Marketing Research and Analysis-II (Application Oriented)
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Lecture – 2
Introduction to Marketing Research – II

Welcome everyone to the course of Marketing Research and Analysis. In the last class, we had introduced to the course and we were continuing with the definition of marketing research and the importance of it. We were discussing about the framework of the marketing research, the role of marketing research framework basically. So let us go back to it and start from there itself.

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So the role of marketing research actually is affected by several parameters. For example you have the customer groups as we discussed the consumers, employees, shareholders, suppliers. Then you have some of them which are controllable marketing variables. You have some uncontrollable marketing variables right. For example economy, technology, political factors and then it helps the marketer to take decisions.

For example decisions like segmenting the market, finally selecting the target market, create the marketing programs, what kind of marketing program should be done so that it can attract and create a happy climate for the customer and then how to check performance and control it. So let us look at it.

(Refer Slide Time: 01:40)

The role of marketing researcher in supporting the marketing decision-maker can therefore be summarized as describe the nature and scope of the customer groups correct, understand the nature of forces that shape the customer groups. So what are the forces that shape the customer group, so the forces are basically both these the marketing forces for example the economy, technology and all these things. So understand the nature of forces that shape the marketer's ability to satisfy the customers, the targeted customers' group, so by what product, what price and all.

Test individual and interactive marketing mix variables. The marketing mix are basically the 4P's we say the marketing mix for example the product, place, price, promotion and then monitor and reflect the past success and failures in the marketing decisions. So this is basically the role of any manager right, so be it in the field of management or any other social science, but we are especially talking about the management and the marketing because this course is all about marketing research.

(Refer Slide Time: 02:47)

Important considerations

- Marketing research **should aim to be objective:** It attempts to provide accurate information in an impartial manner

- Research motivated by personal or political gain involves a breach of professional standards Such research is **deliberately biased to result in predetermined findings.**

The motto of every researcher should be **'Find it and tell it like it is.'**

So important considerations marketing research should aim to be objective first. When you are doing a research in marketing, you should be very clear the research should aim to be very precise and objective. It attempts to provide accurate information in an impartial manner. Research motivated by personal or political gain involves a breach of professional standards. Such research is deliberately biased to result in predetermined findings. So any research which is motivated or biased by some other factors, political or nonpolitical, it has no meaning because it is a biased research.

The motto of every researcher should be find it and tell it like it is and therefore researchers are assumed to be very honest and people with full of integrity. So the job is to find out and tell exactly what it looks like, so that it helps the decision-maker to take his decision properly. What are the fields of information. So we said earlier that the entire research processes is what binds the processes or marketing and marketing research is the field of information or the information basically.

(Refer Slide Time: 04:05)

Total field of information

- This recognizes that marketing decisions are not exclusively supported by marketing research.

- There are **other means of information support for marketers** from management consultants, raw data providers such as call centres, direct marketing, database marketing and tele businesses.

- These alternative forms of support are **now competing with a 'traditional' view** of marketing research

- Many marketing decision-makers are increasingly using these other sources which collectively are changing the nature of skills demanded in marketing researchers

So what is this information all about. This recognizes that marketing decisions are not exclusively supported by marketing research. So only marketing research does not help, so there is something you collect information through several other ways. There are other means of information support for marketers from management consultants, raw data providers such as call centres, direct marketing, database marketing and tele businesses.

So today you are even taking help of internet through getting social medial marketing, social media data, so all things you are collecting information. This alternative forms of support are now competing with the traditional view of marketing research. Earlier when in the past you are talking about marketing research so you are understanding to build a questionnaire, go to the field, collect some data, analyze, interpret, or have a focus group whatever it was, but today the field of the scope marketing research has immensely grown up.

Because with the connection of technology what has happened is your scope of collecting data has increased tremendously. Today you are getting millions of data over the social media and may be you can get again millions of data from may be stores like Pantaloons, from Wal-Mart and all or banks so these data can be easily analyzed with high-powered computers and all, earlier this was not the case. So there is to be a limitation to the marketing research processes also.

