

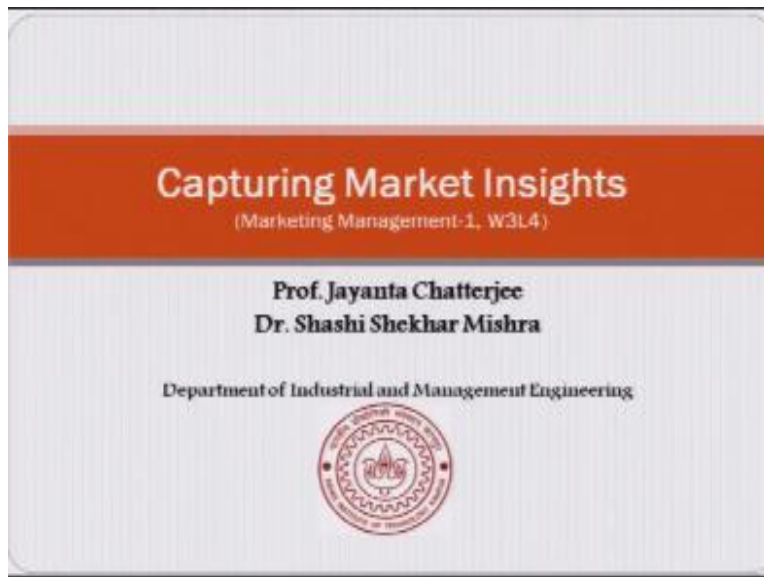
Indian Institute of Technology Kanpur
National Programme on Technology Enhanced Learning (NPTEL)
Course Title
Marketing Management – 1

Lecture: W3.I.4
Capturing Marketing Insights

by
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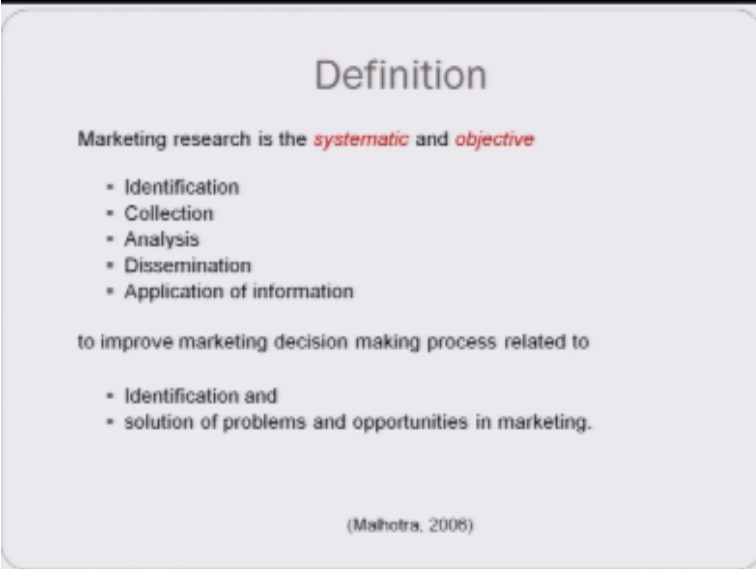
Dr. Shashi Shekhar Mishra: Hello and welcome to another session of marketing management part 1, we are in third module of this course.

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Dr. Shashi Shekhar Mishra: That is capturing market insight, this is lecture 4 of the week third in this course.

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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: And we have started discussing about marketing research process after discussing the different components of marketing information system we are discussing about marketing research. As you have seen the marketing research is an objective and systematic process, it is systemic because it is performed in a sequential or in ordered manner, it starts with the determination or the identification of the information needed.

Then you collect the information which is required for answering the information, once you collect it then you analyze it, and then you disseminate it, you provide it to your decision makers in the form that is understandable to them. And then that information is applied for achieving the desirable objectives of that marketing research project. And this is basically to improve marketing decision making process related to identification and solution of problems and opportunities in the marketing.

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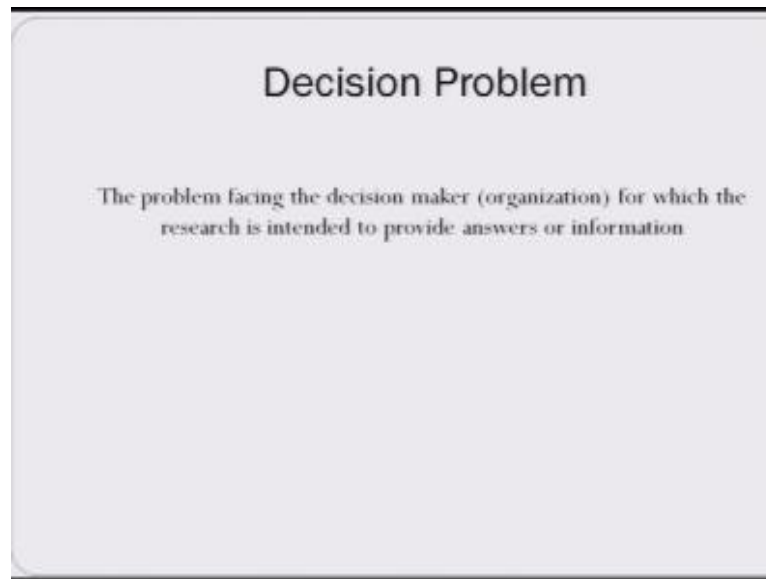
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Dr. Shashi Shekhar Mishra: So we have looked into the different steps of marketing research process, marketing research process starts with the management decision problem which is followed by marketing research problem and objectives of the research project. Then you develop your research plan which is followed by the collection of information, analysis of the information, analysis of the data being collected, and then reporting the findings for the input to marketing managers or to the decision-makers.

