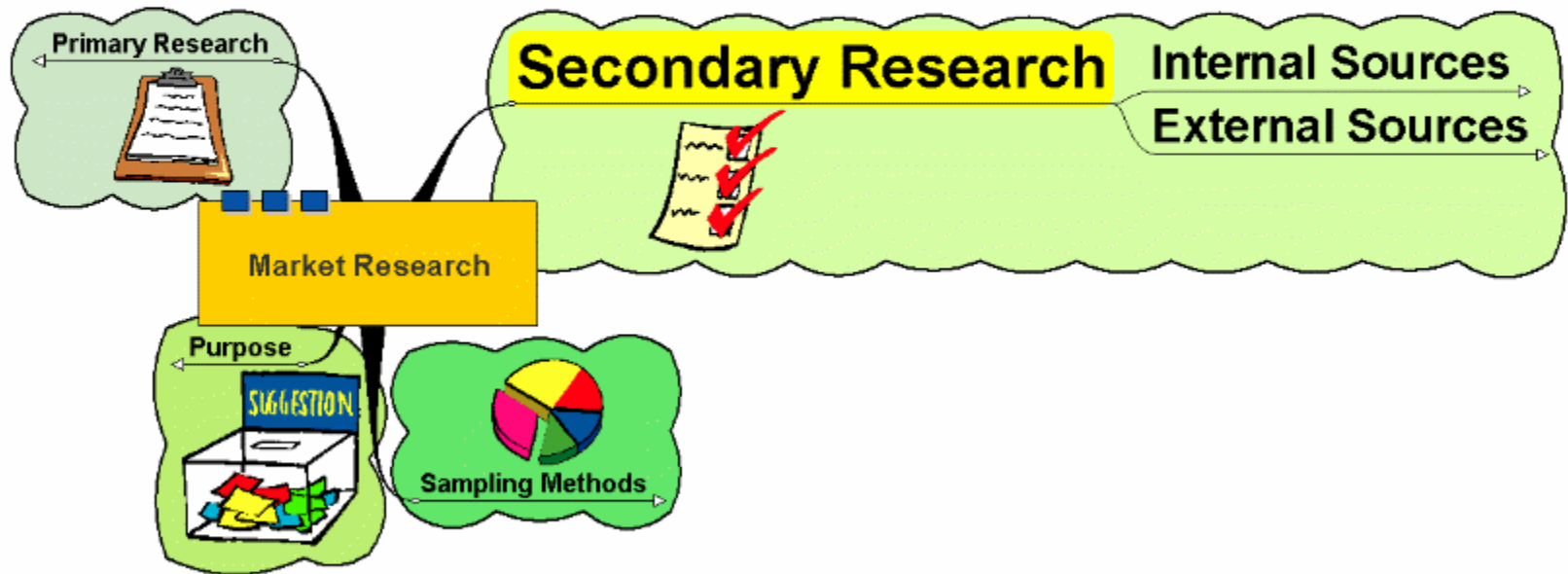


# Plan for sampling, field work, and analysis

- Sampling Plan
- This is a statement of what will be the sample composition and size.
- In order to make the sample representative of the population, a lot of care has to be taken..
- Use probabilistic sampling technique which is not biased.
- Try and divide the population to be sampled into segments or strata based on relevant parameters such as users/nonusers or classes based on age, income. And so on..



# Secondary Research



# Field work plan

- 1. Who will do the field work?
- 2. When will it happen?
- 3. Where: Homes, offices, shops, dealerships,
- 4. What is to be recorded?
- 5. How it is to be conducted?

- **Briefing:**

- Research executive in charge should personally brief the field supervisor.
- Briefing session is conducted after recruiting field workers, and ends with a practice round of mock interviews and questions.

- **Debriefing:**

- Is done by field supervisor to research executive about any problem, and solution found quickly.
- Debriefing is usually held at the end of the first day's fieldwork in each new center.
- The field staff reports on the work progress, and problems faced in the field.

- Analysis plan and expected outcome.
  - Simple tabulation
  - Cross tabulation
- Expected outcome
- Budget and cost estimation
  - Sample size
  - How difficult it is to find the sampling unit and their geographical dispersion
  - Who will do the field work.

# Presentation, report ,and marketing action

- Executive summary
- Table of contents
- Introduction
- Research objectives
- Research methodology
  - Sample design
  - Field work plan and dates
  - Analysis/expected outcome plan
  - Questionnaire copy (as annexure)
- Analysis
  - Simple tabulation

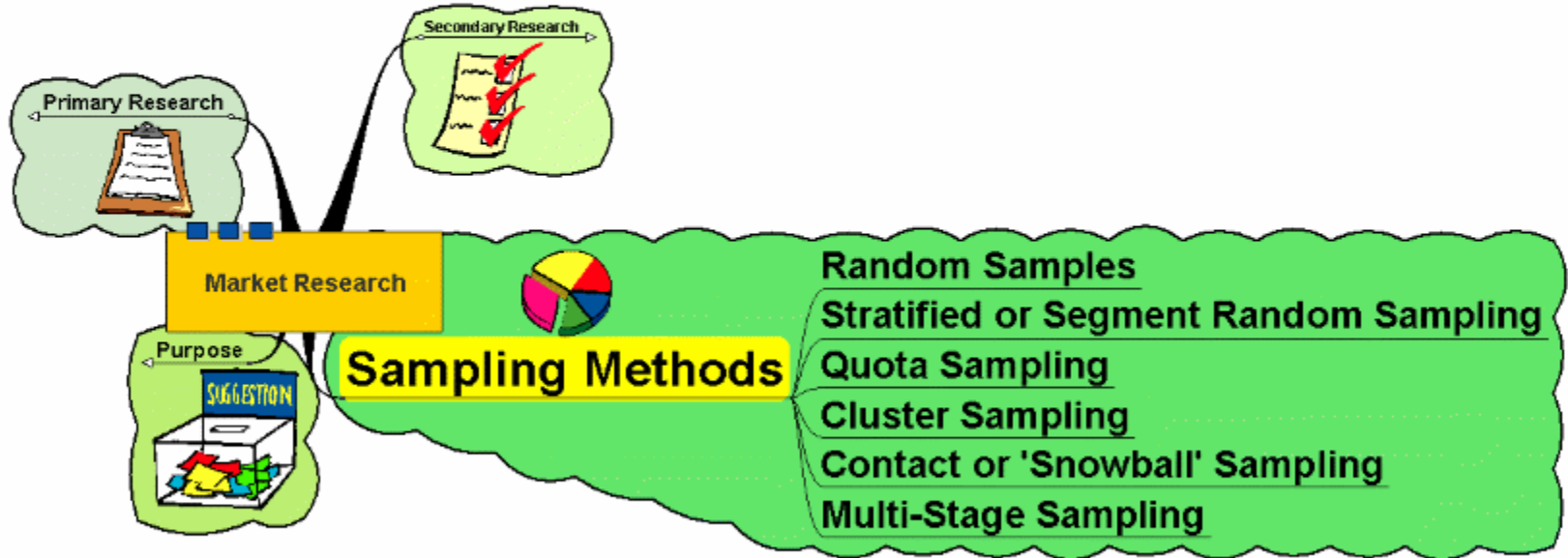
# Internal Sources

- Company Accounts
- Internal Reports and Analysis
- Stock Analysis
- Retail data - loyalty cards, till data, etc.

# External Sources

- Government Statistics (ONS)
- EU - Euro Stat
- Trade publications
- Commercial Data - Gallup, Mintel, etc.
- Household Expenditure Survey
- Magazine surveys
- Other firms' research
- Research documents – publications, journals, etc.

