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Tourism Marketing Research

Chapter outline

A marketing orientation dictates decisions be made with target consumers in mind. This requires gathering *information* that will provide insights into the experience of current customers, and the needs of target consumers. Marketing research is an essential activity, even for small tourism businesses with limited resources, because information reduces uncertainty in decision making. However, marketing research is often under-utilised by small tourism businesses, due to lack of training, negative perceptions of the practical value, or lack of resources. This chapter presents a six-stage process for gathering information to enhance marketing decision making. The process starts with the identification of the marketing decision problem (MDP) and then articulating the marketing research question (MRQ) that will guide the research design. For any MRQ there will be a range of data collection options, and so understanding the strengths and weaknesses of different research techniques is important. The argument is made for the use of a mixed methods research design, which combines qualitative and quantitative data collection techniques, to provide a richer depth and breadth of information than could be obtained from using a single method.

Learning aims

To enhance your understanding of:

- The role of marketing research in management decision making
- A six-step marketing research process
- The value of using a mixed methods research design.

Key terms

Primary data

New data being collected for the first time for a specific purpose, through interacting with, and/or observing participants, using qualitative and/or or quantitative methods.

Secondary data

Existing data that has been collected for a purpose other than the current research.

Mixed methods

A research design employing both qualitative and quantitative data collection methods.

Introduction

Information reduces uncertainty and enhances management decision making. Therefore, marketing research is an essential ongoing activity for all small businesses. Either informally or formally, information needs to be collated about environment *opportunities* (see 4: *Tourism Marketing Planning*), competitors' activities, the experience of current customers, and the needs of target consumers (including those who choose competitors' offerings). Remember that *perception is reality*; what people believe to be true will be real in its consequences (Thomas & Thomas, 1928 in Patton, 2002). This theory underpins the need for information about people's perceptions given the influence in purchase decisions.

Critical point: Develop an interest in numbers

Anyone involved in operating or marketing a small business needs to have an understanding of the principles of marketing research, as well as basic accounting. Otherwise, how will you be able to trust your marketing researcher or accountant if you don't understand the strengths and weaknesses of different options being recommended to you? Putting aside a fear of numbers and being prepared to engage with data, to find useful information, can lead to a competitive edge in the marketplace over those who shy away.

Marketing research has been defined as (Burns et al., 2017):

The process of designing, gathering, analysing, and reporting information that may be used to solve a specific marketing problem.

This means any collection of information can be regarded as research, including informal approaches such as talking to customers or suppliers. The more complex the problem, the more detailed the information and the more systematic the research design. What is important is that the information generated for marketing decision making is: relevant, accurate, reliable, valid, timely, and efficient (Malhotra et al., 2006).

Formal marketing research is a six stage process, beginning with identifying the marketing decision problem (MDP), as shown in Figure 5.1. The stages are shown here in a cyclical format, to indicate that marketing research can be an ongoing process rather than a linear one that stops at stage 6. The findings often lead to a revised MDP that requires more research. An understanding of each of the stages in this process is important for a small business, whether undertaking research in-house or outsourcing.

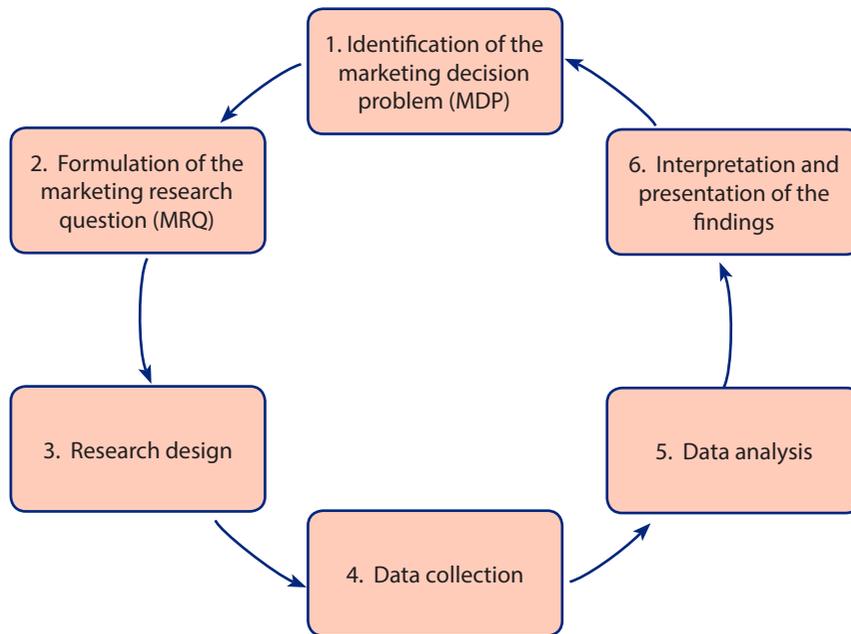


Figure 5.1: Stages in the marketing research process

Marketing decision problem

The first and most important stage in the marketing research process is identifying and succinctly articulating the marketing decision problem (MDP). The MDP is a one sentence description of the *decision facing management* in relation to a problem or opportunity. In this chapter, the decision problem relates to both problems and opportunities, which exist in each part of the marketing mix. These can be in relation to either the need to identify whether there is a problem/opportunity, or identifying how to solve the problem or take advantage of an opportunity. Typically the MDP is related to one of the following:

- Improving profitability through increasing sales and/or reducing costs
- Improving promotion effectiveness
- Developing new markets/segments
- Developing and pricing new service offerings