So many marketing decision-makers are increasingly using this other sources which collectively are changing the nature of skills demanded in market researchers. So earlier what skills a market researcher demanded, today it is not that much, it has increased. So what kind

of demands do companies have, what do they expect from the market researchers is quite higher than what it used to be in the past.

Today it is not just making a questionnaire and collecting data and analyzing with a small data, may be you have to understand how to deal with large data sets and how to understand the problems of the data right, is the data a clean data or not, first of all are you understanding that, so how do you clean those data and all these things can be thought of.

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So what has happened in the new times is that market research has been added with something called the big data and predictive analytics. So market research + big data + predictive analytics is the call of the day. So every company is interested to predict the future with the help of the market research techniques and the use of big data. So what is this, say the use of big data. For example big data means as the name suggests large data sets.

For example, as I said banks, for example State Bank of India every day must be having lakhs of people coming into its bank, its offices. So what do they come for, why do they come for, out of that how many people are coming for loan, how many are coming for let us say house loan, how many of them are coming for car loan, how many of these people are actually good creditworthy people, how many of them are actually defaulters. So all these kind of data just image when a company like or institution like State Bank or something, they can have billions and billions of data.

So the use of big data for market research and other business applications in order to significantly improve business results and overall market valuations has increased. So the demand has increased, new new startups are coming up every other day which are into the field of data analytics. So how to understand this data, how to utilize this data and help some other company to create its customer base is of significance.

The 3 companies that have triggered the most buzz about big data, it would be Google Facebook and Amazon. If I talk about if I can think of these 3 names come to my mind first Google. So we know Google, you type anything on Google, there is an information right. Facebook, a social media giant. Amazon, a retail giant. So the kind of data these companies are amassing and the kind of prediction they are making about the customers, their behaviors, is something which is extremely complex and extremely demands utmost talent.

(Refer Slide Time: 08:43)

What is Big Data?

- When one performs a search on Google, makes a comment on Facebook, or tweets, he creates data, but this is only part of the data creation explosion
- A purchase at flipkart com or signs-up for Netflix also creates data An email to the marico org, a booking on yatra com, taking out a mortgage, filing income taxes, or making an insurance claim creates data
- Extremely large data sets that may be analysed computationally to reveal patterns, trends, and associations, especially relating to human behaviour and interactions

BIG DATA

What is this big data all about? So let us take a case, let us go with a small example. When one performs a search on Google, you are performing a search, make a comment on Facebook, you are writing something right, let us say you are writing about a particular product this product is very good or very bad or whatever or tweets, it creates data but this is only part of the data creation explosion. So there are several ways of data creation, so this is an important part.

A purchase at flipkart.com one of the e-commerce giants or sign-up for Netflix is also creating data right. An e-mail to the Marico company marico.org and you know one of the India's largest FMCC group or a booking on yatra.com a travel giant, taking a mortgage,

filing income taxes, making an insurance claim, for example when you go to any insurance claiming company or insurance policy selling company you see that when you are doing dealing with any kind of information sharing.

See today, it has become much wider even on mobile phones when you are downloading an app and just you are giving permission to use your data to control your lets say phone SMS, even your photos, your what not everything, so everywhere it is flooded with data, extremely large data sets. So what it says is basically extremely large data sets that may be analyzed computationally to reveal patterns, trends and associations especially relating to human behavior and interactions.

So is there some relationship between let us say kind of purchase and the kind of weather, now that is being very surprising kind of a statement. Is there any relationship between particular kind of products and the sales of these products at a particular weather condition, could be yes, for example snacks are more prevalent or may be people like to buy snacks online may be when it is a rainy weather or you can say people love to buy sports equipment when winter is going to come or something.

So these kinds of things can happen. So it can help you to understand these trends. So which kind of people are buying what kind of books, what kind of products, all these things are being every day continuously checked. So whenever you are visiting any social media, any site for example like amazon, next day may be you get a kind of a suggestion that you might be interested for such products. So how do they do it, because they are continuously checking our patterns, our behaviors.

(Refer Slide Time: 11:27)

Big data falls into two distinct categories:

1. Data Used for Predictive Analytics
2. Social Network Data

Big data falls into two distinct categories data used for predictive analytics so to predict the future and social networking data.

