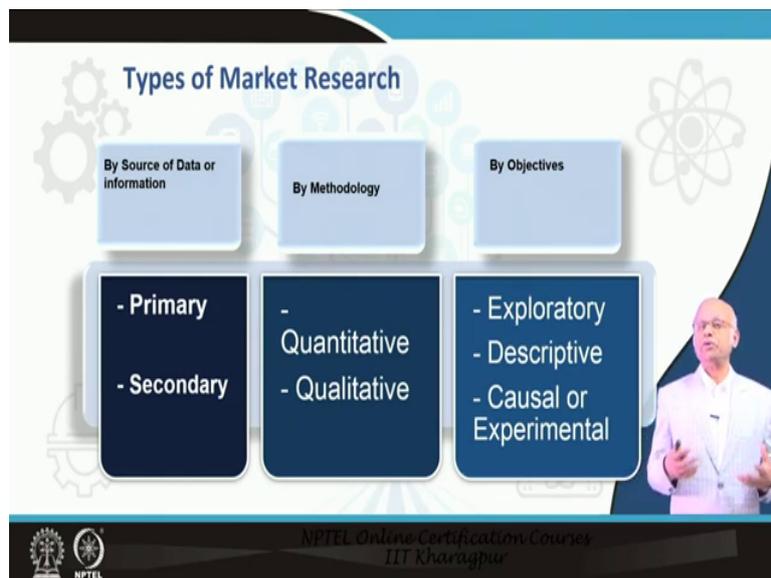


**Entrepreneurship Essentials**  
**Prof. Manoj Kumar Mandal**  
**Rajendra Mishra School of Engineering Entrepreneurship**  
**Indian Institute of Technology, Kharagpur**

**Module - 03**  
**Lecture – 15**  
**Marketing Research (Contd.)**

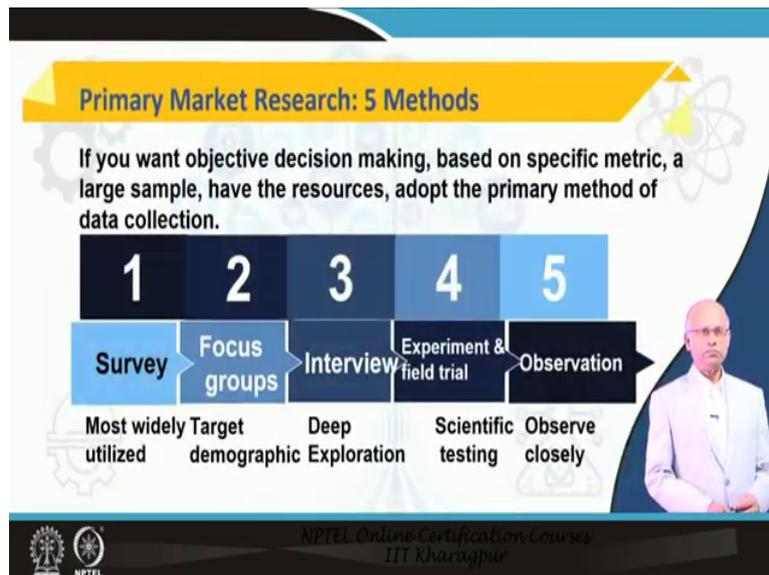
(Refer Slide Time: 00:31)



Hello and welcome. We are going to continue our discussion on marketing research. We were discussing about the research methodologies and we discussed in brief the primary methods, we will be elaborating a little more on that.

So primary research, secondary research is the research by source of information, source of data. Then quantities, quantitative, qualitative is the methodology and then by objective we do exploratory research, descriptive research, causal and experimental research.

(Refer Slide Time: 01:04)



So we will discuss little bit about the market research by source of data that is primary and secondary. As we have already mentioned that primary methods involve can be done using 5 methodologies One is survey, meaning you prepare a questionnaire or any media through which you would like to gather information from your target audience.

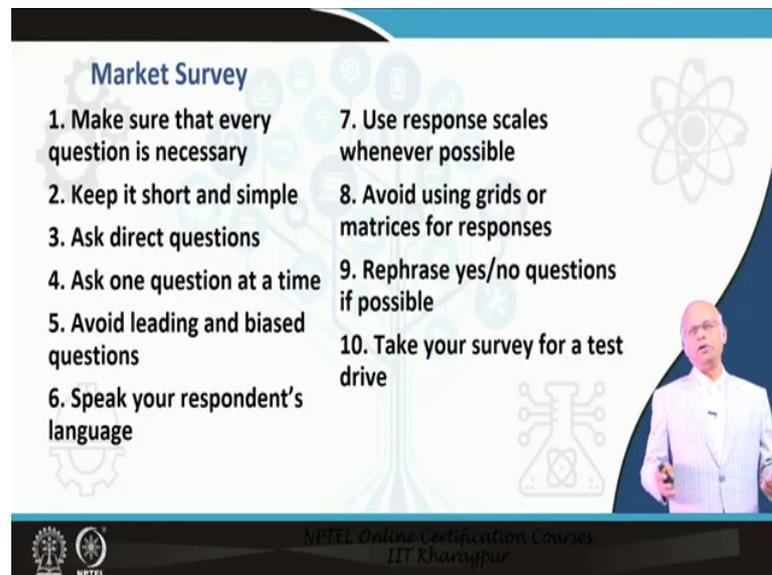
So survey is normally done through questionnaire, you write question, the respond, then collating the responses, you analyze the data and come to a conclusion or come to draw inferences. Focus group that is, you invite a people homogenous people in a room they have

similar kind of challenges or aspirations, so you can talk to similar kind of people in a room and then get insight.

Interview that is one-to-one process of getting deeper insight about market means customers needs and aspiration and the level of satisfaction it can be one-to-one it can go one-to-two, one-to-three, etcetera. But then it is not one-to-many. It is just one-to two-to-three. Then experimental and field trial; experimental means you put some stimulation into the market. Either you reduce the price or increase the price or you spend more money in advertisement and see, what is the reaction of this higher advertisement expenses.

So that is kind of a causal research. Another is observation. Observe closely: meaning, you observe customer's buying behavior or their lifestyle also matters. Many what kind of people are buying and why they are buying you try to get to that.

(Refer Slide Time: 02:53)



**Market Survey**

1. Make sure that every question is necessary
2. Keep it short and simple
3. Ask direct questions
4. Ask one question at a time
5. Avoid leading and biased questions
6. Speak your respondent's language
7. Use response scales whenever possible
8. Avoid using grids or matrices for responses
9. Rephrase yes/no questions if possible
10. Take your survey for a test drive

NPTEL Online Certification Courses  
IIT Kharagpur

Moving forward, market survey involves several steps. One is make sure that every question is necessary. When devising a questionnaire, these are the precautions that one has to take. Keep in short and simple because nobody has time to go through lengthy questions, usually majority of the people avoid responding to a questionnaire.

If some people agree then, we should not bother them with lengthy question, twisted question, asking personal information, or asking them to think deeper and then come up with a kind of a deep thought process. Means, respond with a with a kind of argument response that is argumentative.

So we need to ask a straightforward question that has a straightforward answer. Only then, people will be interested to respond. So make sure that every question is necessary do not put unnecessary question. Keep it short and simple, ask direct question, ask one question at a time. So that then less confused if they are confused they will bypass the question. Avoid leading and biased question do not try to help them to come up with an answer something like, do not you think that so and so party is not doing well.

