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Marketing Research

**Lec -01
Introduction to Marketing Research**

**Dr. Jogendra Kumar Nayak
Department of Management Students
Indian Institute of Technology Roorkee**

Welcome friends to the course of marketing research analysis well this course as a great value in today's term and everywhere you see today there is a you know the topic of research and analysis data analysis which as in fact become one of the most discussed topics in the world of business and around right so I am dr. J.K Nayak Jogendra Kumar Nayak from the department of management studies I have been teaching this course for a while now almost you can say seven years right now and maybe I have conducted about a dozen of courses on this same subject.

So what is this course all about and what I will be go to great the end of the day is what we are going to discuss so I will brief you about the course my contents and all so for example If I start like this let us say marketing research.

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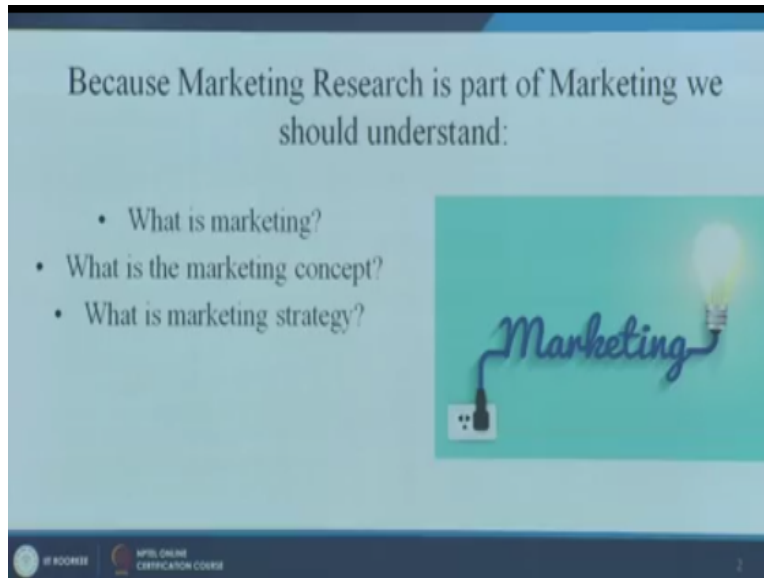


Analysis so there are two parts of this subject the first part includes the theoretical portions which is where I say is most important because after all if you do not have a foundation if you do not have a control over theory your understanding of your theory then one cannot apply the tools and techniques in a proper manner and this is what happens in most of the cases in the real world that there is a miss match.

Students come to me and scholars come to me and check and ask key how to solve the problem or how to come out with a solution and then I ask them what is your problem all about and that's I what some time I see people do not understand okay so I will try to brief you in this 20 sections which I have so first few parts I will cover the aspects of marketing research so covering what is marketing research and introduction and then what are the different constituents of it what are the different parts of the marketing research process what is the research design basically and how do we formulate a problem.

How do we move ahead in the research design and what are the types of research design all these things we will see right and then finally comes the data analysis part the next part of it the major part if it, so let us start begin the class so let me start with the since the name marketing is there I think everybody should know what marketing is all about right so as it say because marketing research is part of marketing.

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We should understand three things what is marketing, what are the concepts of marketing and what is marketing strategy all about right because see the basic idea is why should you study this subject, this study this subject is to be studied because the end result is that you are going to do something beneficial for a form or a company or an organization in may be in terms of increase market state.

May be in terms of increases in profitability may be in terms of increasing the customer base whatever it is, so how would you do it because one has to understand keep marketing is got some there is some difference between marketing and others fields are the management right marketing is more connected with the consumers at large so if you want to connect the consumer if you want to bring the consumer to your side how what should do so that is what marketing research talks about okay.

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What is Marketing?

- **Marketing** has been defined by the AMA as an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders.



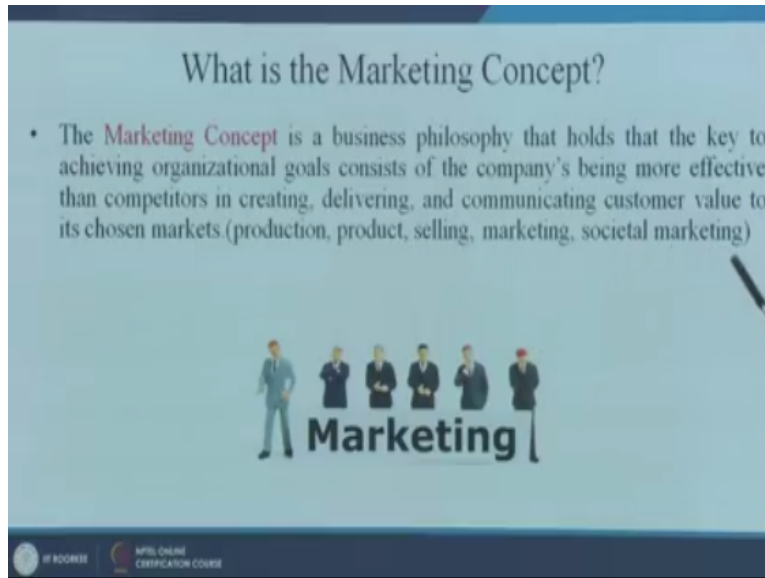
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So let us go with what is the first definition of marketing so marketing as been defined as a process of creating if you can see as a process of creating communicating and delivering value to the customers and for managing the customers relationships in fact in marketing in management it has been said that getting a new customer is 5 times more costlier than retuning the costumer right.

So in such a condition how to connect with a costumer becomes a very important part of marketing right okay what are the marketing concepts in fact when I say the word concept we have to understand since the you know the time the firms evolved the time when you know the theory of the nature of the firm was published by course and Reynolds course and things like transition cost economic scheme into place at one point of time there was the production was called to be at the helm of the affair right.

