

Applications of Marketing Research

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Abstract

Marketing is a restless, changing, and dynamic business activity. The role of Marketing itself has changed dramatically due to various crises material and energy Shortages, inflation, economic recessions, high unemployment, dying industries, dying Companies, terrorism, and war, and effects due to rapid technological changes in certain Industries. Such changes, including the Internet, have forced today's marketing executives to become more market-driven in their strategic decision-making, requiring a formalized means of acquiring accurate and timely information about customers, products the marketplace, and the overall environment. The means to help them do this is marketing research.

Key Words: *Energy Shortages, Inflation, Economic Recessions, Market Driven etc.*

OBJECTIVES OF PAPER

- To understand the concept and areas involved in Product Research
- To discuss the steps in new product development
- To explain Product Testing & Test Marketing (concept, methods)

MARKETING RESEARCH

Marketing research is a systematic process of collecting, analyzing, and interpreting data to gain insights into various aspects of the market, consumer behavior, and business environment. It plays a vital role in shaping strategic decisions and driving business success.



Fig. 1

APPLICATIONS OF MARKETING RESEARCH

Below are some detailed applications of marketing research:

1. **Market Segmentation and Targeting:** Marketing research helps companies identify distinct groups of consumers with common characteristics, needs, and preferences. This segmentation allows businesses to tailor their marketing strategies and offerings to specific segments, enhancing customer engagement and satisfaction.
2. **New Product Development:** Before introducing a new product or service, companies need to understand the market demand, potential challenges, and consumer expectations. Marketing research provides valuable insights into market gaps, customer desires, and competitive offerings, aiding in the development of products that resonate with the target audience.
3. **Brand Perception and Positioning:** Understanding how consumers perceive a brand is crucial for effective brand management. Research helps assess brand awareness, associations, and emotional connections. With this information, companies can refine their branding strategies to align with desired perceptions and differentiate from competitors.
4. **Competitor Analysis:** Marketing research allows businesses to analyze their competitors' strengths, weaknesses, strategies, and market

- positioning. This knowledge helps companies identify opportunities for differentiation and develop strategies to gain a competitive edge.
5. **Consumer Behavior Insights:** By studying consumer behaviors, preferences, and purchasing patterns, marketing research assists in predicting trends and understanding how consumers make decisions. These insights are instrumental in designing marketing campaigns that resonate with the target audience and drive conversions.
 6. **Pricing Strategy:** Determining the right pricing strategy involves understanding customer perceptions of value, willingness to pay, and price sensitivity. Marketing research helps in setting competitive prices that align with market dynamics and customer expectations.
 7. **Advertising and Promotions Effectiveness:** Research evaluates the impact of advertising campaigns by measuring metrics such as ad recall, message comprehension, and brand recognition. This data helps businesses optimize their advertising efforts and allocate resources effectively.
 8. **Market Entry and Expansion:** Before entering a new market or expanding into a new region, companies need to assess the market's potential, consumer preferences, and competitive landscape. Marketing research provides insights to make informed decisions and tailor strategies to fit local conditions.
 9. **Customer Satisfaction and Loyalty:** Regular feedback collection and satisfaction surveys help companies gauge customer sentiment, identify areas for improvement, and enhance overall customer experience. Satisfied customers are more likely to become loyal brand advocates.
 10. **Trend Forecasting:** Marketing research helps in identifying emerging trends, shifts in consumer preferences, and changes in market dynamics. Businesses that can anticipate these trends are better positioned to adapt and innovate their products and strategies.

11. **Measuring Marketing ROI:** Research enables businesses to measure the return on investment (ROI) of their marketing campaigns. By tracking key metrics like sales uplift, website traffic, and lead generation, companies can determine the effectiveness of their marketing efforts and allocate resources accordingly.
12. **Product and Service Improvement:** Collecting feedback and conducting surveys post-purchase can provide insights into product/service satisfaction and areas for improvement. Marketing research informs the iterative process of enhancing offerings based on customer input.

Market Research and the Marketing Process



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Fig. 2

PRODUCT RESEARCH

Product research is the process of marketing research that is done to get information on the desired characteristics and specifications of a product expected by potential customers mainly before the launch and availability of the product. Product research helps companies understand what the customers want so that the product can be tailored to match the needs of the customer. This research can help to refine new product ideas as well as improve the existing products in the market.

Product research is a very important activity in new product development - it can be carried out at several stages of new product development. Product research helps an organization make products that are expected by the customers. This helps have a competitive advantage and leadership position in the market. A well-researched product will meet the requirements of the customer in a much better way. Product research is even more important when you are launching a product in a market where there are a lot of competitors. Knowing the customer's feedback on the features, and characteristics can help make a product that solves the existing products' issues in the market.

ADVANTAGES OF MKT RESEARCH

Marketing research and user experience (UX) design help you continuously improve your product by acting on your feedback. Here are the advantages of conducting marketing research:

- **Improved efficiency:** Efficiency draws you closer to your users. You can improve the efficiency of delivering the product to the market and also increase its usability.
- **Cost-effective:** Marketing research helps you make the right decisions based on consumer demand, thus saving you costs in creating something that customers do not like or want.