So that is kind of you are throwing the pushing the answer into the mouths of the customer or the respondent. We should not we should avoid doing that then, you get a biased answer. Speak your respondent's language, meaning the language that they understand well. Use response a scale whenever possible, that will help them to come to a conclusion about a particular answer.

Like you say that you put 1 to 10, you place your feelings about this then they will put some 5,6,7,8 that that becomes very easy, but if you ask them to put a data on that without any reference or without any guidance, it becomes difficult for them to put. Avoid using grids and matrices that look so confusing and they will kind of not respond or they put some data somewhere which will which are not a right representations of what they actually think.

They might do something without knowing or something being confused. Rephrase yes-no question, if possible. So that they have a very clear understanding of the question and the

answer. Take your survey for a test-drive meaning, you circulate that the same questionnaire among your among the people you know, get their responses as to whether they understand all the question and is it?

(Refer Slide Time: 05:33)

Careful how you ask the question

Q. Do you approve of smoking whilst praying?  
A: No

Q. Do you approve of praying whilst smoking?  
A: Yes

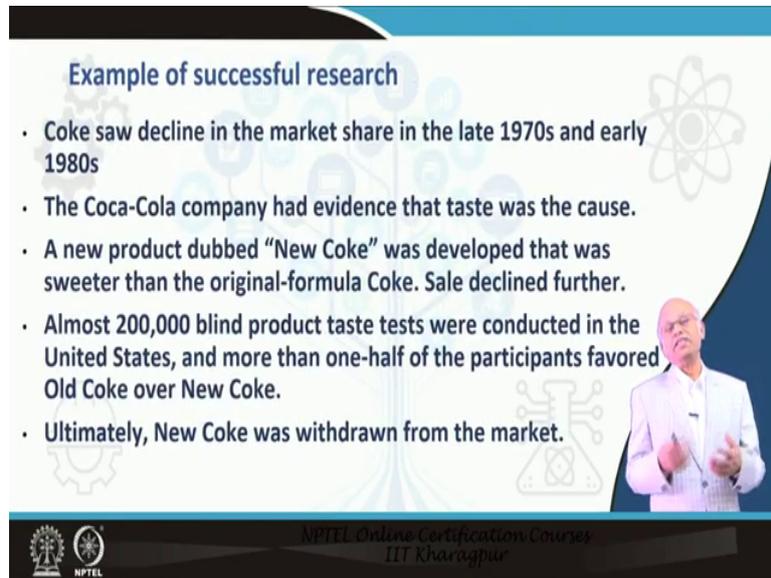
NPTEL Online Certification Courses  
IIT Kharagpur

Here is an example of a twisted question. Suppose, just think that you are asking to a person do you approve of smoking when you are praying? Mean is, he is a he is praying to God and then you ask him the do you approve that while praying you should be allowed to smoke or you should a smoke? Something like that.

The person is going to get annoyed. It is so kind of annoying, the question itself is so annoying, he may become furious. Rephrase the question differently, and see the answer. You ask him do you approve praying while smoking? The person will think well, I am smoking and if I pray what is the harm in that?

So he will not be annoyed he or she. And then you get an answer. He will say yes, why not?

(Refer Slide Time: 06:24)



**Example of successful research**

- Coke saw decline in the market share in the late 1970s and early 1980s
- The Coca-Cola company had evidence that taste was the cause.
- A new product dubbed “New Coke” was developed that was sweeter than the original-formula Coke. Sale declined further.
- Almost 200,000 blind product taste tests were conducted in the United States, and more than one-half of the participants favored Old Coke over New Coke.
- Ultimately, New Coke was withdrawn from the market.

NPTEL Online Certification Courses  
IIT Kharagpur

So phrasing the question intelligently will elicit the right answer. Right here, in this case right or wrong difficult to say, but then that is what is necessary.

Example of successful research. Unsuccessful research actually. Successful research are Agatha Christie one. Unsuccessful research in case of Coke in 1980's they realize that Pepsi has come up with a sweeter coke, sweeter beverage and that is selling higher and Coke is actually was losing market share. So they thought what has gone wrong?.

So they did some market research they did a blind test, they made a tastier or say sweeter coke that they did not name that it is Pepsi, but they said this is 2. These are 2 varieties of Coke one

is sweeter variety, another is not so sweet. The previous Coke was less sweet the classical coke was less sweet.

Then in a blind test, majority of the customer said they like the sweeter Coke. So they thought something is amiss about our whole strategy. So we are advertising we are spending so much of money. Whereas, customers like sweeter Coke and that is why they are they are switching to Pepsi because Pepsi is sweeter.

(Refer Slide Time: 07:45)

**Coca Cola Failure and Success**

Coke was losing market-share

May 1985 Old Coke withdrawn

New Coke introduced presuming customer prefer sweeter taste

The strategy failed.

July 1989 Old Coke reintroduced as Coke Classic and sales went up.

The slide features a blue and white background with a grid of numbers. It includes a portrait of a man in a white suit on the right, two cans of Coca-Cola (one labeled 'NEW') in the center, and various icons like a hard hat, a beaker, and a molecular structure.

NPTEL Online Certification Courses  
IIT Kharagpur

So what they did is they after this experiment, they introduced a new coke that was tastier in terms of sweetened sweetness. So it was sweeter. And then they introduced that as new Coke because they did not want to confuse the customer with the classical coke. They did not say it is Coca-Cola.

They said it is new coke. But then to their surprise, sales went down even though all marketing research indicated that they should go for sweeter Coke, but then market went down. Why? Because people were emotionally attached to the classical Coke. When they found a new level, new Coke the thought this is not my cup of tea this is not my beverage.

So they switched to Pepsi. So their sales went down and then they asked the same question to customers again and they realize that it is not the taste of the sweetness or anything, but the emotional attachment the trust of the brand per se.

So again, bit of mistaken market research, bit of successful market research, they introduced another new Coke saying that Coke classic, Coca-Cola classic meaning, the people have been given the understanding that we have brought the old Coke into the market classic Coke. So again, they saw that sales went up it is not the taste, but it is the connectivity.

So, they spent more money in advertisement and then eventually sales went up which the Coke was not sweeter.

(Refer Slide Time: 09:29)

Methods	Qualitative or Quantitative	Cost	Time	Suggestions
Secondary	Both	Low. Free in some contexts.	Short	Get a bird's eye view or a ballpark estimate. Good to start with.
Primary	Survey	Usually costly. Cost elements: Participants incentive, survey design, survey administration	Medium	Gain insight on specific parameters. Get reliable information.
	Focus groups	Medium. Cost elements: Group moderation and participant incentives.	Medium	Slightly deeper probing than exploratory.
	Interviews	Medium. Depends on the sample size.	Short-Medium	Deeper than exploratory. Gain insight on specifics.
	Experiments & Field trial	Most expensive	Usually long	Used for testing hypothesis. Reliable inference.
	Observation	Qualitative	Medium. Depends on complexity of the problem.	Medium

NPTEL Online Certification Courses  
IIT Kharagpur

Now its a little bit of comparison about primary-secondary data collection, data gathering. Secondary, if you remember is gathering available data. You are not asking question to the people who are the source of the data. But you are gathering data that has been that have been collected by somebody else at some other point.

So you can write directly walk into the premises of an office of a Database Manager or Database Management Organization, they are going to just pull some data and then give it to you. So its very quick and because this data are being sold to many people so it will come at a cheaper rate.

So your expense is low whereas, this is not primary data you do not know the accuracy of the data and there is a time-gap always because the data was collected some time back, you are

not asking the question directly to the audience. So the benefit is it may be qualitative-quantitative like someone published data on say purchase of some white goods.

