



Assessing Market Opportunities through Research

K. Ram Prasad

Emerald's Advanced Institute of Management Studies, Tirupati, Andhra Pradesh.

Abstract : Making market decisions in a fast changing world is both an art and science. Proactive marketing decision making requires companies to closely monitor macro and micro trends relevant to their growth. It also requires developing insights about consumers, competition, company offerings and the reasons for their success or failure. These insights have to be based on timely, accurate and actionable information. Holistic marketers understand the importance of continuously monitoring, forecasting and adapting to the changing environment, developing consumer insights, and understanding the marketing implications of those insights for assessing market opportunities and customer value. Firms are adjusting the way they do business based on dramatic shifts in the economic, technological, demographic, socio-cultural, natural and politico-legal environments. Marketers have the major responsibility for identifying market place changes. For the purpose research is carrying out by collecting information or interacting with customers, observing the competition and outside groups.

INTRODUCTION

Marketing research is defined as the systematic way of gathering and analysis of marketing related data to produce information that can be used in decision making. Marketing research involves following a systematic sequence of steps that will produce reliable and valid data. Through analysis and interpretation the data are transformed into information suitable for decision making purposes by managers. Marketing research can be conducted internally by the firms marketing department or performed externally by a marketing research firm. The information gathered is then used to make decisions related to the marketing mix or other marketing functions. The marketing mix is the specific combination of product, pricing, promotional and distribution decisions made for the purpose of targeting a particular group of consumers. Some of the common uses of research information include marketing segmentation, identifying specific target markets, analyzing consumer behavior and needs, tracking customer satisfaction, developing new products and evaluating various forms of advertising executions and pricing tactics. The use of marketing research information is not limited to just the marketing department. It can be used by all levels of management to make decisions that impact other aspects of a firms operation. It can guide top management in making

strategic decision about acquisitions, divestures and expansion. It can be used by middle managers to develop production schedules, purchase raw materials, develop departmental budgets and determine appropriate staffing levels.

History of Marketing Research

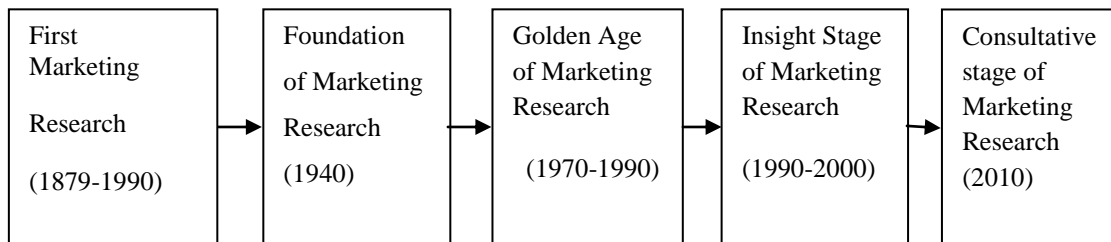
The first documentation instance of marketing research was in 1879 and was conducted by the advertising agency N.W.Ayer. The company surveyed state and local officials about expected levels of grain food production. The information was used by a manufacturer of farm production equipment in the preparation of advertising schedule. From that first marketing research slowly evolved. The basic foundation of marketing research slowly evolved. The basic foundation of marketing research was developed during the first 30 years of the 20th century. The first marketing research was published in 1921, and the first marketing research course taught on college campus occurred in the 1930s. The early years of marketing research focused on methods of sampling, collecting data and analytical techniques. Researchers also focused on ways to measure concepts such as opinions, perceptions, preferences, attitudes, personalities and lifestyle. The primary goal of marketing research at that time was to measure marketing phenomena and consumer characteristics. Raw data were converted into information which was then passed on to managers to make decisions.

The period of the 1970s and 1980s is often referred as the "golden age of consumer research". During this time marketing research techniques become more scientific. Computing power made collecting and analyzing data faster, easier, cheaper and more accurate. Companies invested substantial dollars into marketing research to better understand the market, the consumer and decision process. Few decisions were made that were not supported by marketing research. Research study results became the support or rationale for choosing particular marketing strategies or marketing tactics. During the late 1990s and early 2000s a cultural shift in marketing research began to occur. Decision makers wanted more than support for marketing support for marketing decisions. They wanted marketing researchers to offer insights into what the data meant. Simply describing

potential markets, characteristics of consumers, and the decision process was no longer sufficient. Decision makers wanted insights into why particular choices were made by consumers and how the result of a marketing research study could provide a better understanding of the best strategies and tactics. Marketing researchers were no longer just data providers. They were to assist in providing insights into marketing situations.

Some marketing researchers believe we are now beginning to enter another, newer phase of marketing

Historical Stages of Marketing Research



Functions of Marketing Research

Marketing Research serves four primary functions within an organization. **The Exploratory Function** of marketing research occurs when researchers have a limited or no knowledge at all marketing situation or a particular outcome. For example, a company may be losing customers or sales may be declining, but managers are not sure why marketing research can be used to explore some possible causes of lost sales or customers.

Marketing Research often serves a **Descriptive function**, refers to the gathering and presentation of information about a marketing phenomenon or situation. For example marketing research can be used to describe the primary consumer of a product such as LED TV, Two Wheeler.