(Refer Slide Time: 11:34)

Data Used for Predictive Analytics

Corporations collect and warehouse the data for analytic purposes

- **Example:** A mortgage company stores a list of good loan candidates
- An insurance company lists possible fraud sources
- Amazon predicts new customer product interests based on past behavior

So let us see so corporations collect and warehouse the data for analytic purposes. They collect the data, they store the data. Example, a mortgage company stores a list of good loan candidates that means candidates who had a good creditworthiness okay and they were paying their loan back in the right time. An insurance company lists possible fraud sources, amazon predicts new customer product interests based on the past behavior. So this is what predictive analytics does basically.

(Refer Slide Time: 12:42)

Social Network Data

- The social networks Facebook, Twitter, LinkedIn, and Flickr create unstructured data
- The flow of comments and information between participants is free
- New fields such as **Social Media Network Analysis and Sentiment Analysis (natural language processing)** are springing up
- Large advertising firms are using software for **Social Media Monitoring(Hootsite, Klout)** to tame the unstructured data universe.

Social networks Facebook. Twitter, LinkedIn and Flicker create unstructured data. So this data is in a very unstructured way, somebody has written one line, somebody has written a word out there, somebody has written something out of his emotional statement or something. The flow of comments and information between participants is free, obviously right, but this is an important data, it helps you. I will give you a very beautiful example of one company which developed an interesting product out of its inference drawn through social media data.

Now what happened was this company was used to sell cranberry juice. So cranberry juice basically was found to be a very important very liked juice, but interestingly, the company found that all the people like cranberry juice they did not buy it and it was especially to do with woman. So women went to the stores, but they did not buy the cranberry juice. And when the company took around some half a million to 1 million data on the social media and they analyzed when they why, what woman talked about cranberry juice on the social media and what do men talk about.

They interestingly found that actually cranberry juice is associated with a social stigma you can say that it is used for treating urinary tract disorders. So cranberry basically it works as a medicine you can think of it as a natural medicine for treating any urinary tract infection. So woman when they were buying from the store, they thought if I buy a cranberry juice from the store, then others who are watching me might feel that I have a UTI problem, urinary tract infection problem. So they were avoiding the product.

Now that was a very interesting thing that came out from analyzing the social media data right. So as a result, company now came out with some interesting products, so what they did was they said they changed the name and instead of highlighting the cranberry, they highlighted some other products, for example they said guava cranberry. So by highlighting the products, what they did was they found astonishingly great success. So this is what social media does.

So the point is earlier days you were having a focus group of may be 15-20 people or 10 to 12 people, but today you can have a focus group between may be millions of people on the social media and I think we are all very pretty sure that when you have millions of people on the social media and they are discussing on the same topic whatever inference you can draw would be much robust than when you discuss and you interpret a finding from analyzing only 10 to 12 people right.

Large advertising firms using software for social media monitoring for example Hootsite, Klout, to tame this unstructured data universe. So you see many new fields are emerging today because of the use of data analysis and all marketing research trend, so new fields are emerging where young students and young people and even people who have knowledge in this field can create a new profession out of it, fields such as Social Media Network Analysis and Sentimental Analysis.

Recently, I am working on one field which is an online cybercrime, sound cybercrime, to traffic or to track people who are involved in the cybercrime. So to do this, we are using this method Sentimental Analysis to understand what is the sentiment of these people who are basically the predators or the prey, whatever they are, but they are involved in the process. So it is helping us to understand them and may be built in a system so that we can track those people and easily catch them and save the innocence before they fall into the trap.

So natural language processing is a method where we are using in order to do such kind of also things.

(Refer Slide Time: 16:37)

How Big Data can enhance marketing research.....

❖ Predictive analytics, particularly in those companies that hold large customer information warehouses, can append information to survey data to add segmentation value

❖ Survey researchers can use data mining from such warehouses to create custom reports or segmentations

❖ Conventional data mining tools, such as Regression Analysis, CHAID or CART Trees, or Neural Networks, are employed by both Predictive Analytics and marketing research

How big data can enhance the marketing research. So see it is not different. People sometimes misinterpret that marketing research is different, big data is different. No, they are not different, they are working for the same thing. So how you see predictive analytics particularly in those companies that hold large customer information warehouses, for example amazon, can append information to survey data to add segmentation value. So they can use this data and analyze this data and infer how to create a better product or value for the target segments.