So it will be quantitative. But otherwise, if some data is not really objective, but subjective, so that is qualitative. Cost will be most likely low, time will be very short because somebody is going to pull something from the computer and then give it to you. Suggestion, this is only this will give you some birds-eye view or some ballpark estimate of a of situation.

Whereas if you are collecting primary data, then the cost is going to be high, but you can have qualitative and quantitative data, accuracy is more, but then it is going to be most expensive. So you are going to use 5 methods. Number 1, survey, focus group, interview, experimental field trial and observation. Rest are all provided here.

Next in the line is by methodology. Market research by methodology. You collect quantitative data or qualitative data, this discussion is already done. So we will be very brief on this.

(Refer Slide Time: 11:49)

The slide is titled "Qualitative Versus Quantitative" and features a background with faint icons of gears, a tree, and a person. It contains two bullet points. The first bullet point describes qualitative research as exploratory in nature, listing methods like focus groups, triads, dyads, in-depth interviews, uninterrupted observation, bulletin boards, and ethnographic participation or observations, and notes it is less objective. The second bullet point describes quantitative research as looking to quantify a problem, involving data collection through surveys in different modalities (online, phone, paper), points of purchase (purchase transactions), and click-streams, and notes it is more objective. On the right side of the slide, there are two small inset images: the top one shows a chalkboard with the text "You can only explain Everything" and a diagram of a tree; the bottom one shows a man in a white lab coat speaking.

### Qualitative Versus Quantitative

- Qualitative research is **exploratory in nature**. Usually gathers data using focus groups, triads, dyads, in-depth interviews, uninterrupted observation, bulletin boards, and ethnographic participation or observations. Less objective.
- Quantitative research looks to **quantify a problem**, involves collection of data through surveys in different modalities (online, phone, paper), points of purchase (purchase transactions), and click-streams. More objective.

NPTEL Online Certification Courses  
IIT Kharagpur

Qualitative research is exploratory in nature. This they do not give numerical value. Usually, gathers data using focus group, triads, dyads meaning, interview between one-to-two, one-to-three, one-to-four, in-depth interview.

So you get a qualitative assessment, you do not get quantitative assessment because you are not talking to many people, talking to handful of people. So you get a qualitative estimate, but if you want quantitative, you need to reach out to a larger audience. And it is uninterrupted because nobody is bothering and you are you can respond to an answer, then you ask a question the audience respond to a new question.

So, it is all you know you gain insight then you devise your new question. Bulletin board meaning, there will be a board somewhere, people will come and write their opinion or

responses. Depending on whatever question you ask. Ethnographic participation or observation, these are all less objective. Obviously, this is not really numerical.

Quantitative research looks to quantify a problem. Involves collection of data through surveys like you survey through many people, say, your total target audience is 1,000,000, you gather data from 1,000 people they are kind of form a representative sample of the population.

So the outcome of that research is going to be meaningful and useful. You can use online or phone, paper, then you points or points of purchase. Meaning, when people are buying you ask question at that point of time. Purchase transaction and click streams. Why people are clicking? Why they are? Means how frequently they are clicking? After clicking, where they are going? You try to assess all of them. This is more objective because you get data.

(Refer Slide Time: 13:41)

**Types of Market Research: By Methodology**

	Qualitative	Quantitative
Type of Question	Probing	Simple
Sample Size	Small	Large
Information per respondent	High	Low(ish)
Questioner's skill	High	Low(ish)
Analyst's skill	High	High
Type of analysis	Subjective	Objective
Ability to replicate	Interpretive	Statistical
	Low	High
Areas probed	Attitudes	Choices
	Feelings	Frequency
	Motivations	Demographic



NIPTEL Online Certification Center  
IIT Kharagpur

So by methodology, this qualitative and quantitative types of question. And these are the responses. Sample size is a small and qualitative-quantitative is large because you need that number. Number means as many people as we are talking. So it will give some number. Whereas, in case of qualitative, sample is small because you can interview only so many.

Information part respondent is very high whereas information through a questionnaire or whatever process you use will be very low because, if you load with lot of information in the question the survey this is going to be highly involving, nobody is going to answer. Analysis skill requires high in both cases. Type of analysis, this side is objective, quantitative is objective, because you are dealing with real data.

Ability to replicate: if you are asking many people chances are very low that all people will say the same thing. Whereas, you are taking a survey involving many people. Now, we take the same survey involving another batch of people chances are very high the result will be almost similar. The feelings, motivations of qualitative the A area means the attitude these are factors that comes into that you can guess, you can observe whereas, in quantitative, you can observe their choices their frequency, the demographics all this information which will be contain in the questionnaire

(Refer Slide Time: 15:18)

Qualitative	Comment/Example
Cheaper compared to quantitative	Smaller sample size
Probes in-depth motivations and feelings	Allows managers to observe (through one way mirror) 'real' consumer reaction to the stimulation - e.g. comments and associations regarding a new product fresh from the lab
Often useful precursor to quantitative research	Gives a low cost and timely sense of which issues to probe in quantitative research

NPTEL Online Certification Courses  
IIT Kharagpur

Benefits for qualitative over quantitative. So qualitative is cheaper compared to quantitative it probes in-depth motivation whereas, quantitative cannot do that. Then often useful precursor to quantitative. Meaning that you want to go for a quantitative research, but then you are not sure whether this particular audience or whether it is going to ultimately be meaningful. Outcome will be meaningful for the problem-at-hand.

So you do some qualitative research, you get some insight and you realize whether it is really going to be worthwhile to go for a quantitative research or not if yes go ahead and then do. Last one is by objective there are 3 categories; exploratory: where you explore, descriptive: you try to describe or profile the market segment or micro level at profile the customer person.

Then you do a causal research. Give some stimulation and then see how it responds.

(Refer Slide Time: 16:29)

The slide is titled "Market Research: By Objective" and features a presenter on the right side. The background includes icons of gears, a network of nodes, and an atom symbol. The content is organized into three blue-bordered boxes:

- Exploratory** Preliminary data needed to develop an idea further. e.g. outline concepts, gather insights, formulate hypotheses.
- Descriptive** Describe an element of an idea precisely. e.g. who is the target market, how large is it, how will it develop.
- Causal** Test a cause and effect relationship, e.g. price elasticity. Done through experiment.

At the bottom left is the NPTEL logo, and at the bottom center is the text "NPTEL Online Certification Courses IIT Kharagpur".

Market research by objective. Exploratory, preliminary data needed to develop an idea suppose you think that you want to start some business in some area.

So rather than gathering data using lot of money, you can talk to some very small number of people closely. That suppose, you are thinking of say spreading pesticide through drone. So you talk to some farmers that look, these are the disadvantage of spraying pesticide using this machine.

Whereas, drone has this advantage. Do you think if there is somebody some entrepreneur offering the service of a spraying pesticide using drone, you will be interested? Suppose 10

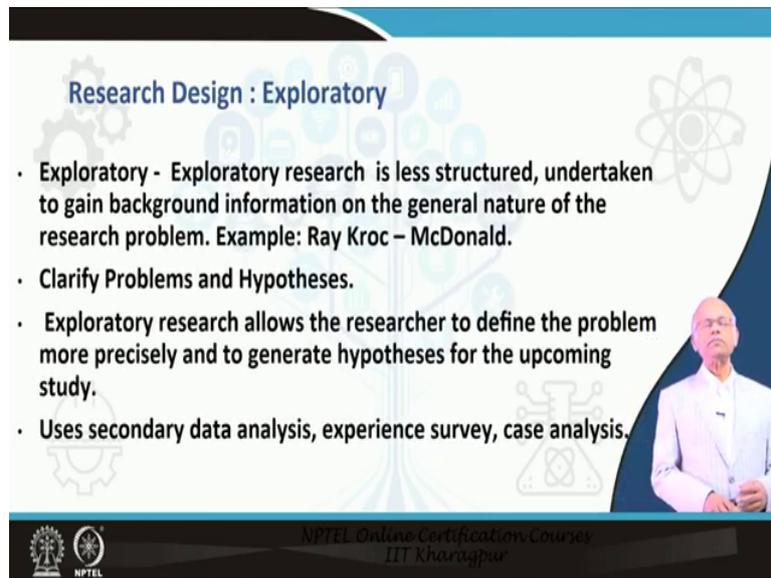
farmer you talk to 10 farmers, they say, why not? This is good. We are kind of will be enamored to have this, or maybe we wanted it yesterday.

