Service Marketing: A practical approach
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Lecture-13
Services Marketing Research

Hello there, welcome to this session on services marketing with a practical approach. My name is Dr Biplab Datta and my contact details are given here, so can write to me of you have any feedback and will try to answer your questions as much as possible.

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Lesson 13   Services Marketing Research

Research Questions

Tools for Marketing Research

Now we go to lesson 13 that is about services marketing research. So first we look at research questions, that can be asked or that need to be asked and answer about the services that you are going to provide and finally the tools that we use for marketing research.

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Research Questions

- Understanding company capabilities
  A. What are the capabilities and performance level of our managers and employees?
  B. What are the current strengths/competitive advantages (in terms of unique resources, target segment, product design, production process and value added in the network) of my company?
  C. What are the current weaknesses / competitive disadvantages of my company?
- Identification of the customer segment (cluster analysis)
  A. Who are our customers?
  B. What are their needs?
  C. How do they currently satisfy their need?
  D. What are their motivations?
  E. What are their latent/unmet needs?
  F. What would be their future needs?
  G. Will they prefer our new product/service concept over their current way of satisfying their needs?
- Understanding the marketing environment
  A. What are the current trends in the market?
  B. What is the political, social, cultural and economic situation of the current markets and other markets in which we can operate?
  C. What laws will govern the sale and use of our offering?

So, the research questions are like this. Understand company capabilities, so we start with the company and we have to understand company capabilities. So what are the capabilities and performance level of our managers and employees? What are the current strengths, competitive advantage in terms of unique resources, targets segment, product design, production process and value added in the network of my company.

What are the current weaknesses or competitive disadvantages of my company? Then we go to identification of the customer segment through cluster analysis. Cluster analysis is a statistical group which can help the group similar customers together and differentiate them from other customers. So we ask the question, who are our customers?. What are their needs? How do they currently satisfy their need?. What are their motivations?.

What are their latent or unmet needs? What would be their future needs? and will they prefer our new product or service concept over their current way of satisfying their needs?. Then we go to understanding the marketing environment. So what are the current trends in the market? What is the political, social, cultural and economic situation of the current markets and other markets in which we can operate? What laws will govern the sale and use of our offering?.

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Understanding our competitors. So we have to use perceptual mapping using multidimensional scaling. Who competes with our products, our burgers versus their burgers, brand, private label versus McDonalds, industry, fast food versus all food and beverages, and need share of consumer spending. So, what are their current and future objective and strategies?.

What are their competitive advantage in terms of their unique resources, target segment, product design, production process and value added in their network?. What are the competitive disadvantages? How are my competitors placed in the perceptual map? Then we go to estimating market demand through market surveys. So, how many people are likely to purchase the new offering to satisfy their needs?.

Now what price are they willing to pay for the offering?. Will the venture become profitable?. What would be the return on investment?. Then we go to understanding consumer or buyer behaviour. So this data collection technique includes observations, focus group, behavioural data, experiments etc. In their family or company who is likely to initiate the purchase of our offerings?.

In their family who is likely to influence the purchase of our offering?. Who is likely to use our offering?. Who is likely to deicide to buy our offering?. What channels of communication are the initiator, influencer, user, decider, buyer exposed to?. So what are the kind of media

habits?. What is the profile of the above roles?. What beliefs, values, attitudes, interests, and opinion do they hold?.

In their family or company when and where are they likely to decide to buy our offer?. In their family or company how are they likely to prefer to receive and pay for our offering?

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Research Questions

•**Taking decisions about our offerings** (Conjoint analysis)
  A. What new features do customers need to be incorporated in our offering?
  B. How are customers willing to dispose off our offering?
  C. What level of after-sales service do our customers need? Are they willing to pay for the same?
  D. What price are customers willing to pay for our offering?
•**Taking communication decisions**
  A. How many people are aware of our offering? (Top of mind)
  B. How many people know about our offering?
  C. How many people like our offering?
  D. How many people prefer to purchase our new offering over alternative offerings? (Top of heart)
  E. How many people have tried our offering?
  F. What other complementary offerings will people need to purchase along with our offering? (Meta markets)

So that is through conjoint analysis. What new features do customers need to be incorporated in our offering?. How are customers willing to dispose of our offering?. What level of after-sales service do our customers need?. Are they willing to pay for the same?. What price are customers willing to pay for our offering?. So this can be we can take the help of conjoint analysis to find out answers to these questions.

