

Indian Institute of Technology Kanpur
National Programme on Technology Enhanced Learning (NPTEL)
Course Title
Marketing Management – 1

Lecture: W3.I.3
Capturing Marketing Insights

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Dr. Shashi Shekhar Mishra: Hello and welcome to our course marketing management part 1.

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Dr. Shashi Shekhar Mishra: This is week 3 we are going into our third module of this course that is capturing market insights. And this is lecture 3 of this module 3, so we are we have till now talked about the different components of marketing information systems.

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Marketing Research Process

Dr. Shashi Shekhar Mishra: So in the previous session I have talked about the internal data or the internal reporting items that gives the information to marketers while they are trying to make the decisions, inside that decision making I have talked about the different sources of information that is the information coming from the sales force, the information coming from your distribution channel partners, your order to payment cycle likewise the different ways probably a marketer can get the data or probably get the important information from its internal databases.

Then I have talked about the marketing intelligence part where how you can get the information through the different routes outside the organization. And then I have talked about the third thing which is becoming extremely important is database and data mining. So the data which is getting collected through the point of basically sale or all those different places that is getting basically stored and that is becoming a very important source of information for the organization.

Now today I am going to talk about another component of this marketing, this information system and that is something which gets maximum focus or when we talk about this marketing information system, people generally take it as probably a marketing research process though

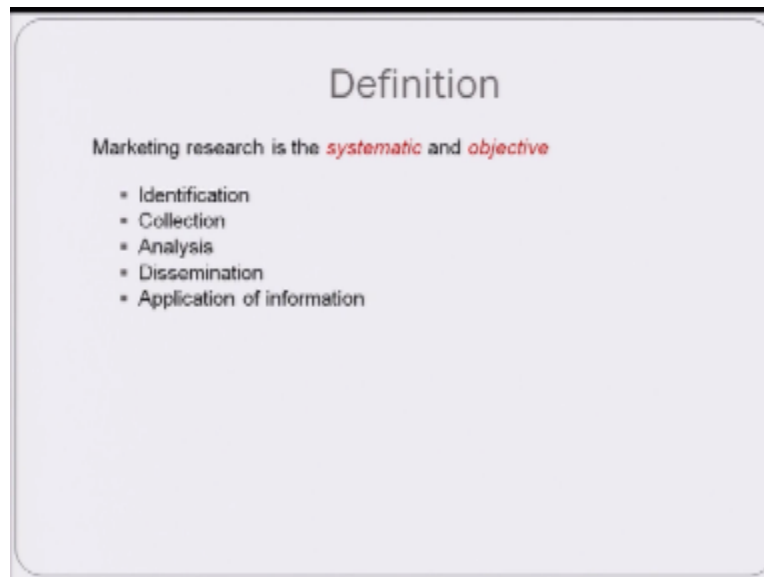
there is a difference as we have talked about the other components of also in this marketing information systems.

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Dr. Shashi Shekhar Mishra: So in the marketing research process, I will take you through what this process is, what are the different phases inside the marketing research process and we will go into the detail of each of those research phases. And then we talk about the different research methods, we will talk about different ways of measuring, measurement, different tools and techniques also will be covered in this part of the course or this module of the course. So in this marketing research process while I will go.

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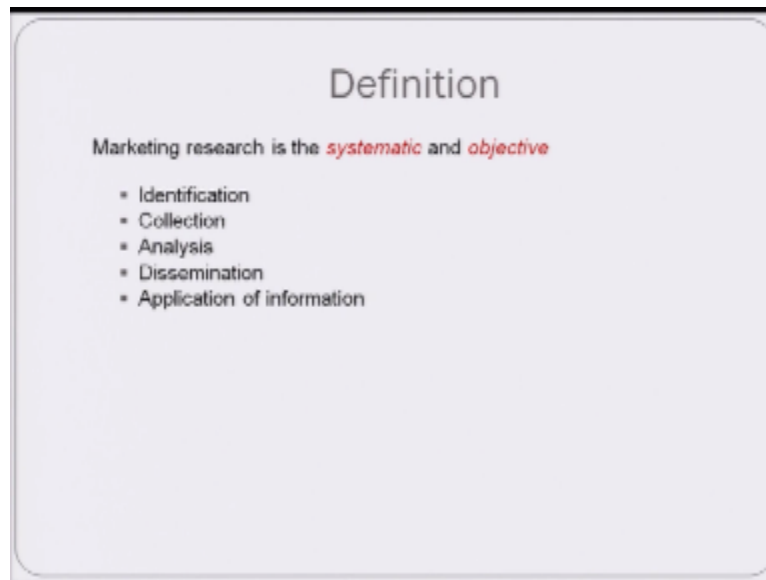
Dr. Shashi Shekhar Mishra: And the first thing which I will do is that, I will give you a definition of this marketing research process. So marketing research is the systematic and objective process wherein we identify what the process involves is identification, collection, analysis, dissemination, and application of information. So two things which are extremely important to understand in this case is it is a systematic processes that, it is a process which has certain phases and they come probably in a sequential manner, though you will see some kind of back and forth movement during this process.

But you will see these probably the flow will be like identification of what is the information need, then collecting that information, then analyzing that information, then dissemination of that analysis to the decision makers or to the marketing managers, and then the application of that information. So in that way this marketing research process is basically a systematic process, then it is objective, something which is very important for you to note down here is that marking research process while it is being performed it has to be done objectively.

Researcher's personal biases should not come inside, in the analysis, in the data collection process, in the way the reporting of the outcome of the research process. So it has to be objective

and it is said that whatever probably the information you collect it should be reported as such. It should be analyzed as such and it should be reported as such, there should not be any probably biases from the researcher's side. So the process is basically systematic in objectives.

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Dr. Shashi Shekhar Mishra: And it involves identification, collection, analysis, dissemination, and application of information.

