

## **Research for Marketing Decisions**

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**Lecture - 06**

### **Step#1 Problem Definition Marketing Research Problem and an Example**

So once we know that probable cause, we will define it, we will define the marketing research problem that is focused on the probable cause so that we confirm the problem, we confirm the cause and solve the cause or solve that problem, so once we define the once we converge on the probable cause, we define the marketing research problem. In such a way that we confirm and solve the problem. Once we define the problem, it is most of the time it is not very simple simply stated it has to be it is a generally a little complex statement which has to be broken down into specific components, once you break it down into specific components your step number one will be over right ? It is very. easy So, you have to do a mammoth number of activities before you actually get to the probable cause. Another thing that I wanted to tell you why secondary data analysis are also important. Secondary data analysis, I told you what it is, right?

Now, sometimes it would happen that the market share would be going down, sales are going down. But look at the industry data also. Let us say if industry sales are also going down that rapidly, then it means it might not be a problem with the company, but with the industry. But if industry sales are going up, your sales are going down, you know that there is. So, any data would be helpful in that way also.

Now, we will look at some examples of the problem definition process. Any questions that you have? So in that example you told that in that last example that concentrated detergent that they did a test research in one of the Japan cities and later it got nationwide. Didn't they notice like in that particular city that problem was not there that they were using low agitating machine or they were drying outside. They did not look at that.

They did not look at the site of use of the product. Let's say it is possible that they would have called people to their test site where the machines are high agitating at the lab or the experimental setting and they would have told them to use it just like we have test kitchens. So test kitchen you would have seen some of you when you enter a mall sometimes Companies that are selling the, you know, kitchen, they would call you to a test kitchen, which would look very, very good and would ask you to visit it and then give your feedback about all that. So that is how it would have been done.

That is how it might have been done in that particular case. Okay, let's look at the example now. there is a situation which is given and we would just consider this example to see how the marketing research problem has to be written. So there is a situation right now the management needs to make a decision, there is a restaurant called motilal restaurant sales are low and if they remain at current levels the restaurant will soon go out of business. What broadly is the business issue or the management decision problem? So the restaurant owner comes to you, say that sales are low.

If they remain at current levels, we have to shut down. We will have to shut down. Help us. Now, you know the symptom. The management decision problem is focused on symptoms.

Management decision problem you will have to write. What will be the management decision problem? What should be done? This state in the question format. What should be done to?

So although I said define it later after you know conducting four steps, management decision problem you define first or then doesn't matter. You know that there is some symptom based upon which the management decision problem has to be defined. So then the market researcher would have to conduct the four steps, the four activities. So then the problem, the probable cause has to be discovered and the problem audit and the other steps have to be conducted. So all that is there.

It is done. Let's suppose that it is done. After discussion the decision maker decision maker says he doesn't have any much idea, experts and everybody was consulted and it was identified that it could be poor service quality. So the probable cause in this case is poor service quality now the marketing research problem has to be defined based upon this probable cause focused on this probable cause in such a way that the problem allows us to confirm it and solve it. So this is the marketing this is one of the way to write the marketing research problem. Now probable cause is poor service quality one has to write

the marketing research problem focused on this cause in such a way that you investigate the problem, confirm the problem and identify the solution. So one way to write it is to compare the service quality and its dimensions.

Let me not talk about dimensions. To compare the service quality and its constituents. Because when we talk about service quality, what all we could be talking about? If I say a restaurant has a poor service quality, it could be that the employee's staff is not courteous. They don't take timely order.

They don't provide timely seats to you. They take a lot of time to give you the order. So these are there are many things in the service quality. The ambience ambience would not come in service quality. Staff friendliness as I already sorry

Poor food quality is will not come in service quality. Okay. So, but service quality could have many constituents. That is why we are saying to compare the service quality and its constituents for Motilal restaurants with other six major competitors, six major competitors in the area. Because Motilal said that I have six major competitors.

So, let us focus on them. To compare the to compare the service quality and its constituents for Motilal restaurants and other competitor restaurants that becomes the marketing research problem. I have already spoken much about it why it has to be clearly defined a little bit more on that, that we should not have the statements as marketing research problem, Like that, these are very broad statements. Develop a marketing strategy for the brand.

Because this is, in marketing strategy, everything comes. Segmentation, targeting, positioning, product, price, place, promotion, in product itself there is so many things. Features, branding, name, jingle, everything, packaging, form. To develop a marketing strategy for the brand, if you write that as a marketing research problem, it is too broad. It has to be focused on the probable cause.

Improve the competitive position of the firm. Improve the company's image. That is also broad. Brand image is still okay. You can measure it.

It is focused. So the marketing research problem should not be very broad and should not be very narrow also which means if you remember go back to our example where I said a company came up with a symptom saying that my sales are low and the competitor brands they have reduced their prices and the marketing researcher then without doing any of these steps directly define the marketing research problem focused on the price

that becomes very narrowly defined, so one has to conduct these four steps to define the marketing research problem precisely, this is how the problem was defined and it is broken down into simpler components, why it is required for us to break first of all it was already very difficult to get to the marketing research problem, then we have to break it right.