So the most important thing was the production and the customers where at the receiving end okay but today it has changed it has changed drastically let see what is happened so if you look at it.

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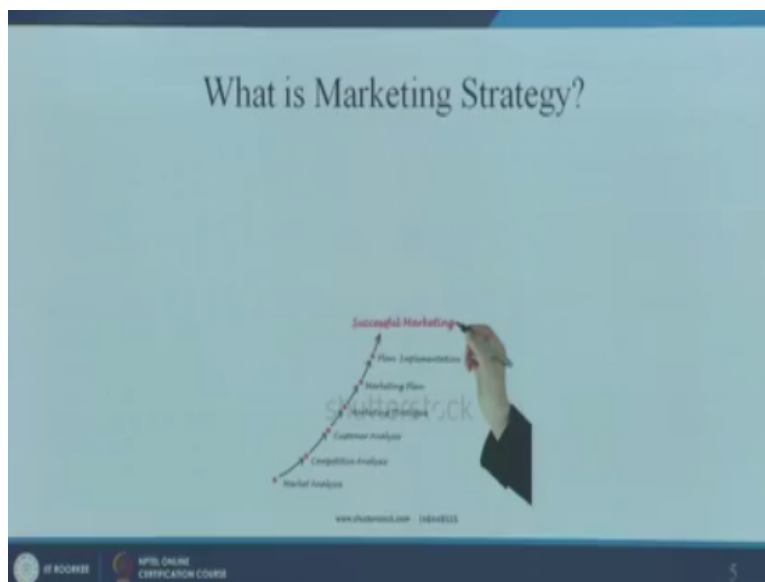
Now it is a business philosophy that that holds the key to achieve the organizational goals and consist of the companies being more effective than competitors in creating delivering the customer value, now what are the concepts there are five concepts of you can see this okay, these are the five concepts production concept as I said started with it, then we moved on to the product people said in the production that whatever you produce it will sold in the market, so the manufacture was the king right.

Then can the product concept where there is every good product would sell on it is own, so nothing is required then they thought maybe it is not working so we have to push our ideas it will sell our products, so maybe you know sales teams where organized and things turned up the way and companies started pushing that products right, but that also has it is own disadvantage so then companies started realizing what to do, how to move ahead how to bring the customer to our side now.

So that came marketing concept where this head you have to understand and identify the customer's needs and wants and accordingly then produce the product or service so that then custom you do not have to push the product to the consumer but rather the consumer the consumer will come towards the company or the product, so if I draw it, it is something like if you see in this let say if this is that the firm is initially the firm was selling to the consumer right but now.

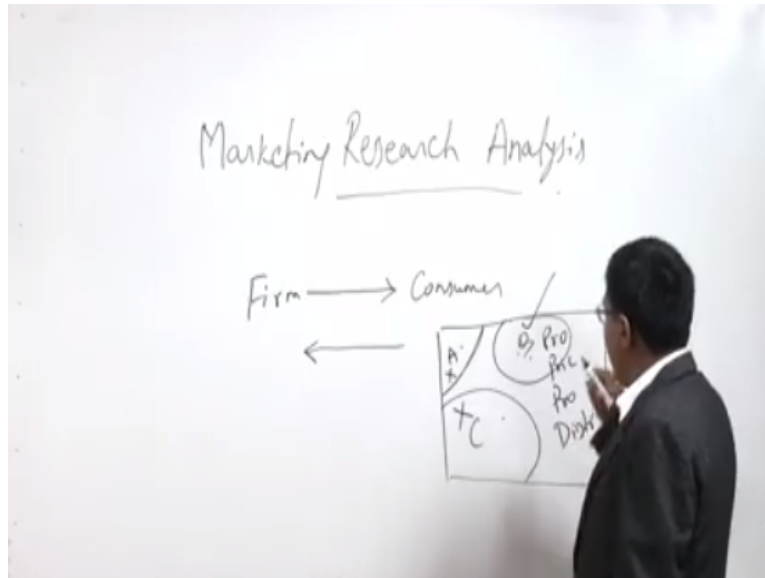
We are trying to reverse this direction okay finally came the societal marketing now marketing also had it is own flowers, so what are the flows that we did not taken to account we did not taken to account the societal part what kind of damage or we doing to the society the nature at large are we doing it in a sustainable manner so these are things been discussed what if we are exploiting nature to useful as extent and tomorrow there is nothing left for a next generation, so societal marketing talks about how to include all these things right and move in a positive manner okay finally comes the marketing strategy.

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Is says that it consists of a selecting a segment of the market so you have to understand what is the segment, now look at this board.

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This suppose this is my board let say or this is let say my market okay, now the point is this whole market I cannot you know get it to this whole market so what I do will I will only cater to this may be this piece of the market or maybe this piece okay, or let say this piece or maybe B and C together or A and B together or it could be anything like that right, so segmenting the market becomes easier because you can divert their resources in a more in a much better manner okay.


In a more effective way okay so and once you have that you know you see, now if you have design the market if you have segmented the market properly now then you do not have to put in your resources suppose this is the market you are going to then you do not need put your resources for A and C so B is the only market you are doing and to do that you can design your product you can design your price right, you can design your promotion you can design your distribution.

According to the needs of b okay so now look at this so how does the successful marketing go it starts with the market analysis so you analyses the market right look at your competitors your consumers your customers basically then accordingly you move ahead to create your to launch your plan and that creates an ex-successful marketing strategy all together, okay. now to practice marketing as I said.

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Key Point

- To practice marketing; to implement the marketing concepts; to implement marketing strategy, managers must make decisions.
- Many decisions require additional information and marketing research is needed in order to supply that information.



