

A young girl with dark hair, wearing a blue and white striped shirt, is laughing heartily while holding a remote control. She is sitting next to a woman with long dark hair, wearing a yellow shirt, who is also laughing and looking towards a television screen. The background is a blurred indoor setting, likely a living room.

Chapter 28

Marketing Research

- **Section 28.1** Marketing Information Systems
- **Section 28.2** Types, Trends, and Limitations of Marketing Research

Marketing Information Systems

Key Terms

marketing
research

marketing
information
system

database
marketing
database

Objectives

- Describe the purpose of marketing research
- Explain the characteristics and purposes of a marketing information system
- Identify procedures for gathering information using technology

Price Planning Considerations

Graphic Organizer

Use a chart to take notes about the main concepts in this section.



Defining Marketing Research

marketing research



The process and methods used to gather information, analyze it, and report findings related to marketing goods and services.

Marketing research ◀ involves the process and methods used to gather information, analyze it, and report findings related to marketing goods and services. Marketing research is used by companies to:

- Determine consumers' attitudes and preferences
- Test product features

Defining Marketing Research

- Determine market size and growth potential
- Learn about competitive products
- Determine buying cycles
- Understand how the company is perceived by the public

Why Is Marketing Research Important?

Information obtained from research helps businesses increase sales and profits. Research:

- What products to produce
- At what price to sell them
- Who will buy the products
- How the products will be promoted

Who Uses Marketing Research?

Small businesses usually rely on their owners, managers, employees, or hired assistants to do their research. Larger companies have in-house research departments to plan and conduct studies. Trade associations conduct and use research. Nonprofit organizations use customer surveys to get feedback.

Marketing Information Systems

marketing information system



A set of procedures and methods that regularly generates, stores, analyzes, and distributes information for use in making marketing and other business decisions.

A **marketing information system** ◀ is a set of procedures and methods that regularly generates, stores, analyzes, and distributes information for use in making marketing and other business decisions.

Marketing Information Systems

Data that should be part of a marketing information system include:

- Customer profile data
- Company records
- Competitors' records
- Government data

Database Marketing

database marketing



A process of designing, creating, and managing customer lists that contain information about an individual's characteristics and transactions with a business; also known as customer relationship management (CRM).

Database marketing ◀, or customer relationship management (CRM), is the process of designing, creating, and managing customer lists. Once a list is developed, it can be used for locating, selecting, and targeting customers with special programs and services.

Database Marketing

database



A collection of related information about a specific topic.

A **database** is a collection of related information about a specific topic. Information about consumers and their buying habits is stored in computer databases.

Types, Trends, and Limitations of Marketing Research

Key Terms

quantitative
research

qualitative
research

market
intelligence

media
research

product
research

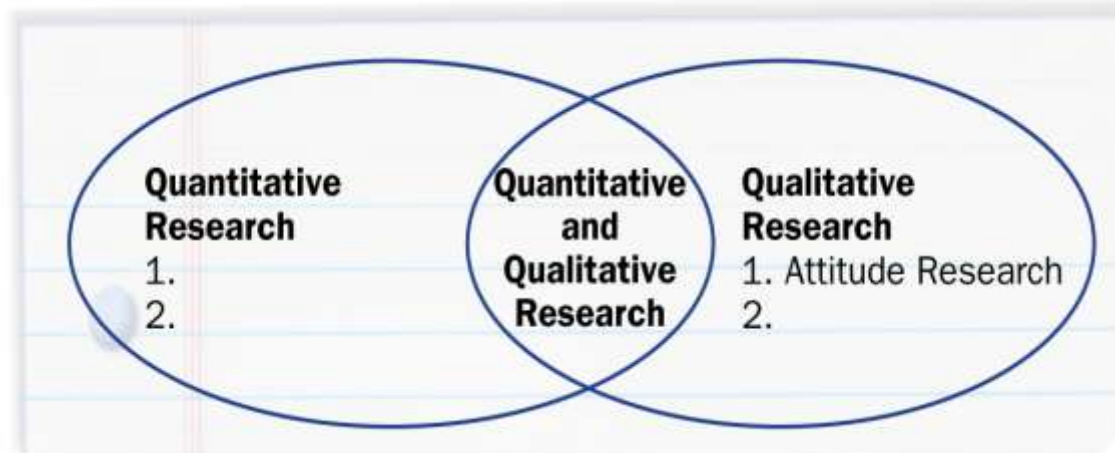
Objectives

- Identify the methods of conducting marketing research
- Discuss trends and limitations in marketing research

Factors Involved In Price Planning

Graphic Organizer

Use a chart to note the differences between quantitative and qualitative research.