- **Competitive edge:** Quicker, more robust insights can help you place your services and products strategically, gaining a competitive advantage over others.
- **Build strategies:** You can quickly build, alter, or design new approaches to attract your users and consumers.
- **Improved communication:** Bridge the communication gap by interacting with consumers and hearing them out. This helps consumers feel wanted and special.

SCOPE OF MARKETING RESEARCH:

The Scope of marketing research refers to the areas covered or the aspects studied under marketing research. In other words, it implies where or in which areas marketing research can be applied. Marketing research concerns almost every activity of marketing management. It has a wide and comprehensive scope.

1. Research on Products:

Products involve goods and services. This branch of marketing research covers all the issues related to the firm's products. It studies and solves product-related problems, such as

- i. Study of products' qualities and performance
- ii. Study of physical and psychological characteristics of product
- iii. Determining uses of the existing products
- iv. Comparative study of competitive products
- v. Detecting consumers' problems related to the products
- vi. Determining the need for developing new products
- vii. Assessing the success of a new product in the market, including market testing

- viii. Product life cycle and consumer adoption study
- ix. Study of branding, packaging, labeling, after-sales services, and remarking

2. Research on Market:

This area of marketing research deals with market/consumers. It studies the characteristics and compositions of the target markets. It covers both current as well as potential markets.

- i. Defining and selecting a target market
- ii. Studying the needs and wants of the target market
- iii. Study of size and location of the current market
- iv. Assessing the current market trends and projecting the future trend
- v. Analysis of territorial sales opportunities and potential
- vi. Setting sales territories and sales quotas
- vii. Market share analysis
- viii. Studies on the relative profitability of different markets
- ix. Estimating demand for a new product

3. Research on Sales Methods and Policies:

This area of marketing research, particularly, concerns with study and analysis of sales-related activities. Various aspects covered under this head may be listed below:

- i. Study and analysis of sales records
- ii. Analysis of sales territories in terms of products, size of orders, times, terms and conditions, and methods
- iii. Study on activities and effectiveness of salesmen
- iv. Evaluating existing selling methods
- v. Sales force management including size, compensation, training, control, etc.

- vi. Study on effect of various promotional tools such as advertising, personal selling, sales promotion, and publicity tools on sales
- vii. Study on organization structure of sales department

4. Research on Advertising:

Advertising is one of the powerful methods of market promotion. A major part of the promotional budget is devoted to advertising activities. Therefore, it is imperative to research various aspects related to advertising. Under this area, at least the following aspects are covered:

- i. Comparative study of various elements of promotion
- ii. Study on advertising objectives, media and media selection, advertising message, theme, copy, and advertising agency
- iii. Social aspects of advertising – negative and positive effects of advertising on society at large
- iv. Advertising role in different stages of product life cycle
- v. Government restrictions on advertising
- v. Study on costs and contribution of advertising or evaluating advertising effectiveness
- vii. Study of competitors' advertising practices and strategy

5. Research on Pricing:

Price is an important element of the marketing mix. In developing and underdeveloped countries, price plays a vital role. Suitable pricing policies and methods can contribute positively to the attainment of marketing goals. Price has remained a major determinant of buying decisions. This branch covers:

- i. Study on pricing objectives
- ii. Study on effectiveness of pricing policies and strategies
- iii. Study of various methods for setting price
- iv. Quality v/s value analysis
- v. new product and pricing policies

- a. Study on the effect of discount, allowance, and seasonal variables vii.
Pricing strategies on different stages of the product life cycle

6. Research on Distribution:

In today's marketing, distribution has a unique role in determining the success of the product. A marketer can contribute to total consumer satisfaction by designing an appropriate distribution network. Physical distribution and distribution channels are two important components of such research. This area includes:

- i. Assessing the role of distribution decisions in achieving marketing goals
- ii. Comparative study of between direct and indirect distribution
- iii. Physical distribution and ancillary services
- iv. Study on various types of channels of distribution
- v. Study on relevant factors affecting channel decision/selection
- vi. Comparing the company's distribution strategies with competitors
- vii. Relevance of online marketing
- viii. Legal issues related to distributions

7. Research on Business Environment and Corporate Responsibility:

This area is not concerned with solving any marketing problem directly. To collect and analyze data related to the broad business environment, such research is conducted. The study on the area helps managers formulate strategies for the current and future market as well. It also helps assess the strengths and weaknesses of the marketing department in the business environment. In today's dynamic business environment, the study of various economic, social, and cultural variables is extremely important. Similarly, it is necessary to analyze corporate responsibility. The main aspects covered under the head include:

- i. Business analysis including demand, national income, per capita income, trade and industry, economic growth rate, fiscal monetary policies, and export-import policy.
- ii. Short-term and long-term business forecasting.
- iii. Technological aspects.
- iv. Availability and quality of productive resources.
- v. Impacts of legal provisions and Acts.
- vi. Study on consumerism and consumer rights.
- vii. Social and cultural values affecting business policy.
- viii. Pollution & ecological imbalance, and social responsibility of business.

