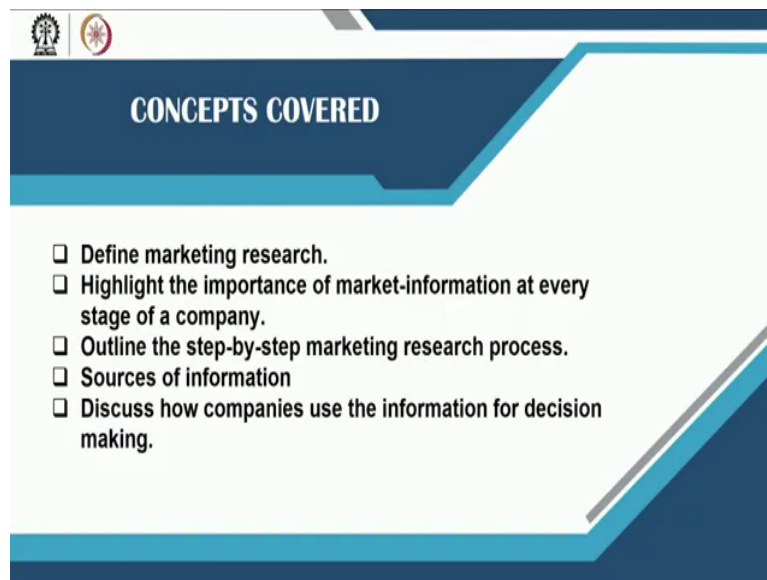


Entrepreneurship Essentials
Prof. Manoj Kumar Mandal
Rajendra Mishra School of Engineering Entrepreneurship
Indian Institute of Technology, Kharagpur

Module - 03
Lecture – 14
Marketing Research

Hello and welcome, in this session we are going to discuss about Marketing Research. Marketing research relates to gathering data and then process it.

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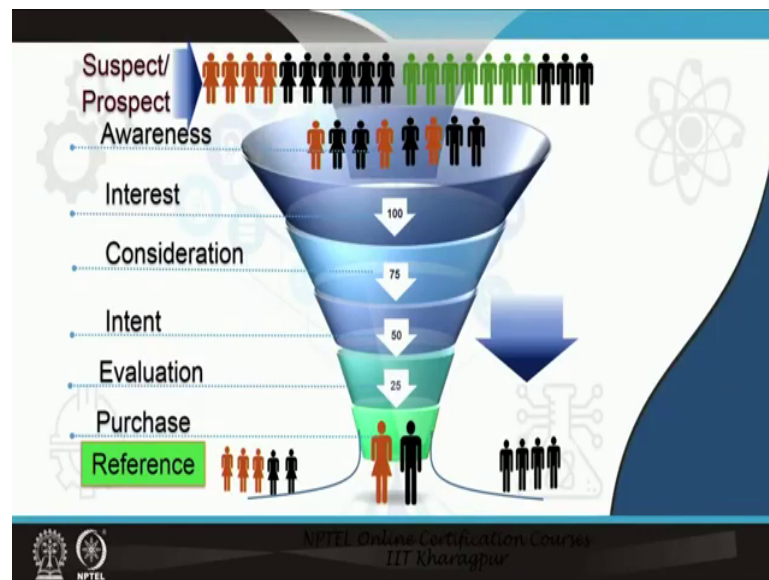
The slide features a dark blue header with the text 'CONCEPTS COVERED' in white. Below the header, there is a list of five bullet points, each preceded by a small square icon. The slide also includes the logos of the Indian Institute of Technology, Kharagpur, in the top left corner.

- Define marketing research.
- Highlight the importance of market-information at every stage of a company.
- Outline the step-by-step marketing research process.
- Sources of information
- Discuss how companies use the information for decision making.

So, that meaningful decision can be taken based on the inference that can be drawn. And eventually, a strategic decision can be made and new marketing strategic can be formulated. The outlines of the discussion is like this. I am going to define what is marketing research, highlight the importance of market information at every stage of the company, outline the step

by step marketing research process, sources of information, discuss how companies use information for decision making.

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The most important event of any enterprise is the time when someone is making payment in excess for goods and services that is under offer, but then before that you need some customer who are going to pay, you need a product or service that the customer is ready to buy in exchange for money. So, a decision so, a lot of preparation is necessary to come to that level.

First of all who are the customers, how to identify them, then identify their pain, then develop a product that solve their pain better than what is being offered by the by the competitors. So, you need to understand the competition, need to understand the pain, need to understand solutions that are available, need to understand what can be the better can be a better solution,

a better value proposition. So, the customer will come to us rather than going to our competitors.

So, market risk; these are all information that one has to gather. So, as to be able to plan developing a product. So, even before we plan to develop a product and start a company, we need to understand the pain. We need to understand the number of people who have this pain whether building a solution, developing a solution will be cost effective will be profitable. What is going to be the cost of customer create customer acquisition meaning out of the crowd you have to identify the segment and then gradually bring them down through the funnel for them to make a purchase.

So, the whole thing is data driven and gathering data making sense of it through analysis and then take actions that is desired that is pretty that is desirable is the process of market research. Without data it is very difficult to make decisions. Sir Arthur Conan Doyle famously said, it is a capital mistake to theorize before one has data.

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The slide features a central quote: "It is a capital mistake to theorise before one has data". Below the quote, it identifies Sir Arthur (Ignatius) Conan Doyle, born 22 May 1859 and died 7 July 1930, as the author of detective stories (crime fiction) including Sherlock Holmes. The slide is decorated with various icons: gears, a tree with data points, an atom, a hard hat, and a chemical flask. A small inset image shows a man in a white suit. The bottom of the slide includes the NPTEL logo and the text "NPTEL Online Certification Courses IIT Kharagpur".

So, data is the most important thing it has always been and today it is more important because. now data can be processed for meaningful decision making to meaningful insight generation. Mukesh Ambani famously said, the data is the new oil. So, if anybody has access to data he or she or that country is well there compared to others who do not have access to data.

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Market(ing) Research: Definition.
Is about gathering relevant information

Marketing research is the systematic design of experiment, collection of data, their analysis and reporting the information relevant to a specific marketing situation facing the organisation and to help making decisions.

Market research provides data helping to identify market pain, understand market structure, customer segment, target market, product positioning, design advertisement campaign to identify and reach your target market at a price customers are willing to pay.

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The slide features a speaker in a white suit on the right side. The background is light blue with various icons related to research and technology, including gears, a brain, and a network diagram.

So, here are some definitions. We have number of them, we will not spend lot of time. Marketing research is systematic design of experiment. This whole process of gathering data processing etcetera is experiment. So, you have to design the experiment, then collect data, analyze them and then report the findings. And based on the report decisions will be taken.

So, this whole thing is defined as market research. Market research provides data helping to identify market plan understand market structure, customer segment, target market, product positioning, design advertisement campaign to identify and reach your target market at a price customers are willing to pay.

