

UNIT V

MARKETING RESEARCH & TRENDS IN MARKETING

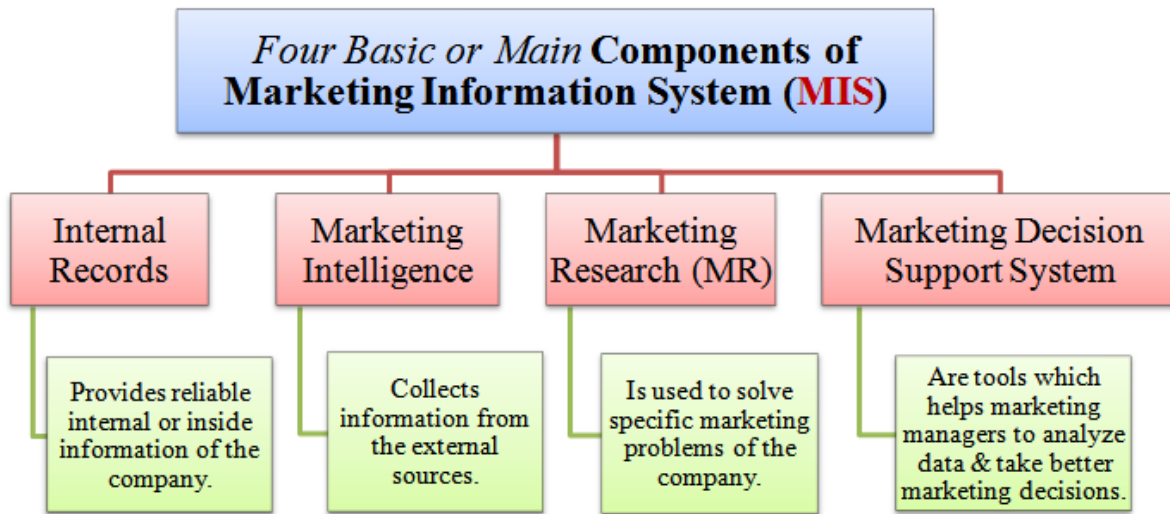
- ▶ **Marketing Information System**
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MARKETING INFORMATION SYSTEM

- ▶ **Marketing Information System (MIS) collects, analyses, and supplies a lot of relevant information to the marketing managers. It is a valuable tool for planning, implementing and controlling the**
- ▶ **The role of MIS is to identify (find out) what sort of information is required by the marketing managers.**
- ▶ **It then collects and analyzes the information.**
- ▶ **It supplies this information to the marketing manager at the right time. MIS collects the information through its subsystems. These subsystems are called components.marketing activities.**

The four main components of Marketing Information System (MIS) are:

- ▶ **Internal Records,**
- ▶ **Marketing Intelligence,**
- ▶ **Marketing Research (MR), and**
- ▶ **Marketing Decision Support SystemS**



Internal records : The first component of MIS is ‘Internal Record’. Marketing managers get lots of information from the internal-records of the company. These records provide current information about sales, costs, inventories, cash flows and account receivable and payable. Many companies maintain their computerized internal records. Inside records help marketing managers to gain faster access to reliable information.

Marketing intelligence :

The second component of MIS is ‘Marketing Intelligence’. It collects information from external sources. It provides information about current marketing-environment and changing conditions in the market. This information can be easily gathered from external sources like; magazines, trade journals, commercial press, so on. This information cannot be collected from the Annual Reports of the Trade Association and Chambers of Commerce, Annual Report of Companies, etc. The salesmen’s report also contains information about market trends.

The information which is collected from the external sources cannot be used directly. It must be first evaluated and arranged in a proper order. It can be then used by the marketing manager for taking decisions and making policies about marketing.

So, marketing intelligence is an important component of MIS.

Marketing research : The third important component of MIS is ‘Marketing Research’. MR is conducted to solve specific marketing problems of the company. It collects data about the problem. This data is tabulated, analyzed and conclusions are drawn. Then the recommendations are given

for solving the problem. Marketing research also provides information to the marketing managers. However, this information is specific information. It can be used only for a particular purpose. MIS and MR are not substitutes of each other. The scope of MIS is very wide. It includes 'MR'. However, the scope of MR is very narrow.

Marketing decision support system : The fourth component of MIS is 'Marketing Decision Support System'. These are the tools which help the marketing managers to analyze data and to take better marketing decisions. They include hardware, i.e. computer and software programs. Computer helps the marketing manager to analyze the marketing information. It also helps them to take better decisions. In fact, today marketing managers cannot work without computers. There are many software programs, which help the marketing manager to do market segmentation, price fixing, advertising budgets, etc.