# Sampling Methods





# Market Research

- **Sampling Methods:**
- **Random Samples** – equal chance of anyone being picked
  - May select those not in the target group – indiscriminate
  - Sample sizes may need to be large to be representative
  - Can be very expensive

# Market Research

- **Stratified or Segment Random Sampling**
  - Samples on the basis of a representative strata or segment
  - Still random but more focussed
  - May give more relevant information
  - May be more cost effective

# Market Research

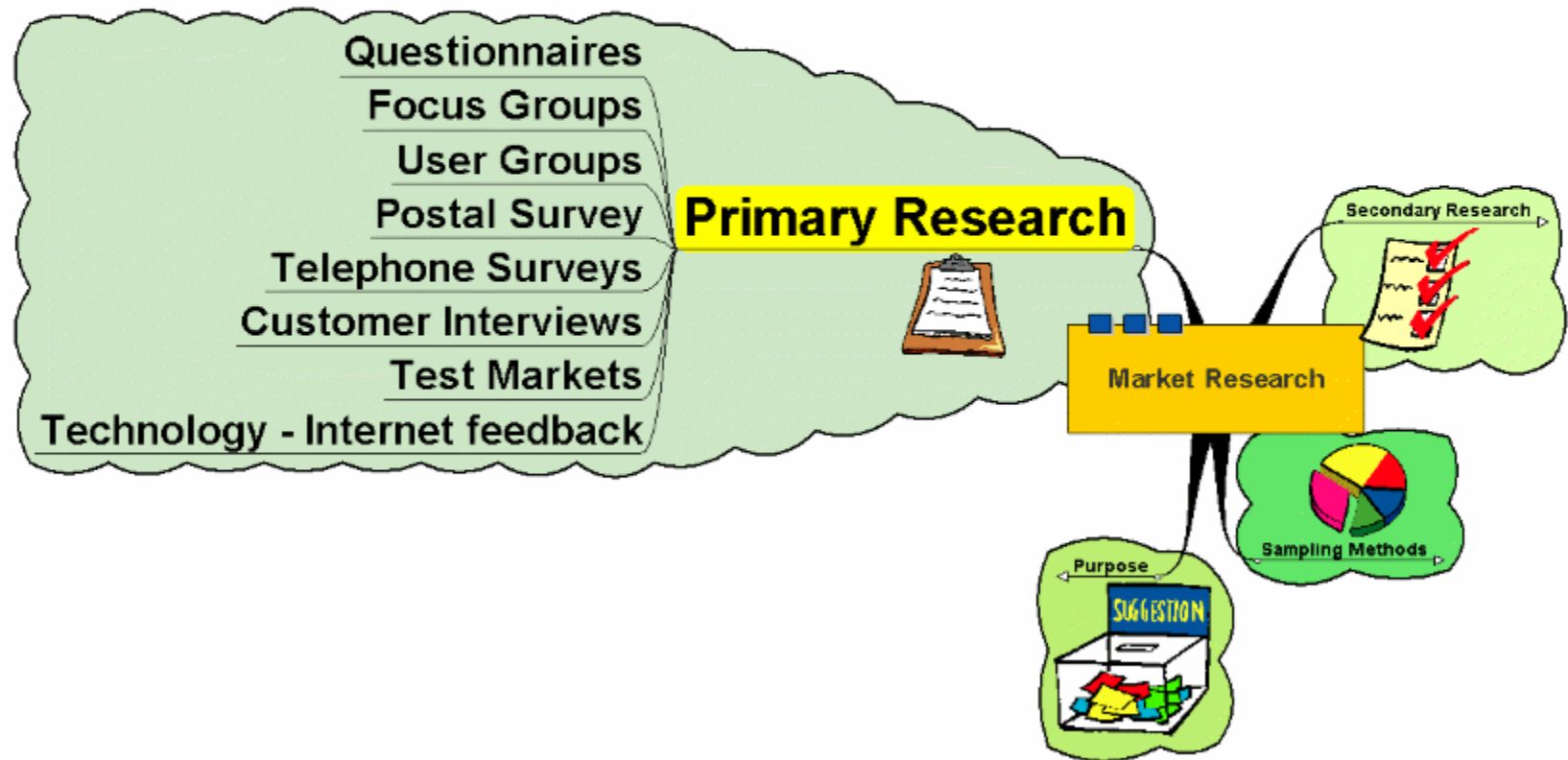
- **Quota Sampling**

- Again – by segment
- Not randomly selected
- Specific number on each segment are interviewed, etc.
- May not be fully representative
- Cheaper method

# Market Research

- **Cluster Sampling**
  - Primarily based on geographical areas or 'clusters' that can be seen as being representative of the whole population
- **Multi-Stage Sampling**
  - Sample selected from multi-stage sub-groups
- **Snowball Sampling**
  - Samples developed from contacts of existing customers – 'word of mouth' type approach!

# Primary Research



# Market Research

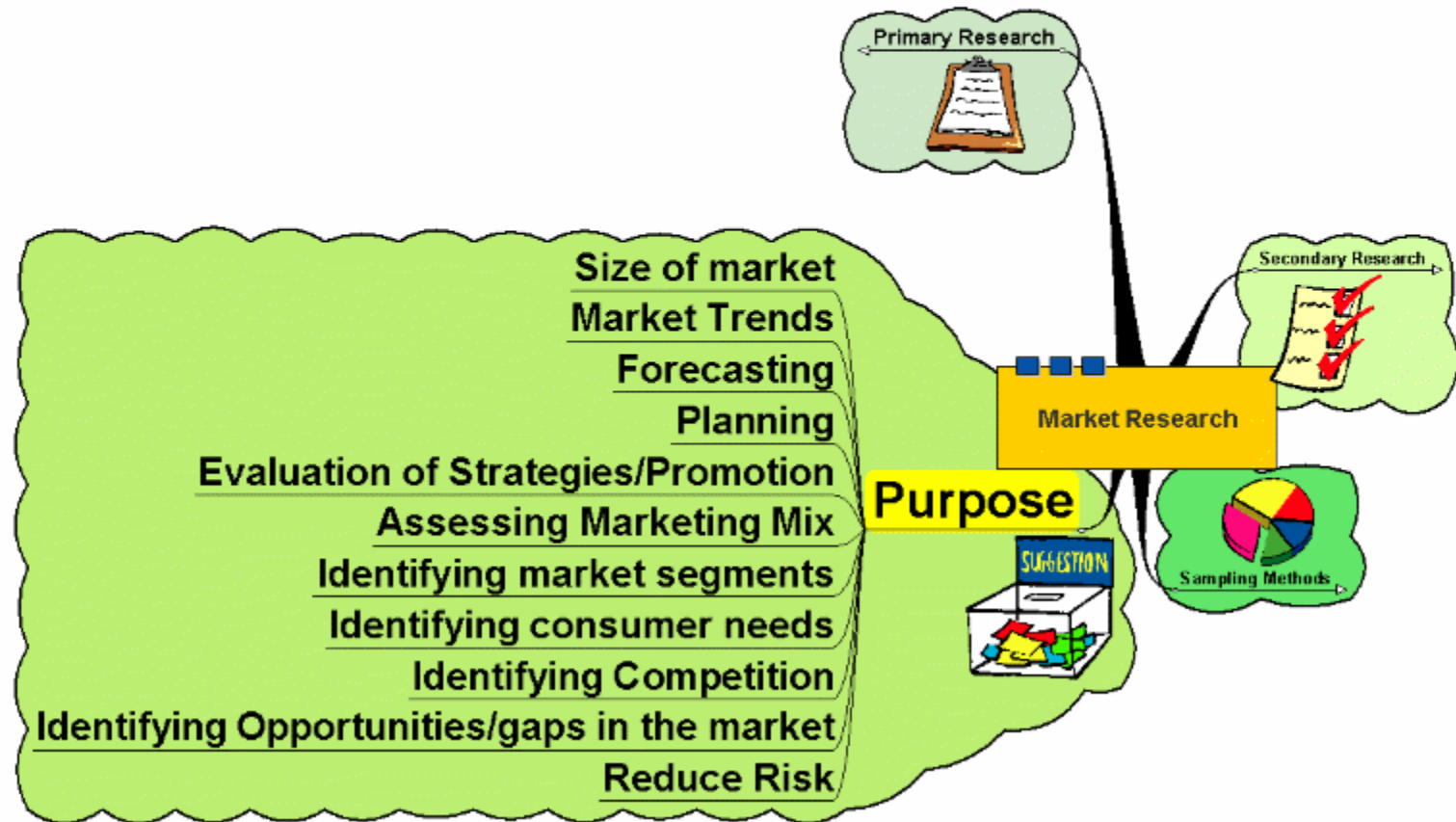
- **Primary Research**

- First hand information
- Expensive to collect, analyse and evaluate
- Can be highly focussed and relevant
- Care needs to be taken with the approach and methodology to ensure accuracy
- Types of question – closed – limited information gained; open – useful information but difficult to analyse

# Market Research

- **Quantitative and Qualitative Information:**
- **Quantitative** – based on numbers
  - 56% of 18 year olds drink alcohol at least four times a week - doesn't tell you why, when, how
- **Qualitative** – more detail – tells you why, when and how!