Survey researchers can use data mining from such warehouses to create customer reports or segmentations. Conventional data mining tools such as Regression Analysis, CHAID which is basically on Chi-square analysis technique or CART which are the decision trees, Neural Networks are employed by both Predictive Analytics and marketing research, both, although the field is called Predictive Analytics, basically what you are doing is you are trying to predict the future and marketing research also helps you to do the same, they are not different.

So let us see what is basically happening here. A new field is therefore emerging, so in order to integrate both the things, Big Data MR.
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What is "Big Data MR"

Big Data MR is the art and science of combining consumer data, behavioral data, attitudinal data and advanced analytics to produce better and faster decisions that yield superior business results.

It is the convergence of two disciplines — big data (transactions, orders, steps taken, images, etc.) and market research (and the analytical disciplines that go along with all of it)

— that yields enhanced products and services, which in turn create a competitive advantage

Now what is this Big Data MR. It is the art and science of combining consumer data, behavioral data, attitudinal data and advanced analytics to produce better and faster decisions that yield superior business results. So since you have understood by now you have to understood how vast the data sizes are. It is the convergence of these 2 disciplines big data, so it talks what big data has, the transactions, the orders, steps taken, images, photos for example etc and market research and the analytical disciplines that go along with all of it.

So marketing research plus big data is what is the Big Data MR. So it yields enhanced products and services which in turn create a competitive advantage.

(Refer Slide Time: 18:17)

Big data MR application example

A classic application of Big Data MR is the use of research **to understand the key drivers of some observed behavior.**

For example, let's assume that,

Using traditional data mining methods, you observe an alarming decline in your market share for a high-margin product in a specific geography

Using traditional MR methods, you then study a sample of customers exhibiting reduced purchasing behavior to uncover the attitudinal drivers of the change

What are the Big Data MR application. Let us take an example. A classic application of Big Data MR is the use of research to understand the key drivers of some observed behavior. For

example use traditional data mining methods, you observe an alarmingly decline in your market share for let us say high-margin product so there is high-margin product in a specific location and your finding that the share is falling. The market share of this product in this particular location is falling.

So traditional MR methods, using this, you study a sample of customers exhibiting reduced purchasing behavior to uncover the attitudinal, so what is the change MR methods help you to uncover the attitudinal drivers. What are the attitudinal drivers of the change otherwise that you could not have inferred from big data, you can it here MR helps you to understand what is the change of attitude in this people who are not buying at the moment why it has come down.

(Refer Slide Time: 19:23)

Three root causes of this slower consumption was found economic fears. So some people found had an economic fear, so the economy might do not do good, new alternatives were there possibly and new direct marketing from a competitor. So the competitor has come up with a new direct product the marketing technique and that also might be a cause. These 3 drivers would not present themselves in your consumer or behavioral data.

Instead they are locked away in the hearts and minds of your customers so that they do not speak to you on this, waiting for you to ask them the why behind and what they are doing or not doing. In other words, your data demonstrates the effects while your research provides the causal underpinnings. So data only tells you the effect what has happened but why it has happened, what is the reason behind it, no that cannot be said. So here comes the MR

techniques which will help you to understand the attitudinal changes, the behavioral changes in the people.

(Refer Slide Time: 20:27)

Several preferred remedies from these same customers were uncovered:

1) offer smaller quantity packages and 2) remind them of the real benefits of the premium product

Big Data MR is the observation of some behavioral change in your market or customer database followed by attitudinal research to understand what is driving that behavior.

So how is this different from how companies behave today, where they see a sales problem in one set of data, and go learn about it in another?

Predictive analytics allows you to precisely forecast how behaviors will change (and market shares will move) under different packaging, pricing, and messaging scenarios by directly linking the sales information to the attitudinal information you've collected

Several preferred remedies from these same customers were uncovered and the company started offering smaller quantity packages and reminded them of the real benefits of the premium product. So by doing these two things, the attitudinal changes whichever happening, they were controlled. So Big Data MR is the observation of some behavioral change in your market or customer database followed by attitudinal research to understand what is driving that behavior.