So, somebody has to keep a dolo with them because you know arriving at this marketing research problem itself was a task and then going further one has to break the head to reach to the component side. so once you have the marketing research problem which is if you look at this marketing research problem, it is having many things to compare the service quality and its constituents for motilal restaurant with other six major competitors so many things going on so you have to simplify it in components if you look at component what are the components, first one So without looking at the components itself, we can see that there are many things going on. One is we have to measure the service quality and identify the constituents of service quality, measure the constituents, identify the competitors, compare the constituents for Motilal restaurant versus the other competitors. If you see these things are going on in the marketing research problem.

So you have to break the marketing research problem into simple components. These are the components. And many a times there will be a component focused on the customers where you will be wanting to understand what are the demographics and psychographics of your customers. Are they same as your competitors and are there any segments in the market related to restaurant patronage, so these will be the compulsory components you have to write because you have to know about your marketing is only about customers right so you have to get to know your customer demographics, psychographics and what kind of

how your product would appeal to them if there are multiple segments to different segments and so on. So that compulsory component you will have to write. So this is how you have to break down the marketing research problem into components and you will have to do that. In the next class we will start doing that. Now here it is only trailer.

So See, when you are able to define the problem, marketing research problem, break it down into such components. Now, this is the starting of how you could do consulting for certain issues or certain businesses. The second one is developing in a second. So, step number one is over after we have defined the components.

So, 50% of our work is over today. But we will have a lot of practice for becoming little better on identifying the probable cause and defining the marketing research problem and breaking it down into components. Now these are some management decision problems written on the left Or these are more opportunity should a new product be introduced. Here there is no problem. So four steps might not be required but one could do it still some bit of you know that four steps here also.

But here you need not identify any probable cause. In the case of opportunity, you can directly write from the management decision problem, you can directly write a marketing research problem. So what will we write here for the marketing decision problem? Marketing research problem. How will you write it in the tone of a marketing research problem?

Shoot a new product. Product you will launch for customers, right? Is there a need for the product in the market? Ah, same thing. Is there a need in the market?

Is there a need for that product in the market? Okay. Yeah. Is there a problem with the existing products? Okay.

You have little, you have done little overthinking. Assume that there is, we are not looking at, just make this assumption, we are not looking at their existing product, but good thinking. That's why I said you have done little bit overthinking, but just focus on that. They are just wanting to see whether a new product be introduced. What's the potential number of buyers?

Demographics of the market. Okay. Is there any dissatisfaction? Is there? Yeah.

Right there are different yes yes, so there the many statements just they are they have to be rephrased and written little better, one way to write is to determine consumer preferences and purchase intentions for the proposed new product, this would be when the new product you have a prototype or if you have to investigate whether it should be made it should be written differently again overthinking is also a little bit i should have stated my assumption very very correctly. Okay let's go to the next one should the advertising campaign be changed now here one could have a probable cause right ? you can directly directly try to translate into marketing research problem. How is the customer responding to the existing advertisement very good this is one way. How are the customers responding to the existing advertising campaign? That is one way to write. Very good.

Penetration is one of the ways to measure the performance of the ad but it is not enough. So... one could actually because the marketing research problem can be a little little broad, not very broad. So the performance measures can come in the components, let's say penetration, attitude change and so on. Somebody, but they have not currently thought about the new.

They are thinking, should it be changed? So let's focus that they are going to do the change only when they find some problem with the existing advertising campaign. Now define it. Okay, one more assumption. Focus on that only.

Assumption is that everything else is going right. Aayu asked again very correct question. But here the aim is to practice how to translate, how to write the marketing decision problems. What you have said is very correct. That,

is there a problem with the advertising campaign itself or there are some other issues to take care of? That is correct. But let's just to translate, just to write the marketing research problem, we'll focus on this exercise. But that is correct. Which means some students have understood what I have been trying to say in the last one and a half hours.

Very good. So this is another way of stating. And this is not only... many of your statements are also true right ? So there are different ways of writing it. last one again assume that we have to just translate into my marketing decision problem everything else is fine only we have to focus on price because we wanted to just practice that can we write the marketing decision problem correctly right ? Otherwise whenever there is some symptom management decision problem we have to do those four steps. Yeah right right right very good, all are right actually this side nobody spoke... to determine the increase in price of a particular brand.. to determine the the

increase in willingness of the customers to buy if the price is increased to certain extent. Anybody else? Cost of the product is being increased. No, no. Cost and price.

Cost is internal to the company. We are talking about price. Yes. Possible. Possible.

I am saying that is also possible. Yes, you can compare the the the price with the competitor brands and look at whether the changes in your price of your brand would impact the you know would impact customer behavior towards your brand. So this is one way to write it, this is just a little you know in a fancy way I have written but many of you were correct as well right ? So I think we have done enough for today, right? Okay.

Okay, then thank you so much. We'll meet in the next session.