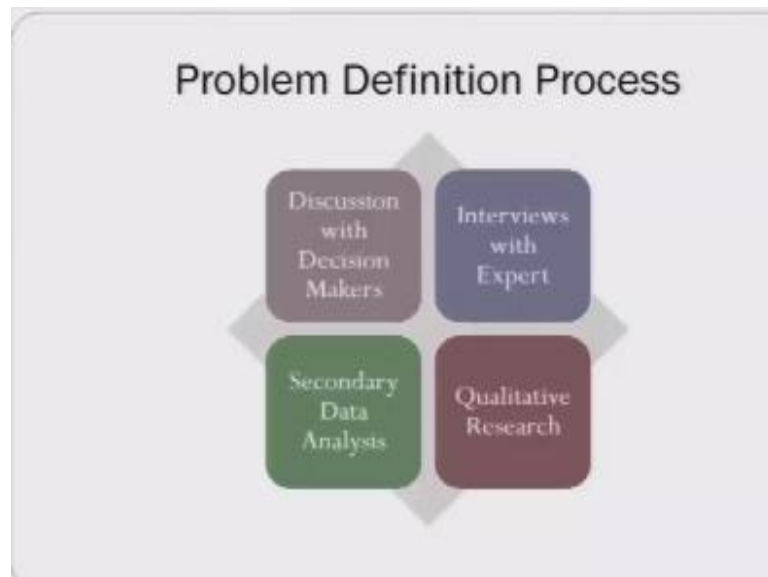
Today I am going to talk about this in detail about management decision problem and marketing research problem.

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Dr. Shashi Shekhar Mishra: So management decision problem is that the problem facing the decision maker for which the research is intended to provide answers or information. So basically you understand there is a decision-making situation, the managers marketing managers or the top management of the firm is standing at a particular point of time where they have to act on something which is happening around their business in the market and related with the other environmental factors. So this is basically a decision-making situation.

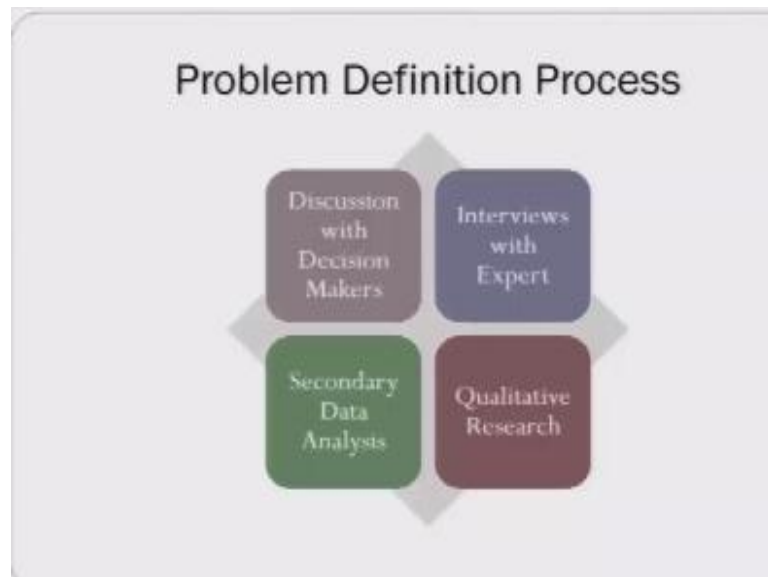
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Dr. Shashi Shekhar Mishra: Now corresponding to this decision-making situation how do you determine what is the marketing, this management decision problem? So problem definition process includes some of these steps like discussion with decision-makers, you interact with decision-makers, you understand what is the context of the problem, how you have reached to that problem situation. So understanding the historical perspective of that problem is very critical.

Then you also understand what is their take on that problem, what could be the possible reasons for that decision making situation, what are the different alternatives which are available with them, also you indulge in probably, indulge in a discussion with interviews with expert.

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Dr. Shashi Shekhar Mishra: Or you basically talk to the expert in that area and try to understand what could be the possible alternatives to that decision-making situation, what could be the factors that are under playing an important role in that decision-making situation? Besides this discussion with interviewers and the interviews with expert you also look into the secondary data analysis, sometimes it is very, very useful and you should look into the existing literature or probably you can look on the web, or you can look into the different sources of the problems which can help you in understanding and determining the overall management decision problem.

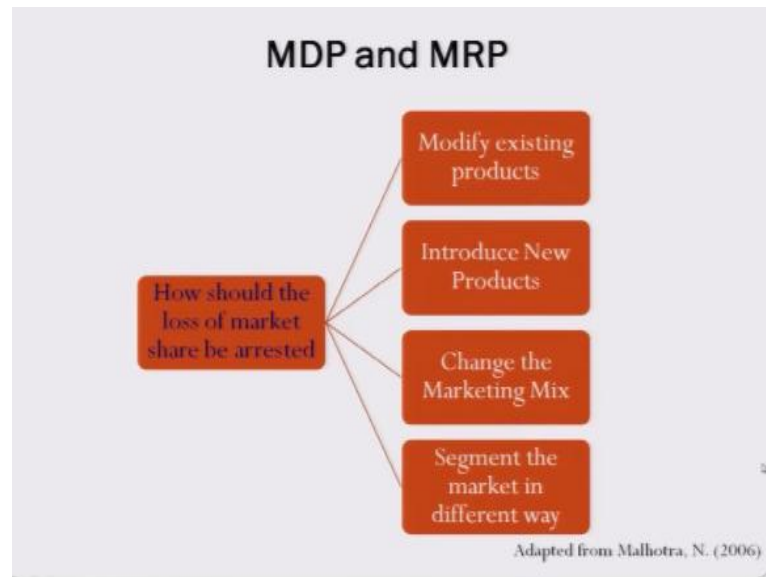
Then you can also employ the qualitative research to explore what is the problem, to understand the problem, to sharpen your problem, and also probably clarify what could be the possible alternatives. So all these four types of things can help you in creating a more precise management decision problem or as a researcher it will give you a better understanding of what is the management decision problem and what is the further course of action.