So you immediately understand that ok; that means, there is a demand so, going further with this idea will make sense. Then perhaps, you start formulating plans to go for a elaborate research. Like maybe, focus group or something. Maybe, invite 100 farmers in a room and then it start doing further research. To know whether really they are going to buy and what is their affordability? Etcetera, etcetera.

Descriptive its described an element of an idea precisely. Like say, we talked about 10 karat gold. It kinds of shine as good as the 22 karat, but then the life or longevity of the of the jewelry should be a maybe a question so, you try to describe this element of the idea precisely and then get information. As for example, with the target market, how large it is? How will it develop the market size per se. So you describe the market or you describe at micro level a customer either of the 2.

Causal we have already discussed, whether the whether a kind of a product is price elastic, demand is price elastic, or inelastic. Then you can increase price without the fear of losing market.

(Refer Slide Time: 18:49)



**Research Design : Exploratory**

- Exploratory - Exploratory research is less structured, undertaken to gain background information on the general nature of the research problem. Example: Ray Kroc – McDonald.
- Clarify Problems and Hypotheses.
- Exploratory research allows the researcher to define the problem more precisely and to generate hypotheses for the upcoming study.
- Uses secondary data analysis, experience survey, case analysis.

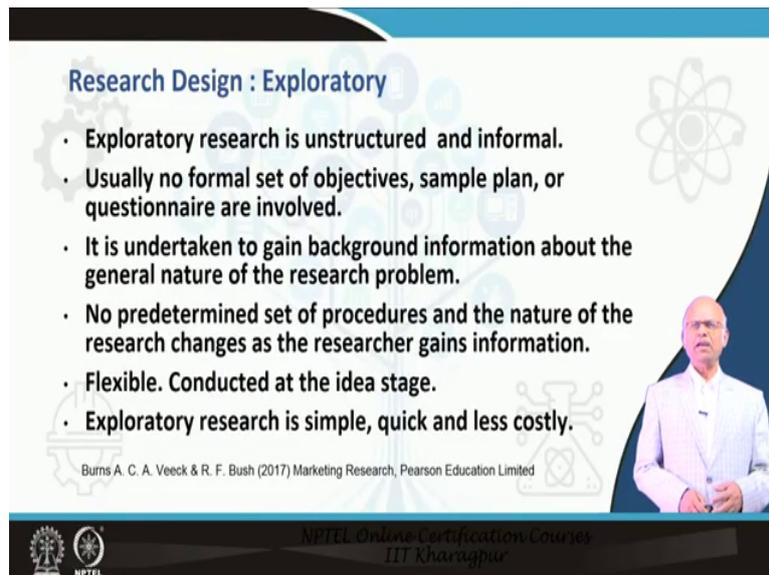
NPTEL Online Certification Courses  
IIT Kharagpur

For exploratory, the research design is less structured you just kind of plan and then go ahead. Undertaken to gain background information in the general nature of the research problem. Like say, Ray Kroc did of mc McDonald did.

He just approached to McDonald, asking question as to why the say why they their machine their milkshake machine is going amiss they are ordering the milkshake machine repeatedly, to get to know that their sales are actually increasing so fast. Clarify problems and hypotheses. You have a hypotheses, you have a minimum viable prototype you want to test your hypotheses, you use exploratory research.

It allows the researcher to define the problem more precisely, generate hypotheses for the upcoming study. Meaning, for further study. Use a secondary data analysis, experience survey, case analysis, Etcetera.

(Refer Slide Time: 19:56)



**Research Design : Exploratory**

- Exploratory research is unstructured and informal.
- Usually no formal set of objectives, sample plan, or questionnaire are involved.
- It is undertaken to gain background information about the general nature of the research problem.
- No predetermined set of procedures and the nature of the research changes as the researcher gains information.
- Flexible. Conducted at the idea stage.
- Exploratory research is simple, quick and less costly.

Burns A. C. A. Veeck & R. F. Bush (2017) Marketing Research, Pearson Education Limited

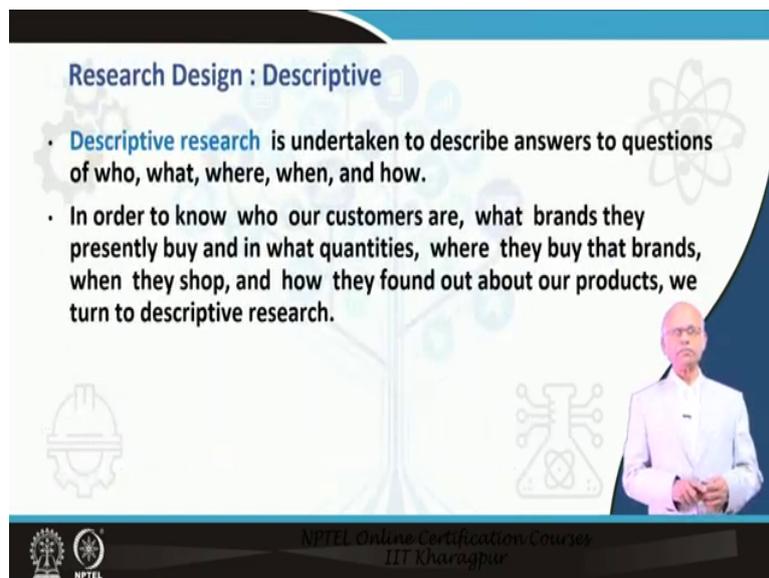
NPTEL Online Certification Courses  
IIT Kharagpur

Exploratory research is unstructured and informal. Usually, no formal set of objectives sample plan or questionnaires are involved. You just approach to somebody.

You know somebody that so and so is a target audience, approach him anywhere or may be suitable to the convenience of the customer and then start asking question. It is undertaken to gain background information about the general nature of the research program. Problem no predefined set of procedure or and the nature of the research changes as the research is gain information flexible.

Its conducted at the idea-stage. Exploratory research is simple, quick and less costly obviously.

(Refer Slide Time: 20:43)



**Research Design : Descriptive**

- **Descriptive research** is undertaken to describe answers to questions of who, what, where, when, and how.
- In order to know who our customers are, what brands they presently buy and in what quantities, where they buy that brands, when they shop, and how they found out about our products, we turn to descriptive research.

NPTEL Online Certification Courses  
IIT Kharagpur

Descriptive research is undertaken to describe answers to questions of who our customers are, what their liking is, where do they buy, when do they buy or how do they use the product? Etcetera. In order to know who our customers, what brands they presently buying etcetera, you use descriptive research.