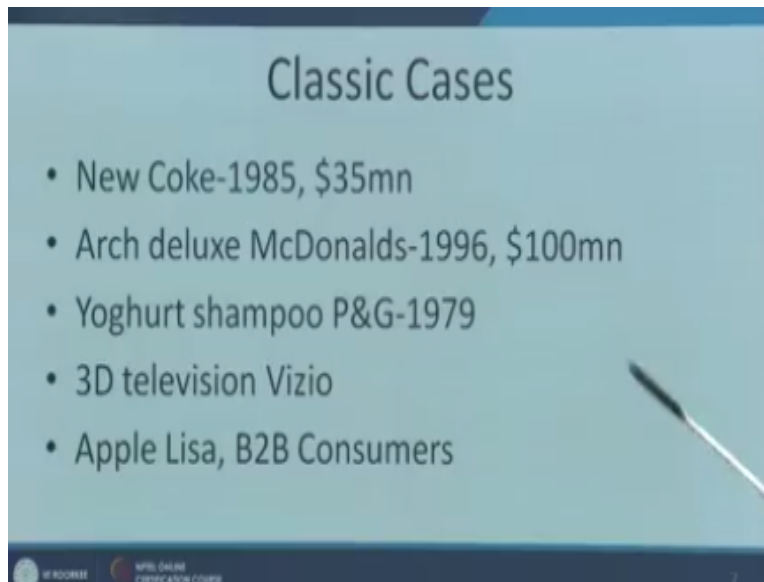
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But we have seen in this world that means several cases where compressive have come out with brilliant ideas organizations have come as brilliant strategies but they have met with the disaster, they have failed miserably and sometimes not so brilliant ideas have done wonderfully well, so let us look at a few things so what happens, what is the whole process behind it okay, so when you see this if you look at this line many decisions require additional information and marketing research is needed in order to supply that information.

So that means you require information to know okay, how can one do better in a particular market or one can do better for a particular kind of customers right. For example, let us take the halide Edwin's case okay, very famous this company was had started you know the profits where coming down later was not doing well but then the company thought what to do, how could they involve so they started the peer to peer markets, marketing techniques they wanted they a mali club like a dimension club, holiday Edwin's club and slowly they started promoting in there and it worked wonderfully well for them, right. So one has to understand what is that information that is we are missing or we needed from the market and that is where we research comes because research after all does nothing but it helps you to search an information, research searching again and again and again till you get into the right information, right, okay.

So these are some classic cases I have brought it for your benefit so you can enjoy and also learn at the same time if you look at the first one.

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It is a very, very powerful, very important case where because for wrong interpretation of the market and the consumers coca cola burned his fingers, what happened here coca cola came of with the concept of the new cola they thought that since taste was not a very important feature they could come up with something new to for consumers, but it was a grave great mistake because the people of US had a connection with the brand coca cola with the culture of coca cola, they reacted very badly and coca cola had to come back again with the new promotion saying the old cola is back again, okay.

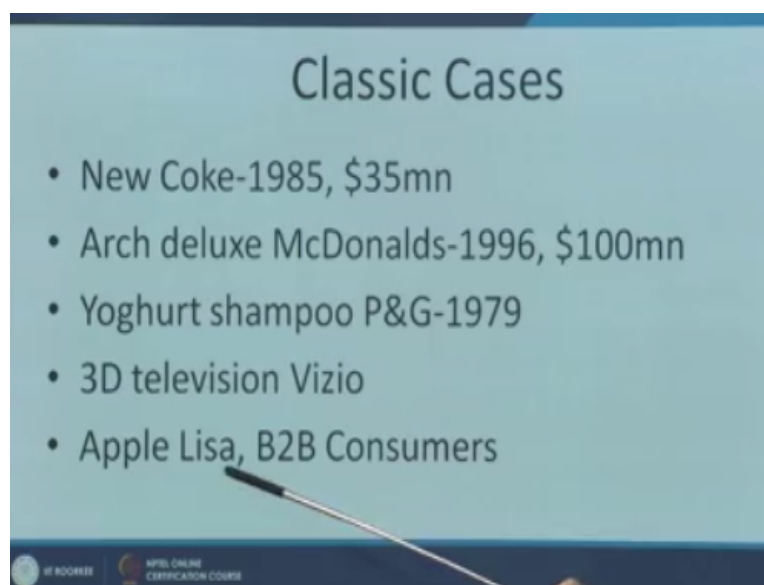
So sometimes things are connected with your culture, your tradition and you do not want to give it away so easily right. This was another case where McDonalds is thought the burgers were being very famous so they thought if my burgers are famous for with the children's it would also be famous with the adults because you know it happens that parents also do consumer part of the burger with the child, right.

So they thought that and they launched a premium priced burger right, product of McDonalds which was coming up. But the adults did not like it, they were not ready to pay higher price, they dislike the product they were treat, they thought they were been treated like a child that is the discouraged it and in the whole way coca cola lost 100 million dollars in the year 1996. Yoghurt shampoo was another case of portrait gamble one of the most well researched well most popular company in the world you can say easily.

Yoghurt shampoo when it came it also made a mistake the mistake was they did not research well to understand what do people like in a shampoo, they thought that going back to your nature and natural products would be a good way of increasing your market share. But to your dismay what happened is people react, some people even consumed thinking it is yoghurt they consumed the shampoo and they were hospitalized it gave a very bad remark and this product failed.

Another product 3D television who would think that 3D television would be over a failure, similarly Vizio Company established in the 2000 in early 2000 they never thought, they thought a 3D television would be a popular thing but it failed what happened? The reason was the head again not researched what they are not researched? They are not researched that the number of the 3d movie is being made was very few and people where not ready to where those glasses most of the time so why you would anybody watch a 3d television right and lastly this is apple.