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Definition

Marketing research is the *systematic* and *objective*

- Identification
- Collection
- Analysis
- Dissemination
- Application of information

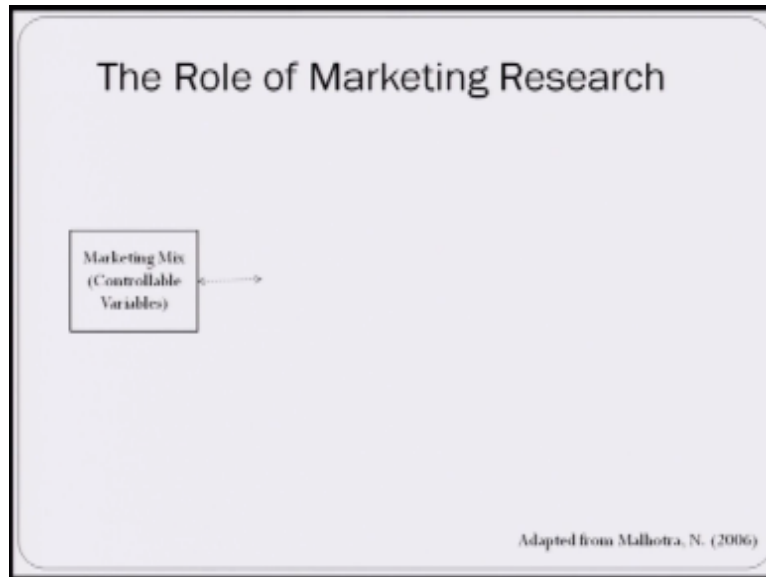
to improve marketing decision making process related to

- Identification and
- solution of problems and opportunities in marketing.

(Malhotra, 2006)

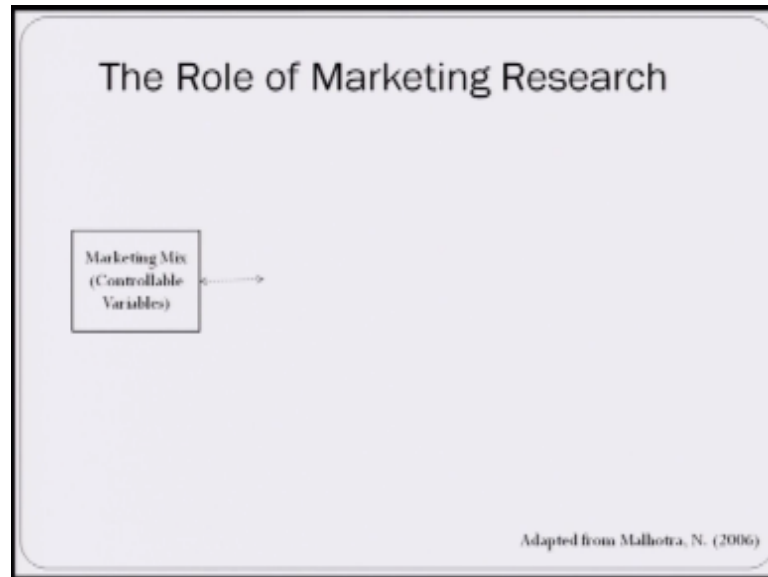
Dr. Shashi Shekhar Mishra: Further to take it, further in the definition part what is the purpose of doing this, this identification, collection, analysis, discrimination, and application of information. The idea is basically to improve the marketing decision making process and help the marketing managers so that they can basically – it can help them in two ways, in the identification of the problem and probably also in creating the right sort of or the suitable solutions in the market. So this is the definition of the marketing research process.

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Dr. Shashi Shekhar Mishra: Now what is the role of marketing research process, one thing which we need to understand is what is controllable to a firm or what is controllable to a marketing manager is.

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Dr. Shashi Shekhar Mishra: The marketing mix part that is 4 P's, in the case of the product that is product, price, place, and promotion, and 7P's in the case of the services.

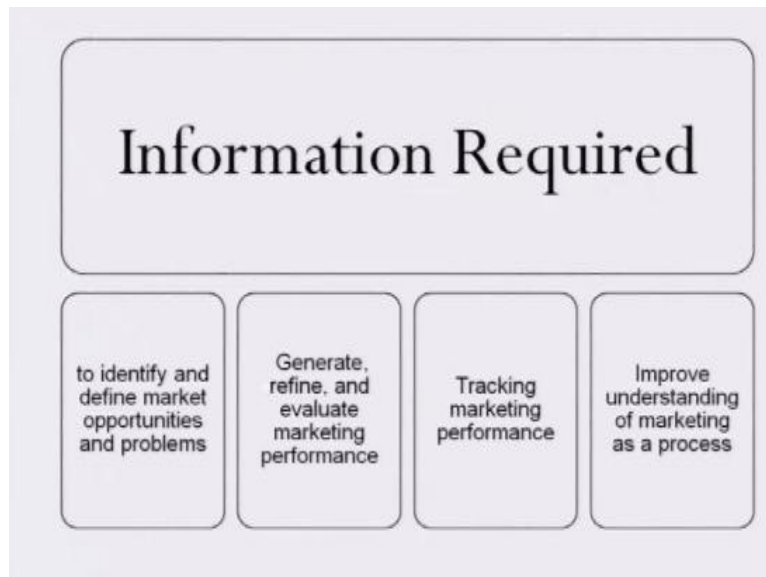
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Dr. Shashi Shekhar Mishra: Marketing research process comes probably at the core of this, as you can see in this picture that marketing managers make the decision about these four controllable variables. So the marketing research has to basically come out with the information so that right mix of these variables can be created and this is the overall picture of this probably that depicts the role of the marketing research, that it understand the information needs of the managers, it looks into the different factors like marketing mix, stakeholders, different stakeholders like customers, employees, management, management suppliers and the shareholders.

