

SPECIAL APPLICATION OF MARKETING RESEARCH

WEEK 1 INTRODUCTION

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WEEK ONE

INTRODUCTION

1.1 Course Introduction

Welcome to special application of marketing research class! It is my joy to have you in this class. I begin these lectures by describing the course and what it entails. The purpose of this course is to introduce learners to special applications of marketing research. The course focuses on how to move research from theory to practice by exposing learners to real research practices, the challenges encountered and how to mitigate against them. The course specifically exposes the learner to the concept product lifecycle, new product research, name and package testing, advertising research, test market studies, pollsters research, customer service management research and ethical issues in marketing research among others. It is my sincere hope that as we go through each of the topics, you will be able to gain insight on how to conduct various forms of marketing research.

1.2 Course Intended Learning Outcomes

At the end of this course, you will be able to:



1. Describe the research cycle
2. Discuss various types of research at different stages of product life cycle.
3. Examine market and sales analysis research as well as test market studies
4. Evaluate impact of public opinion on policy and national development
5. Discuss the various ethical issues in marketing research.

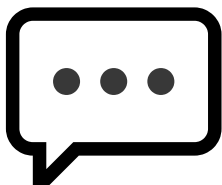
1.3 Topic 1: Introduction to special application of marketing research intended learning outcomes

At the end of today's lecture, you will be able to:

1. Define marketing research and by extension special application of marketing research
2. Discuss the significance of marketing research
3. Examine the general steps followed in conducting marketing research
4. Discuss types of marketing research
5. Evaluate challenges encountered in conducting marketing research

1.4 Overview of marketing research

Before we delve into this topic, we want to examine various quotes on marketing research



1. "Advertising people who ignore research are as dangerous as generals who ignore decodes of enemy signals." - *David Ogilvy*

2. "Understanding human needs is half the job of meeting them." - *Adlai E Jr Stevenson*
3. "The goal is to transform data into information, and information into insight." - *Carly Fiorina*
4. "I believe in innovation and that the way you get innovation is to fund research and learn the basic facts." - *Bill Gates*
5. "Innovation is the process of turning ideas into manufacturable and marketable form." - *Watts Humphrey*
6. "Whoever understands the customer best, wins." - *Mike Gospe*
7. "Without data, you're just another person with an opinion." - *W. Edwards Deming*
8. "The aim of marketing is to know and understand the customer so well, the product or service sells itself." - *Peter Drucker*
9. "Marketing without data is like driving with your eyes closed." - *Dan Zarrella*
10. "Marketing research is all we needed to succeed" *John Kamau*

Definition of marketing research

Various authors define marketing research differently. For instance “

1. American Marketing association - Official Definition of Marketing Research states that “Marketing research is 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 understanding of marketing as a process (AMA, 2017). Marketing research specifies the information required to address these issues, designs the methods for collecting information, manages and implements the data collection process, analyzes, and communicates the findings and their implications.”

2. Palmer (2000) states that: "Marketing research is about researching the whole of a company's marketing process." This explanation is far more straightforward i.e. marketing research into the elements of the marketing mix, competitors, markets, and everything to do with the customers.

3. Philip Kotler (2000) “marketing research is a systematic design, collection, analyzing and reporting of data and findings relevant to specific marketing situation facing the company.

4. The Chartered Institute of Marketing (CIM) defines marketing research as: “**The systematic collection and analysis of information about developments in marketing**. This could include areas such as customer behavior, market trends, and the effectiveness of marketing strategies.”

The various definitions of marketing research, including those from the American Marketing Association (AMA), Philip Kotler, Adrian Palmer, and the Chartered Institute of Marketing (CIM), share common themes but emphasize different aspects of the process. Here's a breakdown of what we can infer from these definitions:

1. **Systematic Process:** All definitions emphasize that marketing research is a **systematic** and structured process. Whether it's Kotler’s “systematic design, collection, analyzing and

reporting” or the CIM’s “systematic collection and analysis,” the core idea is that marketing research involves an organized approach to gathering information.