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Dr. Shashi Shekhar Mishra: Now I talk about management decision problem with respect to marketing decision problem, here you will see that the decision problem, marketing management decision problem is about what marketing managers need to do, so that means it is action-oriented. On the other side when we have to decide corresponding to that management decision problem what is a marketing research problem, the marketing research problem will be focused upon what marketing managers need to know to solve that problem and how the information to be obtained, so it is an information oriented thing or it is an informal measure up to be performed.

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Dr. Shashi Shekhar Mishra: I will give you an example here, there is a departmental store, I call it as Kirana retail chain. Now this retail chain management is they are seeing that they are losing the market share, what could be the possible alternatives for arresting this loss of market chain so the possible ways or possible alternatives for resolving this management decision problem of arresting the this loss of market share could be modify existing products product lines, you can also introduce new products, you can change the marketing mix, you can change that if you understand there is a problem with the positioning or the positioning is not relevant with the current times.

You can change or re-launch the product or reposition the product and then also you can, the one other alternative could be that segment the market in a different way so that could also help you in this situation in arresting your market loss thing.

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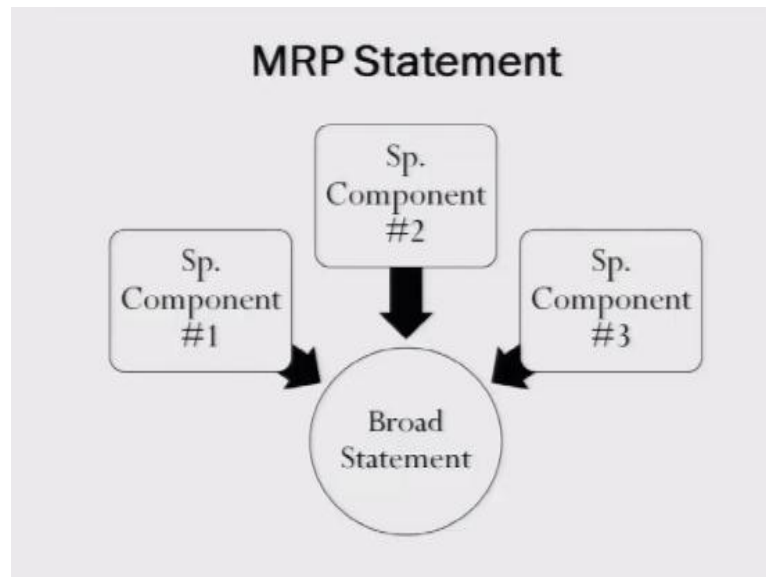


Dr. Shashi Shekhar Mishra: Now corresponding to the marketing research problem you will understand that there are some of the important things one has to understand is that decision maker and its environment. You need to understand if manager is standing at a particular point of time in a decision-making situation, what is its environment, competitive environment, its external environment, the various other factors that affect that decision-making situation, then as I have already talked about what are the alternative courses of action?

Important thing the consequences of alternative actions, so if you exercise one particular alternative what could be the outcome of that thing because each, exercising any of these alternative will have its share of resource requirement and also it will lead to a particular kind of market consequent, so you need to basically predetermine or assess that also and then objective of the decision-makers, so with respect to the objectives of the decision maker what, what kind of outcome these different alternatives will generate?

That is also needs to be understand, that needs to be understood.

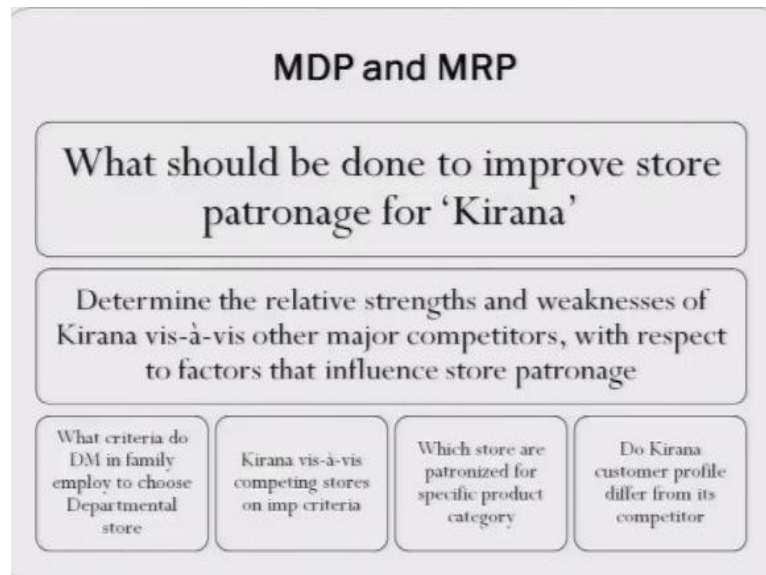
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Dr. Shashi Shekhar Mishra: Generally what happens is there are two types of mistakes people do in a creation of this marketing research problem statement or when they state marketing research problem they either define the marketing research problem in a very broad way or they basically define the marketing research problem in a very narrow way. However the marketing research problem should have two components that or two parts which is broad statement that should help you in understanding what is what is the overall problem that you are trying to address, and corresponding to that problem what are the different objectives Or what are the different components of that problem.