Then it also looks into the broader environmental factor that we have talked about that is pestle, it comes out with probably the necessary information that problem managers requires to make the decision about how to segment the market but some of the basically examples like how to segment the market, what should be the target market, what should be the marketing programs and what other performer performing, what is the performance of this marketing initiatives and what is the control required to implement the program so that you can achieve your objectives.

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Dr. Shashi Shekhar Mishra: So information required is basically is given here it is, it is generally in the four form like you can see it could be like identifying or understanding what are the different problems that may come up in the future or what are the opportunities that are coming up in the market then generate, refine, and evaluate marketing performance, that is tracking the performance of the marketing initiative and then improving, improve understanding of marketing as a process for the organization.

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Dr. Shashi Shekhar Mishra: Now if I talk about the marketing research then marketing research related with two types of broad problems, that is a two types of problems that generally comes across in the marketing research processes. The first one is this problem identification research that relates with that the issues which, which are not so easily observable or understandable, however there is a detailed research is required to understand something which will probably be a problematic for the organization in the future or probably there could be other opportunities which might be coming up because of the sudden changes in the external environment.

So you can see inside this problem identification research it involves the business analysis, consumer behavior, and their user's pattern, sales analysis research, market share interpotential, potential market size. Then we have this problem solving research that deals with the specific problems that an organization is facing at a particular point of time at that particular point of time and it can it can be related with the strategic marketing part like what, what are the different segments in the market.

How the market should be segmented or probably how the market should be targeted or which segments to be targeted, so which is the most attractive segment then what should be the right

kind of positioning inside those segments that the problem solving research could also be related with the marketing mix, like what is the right composition of four P's or within four P's if we talk about product what is optimal product design that the issues are probably related with the new product launch like test market or test marketing, and then what kind of product modifications are required then we talk about pricing that what, what is basically the suitable pricing for the new product, what is the most appropriate pricing for the, the product, what are the competitors pricing and in view of that competitors pricing.

What should be the pricing of this product then you have the issues related with the distribution network, then probably it is also about the promotion like if you have launched a new advertising campaign how it is performing in the in the market, what is the effect of that, what is the response of the target audience of that promotional campaign, so I will briefly tell you that different phases or different stages of this marketing research process.

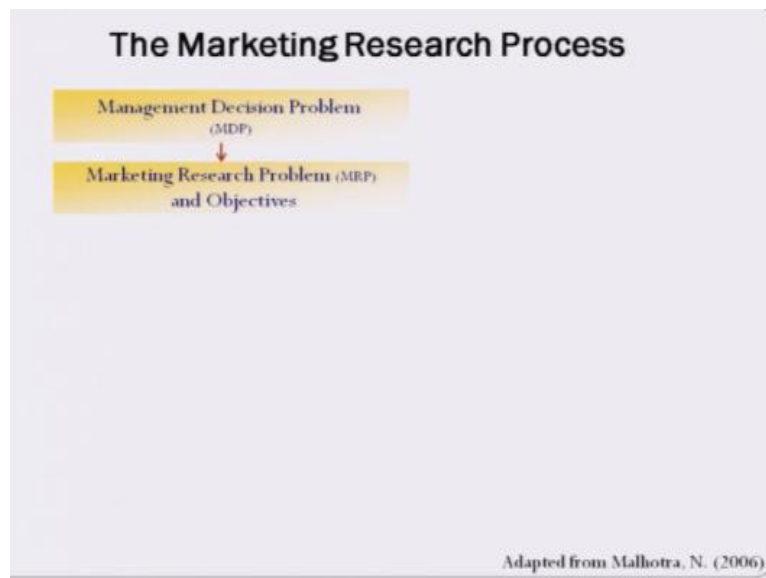
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Dr. Shashi Shekhar Mishra: Any marketing research process starts with the management decision problem wherein management specifies what is the decision making issue in front of them so they can say that their sales is going down, the market share is coming down, so those

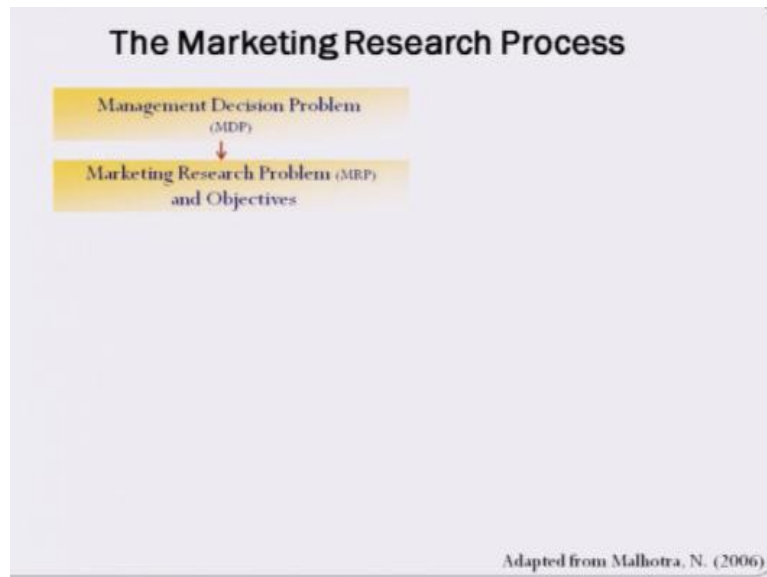
kind of issues probably that the management phase and they need to act on those issues because those are probably the key issues in front of them.