So how is this different from how companies behave today, where they see a sales problem in one set of data and go learn about it in another? Predictive analytics allows you to precisely forecast. So predictive analytics is limited in the sense that it helps you to only forecast how behaviors will change under different packaging, pricing and messaging scenarios by directly linking the sales information to the attitudinal information you have collected. So basically, predictive analytics is helping you to predict the future basically.

(Refer Slide Time: 21:32)

The bottom line is this:

The integration of multiple data sources and multiple analytical disciplines yields superior insights that can be immediately applied to improve business performance.

So what is the bottom line? The bottom line is this, the integration of multiple data sources and multiple analytical disciplines yields superior insights that can be immediately applied to improve business performance. So all these things the Big Data along with the marketing research techniques can be utilized to understand how to improve the company's performance. So both of these things should be seen together.

(Refer Slide Time: 21:55)

How Big Data Liberates Research

- Big data is not replacing research but rather is liberating it.

- Researchers are liberated from having to generate a new survey on each new learning occasion, ongoing big data assets can be leveraged for many topics, allowing subsequent primary research to go deeper and fill in the gaps.

- Researchers are liberated from needing to rely upon bloated surveys and instead can keep surveys short and focused on those variables that they are ideally suited for, resulting in better data quality.

- Once liberated, researchers can use their established first principles and insights to impart accuracy and meaning into the big data assets, leading to new areas of survey-based exploration.

How Big Data liberates research? So it is as I said big data and research are not different, but they support each other. It is not replacing marketing research, research here I mean marketing research, but rather is liberating it. Researchers are liberated from having to generate a new survey on each learning occasion because big data has happened so ongoing big data assets can be leveraged for many topics, allowing subsequent primary research to go deeper and fill in the gaps.

So along with the big data analytics, you can use marketing research so that this gaps are fulfilled where big data is unable to touch it because here you are understanding the deep insights. So you go deep and find out the gaps. Researchers are liberated from needing to rely upon bloated surveys and instead can keep surveys short and focused on those variables that are ideally suited resulting in better data quality. So when you are doing a data, sometimes it is important that you go deep vertically down and understand the psychology, the sentiments of the people, this is where it comes to great help.

These marketing research techniques help you greatly. Once liberated, researchers can use their established first principles and insights to impact accuracy and meaning into the big data assets leaving to new areas of survey-based exploration. So together only they will try, coming together only big data and marketing research techniques can help any company improve its performance

(Refer Slide Time: 23:25)

Two areas of misconception of the role of marketing research

- *Marketing research does not make decisions:* The role of marketing research is not to make decisions. Rather, **research replaces hunches, impressions or a total lack of knowledge with pertinent information**

- *Marketing research does not guarantee success:* Research, at best, can improve the odds of making a correct decision. Anyone who expects to eliminate the possibility of failure by doing research is both unrealistic and likely to be disappointed

There are some misconceptions what are they. The first is marketing research does not make decisions. The role of marketing research is not to make decisions actually, rather research replaces hunches, impressions or a total lack of knowledge without pertinent information. The research helps you to provide some insights then where the decision is taken. Marketing research does not guarantee success. Research at best can improve the odds of making a correct decision only that much.

Anyone who expects to eliminate the possibility of failure by doing research is both unrealistic and likely to be disappointed. Nobody says that. There are cases where without going for a research, company or an institution has floated a product and luckily they have been successful, but it does not happen all the time. You cannot predict and you do not invest your hard earned capital into such kind of ideas which has not been tested or researched that is extremely dangerous and not advisable obviously.

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Marketing research cannot be blamed for every failure also. So let us take these 2 cases. Blind optimism or disbelief in research, blind belief or blind disbelief both are wrong. Many patently bad products have been launched because marketing management did not believe research findings. Example is Microsoft Vista. The product was not found to be compatible and the performance was also not found to be satisfactory. So automatically Microsoft Vista became a failure product right.