That you need to resolve or you need to answer so that you can collectively by answering those components you can answer the broad statement.

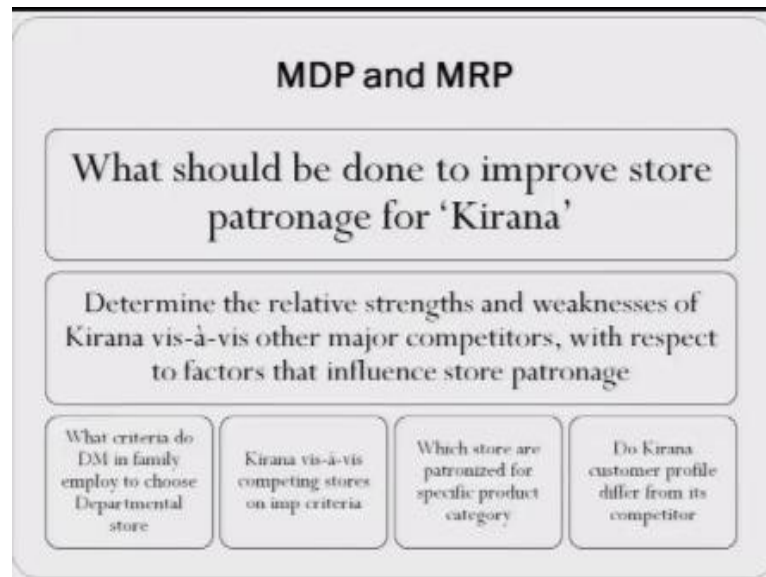
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Dr. Shashi Shekhar Mishra: So here again I give you an example, there is a retail outlet Kirana which is basically facing this problem of that their store patronage is going down, the researcher when conducted the interviews with the key decision-makers he had found out that the decision makers are seeing the decline in their sales and they attribute that to the store patronage, but when the researcher asked these decision-makers how do you know, I mean why this store patronage is going down they do not have the answer so that is what they are asking researcher to answer here, corresponding to this management decision problem of a, to improve the store patronage for this retail chain Kirana.

There is a basically marketing research problem, the broad statement here would be determine the relative strength and weakness of Kirana vis- a- vis other major competitors with respect to factors that influence store patronage. So this is a broad statement, to resolve that store patronage issue you have to understand the position of this Kirana with respects to, with respect to its competitor on important attributes, the factors which affect the store patronage.

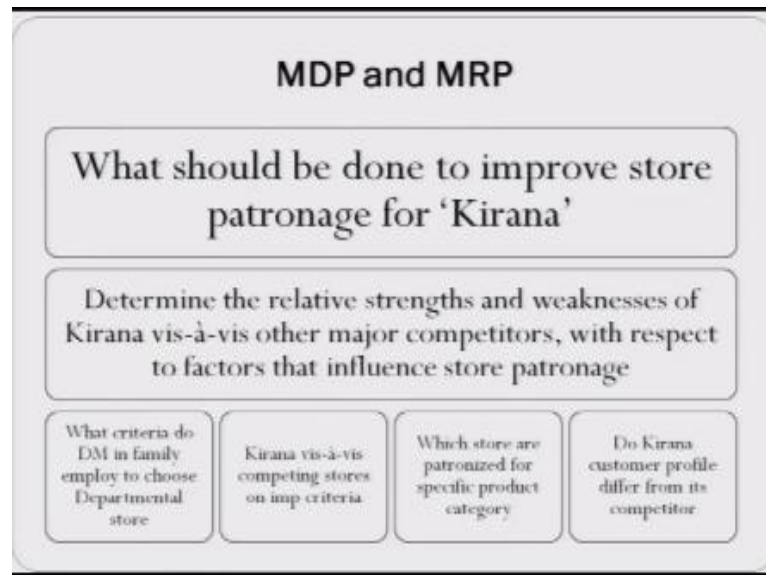
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Dr. Shashi Shekhar Mishra: So corresponding to this broad statement you have a components of this research problem, marketing research problem, the first component I have written is what criteria do the decision maker in a household employ to choose department store, store? So what are the factors basically the critical factors that determine the choice of a customers, of a particular store?

So those are the important factors, now here the literature review could be of very critical use or could be of a very important use or could be very helpful in already understanding because there has been so much of research which has already gone in understanding this store patronage part.

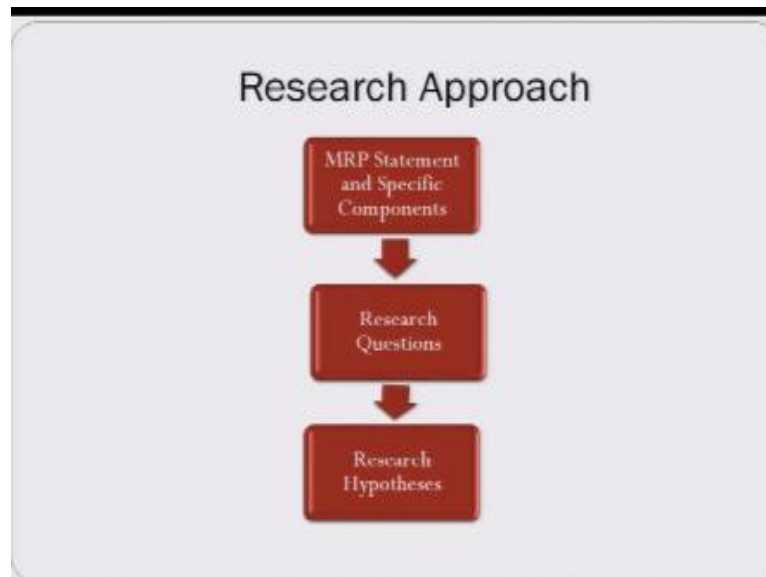
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Dr. Shashi Shekhar Mishra: Then the next statement related with this marketing research problem could be Kirana versus vis-a-vis competing store on important criteria. So one part is that you understand the critical factors, the second part is, how on those critical factor this retail chain Kirana fares with respect to its competitor, then the third part is, which store are patronized for a specific product category? So within that, that this Kirana stores market you might have a different segments.