# Purpose





# Market Research

- **Advantages of Market Research**
  - Helps focus attention on objectives
  - Aids forecasting, planning and strategic development
  - May help to reduce risk of new product development
  - Communicates image, vision, etc.
  - Globalisation makes market information valuable (HSBC adverts!!)

# Market Research

- **Disadvantages of Market Research**
  - Information only as good as the methodology used
  - Can be inaccurate or unreliable
  - Results may not be what the business wants to hear!
  - May stifle initiative and 'gut feeling'
  - Always a problem that we may never know enough to be sure!

# Designing questionnaire for market research

- **Language:**
- What language is the respondent going to understand and respond in?
- The questionnaire is designed in such a way that it can be used in any language.
- To keep the data collection process valid and standardized...the translation must be as consistent as possible with the original.
- Simple and straightforward language.

- **Difficulty level:**
- Avoid marketing jargon or difficult words unless the respondent is a postgraduate or an experienced executive.
- **Fatigue:** Increasingly consumers are getting weary of answering questions for marketing research.
- Stick to necessary questions, avoid unnecessary ones.
- Ideal maximum interview time probably about 20 minutes per interview.

(R.Nargundkar,2011)

- **Cooperation with the researcher:**

- The questionnaire must encourage the respondent to respond.
- Explicitly ask for the cooperation of the respondent
- It is Interviewer's job to introduce the subject of the research and the agency he/she represents before the interview.
- In questionnaires which are filled by respondents themselves, there must be a two to three line introduction and request for respondent's cooperation at the top of the questionnaire.
- In mailed questionnaires covering letter detailing the purpose of the study and explaining what use its results will be put to, is likely to increase manifold the response rate

- **Social desirability bias:**
- There is a tendency on the part of respondents to give wrong, but socially acceptable answers to even the most ordinary questions.
- Verifying accuracy of responses and to deal with them. Some of the techniques are:
  - 1.Repeating the same question in the questionnaire at different places.
  - 2.asking indirect questions.
  - Asking follow-up questions to probe if the respondent is really truthful
  - 3.Delibearly introducing non existent periodicals, advertisements, and asking the respondent if he ,she has seen them.

- **Ease of recording**
- While recording field data, questionnaire design should ensure it is easy to carry, visible in different kinds of light, and the distance between different answer categories should be sufficient so that placing tick at wrong place is avoided.
- **Coding:**
- Most questionnaire these days are coded, field staff need to ensure where and how to mark answers.

- **Purpose of questionnaire::**

- Collect with ease the data required from the target respondent.
- Easy to understand, fill and must fulfill its purpose.

- **Sequencing of questions:**

- Questions should appear in a sequence starting from non threatening or ice breaking or introductory questions, then proceed to the main body.
- Generally age, income, occupation, education or other demographic questions should appear at the end of questionnaire.



- **Biased and leading questions:**
- The questions should be carefully worded to avoid bias.
- It is not good practice to ask questions such as ,
- “Don’t you think liberalization is good idea?”
  
- “Some people think liberalization is a good thing, and some think it is bad, what do you think?”

- **Monotony:**
- Indicator: Agree/Disagree to all questions.
  
- **Analysis required:** design of questionnaire dependent on the analysis required from it.

## Scales of measurement used in MR

- 1. **Nominal**-Numbers used as labels., and have no numerical sanctity.
- Examples: religion, education level, language spoken, Magazine read, TV shows watched, users and nonusers of brand, brands bought etc.
- 2. **Ordinal**:Variables have meaningful order.
- A typical marketing variable is ranks given to brands by respondents.
- These ranks are not interchangeable like nominal variable, because rank 1 is higher than rank 2, higher than rank 3..and so on....

- **3.Interval scale:** Most of the behavioral measurement scales used to measure attitudes of respondents on a scale of 1to 5,or 1 to7,or 1to 10.,
- Also known as rating scale.
- Consumer satisfaction level with product or service.
- **4.Ratio scale:.**
- Not many ratio scaled variables exist in marketing.
- Some of them are length, height, weight, age, income measured in currency not as an income category.

# Structured and unstructured questionnaires.

## **Structured questionnaires.:**

Standardized, and no variation is permitted in terms of wording of the questions between different interviewers.

-To improve consistency and reliability of the study.

-Good for large scale marketing research studies.

## **Unstructured questionnaires:**

**Useful for small sample size and qualitative studies.**

## Open ended and closed ended questions.

- Questions which permit any answer from the respondent in his own words are called open ended questions.
- Questions which structure the possible answers beforehand are known as closed ended questions.
- Example: What do you like about Surf detergent?
- -----Closed ended questions:
  - What do you like about Surf detergent?
    - 1.Cleaning power
    - 2.Its price
    - 3 Its fragrance

# Types of questions

- **Open ended**
- Example: What do you think of the taste of brand X of cola?

- Dichotomous questions:
- Example:
- Are you user of brand x of toilet soap.-1.Yes,2.No
- Do you like brand x of potato chips?
- Yes, No, Neither like nor dislike



- Multiple choice questions
- Extensions of dichotomous questions.
- More than two alternatives are given.
- Please tick against the factors which made you buy this brand of car:
  1. Reasonable price
  2. Appearance
  3. Fuel economy
  4. Easy availability of service
  5. Any other please specify.

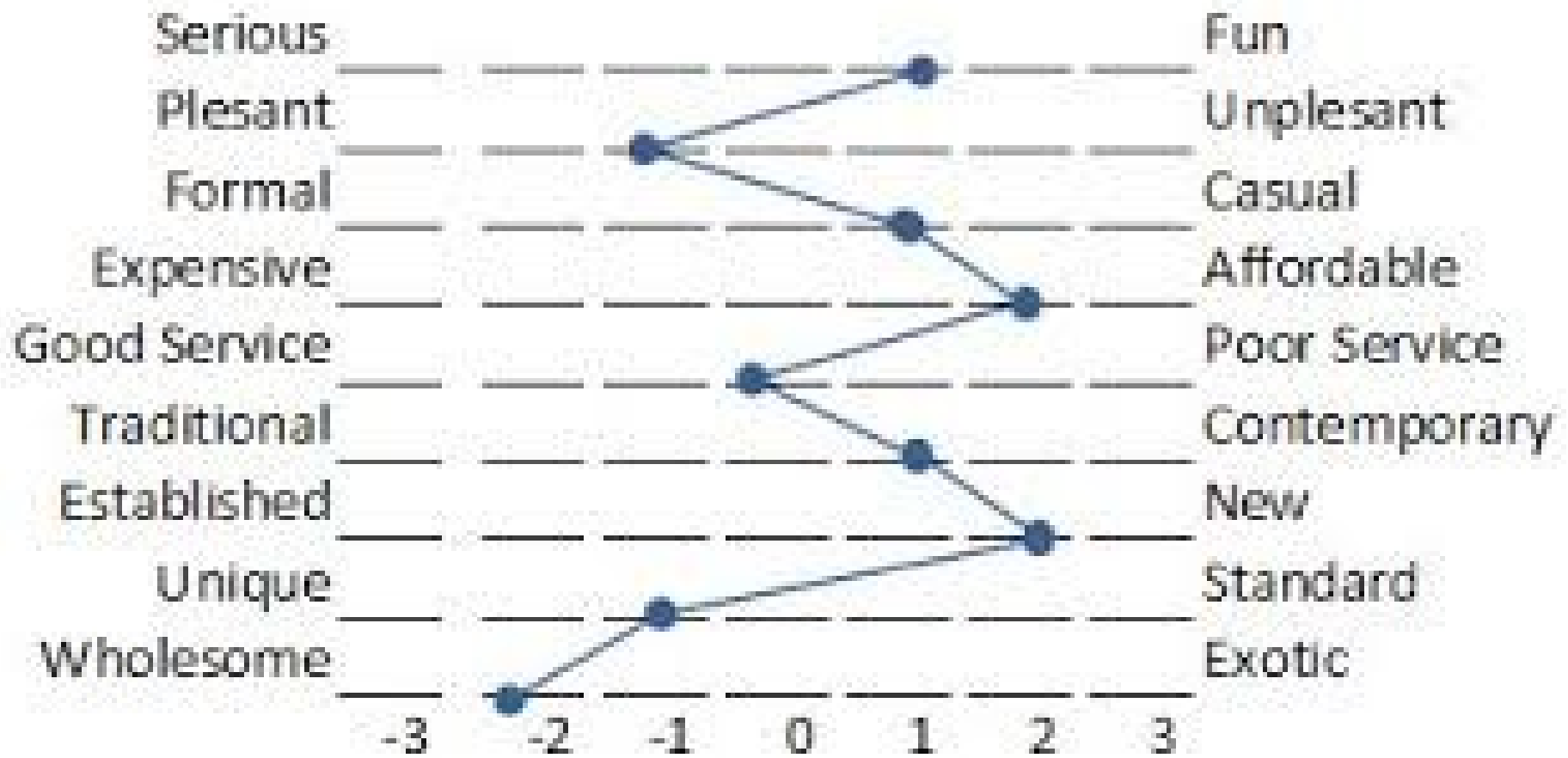
- Ratings or rankings
- Please rate the following detergent brands on a scale of 1 to 7 in the ability to clean clothes.
- Surfexel.—1 2 3 4 5 6 7
- Tide-----1 2 3 4 5 6 7
- Vim-----1 2 3 4 5 6 7
- Please rank the following detergent brands on their ability to clean clothes.  
(1=best,2=nextbest,etc.)
- SurfExel
- Tide