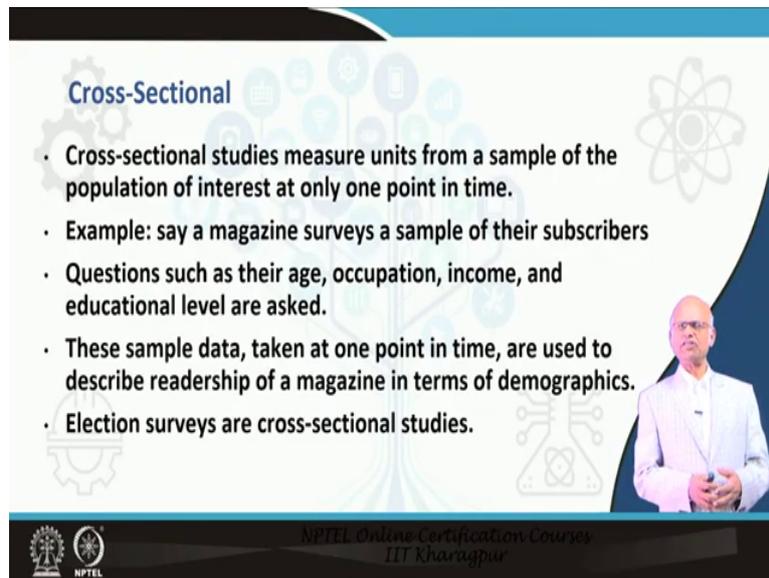
(Refer Slide Time: 21:09)

The slide is titled "Descriptive Research" and features a blue and white color scheme. It contains a large white box with a blue border on the left side. Inside the box, the text reads: "Two basic types of descriptive research studies are available to the marketing researcher: Cross-sectional and Longitudinal." A small inset image of a man in a white suit is visible on the right side of the slide. At the bottom, there are logos for NPTEL and IIT Kharagpur, along with the text "NPTEL Online Certification Course IIT Kharagpur".

2 basic types of descriptive research is cross-sectional or longitudinal. Cross-sectional means its a cross-section of people. Different people in a demographic, so you ask question to particular demography and another demographic. Longitudinal is temporal meaning, you ask same question at this point of time then another point of time to same group of people or different group of people.

So you have a panel data. Different people at different time. Its panel data, you get better insight.

(Refer Slide Time: 21:49)



**Cross-Sectional**

- Cross-sectional studies measure units from a sample of the population of interest at only one point in time.
- Example: say a magazine surveys a sample of their subscribers
- Questions such as their age, occupation, income, and educational level are asked.
- These sample data, taken at one point in time, are used to describe readership of a magazine in terms of demographics.
- Election surveys are cross-sectional studies.

NPTEL Online Certification Courses  
IIT Kharagpur

Cross-section is population of interest at only 1 point of time. See in magazine surveys a sample of the subscribers of different age group so at a particular time to understand what demographic are more interested in this kind of journal or particular kind of articles? Say at a say today a particular journal comes and talk to a students. Say girls student, boys students. Maybe they get different kind of insight.

So they can come up with different articles. Its not temporal, there is no time specific neither necessity of the data, nor importance of the data. So this is cross-sectional data.

(Refer Slide Time: 22:38)

### Longitudinal Studies

- Longitudinal studies repeatedly measure the same sample units of a population over a period of time.
- Data gathered from same sample units at different point in time is also referred to as Panel data.
- Firms such as IRI and Nielsen have been maintaining panels consisting of hundreds of thousands of households for many years.

	Survey 1	Survey 2	Survey 3
Brand 1	200	250	300
Brand 2	300	300	290
Brand 3	400	370	350
Brand 4	500	480	460
Total	1400	1400	1400

NPTEL Online Certification Courses  
IIT Kharagpur

Election data are mostly cross-sectional. They do not care about how the some political party may be interested how the how the elegance is changing over time, that is different.

Longitudinal data is taken at a different time period of time, over a period of time. Data gathered from same sample unit units at different point in time is also referred to as panel data as I said. Firms such as IRI, Nielsen have been maintaining panels consisting of hundreds of thousands of households for many years. So periodically, they visit this household to take data about their income, about the diseases that they are that they were inflicted with, the kind of expenses that they are incurring, their change of lifestyle, Etcetera, etcetera.

So suppose, they are asking question about different brands that they are using and they get a wonderful insight as they collect data, longitudinal data from the same group of people. Now suppose, you represent brand 1, somebody represent brand 2, 3, 4.

Now you may see that your sales is going up. But as at whose cost this sale is going up? Is a is an important data for you as much as it is important for the brand which is losing market share. So they would like to know who is gaining the share that they are losing? So that they can identify why they are losing means to whom and what other people are doing to acquire their market share? so, that they can do the same they can take the same action and regain the market share.

Like, look at the data that is displayed now you can see who are losing market share and who are gaining market share, even though the market is same as 1400 all 3 point of time.

(Refer Slide Time: 24:55)

**Research Design : Causal/ Experimental Research**

**Causal or Experimental**

- Causal research is used to measure cause-effect relationships, such as “if  $x_i$  increases, what happens to  $y$ ?”
- An experimental design is critical to understand the exact change in a dependent variable caused due to change in an independent variable.
- Example: to know if higher expenses on advertising lead to rise in sales. Percentage reduction in price leads to what growth in sales or how sensitive is demand to price change?

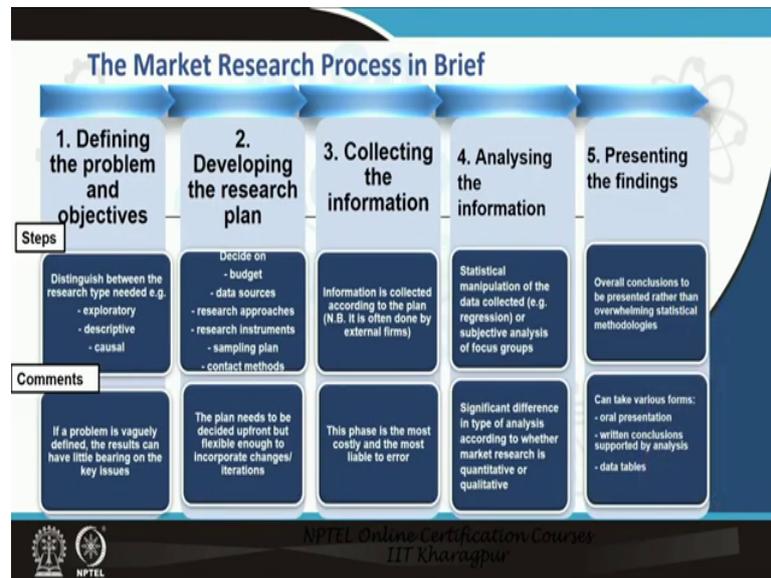
NPTEL Online Certification Courses  
IIT Kharagpur

Now in causal market research, you normally ask questions something like if we do this then what? So you do something like increase the price decrease price or you hire certain celebrity and advertise and then you would like to see the impact of that advertisement. you spend x amount of money and see the impact. I spend y amount of money see the impact, then you try to relate expenses with impact.

Like suppose, you want to know if higher expenses on advertisement lead to rise in sales. Percentage production in price leads to what growth in sales or how sensitive is demand to price change.

So this kind of issues this kind of responses can be obtained through causal research.

(Refer Slide Time: 25:49)



Market research process in brief: this is a very systematic method of market research defining the problem, we discussed the beginning, developing the research plan how what kind of methodology you are going to apply and how the data collection will be what kind of data will be collected then collection of the information per se.

This part is the most or the costliest part in the whole process. Then analyze the data: what kind of analytical model you are going to use to analyze? What kind of inferences you are going to draw? And then communicate them through a presentation so that the people that matter or the people who are supposed to use this information can make the sense of the outcome.