And you will see that a different segment of the customers or probably for a specific product category customer choose a particular type of a store. So that also you need to understand then you the further questions could be like, do the does the profile of Kirana's customers differ from the profile of the its competitors, market share for Kirana store on a specific product category vis-a vis its competitors. These are the things as a specific part of that marketing research problem that you need to frame.

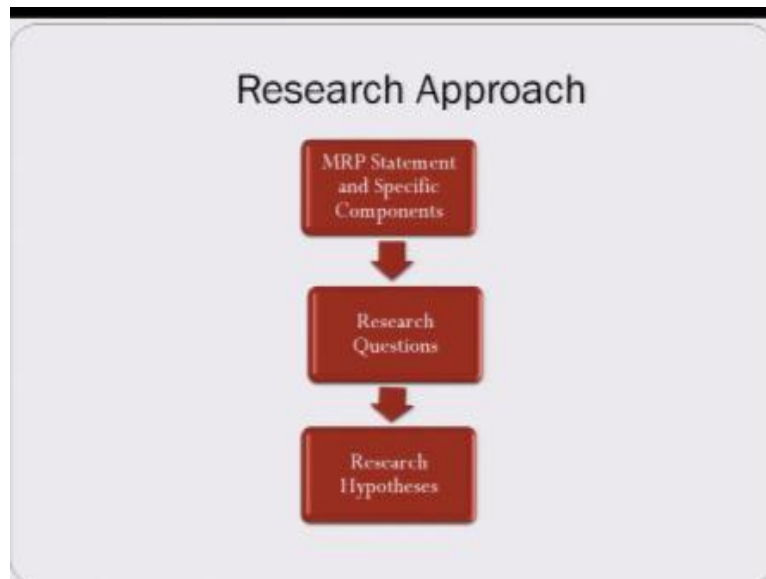
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Dr. Shashi Shekhar Mishra: And then you can work with each of these different specific components, when you start working with this components each component can lead you to basically different types of research questions actually. So responding to each of these components you can have a different research questions, research questions are refined statements of specific components of the problem.

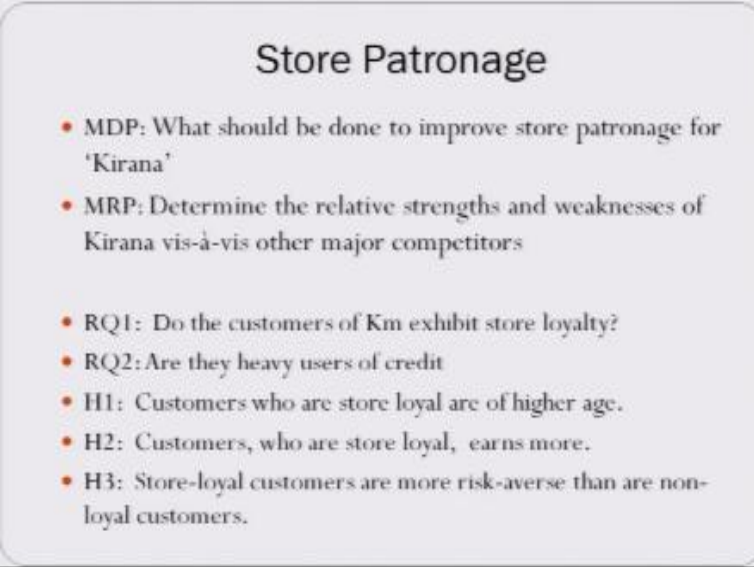
So you are dealing with a specific components and you have a different refined statements that can help you in answering that research questions. I will explain to you these things in the next slide.

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Dr. Shashi Shekhar Mishra: And corresponding to those research questions you can build your research hypotheses, research hypotheses are testable statements that basically talks about the connections between the variables or the factors or the phenomena that researcher is interested in.

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Store Patronage

- MDP: What should be done to improve store patronage for 'Kirana'
- MRP: Determine the relative strengths and weaknesses of Kirana vis-à-vis other major competitors
- RQ1: Do the customers of Km exhibit store loyalty?
- RQ2: Are they heavy users of credit
- H1: Customers who are store loyal are of higher age.
- H2: Customers, who are store loyal, earns more.
- H3: Store-loyal customers are more risk-averse than are non-loyal customers.

Dr. Shashi Shekhar Mishra: If you, I will continue with the example of this Kirana retail chain. Here the management decision problem was what should be done to improve store patronage for Kirana? Corresponding to that you have a broad marketing research problem that determine the relative strengths and weakness of Kirana vi-a-vis other major competitors. Now you understand one of the specific component of this marketing research problem was.

The profile of the customers with respect of Kirana with respect to its competitor. So now you analyze to understand the analyze of the customer profile of Kirana vis-a- vis its competitor, you can have a different research questions and the corresponding different research hypotheses for answering that specific components.

