Consumer Behaviour
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Lecture - 4
Market Research and Consumer Behaviour (Contd.)

Today we move further, with module two. And in the previous session on module two, which was session one module two, we had started with, and began to discuss, market research and consumer behaviour.

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So, we basically try to relate, market research and consumer behaviour with each other. And we spoke about the relevance of market research, with consumer behaviour. We spoke about the various approaches to consumer behaviour research. We also discussed the various research perspectives and research paradigms, in consumer behaviour. Today, we will move with the next session in, under module two, which is session two of module two. And we will be discussing the consumer research process.

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So, to begin with consumer research process; now, as we have discussed earlier, marketers need to have knowledge about the environment in which they operate. This environment could be, both at the micro level as well as the macro level. So, market research, basically focus on the study of consumer and his environment. And here, consumer research focuses on those consumers, and his consumption behaviour. So, we have seen that, as market research focuses on the study of the consumer and the environment, consumer research basically focuses on this study of the consumer and his consumption patterns.

Companies could conduct market research through services of their in house marketing information systems, or they could outsource this activity to outside consultants or market research consultants. But it is very imperative that companies undertake this process, or go through this entire activity called consumer research, because it is very essential that you understand the consumer and his consumption process.

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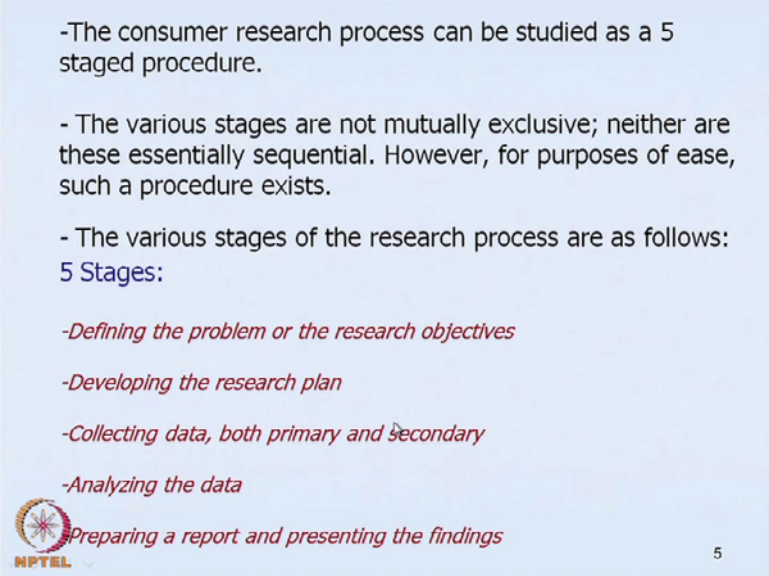

Now, the consumer research process has consumption pattern; can actually be studied as a 5 staged procedure. Now, as we move on, mind you, please remember, that the various stages which we will speak of, are not mutually exclusive; neither they are, they essentially sequential. But for purposes of ease, for purposes of you know, you know, convenience, we basically speak of this process, as a 5 stage process. I am repeating this, the various stages are neither sequential in nature, nor are they mutually exclusive.

In fact, in most cases they happen in parallel; and, they work together. These, at these various activities, which we will speak off, are being taken over, are been conducted in parallel to each other. So, what are these 5 stages? Let us study these 5 stages. The various 5 stages are: first, define the problem, or the research objective. So, we need to very clearly specify, what is the problem? And, what is the research objective? Next, we have to decide and develop the research plan. So, research plan will basically focus on, how are we going to go about this particular process? How are we going to actually solve, or study this problem? How we are going to basically attain our objective, research objectives? So, the research plan will be a broad framework to, you know, help us, you know, you know, plan ourselves better, so that, we move properly, in conducting of consumer research. After this, we move to collecting data, which could be primary data as well as secondary data. Then, you know, analyse the data. And then, finally, prepare a report and present the findings to the, to the you know, stakeholders. So, this is, in general the consumer research process.

And, we will study this process, in this sequence. But, as I said, this is not essentially sequential in nature. And, all of these stages are, in fact, related, interrelated to each other. And none of them acts an exclusive, or in watertight compartment.

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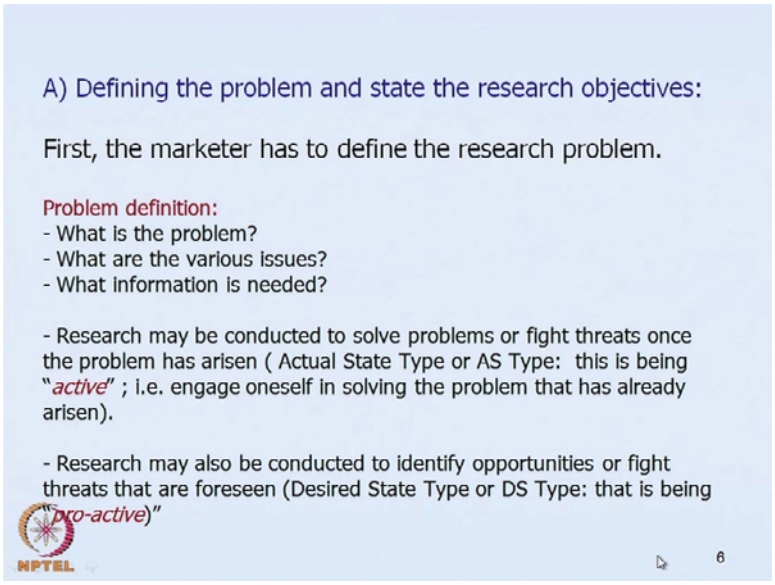

Now, let us start with the research process. And, we will speak about a, first the stage, which is defining the problem and stating the research objectives. So, while going in for consumer research, the marketer has to first define the research problem. What is the research problem deal it, say speak off, says, what is the problem? What are the various issues? What is the kind of information that is needed? So, basically through a research problem, the marketer would actually discuss in terms, you know, decide for himself, what is the problem? What are the various issues, which I have to deal with? And, what is the kind of information that is required? All of these, actually defines, what we call as a research objective.

Now, research can be conducted to solve problems or fight threats, once the problem has arisen. So, in that sense, we may say, that, you know, it is more to do with an active state of mind, to engage yourself in consumer research, once the problem has already happened; once a threat has already been identified. So, you know, there is something called the AS type or the actual state type. In the AS type or the actual state type, the market researcher or the consumer researcher, basically, you know, faces a problem, or suffers the set back in market; or has a very big problem that he has to address. And he

goes in, for study of the market; he goes in for understanding the market, understanding the consumers, after this problem has a reason, or after threat has been identified. So, it is more active in nature; and is called as an actual state or an AS type. On the other hand, research may also be conducted to identify opportunities of 5 threats that are foreseen.

So, you could undertake, you know, research activity before a problem has a reason; you could try to go in for a research activity, to identify opportunities, to fight the various threats. So, here you have been moved pro-active in nature; and such problem or such a problems type is referred to as a DS type or a desired state type. So, problems essentially could be of 2 kinds: the AS type and the DS type.

Let us discuss this further, with the help of an example. For example, just assume, you are the vice president marketing and sales. Your company produces paper products and stationary and has been a market leader since a long time. Of late there have been concerns about environmental protection and recycling. The market is sensitive towards environmental issues and the people are getting very conscious.

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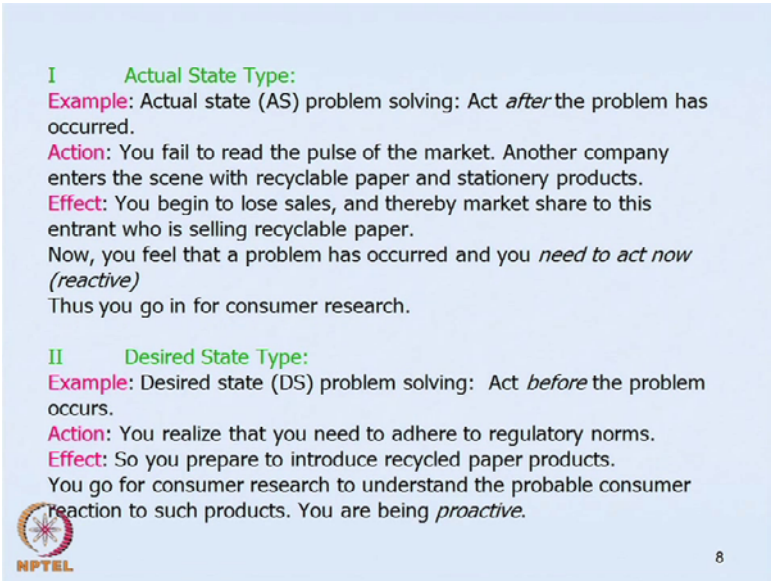

Now, what happens? You know. So, if you study this, as an AS type; AS type here, actual state problem solving; you are going to act after the problem has occurred. So, let us take, the action is, you fail to read the pulse of the market. Another company enters the scene with the recyclable paper and re-stationary products. The effect is, you begin to lose sales, and thereby a market share to this new entrant who is selling recyclable paper.

Now, you feel that a problem has occurred and you need to act now. So, you are being very reactive in your approach. So, you go in for a consumer study or a consumer research. On the other hand, let us take the same scenario, same assumption of, and move further with the desired state type. In the desired state type, or the desired state problem solving, you act before the problem has occurred. So, the action here is, you realize that you need to adhere to regulatory norms; you need to be very sensitive to the environment; you have to be very, you have to think about environmental, you know, considerations. So, the effect is, used to, you prepare to introduce recycled paper products. You go for consumer research to understand the probable consumer reaction to such products. So, you are being proactive.

So, here you have a state, where, in the same problem, as a vice president of a company, marketing and sales, you are producing paper and stationary. And, you seen in your environment, you read in your environment that they are concerns about environmental protection and recycling, or you know, using recyclable products. And here, one approach could be, you sit tight, you sit quite, do not do anything. And then, suddenly you realize that another company has entered the market, and with recyclable paper and stationary products. And, the market which is already very, going very sensitive, and going very conscious to this, with the environment, decides to, you know, go in the, switch over the buyer behaviour and move to another brand, rather than continuing with your brand. So, here a problem has already occurred and you need to react. So, it is more of a reactive state. So, then you decide to go on for a consumer study. So, it is an actual state type.

On the another hand, you realize your, you understand that because the environment is getting very conscious, people are getting very conscious; and, there are lot concerns with respect to the environment and environmental protection. So, and you realize that you will have to adhere to rules, regulations and the law. So, you, on your own decide to prepare yourself, via for production, for manufacture of recyclable paper products; and, you go in for consumer research to be able to understand, what the consumption behaviour would be? How people will react to your product? And, so, in this type of a situation, you are basically acting; you are basically being on a, you are being pro-active. So, this is the difference between, the, you know, actual state type of a problem and a desired state problem.