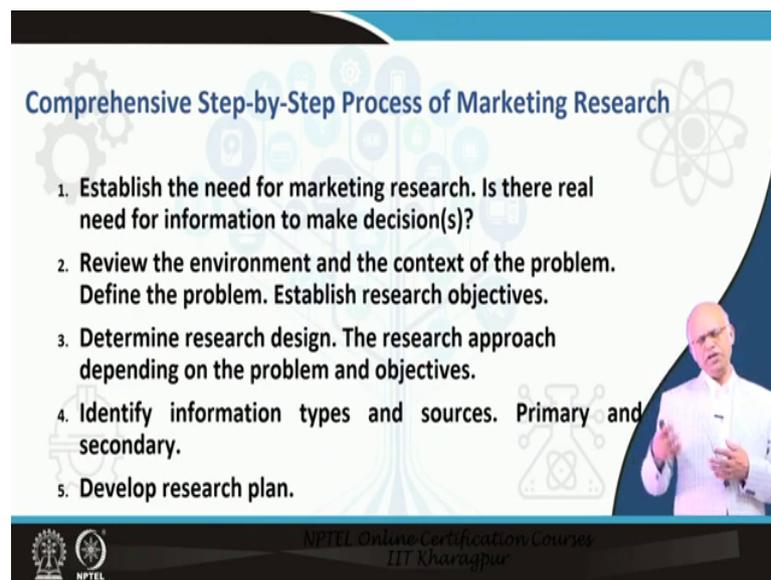
So defining the problem, it distinguishes between research type needed. Exploratory, descriptive or causal. If a problem is vaguely defined, the outcome is going to be vague. That

is why defining part is so very important. Research plan is also important, you planned wrongly then you gather the wrong data or biased data, etcetera.

Data source from where you are going to, whether primary or secondary? The what approach to apply, what instrument? Whether its a questionnaire or something else? Whether through telephone or through, whatever this is the planning that you do, the plan needs to be decided upfront, but it should you should remain flexible enough to incorporate changes moving forward or you do lot of iterations for eliminating the error may be human error.

Collection of data as I said is the most or the costliest part of this whole exercise.

(Refer Slide Time: 27:43)



**Comprehensive Step-by-Step Process of Marketing Research**

1. Establish the need for marketing research. Is there real need for information to make decision(s)?
2. Review the environment and the context of the problem. Define the problem. Establish research objectives.
3. Determine research design. The research approach depending on the problem and objectives.
4. Identify information types and sources. Primary and secondary.
5. Develop research plan.

NPTEL Online Certification Courses  
IIT Kharagpur

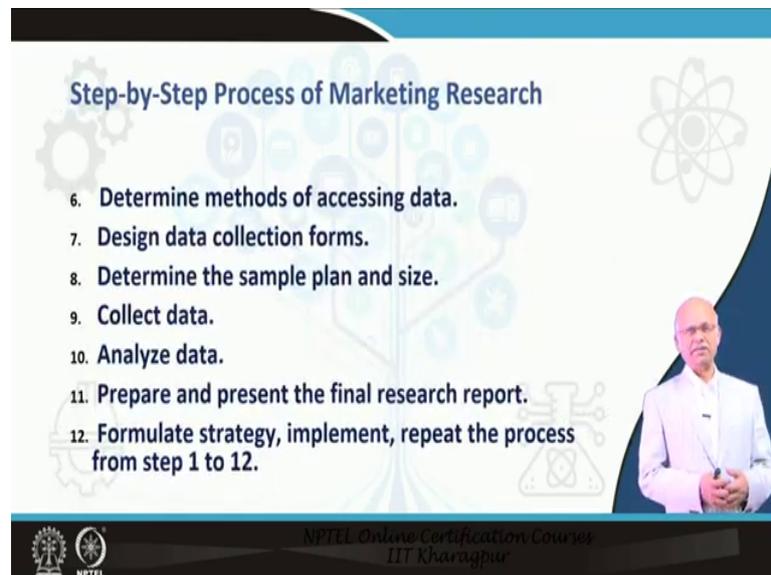
Comprehensive step-by-step process of market research. Market research apparently may sound like just simplistic thing and then there is a tendency among entrepreneurs to neglect

this. Whatever reason, but market research actually gives so much insight about the customers behavior, their requirement, their needs and they may actually help you to design your product that will sell so very well on a sustainable basis. And that is what the business is.

So if anybody is careful about the business, they will do market research very seriously. And they will follow comprehensive step-by-step process. Establish the need for market research, define the problem, is there a real need for information to make decision? What is the decisions that you are going to take?

Review the environment and the context of the problem. Define the problem. Established research objective. Determined research design, the research approach depending on the problem and objectives, identify information types and sources, primary and secondary, develop research plan.

(Refer Slide Time: 29:00)



**Step-by-Step Process of Marketing Research**

6. Determine methods of accessing data.
7. Design data collection forms.
8. Determine the sample plan and size.
9. Collect data.
10. Analyze data.
11. Prepare and present the final research report.
12. Formulate strategy, implement, repeat the process from step 1 to 12.

The slide features a background with a stylized tree of nodes and icons, a gear, and a molecular structure. A presenter in a white shirt is visible in the bottom right corner.

NPTEL Online Certification Courses  
IIT Kharagpur

Then determine methods of accessing data, how you are going to access the acquire that gain the data? Receive the data, design data collection forms.

Designing form itself is a subject. Form includes question, includes structure of the form. It can be so scientific that some people will be very successful in collecting data, some people will not be. Some people will collect the right data, some people will collect the wrong data that will lead to a wrong inference and eventually all the money will go down the drain.

So its very important that design is done perfectly well. Determine the sample plan and the size. How many people you are going to talk to? How many people you are going to receive responses from? Collect data, analyze data, prepare and present the final research report, formulate a strategy, implement, repeat and the process from one to eleven is repeated. Again and again, continuously throughout the life of the business.

(Refer Slide Time: 30:01)

Not arranged in any order.  
There are many more such firms.

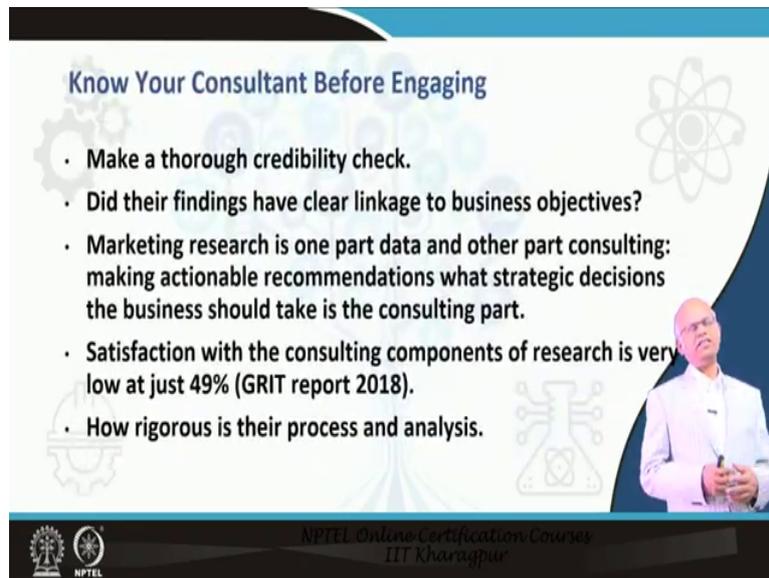
### Some marketing research firms

	IMRB International
	The Nielsen
	IDC India
	RNB Research
	Market Xcel Data Matrix Private Limited
	Majestic MRSS



NPTEL Online Certification Course  
IIT Kharagpur

(Refer Slide Time: 30:13)



**Know Your Consultant Before Engaging**

- Make a thorough credibility check.
- Did their findings have clear linkage to business objectives?
- Marketing research is one part data and other part consulting: making actionable recommendations what strategic decisions the business should take is the consulting part.
- Satisfaction with the consulting components of research is very low at just 49% (GRIT report 2018).
- How rigorous is their process and analysis.