2. **Purpose:** The purpose of marketing research is universally acknowledged as supporting decision-making in marketing. For the AMA, it links the marketer to the market to **identify opportunities, monitor performance, and understand the marketing process**. Kotler also focuses on addressing specific marketing situations, while Palmer’s definition broadens it to encompass a company’s entire marketing process.
3. **Scope:** Different definitions highlight the **scope** of marketing research. The AMA’s definition is broad and includes everything from identifying problems to monitoring performance. Palmer’s approach simplifies it by stating that research should cover the whole marketing process, including competitors, markets, and customers. Kotler’s definition is more targeted, focusing on research related to specific marketing situations.
4. **Actionable Insights:** The end goal of marketing research is to gather information that can be used to improve marketing efforts. Whether it’s evaluating marketing actions (AMA) or reporting findings relevant to marketing situations (Kotler), the ultimate objective is to provide **actionable insights** to drive marketing strategies forward.
5. **Consumer-Centric:** All definitions place the **consumer or customer** at the heart of marketing research. The AMA stresses the connection between the marketer and the customer, while Palmer includes customers in the broader marketing process.

Synthesis: Marketing research is a **multifaceted** process that:

- **Systematically** collects, analyzes, and interprets data
- Informs decision-making in areas such as customer behavior, market trends, and marketing performance
- Focuses on the **entire marketing ecosystem**, including competitors, markets, and marketing strategies
- **Links the consumer, customer, and market to the organization**, enabling companies to make data-driven decisions

Special application of marketing research will focus on certain areas of marketing research as the scope of the entire marketing research may be too wide. We will go through the various types of research before product is developed, after it is developed and various other types of research that may be significant in society in twenty first century.

1.5 Significance of marketing research

From the various quotes above, it is clear, that marketing research plays a critical role in in success of businesses, non-governmental organization as well as in public service. It from research that we get to understand our clients, their needs and how best to serve them. Let us review the significance of marketing research from various authors

According to Business Development Bank of Canada (n.d) Market research can help a business in the following ways

- Understand your customers and their preferences: this is done by profiling customers (location, age, gender, income level, etc.), Creating more effective marketing campaigns and finding the best business location.
- Identify opportunities to grow and increase profits. Marketing research enable the marketer to recognize changes in demand, offer new products or services for the new demand and find new markets for the business
- Recognize and plan for industry and economic shifts: marketing research enable the marketer to shift inventory, price and staff levels as needed
- Monitor the competition in your market: the marketer is ale to identify competitors, get information on how your competitors operate and learn how customers compare him with other competitors
- Mitigate risk in your business decisions: the marketer uses information, not just intuition, to drive business decisions

For nonprofit organization and government marketing research helps them to achieve the following

- Understanding Donors and Volunteers: Nonprofits conduct research to understand what motivates people to donate or volunteer, helping them tailor their outreach strategies.
- Evaluating Campaign Effectiveness: Nonprofits use research to assess the impact of their fundraising and awareness campaigns, ensuring resources are used efficiently.
- Social Impact Measurement: Marketing research helps nonprofits measure the effectiveness of their programs and the social impact they are having on the communities they serve.
- Identifying Funding Opportunities: marketing research helps identify potential corporate sponsors, government grants, and other funding sources aligned with the organization's mission.
- Policy Development and Public Opinion: Government bodies use marketing research to gauge public opinion on policy matters and understand the needs of different segments of the population.
- Service Improvement: Marketing research helps government agencies assess the satisfaction of citizens with public services and identify areas for improvement.
- Behavioral Insights: Government organizations use marketing research to influence public behavior in areas like public health (e.g., vaccination campaigns), education, and environmental protection.
- Stakeholder Engagement: marketing research assists in understanding the perspectives and needs of various stakeholders, including citizens, industry groups, and advocacy organizations.

1.6 Steps in the research process

The marketing research process follows similar steps as any other research process. Though various types of research may have tailored steps, the general steps include the following (Creswell (1994).

1. Define the Objective and Problem: Identify the primary aim of the research and clearly articulate the problem or question you are addressing. This step involves understanding what you want to discover or solve and why it is important.
2. Determine Research Design: Choose the approach or methodology for your study (e.g., qualitative, quantitative, or mixed methods). This includes deciding on the type of study (e.g., experimental, survey, case study) and how you will structure your investigation.
3. Design and Prepare Research Instrument: Develop tools and instruments for collecting data, such as surveys, interviews, or tests. This involves creating questions or measures that will effectively gather the information needed to address your research problem.
4. Data Collection: Implement the research instruments and gather the data from your participants or sources. This step requires careful execution to ensure accuracy and reliability in how data is collected.
5. Analyze Data: Examine the collected data to identify patterns, trends, or insights. This involves using statistical methods or qualitative analysis techniques to interpret the data and draw conclusions.
6. Visualize Data and Communicate Results: Present your findings in a clear and effective manner, often using charts, graphs, or tables to help visualize the data. Communicate your results through reports, presentations, or publications, ensuring that your conclusions are supported by the data and are accessible to your audience.



