

The Market Research Process: Steps to Success: market research is a systematic process of collecting, recording and analyzing of data about customers, competitors and market places. The main purpose of **market research** is to explore more information about market and customer trends in order to make better business decisions.

The market research process is a systematic methodology for informing business decisions. The market research process involves around a separate set of stages of data interpretation, organization and collection. These stages could be considered as a benchmark of market research, but it depends on how an organization has encapsulated their strategies to follow this process. Hence some of the interlinked stages can be conducted repeatedly and some of the stages can also be omitted.

Step 1. Define the Objective & Your “Problem”: The starting phase is always identifying the reason or problem for which research is to be conducted. This includes collecting of relevant initial information and how this information will affect decision making process. It also includes defining problems after discussing with decision makers of the organization. Once the problem is defined precisely and the need of research is discussed, the further process could be conducted in an efficient manner.

It is considered the most important step in the market research process because it defines the goals of the project. At the core of this, is understanding the root question that needs to be informed by market research. There is typically a key business problem (or opportunity) that needs to be acted upon, but there is a lack of information to make that decision comfortably; the job of a market researcher is to inform that decision with solid data. Examples of “business problems” might be “How should we price this new widget?” or “Which features should we prioritize?”

By understanding the business problem clearly, you’ll be able to keep your research focused and effective. At this point in the process, well before any research has been conducted, I like to imagine what a “perfect” final research report would look like to help answer the business question(s). You might even go as far as to mock up a fake report, with hypothetical data, and ask your audience: “If I produce a report that looks something like this, will you have the information you need to make an informed choice?” If the answer is yes, now you just need to get the real data. If the answer is no, keep working with your client/audience until

the objective is clear, and be happy about the disappointment you've prevented and the time you've saved.

Step 2. Determine “Who will do the research” and “Your “Research Design: Who will do the research- Once the initial stage of defining the problem and the need of research is done, it is important to determine who will do the research and what will be the approaches to resolve these problems. This involves creating a problem solving framework and analytical models after discussing it organization experts. Case studies are created according to the defined framework by enforcing the relevant information and secondary data.

Now that you know your research object, it is time to plan out the type of research that will best obtain the necessary data. Think of the “research design” as your detailed plan of attack. In this step you will first determine your market research method (will it be a survey, focus group, etc.?). You will also think through specifics about how you will identify and choose your sample (who are we going after? where will we find them? how will we incentivize them?, etc.). This is also the time to plan where you will conduct your research (telephone, in-person, mail, internet, etc.). Once again, remember to keep the end goal in mind—what will your final report look like? Based on that, you'll be able to identify the types of data analysis you'll be conducting (simple summaries, advanced regression analysis, etc.), which dictates the structure of questions you'll be asking.

Your choice of research instrument will be based on the nature of the data you are trying to collect. There are three classifications to consider:

Exploratory Research – This form of research is used when the topic is not well defined or understood, your hypothesis is not well defined, and your knowledge of a topic is vague. Exploratory research will help you gain broad insights, narrow your focus, and learn the basics necessary to go deeper. Common exploratory market research techniques include secondary research, focus groups and interviews. Exploratory research is a qualitative form of research.

Descriptive Research – If your research objective calls for more detailed data on a specific topic, you'll be conducting quantitative descriptive research. The goal of this form of market research is to measure specific topics of interest, usually in a quantitative way. Surveys are the most common research instrument for descriptive research.

Causal Research – The most specific type of research is causal research, which usually comes in the form of a field test or experiment. In this case, you are trying

to determine a causal relationship between variables. For example, does the music I play in my restaurant increase dessert sales (i.e. is there a causal relationship between music and sales?).

Qualitative method:

Qualitative method is generally used for exploratory research purposes with less number of respondents.

The examples including:

Focus group discussion

In-depth interviews

Projective techniques

Quantitative method:

Quantitative method is usually a data driven approach to infer conclusions out of the research study involving a large number of respondents. Few examples like

Consumer surveys

Questionnaires

Ethnographic study method:

Ethnographic study method is basically a qualitative approach. It involves the observations of customers social phenomena on using the product usage.