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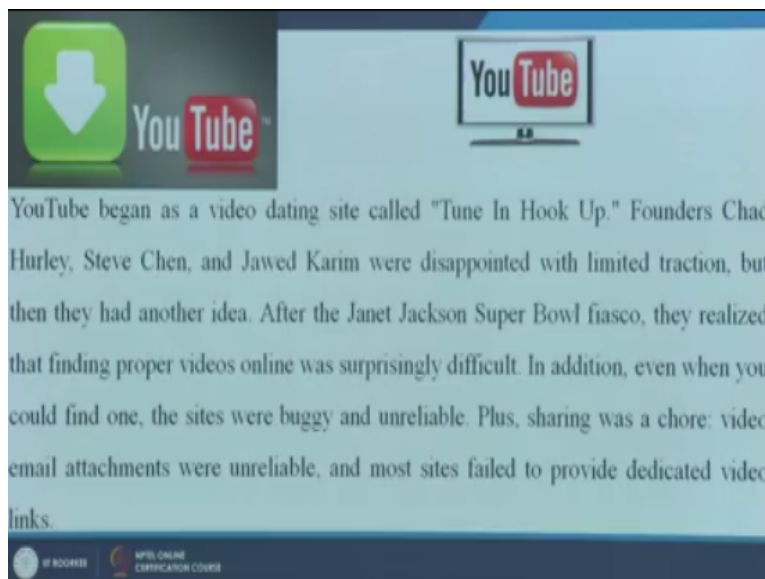


I deliberately brought in apple here because we all talk about apple apple apple because apple a doctor keeps the doctor away you know apple you take a doctor away there is a statement and the

same side apple as a company is the most researched company and the most successful company in the world we say and put in terms of market capitalization. So when apple came with the Liza project the project Liza they try to address it to the B2B consumer but they did not realize one thing that the B2B consumer for that particular category was very price sensitive consumer.

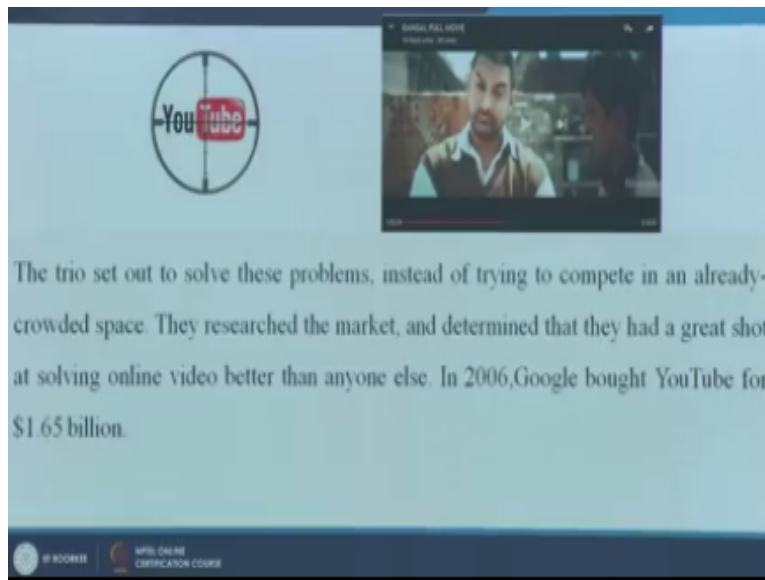
And the Liza project again failed so why I am saying this is because such great companies also can make great mistakes and get in to huge losses right, so because of it not a good proper you know research either research or research design you have not made your research well so you could land up in to trouble, so let us be very careful this is the successful case. Now you tube when people you know can see the founders.

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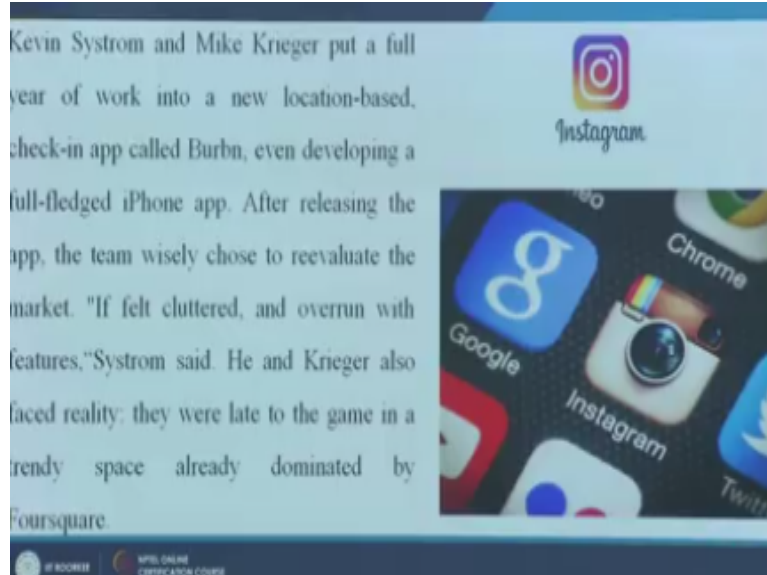
The founders scared Hurley, Steve Chen, and Jawad Karim they thought what is there to you know how to find out a way so that they could give it to the public without any bugs without any problem it could you know show the videos of you know it is very popular shoes and all, they saw that sharing was a at that time was not very reliable thing it was unreliable and most sights failed to provide dedicated video, so what happen? They saw it an opportunity, this research help them to find an opportunity in the market right.