- Paired comparisons
- This requires the respondent to choose between pairs of choices at a time.
- There could be six brands of TVs
- Sony, Toshiba, LG, Panasonic, Videocon, Onida.
- A respondent may be asked, which brand is better by repeating for as many pairs as exist in the given set of brands.

- Semantic differential:
- Easy to use |-----|-----|-----|-----| Difficult to use.
- Expensive |-----|-----|-----|-----| Inexpensive
- Easily available |-----|-----|-----|-----| Not easily available
- Convenient |-----|-----|-----|-----| Inconvenient.

## Semantic Differential for Fonts

warm	—	—	—	—	—	—	—	cool
serious	—	—	—	—	—	—	—	friendly
masculine	—	—	—	—	—	—	—	feminine
traditional	—	—	—	—	—	—	—	modern
casual	—	—	—	—	—	—	—	formal
fancy	—	—	—	—	—	—	—	plain

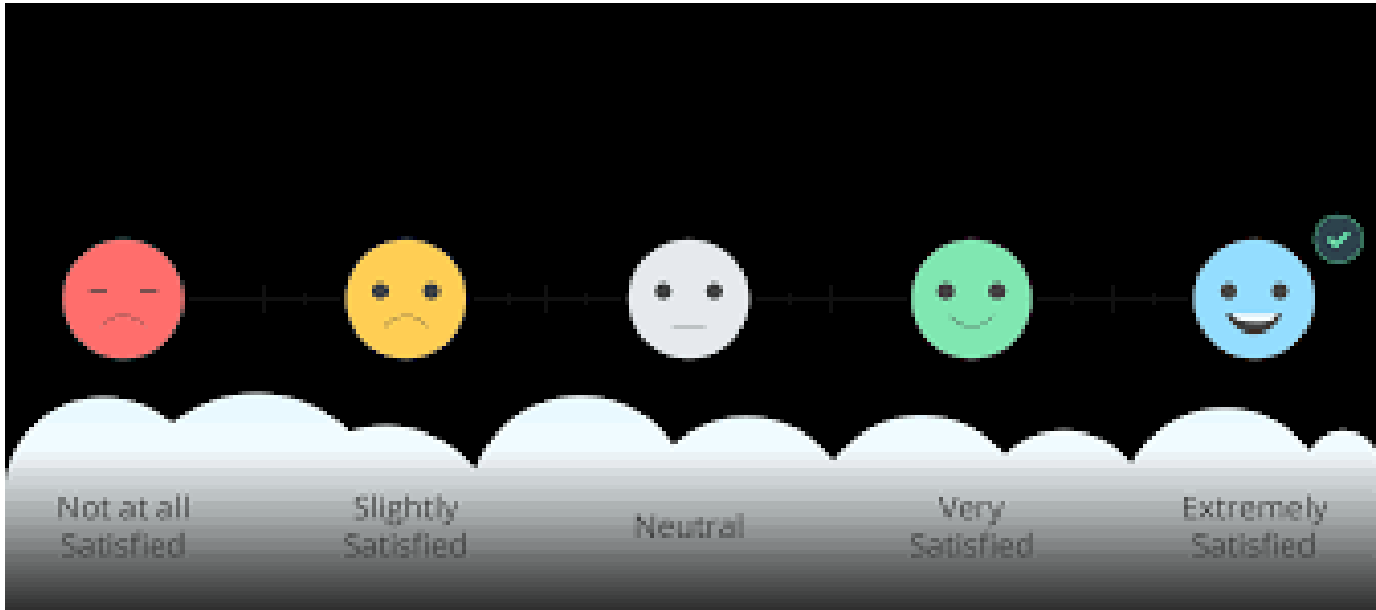


Cleans pots and pans without scrubbing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Have to scrub to get pots and pans clean				
Rinses off easily	Definitely Agree 4	Probably Agree 3	Probably Do Not Agree 2	Definitely Do Not Agree 1							
A modern product	Absolutely <u>True</u> ( )	Mostly <u>True</u> ( )	Somewhat <u>True</u> ( )	Somewhat <u>False</u> ( )	Mostly <u>False</u> ( )						
Sprays on easily	True 10	9	8	7	6	5	4	3	2	1	Not True
My kind of product											





Liekert Rating Scale						
Disagree			Neutral	Agree		
1	2	3	4	5	6	7
Disagree Very Strongly	Disagree Strongly	Disagree	Neither Agree Or Disagree	Agree	Agree Strongly	Agree Very Strongly



# How to choose a scale and question type

- Information need
- Output format desired
- Ease of tabulation
- Ease of interpretation
- Ease of statistical analysis

- Double barreled questions
- Eg. Are you happy with price and quality of brand X.
- Yes.....,No.....
  
- Good questionnaires and bad questionnaires.

- People agonise over making the survey short for maximum response, but do not fear a long survey. As long as the questions seem natural and logical to the reader, they will complete it, once the first few questions have been answered.

- If you have some questions which are more important than others, make sure the survey has clear sections — the first with the main questions, then the next introduced with the words "You do not have to answer these, but if you do so, it'll mean x, y and z benefit...and will only take a few minutes more..."

- Response can be increased by a variety of details.
- A lot depends on the honesty in the introduction, why you are doing the survey, what is in it for the responder (altruism, sense of helping self or fellows, and maybe even the chance to win something in a free draw, as a gesture of thanks), explaining how the results will be used, and even how they can see a copy of the results (usually a simple summary).

- People love being asked for their opinion, so use flattery to increase participation.
- Make the introduction from someone they already might know and respect, rather than have no name at all. Even have it look like a letter, with a signature and photo for a touch of warmth.



- Much depends on the layout, the clarity of typeface and typography, and the use of colours, tints and boxed sections make it look less daunting.

- It sounds radical, but question how much response is really needed. Statistically a lower response sample may be fine, as long as the views are representative.

- Try a reminder mailing/emailing after the natural response has dried up from the first survey. Non-responders are not against responding, they just have busy lives, are lazy, like all human beings, so a courteous reminder will typically get half as much response again.
- Consider how/when the survey gets handed over, emailed or mailed. Is there a better moment, so they'll more disposed to take part?

# Reliability and validity of a questionnaire

- Reliability: is the property by which consistent results are achieved when we repeat the measurement of something.
- Validity: is the property by which a questionnaire measures what it is supposed to measure

- Reliability of a scale:
- Reliability is a measure of how a scale can be relied on to produce similar measurements every time we use the scale.
- SPSS offers the usual measures of reliability., like Cronbach's alpha, factor analysis.

# Qualitative research

- **If the researcher wants to get inside customers' minds then need to do qualitative research.**
- **Face-to-face interviews and focus groups can provide valuable insights into products, market and customers.**

- Qualitative research is about finding out not just what people think but why they think it.
- It's about getting people to talk about their opinions so you can understand their motivations and feelings.

