

## **Research for Marketing Decisions**

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**Lecture - 07**

### **Step #2 Developing an approach to the problem Understanding a Theory**

So Good morning everybody. So what did we discuss in the last session ?. The first step of the marketing research process, what is the first step ? problem definition right ? So problem definition is the first step of the marketing research process. What do we do in problem definition ? Very good, so first we have to define the management decision problem, then marketing research problem right ? Now what are the four steps that we discussed in the last session that we used to narrow down to a probable cause and to define the marketing research problem what are the four processes you know once I was just scanning through my LinkedIn and I got to see the Mckensey one slide deck about how they generally do the consulting and it had the same approach as well the one which we are doing in the class management they did not name it as management decision problem but it is the same approach so, if you have to learn to define the issue, define the problem and then solve it you will have to learn this you cannot do consulting without this So, now we are going to look at the second step which is developing an approach to the problem. Problem definition itself is very very tough which will come by practice.

We will have many of the sessions that will talk about all the four research activities that we have to use to come to marketing research problem from the management decision problem. We will do that. But let us move on to the step number 2, so that we get an idea how to break the marketing research problem, how to break the components of the marketing research problem further into research questions and hypothesis to further simplify. Now, in developing an approach to the problem So, these are the components of developing an approach to the problem.

Objective evidence and theoretical foundations, analytical model, research questions, hypothesis and specification of the information needed. This is what we are going to do in step number 2. Now, what it is? It looks like completely you know different language right. Are you able to

understand anything out of it what you are going to do here ? so you have at the end of step one components you have to break them further simplify them into research question and hypothesis. If you go back to service quality example, you have few components like what are the factors that constitute service quality How does Motilal restaurant compete on these sectors versus competing restaurants on each of these sectors? Now this can you when this component is there you have to get to know the factors. In the components you have these components. In the components, you have these questions.

What are the factors that constitute service quality? If service quality was the probable cause, what are the factors that constitute service quality? How does Motilal restaurant compare on these constituents with respect to competitors? So these are the components. These components can be further broken down into simpler research question and hypothesis.

What we have to know is one is what are the constituents ? So where you will get to know from that from where you will get to know about the constituents of service quality from the second step. Now second step whatever is written here you need not get confused because the language is such that you might think what is happening. Step number two we look at Two things, theory and objective evidence. Now what is the theory? You have to tell me what is the theory. How do we generally say what is the theory?

Oh, there has to be some logic in the theory. Very good. That is correct. Applied universally. Very good.

Okay. It's a good start. Very good. So what is the theory? When we talk with your friends, sometimes you say, oh, your theory might be wrong.

Oh, this is just a theory. Practice is different, right? Is there a difference between theory and practice? All theories are wrong. Some theories are useful.

All theories are wrong. Some theories are useful. Okay? Theory and practice difference is there? When we talk with each other, generally we use, oh, this is your theory, but this might not work.

Do you talk like this sometimes? Why my friend did not come when I invited? Oh, something. We had an argument last time and he would have, you know, recalled that one. And because of that instance, the bitterness of that incident made him or her not to come.

This is a theory. I have this theory. Right ? This is how we speak generally about theory. Theory is nothing but some ideas this is another way, okay a broad statement, okay. Developing a set of principles. I have to ask you what is the principle ? from observation. I'll i'll ask you what is observation ? Observation is it a fact or the interpretation of the fact based upon which is done by you and you also have, you know, your own biases, upbringing and you have a certain way of thinking.

So, what is an observation? We will come to that as well. But it is a good answer. Very good. Very good try.

Common set of knowledge. Proven set of knowledge. Okay. This is good. Proven set of knowledge.

Based upon ideal scenarios. Based upon ideal scenarios. Okay. Which means if we control everything else, this will happen. Okay.

Okay. But we understand few things like, you know, theory, we, how we talk in normal sense is we make certain statements based upon certain logic and our beliefs and we say this is This is why it would have happened. This is our theory. Like there are, you know, we keep seeing so many YouTube videos and there are so many conspiracies, theories about so many things, right?

And we also agree that theory is different from practice, right? So, let us talk about theories in management. Theory, the academic meaning, the one we understand, The textbook, whatever is written in your textbook, whatever you are going to read as is is somewhere or the other theory or a part of theory. In management, theory is not different from practice.

From practice, the theories are derived about. What is a theory? Theory explains a part of reality. Theories explain a part of reality. So how can theory be distinct from practice?

Theories are derived by observing or deriving knowledge from the practice. Theories explain how something happens, a part of reality, not complete reality because complete

reality is. Would have so many other variables or theories also. So let's keep it simple. Theory.

Explain a part of reality. And when theories are able to explain some part of the reality. That we get in our textbook. Like 4 P's. We say it is able to explain the performance of marketeers.