NPTEL Online Certification Courses  
IIT Kharagpur

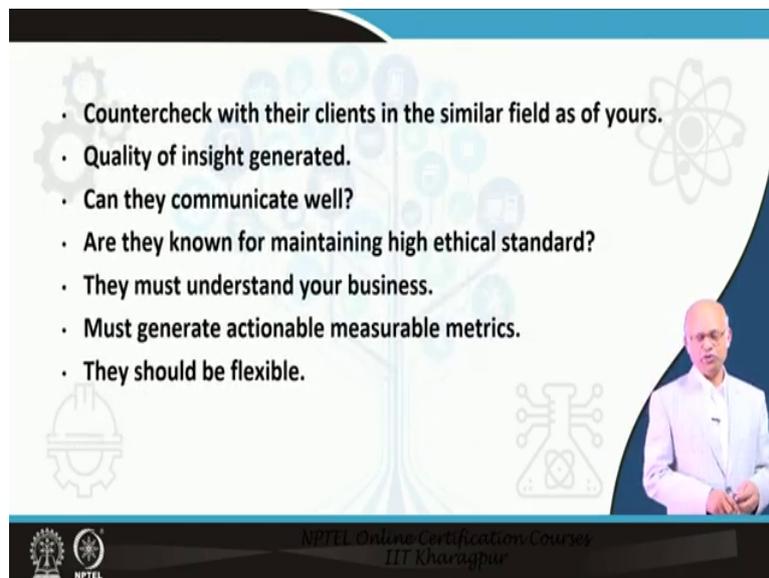
Here are some of the established market research agents. Market research forms are many. In fact in India, there will be hundreds of them, but then one has to be very careful about selecting a consultant. Market research is not merely gathering data; gathering data, processing it and then the consultant can actually give some insight about the actions that is to be taken to troubleshoot particular situation.

That is why you can you should talk to the right market research consultant. Make a thorough credibility check. Are they actually manipulating data or they are really gathering data? Did their findings have clear link as to the business objectives? Meaning that what is the credential? Meaning if they have already done some job, has some of their suggestions or advice inlet positive result?

If they have good credentials, it makes sense to hire them. Marketing research is one part data, the other part consulting. As I said, they give you insight. That you should take this actions. Satisfaction with consulting components of research is very low. Its about 49 percent of the people are satisfied about consulting part. Meaning their consultancy about what actions to be taken.

How rigorous is that process and analysis? Is another factor that you should consider before selecting.

(Refer Slide Time: 31:37)



- **Countercheck with their clients in the similar field as of yours.**
- **Quality of insight generated.**
- **Can they communicate well?**
- **Are they known for maintaining high ethical standard?**
- **They must understand your business.**
- **Must generate actionable measurable metrics.**
- **They should be flexible.**

NPTEL Online Certification Courses  
IIT Kharagpur

Counter check with the client with their clients whether they are satisfied with the service. What quality of insight they generated? Can they communicate well? They have the data, but

then they make miscommunicate that everything is done well, but communication is not well, so ultimately, yield is not well.

Are they known for maintaining high ethical standards? If they are not they will not do anything, but cook up data and give you some insight. Which will definitely be wrong. They must understand your business. You are in a particular business and a consultancy firm never got involved in that business they may not do justice.

(Refer Slide Time: 32:28)



Must generate actionable measurable metrics: they should be flexible. Meaning, if you have some particular requirement they should mean, during the process also they should be ready to make changes.

(Refer Slide Time: 32:38)

Pareto 80:20 Principle or the law of the vital few  
In product development, marketing, manufacturing, and several other events, roughly 80% of the effects come from 20% of the causes.  
In marketing, 80% of your sales comes from 20% of your customers.

### Jeff Bezos on information economy of decision making

- “Most decisions should probably be made with somewhere around 70% of the information you wish you had. If you wait for 90%, in most cases, you’re probably being slow...If you’re good at course correcting, being wrong may be less costly than you think, whereas being slow is going to be expensive for sure.”

NPTEL Online Certification Courses  
IIT Kharagpur

How much data is good enough? If you have heard about Pareto 80:20 principle, here is some elaboration.

Pareto said that in production or marketing, manufacturing, in most of the things several other things roughly 80 percent of the effect comes from 20 percent of the causes. So target those 20 percent that yields 80 percent of the information. You do not have to go to other 80 percent of the people spending another some 4 times more resources and time to get accuracy of 100 percent, its not necessary.

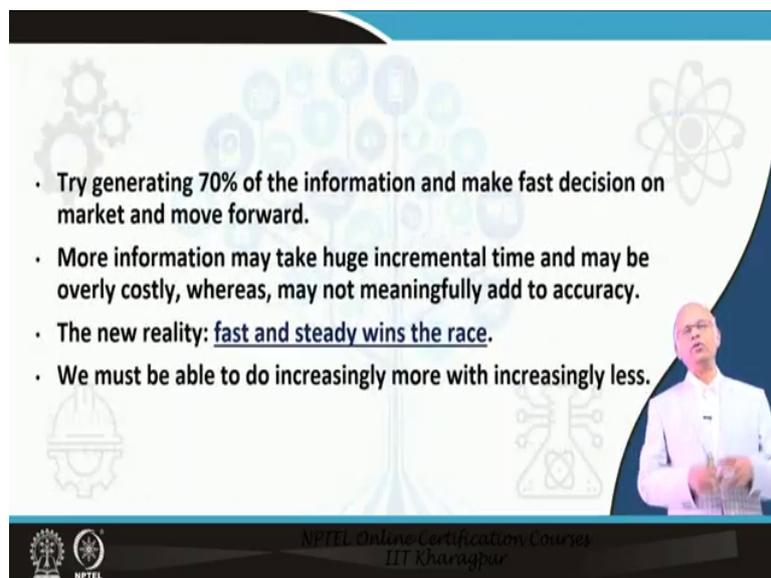
You get 80 percent by contacting only 20 percent of the respondents. You get a 80 percent idea about the market that is good enough. In marketing 80 percent of your sales comes from

20 percent of your customers. Talk to them, get 80 percent information about their satisfaction and that should be good enough for you to make a decision.

Look what Bezos talked about information adequacy. He says, most decisions should probably be made somewhere between 70 percent of the information you wish to have. If you wait for 90 percent information, your weight will be too long. Then the opportunity will be lost, but the relevance of the data that you have collected, the 70 percent data or 90 percent will lose relevance.

If you are good at course correcting, being wrong may be less costly than you think. Whereas, being slow is going to be expensive for sure. Because the data will be almost like meaningless you will go nowhere by waiting to gather 90 percent of the data.