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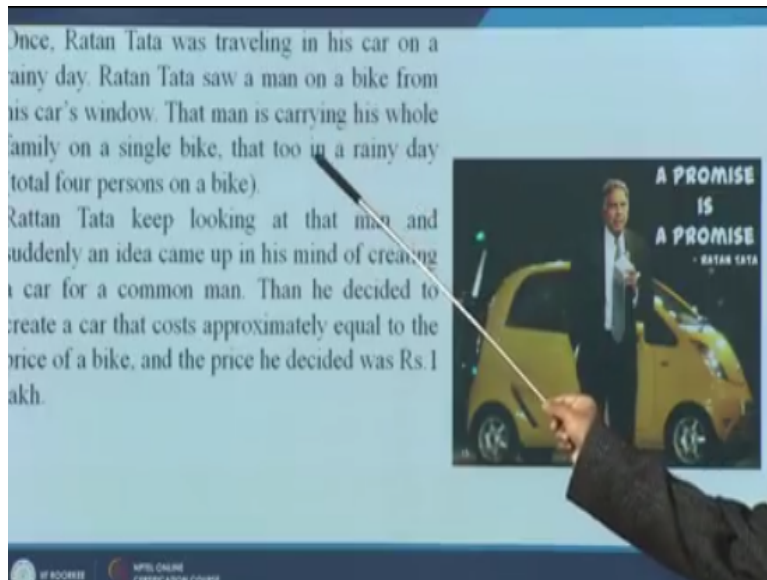
And what came up was you tube which was brought by Google for 1.65billion so who could think that such a small idea could become such a large organization and such a large profitable venture okay. Similarly there are so many other examples like the case of Instagram.

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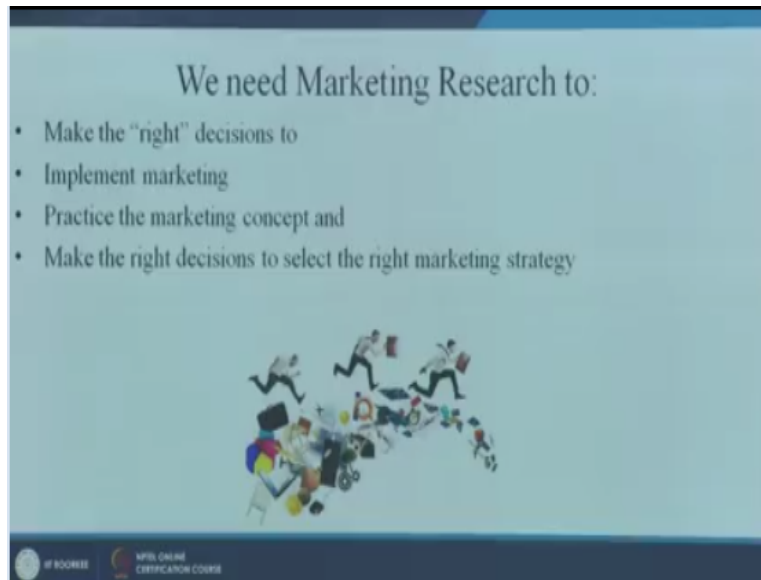
I have put it here you can see that later on and I also put the case of nano, nano is the very classic Indian case I do not want to get in to the debate of whether it was successful or not but we can easily say that nano was a classic case of new product being develop for a new range of consumer right. So how it happen? Ratan Tata finds that one day family was traveling on a scoter.

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With four people and it was very uncomfortable so he decided then and there that he would make a car of 1 lakh, so this is how the nano started right so we need marketing research too make the right decisions to implement marketing practice the concept.

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And make the right decisions to the set the right marketing strategy, so how this marketing research define now let us see that it says it is the function that links the customer the consumer and the public through information.

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What is Marketing Research? AMA definition

- **Marketing research:** the function that links the consumer, customer, and public to the marketer through information – information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve the understanding of marketing as a process.



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So which we discuss just before and so this information is use to identify and defiant he marketing opportunities as you tube did? They found that there was an opportunity so they explored it that opportunity and they did well right so this is all the marketing research definitions says

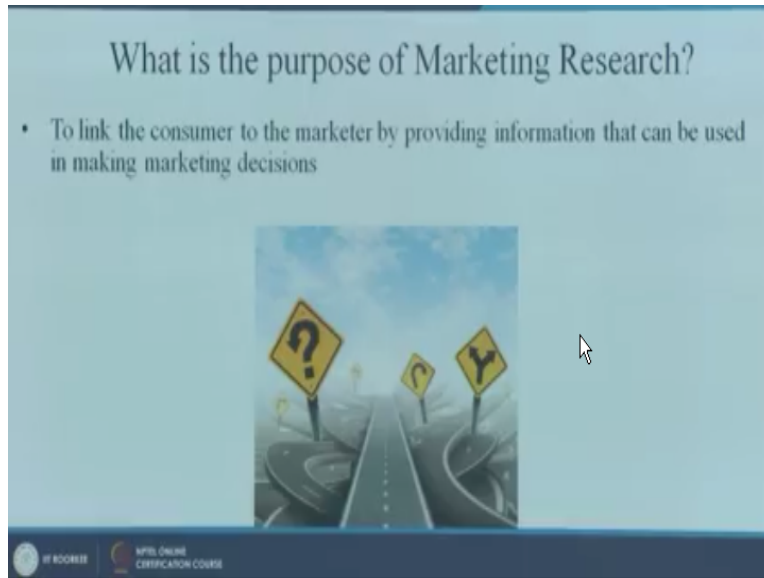
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Now this is the classic question that comes when we are into the subject of market research so what does this mean let say if I break it up into two parts let say market and then say again the next one marketing okay so what is this market research and what is marketing research is there any difference between the two what is the difference we have to think so market as the name suggest we feel it is like geographical boundary is a large potential set of buyers and sellers.