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Definition of Market Research (MR)

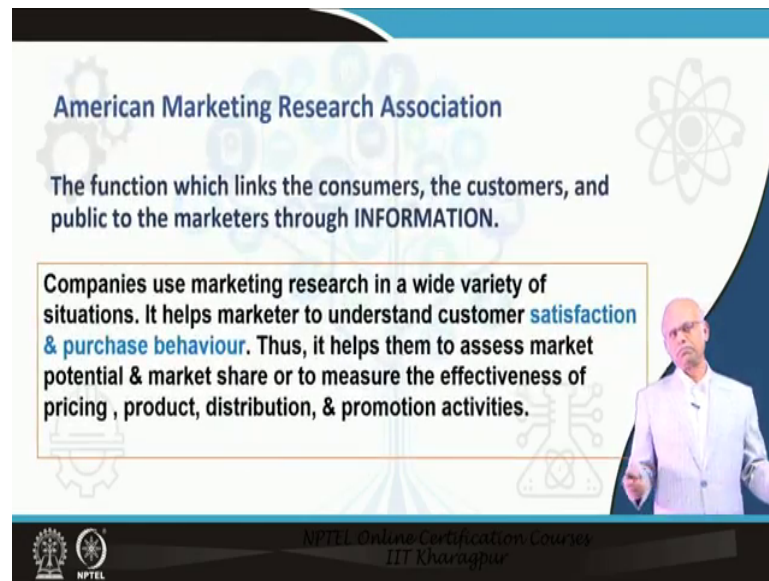
The American Marketing Association defines

“Marketing Research: as the function which links the consumer, customer and public to the marketers through information that is used to identify and define marketing opportunities and problems; refine and evaluate marketing actions, monitor marketing performance and improve understanding of marketing as a process.”

The slide features a speaker in a white suit on the right side. The background includes icons of a gear, an atom, a hard hat, and a circuit board. At the bottom, there are logos for IIT Kharagpur and NPTEL, along with the text 'NPTEL Online Certification Courses IIT Kharagpur'.

Another definition; American Marketing Association. Marketing research as the function which links the consumer the customer and public to the marketers. Consumer are the people who consume, customers are the people who make the purchase. So, they may not be the same they may be the same and then public to the marketers through information that is used to identify and define marketing opportunities and problems. Refine and evaluate marketing actions monitor marketing performance and improve understanding of marketing as a process.

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American Marketing Research Association

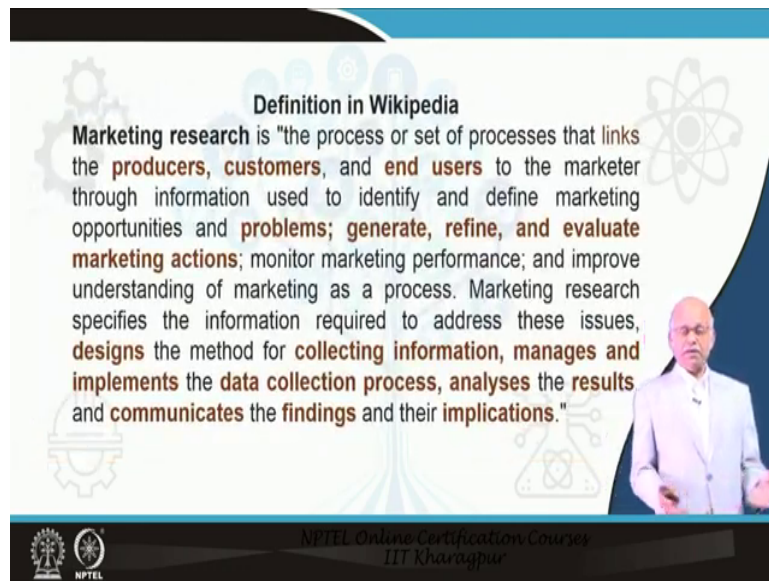
The function which links the consumers, the customers, and public to the marketers through INFORMATION.

Companies use marketing research in a wide variety of situations. It helps marketer to understand customer **satisfaction & purchase behaviour**. Thus, it helps them to assess market potential & market share or to measure the effectiveness of pricing , product, distribution, & promotion activities.

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There are other definitions, but the succinct message is that. You design an experiment whatever data is necessary for meaningful insight collect that data process it, analyze it and then come up with the insight and communicate it to the right people so, that they can make strategic decision.

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Definition in Wikipedia

Marketing research is "the process or set of processes that links the **producers, customers, and end users** to the marketer through information used to identify and define marketing opportunities and **problems; generate, refine, and evaluate marketing actions**; monitor marketing performance; and improve understanding of marketing as a process. Marketing research specifies the information required to address these issues, **designs the method for collecting information, manages and implements the data collection process, analyses the results and communicates the findings and their implications.**"

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Definition given in Wikipedia, market research helps identify unmet demand and identify opportunities. There is an unmet demand; so, you can always formulate a solution and then help people to meet that demand.

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The slide features a central graphic with four blue horizontal bars, each containing an icon and text. The icons are a megaphone, a person with a speech bubble, a smiley face, and crossed tools. To the left of these bars is a vertical grey oval containing the text 'Information emerging out of market research helps to'. The background is white with a blue top bar and a blue bottom bar. A small image of a man in a white suit is on the right side of the slide. The bottom bar contains the NPTEL logo and the text 'NPTEL Online Certification Courses IIT Kharagpur'.

Marketing Research Helps to

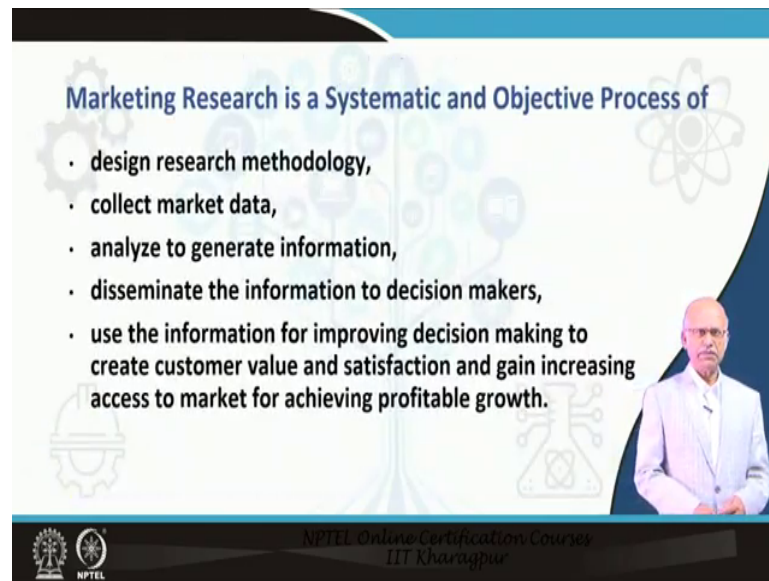
- Identify unmet demand and identify opportunities
- Understand market needs, preferences, aspirations and helps to refine offerings
- Evaluate customers' satisfaction and marketing performance
- Improve product/service, customer satisfaction, and acquire and retain growing number of loyal customers

Information emerging out of market research helps to

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Understand market needs preferences aspirations and helps to refine offerings. Marketing research helps to evaluate customer satisfaction and marketing performance. Improve product service customer satisfaction acquire and retain growing number of loyal customers. It is a systematic and objective process of design research methodology.

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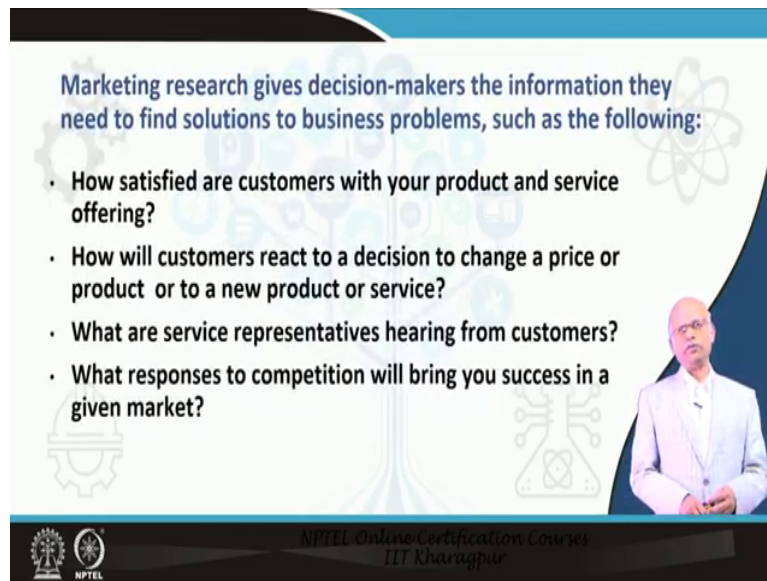
Marketing Research is a Systematic and Objective Process of

- design research methodology,
- collect market data,
- analyze to generate information,
- disseminate the information to decision makers,
- use the information for improving decision making to create customer value and satisfaction and gain increasing access to market for achieving profitable growth.