- Face-to-face interviews and group discussions are the best way to get this kind of in-depth feedback.
- Qualitative research can be valuable when you are developing new products or coming up with new marketing initiatives and you want to test reactions and refine your approach.



# What can qualitative research tell you?

- What customers or prospects think and feel about your product or service
- How customers choose between different products or suppliers; what motivates them
- How branding, design and packaging influence customers and in what way
- What sort of marketing messages have the most impact and what turns customers off completely
- How price affects their decision-making
- Whether there is demand for a new product or service

# QualitativeVs.Quantitative

- **Qualitative research:** is an in-depth exploration of what people think, feel or do and, crucially, why.
- If you want to know why your customers behave as they do and what barriers there may be to their changing that behavior, you would use qualitative research to explore those issues.
- Qualitative research does not give statistically robust findings

- **Quantitative research:** provides a measure of how many people think, feel or behave in a certain way and uses statistical analysis to determine the results.
- If you want to know how many of your customers support a change in a product or service - and how strongly they support it — so that you can determine whether you have a business case for making that change, you would use quantitative research

- While these are often used as standalone methodologies they can also be valuably combined into **mixed-methodology** research.
- You may be considering a customer satisfaction survey for the first time. While you may have an idea of what is important to your customers, they may have a different view.
- An initial piece of qualitative research could identify their needs and priorities; a subsequent quantitative survey could measure how satisfied your customers are that you are meeting those needs.

- How does qualitative research work?
- Qualitative research follows a semi-structured discussion guide to ensure that all topics under consideration are covered and that the discussion stays relevant.
- However, the questioning is open and participants are encouraged to explore the reasons for their responses. The discussion process can reveal underlying views and motivations, behavioral triggers and barriers.
- It can explore reactions to messages, printed material, design features and new products, test understanding of terminology, help generate new concepts and much more.

- The most commonly used qualitative approaches are focus groups and depth interviews.
- Focus groups (also called group discussions) normally comprise five to eight participants brought together to discuss a number of topics, guided by a moderator. The dynamics of the interaction between participants is an important feature of a focus group.

- Depth interviews are one-on-one interviews conducted by telephone or face-to-face. The more intimate environment allows participants to talk openly and is particularly appropriate where participants are competitors who would not agree to come together in a focus group.

- Qualitative research is usually audio-recorded and transcribed. The transcriptions form the data which is then analyzed by the moderator. Groups can also be video-recorded and can also be observed in real-time at venues specially designed for that purpose.
- You can expect a report or a presentation of the findings supported by verbatim quotes from the participants.



## How does quantitative research work?

- Quantitative research uses a structured questionnaire with mostly closed questions, i.e. the respondents select their answers from given lists of possible responses
- A range of question types may be used. For example, rating questions can measure strength of feeling such as importance or satisfaction, ranking questions can determine preferences, and so on.

- Quantitative research may be paper-based, as in a postal survey, or computerized, as in a telephone or online survey.
- A computerized survey can also be conducted face-to-face using a laptop or on site (e.g. in-store, on street) using PDAs (hand-held computers).

- Because of its statistical nature, sample size is important for quantitative research.
- Thirty is generally held to be the minimum number of responses for any area of interest although a larger sample size will produce more reliable data.
- You can expect a report or a presentation of the findings supported by tables and graphs.

## (a) Hypotheses

Hypotheses are testable explanations of a problem, phenomenon, or observation

- Both quantitative and qualitative research involve formulating a hypothesis to address the research problem.

- Hypotheses that suggest a causal relationship involve at least one independent variable and at least one dependent variable; in other words, one variable which is presumed to affect the other

- An independent variable is one whose value is manipulated by the researcher or experimenter.

- A dependent variable is a variable whose values are presumed to change as a result of changes in the independent variable



- The problem should be stated as question.
- Will the new product if launched, gain at least 10% market share?

- The problem statement should express a relation between 2 or more variables.
- Are consumers with above average incomes more likely to buy exotic fruit than the lower income groups?

- A **hypothesis** is an educated prediction that provides an explanation for an observed event.
- An **observed event** is a measurable result or condition. If you can't measure it, then you can't form a hypothesis about it because you can't confirm or reject it. In addition, a hypothesis typically takes the form of an if-then statement so you can test it with your research. What does our hypothesis look like?

## (b) Development of Hypotheses



They are basically **possible answers** to the research question.

The Research determines which of these alternative answers is correct

They are **tentative statement** about relationship b/w 2 or more variables specified by the research question.

➤ **The most important role of a hypothesis???**

Is to suggest variables to be included in the Research Design

# Example: Research Question, Research Objectives, and Research Hypotheses



## Research Question:

What should be the retail price for product X?

What type of cosmetics do men use to look handsome?

Why Amity's cafeteria is criticized so badly?

## Research Objectives:

Forecast sales for product X at three different prices.

To determine the competition & mkt share

Determine factors affecting the earnings of cafeteria at Amity

## Hypotheses:

Sales will be higher at Rs 4.99 than at Rs 5 or at Rs 7

H1: Fair & Lovely Menz Active by HUL

H2: Fair And Handsome by Emami Ltd

H1: Long queues . Highly unorganized

H2: Food tastes bad & unheathy



## **(c) Scope:**

They are boundaries of research.

For example:

Is the interest in current customers only or in all potential customers????

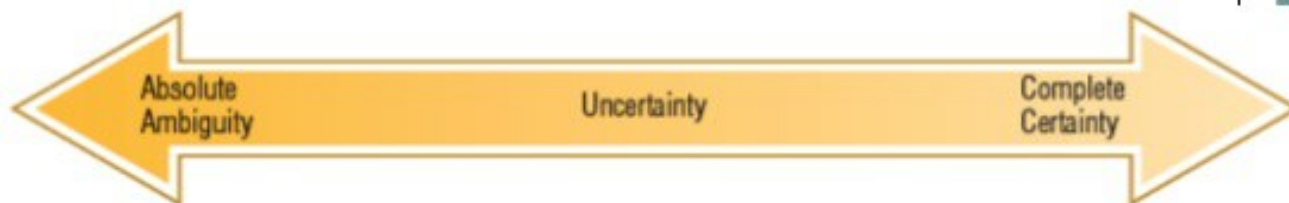
## 4)

# Determine Research Design



- ***Exploratory Research:*** collecting information in an unstructured and informal manner
- ***Descriptive Research:*** refers to a set of methods and procedures describing marketing variables
- ***Causal Research (experiments and other approaches):*** allows isolation of causes and effects via use of experiment or surveys.

## Contd...



<b>Degree of Problem Definition</b>	<b>Exploratory Research (Ambiguous Problem)</b>	<b>Descriptive Research (Partially Defined Problem)</b>	<b>Causal Research (Problem Clearly Defined)</b>
Possible situation	"Our sales are declining and we don't know why."  "Would people be interested in our new product idea?"	"What kind of people are buying our product? Who is buying our competitor's product?"  "What features do buyers prefer in our product?"	"Will buyers purchase more of our product in a new package?"  "Which of two advertising campaigns is more effective?"

**The degree of uncertainty of the research problem determines the research methodology**





A CASE ANALYSIS

# AFTER SHAVE LOTION

# MARKETING BRIEF



- Traditionally men have used alum as an after shave.
- With development in the standard of living more people are using after shave lotions.
- Initially imported and expensive brands like English Leather, Williams, Givenchy and Yardley were used by upper segment.
- Need for cheaper and indigeneous brands was felt.



## Contd....

- Old Spice and Monarch were launched during 70s.
- Old Spice captured a major market share.
- In 80s some new brands like – Savage, Park Avenue and Old Spice Musk were launched.
- ASL market is thus getting more competitive.

# MARKETING ISSUES



To analyse Indian ASL market following issues have to be studied

3. Market Share of various brands.
4. Perception of consumers about Indian vis-à-vis foreign brands.
5. Characteristics sought after in an ASL, reasons for retaining or changing the brand.
6. Purchasing Behavior of consumers.
7. Effect of Advertisements.

# RESEARCH OBJECTIVES



The objectives of this research are:

2. To find out consumer awareness about various ASL brands in market.
3. To study the buying behavior of consumers, reasons for preferring a particular brand.
4. To study the perception of consumers about Indian vis-à-vis foreign brands.