Today they may few if I say only geography it might be wrong because we are playing on the virtual world so okay so marketing research market research talks about specific group in a specific geographical area but that might you can extend it to the virtual world which is much bigger okay.

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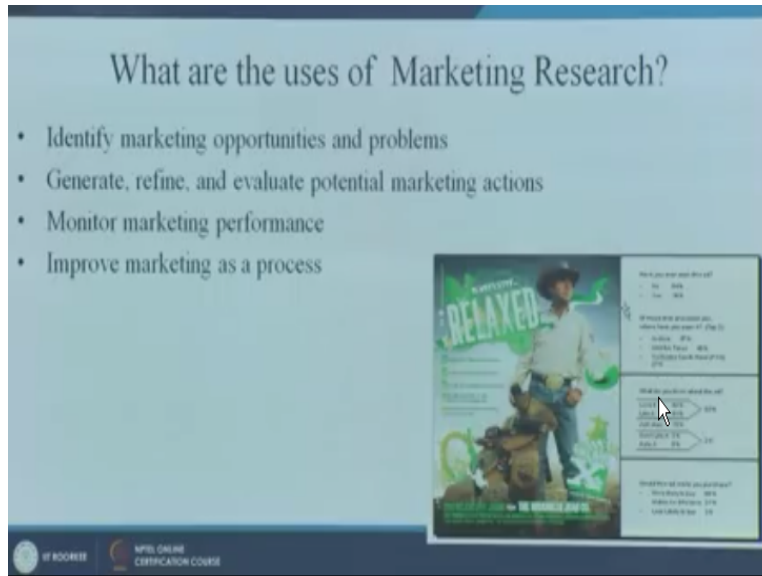
Marketing research what the purpose of market on the other side the marketing research let see it helps to link the consumer to the marketer by providing information that can be used on making marketing decisions for example what is the right price what is the right product should be distributed through this channel or should we distribute some other channel.

What is the right promotional technique should we promoted it on TV should we add it on the cable should we add it on the let us say internet should we give it to some other kind of a you can let say sponsors a cricket match for example anything right so how do you do it the basically the four P's of marketing that we talk about and it is connected to this four P's of marketing right.

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What are the uses of Marketing Research?

- Identify marketing opportunities and problems
- Generate, refine, and evaluate potential marketing actions
- Monitor marketing performance
- Improve marketing as a process



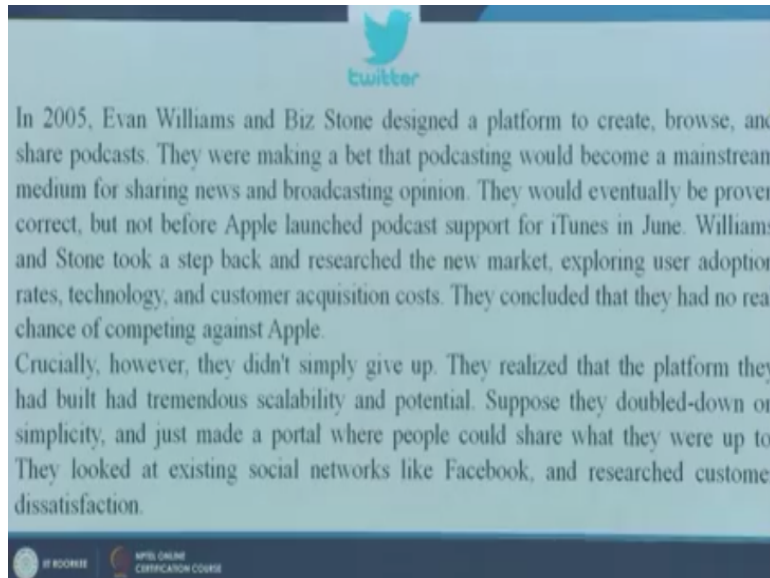
The slide features a bulleted list of four uses for marketing research. To the right of the list is a small inset image of a survey titled 'RELAIED' (likely 'RELAIED' or 'RELAIED'). The survey includes several questions and their corresponding percentages:

Question	Percentage
How do you use the internet?	<ul style="list-style-type: none"> For 80% For 80%
If you were a product, what type of product would you be?	<ul style="list-style-type: none"> Service 80% Product 80% Customer 80%
What do you think about the internet?	<ul style="list-style-type: none"> Good 80% Bad 80% Not sure 80%
How do you use the internet?	<ul style="list-style-type: none"> For 80% For 80% For 80%

At the bottom left of the slide, there is a logo for 'WU ROOFTOP' and 'WU ONLINE CERTIFICATION COURSE'.

Mostly so let see this what is the uses of marketing research identifying the marketing opportunities and problems as I said again let us go back to examples generate refine and evaluate potential marketing actions right so what is the right marketing action to be taken monitor the marketing performance checking that we are able to achieve our objectives or not is very important improve it as a process altogether.