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Dr. Shashi Shekhar Mishra: So to answer about the profile of the on what factors the Kirana stores customers differ from its competitors, do the customers of Kirana store exhibit a store loyalty or they heavy users of credit, and you will see that you will, you can build corresponding hypothesis with respect to them. Customers are, customers who are loyal are of higher age. Customers who are loyal to basically Kirana of higher age, then customers who are loyal earns more they are, they belongs to higher income group. Similarly you can build the hypothesis and.

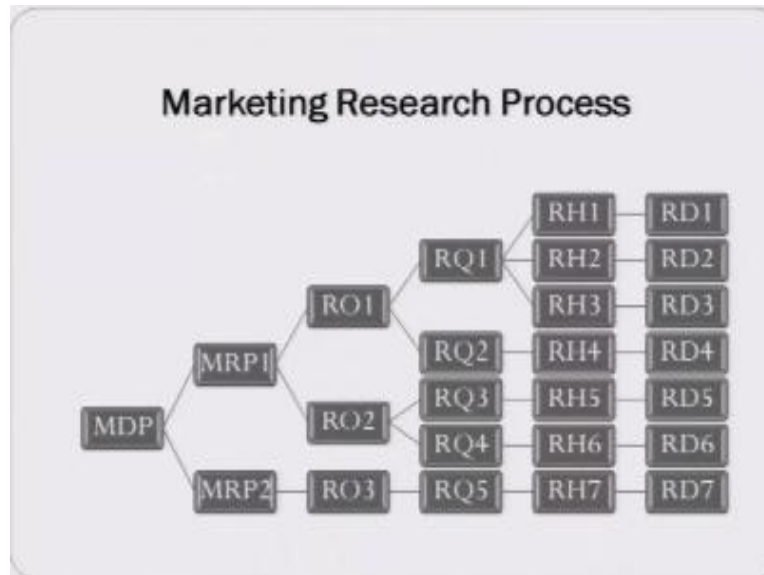
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Dr. Shashi Shekhar Mishra: You will see that when you are proceeding in this marketing research process that corresponding to a management decision problem here you may come out with more than one marketing research problem, or you may work on more than one alternatives and corresponding to that problem you may have more than one specific components in the form of research objective one, research objective two, then you see that for each research objective or specific components you can have more than one research question to answer that research objectives.

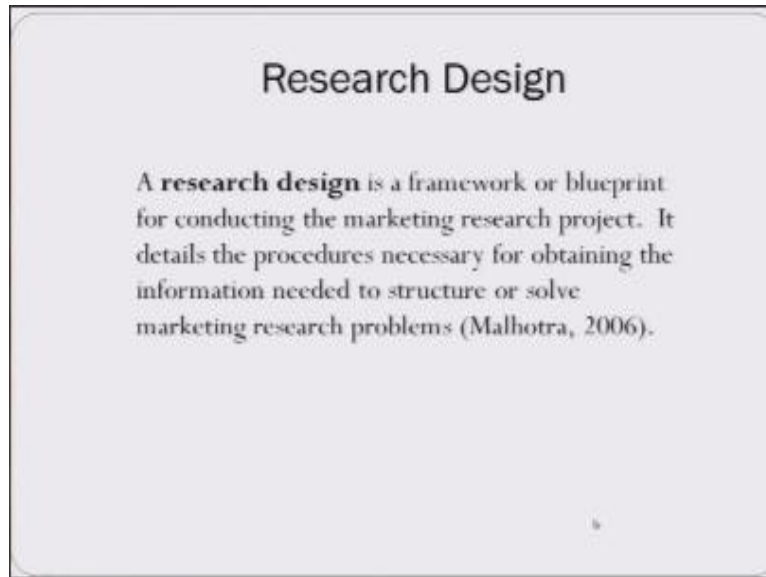
And you will build basically, you can build more than one research hypotheses to answer that research question.

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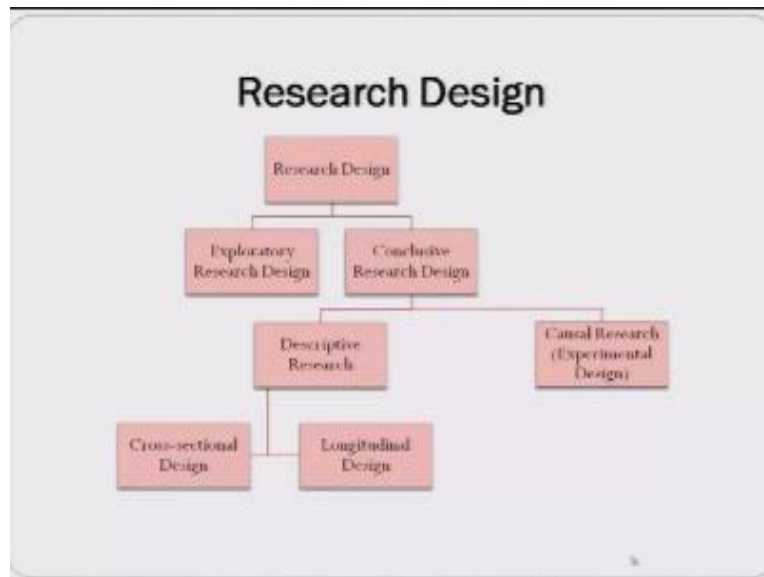
Dr. Shashi Shekhar Mishra: Corresponding to each of these hypotheses you have to have a research design to answer or test those hypotheses, in that you collect the information and test what, what is stated in that hypotheses. So we will talk further about this research design part.