1.7 Types of marketing research

Market research activity can be classified in three groups. These are summarized in table 1.1

Table 1.1 Types of marketing research

Classification	Types	Explanation
Source	1. Primary	Collection of data specifically for the problem to understand and solve
	2. Secondary	Based on data previously collected for purpose other than the research in hand. It collects from published articles, Reports, government stats. etc.
Methodology	1. Qualitative Research	The purpose of this research is to plumb the profundities and scope of purchaser mentalities and convictions, not to gauge rate, undertaking or conjecture amount (Barabba & Gerald, 1991). Key Points are: <ul style="list-style-type: none"> • Type of question: Probing,

		<ul style="list-style-type: none"> • Sample Size: Small, • Information per respondent: High, • Type of analysis: Subjective, interpretative, • Area Probed: Attitudes, feelings, Motivations
	2. Quantitative Research	<p>This research tries to extend aftereffects of a quantitative market survey to the entire marketplace. Key Points are:</p> <ul style="list-style-type: none"> • Type of question: Simple, • Sample Size: Large, • Information per respondent: Low, • Type of analysis: objective, Statistical, • Area Probed: Choices, Frequency, Demographics
Objective	1. Descriptive Research	Describe an element of an ideas precisely. e.g. How large is market? who is the target market? How will market develop?
	2. Exploratory Research	Primary data is required to develop an idea further. e.g. outline concept, gather insights, formulate hypothesis
	3. Causal Research	Test a cause-and-effect relationship between variables. e.g. Price elasticity done through experiment

Source: adapted from Gaikwad, J., & Yadav, B. (2019). The significance of market research in the business decision. Journal of Global Economy, Volume 16 No 2 (Special Issue, SNTD Women's' University Conference Proceedings), National Conference

1.8 Interaction between researchers and managers

In most instances the firm that utilizes research does not do the researcher itself but hire services of research providers. In Kenya for instance, several firms offer marketing research services as outlined below

- Ipsos Kenya: A global market research company with a significant presence in Kenya. It offers services such as opinion polling, media monitoring, social research, and brand health tracking.
- Consumer Insight Africa: Specializes in consumer research across multiple sectors. They provide insights for strategic decision-making by studying consumer behavior, trends, and market dynamics in East Africa.
- TNS RMS (Research & Marketing Services): Now part of Kantar, TNS RMS offers a wide range of research solutions, including brand performance, market segmentation, customer satisfaction, and media insights.
- Trends and Insights for Africa (TIFA Research): Focuses on social and market research, offering services like opinion polling, customer feedback, and market trends analysis, particularly for brands operating in Kenya.
- Millward Brown East Africa: Part of the Kantar Group, Millward Brown specializes in advertising research, brand strategy, and media effectiveness to help businesses grow their brands.

- Infinite Insight: A full-service market research firm with a focus on qualitative and quantitative research, offering insights on various sectors such as FMCG, telecommunications, and finance.
- Research Solutions Africa: Provides insights into consumer behavior and trends, focusing on both local and multinational companies in Kenya and East Africa. They offer qualitative and quantitative research services.
- SYNOVATE (Now Ipsos Synovate): A well-established firm offering a variety of market research solutions, including political and social research, customer experience management, and product innovation insights.
- Geopoll: Specializes in conducting mobile-based surveys across Africa, including Kenya, providing fast and cost-effective insights on a variety of sectors such as agriculture, media, and consumer behavior.

These firms provide services ranging from consumer insights and media research to political polling and strategic marketing recommendations. They play a key role in helping businesses make informed decisions in the Kenyan market. Sometimes firms conduct research for themselves, but this may not always be the case.

Whether the firms are contracting others or doing the research themselves, the relationship between marketing researchers and managers is not always a smooth one. Smith and Cooper (1994) observe that it is increasingly evident that misunderstandings often exist between managers and marketing researchers-and that both parties lack a good understanding of the role and needs of the other party.

