

# MARKETING RESEARCH IN ACTION

Raymond Kent



ROUTLEDGE

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# Marketing Research in Action

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# Preface

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So, why another book on marketing research? How does this one differ from the others? The author began teaching methods of social research in 1967, and those of marketing research in 1982. The problem, he felt, was that in both sociology and marketing, research tended to be treated as something apart from the core discipline – but *doing* sociology or *doing* marketing (as opposed to studying them) means doing research. Ideally, research should be part of every topic within the discipline. What this book offers is a step towards the integration of marketing principles with marketing research. Furthermore, there is a need to link how marketing research is actually carried out with concepts that relate to the nature of research and scientific discovery. Conceptual and practical issues need to be married. At the end of the day, when it comes to taking action that is both efficient and effective, there is nothing so practical as a good theory.

Like any bag of tools, the tools of research are of little value unless they are used to address a real problem; it is not possible to design useful research except in the context of a proper diagnosis of the situation faced by an organisation, and a clarification of the decisions that need to be taken and which hinge on inputs from marketing research. It is one thing to know what the tools are and what they do; it is quite another to design research that addresses problems or issues effectively. Most textbooks are fine on the former; but tend to be woefully inadequate on the latter. This book shows how research actually is designed by market research executives, and relates this to the theory and principles of marketing research.

The book is unique in being part textbook and part research monograph. It takes what the author feels are the 'best' aspects of theory and principle and relates these to the results of empirical enquiry. Since 1986 the author has contacted, and in many cases visited, a large number of market research agencies in the UK, talking in detail to the 'doers' of marketing research at the sharp end. These conversations were all tape recorded and used as the basis for an analysis of real practice. The results of this investigation are infused in all the chapters, relating this sharp end to guiding principle. The chapter on research techniques and applications is

based almost entirely on this empirical work.

There are other ways, too, in which this book differs from what is currently available. First, it focuses on the *elements* that go into the design of research. These elements in practice are combined in many different ways and marketing research cannot be compartmentalised into the discrete categories of research that have become written in tablets of stone in chapters of standard texts. Second, research design is considered in detail at the end of the book, not, as is more usual, in a quick 'once over' in an introductory chapter. This is to enable the reader to see how, at the end of the day, the elements may be put together to address specific issues. Third, whenever techniques are explained, they are illustrated – and they are related to what market research companies in the UK actually do. In short, the focus is on marketing research in action. In commenting on this action, the author has taken what he considers to be examples of some of the 'best' practice in the UK. It is not a comprehensive handbook on the services offered by the market research industry. There are many market research companies and organisations that offer excellent services which do not receive a mention; I hope they will not feel aggrieved.

Those who are familiar with marketing research textbooks will spot other differences. The standard styles of research to which most texts devote separate chapters are encompassed within one, albeit substantial, chapter on data collection methods. These methods are distinguished from the instruments of data capture and from the techniques and applications in which they, and a range of data analysis procedures, are used. It is these instruments, methods, procedures, techniques and applications that are combined together to make each research project unique. The applications themselves are not the usual ones – industrial marketing research, research for overseas markets, research for services or small business, advertising research and so on. Such topics are well covered in the standard texts. What manufacturers and other kinds of organisation are more concerned about, however, is how market research companies can help them to diagnose the markets they are currently addressing, the attitudes consumers have of their brands, the effectiveness of their advertising, and the nature of the audiences who use the various media in which they currently advertise. They also want to be able to predict which products are likely to be successes or failures, whether advertising is likely to achieve its objectives, and what the volumes of sales of new or modified products are likely to be. The techniques used for all these applications are detailed in Chapter 7.

The book will be of value to students, undergraduate or postgraduate, who are pursuing courses in marketing research as part of a marketing qualification, or for the Diploma of the Market Research Society. The businessman and the marketing manager will also be able to find much of interest and value if he or she wishes to find out more about what marketing research has to offer. The book, in short, should be of value both

to those who need to design research and those who wish to use research to achieve marketing objectives.