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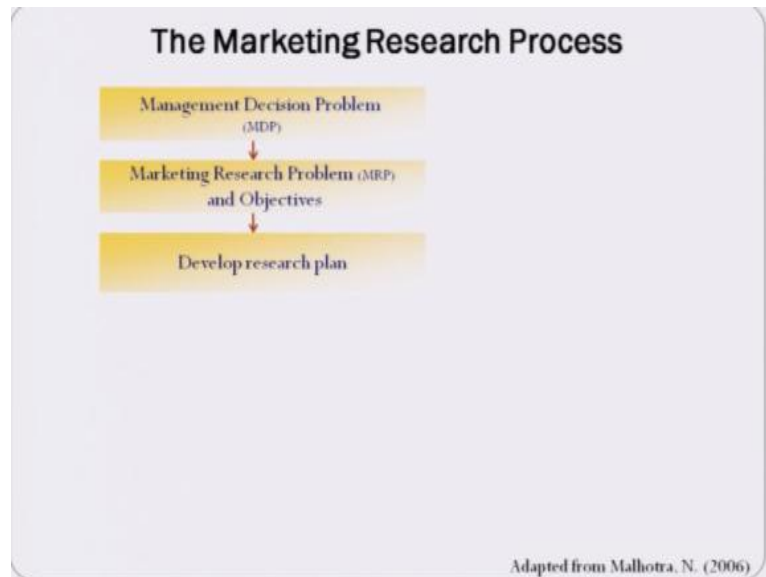
Dr. Shashi Shekhar Mishra: Related with this, that management decision problem you have marketing research problems and objectives of the marketing research process, so corresponding to management decision problem you have to define what is the marketing research process I will talk about it but briefly I will tell you is that marketing research deals with, to take that decision what kind of information is required or what is what is causing that that management issue so once you define what is your marketing research problem.

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Dr. Shashi Shekhar Mishra: You can come out with a specific objectives of the research what is the, what are the things that needs to be the researched or what kind of information is required, then you have a.

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Dr. Shashi Shekhar Mishra: Once you have defined your research objectives then you have to come out with your plan basically how you are going to address or how you are going to fulfill those research objectives so inside that you have to decide different issues like, like to whom to collect the data, how it has to be collected, so lot of things will come inside it and I will go into the detail of this development research plan part

Once you have collected then once you have developed the research plan then you have to collect the data, you have to go into the field you have to basically do, do the data collection part.

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Dr. Shashi Shekhar Mishra: Depending on what is the mode of your research, whether it is a survey-based research or it is a qualitative research like in-depth interviews? So depending on the, those different type of research your data collection process will differ.

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Dr. Shashi Shekhar Mishra: Then comes once you have collected the data the next thing that comes and that is very important is analyze this information, the data collection gives you an information and that you need to analyze. So that you can answer to your marketing research objectives and this is where a lot of basically development, developments are happening in the industry. And that is why you listen time and again that analytics industry is going at a very fast pace because this analyzed part is becoming or probably is becoming the center of the whole thing.

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Dr. Shashi Shekhar Mishra: Then once you have analyzed the data then you need to report it and you have to report in a way that it is easily understandable for managers to basically act on it.

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Dr. Shashi Shekhar Mishra: And then these findings have to go into this as an input to marketing manager so that they can take the necessary decision.

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Dr. Shashi Shekhar Mishra: With this I will talk a little bit about, based on this research process marketing research process you have broadly three types of firms, marketing research firm, the first one is a syndicated service where marketing research firms work on issues which are relevant to multiple firms or multiple organizations, like some of these organizations like I yesterday I talked about Euro Monitor as in Nielsen Media Research.

We talked about CMIE different basically marketing research firms work on a different kind of market, different kind of industry, different kind of customer groups, and they come out with the generic information which might be relevant to multiple firms or maybe they might that the same report or the same information might be utilized by the different competitors in the market also.

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Dr. Shashi Shekhar Mishra: So that is what the syndicated service firms provide that they come out with the generated reports, overall picture. Then you have custom marketing research firms which work on the specific problems of a firm. So rather than working on a industry as a whole this custom marketing research will focus on the specific issue of a firm, the kind of marketing problem it is facing.

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Dr. Shashi Shekhar Mishra: Then you have a specialty line firms or a specialty line marketing research firm.

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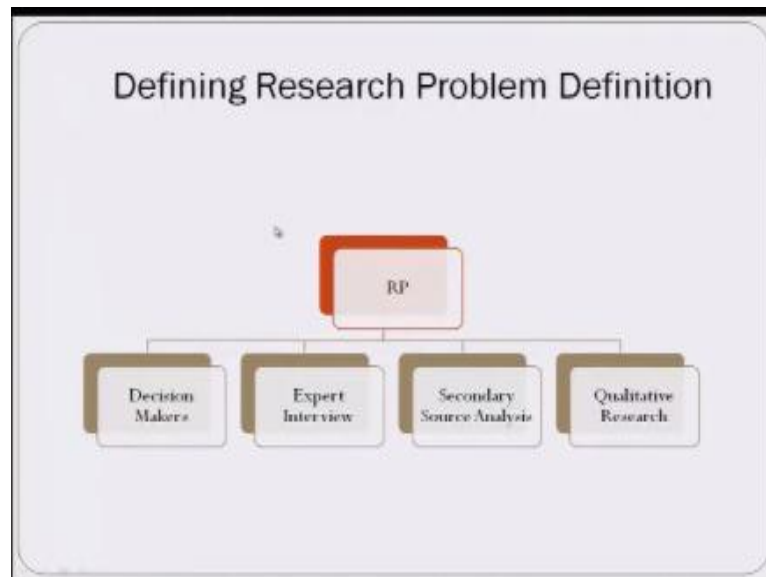


Dr. Shashi Shekhar Mishra: These are the firms that work on the, that work on the one or more than one of these phases of or stages of this marketing researcher process. So rather than working across all of the entire solution to a marketing research problem a firm might just might be acting on this analyzing information part that is what I was saying like lot of firms are building competency.

Or they work only on the analysis of the data, then you have a couple of firms in the online page which collect the data for you. So you will see that they only work and they only collect the data for the specific marketing research problems, on the other side there are firms which basically work on the analysis part, they have the competence on the analyzing a particular type of data or they have a basically competency in a certain type of a research techniques.