Taking communication decisions. How many people are aware of our offering that is top of the mind. How many people know about our offering?. How many people like our offering?. How many people prefer to purchase our new offering over alternative offerings that is top of heart. How many people have tried our offering?. What other complementary offerings will people need to purchase along with our offering?.

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Research Questions

- **Taking distribution decisions** (market surveys and location models)
  A. What are the alternative channels of distributing (like retail formats) our services? How are these changing?
  B. What is the cheapest and best way to deliver our offering to the customers?
  C. What would be the best location of our service hubs and servicescapes?
- **Taking pricing decisions** (customer survey, conjoint analysis)
  A. What is the activity based cost (ABC) of a single unit (café chair, restaurant bed, school seat, bus/train/airline seat-kilometre, labour agency person-hours, etc.) of our service?
  B. What is the price of similar services in the market?
  C. What price are people willing to pay for our offering?
  D. What is the price of alternative products/services that our customers will have to pay to fulfil the need that our service is fulfilling (i.e. what is the value based price of each unit of our service)?

Then we have to take distribution decisions. So market surveys and location models, this have to be used. So what are the alternative channels of distribution like retain formats or of distributing our services. How are these changing?. What is the cheapest and best way to deliver our offering to the customers?. What would be the best location of our service hubs and servicescape?.

Taking pricing decisions. Customer survey, conjoint analysis can be done. So, what is the activity based costing or ABC of a single unit, cafe chair, restaurant chair, school seat, bus/train/airline seat kilometer, labour agency, person-hours etc. of our services. What are the price of similar services in the market?. What price are people willing to pay for our offering?. What is the price of alternative products services that our customers will have to pay to fulfil the need that our service is fulfilling. What is the value based price of each unit of our services?.

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Then coming to measuring marketing performance. So that is through customer surveys. So, what is the current return on capital employed in our company?. How many people have purchased our offering at least once?. How many people are willing to re-purchase our offering that is the market demand. How many people are satisfied with our offering?. How many people are dissatisfied with our offering?. Why are they dissatisfied?. That is we see the customer complaints.

How many people are willing to refer our offering to others?. How many people are willing to purchase our offering even if the price is increased. Then coming to managing customer relationships through customer service. Which of our customers are profitable?. Which of our customers are non-profitable?. Can they be sold low-cost or higher-priced offerings?. How can we keep in touch with our profitable customers.

How can we reward our profitable customers?, so that they continue to be loyal to our offerings?. What kind of rewards appeal to them?. What kind of guarantees to be given for our offering?. Then taking decisions about new offering markets. So, what new offerings do customers need in existing or new markets?. What price are they willing to pay for those offering?. How are customers willing to use and dispose off the new offerings?. What level of after-sales service do our customers need?. Are they willing to pay for the same?.

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Research Objectives and Analysis Tools

Research objective	Tools for analysis
Understanding company capabilities	HR documents and interviews
Identification of the customer segment	Cluster analysis
Understanding the marketing environment	PEST analysis
Understanding our competitors	Perceptual mapping
Estimating market demand	Forecasting models
Understanding consumer/buyer behaviour	Analysis of variance
Taking decisions about our offerings	Conjoint analysis
Taking communication decisions	Regression analysis
Taking distribution decisions	Location models
Taking pricing decisions	Conjoint analysis
Measuring marketing performance	Analysis of variance
Managing customer relationships	Analysis of variance
Taking decisions about new offerings	Conjoint analysis

So, we have a battery of questions that we can ask in order to provide proper service to our customers, which can keep them satisfy. Then we go to the research objectives and analysis tools. So first is, understanding company capabilities for that we have to look at HR documents and employee interviews. Identification of the customer segment, so that we use statistical tool call cluster analysis.

Understanding the market environment, that is done through PEST analysis which we have discussed earlier. Understanding our competitors, that is through perceptual mapping. Estimating market demand, that is through forecasting models. Understanding consumer or buyer behaviour, that is through analysis of variance. Taking decision about our offerings, that is through conjoint analysis. Taking communication decision that is through regression analysis.

Taking distribution decision that is through location models. Taking pricing decisions through conjoint analysis. Measuring marketing performance through analysis of variance. Managing customer relationships again analysis of variance and taking decisions about our offerings through conjoint analysis. So this is all in this lesion. Hope it helps.