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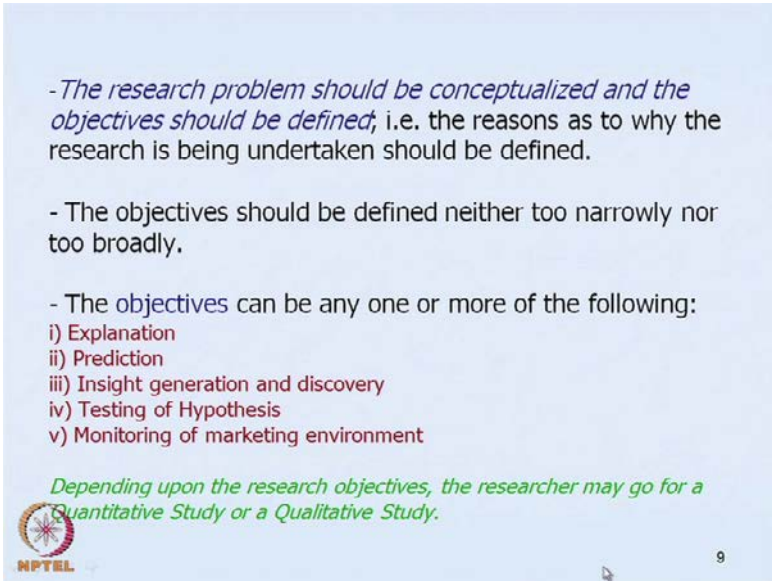

Now, research problem should be conceptualized and the objectives should be very well defined. In fact, you should be very clear about the reasons as to why the research is being undertaken. Until, unless you are clear about what you have to do, you would not be able to move further. So, you have to basically conceptualize the problem, and define the objectives of the study very carefully. Now, such objective should neither we, too narrowly defined nor should they be too broadly defined. They should be something which should be, you know, quite good enough for you to proceed, neither very narrow, nor very broad; neither very you know narrow in scope, or very extensive in scope; should be something which should be able to carry out, and come up with good results.

Now, the objectives of the study could be any one, or more of the following. When you go in for a consumer research, your research objectives could be either, you know, explanation, or prediction, or insight generation and discovery, or hypothesis, testing of hypothesis, or monitoring of the market environment. So, when your objectives basically could be in the form of explanation, or prediction, or insight generation, or testing of hypothesis, or general monitoring of environment. Depending upon what your objective is, whether it is explanation, prediction, insight generation, testing of hypothesis, or monitoring of the environment, the researcher will decide to go in for either a qualitative study or a quantitative study.

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So, research, let us speak about these different types of research objectives, with the help of some examples explanation. So, what does explanation do? Explanation here explains reasons for occurrence of a, you know, of a phenomena; and I have to identify reasons for such an occurrence. So, what do you mean by explanation? Explanation is going to explain events, and identify the reasons for such occurrences.

So, let us take an example. For sudden fall in the sales of gold jewellery at Tanishq, especially, when prices of gold have been stable in the world market; so for example, if there is a fall in the sales at gold jewellery at Tanishq, when the price of gold has been fairly stable; and suddenly there is a fall in the prices of gold at Tanishq. So, you need to explain, why it is happened? What could be reasons of the occurrence? What could be the reasons of fall in sales of gold jewellery at Tanishq? So, this is an example, where, this actually exemplifies the explanation objective. What is the explanation objective? It is going to explain events, and identify the reasons of the occurrence.

The second objective is, prediction. So, what does prediction do? Prediction, basically predicts occurrence of events in future. What, how will events shape up in future? What will happen in future? How can you forecast your sales patterns? How could you forecast your revenue patterns? So, for example, if you want to study the sales forecast of a new brand of Amul chocolates, you are basically talking of prediction. So, in prediction, you are going to, your basic focus is, forecasting.

The third objective is, insight generation and discovery. When we speak of insight generation discovery, the main objective here, is to gain newer insights. It could be newer insights into problems; newer insights into, you know, some issues; or newer insights into some kind of a phenomena. So, if for example, there is a study which is carried out to look out for newer segments or newer markets for a convenient product; that means, if you want to actually go in for a market development, in that case, you would be going in with, into research, with an objective of insight generation and discovery. So, you know, basically insight generation and discovery, helps us to gain newer insights; gain newer, you know, ideas about, you know, how people will actually react. So, this is the third objective, which is insight.

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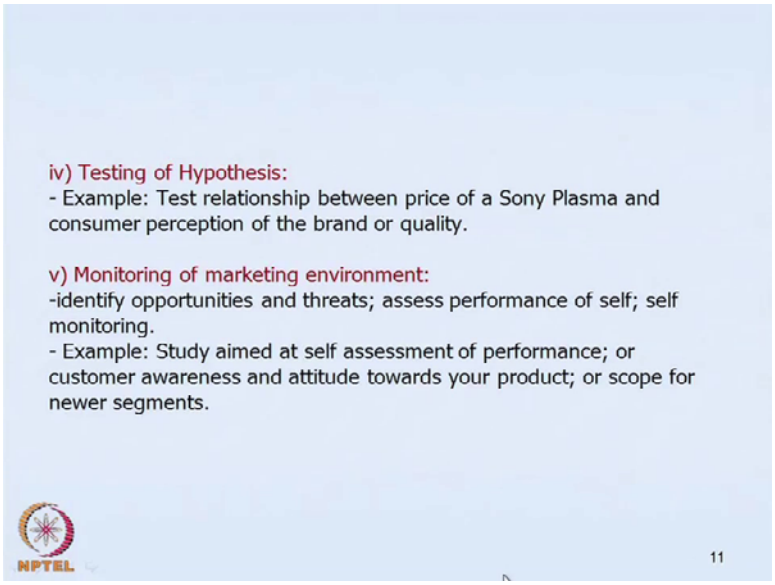

Another objective, which another objective, while we are under taking consumer research, could be in the form of testing of hypothesis. So, hypothesis may be formulated; where, they may be, which we refer to a relationship between two variables; and, or it may be, you know, relationship between two, you know, you know, events. So, you just try and find out, how the relationship which you established, which you have hypothesize will turn out be a true; or will it turn out to be false. So, this kind of a testing of hypothesis can also be an objective in research.

For example, if you want to test the relationship between the price of a Sony Plasma and the consumer perception of the brand or quality, you are basically going in for testing of

hypothesis. If I say, that, yes Sony Plasma is expensive, but it is perceived to be a good brand; and, if I want to test, both the public reaction or consumer reaction with respect to, what they have to, say about the price of the product, as well as how they perceive the brand or the quality of the product, I will be actually going in for testing of the hypothesis.

The last objective, or consumer, with which consumer research will be undertaken is, a monitoring of marketing environment; that means, identifying opportunities and threats; trying to assess your own self; self monitoring; trying to assess your own self in absolute terms, in absolute performance terms; also trying to assess your certain relative terms; in relative terms, in terms of your performance vice-versa with the competitors. So, in both cases, basically, you are actually monitoring their marketing environment; you are identify opportunities; you are identifying threats; you also identifying strengths and weaknesses. So, when you do that, you are basically doing, you know, moving with an objective of monitoring the environment. You are studying the consumer, or you are studying into consumer research, with the objective of studying the market environment.

For example, a study aimed at, you know, once own self assessment of performance; or customer awareness and attitude towards your product; or scope for newer segments. All of these will actually fall within the purview of the monitoring of the marketing environment. So, here I have spoken about the different kinds of, you know, research objectives with which consumer, you know, a marketer could proceed towards research.

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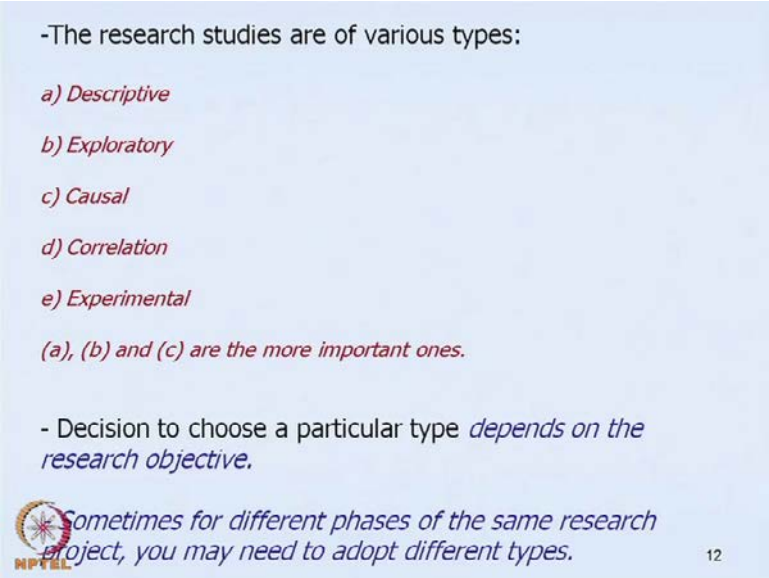

Now, let us move to something else, which is, which is more relevant to us, which is in terms of research studies. Now, just the number of research studies which can be conducted. Research studies may be descriptive in nature; they could be exploratory in nature; they could be causal; they could be, you know, studies which relate to correlation; or they could be studies which are purely experimental.

So, when we speak about descriptive, when we speak about exploratory, and when we speak about causal research, they are more relevant, or the more important ones to a marketer. Now, the decision as to, which type of research study, you, a marketer would go in for, or a researcher would go in for, will basically depend upon the research objective. Sometimes, for different phases of the same research or the same project, you may have to go in for the different research types. So, it is not that one would be, you know, one would serve all purposes. Sometimes you may, in the same project or in the same study, you may require two or three different types of research studies.

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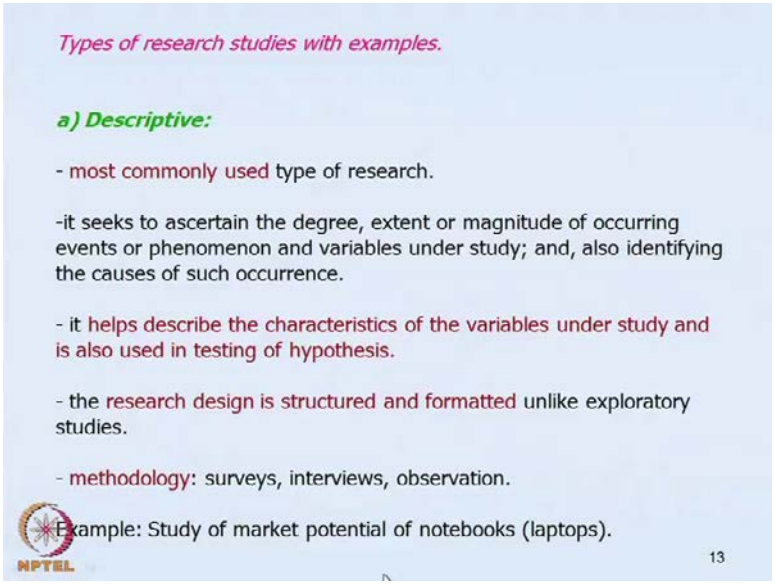

So, let us now, speak of these research studies with examples. So, a descriptive research studies; now, descriptive research studies are the most commonly used type of research. Basically, they help you ascertain the degree, the extent or the magnitude of occurring events or phenomena and variables under study; and, it also helps you indentify the causes of such occurrence. So, basically, what does it do? It helps you first, you know, ascertain or determine the degree, the magnitude, or the extent to with certain events have occurred; and, then find out the, why such an such things are happened? So, it basically helps you, you know, describe the characteristics of the variable under study; and, helps you in testing of hypothesis.

