



What is Market Research?

- A commonly used definition is that of The American Marketing Association

“the systematic gathering, recording and analysing of data about problems relating to the marketing of goods and services”





Why Bother With Market Research?

- There are 3 areas in which research will help by identifying:

- **The Competition**

- By giving market shares and rivals prices etc.

- **The Market**

- Identify market segments, and trends in the market

- **The Marketing Mix**

- **Product**

- ◆ identify consumer wants

- **Price**

- ◆ elasticity of demand

- **Place**

- ◆ Where consumers shop

- **Promotion**

- ◆ Help choose media





The Market Research Process

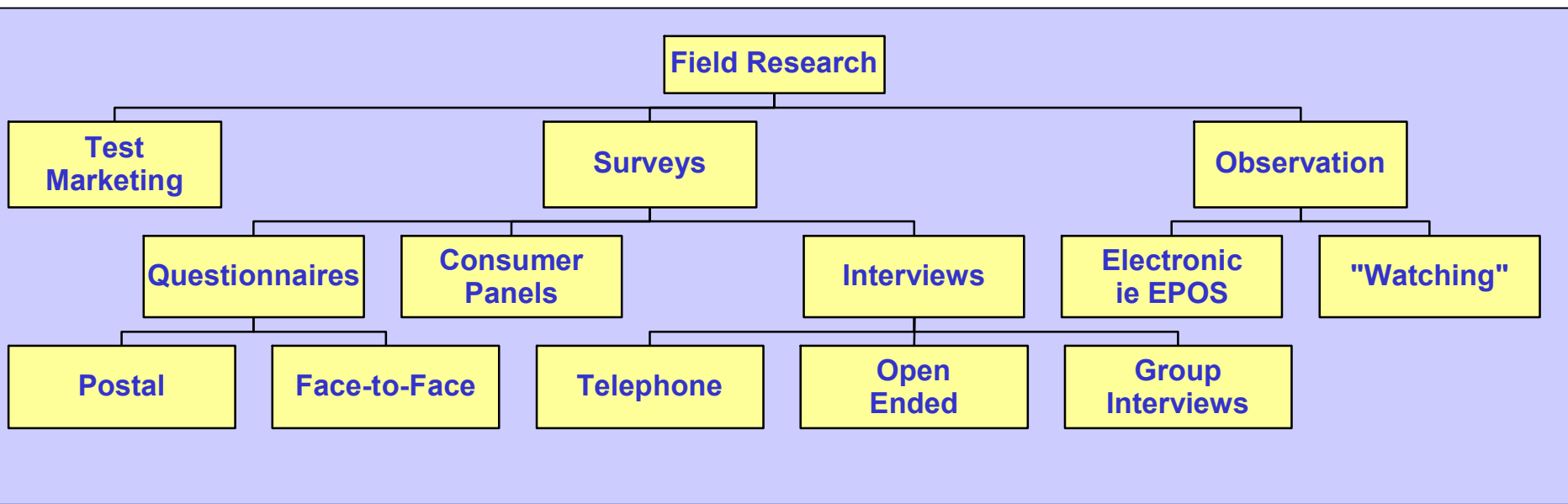
- There are 5 stages involved in market research:

STAGE	ACTION	WHAT NEEDS TO BE DONE?
1	Research Brief	Decide what you need to find out
2	Plan of Work	Specify what data is to be collected – when & how
3	Collection of Data	Carry out research efficiently
4	Analysis & Evaluation	Use of Management Information System (MIS)
5	Presentation of Findings	Made to decision-makers



Primary Data

- Also known as “**field research**”
- Information that is newly created
- Can be collected by research firms, ie Gallup, Mori etc, or by the firm itself
- There are a number of methods:





Secondary Data

- Sometimes called “desk research”
- Involves using information that has already been collected
- It can be obtained from 2 main sources

Internal Sources

- Existing research data
- Past promotional data
- Sales records
- Stock records
- Financial records
- Customer database

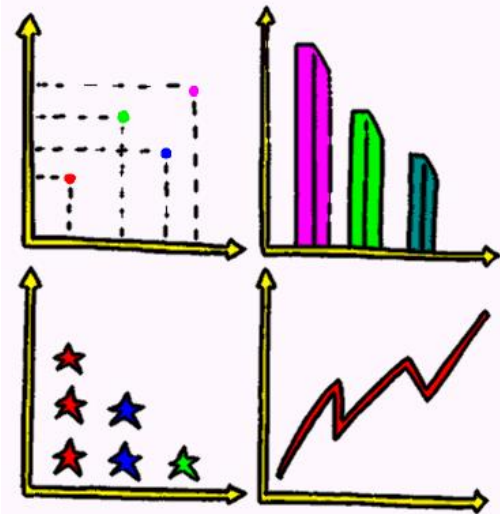
External Sources

- Government statistics
- Commercial firms
 - E.g. Mintel
- International publications
 - E.g. World Bank
- Competitors annual reports
- The media
 - E.g. newspapers



The Need For Sampling

- In order to carry out primary research it is necessary to use **sampling**
- This is because it would be impossible to ask every single customer, or prospective customer
- Sampling involves selecting a few people to interview,
- So it is important that they are representative of the whole market
- There are 2 types of samples:
 - **Probability Samples**
 - **Non-probability Samples**





Probability Samples

- There are 4 types of probability samples:

Sampling Method	Methodology
Simple Random Sampling	Every member of the population has an equal chance of being chosen
Systematic Random Sampling	This requires that every n th member of the population is surveyed
Stratified Random Sampling	This involves dividing the sample into market segments, based on existing knowledge
Cluster Sampling	Here the whole market is divided into small areas, and sampling is carried out in those areas perceived to be typical



Non-Probability Samples

- There are 3 types of non-probability samples:

Sampling Method	Methodology
Quota Sampling	A certain number of people with given characteristics will be interviewed
Convenience Sampling	Interviews anyone available
Judgement Sampling	This allows the interviewer to select people who they judge to be representative of the market