So that is what they focus on analyzing the information, there are firms in fact they help you in reporting your findings also. So how can you come across with reports which, which, which, which are very easy for the, the probably the viewers or the readers to come across and then based on that they can make the decision. So you will see that specialty line firms rather than focusing on across the process they focus on one or more than one stages of the process.

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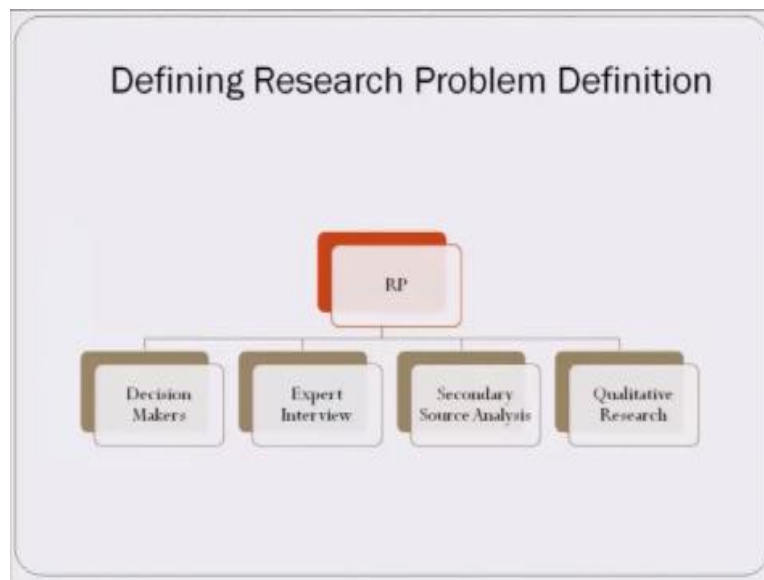
Dr. Shashi Shekhar Mishra: I will talk about this, first thing that comes into this marketing research process is deciding on the management decision problem and then deciding on marketing research problem, while we define this marketing research problem, what we do is very important is and in this process what generally happens is, that you talk to the decision-makers. So you talk to your marketing managers, if it is an outside firm which is performing the process.

They will come and they will talk to their clients or if it is in-house marketing research department they will go and talk to the, the concerned decision-makers about the decision-making situation. So from there they will try to clarify what is the context of the management decision problem and what are the constraints, what are the limitation or that they had, they have to face, with all that those information.

Then probably they also go into the expert interview, that their industry expert they are people who are expert in certain processes, they will tell you like why certain kind of things are faced by the organization. So that further clarifies the, the issues which are related with any management decision problem or marketing research problem. Then you have secondary source analysis, you

go into the secondary research, you look into the literature, you look into the secondary databases to understand why basically this kind of issues comes and what is the related things along with those issues, then you go into the qualitative research.

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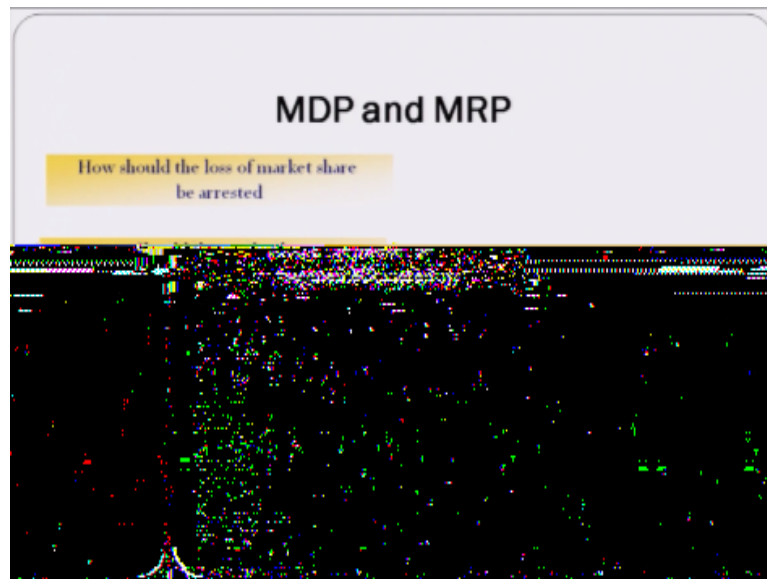
Dr. Shashi Shekhar Mishra: Where you can talk to basically the customers of the company or the other stakeholders of the organizations, you conduct different type of qualitative research to further clarify and come out with a very specific or very clear cut marketing research problem definition.

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Dr. Shashi Shekhar Mishra: Now a little bit about this, what is this management decision problem marketing research problem? I will explain to you through certain examples like management decision problem is a, is a decision making situation that a manager is facing inside an organization like if, if based on the monthly data he is seeing that his market share is going down. So that is something which is of worry to that manager and he need, he needs to erase that situation so here you will see that management is in problem is how, how the loss of the market share.

