

**Marketing Research and Analysis-II (Application Oriented)**  
**Prof. Jogendra Kumar Nayak**  
**Department of Management Studies**  
**Indian Institute of Technology – Roorkee**

**Lecture - 3**  
**Marketing Research Process - I**

Welcome friends to the class of Marketing Research and Analysis. In the last class, we discussed about the introduction of Marketing Research, the relevance of marketing research and where it is basically utilized, in which areas people do research in the field of marketing, so how marketing research has helped companies and helped in adding value. So today's lecture, we will be discussing about the marketing research process.

So the marketing research process is like any research process, so the only difference being that we are more focused on the marketing aspects and not on other general ones. So let's begin the lecture today with a small case so that we understand what I mean by saying market research or marketing research.

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So this case is basically linked as if you can see to a company called Colgate. So what is this Colgate has come up with a product called Colgate Frozen Entrees. Now what has happened to this product, I think you can think about it whether you have heard about it or not about this product ever.

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- Colgate's ill-advised foray into frozen dinners, but in 1982 the toothpaste producer sought to branch out of center-aisle CPG and into the frozen food section
- Perhaps they thought customers would enjoy chomping through a Colgate chicken-and-peas dinner before cleaning their pearly-whites with a pea-sized dollop of Colgate toothpaste? Some kind of closed system for the digestive system? Frankly, it's somewhat difficult to know what they were thinking
- Regardless, the expansion was unwise. Consumers had long associated Colgate with oral hygiene, and could not extend that brand association to food products like TV dinners
- And while clean teeth certainly are attractive and desirable, toothpaste itself is not very appetizing
- Don't ask customers to radically shift their understanding of your brand
- Maybe if Colgate had come up with an entirely new name (through rigorous market research, no doubt), we would all be chowing down on some of their chicken-and-peas right now

So went into this frozen dinners as you can see here and in 1982 they came up with this frozen dinners. So this tooth paste producer started getting into the food section. So they thought of why not enter into, since we are anyway catering to the mouth segment through toothpaste and toothbrush, so why not think about something connected to it which is frozen dinners or food items, thinking this Colgate entered into the frozen dinner market.

They thought may be customers would enjoy chomping through a Colgate chicken and peas dinner before cleaning their teeth with a pea-sized dollop of Colgate toothpaste, so some kind of close system for the digestive system. Frankly, it was something very difficult to know what they were thinking actually. So this thought of Colgate to come up to get into the area of dinner which they thought is connected with something the mouth and where already they are into the toothpaste, so they thought there is a link between it.

The expansion was unwise. Consumers had long associated Colgate with oral hygiene and they could not extend the brand association to food products like dinners. So while clean teeth certainly are attractive and desirable, toothpaste is not very appetizing as it says if you can understand. So although Colgate was into hygiene, cleaning your teeth and mouth, but that does not mean that people would connect it with food which is quite different from mouth cleaner.

So customers radically did not accept the product and what happened was that this product of frozen foods that Colgate had entered into it became a failure. Why this case we are discussing is because had Colgate done some marketing research, they would have

understood what their consumers are thinking, what consumers are perceiving, what do they connect. So if they could have understood this, then maybe they would not have been in an urgency to come into this new food product.

So this is a lesson that one can learn that marketing research is very essential and vital for any company before they foray or they enter into a new product or new distribution or anything.

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So what is this marketing research process, how it starts? So the first step of the marketing research process begins with problem identification. I have always been repeating in my class very regularly that if a student or a researcher has understood his problem and can define the problem, why define because understanding and define are 2 different things, you may understand something but if you cannot define it if you cannot write it, then there is something still unclear.

So defining the problem is the first challenge, and if you have defined your problem well, you have really done your job well and you have made a good entry into the research process. So that is the first starting point. Some people even say that if you are done problem definition clearly, then you have done 25% of your job of your research. Second stage is research approach. To develop the research approach what kind of research process should you have, how would you approach the problem, what kind of methods would you like to use in the study.

The third stage is design of the research problem. Now the research design includes everything. Now research design is basically termed as the blue print of the research process, that means it is the road map. It tells you what exactly, who the sample is, what is the scale of, how do I collect my data, where do I collect my data from, what kind of a research study is this, to everything. So research design is basically the road map, the blue print, of the research study.

Then you go for data collection as any study would have, be a qualitative study, be it a quantitative study. Only the method of study, may be the data collection might be different, but there is some kind of a data collection, may be it is let us say a quantitative data through some survey or it could be a in-depth interview where you take the opinion or a focus group study whatever it is, so data collection. Then once you have collected the data, you prepare the data because when you get the data many a times, you will see that the data is actually in a very raw form.