Similarly political pressures. Given how many personal reputations may be at stake in the lengthy and costly process of new product development, there may be political pressures to launch a borderline case. For example, we have seen when the government is interested in certain projects, so they try to without looking at the current requirement or the sentiments of the population of the country of the people of the country, they try to launch in some products, so that is out of a political compulsion may be, but then it has not been researched well. So that can be a problem of such products being successful then you cannot blame research for that.
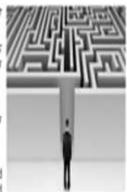
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Challenges in the Market Research Industry

The 3 biggest challenges researchers feel are facing the industry:

- **Impactful reporting**: The ability to provide or receive consultative reports, to tell a cohesive story, and account for all the pieces of the puzzle in the client's world.

- **Technology**: Its introduction, use, and reliability to answer business questions in more efficient or creative ways, and

- **Data Management**: How businesses gather, handle and integrate the vast amounts of data- from both primary and alternative research resources to make sense of all the data points

Challenges; 3 biggest challenges are impactful reporting, that is a very big challenge, ability to provide or receive consultative report to tell a cohesive story and account for all the pieces of the puzzle in the clients world. So to have a impactful reporting is very important and is a big challenge because there are so many pressures. Technology, its introduction, use and reliability. Are you in a position to use technology for your benefit, so that is a big challenge. Every day technology is coming up with something new.

How up-to-date you are, how can you move with the technology. Data management, how businesses gather, handle and integrate the vast amounts of data as I said from amazon or State Bank of India for example or any insurance company from both primary and alternative research resources to make sense of all the data points. How do you use them, how do you interpret them is really becoming a need of hour and challenging thing.

(Refer slide time: 26:38)

The future – the growing demand for managerial skill in marketing researchers

Researchers and the marketing research industry of the future will be required to:

- Think conceptually

- Communicate in the way that those who commission research think

- Interpret findings in terms of the whole picture

- Integrate findings with others that support marketing decision-makers

So the future is growing demand for managerial skill in marketing researchers. So data analytics you say or market researchers you say, there will be a demand for every company in order to create a competitive edge. So what do researchers and the marketing research industry of the future will be required to. First think conceptually. Think, you need thinkers. You need thinkers to come out with new ideas, new ways of thinking or new ways of creating ideas and adapting to them all these things.

Communicate in the way that those who commission research think. So you need to communicate well so that the people who have invested in you and who are the stakeholders, they need to be told well about your ideas. Interpret the findings not in a silo, in isolation, but in totality. So that is very important and integrate the findings with others that support marketing decision-makers. So you have to integrate the findings.

Suppose for example you do a market research and then you do not integrate with other functional areas of company, then you might not be doing right thing. You have to integrate with all of them, then only the company can grow.

(Refer Slide Time: 27:53)

OBJECTIVES OF THIS COURSE

This course will help .....

- to be able to cope with the **technical challenges to plan, gather, analyze and interpret information.**
- to guide readers through the **challenges faced in conducting marketing research** of the highest quality
- to provide an appropriate blend of scholarship with a highly applied and managerial orientation
- The course material is presented in a manner that is easy to read and understand. There are numerous diagrams, tables and examples to help explain and illustrate the basic concepts

The objective of the course is to help to be able to cope with the technical challenges to plan, gather, analyze and interpret information. So information is there, but you need to gather it, analyze and interpret it. To guide researchers through the challenges faced in the conducting marketing research of the highest quality. So at the end of the course, I would be very happy if, I am not saying we can solve all problems, neither market research itself cannot do that, but at least if you are feeling confident and you are in a position to decide what to do and what not to do, then I think this course is of some success and I have done some justice to the course.

To provide and appropriate blend of scholarship with a highly applied and managerial orientation. So because this course is marketing research, I would be focusing only on market and marketing research. So, I am not thinking or taking you too much here and there besides the marketing research. The course material is presented in a manner that is easy to read and understand. There are numerous diagrams, tables, and examples to help you to understand the concepts.

So I am going to stop here. I hope the objective was very clear and I wish you a bright future. I wish that you understand these things very clearly in the due course of the course and use it for your benefit and do your research well. Thank you very much.