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And collecting market data analyzing them to generate information disseminate the information to decision makers use the information for providing decision makers to create customer value, satisfaction and gain increasing access to customer for achieving profitable growth.

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A presentation slide with a blue and white background. On the right side, there is a small inset image of a man in a white suit speaking. The slide contains a title, a list of four bullet points, and a footer with logos and text. The background features faint icons of a gear, a lightbulb, and a network diagram.

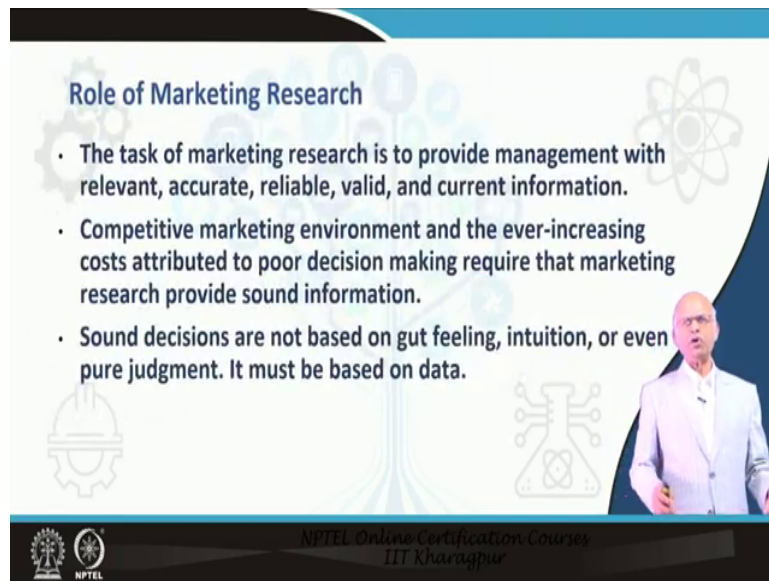
Marketing research gives decision-makers the information they need to find solutions to business problems, such as the following:

- How satisfied are customers with your product and service offering?
- How will customers react to a decision to change a price or product or to a new product or service?
- What are service representatives hearing from customers?
- What responses to competition will bring you success in a given market?

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Marketing research gives decision makers the information they need to find a solution to business problems such as following. How satisfied the customers with your product and service offering? How will customers react to a decision to change a price or some features of a product or the quality or some aspect of your product or service? What are service representatives hearing from the customers? Collate that, process that and get inside and take corrective actions. What responses to competition will bring your success in a given market? What the competitors are doing and if we do something or what should we do to respond to competitors new actions. So, that we can remain ahead of competition.

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Role of Marketing Research

- The task of marketing research is to provide management with relevant, accurate, reliable, valid, and current information.
- Competitive marketing environment and the ever-increasing costs attributed to poor decision making require that marketing research provide sound information.
- Sound decisions are not based on gut feeling, intuition, or even pure judgment. It must be based on data.

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Role of market research; the task of marketing research is to provide management with relevant, accurate, reliable, valid and current information. So, marketing is one division and top bosses are waiting for inside from the marketing research division. So, their job is to provide accurate reliable valid and current information. Competitive marketing environment and the ever increasing cost attributed to poor decision making require that marketing research provide sound information. Sound decisions are not based on gut feel, intuition or even pure judgment. It must be based on data.

Majority of the startups, as we see make decision based on gut feel or their own judgment or back of the envelope calculations that may be one of the reasons why most of their decisions go here where.

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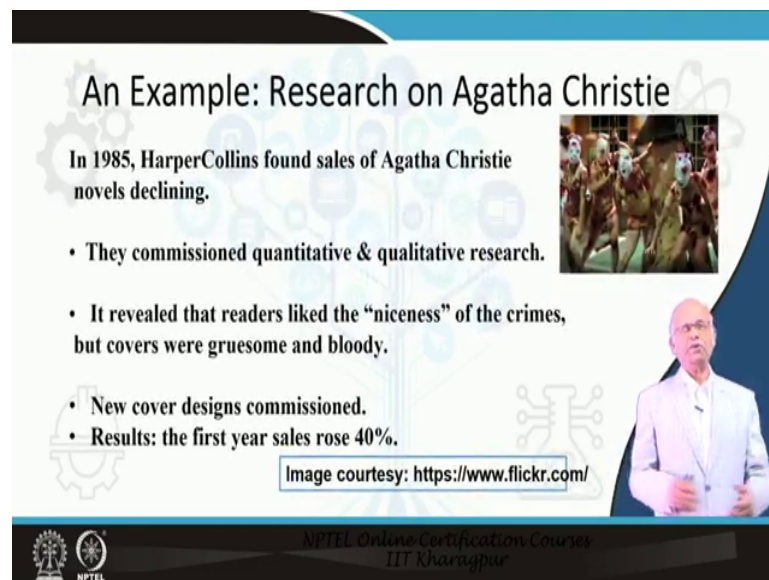


The slide features a central text block on a light blue background with a dark blue curved border on the right. The text reads: "Importance of Marketing Research" followed by "Managers make numerous strategic decisions in the process of identifying potential opportunities, target market selection, market segmentation, planning and implementing marketing programs, marketing performance, satisfying customer needs, and control." The word "identifying" is highlighted in blue. To the right of the text is a small inset image of a man in a white shirt and glasses, holding a microphone. The slide is decorated with several icons: a gear, a tree with nodes, a molecular structure, a hard hat, and a chemical flask. At the bottom, there are logos for NPTEL and IIT Kharagpur, along with the text "NPTEL Online Certification Courses IIT Kharagpur".

And eventually they have to continue to firefight it is very important marketing research is very very important because this alone will guide all the actions that will eventually lead us to sell our product get money, make profit, sustain the business.

So, managers make numerous strategic decisions in the process of identifying potential opportunities, target markets selection, market segmentation, planning and implementing marketing programs, marketing performance, satisfying customer needs and control.

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An Example: Research on Agatha Christie

In 1985, HarperCollins found sales of Agatha Christie novels declining.

- They commissioned quantitative & qualitative research.
- It revealed that readers liked the “niceness” of the crimes, but covers were gruesome and bloody.
- New cover designs commissioned.
- Results: the first year sales rose 40%.

Image courtesy: <https://www.flickr.com/>

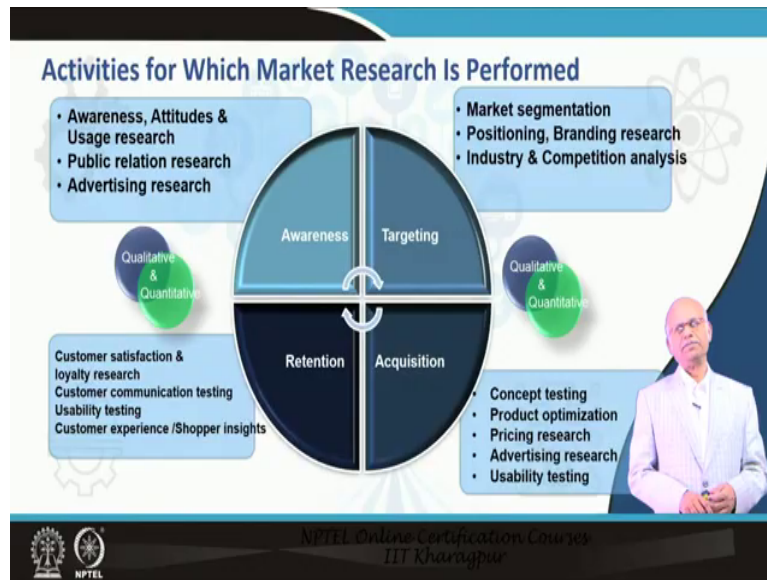
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So; obviously, marketing resource is very important. An example of market research and its outcome. In 1985 HarperCollins thought that, let us change our book a little bit the Agatha Christie novels, the publisher thought let us change the book a little bit. So, that we get better growth we sell more books. So, they change the book a little bit. But to their surprise the sales actually went down. They did not realize why the sales went down, because the book remains the same the story remains the same why should the sales go down. So, they commissioned a market research.