The kind research design is highly structured and formatted. The methodology used is in terms of surveys, interviews and observation. And, for example, if a person wants to study the market potential of notebooks, in terms of laptops, you know, electronic notebooks or laptops, we actually speaking of a descriptive study. So, what would, in a nut shell if you, if you feel, if you say, what is the descriptive study help you in? Descriptive study will help you first ascertain the extent, the magnitude, or the degree to which a particular thing, or a particular thing has happened, or an event has occurred. And, why such events have occurred or why such things have happened.

So, they are basically, you know, very structured in nature; very, you know, structured and format, well focused, well formatted; and essentially, they used for in terms of their methodology; they use interviews; they use observation; they use questioners. And, if you want to study the, you know, market potential of a refrigerator, of a laptop, you are basically trying to speak about descriptive study. So, you are going to see the, study the extent, and the magnitude of something; and why or why is it happening, or why is not happening; so, these are descriptive studies.

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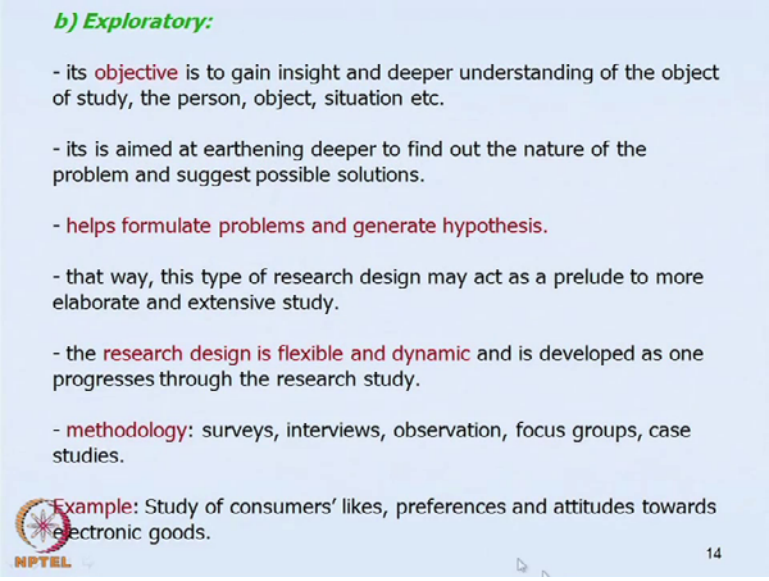

The second kind of study is, exploratory study. Now, the objective of an exploratory study is to gain insight and deeper understanding of the object of study, the person, situation etcetera. So, here, it is basically aimed at going deeper to find out the nature of the problem and suggest alternate solutions, possible solutions. This kind of a study helps us formulate hypothesis. Research design is highly flexible, highly dynamic; and is developed as one is going through the research study.

Methodology includes surveys, interviews, observations, focus group interviews, case studies. And, for example, if you going to study consumer likes or preferences or attitude towards electronic goods, you are basically saying, that you are going in for an exploratory kind of a study. So, what does an exploratory type of a study help us to? The basic objective, in a, in a nut shell, if you want to say, is to gain deeper insights into understanding of certain objects, or, you know, events, or situations; why is something is

happening and why, going deeper into understanding the nature of the problem and the causes underlying the problem.

And then, of course, coming up with a possible solutions. So, basically try to find out and discuss the nature of the problem, and then suggest alternative solutions to the problem. Methodology used is, in terms of questioners, surveys, observation, focus group interviews, case studies also. And, for example, if you want to study consumer preference, consumer attitude, consumer like or dislike, towards particular product, be it electronic goods or maybe, you know, a parallel way clothing, you know, all that will be a part of an exploratory study.

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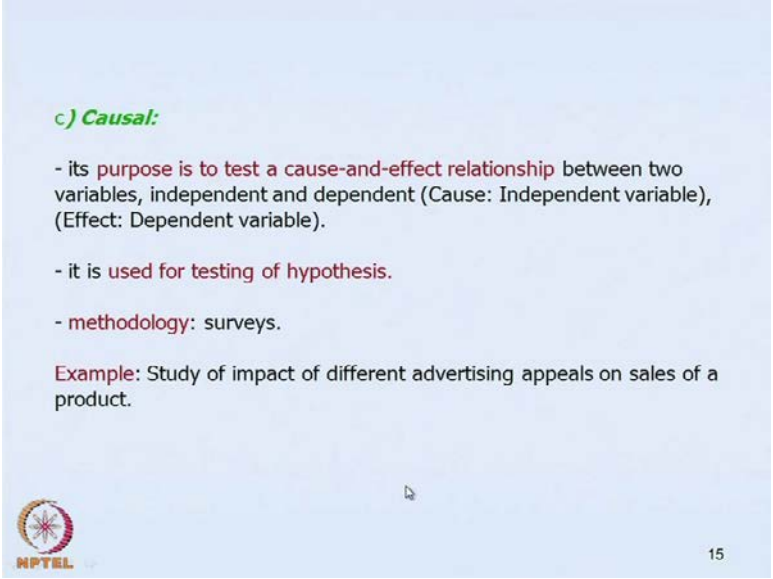

The third kind of research study which we going to undertake is, causal. So, this, here, causal tries to study the relationship between two variables. There is an independent variable and their dependent variables. So, the cause is the, you know, independent variable; and the effect is the dependent variable. So, such causal studies basically are, you know, intended to test the relationship between cause and effect. Such causal studies are undertaken for testing of hypothesis. The methodology used is surveys. For example, if you want to study the impact of different advertising appeals on the sales of a product, its, we are basically talking of a causal study.

So, what do a causal studies help us? Causal studies, basically help us, test and establish relationships between two variables; between two types of variables, independent and

dependent. So, while the independent is the cause; the dependent is the effect. If you want to study the impact of, you know, different kinds of advertising appeals on consumer sales of a product, you basically talking of causal's cause and effect studies, or causal studies . Methodology which is used is surveys.

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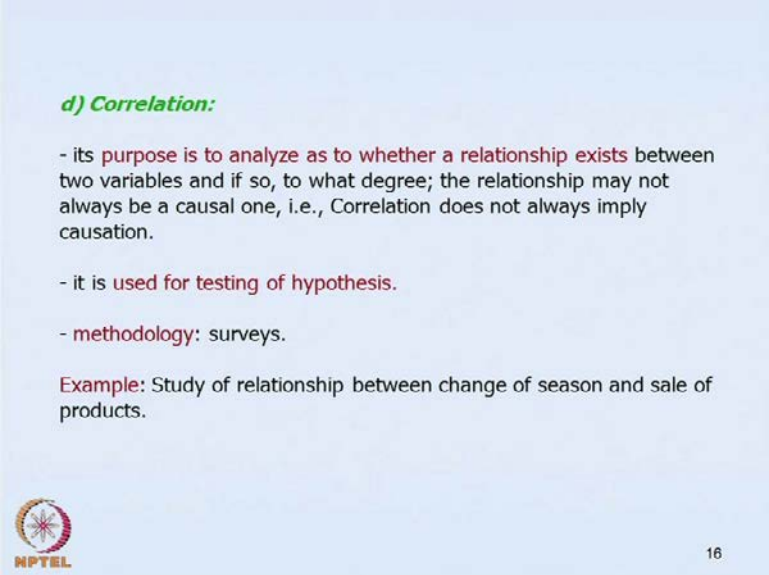

The next, which we come to, is correlation. Now, correlation basically tries to analyse as to whether a relationship exists between two variables; and if so, what is the degree, you know, if so, what is the degree of such relationship? The relation may not always be a causal one; correlation does not always imply causation. So, whenever two, you know, variables are related, it is not essentially a causal relationship; it is not essentially a cause and effect relationship; that is between the two of them. And that is what correlation emphasises; that any or every kind of relationship between two variables need not always be causal. The correlation studies, generally, imply that any relationship between variables need not always be causal.

The next kind of research study which we speak off, is correlation. Now, in correlation studies, basically the purpose is to analyze whether a relationship exist between two variables or not. And, if there is a relationship, to what degree, or to what magnitude does this relationship exist. Now, the basic assumption with which we move here is that relationship between two variables may not always be a causal one.

So, correlation basically says that any and every kind of relationship need not always be causal; and, correlation does not always imply causation. So, basically, what we speak off is a relationship between two variables; and, does the relationship exist, and if exist, what is the magnitude of this relationship. Now, correlation studies are basically used for testing of hypothesis. The methodology which is generally used is in form of surveys.

So, if you want to study the relationship between the change of season and the sale of products, it would be a correlation study, in terms of correlations. So, you know, basically, when we speak about correlation, it is a co study; it, which analyses whether relationship exist between variables; and if this relationship exist, what is the level, or what is the degree of such relationships. The methodology used is essentially surveys. And, the example could be, you know, relationship between change of season and the sale of certain kinds of products. So, this is what we mean by correlation.

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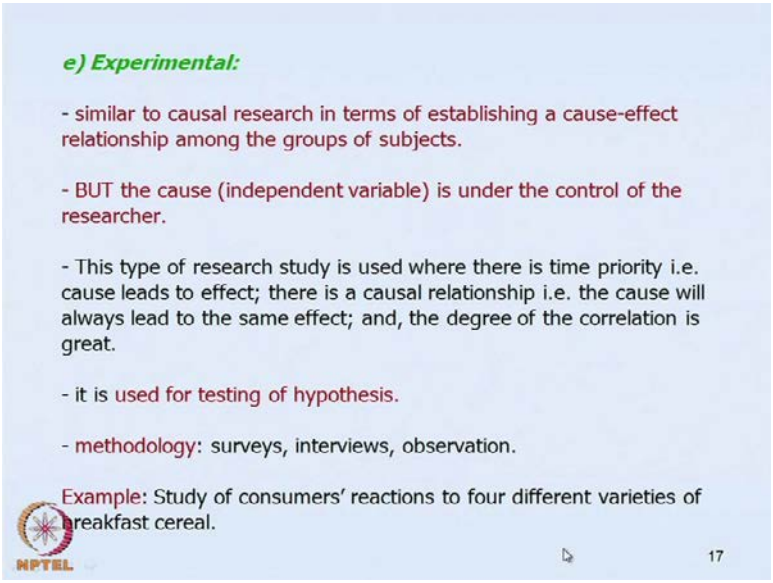

The last kind of a study which we speak off, is experimental. Now, similar to causal research, in terms of establishing a cause and effect relationship, among the group of subjects. So, experimental studies are very similar to causal research. The establish a cause and effect relationship, between the group of subjects. But, here, the cause or the independent variable is under the control of the researcher. So, this is the difference between a cause and effect; or causal research study and an experimental research study. In a causal research study, you know, it establishes a cause and effect relationship;

experimental research studies also establish a cause and effect relationship, but the difference between the two is that independent variable or the causal variable is supposed to be under the control of the researcher. Now, this is again used for testing of hypothesis. And methodology used, is in terms of surveys, interviews, and observation. For example, if you want to study consumer reactions to four different varieties of a breakfast cereal, you are actually talking of an experimental kind of a research study.

