

Research for Marketing Decisions

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Week - 01

Lecture - 02

Research, Marketing Research and its Types

Now let's look at another thing. Now we know what is marketing but we don't know what is research. This course is going to be very complex because I am very particular about how terms are understood not defined and some of you would also joke about the so much particularity when it comes to terms but it is important because this is the words that you use precisely would give out the clarity to others about you. Now what is research? Again it is nothing is at stake. So please feel free to share what do you mean by research ?

Understanding the situation of the market. Understanding the situation of the market. That is customer analysis. But it is a good attempt. What is research?

Now we are not pertaining to marketing. Right? Just research. What is research in general? Exploring the areas.

To search something again. This research, it is not research. It is not, please. It is not, doesn't mean again search. So come out of it.

But very good. Because these doubts should be cleared. Anybody else? Exploring the new areas. Exploring the new areas.

Okay, we'll come to that. That is also not right. Process of expanding the existing knowledge base process of expanding the existing knowledge base it is right but very broad. I am looking at something which is more action, which is which is correct and which can be acted upon so if some understanding is there which one cannot act upon it is not of use right ? So what she said research is about expanding the body of knowledge

this is very right definition but Very broad. Systematic investigation and which textbook you have read?

Getting deeper insights. Getting deeper insights. Insights itself are deep. Why you want to go further deep? Next time when you answer, please tell your name so that this is how I would remember by the end of all the 14 sessions.

Yes, what is research ? whatever comes to your mind and attempt to solve it. Okay, thankfully so something is there that there is a problem in research there has to be a problem otherwise there are instances where without a problem people have conducted research we will come to that also So, that will save your resources and time in case you would also do something in your internship related to that. We will come to that where the problem comes. Based upon the existing knowledge we conjecture something new and then try to see you conjecture something new, but there has to be a problem related to which you conjecture new right. So, let me say that research, it provides information and information reduces uncertainty.

Now, what is research but? To understand research, two words are very very important. One is systematic and another one is objective. Systematic means that The research has certain steps to be followed that are well planned, well documented and scientifically correct.

Again, research is also a process which has two qualities and then I will tell you what it is. Two qualities is systematic. What is systematic? When you say your friend is systematic, it is not that systematic. Systematic in research means it is

There are certain steps to be followed. They have to be methodologically correct. Well planned. Well documented. And scientifically correct.

As I said methodologically correct. Methodologically sound. Now what is methodologically sound? We will learn various methodologies. But this is the systematic.

What is objective? Should be conducted in which textbook? Okay. Objective means, it should be conducted in an impartial manner.

What is impartial manner? Which means I, based upon my upbringing, background, experiences, I should not bring that into when I conduct the research because that could bias my readings, observations. That is what is impartial means. Which means I conduct the research, Gauri conducts the research, And I forgot anybody else's name.

Radhika conducts the research all using the same method we arrive at the same conclusion. That is what is the objective. Right. So there are two qualities in research. It is it is

very different from what we do on regular basis you would say that I am just researching this that is not research research there are two qualities one is systematic there has to be steps steps should be well documented, well planned, methodologically sound and objective which means impartial, that is what is the two qualities of research now what is research ? Research has to have a for conducting a research you should require a problem which means you have to identify a problem also and solve the problem so, research is the process in which we identify and solve a problem why we identify the problem should be given right ? It can be because of uncertainty. Very good, Anjali. So when you go to the doctor, you do not know what is the problem, right?

You know the conditions. You know you are ill. You have fever. You are coughing, right? So these are the symptoms, right?

Doctor only knows the problem. That is what we are doing here. We are trying to make you marketing doctors. so that when there is a problem through symptoms you could actually go further and it is right when we proceed further you will get to know why I stated as a marketing doctor, so research is the process of identification of problem identification and solve solve solving a problem only problem is marketing research so pessimistic only looking at problem also opportunities, yeah opportunities could be you know could come through innovation in the through science let's say so we know that research is the process of

identification and solving problem or opportunities which means identification and solving the opportunities solving is not the right word but sorry making use of opportunities, leveraging the opportunities right, through identification of data, collection of data, analysis of data, presentation of data. Presentation of findings I should say. Easy. Very easy. So, what is research?

Do not look at your notebooks. I am spending so much time to make you understand. I do not want any definition. It should come right from you know the you should have that understanding not the if we have general idea then we could actually you know frame that understanding in the right language for research you should you you know either you have to identify a problem or solve a problem and how could you do that through data you have to identify what data what data is required, collect that data, analyze that data

and present your findings either for identification of problem or solving the problem that is what is research it has two qualities what are the two qualities ?