That is why it is there in your textbooks. Jaan pehcaan. Pehcaan. It is another P that is not in our Kotler. But it is very important in India.

If you have right product, price, place, promotion, but you do not even know people, right kind of people, nothing will sell. So, pehchan is also P, which is unverified, which is still not part of the theory. So, theory is something that explains, theory explains a part of reality, which means whatever we read in management textbooks that has come from the, whatever we read in management textbook that is theory that has come from practice. So, next time whenever you talk about theory and practice, they are, theory comes from practice and that is what we read and then we apply that. And every theory has some boundaries that it will work in this boundary.

Let's say 4P. If we say it is a theory, it will work in, let's say, Indian context. But you need to add something more, of more flavor, of Indian-ness. What is that? Jaan pehchaan.

To make it truly explain the reality, performance, marketeer's performance. Right? So, every theory has a boundary in which and then when once we teach you these theories, be in every any other discipline as well. You take these theories and apply to your context, apply to the situation in hand and with your contextual intelligence which means you have to take the theory, add your intelligence that any other thing or whether something from the theory will work or not. You have to add your intelligence then apply.

You cannot just pick it up and apply. The theory explains the part of reality and what constitutes theory. Theory has certain concepts, ideas or variables. Three things. One is theory has certain concepts, ideas, variables that are defined precisely.

Second thing. There are interrelationships. The interrelationships between the variables are described or declared. The third one, they are testable, verifiable. You can apply them, test them in a situation to see whether it works or not.

Now this theory we have to use to get to to break our components to research questions and hypothesis. So now we understood what is theory. Right? Research scholars please

remember this because I ask this question every time in your compri. So theory is what we understood.

Now how we have to use it to break the components Let us say to get to the constituents of service quality that because I said theory service quality theory would have variables their interrelationships. So, all that we have to extract from the theory. Theory explains the part of reality. So, I have made the class environment very serious as of now.

So, let me take an example which is very little on the lighter side right about the theory. In the western context if you have to explain reality that how long a couple is going to stay together in the western context if you want to explain a reality how long a couple is going to stay together you would like to explain that let's say you did a qualitative research experts they say as long as love is there they are going to stay with each other Right? Now you have to look at the theory of love.

Which is already defined. Lot of relationship experts, these are your, you know, psychologists look at that. What is that theory? That theory says that there are three constituents of love. If, so what are these three?

One is that physical attraction or attractiveness. The second one is friendship which means you share everything with each other. The third one is commitment. These factors, these factors explain that how long, let us say, the length of relationship. So, you have to look at the theory.

See, the theory will give you all this. Now, in western context, this will, you will, you can use that to understand the reality of relationship which is going to last long or less. This is a very interesting example because I will, first of all it is on the lighter side and you can understand what is the theory. I can make it little complex but let me keep it simple. And actually the theory says that 3 have to be there, all 3 components have to be there

to have a greater extent of love which will translate into length of the relationship so when we say all three have to be there we say interaction which means we write across multiple sorry we write a multiplier saying that all three have to be there now how this theory changes in Indian context right ? So this is a western theory right ? Now the same theory when we apply to Indian context we have to look at our context because every theory would not apply the same way. So, let me write the same thing attractiveness, friendship, commitment. and length of relationship right ? Now in our case, let's say if the attractiveness is not there, friendship is not there, only commitment is there that can also

work that can also sustain the married life right and moreover there are so there are moderators which means other people other factor in the context which is parents pressure, societal pressure right ? So these are the further factors that

act as a catalyst for the length of the relationship. So, you see how the theory is distinct in western and Indian context. In Indian context, it will work even with single factor. Even if friendship is there, one could actually, you know, live happily for the entire life. You don't require all three.

And even if all these three are very less, societal pressure, parental pressure is there. People can spend complete their relationship length, 60 years, 70 years. That is what is Indian context. So, which means every theory has to be, every theory would not fit every context. You have to adapt that theory to a particular context.

Let us take now some marketing examples, if you have understood this. What is a theory which works in many contexts? Is it necessarily good or bad? See, a theory... As I said as a boundary when you apply to different context the better it fits many of the context the more is the worth of that theory.

So, there is something called you know very I am not getting that exact well let us say master theories are there, mid level theories are there, there are different types of theories, but the more context it would apply, the better would be its worth. Now let's take some marketing examples about the theory. The service quality itself, In this case, I'm just writing steps that you would know awareness, interest, desire and action, right away.

It doesn't mean awareness. This doesn't mean awareness leads to interest. Awareness is necessary for interest, but awareness itself doesn't lead to interest. So this is just a process. I have not written a theory.