So, the, here, we move, you know, we finish off or we conclude with the first stage in the consumer research process, which is problem recognition; or defining the problem; or research objective. So, first thing what you do is, defining research objectives. And, while defining research objectives, I have spoken about the actual state, the desired state, types of problems. I have also spoken about the various types of research objectives, which could be explanation, prediction, insight generation, hypothesis testing, and monitoring of environment. And then, we have moved on to study, different types of research studies which could be descriptive, exploratory, causal, correlational and experimental.

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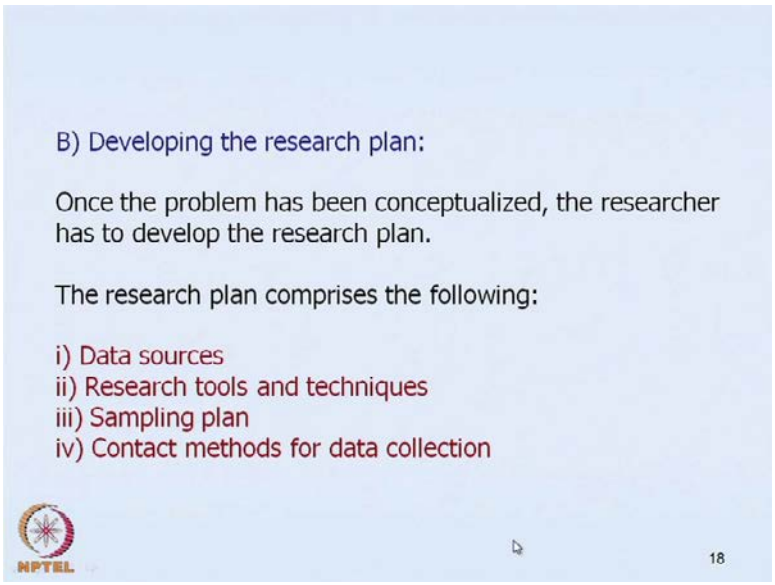

So, now, let us move to the next stage in the consumer research process, which is the, developing the research plan. So, once the problem has been conceptualized, once a problem has been properly defined in specific terms, the researcher, now has to develop a research plan. So, how does, how does the researcher develop this research plan? He

will have to decide on a few composites; he will have to think of certain constituents in the research plan, which are number one, what will be his data sources; what would be the research tools and techniques; what would be the sampling plan; and what would be the contact methods for data collection. So, the research problem, research plan basically comprises four constituents. And, these constituents are in terms of the data sources, the research tools, research techniques, the sampling plan, and the contact methods for data collection. Now, we will go by, one by one we will discuss, all of these four constituents of the research plan.

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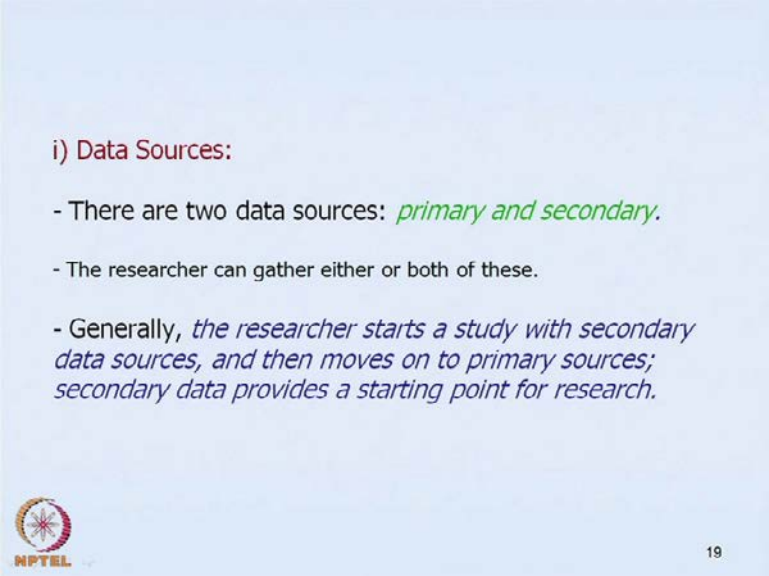

The fist constituent is data sources. So, there are two kinds of data sources: primary sources and secondary sources. Researcher can either use one of them or both of them. Generally speaking, the researcher starts with the secondary data source, and then he moves on to primary sources. So, secondary data generally provides bases or a starting point for primary research. So, what is primary research? And, what is secondary research?

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So, let us discuss. Primary research is data which is collected freshly for a specific research study. It is collected via research instruments, tools and techniques specially designed for the research problem; and could be in the form of questionnaires, or interviews, or observations. So, the advantage of primary sources is, that is this more specific to the research problem; more pertinent, more relevant to the research problem. And, disadvantages of primary sources are, that they are very costly in terms of time and money.

So, you know, data which is collected by the researcher on his own, comprises what we call the primary data. And, it could be in the form of questionnaires, or interviews, or observation. It is more relevant, more specific to the research problem. And so, it is, you know, that count, that is actually one of the advantages of this kind of a study, but, this kind of a data source. But then, the problem with this kind of a data source is that is time consuming, and it is very expensive. So, both in terms of money as well as in terms of time, it is costlier. So, this is what primary data sources are.

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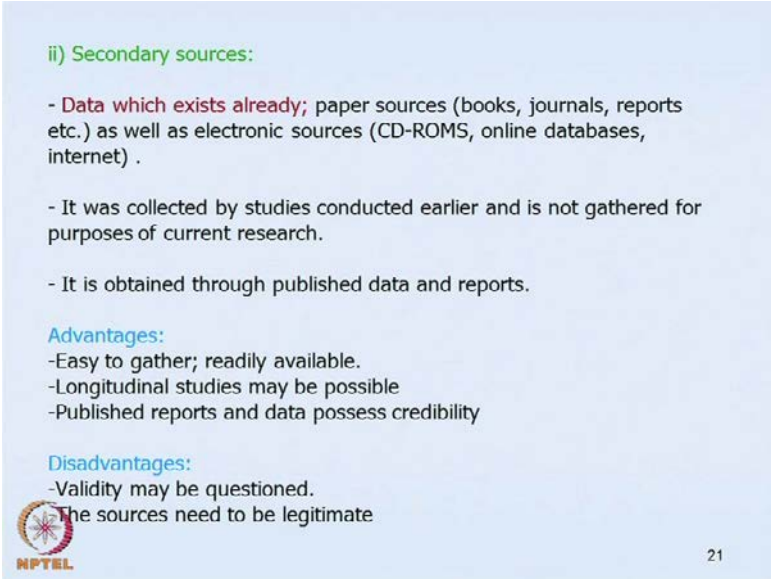

Now, we come to secondary data sources. Now, when we talk of secondary data sources, this is data which already exist. It could exist in books, journals, reports, or it could be, you know, part of CD ROMS, online databases, or the internet. So, such data could be either in the form of paper sources or electronic sources. Secondary data has, it is data which was collected, has been collected earlier, by studies conducted earlier, it is been, it is a collection of, you know, you know, reports, or books, or journals, or knowledge base, which was created by researchers earlier. It was collected by studies conducted earlier, and it is something which is not gathered for purposes of the current research; it is something which was gathered for, previously by, for prior studies by other researchers. So, data collected by other researchers or any kind of prior studies which have been undertaken, actually comprise what we call the secondary sources. Secondary sources or secondary data is also, is actually obtained through, as we said, books, or journals, or CD ROMS. So, it could also be in the form of published data and reports.

Now, what are advantages of secondary sources? The advantage of secondary sources are it is the easy to gather; they are readily available. So, you know, they could be easily available through libraries, or, you know, through, you know, books in libraries, or through CD-ROMS, or on the internet, they are readily available; and, for people to actually refer to. Longitudinal studies may also possible, you know, and also because reports are published, because it is in the form of published reports and data, the level of credibility associated with this data or the secondary sources supposed to be higher.

However, there is also disadvantage with this kind of a source. Validity may be always a question. And also, this particular study, if it was, the information could have been relevant for other studies, but may not be relevant for this kind of a study. Also, the sources of data need to be very legitimate. So, these are certain problems with respect to secondary data.

So, as I said secondary data is data which was collected or which has been in, you know, collection for long, by previous researchers who have dealt with similar problems or similar issues. This information is available through electronic sources, or through paper sources, even through published reports, through published data. And, the advantages are that they are easy to refer to; readily available; longitudinal studies are also possible. But the problem with this is that, the source have to, you have to be very careful, that the sources legitimate. And, there could be always problems with the validity of the data that has been collected, and the findings that have been, you know, shown in such secondary reports. So, this is the secondary resources. So, this is the problem with secondary sources.

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Now we come to the second constituent or second component of the research plan. So, the second component of the research plan is, research tools and techniques. The researcher has to clearly specify, what is what are the tools, what are the techniques that he is going to use. Now, in the case of primary data, the major techniques which are used

are, surveys. Now, these surveys could be either questionnaire based surveys or could be in the form interviews conducted. Apart from surveys, the other techniques that are used in primary data are focus group interviews, observation, as well as behavioural measures and experiments. Now, these generally used questioners, all of these methods generally use questioners which may either be structured or may be unstructured.

But, when we speak off secondary data, in case of secondary data the researcher could access company reports- both published and unpublished, industry reports, trade journals, government reports, research articles, magazines, journals, books, CD ROMS, internet, online bases. So, if you see, in case of primary data we are thinking about quantitative data, and so, quantitative data here, comes in the form of questionnaires and experimentation. And when we speak about qualitative data, again qualitative data could actually come from questionnaires, case studies and observation. So, these are the various kinds of research tools and techniques which are used. We will discuss them a little more now, when we speak about the techniques of collecting primary data.

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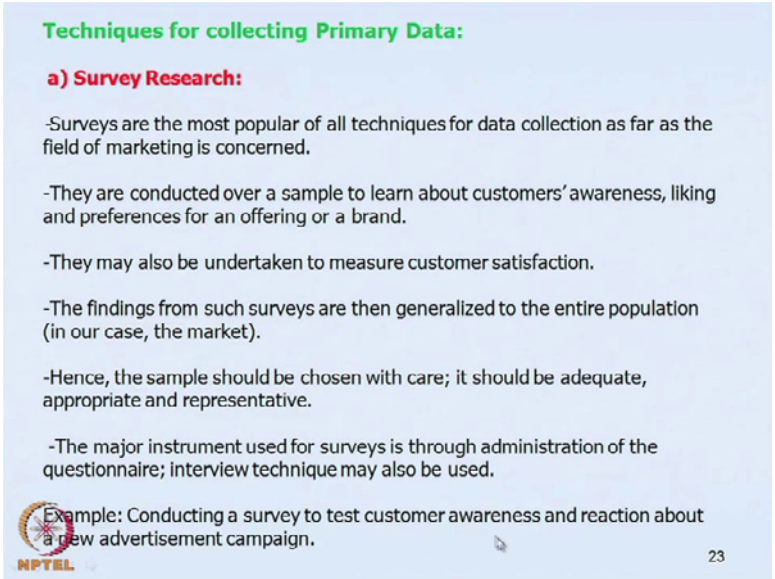

So, what are the various technique of collecting primary data? We start with survey research. Most commonly used technique for data collection; conducted over a large sample to basically learn about consumer liking, consumer awareness, consumer preferences for brands or products; they could be also be undertaken to measure customer satisfaction; conducted over a sample; the findings could be generalized to the

entire population. So, naturally when, we are going to speak off the you know, when a researcher wants to conduct a survey on a small sample, and when he wants to generalize it to the entire population it is very important that the sample that he chooses, is chosen with care.