Yeah what is systematic and what is objective ? the last row the second last row yeah so concisely he is told I think if I would ask the same question to my son he would ask hundred questions back but this is a different class when I ask a question either the answer would not come or the answer would come in few words okay so we know now what is marketing and what is research so we can move further right ? Simply you can also state this I don't want you to look at this but I hope you have understood something because when let's say you speak about marketing and research to anybody you would remember I hope all this you would not curse me that he Did not teach us right, right? So when we say marketing research, which means we use this research to solve, to identify or solve marketing problems. Now what are the marketing problems?

Big framework. Marketing management framework. Where are the problems? All problems. Marketing management framework.

Right from the time of, let's say, Even all 5 C's also have lot of problems. The most apparent problems are there in the STP and 4 P's. What should be the criteria to conduct segmentation? Which segment we should target?

What is the relative positioning of different products in a particular product category? So these are some questions. that that require information that would solve a particular marketing problem so marketing research now we understood marketing management framework is there research is there so rich research which is used to identify or solve marketing problems or opportunities that is called marketing research right and it becomes very very important to do market research or marketing research because a lot of products fail because they don't they do not investigate the customer needs, wants their acceptance of the product appropriately. Now this puts into focus what is the role of marketing research through whatever we have discussed role of marketing research marketing research is used by marketing managers. So marketing research is used by marketing managers, marketing managers require answer to their questions or problems about five C's, STP's, four P's they want information they go to internal market research function lot of companies like P&G , GM Ford

Big Colgate, Coca-Cola, they all have internal market research function or internal team that are either sometimes decentralized into different SBUs. SBUs, you understand? Or centralized. Or they could go to external marketing agencies like Nielsen, Cantar is there,

Ipsos. right so they go to marketing managers when they are trying to figure out what is happening with their field marketing or when even when they are planning to make a marketing plan let's say for their new product they will go to market research team internal market research team or external market research team now marketing research team what it does is,

it collects data or information from customers about competitors about its own company let's say perceptions or relationships collaborators environmental factors. So all the problems of marketing managers require solving so most problems require information marketing research they connect, they they collect all that information they also frame the problem they collect all the information and give the findings to marketing managers who finally would either work on the fact on the finding or not act on the findings there are times when even after the findings are given The founders or the marketing manager or the CMOs, they don't act because they don't believe that those findings are correct. It also happens. Here, I should also put four P's.

Existing four P's which are controllable. See, marketing manager can change what? Product price, village promotion, nothing else. Everything else is God-given. Right?

Not really. Suppliers are not. You choose the suppliers. So what marketing research does is whenever marketing manager requires certain information or there is certain opportunity or problem, it reaches out to market research teams which collects the information from either the competitor, the customer, the supplier, even about the company and its perceptions and it also collects information about existing 4 P's how the product is perceived what is the how is the pricing is it appropriate placement is the distribution right are sales people knowledgeable or is our channel partner knowledgeable about our product, promotion

Are people understanding what we want to communicate through our promotions? Is for social media are we able to engage and make them participate because social media is about that. It is not about broadcasting which is which is done. So all these questions 4 P's are existing 4 P's about a particular product. So market research senses all collect senses analyze all this information and give the

findings back to the marketing manager who act on that information to solve their problem or to make use of the opportunities for example let's say market share of a company market share if it goes down for a product even by some points there is very turbulence with the ceo and definitely with the cmos so market share goes down Nielsen

gives the data, Nielsen which mainly gives the data about FMCG. It does retail audits, which means it samples some thousands of Kirana shops to figure out the market share of various brands, FMCG brands. So it used to have 18,000 something Kirana shops where it used to do retail audit, which used to be a sample for lakhs and lakhs of Kirana shops. So let's say market share is going down and marketing manager doesn't have any idea what is happening because there could be hundreds of things going wrong.

Now market share going down is same as what is same as Anjali? fever we go to doctor right market share going down which comes from control if you look at this is evaluation control you sense that market share is going down you do not know why so you go to market research and then market research will identify the probable reasons by collecting data about and will confirm and solve that puzzle for the marketing manager and therefore let's say after solving the puzzle it comes to the pricing market research says that your pricing here is an issue the price your target audience is very sensitive to high price that you have So likewise, right? So it would, what market research is doing in this case?

Once the problem is, once the symptom is stated that market share is going down, marketing research will use any of these or all of these sources to conduct research including these existing 4Ps. Whether the existing price, existing price is appropriate given appropriate for the given target segment so I hope this understanding is clear okay anyways so going further we know now what is marketing ? what is research ? what is marketing research ? where marketing research fits in ? Right now marketing research can make or break a product and the one framework I showed you Marketing management framework. Marketing management framework I showed you that is the framework for each and every product that a company has they should have that marketing management framework.