And when it is in a raw form, it is very difficult to comprehend, to understand it, so data preparation is very challenging and very important. If a researcher tries to avoid this step or tries to take it less seriously, in the future they might commit severe mistakes. So data preparation and then data analysis, finally is the research report that you make. So these are the steps of any marketing research process, it looks like any general research process.

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Let us see how we classify the marketing research. Now the classification of marketing research is done in two ways as you can see, one called the problem identification research

the other is called the problem solving research. Sometimes marketers need to identify the problem. Now what is the problem that we are going through? Is the company going through some problem, so what is the problem?

For example, a study on market potential, suppose let's imagine a company has started with a new product or for example let us take the Colgate's case. Colgate, had it thought of is there a potential market for it, then maybe they would have been more clear whether this product should have been introduced or not. So whether the product that we are making, is it having a potential in the market needs to be studied. What is the image I am carrying. Now very interestingly, I will tell you when a company they did the research they found that, interestingly the company is basically Visa.

So when Visa did its research initially, they found that the people had an image of feminine image about them. So they were worried, now they thought this image might hamper their sales, their business. So the company understanding this image effect, they started sponsoring events like Wimbledon and football matches and all so that this image of female image which was attached to them should be removed. Market characteristics research, sales analysis research, forecasting; so these are some of the identification part.

Now solving. Now to solve, suppose you understand the market characteristics, but the problem is how do I solve the problem. So to do that may be segmentation research, which segment of the market do people are buying my product, what is their feature, what is their characteristics. For example, I will tell you this is a very interesting example of a company which was selling hair dyes.

Now hair dyes being a very popular product, the company imagined that they would have let us imagine some kind of a sales valued let us say X, but to the surprise, they found that the sales was going high, more than X, so that was again an element of research for them to understand why it is happening, why there is a larger sales, have we missed some segments, have we not taken into account of few segments but these segments were contributing. So to do that, they asked another research company to do a research and find out which are the segments they have missed by chance.

To the surprise, they found that a place which is basically agricultural zone in India and not a very richly developed place was giving more sales than other places which they thought of. The company was surprised why is this happening, how is it that a place which is poor and not very rich people are there and it is only agricultural zone, so why it is giving more sales. To understand that when they did further analysis, they found that the interesting behavior was that this hair dyes were being used by this agriculturists, basically the people involved in agriculture.

They had one more profession which was basically cattle trading, and in cattle trading, buffalo was one of the things that they were trading in the market. So the buffalo's price was directly propositional to the colour of the buffalo. So if the buffalo looks more dark, then it is fetching a higher price and this was the segment that this company had missed. Because now there was a large use of hair dyes for improving the texture of the buffalo, now the company realized this and they thought this is also a potential area of business for them.

Similarly product research, what kind of product should be developed for solving the problems, what kind of price mechanism should we have, sometimes it is said that a wrong price is very dangerous because undervalue, if you sell at a lesser price then you are losing profits, if you sell at a higher price customers will go away. So you need to research. Promotional research, what kind of for example as I talked about Visa, Visa had an image of feminine image.

So now the company wanted to promote in a way so that this image of femininity is not linked to it and that is acceptable in both the genders. Similarly distribution, so all these are the problem solving researches.

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## Step 1: Problem definition



Problem definition, the first point. So as you can see this cartoon, he is thinking what is the problem, what is the problem? So when you are thinking about the problem and if you can get us idea what exactly you are working on and then you will be much clear, so this is the first step, is the very very most important step.

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### Questions to Answer...

- Who ? - would need it ✓
- What ? - is needed
- When ? - is it needed ✓
- Where ? - is it needed ✓
- Why ? - is it needed
- How Many ? - are needed

SRC

So how do you get to this problem definition? By answering a few questions. Who would need it, first question to be answered. Who would need my study? My study if I am doing a research, who is going to use it, how it is going to be useful and for whom right. Second thing is if I have understood, then I am thinking what is needed to do this research, how should I proceed, what are things that I would require to conduct this research study?

Third step is this research should be done at any point of time, no, or at a specific point of time because there could be some products which are seasonally based, some are over the year they run. So the point is when should I be doing this research? Is time an important factor in this? Where, the next questions where, where should I conduct it because some studies might be different for example from place to place right.

So for example, in international marketing research especially you will see that the term place has a very big relevance because we are generally affected by something called a self-reference criteria, SRC. So people tend to think something in their home markets and they try to extrapolate it to the other international markets, which is very dangerous. So if you feel something and then you try to extend it to some other markets, then it becomes a clash of thinking process, may be because of the cultural differences.

So in one culture what is good, may be in another culture, it is considered bad, the pronunciation or the articulation it is bad. So where you are doing the research? Why am I doing it, why am I doing, how, what is basically the importance, how many? So for example how many means how many samples should I be doing or how many studies should be I doing so that I can validate and I can say this study is universally true. So these questions if you can think and get some answer, then you would be in a better position to define your problem.