The sample should be something which is adequate; it should be appropriate; and it should be truly representative. The major instrument which is used in survey research is questionnaires; of course, interview techniques may also be used. Example is, for example, if you want to conduct a survey to test consumer awareness or consumer reaction about a new advertisement campaign, you will go in for surveys, survey research to collect primary data.

So, surveys, as we said, are most commonly used form of, for collecting primary data. They could be undertaken to study consumer liking, preference, awareness or of attitude towards brand. They could also be conducted to find out or asses consumer satisfaction with respect to product offering on a brand. They could, they are generally conducted over small samples, and samples. And then, the findings are generalized over lager populations. So, it is very important that the sample is chosen with care and it should be appropriate, it should be adequate, and it should be truly representative. The major instrument that is used for, in survey research is in the form of questionnaires, interview technique may also be used. And, if you examine, to study, you know, consumer awareness or consumer reaction about new advertisement campaign, you basically go in for a survey research. So, basically this is what we mean by survey research.

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Now, let us move to focus group research. Another way by which you gather primary data is through focus group research. As the name suggests, this kind of a research is conducted over a group of people who are your prime focus. And, there is a moderator who actually, you know, kind of, monitors the discussion that takes place and moderates the same, as and when required. The moderator focuses on a group of people, which could number anywhere between 6 to 10; they are very carefully chosen based on demographic, psychographic, or behavioural considerations.

The group, the members who are chosen are asked questions about, say for example, the product, or the price, or the place, or everything about the ad campaign; the group members basically are asked questions about the marketing mixer. Any other issues related to the marketing problem, through discussions, through, amongst themselves, through discussions that takes place amongst the group members, the moderator is able to gain insight into the group members, emotions, feelings, attitudes, and underlying motivation interests, and etcetera. These sessions are recorded for further analysis. And, the technique, for example, is very commonly used for pre-testing before a particular product is finally launched in the market.

So, if you want to study, why customers prefer a high price branded electronic good, as compared to a lower priced local one, you would, you could basically go in for a focus group kind of a research activity. So, in a nut shell, when we talk about focus group,

basically, we are talking about research being conducted over small group of people. And, you know, they are made, particular issue is discussed which could relate to any, or all of the four p's, or the marketing program, or the marketing mix. And, amongst discussions, while people are discussing, while the group is discussing, you know, either of the four p's or the problem, or the topic, while the topic is being discussed, any of the identified issue or topic is being discussed, the moderator and the marketer here, would be able gain insides into what is going on in the consumers mind? What is his insight? What are underlying motivations? What are liking preferences, attitudes, etcetera.

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The third kind of research, which we go on, is for, is observational research. In observational research, the research technique is basically, based on observing people. Through observing people, you gain an insight and in depth understanding about how people behave in the market place, by just observing them, by just carefully watching them, by the products. So, basically the consumption pattern is observed; and, you know, by looking at customer verbal and non verbal reactions, to product offerings, or price increase or decrease, or store layout, or, you know, store ambiance or advertisements etcetera, you basically are able to, you know, come up with conclusions with respect to consumer behaviour or consumption patterns. So, if you want to study, why do customers ask for competitors brand, rather than asking for your brand, you are basically, and you want to observe them in a market place or in a shop, you are basically going in for a study, which is, which is a observational research.

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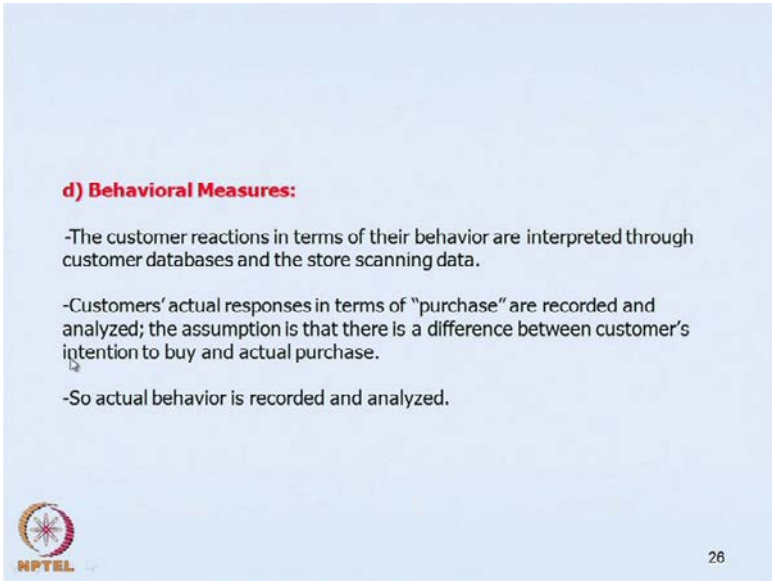

Behavioural measures are also used to collect data. Customer reactions are interpreted through customer databases and store scanning data. You know, the customer basic, customer's actual responses in terms of purchase are recorded. The assumption here, which is there, is at, there is always a difference between customer's intention to buy and customer's actual purchase. So, focus here is on the actual purchase; how does he actually behave with respect to a product or surveys offering, while he is thinking of purchase. So, we speak about, so, this particular behaviour is recorded and analysed.

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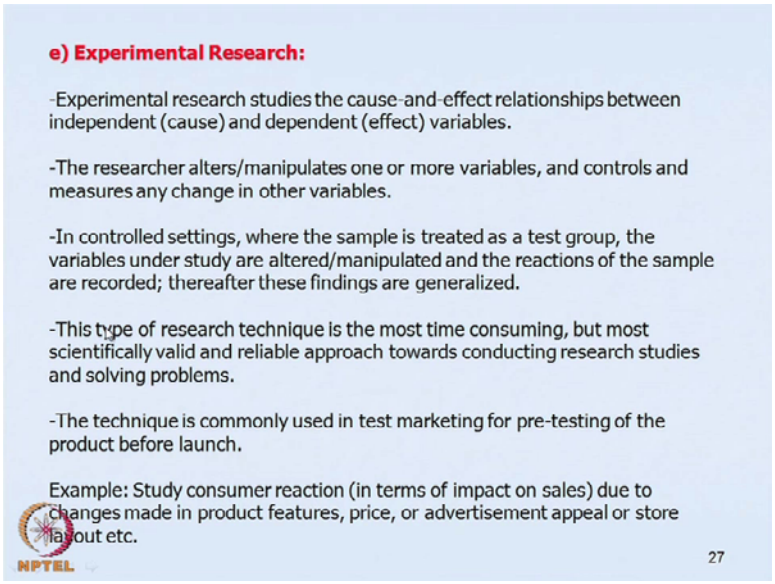

Finally, we speak of experimental research. In experimental research, basically we study the cause and effect relationship between an independent and a dependent variable. You know, here, as we said, the settings are controlled; where the sample is treated as a test group; variables in the study are altered and manipulated; and the reactions of the sample are recorded. So, thereafter, these findings are generalized. And, this type of research technique is very time consuming, but it is a very scientific and very valid and very reliable approach towards solving many problems. So, again, this is also something which is used for pre-testing of the product before launch. Studying consumer reaction due to changes in product features, or price, or advertisement appeal, etcetera will actually be a part of experimental research.

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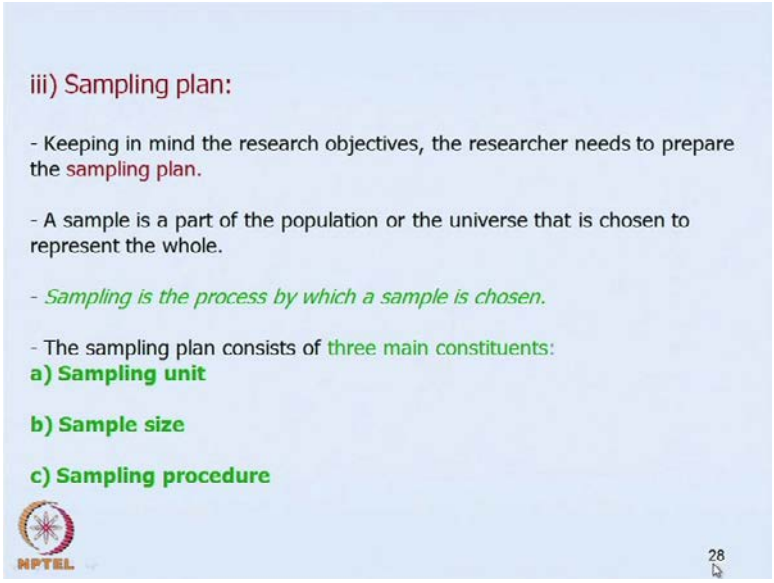

So, here, the next component, or the next constituent of the research plan will be the sampling plan. So, the researcher basically needs to prepare the sampling plan. What is the sample? The sample is the part of the population, or the universe that is chosen to represent the whole. And, what is sampling? Sampling is the process by which a sample is chosen. So, when we talk of a sampling plan, there are three main constituents of a sampling plan: the sampling unit, the sampling size, and the sampling procedure.

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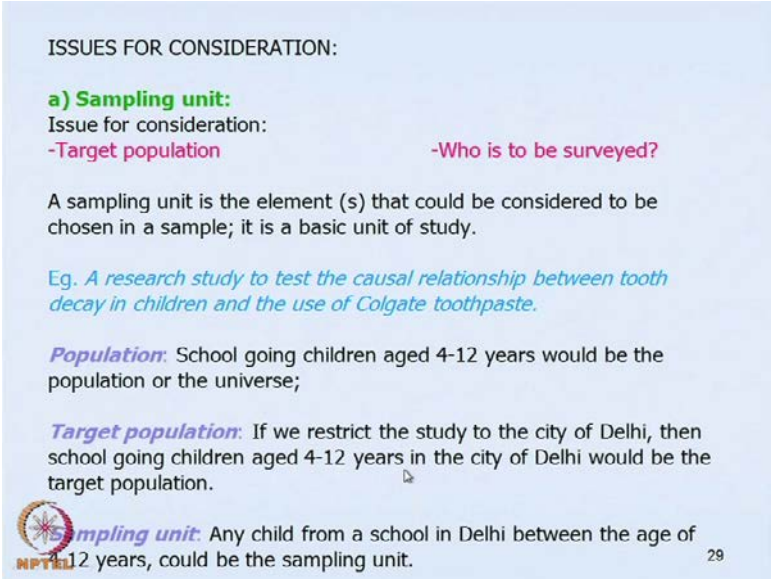

So, what is the sampling unit? Sampling unit, here, is what is going to be my basic unit for study; that means, who am I going to survey. So, sampling unit is the element that could be considered to be chosen in the sample; it is the basic unit of study. Let us take an example. A research study to conduct the causal relationship between tooth decay, and the use of Colgate toothpaste. So, what is the relationship here? And whether study here is, use of Colgate toothpaste, and tooth decay. So, population here will be school going children aged 4 to 12 years. They are the entire population or the universe.