# RESEARCH DESIGN



- The type of research methodology used :-

## EXPLORATORY RESEARCH

Methods of Exploratory Research are :-

- Expert surveys
- Pilot surveys
- Secondary data (analyzed qualitatively)

## (a) Sources Of Data



As data about the AFTER SHAVE LOTION (ASL) market is nonexistent almost, so all the information is collected from the primary source.

The QUESTIONNAIRE method is used to obtain the necessary information.

The questions were asked from the industry experts, conducted surveys by the researcher in form of taking interviews.

## (a) Sources Of Data



As data about the AFTER SHAVE LOTION (ASL) market is nonexistent almost, so all the information is collected from the primary source.

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# QUESTIONNAIRE



Dear Respondent,

We are conducting a survey of the after shave lotion market. We would be grateful if you could fill-up the following questionnaire in this regard.

4. Do you use an after shave lotion?  
( )Yes ( )No
  
7. Please name a few after shave lotions you have heard of.  
(a) ..... (b)..... (c).....

## Contd...



3. Which of the following brands have you heard of? TICK

- (a) Park Avenue      (b) Old Spice
- (c) Savage            (d) Brut
- (e) Williams         (j) Yardley

4.(a) Which after shave lotion are you using at present?.....

(b) If you are to select an after shave brand now which brand will you chose?.....

5. Can you recall the name of the previous brand of after shave lotion you used? Please mention.....

## Contd...



6. Can you give reasons consistency/change in your shave lotion?

Consistency

(a) Habitual

(b) Value for money

(c) Don't like others

(d) Any other please specify

Change

(a) Like to try other brands

(b) For a change.

(c) All brands are same.

(d) Any other please specify

7. Why do you use an after shave lotion? TICK

(a) For its antiseptic properties

(b) As a perfume

(c) To feel fresh

(d) Girlfriend loves it

(e) To get the sting

(f) Any other reason, please mention.

## Contd....



8. When do you use an after shave lotion?

- (a) Immediately after shaving
- (b) After a bath
- (c) Anytime of the day
- (d) Before going to a party.

9. Given an easy availability of Indian and foreign brands of after shave lotion which brand do you prefer?

Indian  Imported

Why ? TICK

- (a) Perfume is better
- (b) Quality is better
- (c) Brand Image
- (d) Price id lower
- (e) Status
- (f) Easy availability
- (g) Any other, please specify

## Contd....



10. Who buys the after shave lotion for you?

- (a) Self
- (b) Family members
- (c) Normally get it as a gift
- (d) .....

11. Here we have mentioned a set of factors that you may consider while buying an after shave lotion? Give your response on a seven point scale ranging from (1) most important to (7) least important for each of them.

- (a) Price      (b) Brand name
- (c) Perfume   (d) Antiseptic property   (e) Type of bottle

## Contd....



### 12. Personal information:

Age:  less than 18 years  18-25years  
 25-35 years  above 35years

#### Family Income:

less than rs. 36000pa  
 rs 36000to rs. 72000pa  
 above rs. 72000 pa

#### Profession

Govt. service /Private service/Student/Business/ Any other....

Thanks a lot

# DATA ANALYSIS & FINDINGS



- **49 out of 150 did not use any after shave**
- **Awareness:-** out of 101 respondents,

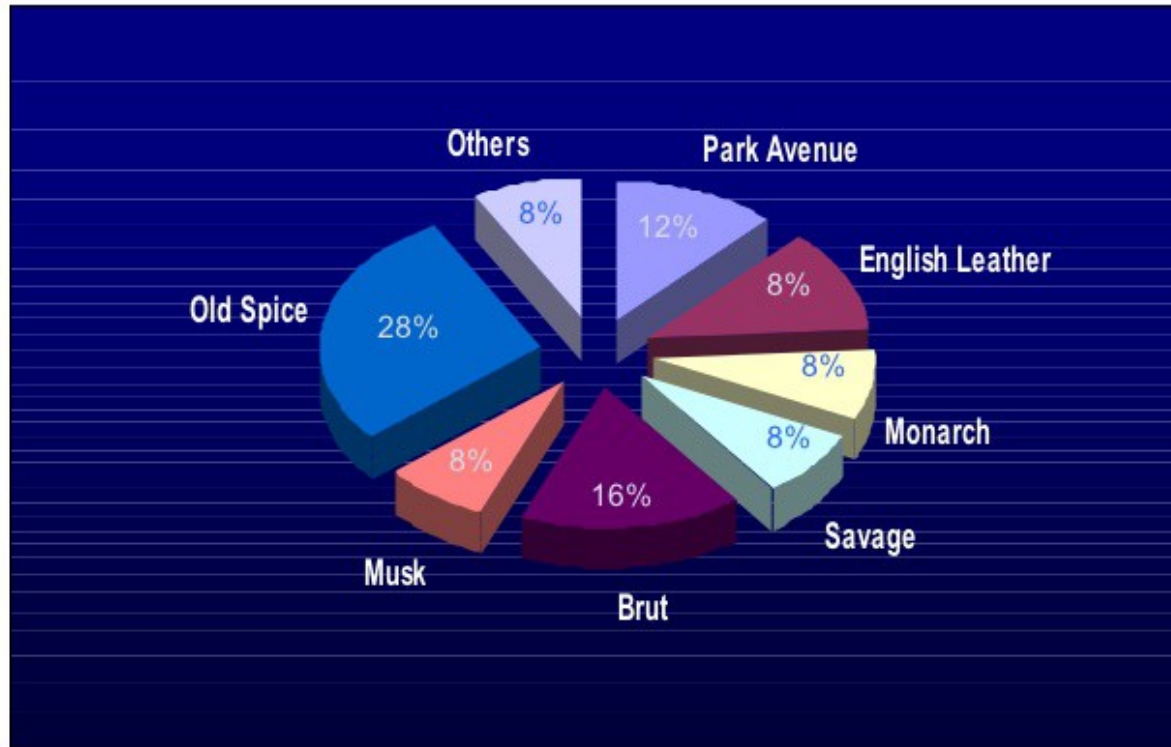
## (a) Top of Mind

Old Spice	28%
Brut	16%
Park Avenue, English Leather	12%
Monarch, Savage, Musk	8%

## (b) Second Level:- On second recall, brands on respondents mind were

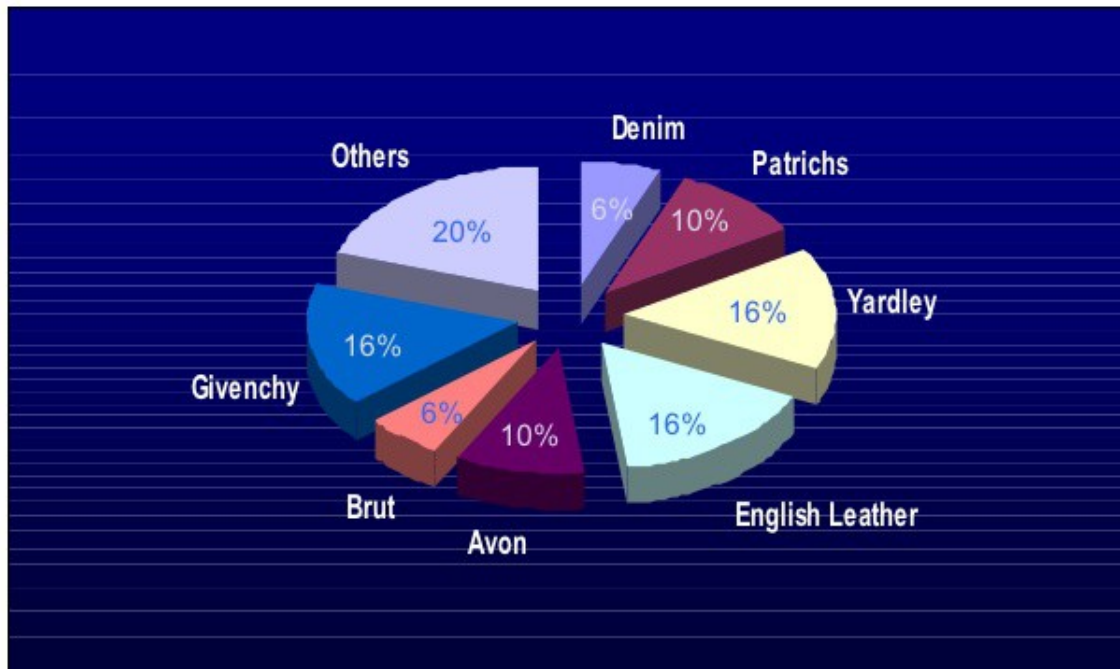
English leather, Givenchy, Yardley	16%
Patrichs and Avon	10%
Denim and Brut	6%