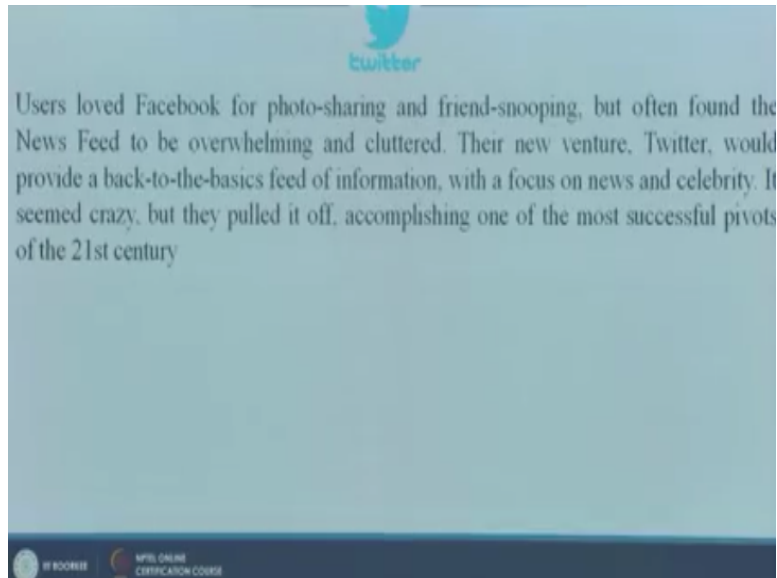
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Now this is the case of twitter as an example which you like is twitter wanted to launch that product right but initially they have found they were competing the one of the greatest players in the market Apple so the third podcast which was apple had launched with support for iTunes would obviously not do well because they were competing they were small player and they are competing directly again because they joined Apple right.

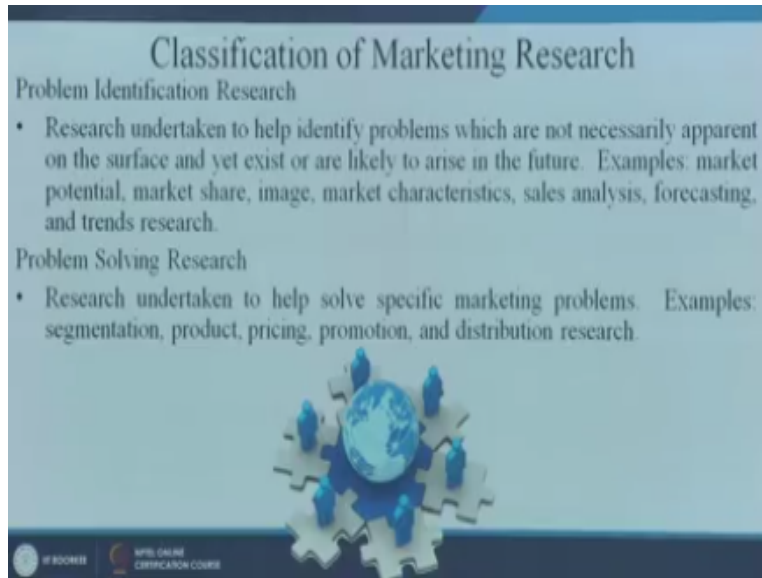
So the third they conclude that they are no real chance of competing against apple so what they did was they did a survey to find out they realized after the survey that the platform they had build the tremendous scalability and potential right suppose that they double down on the simplicity and just made a portal were people could share what they were up to then it will be wonderful right.

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After researching they found new venture twitter now which would provide a basic feed of information with a focus on news and celebrity so it simple proceed but they pull it off initially with the every new idea people start rising and the think it will not work but they done the research they saw there was a gap in the market which was existing and they could take advantage of it right.

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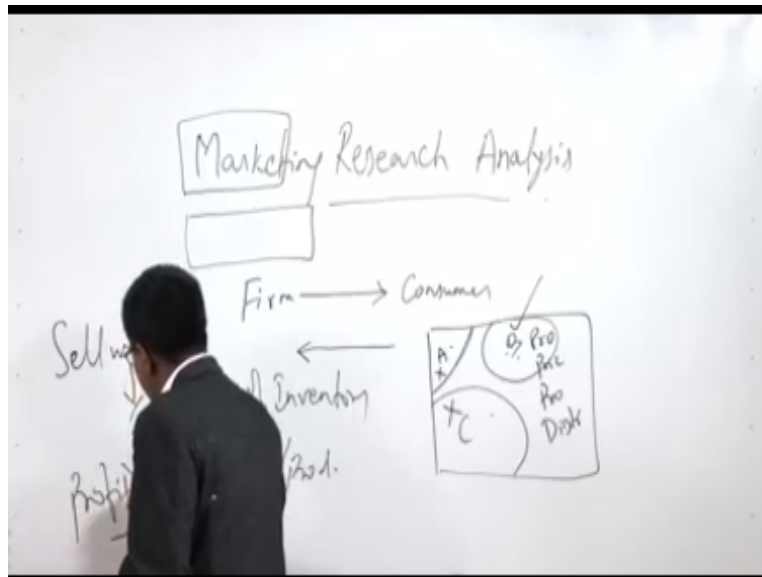
Classification of marketing research, so basically we will classify into the problem identification research and problem solving research, identifying the problem is itself the successful thing, for example market potential, what is my potential, am I not working to my potential, can I do something more? What is my market shell? What is imaging the market? I will tell this case of you Parle. When Parle changes its packaging, just to make it more masculine people initially felt that it is okay to have a Parle but when the color of the packaging changed.

People started thinking that this is something like more bigly the more energy into the Parle and it is really a fantastic product. So there was no change in the product but only in the packaging right, so your images also changes the way you project yourself, so what is the image that is acceptable in the market and market words it is very important, so the characteristics of the market for casting and trends in the market.

So what is the present trend? Once upon time the fashion trend if you see change very moment, every 5 years, 10 years there is the change in the fashion again you go back to the old times and all it so happens. So understanding the forecasting, for example there is a very classic case way of you know sometimes happens, I will tell in my classroom also. That if you're forecasting is wrong, if you go wrong go in forecasting, if you predict you are forecast well.

You can predict your market well there is the enormous loss that a company can make because the entire chain is getting effected. Let say your, if does not sell well right then automatically there is a.