Now, target population, as if we restrict the study to the city of Delhi, then all the children aged 4 to 12 staying in the city of Delhi, studying in school, schools in Delhi are actually going to be a part of the target population. And, if we speak about the sampling unit, then any child from a school in Delhi, between the age of 4 to 12 years, would be the sampling unit. So, the population is very broad, which is all the children, at the, within the age of 4 to 12 . The target population is because we limit our scope of the study to Delhi. So, all of the children in the age group 4 to 12 in the city of Delhi would be the target population. And, the sampling unit would be any child studying in a school in Delhi, between the age of 4 to 12.

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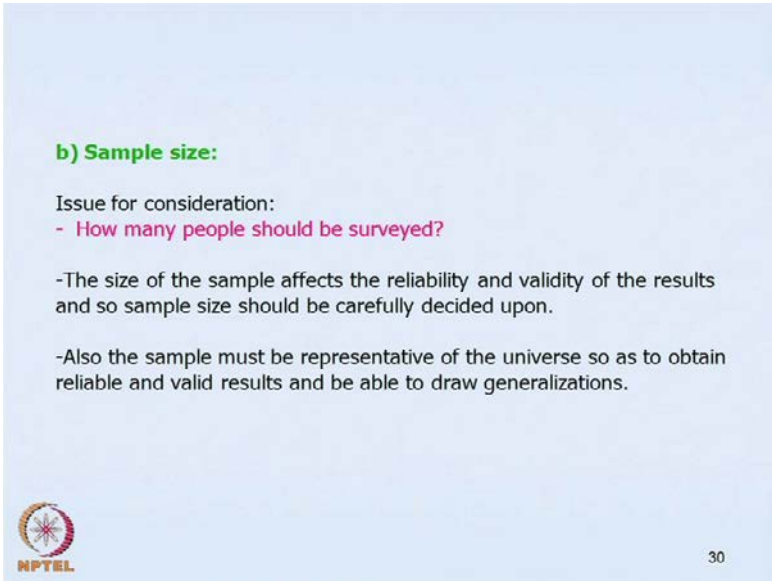

Second thing is, sample size. Now, very important, you know, something which of very great importance to the researcher is, the question that, what should be my sample size? Data collection is something which is very difficult; and, you know, rate of response in most cases is very low. So, you have to basically think of a large sample. So, that ultimately, you know, you are able to come up with responses from as many as of them, and come up with right conclusion.

So, how many people should have been surveying, that is another issue. That the size of the sample effects the reliability and the validity of the results; and so, it is very important that you chose the sample very carefully. Also, the sample must be truly representative of the universe. If you want draw out valid generalizations, and valid results, and able to, you know, want to, I will finally, come up with generalizations, very important that you have a proper sample size.

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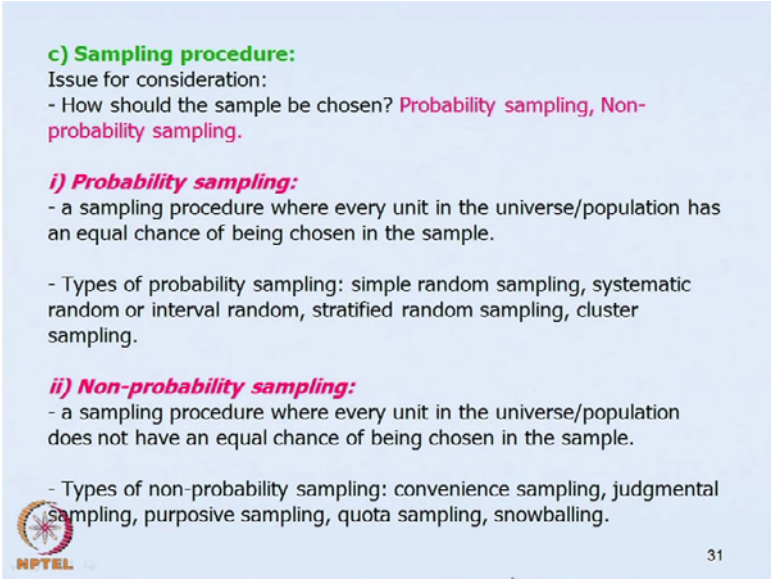

The third thing which we speak of, is a sampling procedure. You know, how should the sample be chosen? Now, there are two ways by which you can choose a sample: probability sampling and non-probability sampling. In probability sampling, each and every unit in the population has an equal chance of being chosen in the sample. Examples could in the form of, in the simple random sampling, systematic random sampling, or stratified random sampling, or clustered random sampling. But the non probability sampling, the every unit in the population does not have an equal chance. And it all depends upon the judgement of the researcher, or the convince of the researcher. So, the different types of non probability sampling are in terms of convenience sampling, judgemental sampling, purposive sampling, quota sampling, or snow balling. So, these are different kinds of sampling techniques which can be used.

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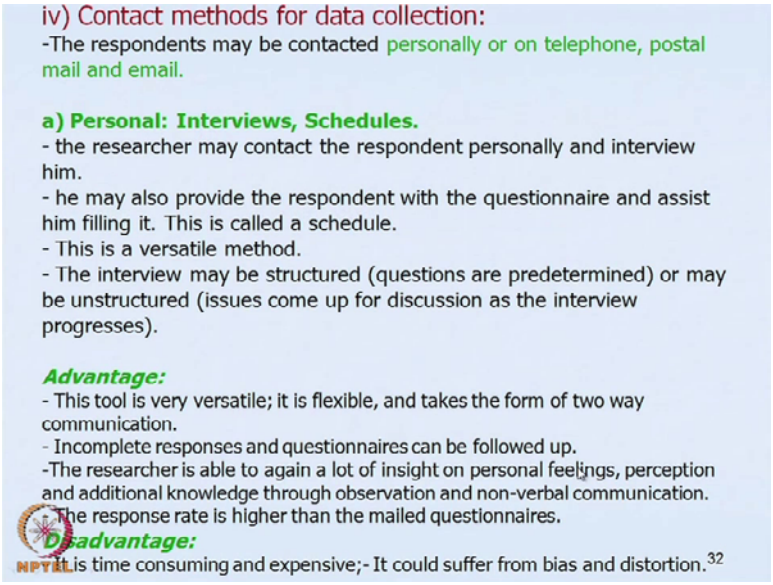

Now, we come to the fourth constituent of the research plan, which is in terms of the contact methods for data collection. So, all the respondents could be, to be contacted on telephone, or are they going to be contacted personally, or are they going to be contacted, you know, postal, through postal mail or through email. So, now, each of the different methods has its own, or each of the different, you know, methods has its own advantages and disadvantages; to start with, personal interview. If you want to contact them personally, it could be either in the form of interviews or it could be in the form of schedules. So, here, the researcher contacts the respondent, interviews him; he could provide him with the questionnaire, and will assist with the respondent, fill up the questionnaire; here this is what we call as a schedule. So, when the researcher assists the respondent in filling up the questionnaire we call it, that kind of a questionnaire is called a schedule.

So, the researcher could personally contact the respondent, interview him or, you know, help him fill up question in the form of a schedule. This particular method of data collection is very versatile, very flexible. Interview, again the interview could also be structured or unstructured. In the structured interview, the same questions are asked to all the respondents who are interviewed. But, in the unstructured one, general discussions starts between a respondent and the researcher. And as, and how the discussions, you know, proceed; as and how the communication or the dialogue between the both of them

proceeds; a newer and newer questions various different kinds of questions arise, and different insights are gained.

So, you know, the issues come up with this, come of our discussion, as the interview is on. Now, as we said, interview could be structured where questions are structured and very pre-determined; or un structured. Any, in both cases, this particular method is highly flexible, very versatile. And, you know, most successful in terms of research because if the respondent, if there is ambiguity with a question, or if the respondent needs any kinds of a clarification, the researcher is always there to help him. Researcher can also gain a lot of insight, in this manner.

Advantages: that is flexible, versatile; also incomplete responses and questionnaires can be followed up; he, and rate, response rate is much higher. When you talk of sending questionnaire via postal mail, rate of response is very high. But, in case of personal interviews rate of responses is very high. Only problem and only disadvantage with this kind of a method is that it is very highly, it is highly time consuming. And, it also could suffer from biases and distortions, both at the respondent's level as well as at the researchers level.

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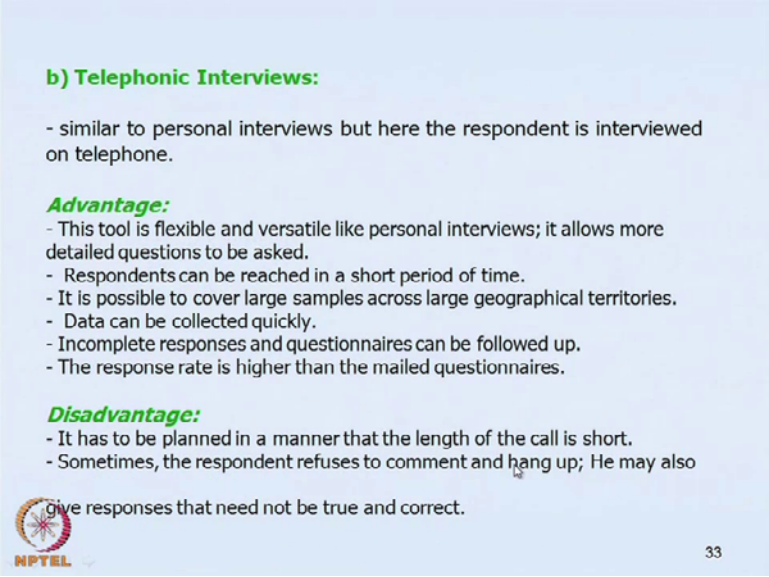

The second kind of method, for is in terms of telephonic interviews; so here, similar to a interview, but the difference is that the person is respondent is interviewed over telephone. Advantage is, it is a very flexible and versatile tool like personal interviews;

detailed questions can be asked from the researcher; large number of researchers can be reached in the short period of time; you can cover larger samples of a wide, across wide geographical territories; data can be collected quickly; rate of response is also high; and any kind of incomplete or, you know, responsers and questionnaires could be followed up.

But again the disadvantages here is that, it can only work if your call is short. You need to be very meticulous in planning, in a manner that your length of the call is very short. Also sometimes, the respondent refuses to comment; he does not want to give any responses; and, you also may end up giving responses which are, which need not be true and may be incorrect; also, because you are on telephone, you do not see, or you cannot see the person, the other end. So, you never know whom you are actually speaking to. Are you speaking to the right person, who is giving you the right answer; or is somebody else, you know, proxing for him. So, this is the problem with telephonic interviews.