STEPS IN NEW PRODUCT DEVELOPMENT:

New product development (NPD) is the process of bringing an original product idea to market. Although it differs by industry, it can essentially be broken down into seven stages: ideation, research, planning, prototyping, sourcing, costing, and commercialization.

1. Idea generation: Many aspiring entrepreneurs get stuck on the first stage of ideation and brainstorming. This often is because they're waiting for a stroke of genius to reveal the perfect product they should sell. While building something fundamentally "new" can be creatively fulfilling, many of the best ideas are the result of iterating upon an existing product. **The SCAMPER model** is a useful tool for quickly coming up with product ideas by asking questions about existing products. Each letter stands for a prompt:

- Substitute (e.g., faux fur for fur)
- Combine (e.g., a phone case and a battery pack)
- Adapt (e.g., a nursing bra with front clasps)
- Modify (e.g., an electric toothbrush with a sleeker design)

- Put to another use (e.g., memory-foam dog beds)
- Eliminate (e.g., get rid of the middleman to sell sunglasses and pass the savings on to consumers)
- Reverse/Rearrange (e.g., a duffle bag that doesn't wrinkle your suits)

2. **Research:** With your product idea in mind, you may feel inclined to leapfrog ahead to production, but that can become a misstep if you fail to validate your idea first. Product validation ensures you're creating a product people will pay for and that you won't waste time, money, and effort on an idea that won't sell. There are several ways you can validate your product ideas, including:

- Talking about your idea with family and friends
- Sending out an online survey to get feedback
- Starting a crowdfunding campaign
- Asking for feedback on forums like Reddit
- Researching market demand using Google Trends
- Launching a Coming Soon page to gauge interest via email opt-ins or pre-orders

3. **Planning:** Since product development can quickly become complicated, it's important to take the time to plan before you begin to build your prototype. When you eventually approach manufacturers or start looking for materials, if you don't have a concrete idea of your product's design and how it will function, it's easy to get lost in the subsequent steps. The best place to begin planning is with a hand-drawn sketch of what your product will look like. The sketch should be as detailed as possible, with labels explaining the various features and functions.

Try to use your diagram to create a list of the different components or materials you will need to bring the product to life. The list does not need to be inclusive of all potential components, but it should allow you to begin

planning what you will need to create the product. For example, a drawing of a purse design could be accompanied by this list:

- Zippers (large and small)
- Silver clasps
- Leather straps
- Protection pouch
- Embossed label
- Interior wallet

4. Prototyping: The goal of the prototyping phase during product development is to create a finished product to use as a sample for mass production. It's unlikely you will get to your finished product in a single attempt— prototyping usually involves experimenting with several versions of your product, slowly eliminating options, and making improvements until you feel satisfied with a final sample. Prototyping also differs significantly depending on the type of product you are developing. The least expensive and simplest cases are products you can prototype yourself, such as food recipes and some cosmetic products. This do-it-yourself prototyping can also extend to fashion, pottery, design, and other verticals if you are lucky enough to be trained in these disciplines

5. Sourcing: Once you have a product prototype you're satisfied with, it's time to start gathering the materials and securing the partners needed for production. This is also referred to as building your supply chain: the vendors, activities, and resources needed to create a product and get it into a customer's hands. While this phase will mainly involve finding manufacturers or suppliers, you may also factor storage, shipping, and warehousing into your choice. It also has the added benefit of creating a backup option if one of your suppliers or manufacturers doesn't work out. Sourcing several options is an important part of safeguarding your business for the long term.

6. Costing: After research, planning, prototyping, and sourcing are done, you should have a clearer picture of what it will cost to produce your product. Costing is a business analysis process where you take all information gathered thus far and add up what your cost of goods sold (COGS) will be so you can determine a retail price and gross margin. Begin by creating a spreadsheet with each additional cost broken out as a separate line item. This should include all of your raw materials, factory setup costs, manufacturing costs, and shipping costs. It is important to factor in shipping, import fees, and any duties you will need to pay to get your final product into the customer's hands, as these fees can have a significant impact on your COGS, depending on where you are producing the product.

7. Commercialization: At this point, you've got a profitable and successful product ready for the world. The last step in this methodology is to introduce your product to the market! At this point, a product development team will hand the reins over to marketing for a product launch. If you don't have the budget for expensive ads, don't sweat it. You can still run a successful go-to-market strategy by using the following tactics:

- Sending product launch emails to your subscriber list
- Working with influencers on an affiliate marketing campaign
- Getting your product featured in gift guides
- Enable Instagram Shopping
- Run Chat Marketing campaigns
- Get reviews from early customers

CONCLUSION:

The primary aim of marketing research is to find ways to attract potential customers. It also helps to keep current happy and coming back for more.

Understanding your customers entirely is the only way to progress. You'll lose potential customers if you stop caring about improving your user experience.

Marketing research gives you the answer to the 'why.' Make use of user analytics, big data, and reporting dashboards in marketing research to tell you what your users are thinking and why they think and act that way. For example, only marketing research can explain why customers leave you.

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