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## Key Points

- Problem identification is the first step in marketing research.
- In defining the problem researcher should take into account – the purpose of the study, the relevant background information, the information needed, and how it will be used in decision making.
- Problem definition involves discussion with the decision makers, interviews with industry experts, analysis of secondary data.

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making. Problem definition involves discussion with the decision makers, interviews with the industry experts, secondary or primary analysis of data.

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Now some sources; let us see what are the sources of research problem. So this is something like I have taken from the net only, so I liked this slide very much. So consultation with experts, for example how do you identify your sources of research problem, through consultation of experts, through may be you had some personal experience. For example, you felt that when you are purchasing some product there is a status symbol or a kind of a taboo attached to it so that has created some problem or some whatever it is, for advantage or disadvantage for you, so this kind of experiences.

Then what is the literature say about it, are there previous researches which talk about such kind of problems, existing theories. So there are large number of ways of identifying research problem. For example, sometimes the sales people in the company they tell you about the problems in the market right, sometimes while talking to your friends or your contemporaries or somebody when you talk you understand that there are certain problems in the market. For example, how would people react to a product which is let's say considered to be dark in nature.

So how would this people consider right, so several things can be a source of your research problem. So let us see how do I identify the research problem.

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So research problem identification. First selective research area, which result area you are interested in. For example, a person might be interested in the area of let's say product development or product management, another person might be interested in the area of let's say somewhere like for example in the area of pricing, how to tackle pricing, how to find a new price, so these kind of subjects.

Somebody can specifically say I am interested in the area of let us say hospitality and tourism, somebody can say I am interested in the area of branding and social media marketing. So there are several areas that one can select. Then you read the literature, you follow several literature, recent literatures, what are the current events happening, what are the researches happening in this area. So once you do this review and all, then you limit to certain topic or suppose you have taken one topic, let us say tourism.

In tourism, then you break it to several limit to several different parts of tourism and then you say may be I am interested may be tourism. I have three areas or four areas and I am interested may be in this area because I see it is to be more interesting and there are more literature available and maybe I can also get the data easily so that is why you are interested. So finally you evaluate the final research problem and then formulate the statement. So this is how you structure the identification of the problem.

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## Some marketing research topics

- Pay what you want *pricing*
- Cause related marketing
- Destination tourism
- Event marketing
- Potential of yoga/spiritual tourism
- Customer engagement ✓
- Behavioral patterns of women travelers ✓
- Green energy marketing
- Social media marketing

Just look at some topics which I have brought for your benefit, some marketing research topics. One of this, for example, I will talk on this one especially currently because already I am working on it, but there are other. So what is this, pay what you want pricing. Now this pay what you want pricing, this is a method where we say that instead of an MRP or a fixed price, a person can be given an option or a customer can be given be an option to decide his own price. So will this mechanism work?

At the initial onset, everybody might react and say well no this is not going to work, but then we cannot say at the moment because there are some cases where it has been tried and they have been found to be successful. So can we take it and by studying this can we say that maybe we were using more money. See why do you want to do this research because pricing is fixed because the company feels at least I should get this much right, but what if we understand that human behavior is so benevolent that they would try to pay you give you more given an options rather than less.

If that would have been true, then in such a condition, pay what you want pricing can give more benefits to a company, at least a service oriented company or something, then a fixed price because in fixed price, you are limiting yourself, let say, so this is to be checked. So I am working currently on this topic at the moment with one of our Ph. D scholars. Cause related marketing for example you must have seen that company say if you buy this good then one rupee goes to the girl child's education or some orphanage or something.

So when you are connected with some causes, does it add to the sales. Destination tourism, now how is tourism effected by the personality of the destination or the place. So such kind of studies event marketing. So potential of yoga or spiritual tourism in a country like India especially where we are the pioneers of spiritual tourism and yoga. Customer engagement, behavioral patterns of woman travelers, does it have an effect, yes it can effect because the government may be can build infrastructure and let say you know infrastructure on basis of the behavioral patterns of the woman travelers.

So this is an area of research which I am also interested now, currently I am working. Green energy marketing, social media marketing. So you can see this is only a few to tell you how marketing research problems are different from other problems and how they are more connected to the business, economy at large.

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### Case: Lego

- Lego has been for boys for many years. They wanted to come out with products for girls
- A survey including 3500 girls along with their mothers was done for four years
- Studied extensively the playing habits of girls
- Lego came out with a new line of toys on January 1st, 2012. This line was called "Friends"
- The brick colors for this line were changed to more vibrant colors. The packaging also changed, along with the figurines included in the set. Figurines were made to be slightly bigger to accommodate accessories such as hairbrushes and purses in their grips

Let us take this case. This case has been of a company called Lego. I hope many of you have heard about Lego, so it makes toys. Basically, Lego has been for boys for many years. They wanted to come with products for girls. They made a survey of 3500 girls along with their mothers for 4 years and they studied extensively the habits of the girls. How do girls choose their dolls or choose their playing items. Lego came out with a new line of toys on January 1st 2012. This line was called Friends.