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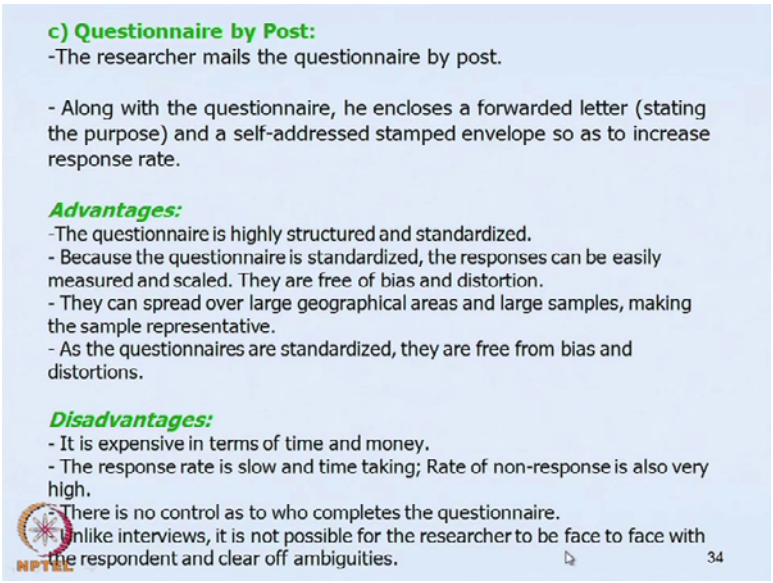

Then, we have a questionnaire by post. Here, where the researcher, along with the questionnaires, and the self addressed stamped envelope, and to the, to the respondent. Advantages are: it is highly structured and standardized, you know, tool; because the questionnaires standardize, you know, and is used on a scale; it can be measured, it can be scaled; it is more scientific; it is free from distortions and biases. But the problem with it is, the expensive in terms of time and money; rate of responses, non-responses; rate of

this non response is very high. Response rate is very slow; very time taking. And it is not, again it is not possible for a, for a researcher to be actually face to face with the respondent.

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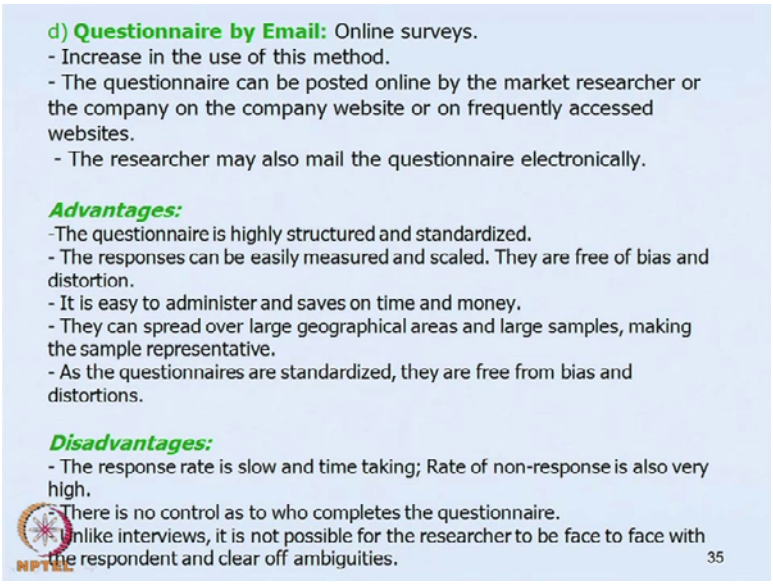

Then, we have a questionnaire by email. Again, online surveys, today very frequently used; where the questionnaire which is sent via post mail is now sent via email. So, the same advantages and the same disadvantages, which we speak, which we see, with the questionnaires by post, also hold good for questionnaires by email.

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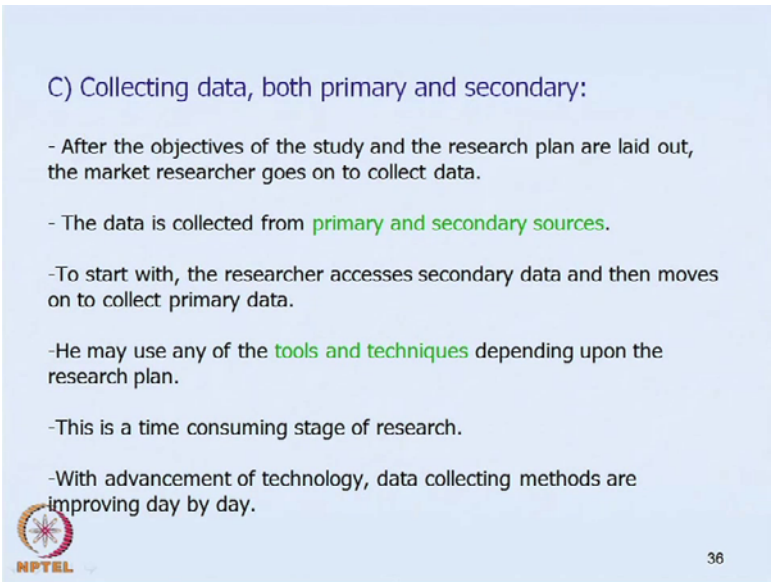

The third stage in consumer research, is collecting data. So, data is collected by the researcher both from primary and secondary sources. He starts with a primary sources, I am sorry, he starts with the secondary sources; and then moves on to collecting data from primary sources. And, this is the most time consuming stage of research; however, the advances in technology, you know, data collection is becoming easier.

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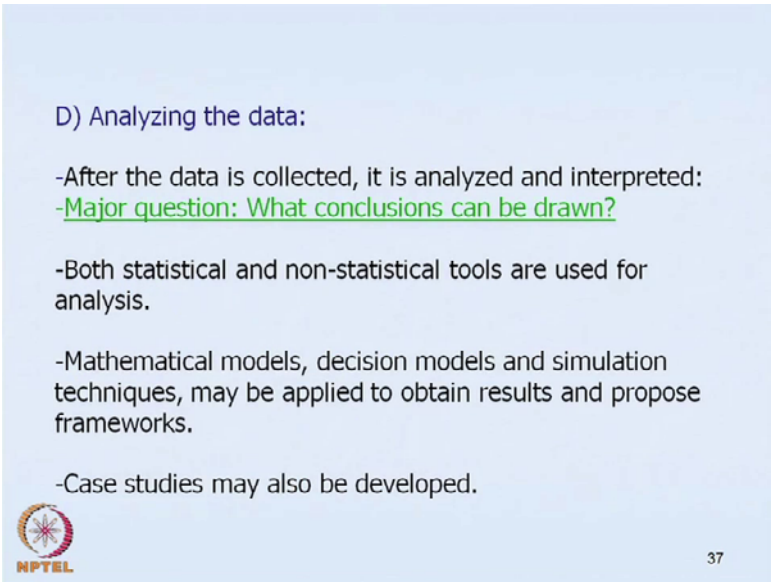

Then, once the data is ready, the collected, the major question here is, to analyse it, to interpret it. And, the major question which faces the researcher is, what conclusion should be drawn? So, both statistical and non statistical tools are used for analysis. Mathematical models, decision models, simulation techniques, may be obtained, may used to obtain results. Case studies may also be developed.

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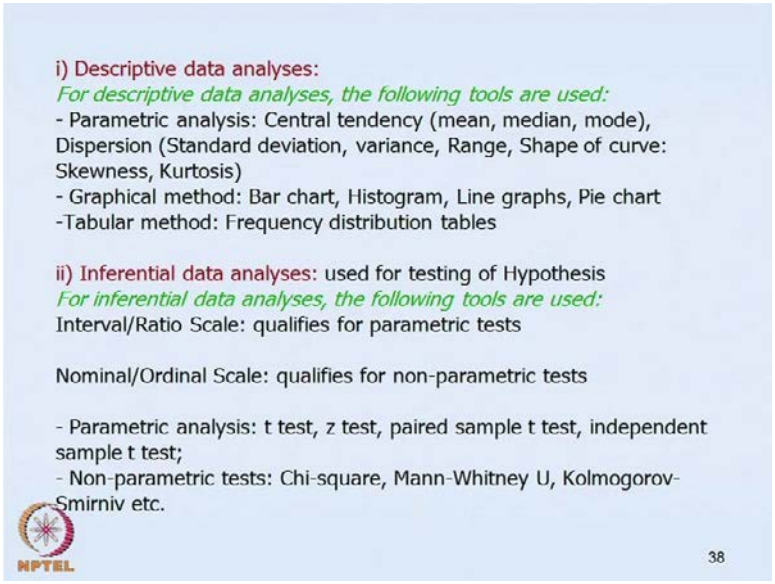

So, descriptive data analysis will use tools like parametric analysis: central tendency, dispersion; or it could, you know, descriptive analysis could also use graphical methods in form of the bar chart, in histograms, the line graphs, the pie chart, or a tabular method in the form frequency distribution tables. Inferential data analyses uses, is used for testing of hypothesis; where, you know, you can use the interval or the ratio scale that qualifies for parametric tests; and the nominal or the ordinal scale which qualifies for non parametric test. So, parametric tests are through t tests, z tests, paired sample t test, independent sample t test; and non parametric tests are through the chi square, the Mann Whitney U, or the kolmogorov- smirniv, etcetera.

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So, finally, the researcher has to prepare a fine report and prepare showed, present the findings to the, to the marketing team. It could, the report should actually comprise a summary or the abstract, the research problem, the objectives of research, the methodology he has followed, his findings, his conclusions, his recommendations and the limitations of the study.

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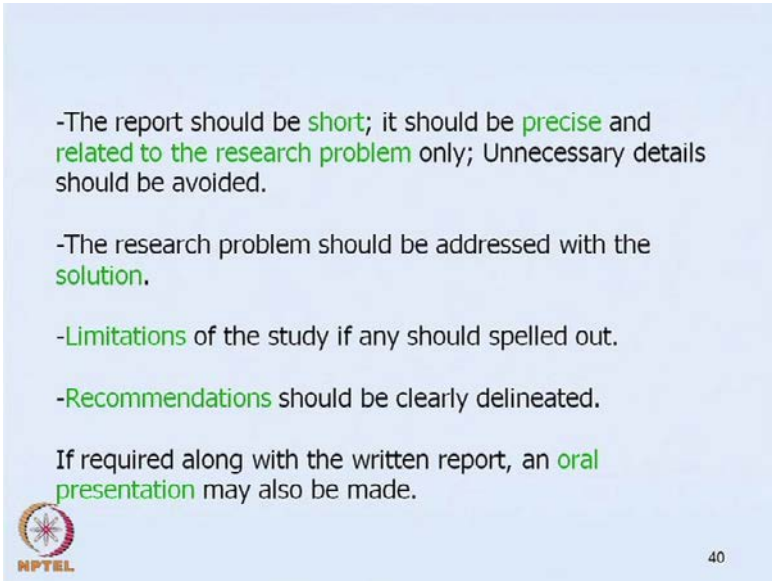

The report should be very short, precise. It should always be addressed with the solution. Limitations should be clearly spelled out. Recommendations should also be provided or

clearly delineated. And it should, the report should also follow a presentation, preferably a oral presentation assisted by, or the visual means. So, that, you know, through a clear presentation, things which are spelled out in the report, are gotten clear. People are more clear with them. And in case, there are any queries, you can, you can, the researcher could basically answer those queries with the presentation. Now, this finishes our module two, which was the, you know, market research and consumer behaviour.