Experimental method:

Experimental method is basically a quantitative approach involving test markets and simulation of a product usage /preferences/ behavioral patterns.

There are two different applications of marketing research broadly:

Strategic applications:

Strategic applications includes demand forecasting, market segmentation, sales forecasting, positioning studies and target audience identification.

Tactical applications:

Tactical applications includes product testing, product tracking research, pricing research, promotional research, distribution and logistics research.

Snapshots of kinds of research studies that involve the tactical applications of marketing research are as follows:

1. To determine the market potential of emergency roadside assistance car package
2. To find out the effectiveness of the advertising campaign for a detergent brand
3. To identify the consumer buying habits for white goods
4. To find the customer satisfaction level among the users of a new branded PC
5. To determine the brand awareness and brand loyalty for a cellular phone hand set

Step 3. Design & Prepare Your “Research Instrument”

In this step of the market research process, it's time to design your research tool. If a survey is the most appropriate tool (as determined in step 2), you'll begin by writing your questions and designing your questionnaire. If a focus group is your instrument of choice, you'll start preparing questions and materials for the moderator. You get the idea. This is the part of the process where you start executing your plan.

Picking out the appropriate methodology- A specific methodology is entailed by the research professional after identifying the specific needs and exploring the case studies. It may include a combination of specific approaches like telephone survey, web or email survey, one-to-one interviews, secondary research etc. This methodology acts as a blueprint of research process and following basic steps:

- Methods for collecting and preparing quantitative information.
- Determining the need of this information.
- Scaling and measuring procedures.
- Designing sample Questionnaire.
- Formulating case studies and sampling process.
- Planning information analysis.

Step 4. Collect Your Data

This is the meat and potatoes of your project; the time when you are administering your survey, running your focus groups, conducting your interviews, implementing your field test, etc. The answers, choices, and observations are all being collected and recorded, usually in spreadsheet form. Each nugget of information is precious and will be part of the masterful conclusions you will soon draw.

This process includes field work and desk work for collecting all relevant data and information. Field work includes interviewing the personals by interacting them face to face by visiting them in home or offices or arranging group meetings at any preferred place. Desk work includes contacting personals over telephone or via series of emails and web meetings. This could take comparatively more time as compared to the field work. Involving experienced and trained executive for this helps in reducing data collection errors.

Step 5. Analyze Your Data: Step 4 (data collection) has drawn to a close and you have heaps of raw data sitting in your lap. If it's on scraps of paper, you'll probably need to get it in spreadsheet form for further analysis. If it's already in spreadsheet form, it's time to make sure you've got it structured properly. Once that's all done, the fun begins. Run summaries with the tools provided in your software package (typically Excel, SPSS, Minitab, etc.), build tables and graphs, segment your results by groups that make sense (i.e. age, gender, etc.), and look for the major trends in your data. Start to formulate the story you will tell.

Step 6. Visualize Your Data and Communicate Results

You've spent hours pouring through your raw data, building useful summary tables, charts and graphs. Now is the time to compile the most meaningful take-aways into a digestible report or presentation.

A great way to present the data is to start with the research objectives and business problem that were identified in step 1. Restate those business questions, and then present your recommendations based on the data, to address those issues. When it comes time to presenting your results, remember to present insights, *answers* and *recommendations*, not just charts and tables.

If you put a chart in the report, ask yourself "what does this mean and what are the implications?" Adding this additional critical thinking to your final report will make your research more actionable and meaningful and will set you apart from other researchers.

While it is important to "answer the original question," remember that market research is one input to a business decision (usually a strong input), but not the only factor

The entire process is properly documented with respect to organizational standards so that it can be referred in future for decision making process or to change or modify any specific process or module. This document contains overall architecture of the project depicting all the processes with the help of tables, graphs and figures to provoke impact and clarity.

Market Research undeniably plays a vital role in exploring the business. The above process if conducted in an efficient manner could help predicting and correlating customer needs and then modeling or modifying the business strategies accordingly.

4 MARKET SEGMENTATION

- 3.1 definition of the market segmentation
- 3.2 characteristics of the market segmentation
- 3.3. the market
- 3.4 market niches