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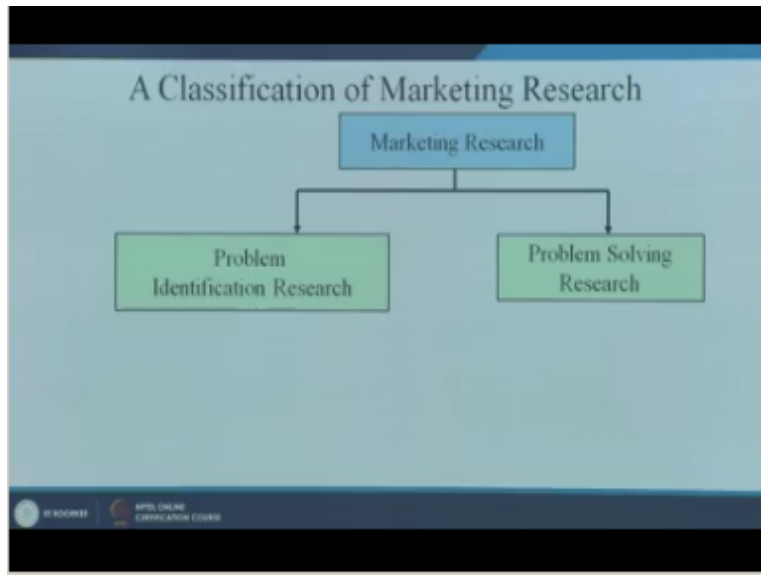


Pile of inventory right, this entirely affects the operation and production side of the company right. So and obviously when all these gets effected the profitability does not remain the same, so profits go down. I think if you can see the profits will go down. Similarly problem solving research talks about examples like segmentation, which segment, there is a very nice example which I will tell you.

How to segment the market? How companies these thing for example Godrej hair dye understood that there was a market beside the human beings right. In Maharashtra when they were selling their dyes, they thought and surprised to see why this dyes are going up on Maharashtra where states of hair dye had no clue, but they were surprised that this was been used for coloring the buffaloes and you can understand how much the buffaloes consumes.

So these are something like there was a important market that was untapped, so how to what products to make what pricing, I can give you the double the example of this, for distribution the famous Tata is chota hathi comes to mind. In the violence of the Lucknow if you have to take your truck you cannot take it so difficult, so Tata came up with this different concept chota hathi which Tata is and this vehicle manure could you know move into the any lane of any place in India because India being very consisted place so and this product that the reason became extremely successful right.

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So as I said these are the problem identification in problem solving research so which side equally they both important.

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Problem Solving Research

SEGMENTATION RESEARCH	PRODUCT RESEARCH
<ul style="list-style-type: none">▪ Determine the basis of segmentation▪ Establish market potential and responsiveness for various segments▪ Select target markets▪ Create lifestyle profiles: demography, media, and product image characteristics	<ul style="list-style-type: none">▪ Test concept▪ Determine optimal product design▪ Package tests▪ Product modification▪ Brand positioning and repositioning▪ Test marketing▪ Control score tests

The slide includes a small graphic of a person climbing a red staircase and an illustration of a stack of money.

Okay I think we have gone through this for example the test marketing for example I remember the time when nestle was doing its test marketing for the magi right and when I was in school

obviously right so when they doing the test marketing they were trying to influence they were trying to see whether the market would be readily accepting the products are not sometimes if you do not do it you are surprised because the market rejects your products because the market rejects your products right very dangerous okay so all this you can see right product modification package test and all very important okay.

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Problem Solving Research

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PRICE CUT

PRICING RESEARCH

- Pricing policies
- Importance of price in brand selection
- Product line pricing
- Price elasticity of demand
- Initiating and responding to price changes

PROMOTIONAL RESEARCH

- Optimal promotional budget
- Sales promotion relationship
- Optimal promotional mix
- Copy decisions
- Media decisions
- Creative advertising testing
- Evaluation of advertising effectiveness
- Claim substantiation

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Similarly the pricing policies what is the pricing policy if you underperform if you under price the product you are losing valuable money if you over price you will miss out on the customers right so you will miss out on the large number of potential customers who could have purchased your product but now they are not but now they are not there with you right so that is also very dangerous elasticity of price is extremely important in the market because again that happens consumers in some cases depends on the type of product obviously in some products they are very sensitive in some product they are less sensitive.

So if you are in a sensitive product the firm is working in sensitive product and they play with the price it could be either very positive or it could be negative one can be very careful so all these needs research all these need data all these needs to be you know one to see very detailed but any research will only happen when you are very clear what is your objective right what is your objective and how to move further into that right okay I think what I can do I this will be my possibly lie last slide of today and then we will may be carried on to that class okay.

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So if you can see this is a whole in a holistic way I have tried to show you this is marketing research and this is the factors that affect uncontrollable factors that affect the marketing research for example you economic condition that demonstration happened recently and that affected many components for example the Bajaj says there is there were heavily affected because of demonstration people did not have money right okay technology lose in regulation political factors controllable prices variables are your because it is hands of the company right they can do a good research and find out what is the optimum.

Value for it the groups customer groups are who are involved other consumers employees shareholders suppliers and all this marketing managers have to look into the segmentation the target market the programs performs and control so how do you at the end you have to monitor

your performance and to have a control over it right okay thank you so much thanks for the day we will meet in the next class of marketing research analysis thank you so much.

For Further Details Contact

**Coordinator.Educational Technolgy Cell
Indian Institute of Technology Roorkee
Roorkee 247 667**

E-Mail Ecellitrke@gmail.com etcell@itr.ernet.in

Website: www.itr.ac.in/centers/ETC. www.nptel.ac.in

Production Team

Sarath Koovery

Mohan Raj. S

Jithin. K

Pankaj saini

Graphics

Binoy. V.P

Camera

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Online Editing

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Video Editing

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