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Dr. Shashi Shekhar Mishra: A research design is a framework or blueprint for conducting the marketing research project, it details the procedures necessary for obtaining the information needed to structure or solve marketing research problem. So once you have reached upto the hypothesis stage that means you have worked on the problem part properly, now the thing is that once you have stated your hypothesis you will need certain information to test that hypothesis, to test that in for, to test that hypothesis you collect the data and the blueprint of the rest of the process of collecting the data and collecting the information and analyzing it to test that hypothesis become the part of the research design.

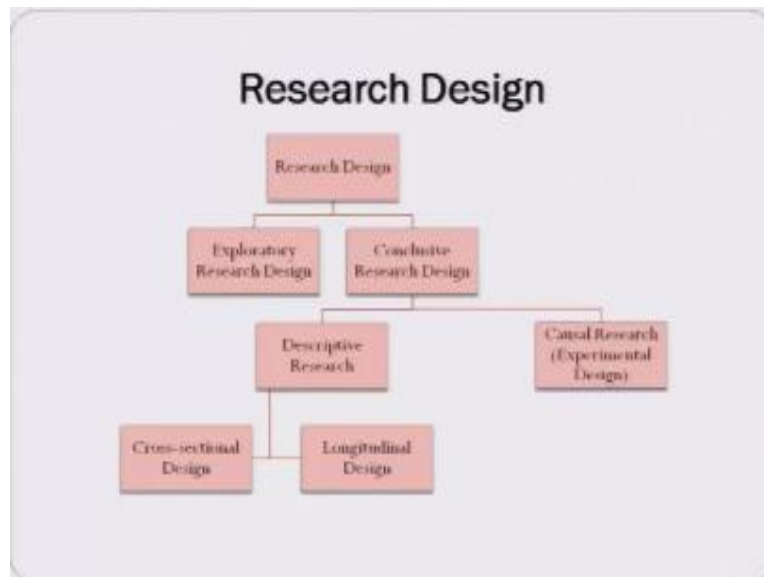
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Dr. Shashi Shekhar Mishra: This research design can be of broadly two types; exploratory research design and conclusive research design, and then in the conclusive research design again you have two parts, descriptive research and causal research. Descriptive research can further be classified in cross-sectional design and longitudinal design. I will take one each one of them one by one, so I start with the exploratory research design. In exploratory research design as, as the word explain itself it is about exploration.

So you explore, it is not, it can answer your questions like why, how and when kind of thing but it will not tell you about the how many times are those kind of questions. So it is about exploration of the problem further or sharpening your problem further, when you want to understand your marketing research problem for the exploratory research design can come into the picture or it can be useful. There are many qualitative research techniques which are employed here.

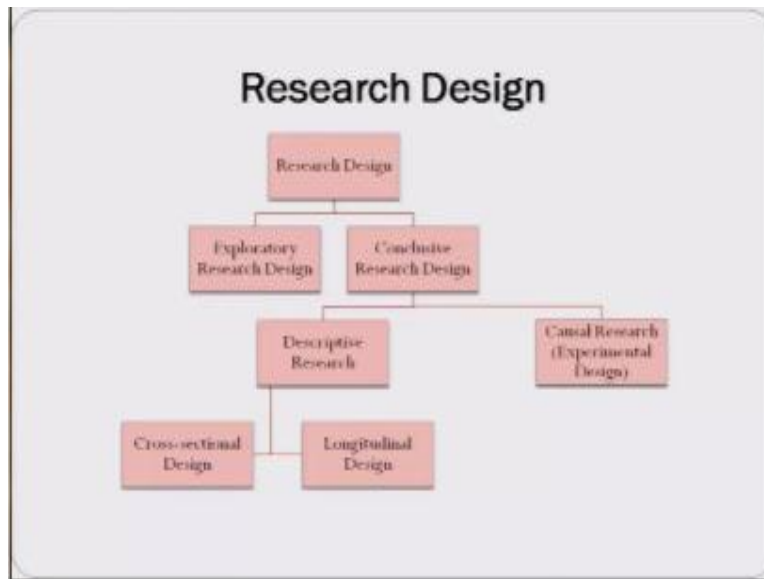
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Dr. Shashi Shekhar Mishra: To help you with this exploration part, then you have the conclusive research design. In the conclusive research design we try to ascertain the, we try to conclusively say what is the exact nature of the relationship and this conclusive research design has two part, causal research, causal research is concern the investigation of exam or the examination of the relationship, the causal relationship between two variables. So by controlling the extra effect of external variables in the experimental design you ascertain whether there is a causal relationship between two variables.

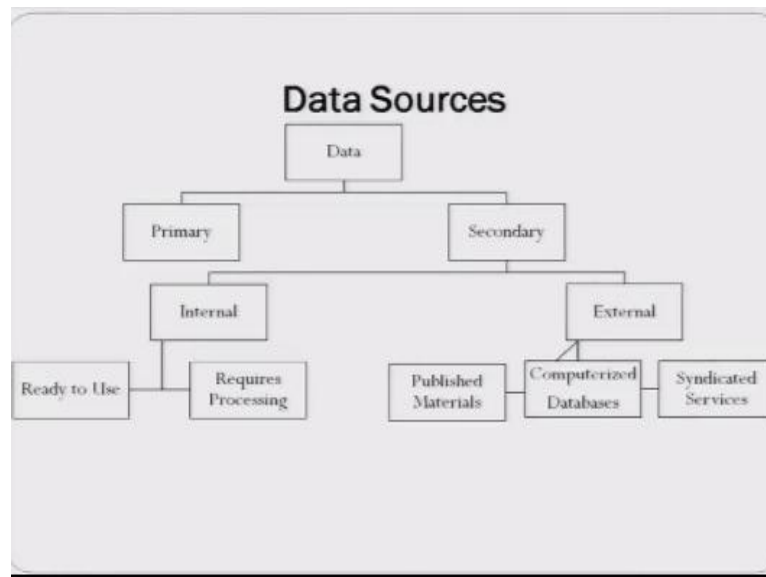
However you will see that the causal research can only tell you whether X is one of the possible cause of Y. But if I ask you what is the exact nature of relationship, how X is related to Y that answer I will not get and for that I have to use this descriptive research which, which tells you the exact relationship between the variables and the, the descriptive research is classified in two types of research design, that is cross-sectional design and the longitudinal design.