Now, let me write. This is just a stepwise process. So, a marketer has to move people from awareness, to interest, to desire, to action. Right ? So.

Now, narrowing down to see we know where its service quality is coming right service quality is coming here. So, the theory says that service quality leads to customer experience which leads to evaluation and loyalty which leads to revisit. re-patronage. So theory says that this is how you can explain the relationships. This is the service quality.

This is how you could understand one aspect of the re-patronage in a restaurant. Now service quality theory also says that we need to break down service quality into its

constituents that you will get from the theory. What are the variables in the service quality? They are responsiveness, reliability, empathy, tangibles and courtesy I think five service quality constituents are there, which means these five service quality constituents impact the customer experience, which impact their evaluation positive, negative and loyalty and which makes them repurchase. So which means if you have to make the customer experience good you have to perform better on the service quality constituents so if you look at our cons our uh Components for the service quality in a restaurant. These are the components. Components for the service quality in a restaurant. One of the constituents of the service quality.

One of the components were what are the constituents of service quality in a restaurant. These are the constituents. These are the constituents of service quality in a restaurant. And if you have to explain patronage. then you will have to these are the independent variables and you will have to dependent variable either will be this or this or this or this. If you have to see the relationship between independent and dependent variables so you know how theory would help you theory would help you understand what is a dependent variable , what are the independent variables and then you can

Carry out the further process, which means collect the data, see whether what is impacting the patronage. Let's say by doing the research process, you get to understand that empathy is the one which is lacking in a restaurant because empathy has a significant relationship with repatronage, which means our employees need training on empathy. why empathy let's say came out to be the major factor because again there is a theory that can explain that one of the theories resource exchange theory says that this people well people value scarce resources and they not so much value abundant resources in India we have abundant resources as social resources being polite, courteous that doesn't take money that is free and if we are not able to do that as in restaurant employees we are not able to do that to our to the customers so abundant so the theory says that the resources that are abundant can be spent should be spent which means It doesn't cost to be courteous and empathetic.

If you are not doing that, the customer will take that as insulting. Therefore, will not revisit. So, that is a theory. Anyway, let's not get into the second part of why empathy and so on. But understand that this is what is a theory.

And we can get the variables, dependent, independent variables, definition of the variables also from the theory. So, why the definitions are important from the theory that we get? Let's say a customer loyalty. Customer loyalty can be defined in different ways.

One way to define it as how many times a person is buying a particular product. that can be one of the definition of loyalty but let's say if in Ambika or your store there is only one brand of that product available and it is it is not by choice but by yeah by compulsion that you are buying that so can you say it is loyalty so So, you have to get to the right definition from looking at the theory. This also is used in the literature, in the theory. Somewhere it is used, definition.

But there are many definitions of the same concept. Happiness. So, give me four definitions. One, two, three, four. We will see how similar are they.

What is happiness? Happiness. smiling is how I can measure your happiness but what is happiness you have to define because the way you define if she defines loyalty as how many times a person visits a restaurant so then you will measure that but if a loyalty is something else loyalty is the feeling of affection with the brand plus How many times the person refer that brand to a friend? Plus, how many times customer buy that brand repeatedly?

That is another definition of loyalty. Which one is correct? We don't know because depends upon the context. Again, some companies would want to measure customer loyalty in one way, other companies in a different way. So the one definition you select, which means the understanding of the idea, the similar will be your measurement.

What is the definition of happiness? Let's say from yours to your end. When you want something and then you get it. Okay, happiness is getting your expectations met regarding fulfilling of desires, right? Okay, this side.

What is happiness? Mix of feel good factors and soul. Mix of feel good factors and soul. Okay, okay. This side.

Internal satisfaction. Internal satisfaction. State of mind. Mirage. Sorry?

Mirage. Okay, this side. Mental pleasure mental pleasure is happiness. Happiness can be defined as short-term, long-term possible, so biologists might define it as a different way so there can be different definitions of happiness happiness as somebody said it is a long-term state of mind in which You feel more positive feelings than negative feelings.



I can define it that way. If you look at literature, it might be defined differently. Depending upon your context, you have to pick up a definition because you are going to measure that. If you pick up one definition, measure different, gone. For example, if you want to measure somebody's intelligence,

And you give them some maths questions. So you are actually measuring only mathematical intelligence, not everything. So depends upon the reason for which you want to measure intelligence. So the correct definition for your purpose and the definition you will get from looking at the theory. So that's why when we try to define something on our own without looking at the theory, we could commit mistakes.

So this is I think that much understanding of theory is enough because I would not like to tell more and more there are so many theories right. So okay we understood theory now from theory we have to extract those constituents of a particular let's say service quality if the problem is related to customer loyalty we need to look at you know What are the factors that determine customer loyalty because we will look at those factors to solve the problem.