They talk to customers who are either buying or not buying the novels and it revealed that customers definitely like the niceness of the stories. But the new cover was gruesome or was bloody. So, they did not feel so at ease while buying the book this is just set aside and book bought another book rather than Agatha Christie books. So, the change they cover, HarperCollins changed the cover immediately sales went up by 40 percent. Just a little bit of

market research and a little bit of action by the publisher has raised to the sales by 40 percent, this is a direct example of market research doing wonders to a product.

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Marketing research activities are numerous. In fact, through of the life cycle of a of an enterprise at every stage of the enterprise market research is highly relevant. So, it starts with identify market segment actually. Then once you identify the segment then you develop the product you target particular niche market segment, then position you try to build a brand then do competition analysis in a customer acquisition. You need marketing research because, you do lot of lot of experiments and lot of a stimulation, you introduce lot of a stimulation so that customer comes to your fold they eventually take action or buying your product.

So, you do concept testing product optimization, pricing research, advertising research, usability testing of your product and eventually you after test you take corrective actions or

whatever actions actually is giving better profit to take you accentuate those actions. Then for a customer retention you do many things in the form of market research, you try to understand customer satisfaction and loyalty. So, you do loyalty research then, customer communication testing, you do usability testing, you do customer experience and shopping insight testing.

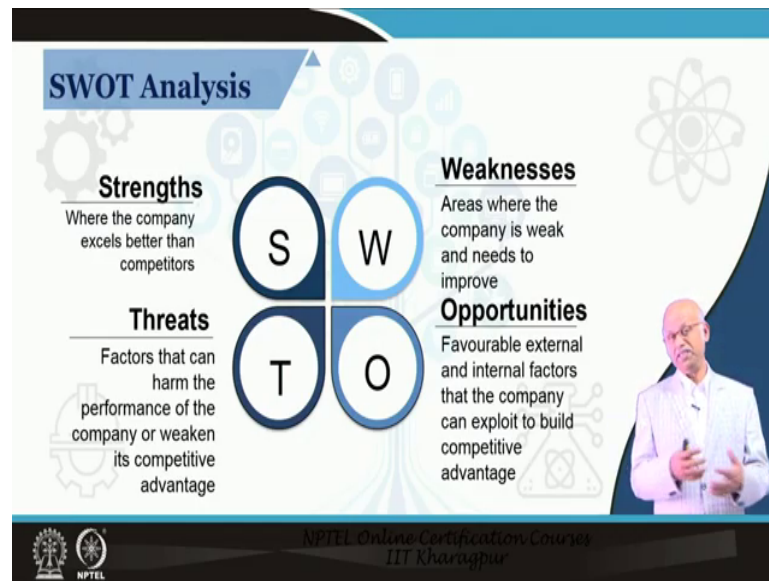
At the beginning you make customer awareness test where the customers are aware about your product and if you give an advertisement. How the awareness has gone up or how many people have become aware is the method of communication right or has the communication elicited the desired response or can we do something to increase the awareness.

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All these are done through marketing research. Do market research to identify trained, competition analysis, target market analysis, price analysis, marketing plan, SWOT analysis, market segment, market structure.

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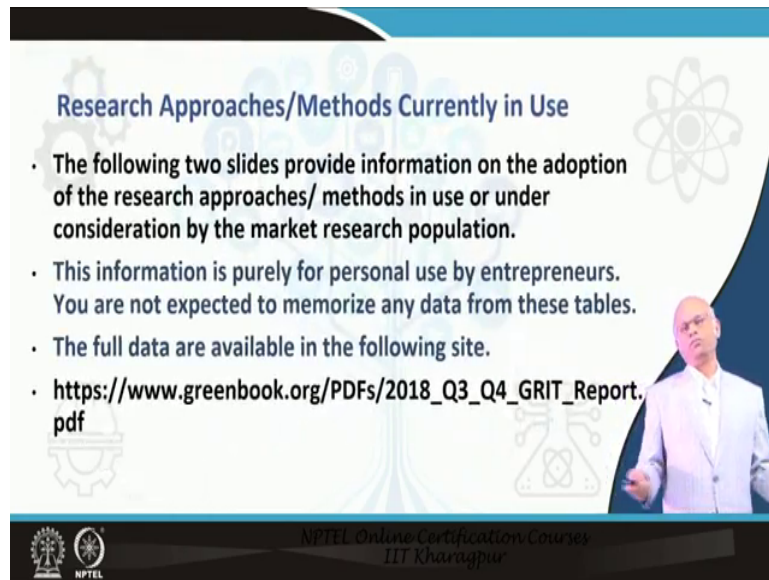


We talk about SWOT analysis. So, let us just take a digression and talk about the SWOT analysis. I may forget to do it, later so, just introducing. Strength, S for a strength. Strength is where the company excels better than competitor. So, if you understand that this is our strength you accentuate there. So, that it kind of positively enhances so that you are much ahead of the competition. W is weakness; areas where the company is weak or inferior compared to the to the competitors or maybe company is vulnerable in competition in particular features where company needs improvement.

So, once you can once you identify the weakness, you can take corrective actions. So, that weakness is no longer there o for opportunities. Opportunities are favorable external and internal factors that the company can exploit to build competitive advantages. Then threat; factors that can harm the company's performance and the company or or can weaken the competitive advantage. So, all these are important, like strengths; you accentuate,

opportunities; you exploit, weakness; you try to overcome, threats; you take preventive measures so that company is not expose to threats.

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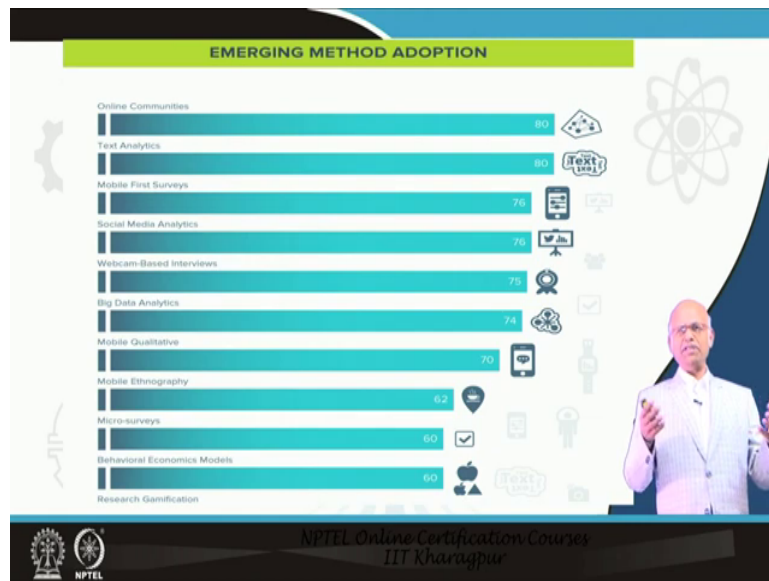
Research Approaches/Methods Currently in Use