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Dr. Shashi Shekhar Mishra: So cross-sectional design is that if you research at a particular point of time that T equal T_0 if you study a problem then it is a basically a cross-sectional design. However if you study a problem at time T equal to T_1 and then again you study say time T equal to T_2 , so you see that you are studying over the period of time there is

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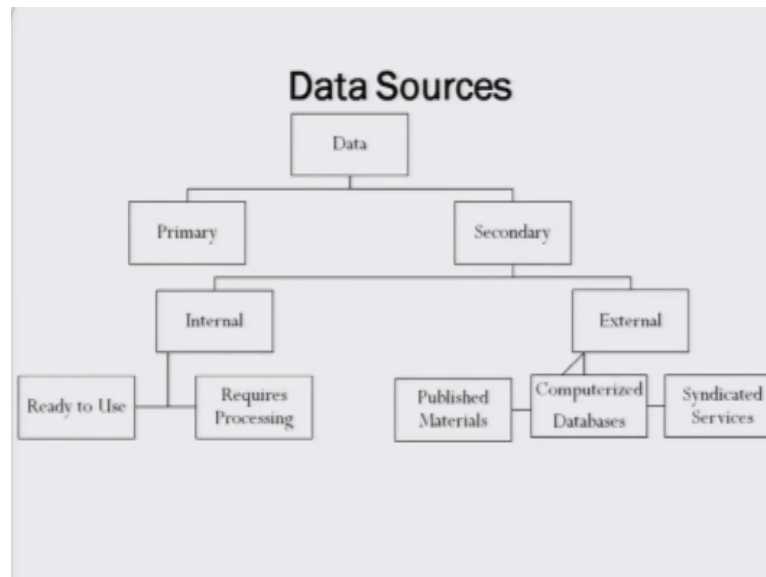


Dr. Shashi Shekhar Mishra: Longitudinal design. There is something more into it that when we talk about research design that is the nature of the data. Data can again be classified in two types, primary data and the secondary data, many a times you will find out that your secondary data can be very helpful, secondary data is something which has been collected for some other problem or some other related issue but it can also be useful for you.

So this sales reports might be developed to analyze the profitability or overall well-being but it, the sales data again also give you the information about some of the things that we were discussing earlier in the session like that you can also understand that possibly it can tell you that store patronage is going down because sales from your loyal customers is going down, the number of time they are coming back to you is going down.

So the secondary data could be of two types

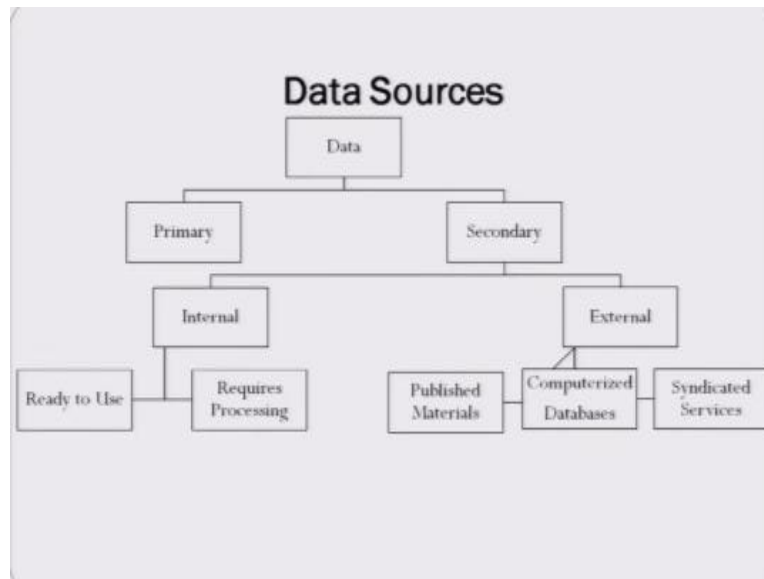
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Dr. Shashi Shekhar Mishra: It could mean internal, it could be external. Internal data is something which lies within the form and it can again be of two types, it could be ready to use, it is something which is for this purpose only or is in the ready to use form, or it could be in the form of something that you can further process and infer that data and analyze the data to answer the, what you were, the issue under hand then you can have an external secondary data that you can procure from outside the organization so there is a published material, lot of literature is available, academy research is available.

We have talked about the different databases where you can get a lot of literature about any concerned topic, then you have a computerized databases or the

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Dr. Shashi Shekhar Mishra: Syndicated services are also available these days which can give you the data about different markets, different brands or in a particular industry sector and the overall picture of that industry sector, however some of these services are paid. Then we talk about the primary data, the primary data is mainly collected for the problem that the research issue which is in hand so you basically employ a survey based research or you conduct in-depth interviews for a particular problem so these could be the primary sources of the data, and this data classification is something which is very important for you to understand. With this I conclude this session here and when we will meet in the next session, when we will meet in the next session we will start from here onwards, thank you very much.

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