Marketing Research Process

The Marketing Research Process



Define the Problem-The foremost decision that every firm has to undertake is to find out the problem for which the research is to be conducted. The problem must be defined adequately because if it is too vague, then it may result in the wastage of scarce resources and if it is too narrow, then the exact conclusion cannot be drawn. In order to define the problem appropriately,

each firm must have a clear answer to the questions viz. What is to be researched (content and the scope)? And Why the research is to be done (decisions that are to be made)?

Develop the Research Plan– This step involves gathering the information relevant to the research objective. It includes:

Data Sources: The researcher can collect the data pertaining to the research problem from either the primary source or the secondary source or both the sources of information. The primary source is the first-hand data that does not exist in any books or research reports whereas the secondary data is the second-hand data which is available in the books, journals, reports, etc.

Research Approaches: The Secondary data are readily available in books, journals, magazines, reports, online, etc. But the primary data have to be collected and to do so, the following research can be conducted:

Observational Research: The researcher can collect the information by just observing the happenings in the market and sometimes having a friendly conversation with the customers to know about their purchase experiences.

Ethnographic Research: It is one of the forms of an observation research where the researcher studies an individual in the real life situation and not under any market setup or a lab. The purpose of this research is to know the way people live (their lifestyles), What they do to earn their livelihood, how they consume goods and services, what they need in their personal and professional lives etc.

Focus Group Research: It is a form of group discussion wherein six to ten people gather and discuss the common topic given by the moderator. A moderator is a person who conducts the group discussion and is skilled in group dynamics. He also keeps the discussion focused on the topic so that relevant information can be obtained from the group members.

Survey Research: These are the descriptive research generally conducted to know the about the customer's knowledge about the product, their preferences, and satisfaction level. The best way to conduct surveys is through the Questionnaires.

Behavioral Data: The customer's actual purchases at the store reflects its behavior and the choice of products. Thus observing what customers are buying gives more accurate information about the customer rather than the planned answers given by them in the surveys.

Experimental research: This is done to find out the cause and effect relationships. This research is undertaken to study the effects of change in the customer's behavior due to the change in the product's attributes.

Sampling plan: Once the research approach is decided, the researcher has to design a sampling plan and have to decide on the following:

The sampling Unit i.e. whom, shall we survey?

The sample size, i.e., How many units in the population shall be surveyed?

The sampling procedure, i.e. How the respondents shall be chosen?

Contact Methods: The researcher has to choose the medium through which the respondents can be contacted. The respondents can be reached via emails, telephone, in person or online.

Collect the Information: This is one of the most expensive methods of marketing research. At this stage, the researcher has to adopt the methods to collect the information, he may find it difficult to gather the correct information because of the respondent's biasedness, unwillingness to give answers or not at home.

Analyze the Information: Once the information is collected the next step is to organize it in such a way that some analysis can be obtained. The researchers apply several statistical techniques to perform the analysis, such as they compute averages and measures of dispersion. Also, some advanced decision models are used to analyze the data.

Present the Findings: Finally, all the findings and the research are shown to the top management level viz. Managing director, CEO, or board of directors to make the marketing decisions in line with the research.

Make the Decision: This is the last step of the marketing research, once the findings are presented to the top level management it is up to them either to rely on the findings and take decisions or discard the findings as unsuitable.

Thus, marketing research is done to gather all the relevant information about the market and design the marketing strategies accordingly

Types of Marketing Research



Exploratory Market Research: The researcher uses the exploratory research when he has a very little information about the research problem and needs to gain insights about it before finding the solutions to it. It requires the researcher to clear his concept, gain insights, formulate problems, eliminate impractical ideas and formulate a hypothesis to check the relevancy of the research design. This can be done by using the secondary data, i.e. information available both inside and outside the organization, conducting observational studies, consulting experts, and processing feedback from the marketplace and surveys.

Descriptive Market Research: The descriptive research is concerned with testing the hypothesis to find out the accurate answers of the research problem. Such as, who are the prospective buyers of the product?, How the products are consumed?, What fraction of the population uses the product?, What is the demand forecast? And who are the potential competitors? The objective of the descriptive market research is to measure the frequency with which the things occur and the extent to which the variables under study are correlated.