It is not for the entire company. If P&G has 100 products for each product they should have that separately which means if they want to conduct research for their each of the product they would have to do 100 projects or different whatever kind of problems that is there. So now coming to the marketing research types. Before that let me tell you an important story about market research. So this IMVU company have you heard of this read somewhere IMVU Eric Ries you have read somewhere the one who has written the

one of the popular very popular books lean startup read that book that is very important because I cover that in one of my courses as well so he's he he he brought in the lean

startup methodology which is which became popular then Silicon Valley and now it is popular across the world for startups he and his friends started IMVU What is IMVU? I also do not know the complete name of it. This abbreviation I know. IMVU, this was an they made internet portal for avatar based internet portal in 2005 when we had only messengers when in the world across the world there were only messengers to chat.

They thought that it will be very interesting for the customers for the people if instead of text-based chat we introduce avatar right because then you know they can dress up their avatars they can chat in 2d or 3d and it will be more interesting right and they thought that lot of people are currently using their messengers so they would not want to if if they make a separate messenger with avatar so people would not want to switch to that because already they are using messenger so they they thought that we will develop a code which will be interoperable which means they can use that avatar based website with their existing messenger clients right so they thought that people would not like to make another one more profile avatar based and because another reason was it would have been very difficult to move all your friends which are there in the messengers to the avatar so they made they thought that interoperability code algorithm will be very very good because people would want to connect with their existing friends in avatar it will be very interesting sounds a good idea right in 2005 when we were only using everybody was using messenger If you can talk using avatar, dress up avatar, it would have been fantastic, right?

They thought that it will be like us. It will be very good. The CTO, Eric Ries, he wrote code for that. He took six months to write the code for seven, to integrate seven messenger clients with that, with their avatar based portal. and after six months they identified that when they did little bit of market research they identified that people don't mind making a another profile and they don't want to use that avatar based thing with their existing friends because they don't know whether because it was going to start at that time and they don't know whether it will look cool or not so their initial proposition for which they worked

months after months they had to throw away that code because they did not do market research which is the problem with most engineers they are very good brilliant in technology and they have lot of conviction on their you know features and technological skills but the problem happens when they take it to the market when you don't do market research. So the earlier method of the engineer, how they used to develop the product, take to the market. Develop the product, take to the market and then do adjustment or

most of the time it used to fail. Now when I teach marketing to B.Tech students or engineers, we teach them this methodology that

You start with the market, exploring and choosing the value and then design rather than design and then go to the market. Right? That is why we teach marketing courses because at the end of the day whether you are, whether engineer is making a machine which is for another B2B customer or something which is for B2C customer at the end of the day somebody has to buy that in order to Give you money for what you made. So you start with the customer.

You do market research and then make instead of making and then. And there is a new paradigm also. I will not go into that. Because the time also is running very fast and we have to cover a lot. There is a related question that if everything for every kind of product, you have to go to the customer and then make the product.

How does the disruptive products come to the market? Because customer cannot sense those, right? This is a question for you. Here also market research is relevant, but I will not tell you. Figure out.

No, no. The thought was that people would not want to make another profile and it will be very difficult for them to bring all their friends to. That is also because network effect you would have read network effects so the more the number of people in a particular like face network Facebook the more the worth of that so then it becomes more difficult to switch to a new a new new social network because there are no not many in the new network but everybody is there you know in the existing network so they thought of these all sciences they thought of the psychology of network effects and everything they just like they didn't actually try to verify what they were like right right so that's what market research would have been done and as i said at the beginning of this course one in four products fail because of in f or because in the early stages of the product development they don't spend in India it would be even more because very less companies startups they

they try to figure out on the day some of them those that are doing stuff they are just doing in the time in the favorable time to their business for example when COVID was there and everybody everything was online lot of small you know retail vegetable or grocery retail stores came up without researching about the customers, many software engineers, they launched their small online retail outlets, which did well only in the COVID time because everybody started buying. When everybody, when market is

growing, whatever mistakes you do, you will find customers. But it is when market gets stable or the increasing rate of the market decreases, then you identify what is right and what is wrong. In the growing market,

every company grows. Now marketing research there are two types of marketing research as you can see in the slide problem identification research and problem solving research from the definition itself also it comes problem identification and problem solving Most of the time, both are done together. Or problem you can also replace with opportunity identification and opportunity utilization or solving. Solving is not the right word, but utilization. So problem identification research is, it is generally done through market potential research, market share research, market characteristic research, sales analysis, forecasting research, business standard research.