Some of management's complaints about researchers are:

- Research is not problem oriented. It tends to provide a plethora (overabundance) of facts, not actionable results.
- Researchers are too involved with techniques, and they appear to be reluctant to get involved in management "problems".
- Research is slow, vague, and of questionable validity.
- Researchers cannot communicate, they do not understand, and they do not talk the language of management.

On the other hand, marketing researchers have their complaints about management:

- Management does not include research in discussions of basic problems management tends to ask only for specific information about part of problems.
- Management pays no more than lip service to research and does not really understand or appreciate its value.
- Management does not allow enough time for research. They draw preliminary conclusions based on early or incomplete results.
- Management relies more on intuition and judgment than on research. Research is used as a crutch, not a tool.

To mitigate against these misunderstandings, Smith and Cooper (1994) suggest the following:

- **Initiating research projects:** One of the manager's responsibilities is to initiate market research when it is needed, and to do so at the earliest possible opportunity. On the other hand, marketing researchers interpret or modify a management problem to make it researchable. Discussions between the two help managers avoid overconfidence in what marketing research can deliver and help researchers focus on the manager's problem.
- **Specifying information needed for decision making:** The final version of the research project will be much more useful to managers if, in the early stages of the project design, the managers and researchers get together and develop a clear understanding of the information the managers expect from the research and how it can lead to a decision.
- **Evaluating proposed research projects:** To avoid misunderstanding or poor communications, a manager should require a written proposal and carefully evaluate it prior to approving it.
- **Evaluating commercial research services:** In order to make an evaluation, the manager should first specify the purpose for obtaining the information and the information needed and then compare these things with the information that can be obtained from the commercial service.
- **Accepting or rejecting research findings:** Just as an evaluation should be made on proposed research project before it is authorized, an inquiry should be made into the validity of the findings from completed research. Along with the researcher, the manager should review the research project to assure that it has been carefully carried out. Once assured, the manager will have confidence in the validity of the research findings and can then incorporate them into the decision-making process.

1.9 Difficulties in research:

A great many research projects are concerned with gathering information on current and recent consumer attitudes and behavior. This type of research is commonly used because (typically) consumers have such information; they are likely to remember it, and more often than they are willing and able to give it to researchers. There are other situations where it may be very difficult-even impossible-to do certain types of research or to obtain accurate and reliable information through research. Both researchers and managers should be aware that such situations exist. Listed below is some occasions where certain types of research may be difficult to do.

- Often respondents will be unable to give valid answers to questions concerning something that happened in their distant past or that might happen in the far-off future.
- Unimportant events in a person's past are less likely to be remembered than important ones. People may always remember their first car, but they may not remember all of the brands cereal or toothpaste they purchased within the last month.
- Respondents have difficulty communicating their emotions and sensations to researchers. For example, consumers may be able to identify which of two soft drinks, but it is unlikely

that they will be able to communicate to the interviewer the sensations they experienced in arriving at their choice.

- While researchers can obtain consumers' attitude and opinions about most new-product concepts and descriptions, certain types of prospective new products or services may not be researchable or may be only partially researchable.
- Because of the nature of some products there may not be enough time available to do research. As the result of their short life cycle, for example, very little research is undertaken on hip-hop music.
- If the advantages associated with a company's new product could easily be copied by competitors once they had become aware of the new product, it is not practical for the company to undertake any kind of marketing research that may expose their new product to competitors. In such cases companies try to gain national distribution as soon as possible and hope to enjoy the advantages associated with being the first to make such a product.

1.10 Review Questions

1. Imagine you are a marketing manager for a company launching a new product. Using the definition of marketing research provided by the American Marketing Association (AMA), outline the key steps you would take to ensure your research helps identify market opportunities and improves decision-making for the product launch.
2. Your nonprofit organization is planning a new fundraising campaign. Based on the significance of marketing research for nonprofits as outlined in the text, describe how you would use research to better understand your donors and volunteers, and how this would shape your campaign strategy.
3. As a government official tasked with improving public health services, how would you use marketing research to assess citizen satisfaction, identify areas for improvement, and influence public behavior in support of health initiatives? Use examples from the role marketing research plays in government decision-making as described in the text.



