

Course Learning Outcomes for Unit I

Upon completion of this unit, students should be able to:

1. Explain the role, the purpose, and uses of marketing research.
2. Recommend different types of marketing research studies.
3. Distinguish components of the marketing information system.
4. Interpret the history and characteristics of the marketing research industry.
5. Classify firms in the marketing research industry.
6. Discuss the important ethical issues facing the marketing research industry today.

Reading Assignment

Chapter 1: An Introduction to Marketing Research

Chapter 2: The Marketing Research Industry

Unit Lesson

Welcome to the world of marketing research. To most people, research means lab coats, but that's not what is meant in the world of marketing! Marketing research and other social science research is obviously different. As you will see in this course, marketing research is designed to help marketing managers and entrepreneurs make decisions in almost every area of marketing. Marketing managers are the people responsible for:

- Determining the demand for the products and services offered by a firm.
- Identifying potential customers for new products and services.
- Testing different ways of advertising a newly launched product to attract customers.
- Developing pricing strategies with the goal of maximizing a firm's profits while ensuring customer satisfaction.
- Introducing faster, cheaper and better means of delivering products to the customer.
- Overseeing improvements in product quality to increase customer satisfaction.
- Retaining current customers to increase a firm's revenues and market share and decrease costs.

When discussing marketing research, it is important to understand the concept of marketing. While consumers often associate marketing with advertising and product promotions, the other three elements of the marketing mix: product, price, and distribution, are integral parts of marketing as well. Marketers employ marketing research data to help make decisions about all four of these marketing mix elements

For example, a famous coffee shop chain often tests its latest drink before introducing it to its customers. Research has shown that certain new drinks sell well only in some parts of the USA. Therefore, the coffee shop will use different advertising strategies to promote the drink in different parts of the country. By segmenting the marketplace based on geographic location, the coffee shop can tailor their product, adjust their pricing, and also adapt their promotional strategies to meet each target market.

Marketing managers use marketing research to segment markets and then help choose target markets from these segments to target a marketing mix. Often, the next step for an organization is to make decisions concerning the elements of a marketing mix.

For example, a hotel chain has a number of different brands that it owns. Each of these brands is aimed at different consumer segments with different needs. Each customer segment has different habits, personalities,

and social tendencies, and marketing professionals can learn this information by conduct research. Surveys are conducted on a regular basis to determine customer satisfaction and suggestions for improvement. Each brand can be tailored for each segment of their customer base, which means more satisfied customers and more profits.

Marketing research is also used is to improve quality and increase customer satisfaction. To achieve these goals, an organization needs to conduct customer surveys. For example, an airline company, known for its customer service, constantly conducts surveys and asks its consumers for suggestions to improve its level of service.

In general, marketing managers must determine the demand for new products and services, and identify the potential customers for them. Marketing managers should adopt a broad definition of the term *marketing* that emphasizes retaining current customers. Managers should also take charge of overseeing improvements in product quality to increase customer satisfaction. They are also responsible for developing pricing strategies with the goal of maximizing a firm's profits. Conducting thorough marketing research will go a long way towards helping marketing managers make decisions in almost every area of marketing.

Entrepreneurs develop creative new business ideas and use marketing research to determine if their idea is a viable one. Marketing research will tell them who their existing competitors are, how big the marketplace is, what would be the best price for the product or service, and what types of customers are interested in this product or service.

A few years ago, a professional basketball team wanted to determine the response of their fan base to a number of new interactive, Internet-based features. Their marketing team designed an online survey to be sent to their 10,000+ season ticket holders, asking them about their interest in enhancing their game experience by receiving video playback and game statistics on their PDAs or smartphones during the game. They were also asked to gauge their interest in website-related team and player information and updates, and in receiving exclusive insider content. Only 1500 fans responded to the survey, but the team accumulated sufficient data to determine fan interest in these various innovative and interactive web-based features. Here was a situation whereby a company was able to receive customer input on a number of possible new product offerings, and to make the best marketing decisions based on this data. The online survey allows companies to collect and analyze the data very quickly and to be able to respond to the changing demands of its customer base.

Most marketing research professionals participate in the Marketing Research Association (MRA), which is an organization that aims to develop best practices and professional standards for marketing researchers. It provides a guide to its membership to conduct research in an ethical manner and it instills public confidence in its professional practices so to encourage public participation in its member's marketing research. The MRA is a recognized leader in the opinion and marketing research industry, advancing practical application, use, and understanding of the opinion and marketing research profession. The MRA offers its membership seminars, conferences, webinars, certifications, and job listings, and attempts to provide educational opportunities to help marketing researchers. In addition, the MRA promotes a wider recognition of marketing research and its importance to the success of our economy, nation and quality of life. It is important, as marketing students, that we are aware of the opportunities, the ethical issues in marketing, and the organizations that help guide and educate marketing professionals.

Through this course, we will learn all the uses and objectives of marketing research and we will become familiar with the Marketing Research Association.

Suggested Reading

Click [here](#) to access a PDF of Chapter 1 Presentation.

Click [here](#) to access a PDF of Chapter 2 Presentation.