# TOP OF MIND





## SECOND LEVEL

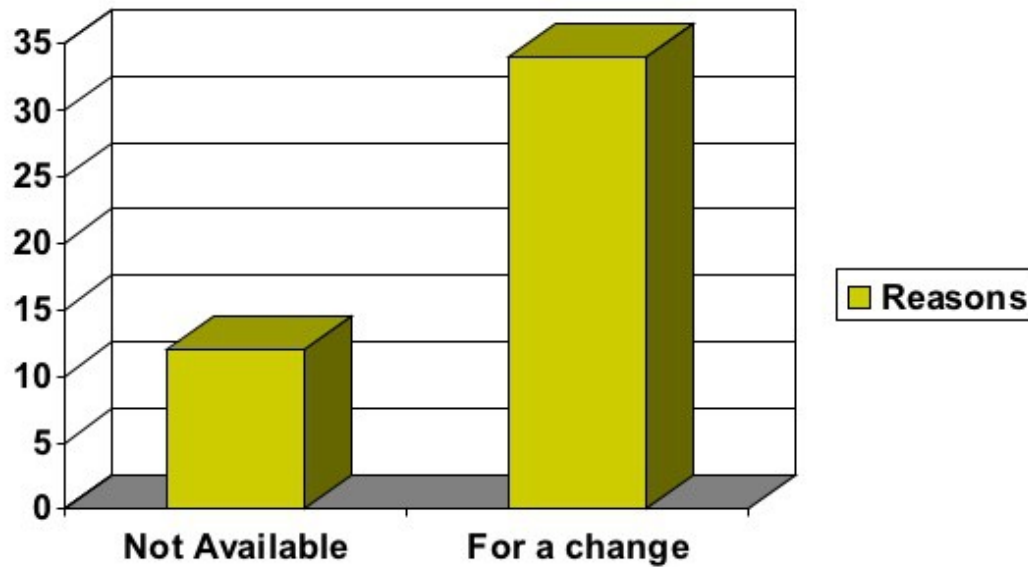


## (c) Present, Previous and Future Brands

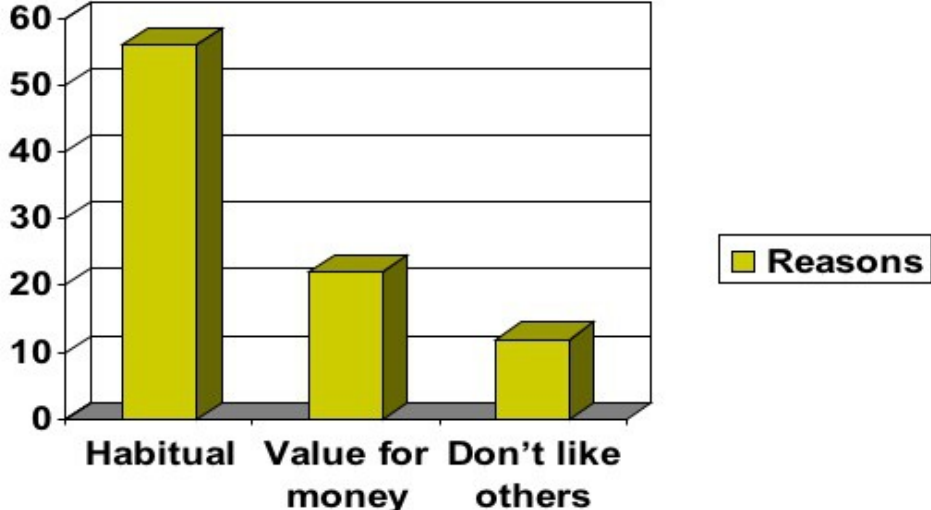


- **Present:-** 33% of respondents confirmed the use of Old spice as their present after shave making it the leader.
- **Past:-** 44% had used Old Spice on previous occasion, followed by Brut which had been used by 20%. Monarch, jovan and English leather being the other brands used.
- **Future:-** Old spice and Park Avenue appeared to be the most popular choice.