- The following two slides provide information on the adoption of the research approaches/ methods in use or under consideration by the market research population.
- This information is purely for personal use by entrepreneurs. You are not expected to memorize any data from these tables.
- The full data are available in the following site.
- https://www.greenbook.org/PDFs/2018_Q3_Q4_GRIT_Report.pdf

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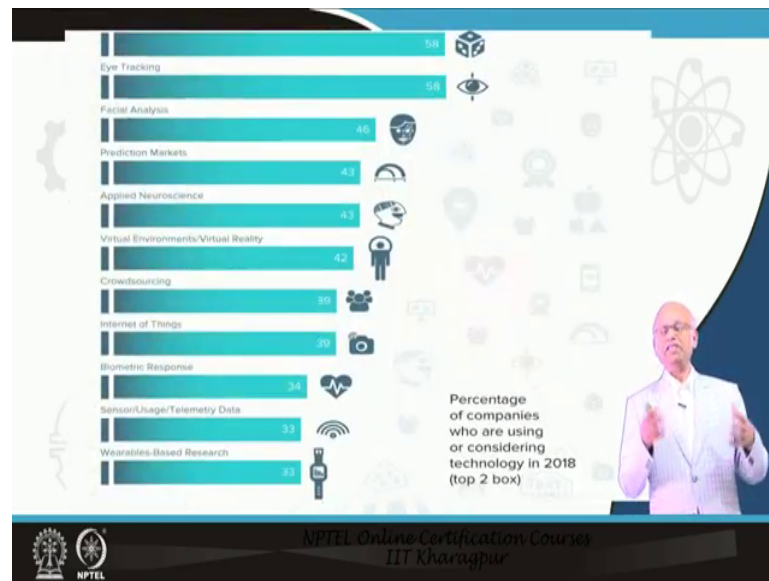
There are several research approaches that we are going to discuss. There are systematic well laid down process. The following slides will actually talk about all of that.

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Now, this is not really for consumption, this merely shows that there are several methods of gathering data, analyzing data, like online communication, text analytics, like mobile surveys, media analysis etcetera.

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We are not going to discuss at length, but this shows a diverse methodologies which are and methodologies and process or options through which marketers and companies are gathering data analyzing to get to know the changing aspirations of the customer, changing likings of the customers.

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The slide features a circular diagram on the left with segments for 'CONSUMERS & USERS', 'COMPETITORS', 'MARKET TRENDS', 'MARKETING STRATEGIES', 'ADVERTISING', 'SALES PROMOTIONS', 'PUBLIC RELATIONS', 'PERSONAL SELLING', 'DIRECT MAIL', 'INTERNET MARKETING', 'NEWSPAPERS', 'MAGAZINES', 'TELEVISION', 'RADIO', 'OUTDOOR', 'DIRECT RESPONSE', 'SALES PROMOTIONS', 'PUBLIC RELATIONS', 'PERSONAL SELLING', 'DIRECT MAIL', 'INTERNET MARKETING', 'NEWSPAPERS', 'MAGAZINES', 'TELEVISION', 'RADIO', 'OUTDOOR', 'DIRECT RESPONSE'. The title 'Marketing Research Starts at the Very Outset' is positioned at the top right. Below the title is a bulleted list of five key questions: 'The first step to start a business is to know 'who are your customers'.', 'Where to find them?', 'What do they buy at present that your product would replace?', 'What features and quality standards?', and 'At what price?'. A speaker in a white suit is visible on the right side of the slide. The NPTEL logo and 'NPTEL Online Certification Courses IIT Kharagpur' are at the bottom.

Marketing Research Starts at the Very Outset

- The first step to start a business is to know 'who are your customers'.
- Where to find them?
- What do they buy at present that your product would replace?
- What features and quality standards?
- At what price?

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So, as to meet the needs better than the competitors and remain ahead. As I have been always over emphasizing marketing research starts at the very outset meaning, the moment to think that you want to start a business and you have identified a pain, pain point; you start doing market research. Because, you need to know how many people have the pain, you need to know what is the competition, you need to know how the market structure is, you need to know what the segment is.

So, the first step to start a business is to know who are your customers, where to find them, what do they buy at present that your product will replace, what features and quality standard at what price, to know everything you start market research at the very beginning.

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Marketing Research Starts at the Outset ... cont'd.

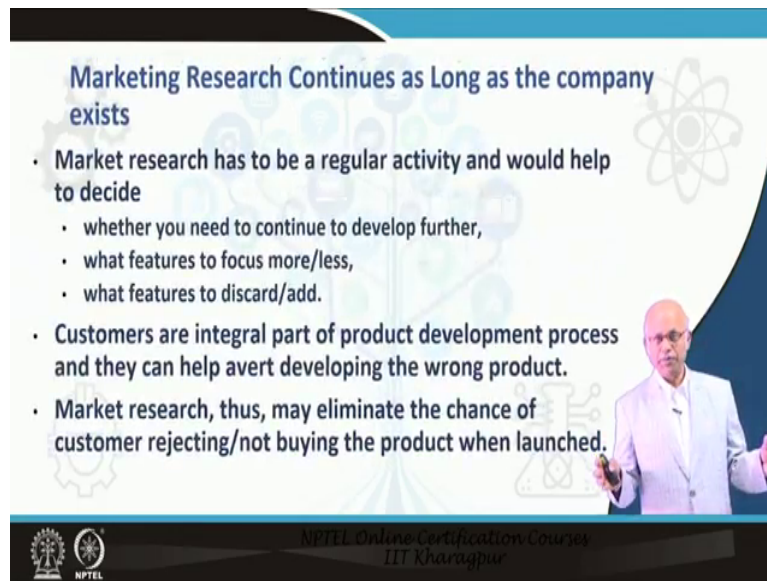
- Understanding customers' response at every stage is indispensable.
- Notably, feedback from innovator kind of customers may not be any good to gauge the purchase decisions of the majority.

The slide features a background with various icons including a laptop, a hand pointing at a chart, a gear, a lightbulb, a tree, a circuit board, and a chemical flask. A presenter in a white suit is visible in the bottom right corner. The NPTEL logo and 'NPTEL Online Certification Courses IIT Kharagpur' are at the bottom.

Understanding customers response at every stage is indispensable therefore, when you are building a product. You need to build the product based on validated learning; meaning at every stage you build you build a product slightly better than the previous and then get it evaluated by actual customers, get the feedback learn and then take corrective measures to refine it so that, customer likes it even better.

So, it is a validated learning cycle. You build a minimum viable prototype or maybe slightly better moving forward step by step in phases, get it evaluated, get the information, collect the information, learn from their ideate again how you can change what features to keep what features to to drop and then eventually come up with a product that customers are ready to buy.

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Marketing Research Continues as Long as the company exists

- Market research has to be a regular activity and would help to decide
 - whether you need to continue to develop further,
 - what features to focus more/less,
 - what features to discard/add.
- Customers are integral part of product development process and they can help avert developing the wrong product.
- Market research, thus, may eliminate the chance of customer rejecting/not buying the product when launched.

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So, there is no risk that when you produce the product the customer may not buy that risk is gone. Marketing research continue as long as the company exist just like you start with market research, but as you achieve success you have you have you are in the growth phase or maybe in the saturation phase, marketing research is always relevant. You need to always gather information from customers about the level of their satisfaction, about the changing needs of the customers about the changing offerings by competitors.

So that, you are not taken by surprise that another product comes and your product no longer sells. Customers are integral part of product development process starting from the development of the product till the company exist for a going concern company exist perpetually.