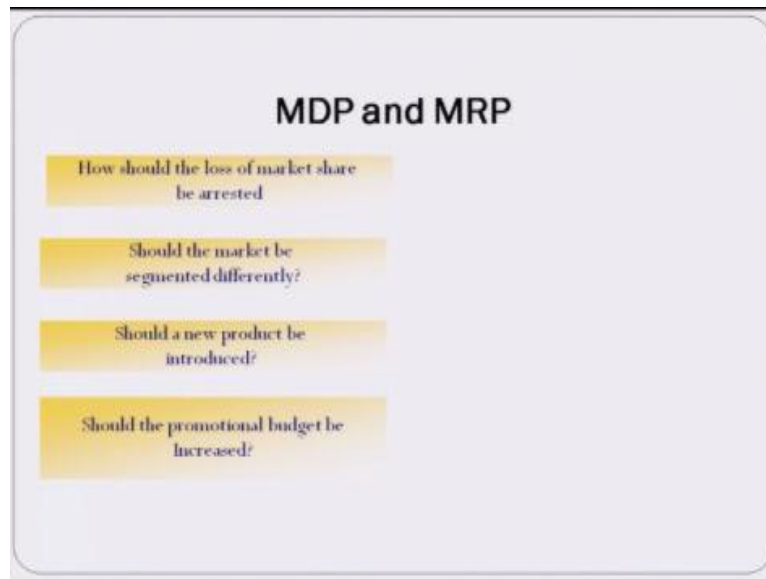
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Dr. Shashi Shekhar Mishra: Share should be arrested, then the other management decision problem could be that, should the market be segmented differently. So why this kind of problem will come is like some, it happens with all the markets and across all the industry that with the changes in the time, with a change coming up or the different types of offering that becomes available over a period of time in the market and changes in the customer preferences. The way the, the market has been segmented previously the basis of the segmentation will change. And in that case you will see that your marketing programs are not that effective.

So from there the marketing managers generally face this problem of, should the market be segmented differently.

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Dr. Shashi Shekhar Mishra: Then you could have a decision issue like, should a new product be introduced in the market or it should not be introduced. So that is another thing that, that is something very of utmost importance today in the competitive business environment. Then you will see that should the promotional budget be increased. So if you see that you are not achieving certain kind of targets from, from your marketing campaign then you will see that should the budget be increased?

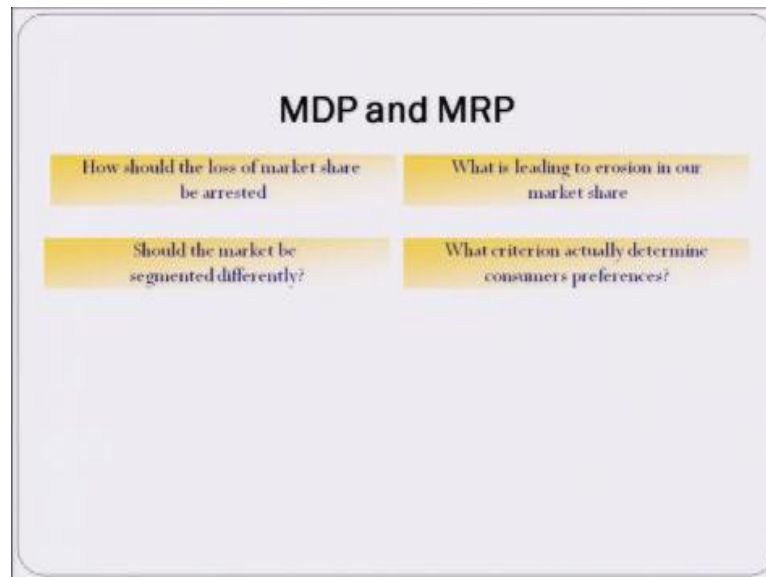
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Dr. Shashi Shekhar Mishra: Corresponding to this management decision problem I will go with each one of these corresponding marketing research problem. So how does the market, the management decision problem is how should the loss of market share be arrested? Corresponding to this you have a marketing research problem, what is leading to erosion in our market share? So this is the decision situation like you have to arrest the market share, corresponding to that in a marketing research problem you have to research out or you have to understand that what actually leads to the erosion in market share.

Or to what are the things based on which companies, I mean any company's market share is dependent on, so then.

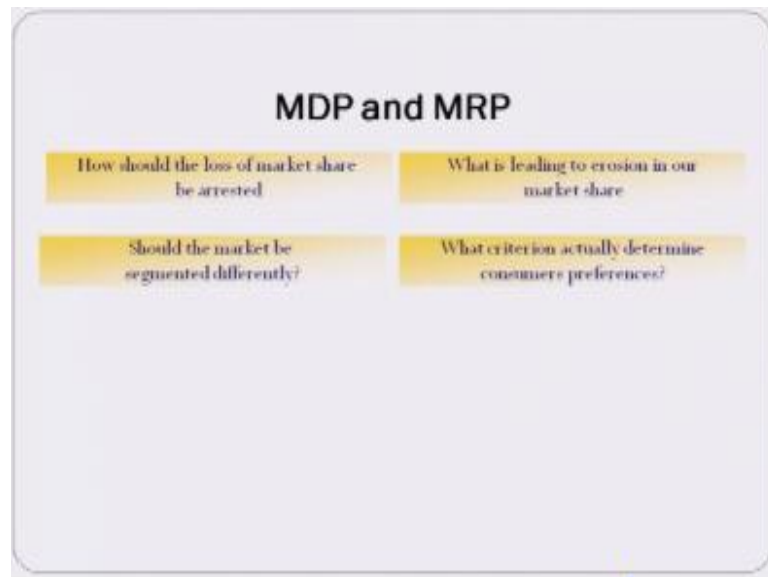
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Dr. Shashi Shekhar Mishra: That should the market be segmented differently, now corresponding to this you have a marketing research problem what criteria actually determine consumer preferences. So as I said like that the consumer preferences change over a period of time, if you go back probably toward two decades back you will see the cars which used to be purchased only for the transportation need and probably something that has a high mileage and probably the initial cost has to be low. So, so the value for money was important.