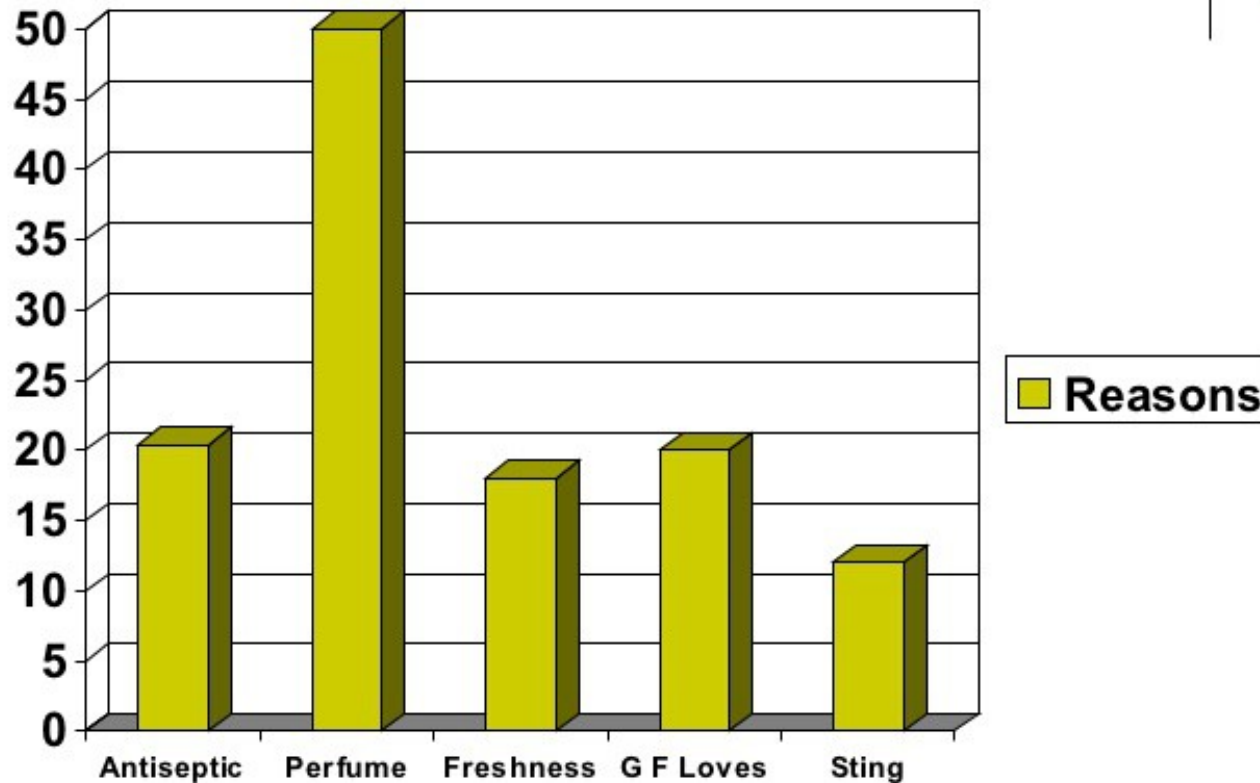
## (d) REASONS FOR CHANGE OF BRAND



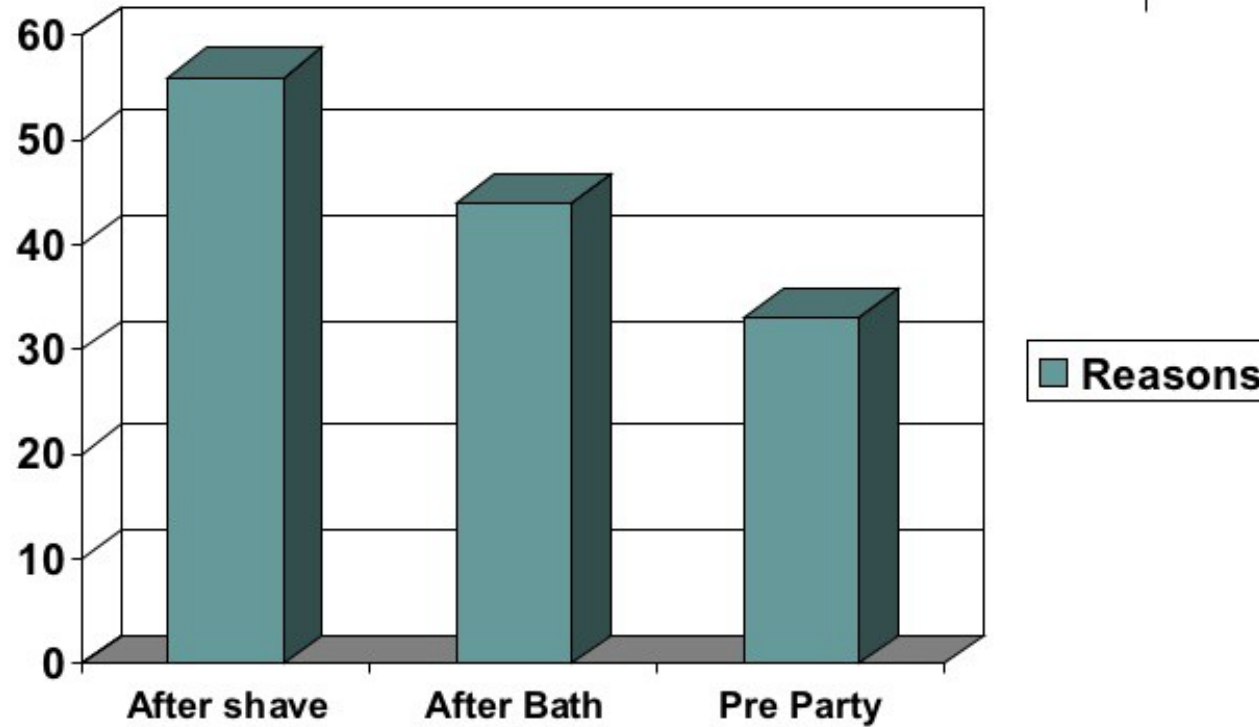
# (e) REASONS FOR BRAND CONSISTENCY



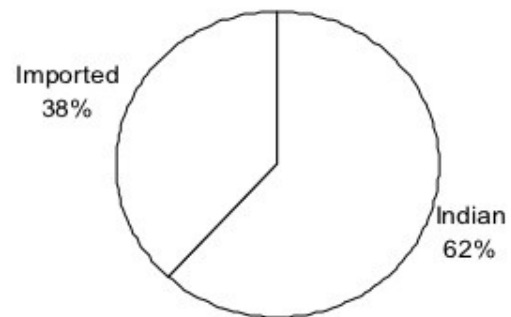
## (f) WHY USE AFTER SHAVE?



# (g) WHEN USE ASL?



## (h) PREFER INDIAN/IMPORTED



## CONCLUSION



- Old spice turned to be most popular brand.
- Park Avenue carved niche in the upper segment of market.
- Imported brands still considered to be of superior quality than Indian.



## What should manufacturers do?



- Introduce better quality products.
- Use advertisement to improve product's image.
- Launch brand with attractive packing as a gift.
- Introduce attractive features and offers in the product.

# Data analysis tools

- ANOVA:( Analysis of variance.)
- Applications:
- Marketing mix variables (independent variables) such as price, promotion, type of distribution, even specific elements like shelf space, color of packaging and so on is changed, we would want to know its effects on dependent variables.

## Case study

- A retailer wants to measure effects of two variables on the sales of particular brand of detergents.
- The variables are position on the shelf and promotion.
- To check out the effects, he conducts an experiment in his retail store. He changes every week, the position of the detergent brand on his shelf.
- The retailer records the weekly sales in all weeks, without running any promotion and with promotion.

Week	Detergent sales inkgs	Promotion on/off	Shelf position
1	60	Off	Left
2	52	On	Right
3	38	Off	Middle
4	100	On	Left
5	86	On	Right
6	95	On	Middle
7	70	Off	right

# Correlation and regression

- Application:
- Correlation:
  - To measure the degree of association between two sets of quantitative data.
  - How sales of product A are correlated with sales of product B.
- Regression:
  - The main objective of regression analysis is to explain the variation in one variable
  - The application :number of sales offices, or sales people, advertising expenses have an impact on sales figures.

## Case study

- A fast moving consumer product company's marketing manager thinks there is strong link between the advertising and promotional expenditure and the sales in the following week. he collects data from his company records on sales, advertising expenditure, promotional expenditure for one of the large territories of his company.

Week no.	Sales in week(units)	Advertising expenditure in previous week(Rs.)	Promotional expenditure in previousweek(Rs.)
1	120,000	15000	22500
2	123,000	25000	10000
3	140000	17000	17000
4	115000	20000	6000
5	126000	15000	16000
6	130000	18000	18000
7	115000	10000	12000

# Factor analysis

- Application
- Method of reducing data complexity by reducing the number of variables being studied.
- It is a common experience, for example, to find a marketing decision maker wondering what exactly makes a consumer buy his product. the possible purchasing criteria could range from just one or two.....or many...
- Factor analysis is a good way of resolving this confusion.



- Stage 1 :Factor extraction process
- Stage 2 :Rotation of principal components.

# Cluster analysis

- Application:
- Cluster analysis is a multivariate procedure ideally suited to segmentation applications in marketing research.
- Linkage method.
- Nodal method.

## Case study

- Cluster 1:
- People belonging to this group are neutral to foreign products.
- Don't prefer to pay by credit card
- Agree that PDAs is a necessity than luxury.

- Cluster 2:
- People belonging to this cluster are foreign product users.
- Prefer to pay credit cards.
- Agree that PDA's is a necessity than luxury.

- Cluster 3:
- People belonging to this cluster are foreign product users.
- Neutral in paying by credit cards.
- Agree that PDA's is a necessity than luxury.

# Conjoint analysis

- One of the eternal questions in marketing managers mind has been “how does the customer value various tangible and intangible benefits/features offered by my product?”
- What is the utility customer sees in price, after sales service, product features, speed, accuracy or any other.
- Application: Technique used for analyzing consumer utility levels for specific product attributes.

**Lens type**

Polarising  
UV protector  
Prescription

**Design...**

**Price...**



**Frame type**

**Lens colour**

**Brand**

Designer  
Aviator  
Wayfarer  
Turtleshell

Brown  
Blue  
Yellow  
Black

Rayban  
Oakley  
D&G  
Carrera

**Attributes** (bold) and **levels** examples

Let's assume a scenario, where a product marketer needs to measure the impact of individual features on the estimated market share or sales revenue

**Levels**

[Various options available per feature]

Brand	Apple	SONY	NOKIA
Price	\$500	\$300	\$400
Operating system	Apple	Android	Windows
Screen Size			
Camera Resolution	2 to 4 MP	4 to 6 MP	Above 6 MP

**Features**

[Various parameters to make a decision]

Conjoint Analysis can measure the impact of these features mathematically

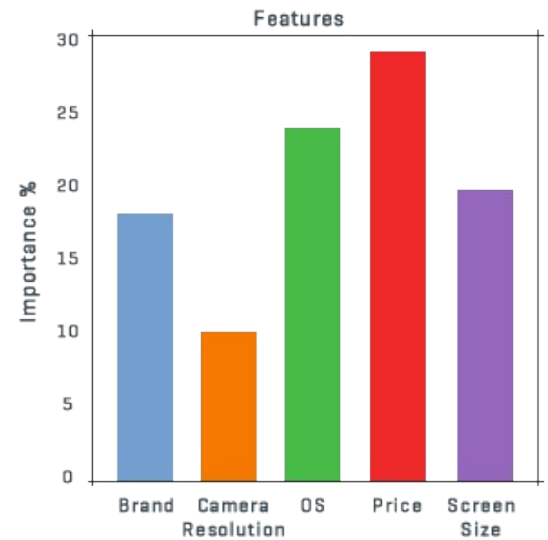


Estimated market share for proposed products

Apple  
IOS  
usd 500.00  
4 to 5 Inch  
2 to 4 MP



Proposed feature set for highest successful probability



Price emerged as the most important



- Thank you!