The Diagnostic function of marketing research is particularly helpful in many situations. Here data analysis techniques are used to investigate relationships and phenomena within data that have been gathered through marketing research.

The **Predictive Function** of marketing research allows data to be used to predict or forecast the result of a marketing decision or consumer action. Retailers use predictive research to determine what items a consumer is likely to purchase together so suggestive selling can be used. It is often used to estimate the market share of a brand extension or new product introduction.

Applied Versus Basic Research

Marketing Research can be either applied or basic. **Applied Marketing Research** is designed to solve a particular/specific marketing problem, to investigate a particular marketing phenomenon, or to understand the result of previous decisions. Most commercial marketing research and research conducted internally by research departments is applied since companies are seeking

research- the consultative stage. Just providing insights may no longer be enough. Managers want marketing researchers to be part of the solution, to provide input and direction into marketing decisions. They were trained and educated in data analysis. Now they are being asked to assist in developing of marketing research; they must also have a thorough understanding of marketing and especially planning and strategy.

solutions to problems or information that can help them to exploit potential market opportunities. Marketing research should provide information that will allow managers to make better marketing decisions.

Basic Marketing Research is more theoretical in nature and is conducted to advance marketing knowledge in general or to verify a proposed marketing theory or concept. Findings from basic research cannot be implemented by the managers in short run. This is because basic research is typically not conducted in the context of a particular brand or firm, or for the purpose of solving a specific marketing problem or exploiting an opportunity facing a given brand or firm.

Objective of the Study

- To discuss the emerging trends in Marketing Research

Need for Marketing Research

The need of conducting marketing research is to support marketing decisions. Marketing research plays a vital role in number of marketing areas as below.

Segmentation and Targeting

- Product development
- Market and competitive analysis
- Marketing communications and media selection
- Site selection and distribution studies
- Pricing and sales potential/forecast studies

Emerging Trends in Marketing Research

A number of significant changes occurred that have a profound effect on marketing research. Some of these changes are still occurring and the full-service marketing research firms have to adopt quickly or be left behind by

smaller, more nimble start up research agencies have that can see what is occurring. The emerging trends may include

- **Telecommunications technology:** Advances in the telecommunications, primarily social media and smart phones, have impacted the consumers all over the world and created a significant change in the way individuals communicate with each other, with brands and with companies, social media, smart phones have not just changed the way people communicate but have created cultural changes as well. The cultural shift in communications is now beginning to impact the marketing research industry. Marketing researchers have for decades relied on surveys to gather information. This approach is quickly shifting to social media. Now the companies are listening what the consumers are saying and responding. This makes data collection faster and easier as it is no longer necessary to research consumers at their home or place of business.

- **Economics:** The financial crisis that hit the world in the beginning of 21st century produced significant changes in the marketing research industry. Tighter corporate budget meant finding firms that could produce more results for less money, more quickly than research had been completed in the past. Research firms forced to look for cheaper ways to conduct research. A solution was to utilize online marketing research via e-mail, internet survey, websites and on-line panels and databases. The cost of conducting a survey online versus in person or by telephone is considerably cheaper and typically faster. Another advantage is that with smart phones and palmtops, consumers can be reached anywhere, anytime. Of course, the survey methodology needs to be changed, but research firms knew that could be done.

- **Competition:** with tighter client budgets and online research techniques were prompted by changes in the economic environment, competition sparked two additional changes in marketing research- accelerated timeliness and an increased **focus** on international research. Because of global competition, firms are increasingly seeking to conduct research internationally. Coupled with the need to do research in multiple

countries research firms faced a compression of timeline. Instead of having months to complete a marketing research study, many companies now expect the entire project to be completed within 6-8 weeks. Online data collection can occur considerably faster than other methods such as telephone, mail or in person.

CONCLUSION

In the past few years many organizations have adopted technologies for their business models in hopes to increase efficiency, become more flexible, and to transform their current business functions. Marketing research, too has adopted new techniques and methodologies in order to keep up with the evolving markets and extend its reach. Because of the increase in global competition and due to the elimination of geographic barriers and lower costs provided by the internet, market research need to be conducted in a larger scale that involves multiple countries. Compared to the past, fewer studies are limited to just one country.

REFERENCES:

- [1] Bradley, Nigel Marketing Research. Tools and Techniques. Oxford University Press, Oxford, 2007 ISBN 0-19-928196-3 ISBN 978-0-19-928196-1
- [2] Kotler, Philip and Armstrong, Gary Principles of Marketing Pearson, Prentice Hall, New Jersey, 2007 ISBN 978-0-13-239002-6, ISBN 0-13-239002-7
- [3] McQuarrie, Edward (2005), The market research toolbox: a concise guide for beginners (2nd ed.), SAGE, ISBN 978-1-4129-1319-5
- [4] Diaz Ruiz, C. A. (2013). "Assembling Market Representations". Marketing Theory **13** (3): 245–261. doi:10.1177/1470593113487744
- [5] Bradley, Nigel Marketing Research. Tools and Techniques .Oxford University Press, Oxford, 2010