So problem identification research is done first. When the market share is going down, sales are going down, customer satisfaction is going down, market potential, what is the market potential? The maximum number of something related to the maximum number of customers that could reach to. So when once, so the companies they on regular basis, they take note of the market share, their sales They also forecast what is going to happen with their sales.

Market characteristics. What is the meaning of market characteristics? Market characteristics could be demographics, psychographics or their attitude towards the brand, what they think about the brands, all these market characteristics. The positioning would also come under how market perceive your brand, your brand image, that is market characteristics. All this kind of

evaluation sort of things are coming in the are coming here so red alarm is raised when there is some problem in these symptoms right Anjali fever cough cold these are the symptoms these are the processes where you will get to know the symptoms now when there is a symptom Market share going down, sales going down, customer satisfaction going down. Then there is a symptom. And then what the research which is done then to identify the probable problem cause is called problem identification. right so what is problem solving in problem identification what you will identify is a probable cause not the definite cause because the problem identification research is mostly qualitative we will come to what is qualitative I think you would have some idea about qualitative quantitative right qualitative is related to non numbers

Subjective. Okay. We will come to it later. So this is mostly qualitative. Okay.

So from this we could know what is the symptom. The research which is done from going to the symptom to the probable cause is problem identification. It could also an opportunity. When the Business trends, COVID times, everybody started consuming healthy food, healthy products, neem, tulsi, turmeric, everything, immunity.

So that was business trends. That is opportunity. So you sense an opportunity and then Identify whether people would buy something let's say a product now toothpaste with turmeric during COVID times. Mask which is let's say which is let's say dipped in neem boiled water and which has some antibacterial properties and so on.

So all these kind of business trends you would have seen at times of COVID when new new products came. Everybody was talking about immunity. Thankfully Coca-Cola did not say that you drink Coca-Cola and immunity will increase. But there was time in 19 long back there was time when in America it was also advertised that smoking can increase your health can improve your health immunity. I have that ad copy so here all this kind of research can also hint about the opportunity and opportunity then one would identify or problem one would identify that is called problem identification or opportunity identification research once the problem is identified or I would say probable problem when we say probable problem we would have

one or two say that out of these two either both or one then we look at problem solving or I could also say problem confirmation and solving that is the second part where it is problem solving or opportunity solving research so let's say opportunity utilization let me let's say that in the business friends here people were more likely to buy, in COVID time people were more likely to buy the immunity building products. So the mask making companies, they thought about whether there is an opportunity to give mask with antibacterial or anti this or anti that properties. Some bit of qualitative research is done and identified the possibility Once that possibility has identified a quantitative research with larger number of customers with what features are expected would be done in the problem solving.

So here it will become let's say product research what should be the product features for even pricing at what price people would like to buy. What would be the customers because regular customers everybody would not buy those. kind of mask so you could move from problem identification or opportunity identification to problem solving or opportunity solving so let me take one more example you have market share research market share going down one of the reasons let's say market share going down one of the

reasons let's say for a restaurant or let's say for a product market share is going down the initial bit of research problem identification research is done going to doctor doctor said it is possible that price is a problem possible that next in problem solving research it will be confirmed as well as it will be identified in the pricing research what price is appropriate for your target segment right so problem solving, problem identification, problem identification, problem solving, opportunity identification, opportunity utilization go hand in hand so in segmentation research product, research pricing, research promotion, research distribution, research there would be questions just as I said pricing research what price is appropriate for this target segment or what there is always a zone

There is never a single price. There is always a price zone. What price zone is appropriate? Or we could also say what is the price elasticity of demand for this particular product? So you will frame a question related to pricing research.

It could be related to product research. So when IMVU they had a particular product feature interoperability will people use this accept this feature? Actually they identified when we say interrupt they called customers to their lab for market research and they were testing they said what they did was they first told them to independently use the avatars and create an avatar they liked it then they said now you download the inter operatable algorithm so that you can connect to your messenger and bring your friends. First of all they did not understand what is this term and they said we are not going to do that The team said we will pay you money.

They said we will pay you money. But we are not going to do that because we would not look cool. This is a new thing. We don't know whether our existing friends would. So that's again product feature based of research.

And nowadays the kind this research you have to do not after the product has developed but each and every stage. I think you would have heard about the MVP minimum viable product right now read Eric Ries and then read about MVP then you will understand what is the new product development era. With MVP you have to conduct experiments market research surveys day in day out Sometime you would have to conduct 100 of experiments in a day. That is where market research is useful.

For every step of your product journey it is useful. I thought I have told enough of this course, right?