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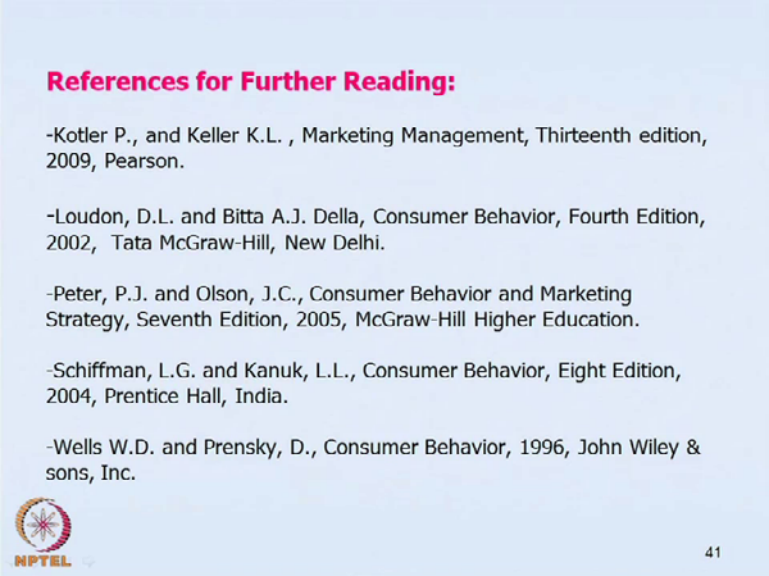

But before we conclude, let us speak about, you know, few references. Kotler and Keller, Marketing Management, Pearson; Loudon and Bitta, Consumer Behaviour, Tata Mcgraw Hill; Peter and Olson, Consumer Behaviour and Market Strategy, McGraw Hill; Schiffman and Kanuk, Consumer Behaviour, Prentice Hall; and Wells and Prensky, Consumer Behaviour, John Wiley.

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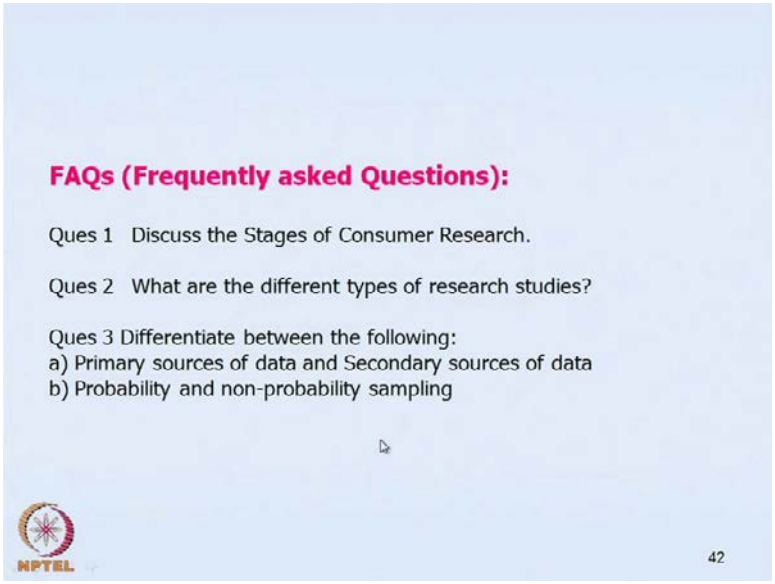

Coming to some questions. For frequently asked questions will be in terms of, what are the different stages of consumer research? So, we will start and discuss all the five stages of consumer research. What are the types of research studies? So, here you will speak about the five different types of research studies which we have spoken off, in terms of descriptive, exploratory, causal, co relational, experimental. Then, you can also be asked, how do you differentiate between primary sources of data and secondary sources of data; and differentiate between probability sampling and non probability sampling.

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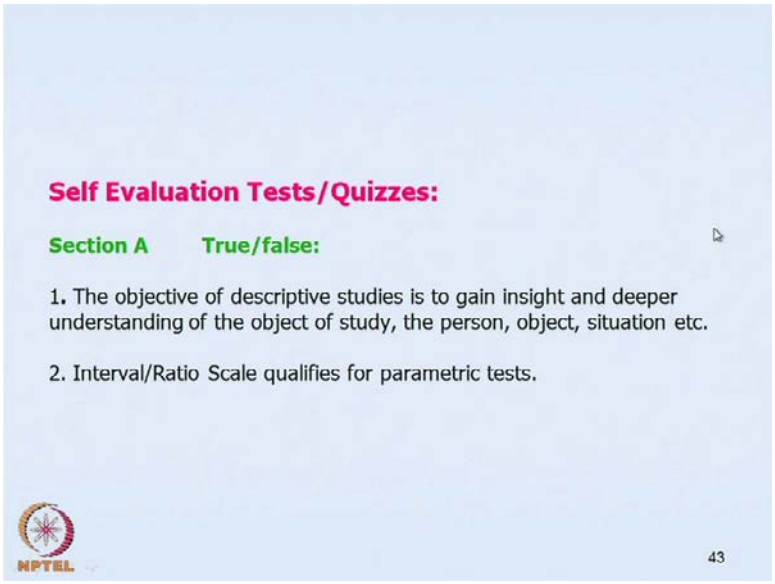

A short quiz, is something which follows: a true or false. For example, the objective of descriptive studies is to gain insight and deeper understanding of the object of study, the person, object, situation, etcetera. So, this is false. This is a false statement. Second: interval or ratio scale qualifies for parametric tests. Now, this is true.

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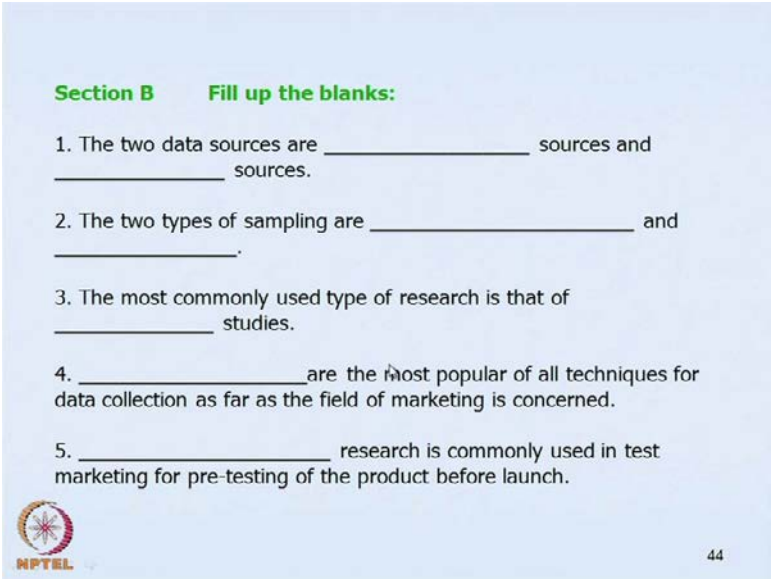

The two; fill in the blanks. The two data sources are dash sources and dash sources; so primary sources and secondary sources. The dash, the two types of sampling are dash and dash; probability sampling and non-probability sampling. Three: the most commonly used type of research is that of, well, descriptive studies. Fourth: dash are the most popular of all techniques for data collection as far as the field of marketing is concerned. So, surveys are the most popular of all techniques. And five: dash research is commonly used in test marketing for pre-testing of product before launch. This is experimental research, is the answer.

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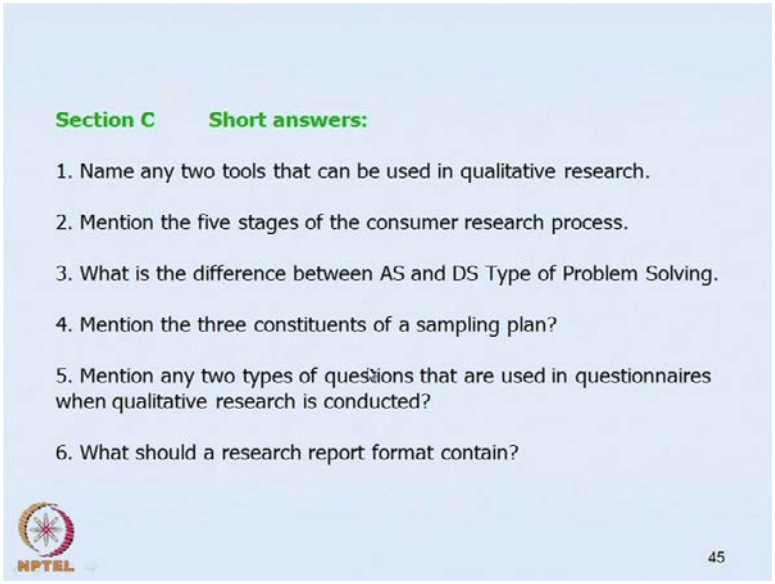

Coming to short questions. Name any two tools that can be used for quanlitative research. So, it could be depth interviews; it could be focus group interviews; projective techniques; observation, any all. Mention the five stages of the consumer research process. Define the problem, develop the research plan, collect data, analyse data and prepare the report. What is the difference between AS type and DS type? So, its active and proactive; one which problem has a reason, and other reacting before the problem has a reason.

Mention the three constituents of a sampling plan. In the sampling unit, sampling size andsampling type. Mention two types of questions that are used in questionnaires where qualitative research is conducted? So, you could have, you know, different kinds of questions like semantic differential, dytonamic scales, multiple choice, word associations, story completion, etcetera. And, what should a research report format contain? So, it should start with the summary, research problem, objectives, methodology, findings, conclusions, recommendations and observation.

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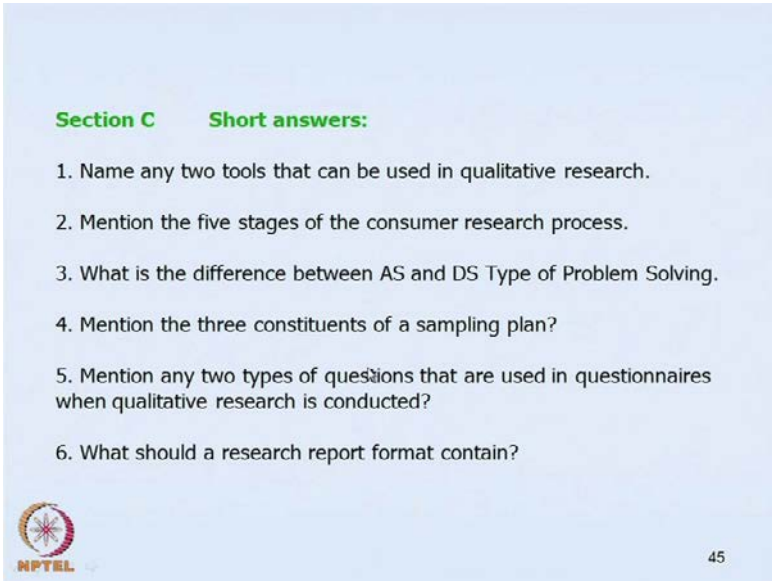

So, this finishes; and comes to, we come to an end of the session two, on module two. Now, I hope you have benefited from this session; and I guess with the proper understanding. I hope that the session has benefited you. And, we will be discussing, moving on with this subject, in the next module, which will be module three, in the next session onwards.

Thank you.