Causal Market Research: The causal market research is conducted to establish the cause-and-effect relationship between the variables, such as if the packaging of the product is changed then what will be its effect on the product durability? Thus, this research is carried out to explain the facts that why a certain change in one variable is observed due to the change in the other.

Predictive Market Research: As the name suggests, the predictive research is conducted to forecast or predict certain market variable for which the research is designed. Such as predicting the future sales, projection of growth, test market to predict the success of a new product, defining of firm's product line, etc.

The marketing research can be further classified on the basis of the type of data generated and the degree of mathematical accuracy required as:

Qualitative Market Research

Quantitative Market Research

Thus, there are several types of marketing research that an organization adopts on the basis of its pursued objectives and the form of data generated.

Product Advertising

- ▶ **Product advertising is a marketing technique designed to showcase and sell a particular product via multiple channels. These channels may include traditional media like television, radio, and print or digital platforms like social media, video, display advertising, and email marketing.**
- ▶ **Advertising is a marketing tactic involving paying for space to promote a product, service, or cause. The actual promotional messages are called advertisements, or ads for short. The goal of advertising is to reach people most likely to be willing to pay for a company's products or services and entice them to buy.**

Types Of Advertising

- ▶ **Print Advertising: Newspaper, Magazines, & Brochure Advertisements, Etc.**
- ▶ **Broadcast Advertising: Television And Radio Advertisements.**
- ▶ **Outdoor Advertising: Hoardings, Banners, Flags, Wraps, Etc.**
- ▶ **Digital Advertising: Advertisements Displayed Over The Internet And Digital Devices.**

Product/Brand Integration: Product Placements In Entertainment Media Like Tv Shows, Youtube Videos, Etc

Importance Of Advertising

To The Customers

Convenience: Targeted informative advertisements make the customer's decision-making process easier as they get to know what suits their requirements and budget.

Awareness: Advertising educates the customers about different products available in the market and their features. This knowledge helps customers compare different products and choose the best product for them.

Better Quality: Only brands advertise themselves and their products. There are no advertisements for unbranded products. This ensures better customer quality and a good business model as no brand wants to waste money on false advertising.

Promotion – Consumer Behaviour

- ▶ **Promotion is a marketing tool, used as a strategy to communicate between the sellers and buyers. Through this, the seller tries to influence and convince the buyers to buy their products or services.**
- ▶ **It assists in spreading the word about the product or services or company to the people. The company uses this process to improve its public image. This technique of marketing creates an interest in the mindset of the customers and can also retain them as a loyal customer.**
- ▶ **Some methods of this procedure contain an offer, coupon discounts, free sample distribution, trial offer, buy two items in the price of one, contest, festival discounts, etc. The promotion of a product is important to help companies improve their sales because customers reaction towards discounts and offers are impulsive. In other words, promotion is a marketing tool that involves enlightening the customers about the goods and services offered by an organization.**

Types of Promotion:

- ▶ **Advertising**
- ▶ **Direct Promotion**
- ▶ **Sales Promotion**
- ▶ **Self-promotion**

- ▶ **Public Relation**
- ▶ **Online Promotion**
- ▶ **Types of Promotion:**
- ▶ **Advertising-**
 - ▶ It helps to outspread a word or awareness, promote any newly launched service, goods or an organization. The company uses advertising as a promotional tool as it reaches a mass of people in a few seconds. An advertisement is communicated through many traditional media such as radio, television, outdoor advertising, newspaper or social media. Other contemporary media that supports advertisement are social media, blogs, text messages, and websites.
- ▶ **Direct Promotion-**
 - ▶ It is that kind of advertising where the company directly communicates with its customers. This communication is usually done through various new approaches like email marketing, text messaging, websites, fliers, online adverts, promotional letters, catalog distributors, etc.
- ▶ **Sales Promotion-**
 - ▶ This utilizes all sorts of a marketing tool to communicate with the customers and increase sales. However, it is for a limited time, used to expand customers demand, refresh market demand and enhance product availability
- ▶ **Self-promotion-**
 - ▶ It is a process where the enterprises send their agents directly to the customers to pitch for their product or service. Here, the response for the feedback of the customer is prompt and therefore, easy to build trust.
- ▶ **Public Relation-**
 - ▶ Popularly known as PR is exercised to broadcast the information or message between a company (NGO, Government agency, business), an individual or a public. A powerful PR campaign can be valuable to the company.

- ▶ **Online Promotion-**
- ▶ **This includes almost all the elements of the promotion mix. Starting from the online promotion with pay per click advertising. Direct marketing by sending newsletters or emails.**