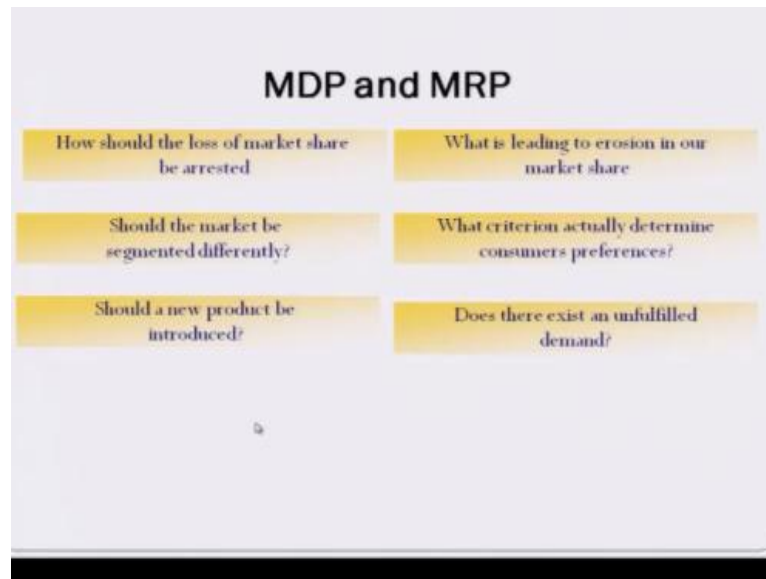
Now you will see there is a that segment might still be there, but you will also see the market has shifted from that and you will see that consumers are also going for, are preferring the products which have a lot more features they, they, they are basically more safe and convenient, so other criteria are also coming into the consumer decision-making process, and that, that will ultimately affect the market segmentation of any offering. So should the market be segmented differently?

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Dr. Shashi Shekhar Mishra: Corresponding to that you have a marketing research problem that is, what criteria actually determine consumer preferences. So if you can understand what determines consumer preferences? So based on the, those key criteria's you can segment the market accordingly. Then the next question comes, can the new product be launched, should any product be launched, for that

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Dr. Shashi Shekhar Mishra: The marketing research problem is does there exist an unfulfilled demand, so if a new product has to be launched in the market is there a need is there some need which has not been fulfilled in the market, and if that need has not been fulfilled then probably it makes sense for a company to launch a product. Then you have the last example which I talked about in management decision problem was should the promotional budget be increased?

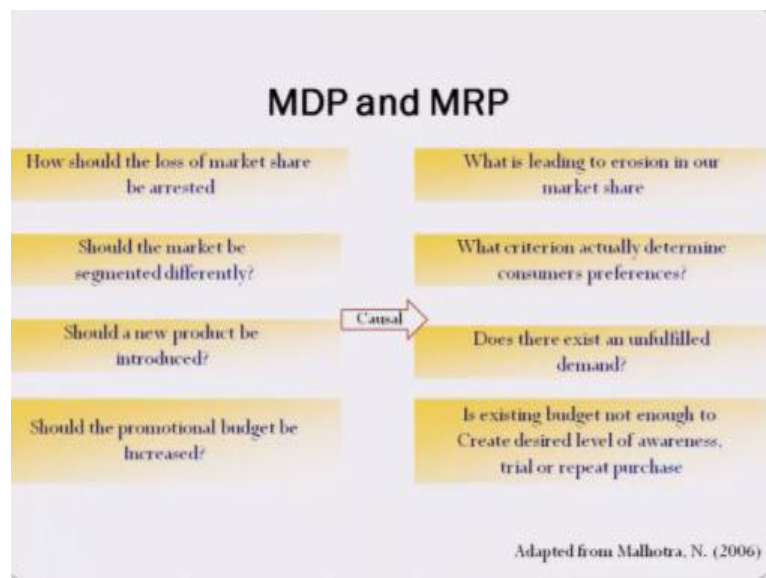
Now the marketing research problem corresponding to that is existing budget not enough to create desired level of your marketing promotional objectives, is your existing campaign or is, is the existing budget is unable to give you the kind of or provide you or help you attain the your promotional campaign objectives, so these are basically the marketing research problem, if you, if you would have noticed

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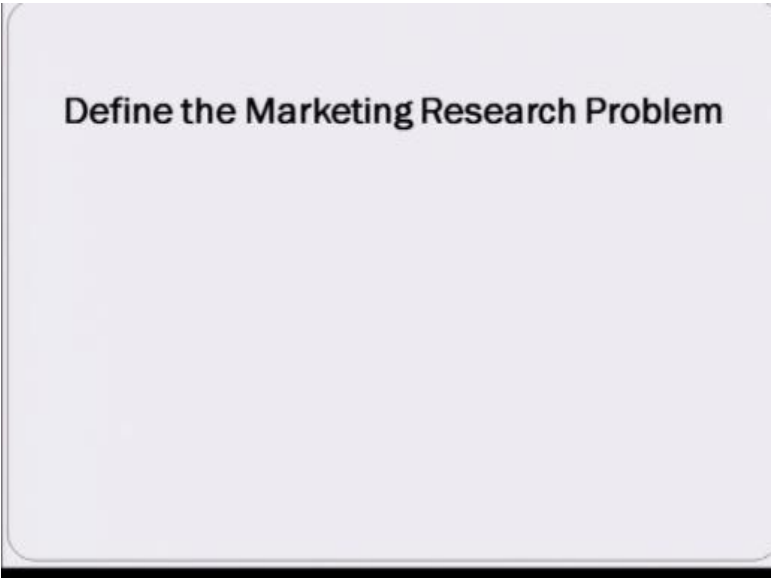
Dr. Shashi Shekhar Mishra: That the relationship between management decision problem and the marketing research problem there is a causal relationship

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Dr. Shashi Shekhar Mishra: Marketing research problem there is a, there is a problem with this sign of the, this causal thing, marketing research problem actually are basically the cause of the effect of this management decision problem, so management decision problem is a basically effect and marketing research problem is a basically the cause of that effect so this, this relationship or this causal relationship exists between these two.

