

Research for Marketing Decisions

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Week - 01

Lecture - 01

What is Market and Marketing?

Very good morning. So, this course, what is the title of this course? Research for Marketing Decisions. This course research for marketing decisions, it is same as market research, it is same as marketing research, it is same as MM2 in IIMs. So this term is same everywhere the term differs the course is same content is same. Some call it market research, marketing research, research for marketing decisions, and applied market research and so on the names are different the content is going to be the same, uh, popularly it is known as marketing research or market research. The appropriate name is market research. I am not going to tell you why it is not called marketing research why market research is appropriate because it is not required. okay. Let me quote here a paper in a leading journal

early in 2000 it said that one in four product new product developed by companies fail because the companies don't do appropriate or enough market research at the beginning stage of the product development. So market research becomes very important because and especially in the early stages of product development Because if the foundation is weak, the product is going to likely fail. And it has happened. The research has proven that. There are a lot of other examples as we move on.

We'll discuss where the market research would have been used and it was not used and the product failed. Where it was used and the product succeeded. Where it was used but not used appropriately and the product failed. And it becomes a very important subject matter. There are increasingly number of attractive jobs in the market that are catering to market research: market research analyst, research analyst, research director, project manager.

So, all these kind of jobs including then consumer insights manager, customer success manager even the marketing manager, brand manager all profiles you require the understanding of market research. And slowly and slowly when we move further you will i'll try to tell you how important it is to conduct and to not only to conduct but in the right way the market research. We will slowly slowly peel off the layers of the subject. Now to start this subject market research right one should know what is market and what is marketing. Because the title of the course say so market research or marketing research whatever you say, what is marketing because you have already done just to get started with what is marketing ? Because once we know what is marketing, what is research, we will start our inquiry about this subject.

Right ? And please understand, we have to be very specific when we talk about that, because when you are going to go into the jobs, the words you speak, the clarity it has becomes your currency. Right ? So tell me what is marketing ? At this point of time There is nothing at stake.

Value. Right ? I'll come to that. What is value also? Since you said, okay, can you clarify what is value?

Very good. And we will little bit build on that little later. She is right. Value, when we say customer value, it is benefits divided by cost. And we always say when the customer value is greater than 1.

you know, benefits divided by cost, then which means you can take that product to the market and you always try to maximize the benefit divided by cost and the will come a little, you know, later into this particular customer value thing. So, marketing has something to do with customer value. Anything more process of keeping and growing customers? Anybody from this side? What is marketing?

Yeah, please. exploring opportunities, developing products and delivering them. Okay you you might have missed something promotion and you know and so on but it is a good attempt so you have spoken about few activities understanding customer needs and want and developing products according to them this is a very good definition now Before I go to marketing, let me even simply because the class is quite quite. Okay. See, marketing has a word market, right?

You can see this word market. So we'll start from market. Let's not directly go to marketing. Let's start from market. So, she is saying market is marketplace is a or market is a place where buyers and sellers meet, right?

Market is the potential buyers and marketplace where the exchange happens. Now, she is excluding the sellers in the definition of market. What is right? Because we are in the marketing course, you have done economics course, you have done marketing management. Now before we start with another course on marketing, which is market research or marketing research, whatever you call it, we should have a clarity on what is market.

It's a group of buyers and sellers. Group of buyers and sellers. I am not focusing much on definition. Lets. We are more looking at the understanding behind the word market and marketing. Now, the word market in economics, it includes both buyers and sellers.

In marketing, when we talk about market, So, when you are going to get into marketing jobs and you are going to be speaking about market, market is about customers. In marketing and economics, the definition of market is different. In marketing, when we say market, it is about the customers or to be specific, it is about collection of customers or buyers, whatever you say. Market is about collection of customers, right?

So that's this understanding has to be clear that in economics, the market is where buyers and sellers meet and exchange happens. In the subject of marketing, market is about customers and to be specific, market is collection of customers. Now these customers, what they have? As he said, these customers have needs and wants. I will not go into needs and wants because it comes in Kotler chapter 1.

Should be very clear. Since market is about collection of customers, marketing is something about collection of customers who have some needs and wants. Right? Satisfies the needs and wants of collection of customers. Right?

Can we easily derive it? So, marketing is about satisfying needs and wants of collection of customers. Right? So, marketing has a word market. Market is about collection of customers.

So, marketing would be doing something to customers. Marketing satisfies the needs and wants of collection of customers. Now, we know that there are there is competition in the market in the let me say competition even the the yes the marketplace would be where buyers and sellers meet so, there is competition so, which means we can extend this

understanding of marketing satisfies the needs and wants of collection of customers better than competitors and if we are better than competitive if if a marketing manager is satisfying the needs and wants of its target customers better than competitors but not at a profit it is useless so we also add marketing is about satisfying

needs and wants of collection of customers better than competitors at a profit. So this is what is a simple understanding of marketing which we derive from the word market. Market is about collection of customers, so marketing must be doing something to the customers, satisfying needs and wants of collection of customers, since there is competition also one has to do it marketing manager for a particular company has to do it better than competitors and at a profit, right ? Now this definition if you see it is this understanding is about the goal of marketing the goal of marketing is to satisfy needs and wants of collection of customers specially target customers It is about satisfying needs and wants of collection of customers better than their competitors at a profit. Although this is an old definition but still it catches the essence of what is marketing. Marketing also is for non-profits.

But just for ease of understanding I have used this. Now if you see this is about the goal of marketing. right the goal of marketing is to satisfy needs and wants of collection of customers better than competitors at a profit if anybody ask you know what what is the job of what is the goal of marketing we know what what is the goal but what is marketing every good understanding has the idea of what it is and what it does right now we have understood what it does what it does which means the goal the goal of marketing That we understood. It is satisfying needs and wants of their target customers better than competitors that the profit, right?