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Why market research for start-ups

- Ideally, marketing research starts while 'identifying pain point'.
- Attractiveness of the market depends on:
 - The size of the market
 - Historical growth
 - Present growth
 - Future growth potential

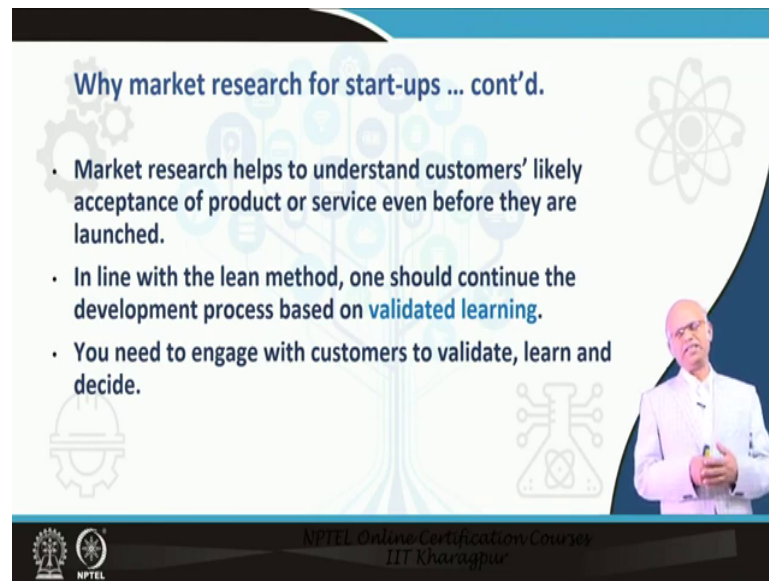
} Market structure
- Market types (perfect competition, monopolistic competition, oligopoly, monopoly)
- Market research helps to understand above features.

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If you can develop a product based on validated learning and there is no chance that customer will not buy what you produce. Why market research for start up? So, long the discussion has been centered around this very point. Ideally, marketing research starts while identifying pain point.

You need to understand the size of the market, market structure, it is consists of growth so far, present growth, future growth and then what is the competition, what is the dim gap between demand supply what is concept market concentration like who are the dominant player are the very few in number market time types like whether it is a monopolistic market or monopolistic competition oligopolistic or monopolistic market.

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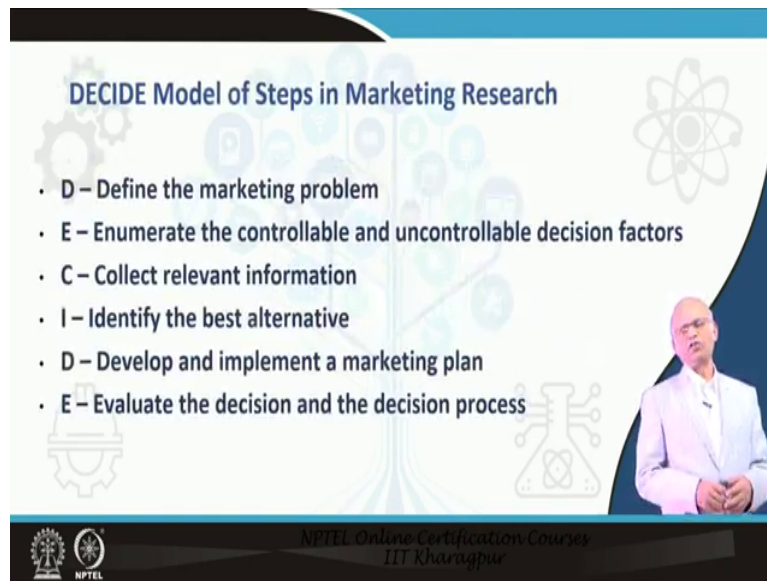
Why market research for start-ups ... cont'd.

- Market research helps to understand customers' likely acceptance of product or service even before they are launched.
- In line with the lean method, one should continue the development process based on **validated learning**.
- You need to engage with customers to validate, learn and decide.

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Market research helps to understand all of this and then help to make a decision whether to go or not to go. If to go then, what kind of product? Market research helps to understand customers likely acceptance of the product even before they are launched. So, if they are part of if their own board during the process of product development they are all they already know about the product and you already know that they like it. And line with the lean method one should continue to develop process based on validated learning.

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DECIDE Model of Steps in Marketing Research

- D – Define the marketing problem
- E – Enumerate the controllable and uncontrollable decision factors
- C – Collect relevant information
- I – Identify the best alternative
- D – Develop and implement a marketing plan
- E – Evaluate the decision and the decision process

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You need to engage with a customer all through, but then what are the steps for marketing research. Steps we have already discussed like gathering data processing it and then communicate, but then there is an established model for steps DECIDE model. D for define the marketing problem means; what around what problem you need to do the market research. E for enumerate the controllable and uncontrollable decision factors. Controllable factors you can understand; price is a controllable factor, quality is a controllable factor, cost is a controllable factor.

What are uncontrollable factors? They are political factors, they are environmental factors. Suppose, your manufacturing air conditioner may be if it is too hot in the next year your conditioners will sell more. But this is not dependent on your wish or you have nothing to do to control the temperature ambient temperature. So, there are uncontrollable factors there are controllable factors, but then you can gather data on uncontrollable factors as well and

estimate what is the likelihood of the next season being overly hot or moderately hot. And then based on that you can plan your production, you can plan your offerings, discount, promotion etcetera.

C for collect relevant information. I for identify the best alternative. What alternatives? Marketing, research is many many processes. Depending on the kind of decision that you intend to take, you have to adopt a particular process. Do you need qualitative data or quantitative data? Would you like to do a primary market research meaning you want to gather data directly from the source of the data or you would like to depend on some available data in some database or in some published journal then for every purpose there is a different ways of doing market research.

Whether you want to do a causal research like you want to give some stimulation to the market and see what is the reaction to the target audience depending on that you decide whether this is the right stimulation or you need to do something else. D for develop and implement a marketing plan. So, based on the information, you do marketing plan. Evaluate the decision and the decision process. Once you do the marketing plan, then see what is the outcome of the plan has it performed the way we intended. So, evaluate that and then take actions.

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The slide features a light blue background with a central graphic of a tree whose branches are composed of various icons representing different aspects of business and technology. The title 'Issues in Market(ing) Research' is positioned at the top left. Below it, a bulleted list contains three items: 'Spend on Market(ing) Research', 'Types of Market(ing) Research', and 'Potential Problems'. On the right side, a presenter in a white suit is visible. The bottom of the slide includes the NPTEL logo and the text 'NPTEL Online Certification Courses IIT Kharagpur'.

- Spend on Market(ing) Research
- Types of Market(ing) Research
- Potential Problems

But then other than the processes, there are other issues as well for marketing research. Most important one is spend on market research. Market research requires lot of money. If you are going to talk to 1 million people, you will end up a spending millions of rupees in doing that. So, what is what is going to be a sample size? If your sample size say 1000, then you will have a particular level of comfort about the veracity of the data that you collect.

If you talk to 100 people will have a lesser comfort, but then you will save a lot of money. So, depending on your budget your process will depend. Types of marketing research. What type of research you are going to do? Primary, secondary or qualitative, quantitative or exploratory or causal research. Potential problems; what kind of problems are there at hand so that you can decide, what kind of marketing research you would like to do.

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Types of market research; market research are divided into three particular types. One is based on source. What is the source of data is one type? What is the methodology of data collection that is another type? What is the objective of doing the market research is another. So, by source it is primary or secondary. Primary means; data are collected from the source itself like suppose, you would like to understand how many people are interested to purchase air conditioner in the next summer.

So, you may like to talk to potential middle class and above middle class people and then get to know if they possess air conditioner, if they do not possess air conditioner what is their decision to buy or not to buy in the next summer. Depending on that you make your own decision. But then you have to approach to many many people to get this data. But then you are collecting data from the actual consumer, that is what is primary research.

