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Marketing Research

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Marketing research promotes understanding of customers, identifies current and future needs and how to best serve them. A recent report by PwC (2016) stated that evidence based research leads to more confident decision making, reduces costs and increases efficiency. Although there is a tendency to think of marketing research in terms of questionnaires or surveys, those undertaking research use a wide variety of tools for gathering and analysing marketing information.

Marketing research: nature and scope

Sometimes a distinction is made between the terms *market* and *marketing research*. Marketing research is the broader term and encompasses market research into the micro and macro environments (including competitor research) and research to help understand customer needs and choose an appropriate marketing mix. Knowledge of current and forecasted environmental trends (political, legal, economic, social, cultural and technological) affecting company performance is obtained through broad environmental scanning counterbalanced by the tightly focused requirement to analyse the internal intricacies of marketing activities (such as a change of price or package size) and their impact on customers. The scope of marketing research is therefore both broad and deeply focused and utilises a number of techniques.

Traditional techniques used by researchers are increasingly disrupted by emerging techniques such as innovative, wearable technology, behavioural economics and neuroscience. Big data from social media and web traffic analysis has increased (PwC, 2016) but qualitative methods are also popular. Online surveys using mobiles are gaining popularity in comparison to traditional face-to-face or telephone methods. Such changes require marketers with the following qualities and skills (PwC, 2012):

- Business knowledge and commercial literacy

- Strong in data analysis and interpretation
- Good communication and storytelling skills
- Flexibility and the agility to be an early innovator.

Research offers insight into which marketing mix creates the most customer value as indicated in Table 3.1.

Table 3.1: Researching the marketing mix.

<p>Product/Service: Concept testing, product testing, naming and packaging</p> <p>What do you like/ dislike about this product/ competitor product(s)?</p> <p>What additional benefits/services would provide value?</p> <p>How do you use the product?</p> <p>How should this product be packaged?</p>	<p>Pricing: Perceived value</p> <p>How much do you currently pay?</p> <p>Would you pay extra for additional benefits?</p> <p>What value do you place in the product/ service?</p> <p>Would a price rise/drop affect the amount you buy?</p>
<p>Promotion: Promotional mix, media, message and meaning research</p> <p>What media do you use?</p> <p>How often do you read a magazine?</p> <p>Which creative approach is most effective?</p> <p>How did you discover and navigate the website?</p> <p>What does this advert say about the brand?</p>	<p>Place: Supply chain, channel and customer search research</p> <p>Where would you research and buy the product/service?</p> <p>How long would you wait/travel to obtain the product?</p> <p>What type of retailer should stock the product?</p>

Marketing research provides evidence to promote better understanding of customers and improve commercial success. However, noncommercial organisations also use research to provide insight into multiple stakeholders (employees, funders, distributors, neighbours, policy makers, interest groups and suppliers). Governments and charities also undertake social and behavioural research. Thus, marketing research has broad scope and application.

Marketing research uses a diverse range of tools, techniques and skills to provide a more complete understanding of customers and other stakeholders and the factors that influence them. It aims to deliver evidence-informed decision making to create the value sought by the target audience. Companies may undertake unsystematic and poorly construed research to 'prove' that their decisions are sound, but research should be planned, systematic and with bias minimised. Research informs decision-making but should not replace or delay marketing decisions. Where the cost of doing research outweighs the benefits,

it may be reasonable to act without formalised research. This depends on the research objectives, the resources available and the potential outcomes or risks arising from uniformed decisions.

Although it is tempting to immediately collect data, many other stages are essential before data gathering can commence. A systematic approach (Figure 3.1) requires that the marketing problem is clearly defined so that research objectives, or research questions can be set. Marketing problems can be broad (e.g. sales have been falling) or narrow, and research objectives may be defined in terms of a marketing tactic (e.g. most appropriate advertising for a new product) or more broadly (e.g. why are sales falling). Once objectives are agreed a decision can be made about who completes the research (in-house or external agencies for some or all the research), and the research design can be determined.

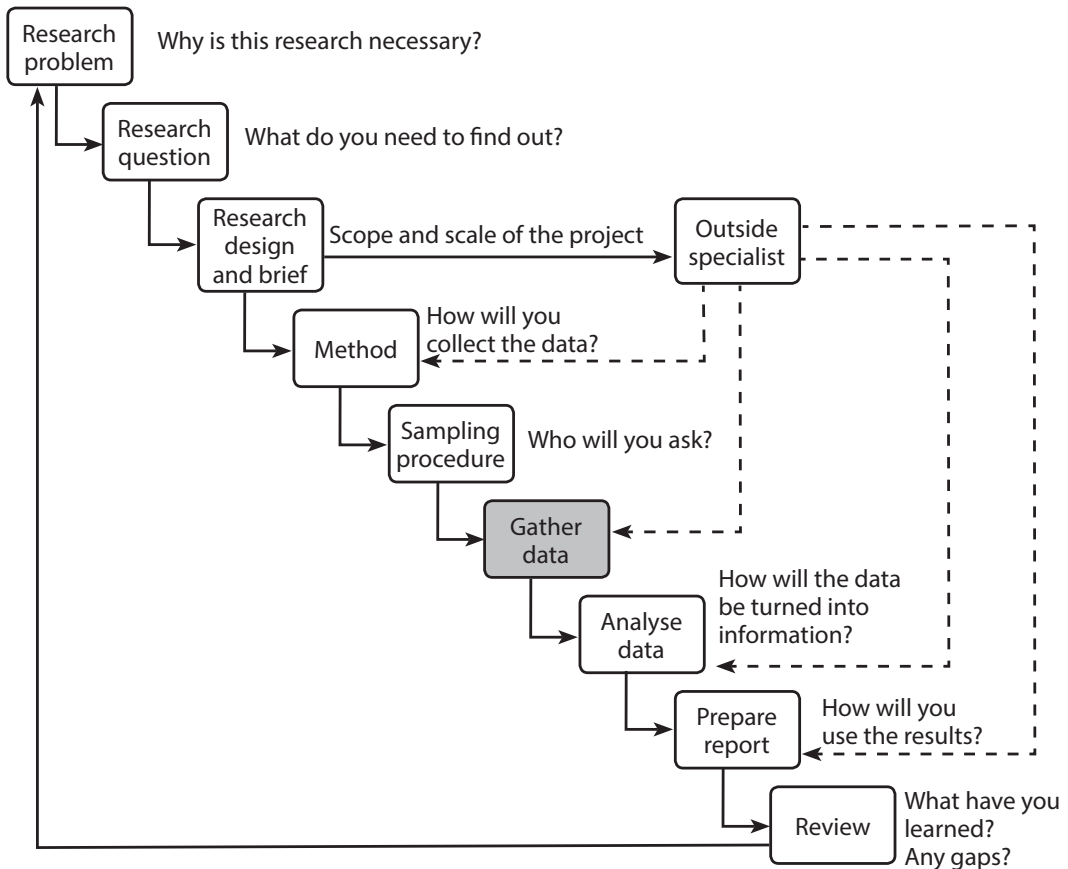


Figure 3.1: The systematic research process. Source: McKay and Phillips, 2015; adapted from Stone and Desmond, 2010.