Now what is the, what is it? What is it and what is its goal? Goal we understood. What is it? Now comes what is it?

Marketing. So marketing achieves these. The goal is to satisfy but what it is? The process, okay. So marketing manager has to do certain activities to satisfy needs and wants of collection of customers, right?

Better than its competitors. So as to achieve profit. It has to do certain activities. What are those? That is what is?

What it is? What is marketing? What it does? Now what is marketing? What are those activities?

Four P's, okay. Which is? Product, price, place, promotion, they are four activities. What are other activities? Distribution comes in placement.

The same placement and distribution is same. What else? So, just to recap what we did quickly, although nothing much is covered. right? Marketing is about satisfying needs and wants of customers better than competitors at a profit and you can say marketing your set of processes or activities to satisfy needs and wants of customers better than competitors at a profit. Now what are these activities okay have you heard of this marketing management framework which is 5 C's, STP, 4 P's, right?

These are the set of activities. The first set of activities which is 5 C's is about exploring and choosing the value or identifying the value. The first set of activities which is 5 C's customer analysis, context analysis, competitor analysis, collaborator analysis and company analysis. Company, competitor, collaborator, competitor and context.

So this, So these activities are about exploring and choosing the value, designing the value, delivering the value and communicating the value to the activities. We are talking about what is marketing the activities are about exploring and choosing the value. So what are the what what are these activities these activities or let me say fall into exploring and choosing the value where how do you explore the value and choose the value explore exploration you analyze your company, competitor, environment, customer, collaborator and do the segmentation, targeting, positioning after doing all that you are choosing the value exploring the value means you are doing so let's say when there is a theft in the house in some house there is theft

Police will come and explore the situation, right? This is what is situation analysis, which is five C's. Customer analysis, competitor analysis, company analysis, collaborator analysis and context analysis. After that, after getting an understanding of my business environment, the context, my customer, my competitor, my company and my partners. I will look at my market and segment the market and identify the segment which the market marketer is going to target and designing the value when it comes it is called positioning

positioning and product then come delivering the value which we know is placement and then comes communicating the value now value as as she said earlier customer value is the equation is benefits divided by cost and the benefits are not only tangible so the customers not only want tangible benefits when you purchase iPhone you are not only looking for the features or the concrete benefits that you are getting from that but also

your self-esteem your your you know social worth when you show it to others when others see it with you goes up so that is intangible benefit so, customer value is tangible benefit plus intangible benefits. So tangible benefits could be in terms of Whatever functional utilitarian benefits and savings you get by tangible plus intangible divided by cost. Again, cost will be all kind of cost, not only money, but search cost, time cost, effort and the money you spend. So when we are talking about value we are talking about benefit divided by cost.

Although, when in normal conversations we mainly forget about cost and focus on the benefits side of the customer value. So what are the activities doing ? These activities are falling into exploring and choosing the value, which means marketing is the set of processes to explore and choose the value. Once the value is chosen, design the value, deliver the value, communicate the value in order to satisfy needs and wants of customers better than competitors at a profit. So, let me not go further into now marketing, it is just that the marketing we know what it is, is a set of processes to explore and choose the value, design the value. Deliver the value, communicate the value and the job of marketing manager is to conduct these processes effectively and efficiently in order to satisfy needs and wants of customers better than competitors at a profit, right?

So what comes, what activities come under exploring and choosing the value? Please pay attention. These are the activities that come under exploring and choosing the value. simple just understand the marketing management framework is, here it is, five C's, STP and later on it is four P's. So first the situation has to be analyzed in terms of customer analysis, competitor analysis, company analysis, context analysis, collaborator analysis after you understand all these things, then the setting the market of marketing objectives are set then one moves to so which means exploring and choosing the value when we say exploring and choosing the value exploring the value is five c's and even segmentation

also comes under exploring the value, then choosing the value comes under targeting and positioning, you choose which segment after the segmentation the the entire market when you segment it you get various segments which segment you would want to target and what is the benefits or customer value to that that is what choosing the value. So once you explore and choose the value designing the value is product and price you dis so choosing the value means earlier we saw choosing the value means targeting and positioning Let's say when there are a lot of players, let's say in the noodles category, some choose healthy and tasty, some choose only tasty. There are segments. So one has to select one particular segment out of the total market.

And once that segment is selected one should know what is the customer value that is desired. Once you identify what is the customer value then design that value through those product features and through that pricing. Delivering the value means placement. Which means making the products available at the places convenient to your customers. Convenient and accessible. It is not about distributing it wherever you would want.

It is all about. That's why VCA marketing is all about customers. It is only the pricing. Pricing P. That is for the company. All this framework is they are doing for customers.

Only price gets something to the company. All other P's are for the customer. Communicating the value is. Promotion. And then we have evaluation continuous evaluation.

So, that if there are changes in the market in terms of market share, in terms of sales, in terms of market potential and so on. If there is anything which is going bad or good the evaluation will let us know and therefore, we could modify our 4 Ps Or we can relook at our segments and so on. So, that is what is the marketing management framework. So, what is marketing now?

So, this was your marketing management course that I covered. Right? Marketing is... If you just remember 5Cs, STP, 4Ps, that is the set of activities or processes, whatever you say, to satisfy needs and wants of customers better than competitors at a profit. Or marketing is a set of processes to explore and choose the value, design the value.

Explore and choose the value is 5Cs and STP. Design the value is product and price. Deliver the value, communicate the value in order to satisfy needs and wants of customers better than competitors at a profit. This is very easy understanding. Just from the word itself, we derived everything.

And from whatever you have learned in the marketing management framework. Now, since we know what is marketing and what is the role of marketing manager, so now we can just start with the course, right? Marketing, we know now what it is.