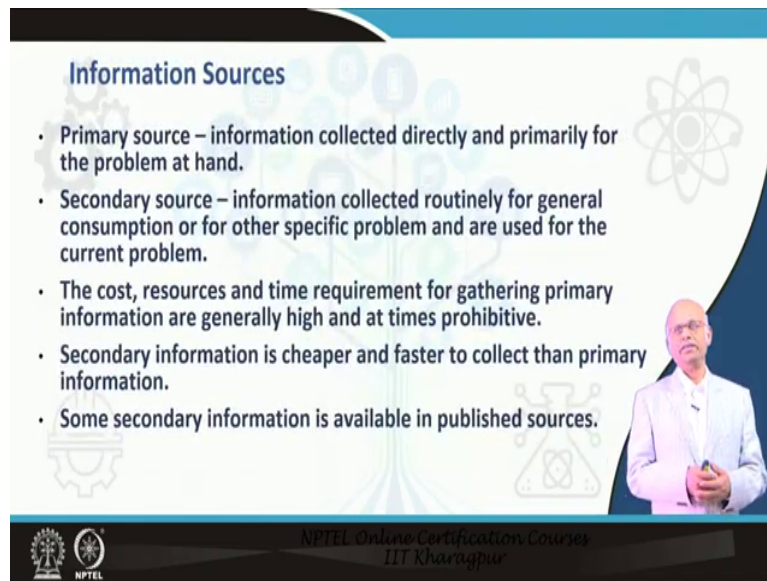
But if you collect data from some available data source. Such as maybe a database available in the marketplace or say some journals that publishes data that this time the weather is likely to be like this and air conditioners may have may find a growth of 5 percent, 10 percent, depending on that you can make a decision that is secondary data. Means; data has have been collected for a different purpose or for this purpose, but by somebody else, but not by the company per say and this data is available with anybody whosoever is ready to pay money for the data, that is secondary data.

Qualitative data, quantitative data. Quantitative data is in terms of numerical number. How many people, how many products are going to be sold. Qualitative may be good better best kind may be whether there is demand for the best quality product or demand for the highest or medium priced product something like that qualitative. Then there by objective is first of all exploratory, you just want to explore whether there is a demand for a product.

Suppose in a particular village there is no air conditioner, but then if you make some kind of a awareness campaign, maybe some of the people will buy. So, you would like to explore you do not really would like to talk to each and every persons, but you just want to have a some early preliminary idea so, that is exploratory. Descriptive is again by objective meaning you want to get a holistic view about the structure of the demand. Then causal and experimental; that is you give some stimulation what is the after what is the response to that stimulation that is causal research such as you reduce the price of your product expecting that sales will increase.

Now, you take data, collect data where the sales has actually gone up suppose sales did not go up, then you try to identify why it sales did not go up because price was reduced. Now you may it may reveal that customers perceived that price reduction as deteriorating quality. Maybe customers thought this product has become cheaper.

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Information Sources

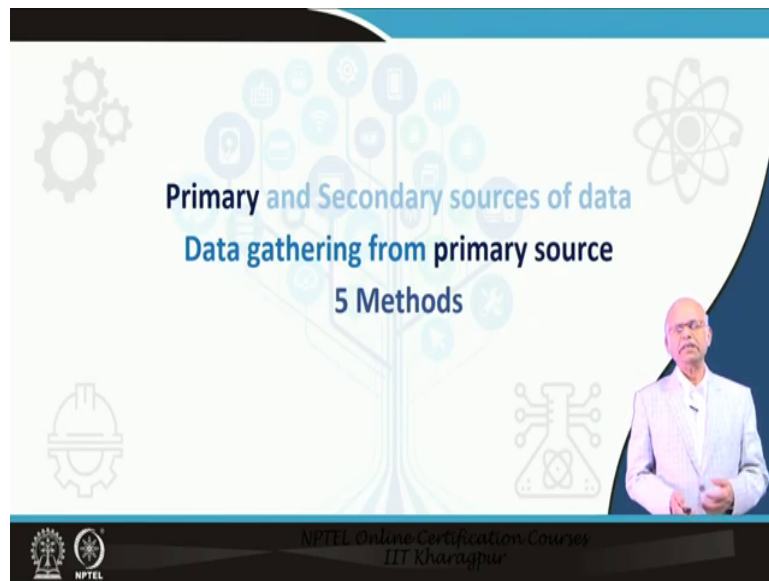
- Primary source – information collected directly and primarily for the problem at hand.
- Secondary source – information collected routinely for general consumption or for other specific problem and are used for the current problem.
- The cost, resources and time requirement for gathering primary information are generally high and at times prohibitive.
- Secondary information is cheaper and faster to collect than primary information.
- Some secondary information is available in published sources.

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So, maybe companies company has compromised on quality something like that. Information source, primary source; information collected directly or and primarily for the problem at hand.

Secondary source may be data collected by some government officials, journals, databases etcetera etcetera. Now if you are gathering data from a secondary source, cost is very low because this data will be sold to several people and maybe this data are collected for a different purpose, the purpose is already sawed. So, they are selling the data at a low cost.

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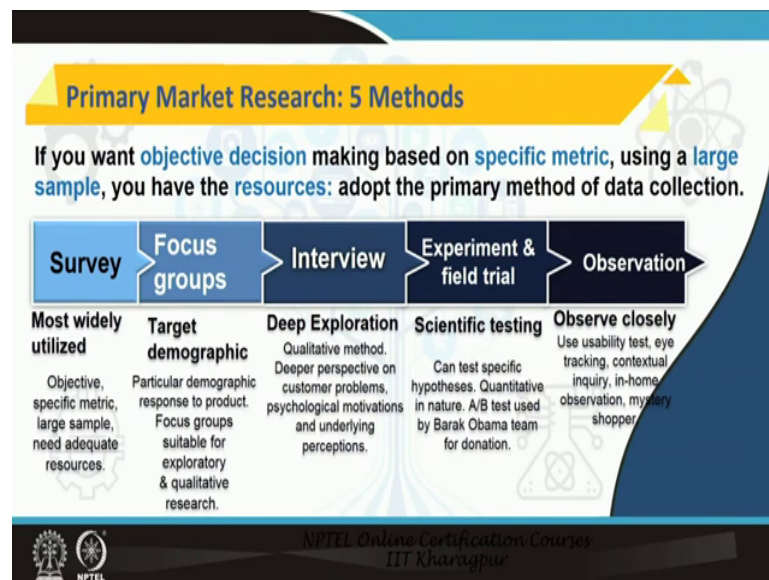
The slide features a central graphic of a tree where the trunk and branches are composed of various data-related icons such as gears, a lightbulb, a smartphone, a bar chart, and a Wi-Fi symbol. The text on the slide is as follows:

Primary and Secondary sources of data
Data gathering from primary source
5 Methods

A presenter in a light blue suit is visible in the bottom right corner of the slide. The NPTEL logo and the text "NPTEL Online Certification Courses IIT Kharagpur" are located at the bottom of the slide.

Secondary information is cheaper that is why some information is available in published literature.

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Now, primary source maybe 5 types, what are they? First of all a survey; survey is the most important method of gathering data and most widely used. Most majority of the companies at some point of time will be using market survey, survey involves questionnaire.

So, you write several question in a questionnaire, send this questionnaire either through mail or through post and then to the target audience and then the audience will fill that questionnaire with their responses. Then you make analysis of the question of the responses and make your own decision about the problem the solution.

Focus group; this is target this target a demographic particular demographic. You invite people in a room and you educate them in the room about the problem and the solution that look you have this problem and we have this solution and you try to understand their responses. It is not one to one, one to one is interview. It is one to many meaning; in a room

there will be many people there may be a one way glass on the wall and marketing people may be watching customers response to certain discussion. So that, they can immediately jot down as to what exactly the customers are excited about or depressed about. So, they will make their own decision.