What change do they make? The brick colors for this line of products that means Friends were changed to more vibrant colors because girls were favoring more vibrant colors and the packaging also changed along with the figurines included in the set. Figurines were made to

be slightly bigger. Earlier what was happening was since boys do not need extra accessories like hairbrushes and purses, but girls wanted it, so they wanted to make it little bigger in size so that the girls could keep their necessary stuff in it and they could use it for the benefit.

So when they made these small changes, Lego could come out with a new line of products for especially the girls. So this increased their market dramatically. So here business for a company, this is one research, but if a researcher as an academician if you think, then you can understand that this study is nothing but a study on the pattern of the girl's behavioral pattern. How do small girls or teenage girls buy their toys and what behavioral patterns influence their buying pattern. So the first step was to identify the research problem.


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## Step 2: Developing an approach to the problem

So the second step is to develop an approach to the problem.

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## Developing an approach to the problem

- Objectives /theoretical foundations ✓
  - Analytical model : verbal, graphical and mathematical ✓
  - Research question ✓
  - Hypothesis
  - Specification of information needed
- 

So how do you develop an approach. You can have your theoretical foundations, so from necessarily several classical theories and all you can get affected, you can get connected, and you can think off. You can have analytical models like verbal models, graphical models, mathematical models which are like in a form of equation or something. Develop research questions, develop hypothesis and specification of the information, what kind of information I need.

When you are thinking of a problem, you can think of a problem in these ways. So if you are clear what is my objective of the study, what is my research question, what kind of a model I am going to build about it, so if you are more clear about it, then your processes of doing a research will be simpler. Another case I have introduced here so to understand the research problem.

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- Kellogg's is the world's leading producer of cereal and a leading producer of convenience foods, including cookies, crackers, etc.
- Kellogg's faced a slump in the market
- Its cereal sales were declining and it had to face the challenges of getting out of its slump.
- To identify the problem, Kellogg's spoke to decision maker within the company, interviewed industry experts, conducted analysis.
- Some of the issues came out of the research such as current products were targeted to kids. ✓
- High prices were turning consumers to generic brands. ✓
- Adult want quick foods that require very little or no preparation.

Kellogg's, this is the world's leading producer of cereal and leading producer of convenience foods, faced a slump in the market. The cereal sales were declining and it had to face the challenges of getting out of its slump. So they wanted to increase their sales basically. To identify the problem Kellogg's spoke to the decision maker within the company, interviewed industry experts and conducted some analysis. Interestingly, some of the issues that came out of the research such as the current products were targeted to kids, high prices were turning consumers to generic brands.

Because Kellogg's products were considered to be high priced, people were moving to more generic brands. Adults who were the targets also, they wanted quick foods that require very little or no preparation. So all these things when Kellogg's understood, they understood that they need to change the way they approach the problem. If they do not change their approach, then they would not be able to improve their sales.

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# Step 3: Research design formulation

What kind of a design do you need? When you have understood your research problem, what kind of a design do you need. So design is as I said is the path.

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## Research design

It refers to the plan, structure, and strategy of research-the blueprint that will guide the research process.



So when you talk about the path, so this path tells you about everything. It connects, it helps you to not to digress from this path to other areas, may be you know outside. So it limits you to this path only. So it helps you to plan, structure, and strategize the research basically. It is the blueprint that will guide the research process. How do you want to proceed with the research? What kind of things you should be keeping in mind while you are moving ahead?

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## Classification of research design

- Exploratory research design ✓
- Conclusive research design ✓
  - a. Causal research ✓
  - b. Descriptive research ✓
    - i. *Cross sectional* ✓
    - ii. *Longitudinal* ✓

So when we discuss about this research design, there are few. For example; exploratory research design, conclusive research design which is divided into two parts, causal and descriptive research design and again you have descriptive research design can be divided into cross sectional and longitudinal. So these are some of the ways you conduct the research design.

So I will explain each one of them, but if you go to the series of lectures of my first course on Marketing Research and Analysis, there I had dealt it deeply, but however, I still spent a little time on this here also because some people might be new to this course. So here, I will explain what is an exploratory research design and what is a conclusive research design and what do you mean by cross sectional and longitudinal designs basically. So what I will do is I will take it up in the next class and I will stop it here.

So for today, we can understand that what we have done is you have understood the marketing research process and the steps that you need to keep in mind and how they are important. Well, thank you very much for the class. I wish you all the best.