1. Who said, "Advertising people who ignore research are as dangerous as generals who ignore decodes of enemy signals"?
 - a) Peter Drucker
 - b) David Ogilvy
 - c) Bill Gates
 - d) Mike Gospe
2. What is the main purpose of marketing research according to the American Marketing Association (AMA)?
 - a) To understand competitors
 - b) To link consumers, customers, and public to the marketer through information

- c) To create innovative marketing campaigns
 - d) To improve customer service
3. Which of the following is NOT a benefit of marketing research for nonprofit organizations?
 - a) Understanding donors and volunteers
 - b) Evaluating campaign effectiveness
 - c) Influencing public behavior
 - d) Developing new products
 4. According to W. Edwards Deming, what is the consequence of marketing without data?
 - a) The product will not sell
 - b) It is like driving with your eyes closed
 - c) You cannot innovate
 - d) You only have opinions, not facts
 5. According to Philip Kotler, marketing research is primarily concerned with which of the following?
 - a) The entire marketing process
 - b) Systematic design, collection, and reporting of data relevant to marketing situations
 - c) Evaluating market trends
 - d) Identifying competitors
 6. Who said, "The goal is to transform data into information, and information into insight"?
 - a) Carly Fiorina
 - b) Bill Gates
 - c) Peter Drucker
 - d) John Kamau
 7. Which of the following is a key purpose of marketing research according to the text?
 - a) Creating marketing campaigns
 - b) Supporting decision-making in marketing
 - c) Increasing customer engagement
 - d) Enhancing product features
 8. According to the Business Development Bank of Canada, how does marketing research help businesses?
 - a) By increasing product variety
 - b) By understanding customers and their preferences
 - c) By creating new social programs
 - d) By reducing competition
 9. Who defined marketing research as "the systematic collection and analysis of information about developments in marketing"?
 - a) American Marketing Association (AMA)
 - b) Chartered Institute of Marketing (CIM)
 - c) Philip Kotler
 - d) Adrian Palmer

10. According to the text, which of the following is NOT a function of marketing research for the government?
- a) Policy development and public opinion
 - b) Service improvement
 - c) Creating new products for citizens
 - d) Stakeholder engagement
11. What is the first step in the marketing research process?
- a) Determine research design
 - b) Data collection
 - c) Define the objective and problem
 - d) Analyze data
12. Which research step involves choosing the approach or methodology for the study?
- a) Data collection
 - b) Analyze data
 - c) Determine research design
 - d) Communicate results
13. What is the main purpose of the 'Design and Prepare Research Instrument' step?
- a) Analyze the collected data
 - b) Develop tools for data collection
 - c) Visualize data
 - d) Select the sample size
 - e)
14. At which stage of the research process is data gathered?
- a) Data collection
 - b) Analyze data
 - c) Determine research design
 - d) Visualize data
15. Which research methodology involves subjective and interpretative analysis?
- a) Quantitative research
 - b) Causal research
 - c) Qualitative research
 - d) Descriptive research
16. What is the primary focus of causal research?
- a) Describing market size
 - b) Understanding consumer motivations
 - c) Testing cause-and-effect relationships between variables
 - d) Gathering demographic information

17. Which type of research is concerned with previously collected data from articles, reports, and government statistics?
 - a) Primary research
 - b) Secondary research
 - c) Descriptive research
 - d) Causal research

18. Which of the following is a typical complaint managers have about researchers?
 - a) Researchers provide actionable results
 - b) Researchers are too slow and vague
 - c) Researchers communicate well with management
 - d) Researchers focus on management problems

19. What do marketing researchers often complain about management?
 - a) Management relies too much on research
 - b) Management provides detailed information about problems
 - c) Management ignores research in decision-making
 - d) Management provides sufficient time for research

20. Why might it be difficult to conduct research on new products with short life cycles, such as hip-hop music?
 - a) Lack of interest in the product
 - b) Limited time available for research
 - c) High cost of research
 - d) Competitor interest in the product

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Answers to self-test questions

1. David Ogilvy
2. To link consumers, customers, and public to the marketer through information
3. Developing new products
4. You only have opinions, not facts
5. Systematic design, collection, and reporting of data relevant to marketing situations
6. Carly Fiorina
7. Supporting decision-making in marketing
8. By understanding customers and their preferences
9. Chartered Institute of Marketing (CIM)
10. Creating new products for citizens
11. Define the objective and problem
12. Determine research design
13. Develop tools for data collection
14. Data collection
15. Qualitative research
16. Testing cause-and-effect relationships between variables
17. Secondary research
18. Researchers are too slow and vague
19. Management ignores research in decision-making
20. Limited time available for research