(Refer Slide Time: 34:23)

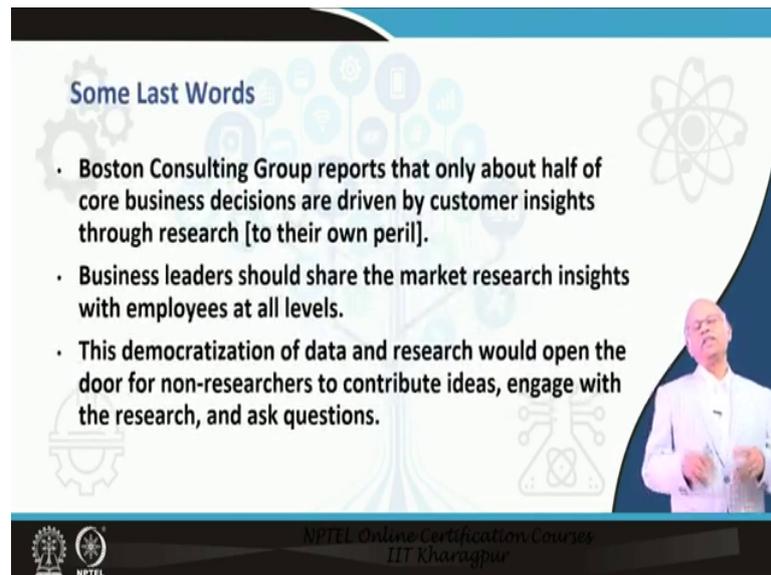


- Try generating 70% of the information and make fast decision on market and move forward.
- More information may take huge incremental time and may be overly costly, whereas, may not meaningfully add to accuracy.
- The new reality: fast and steady wins the race.
- We must be able to do increasingly more with increasingly less.

NPTEL Online Certification Courses  
IIT Kharagpur

Try generating 70 percent of the information and make fast decision. More information may take huge incremental time and may overly increase the cost. Whereas, may not be meaningful, may not add accuracy. The new reality is fast and steady wins the race.

(Refer Slide Time: 34:49)



**Some Last Words**

- Boston Consulting Group reports that only about half of core business decisions are driven by customer insights through research [to their own peril].
- Business leaders should share the market research insights with employees at all levels.
- This democratization of data and research would open the door for non-researchers to contribute ideas, engage with the research, and ask questions.

NPTEL Online Certification Courses  
IIT Kharagpur

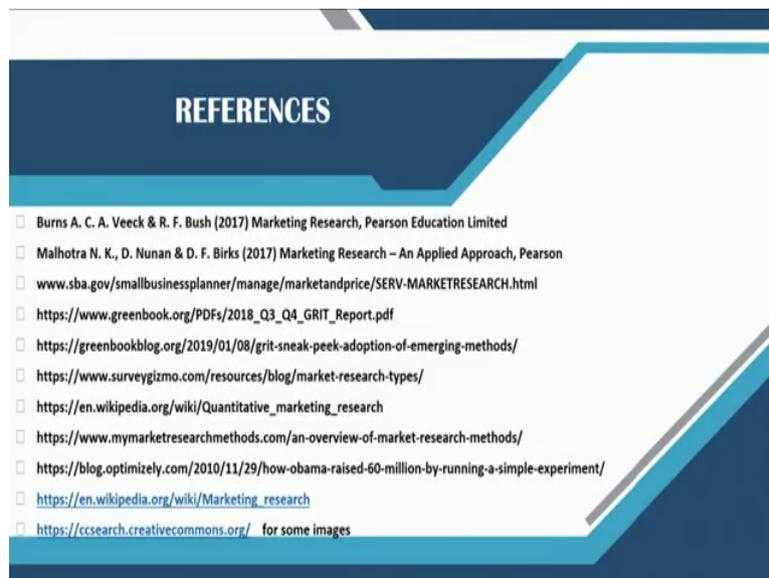
We must be able to increasingly make more out of less. This is a group reports that only about half of core business decisions are driven by customer insights through research. That is the pathetic situation of market research being adopted by companies.

Meaning, about half the decisions are taken not based on data, but based on gut feel or maybe at the most back of the envelope calculations, which is highly dangerous. So people do that to their own period. Business leaders should share the market research insights with employees at all level. Otherwise, the very purpose of doing the research will be lost.

So you share information so that everybody is on-board, everybody can take care to improve wherever improvement is necessary. This democratization of data and research would open the door for non-researchers to contribute ideas, engage with the research and ask questions. Meaning everybody may come up with insight as to what we should do? But then if they have access to the data they will know how what is the situation real situation.

So they will be enticed or motivated to come up with new insight which they are capable of and they will share and the company will be the gainer.

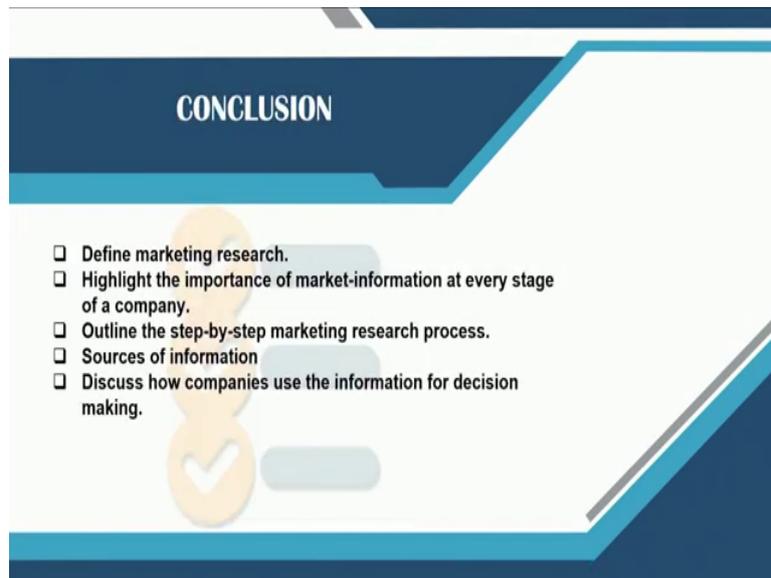
(Refer Slide Time: 36:15)



## REFERENCES

- ❑ Burns A. C. A. Veeck & R. F. Bush (2017) Marketing Research, Pearson Education Limited
- ❑ Malhotra N. K., D. Nunan & D. F. Birks (2017) Marketing Research – An Applied Approach, Pearson
- ❑ [www.sba.gov/smallbusinessplanner/manage/marketandprice/SERV-MARKETRESEARCH.html](http://www.sba.gov/smallbusinessplanner/manage/marketandprice/SERV-MARKETRESEARCH.html)
- ❑ [https://www.greenbook.org/PDFs/2018\\_Q3\\_Q4\\_GRIT\\_Report.pdf](https://www.greenbook.org/PDFs/2018_Q3_Q4_GRIT_Report.pdf)
- ❑ <https://greenbookblog.org/2019/01/08/grit-sneak-peek-adoption-of-emerging-methods/>
- ❑ <https://www.surveygizmo.com/resources/blog/market-research-types/>
- ❑ [https://en.wikipedia.org/wiki/Quantitative\\_marketing\\_research](https://en.wikipedia.org/wiki/Quantitative_marketing_research)
- ❑ <https://www.mymarketresearchmethods.com/an-overview-of-market-research-methods/>
- ❑ <https://blog.optimizely.com/2010/11/29/how-obama-raised-60-million-by-running-a-simple-experiment/>
- ❑ [https://en.wikipedia.org/wiki/Marketing\\_research](https://en.wikipedia.org/wiki/Marketing_research)
- ❑ <https://ccsearch.creativecommons.org/> for some images

(Refer Slide Time: 36:18)



## CONCLUSION

- 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.

Some references, a few comments on conclusion. Define marketing research, highlight the importance of marketing information at every stage of the company. Rest you can read.

Thank you very much.