Types of Marketing Research

quantitative research



A type of research that answers questions that start with “how many” or “how much.”

qualitative research



A type of research that focuses on smaller numbers of people (usually fewer than 100) and tries to answer “why” or “how” questions.

Quantitative research ◀ answers questions that start with “how many” or “how much.”

Qualitative research ◀ focuses on smaller numbers of people and focuses on trying to answer questions about “why” or “how.”

Attitude Research

attitude research



A type of research designed to obtain information on how people feel about certain products, services, companies, or ideas; also known as opinion research.

Attitude research ◀, also known as opinion research, is designed to obtain information on how people feel about certain products, services, companies, or ideas.

Customers rate “how satisfied” they are with a product or service.

Market Intelligence

market intelligence



Information about the size and location of a market, the competition, and the segmentation within the market for a particular product or service.

Market intelligence ◀ is concerned with:

- The size and location of a market
- The competition
- The segmentation within the market for a particular product or service

Market Intelligence

Sales forecasting is an attempt to estimate the future sales of an existing product.

The share that is assigned to a business is called its market share or sales penetration of the market. Based on its findings, the business can try to increase its market share through change.

Market Intelligence

The goal of market share and segmentation studies is to investigate the potential markets for new products and to define characteristics of the target market.



Market Intelligence

Economic forecasting is an attempt to predict the future economic conditions of a city, region, country, or other part of the world. Several federal agencies collect information on key economic indicators, such as:

- New building construction

Market Intelligence

- Inflation rates
- Money supply
- Consumer and producer price indexes

This research helps to determine whether to cut costs when unfavorable economic conditions are predicted.

Media Research

media research



A type of research focusing on the issues of media effectiveness, selection, frequency, and ratings; also known as advertising research.

Media research ◀, also known as advertising research, focuses on issues of media effectiveness, selection, frequency, and ratings. Media research studies:

- Brand awareness and image
- Advertising recall and effectiveness

Media Research

Important statistics for media measurement include:

- Audience
- Frequency
- Reach
- Ratings

Media Research

To obtain these measures, businesses often request information from the media on a rate card listing the:

- Advertising costs and deadline dates
- Circulation or viewership figures
- Other requirements for an advertisement

Media Research

To determine the effectiveness of printed media, readers are asked about the extent to which they noticed the ad, remembered it, and associated it with the advertised brand.

Readership in print media is measured by surveys or estimated by circulation.

Media Research

Broadcast media testing is done through a variety of methods like:

- Personal interviews
- Theater tests
- In-home testing
- Focus groups

Media Research

The effectiveness of Internet advertising is often measured with tracking studies. Web-centric trackers log the total number of people who have visited a Web site.

User-centric trackers involve metering software in a sample household or business.

Product Research

product research



The evaluation of product design, package design, product usage, and consumer acceptance of new and existing products.

Product research ◀ centers on evaluating:

- Product design
- Package design
- Product usage
- Consumer acceptance of new and existing products

Product Research

Concept testing, product positioning, and pricing studies are frequently done with focus groups to get initial consumer reactions to a product or service idea.

Trends in Marketing Research

A global marketplace requires increased international competition for U.S. companies, which must improve or change products frequently to keep customers. Research that measures product quality and customer satisfaction is the fastest growing form of marketing research.

Trends in Marketing Research

Another trend is the use of both internal and external information in managing a business. Total quality management (TQM) programs place a premium on gathering and using database research in improving business operations.

Limitations of Marketing Research

The amount of marketing information that is gathered is limited by the amount of money and time a company can afford to spend and by the number of personnel needed to conduct the research.

Another limitation is the accuracy of the results.

FOCUS on KEY POINTS

Section 28.1

- Marketing research involves the marketing function that links the consumer, customer, and public to the marketer through information. Marketing information is used to identify opportunities, solve problems, implement plans, and monitor performance.

continued

FOCUS on KEY POINTS

Section 28.2

- Marketing research is usually divided into two broad types of research: quantitative and qualitative. Marketing research involves the process and methods used to gather information, analyze it, and report findings related to marketing goods and services.



This chapter has helped prepare you to meet the following DECA performance indicators:

- Describe the need for marketing research.
- Identify information monitored for marketing decision making.
- Explain the nature of marketing research in a marketing information management system.
- Make oral presentations.