The author has tried very hard to make the book 'user-friendly'. At the end of each chapter are detailed summaries of the key points, and there are exercises and points for further discussion to assist students to review their understanding and to help course tutors in course planning. There is a glossary of terms at the end of the book. These terms are put in bold the first time they are used (or are a heading or subheading). Where the author feels that readers may need to refresh their memories in later chapters, the terms that appear in the glossary are again put in bold. There are frequent cross-references both backwards and forwards to other parts of the text so that the reader who wishes to dip into later chapters rather than reading the book from cover to cover can locate key terms in the glossary and check explanations of concepts elsewhere in the book. There are, in addition, a number of boxed sections that elaborate or illustrate points made briefly in the text.

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# Perspectives on marketing research

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### THE SCOPE OF MARKETING RESEARCH

It is often said that marketing is an approach to business that is based on the idea that the most important person to the company is the customer. The company adopting the marketing concept is, according to marketing wisdom, customer-oriented; it must make what it knows it can sell, not try to sell what it can make. If this were true, then marketing research would be all about collecting data on customer requirements and anticipating their future needs.

As always, reality is not quite so simple. Companies offering goods and services in commercial transactions are constrained to be customer-oriented with what they have: with their existing plant, machinery, workforce, location, company reputation, and with their own particular strengths and capabilities and their own shortcomings and weaknesses. Furthermore, they must operate in an immediate, 'micro' environment not only of customers, but of competitors, suppliers, distributors, trade unions, shareholders, financial institutions, government departments and so on. In the less immediate 'macro' environment will be general economic, technological, social, political and legal factors that, to varying degrees, all need to be taken into account. Successful **marketing**, in short, is about matching organisational characteristics with the environment in which the organisation exists, and doing so in ways that will achieve its planned objectives. For profit-making organisations, these objectives may be concerned with short-term or long-term profits, with company growth, company stability, image or survival, or with becoming market leaders in chosen market segments. Objectives may be very different for non-profit-making organisations.

In this situation, marketing research is as much about diagnosing company or organisational problems as it is with researching its target market. Increasingly, it is as involved in the analysis, interpretation, use and application of data in solving problems and reducing the risks of marketing decisions as it is with collecting the data in the first place.



In its early days, marketing research was seen simply as a data collection service on markets. Clients stated what data they wanted, market researchers collected them, and the client took away the tables of results. When a company is the only one – or one of a few – using systematic marketing techniques, *any* data on customers might enable it to exploit market opportunities. When all or nearly all the companies have access to such data, being simply customer-oriented is no longer adequate. It must not only do its marketing, but do it better than its competitors. This means:

- diagnosing the current situation or problem based on detailed information,
- clearly identifying company strengths and weaknesses,
- constantly analysing what is happening in the marketplace,
- planning to match company strengths with market opportunities by outlining objectives for product and market development, and devising strategies and tactics to achieve them,
- watching out continuously for threats to the achievement of these plans,
- monitoring the progress of strategy implementation.

**Marketing research** can help with all these areas. It is concerned with the collection, analysis, interpretation and use of data both on the company and on its environment so that information can be provided that is relevant to the diagnosis, planning and control of marketing strategies. This can serve as a definition of marketing research which will be adequate for the purpose of this book.

Consider for a moment the following case:

### **John Ambrose and Co. Ltd**

John Ambrose is a medium-sized, family-owned, flour-milling business which has been in existence for over 100 years. It supplies a complete range of flours to the bakery trade to cover every specialised need. Its customers are mostly small to medium-sized family bakers who have been customers for decades. It does not supply anything to the general public; it has no advertising and only limited sales representation.

Sales have been falling steadily in the last few years to a point where the company will need to take corrective action to stay in business. Among the alternatives being considered are:

- Move into the convenience foods market with flour-based products such as stir-fry or boil-in-the-bag curries, Chinese dishes and other pasta-based meals. These would be packaged and would be similar to the lines already on the market produced by large food manufacturers.
- Supply the general public the same highly specialised flours currently supplied to the trade. These would be more expensive than standard flours.