



## AS\_UNIT 17\_Market research

### 3.2 Market research

3.2.1 Primary and secondary research

3.2.2 Methods of information gathering

3.2.3 Sampling methods

3.2.4 Market research results

3.2.5 Cost effectiveness

- purpose of market research in determining customer characteristics/consumer profiles, wants and needs
- distinction between primary (field) and secondary desk research, and the main features of each
- methods of primary research and their advantages and disadvantages including focus groups and surveys
- sources of secondary information including printed, paid for and web-based sources of information
- random, stratified and quota sampling; the appropriateness of each to given situations
- limitations of sampling
- the reliability of data collection
- analysis of results obtained from market research
- interpretation of information [Note: Candidates will not be required to draw bar charts, pie charts, etc., or demonstrate knowledge of advantages and disadvantages of different presentation methods.]
- cost effectiveness of market research in given situations (treated descriptively)

# The need for market research

1. To reduce the risks associated with new product launches
2. To predict future demand changes
3. To explain patterns in sales of existing products and market trends
4. To assess the most favoured designs, flavours, styles, promotions and packages for a product

# The market research process

1. Management problem identification
2. Research objectives
3. Sources of data – primary and secondary

# The market research process – primary and secondary data

## Sources of **secondary data**

- Government publication
- Local libraries and local government office
- Trade organizations
- Market intelligence reports
- Newspaper reports and specialist publications
- Internal company records
- The internet

# The market research process – primary and secondary data

## Sources of **primary data**

**Qualitative** data – Focus group

**Quantitative** data:

- Observation and recording
- Test marketing
- Consumer surveys – what to ask (Interview or fill-in questionnaire)

# Sample size & methods

## Probability sampling

- **Simple random sampling**
- Systematic sampling
- **Stratified sampling**
- **Quota sampling**
- Cluster sampling

## Non-probability sampling

- Convenience sampling
- Snowball sampling
- Judgemental sampling
- Ad hoc quotas

# How accurate is primary research?

1. Sampling bias
2. Questionnaire bias
3. Other forms of bias

# Interpreting your market research results

- Tables
- Pie graphs
- Line graphs
- Bar charts
- Histograms

# Statistical analysis of results \* dispersion & spread of data

- Mean & Mode & Median
- Frequency data & Grouped frequency data
- Range & interquartile range