Deep exploration is done through interview. Your interview either one person or two three person at one time to know their reaction to something. You can change your question, you can depending on their responses, you can you can frame your own new questions to get deeper and deeper and understand their deeper feelings about a product. Then experiment and field trial, as I said you can reduce the price and see. We will see about Barack Obama's campaign team that they use the AB test moving forward.

Another way of observation, that is you observe closely the behave purchase behavior of customers. Maybe in a mall, you are standing at the corner watching customers, they are picking up your label and then they are reading something and then putting it back or putting it in the basket. Depending on what they are doing, what they are reading, what they did not like in your level you can make decisions.

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Primary Research Methods

Survey Focus groups Interview Experiment & field trial Observation

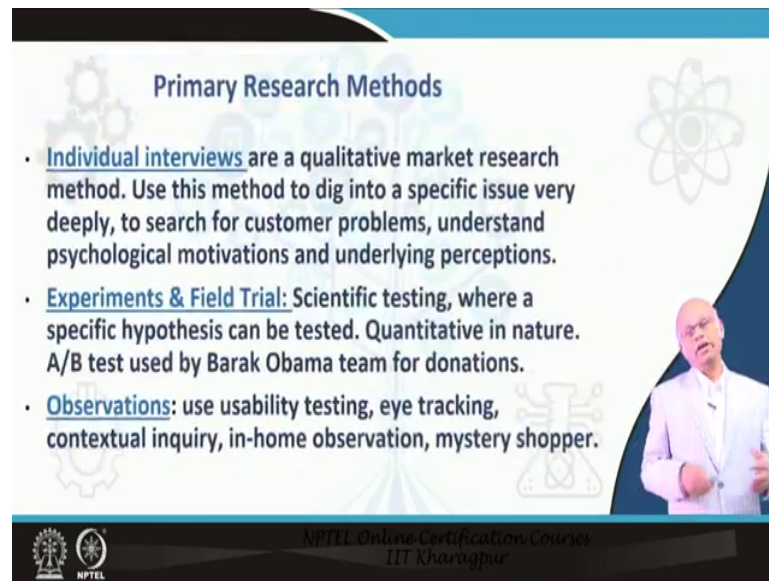
- **Survey:** You want objective decision making based on specific metric. You have a large sample and have the necessary resources.
 - People of particular demographic are chosen to respond to product or service.
- **Focus group:** Focus groups are people of similar demographic, homogenous in certain parameters, such as college gamers, newly wed women, new moms. They are brought together and interacted by a moderator to gain information relevant to the research problem. Excellent for exploratory and qualitative research.

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So, that is how marketing research is done. Survey; as I said it is done normally through questionnaire people of particular demographic are chosen to respond to product or service.

Focus group are people of similar demographic. They have a similar kind of aspiration, similar kind of challenges problems, their homogeneous in certain parameters such as college goers, new wed women or new moms like that. So, you bring them in a room and talk to them about a product that is very specific to them.

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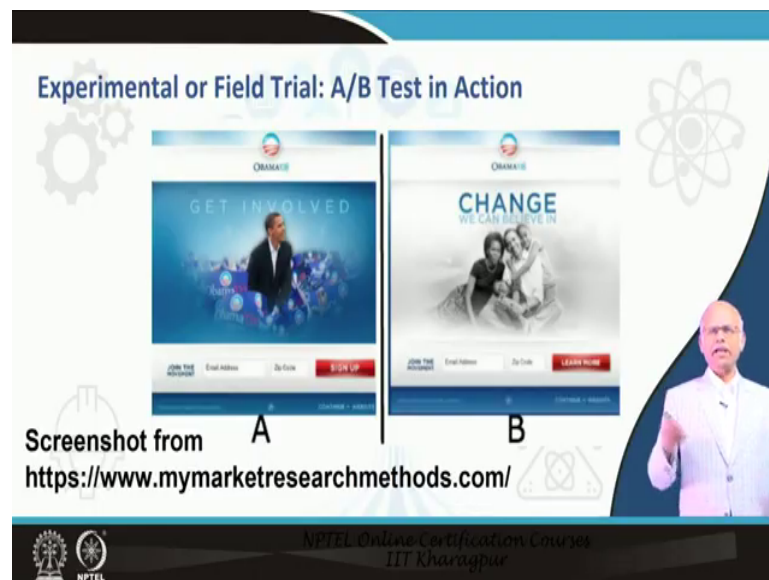
Primary Research Methods

- **Individual interviews** are a qualitative market research method. Use this method to dig into a specific issue very deeply, to search for customer problems, understand psychological motivations and underlying perceptions.
- **Experiments & Field Trial:** Scientific testing, where a specific hypothesis can be tested. Quantitative in nature. A/B test used by Barak Obama team for donations.
- **Observations:** use usability testing, eye tracking, contextual inquiry, in-home observation, mystery shopper.

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And get to know in deeper inside as to what will entice them into buying. Another three methods of market primary market research is individual interview he explained experiments and field trial observations.

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A B test introduced by Barack Obama over must team. Now people say that a picture speaks a 1000 words. So, give a picture show a picture and that will speak a 1000 word, then someone extrapolated that to say that if video contains thousands of frames of pictures. So, a video is always better than a picture. So, initially before the election of during the just before the election campaign started Barack Obamas marketing team showed a video inviting people to donate. They found lot of people watch that video, but the conversion rate from watching to making donation or something like 25 percent.

So, they thought something is wrong why their conversion rate is so small. So, they thought let us put some photograph rather than video. So, they put the photo that is at number A, Barack Obama looking like an angel and inviting people to get involved etcetera. They found that rather than video the still picture actually did better around 45 percent was their conversion rate. But now, they started doing more research, they challenge themselves. The

challenge is the first hypothesis that video is better. So, by challenging that they put a still picture.

Now, the challenge themselves even further. So, they put another picture, the message was families on. Family like, wife and daughter together and the conversion that went up to 85 percent. So, how people are going to react to the stimulation that you offer can be judged by real experiment you put two different pictures at two different sites and see how many people are visiting those sites and what is the conversion rate. Wherever the conversion rate is more, you get to know that this is what we should do. Otherwise, it is very difficult to subject to really decide as to what most of the times it goes against conventional wisdom.

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Lessons Learned from the Experiment

- Every visitor to your website is an opportunity – they may or many not convert into customers. You may know what motivates them.
- Question assumptions – they learned that images did better than video. Question your own assumptions!
- Experiment early and often – they experimented early and discovered the necessary change, and achieved unexpected success.

Screenshot from <https://blog.optimizely.com>

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The slide features a blue header and footer. The main content area is white with a blue background on the right side where a speaker in a white suit is visible. The slide includes a title, a bulleted list of three lessons, a screenshot attribution, and institutional logos at the bottom.

So, this is what we learn from that. Every visitor to your website is an opportunity. One visitor coming to your website and going away there has to be a reason and if you can take

care of the reason you are going to convert him or her into a customer. They may or may not be converted, but then you may know what motivates them why they left your website without really making a purchase.

If you know that next time you will be smarter. You will be more educated question your assumption like Obama's team questions question their own assumption that a video is better than a still picture. They learned that images did better than video question your own assumption, your own hypothesis experiment early and experiment often.

If they would have stuck with this video for a long time till the election and then they realize the fag end that that was not the right thing giving an image of the right thing or giving the image of the family of the right thing they would have lost opportunity, but then they realized at the very early stage that 40 25 percent conversion is not the right conversion rate it is below average. So, the experimented early and discovered the necessary change and achieved unexpected success. This is a screenshot from the same website both this as well as this. So, we will continue in the next session about other process of market research.

Thank you for the time being.