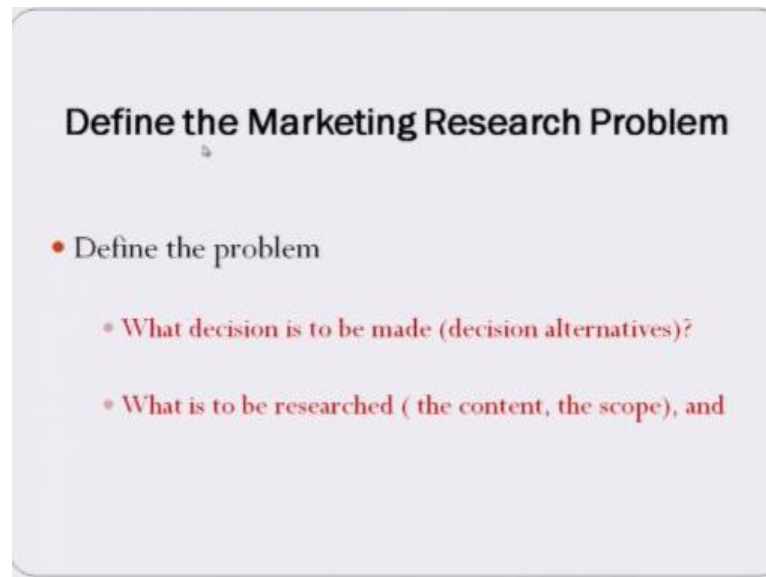
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Define the Marketing Research Problem

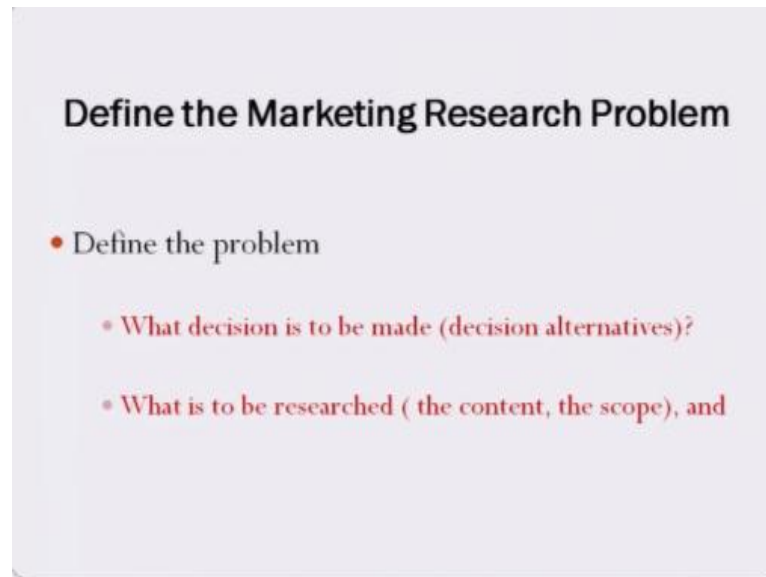
Dr. Shashi Shekhar Mishra: Then you when we talk about this defining the marketing research problem

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Dr. Shashi Shekhar Mishra: It is very important when you are talking to the different people like a decision makers, you are talking to expert, you are looking into the second resources of analysis and also going into the qualitative research, what you should do is that you should come out with a very clear-cut definition of your problem in the sense you should know what are the different alternatives and what decision has to be made, what are the different alternatives, what are the basically constrained or the background of that research problem, what is a past or the background of, from there this problem is originating and then you have to also specify very clearly that you should understand that what is to be decided.

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Dr. Shashi Shekhar Mishra: That is the content and the scope of this marketing research problem so whether you are if you are talking about market share than you are going to talk only about market share or probably something related with other things also, like you will see your market share is going down sometimes it happens with as the market matures a lot of competitors comes in and then the kind of market share you initially had, supposedly you had the initial market share of 70% when you begin with but today the market has matured and the market size has gone up so you have to also the market size and the sales also.

So you have to basically understand the problem as a whole and then you have to define basically the scope of the problem like some of the things, like if you talk about the sales whether you are going to talk about the sales only a particular region or probably in the whole country or probably only to a specific time period, so all those things needs to be defined very clearly and then

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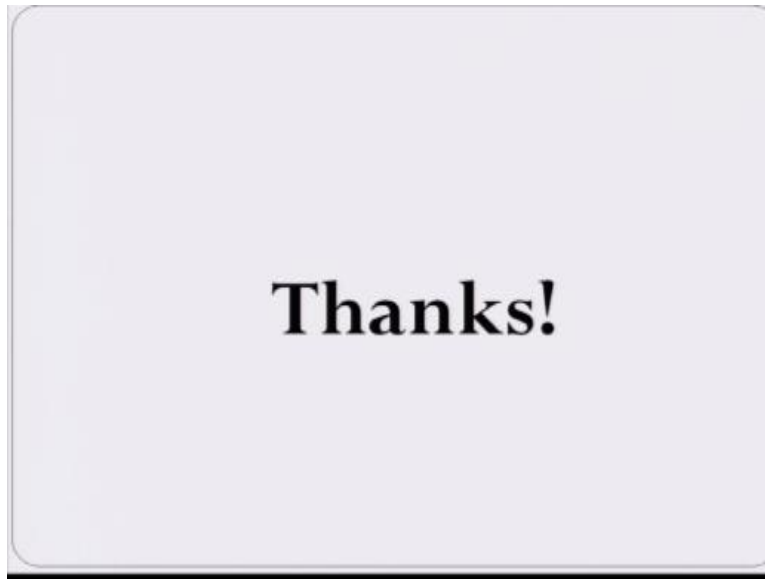


Define the Marketing Research Problem

- Define the problem
 - What decision is to be made (decision alternatives)?
 - What is to be researched (the content, the scope), and
- State research objectives

Dr Shashi Shekhar Mishra: Based on that marketing research problem you need to state your research objectives very clearly

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Dr. Shashi Shekhar Mishra: So I will end my session at this point of time and when we will meet we will look into the different other stages of the marketing research process, and then we will talk about the different approaches to research different types of research process and we will also go into in depth into the different techniques of the marketing research process. So thank you very much for today.

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