

4.4 Market research

Secondary market research methods

You have probably used secondary research in the past, for example, in your History class. Secondary research involves the use of information that has already been gathered. This section looks at the following sources of secondary market research: market analyses, academic journals, government publications, media articles and online content.

Market analyses

If companies want in-depth market research information of a particular market, they have a choice. They can either pay a market research agency to carry out new research, or they can purchase a market analysis report that has already been published. Paying a market research agency to carry out new research will give the business the most up-to-date information. But it is expensive to pay for new research. It is less expensive for a business to buy market analysis reports that have already been published.

Specialist market research agencies such as Euromonitor (<https://www.euromonitor.com>) (which researches more than just European countries) write and sell detailed market intelligence reports for practically every market imaginable. The reports can include details about competitors in a particular industry, information about groups of consumers or even descriptions of country-specific business regulations.

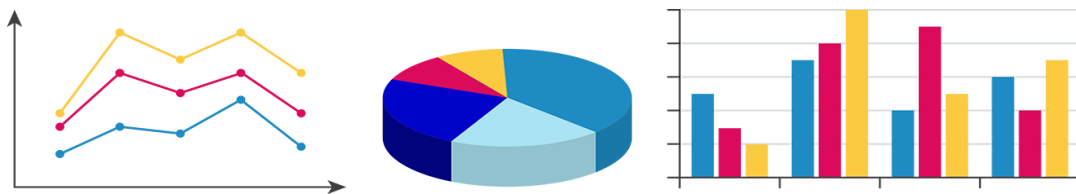


Figure 1. A market analysis report can inform the business about market conditions and trends.

Activity

Learner profile: Inquirer

Approaches to learning: Thinking skills (transfer)

Read the [Euromonitor analysis of personalised health products](https://www.euromonitor.com/article/personalisation-in-vitamins-and-dietary-supplements) (<https://www.euromonitor.com/article/personalisation-in-vitamins-and-dietary-supplements>), which is an example of a market analysis that a business may purchase. Then answer the following questions:

1. Which trends are you able to identify?
2. How might a business use this market analysis?

Academic journals

Academic journals contain articles on new research and academic theory. The articles are published by academics from leading universities. Many business management theories, such as Maslow's Hierarchy of Needs or the Boston Consulting Group matrix, were first published in academic journals.

Academic journals are a useful source for businesses who need information on contemporary issues such as management and motivation theory. Sometimes, you may need to pay a fee to access an article. However, universities and schools normally pay for access to sites such as [Jstor](https://www.jstor.org) (<https://www.jstor.org>) and [Google Scholar](https://scholar.google.com) (<https://scholar.google.com>).

Exam tip

When writing your extended essay (EE), you will most likely need to consult academic journals. Ask your school librarian to find out whether journal databases such as Jstor are available at your school. Remember to keep track of all publications consulted during the research process, as you will need to reference them in your work.

Government publications

Governments from all over the world regularly publish data covering topics such as population statistics and economic conditions (for example economic growth, unemployment and inflation). This data is normally considered reliable and up to date. Governments normally release their data for free and update it regularly.

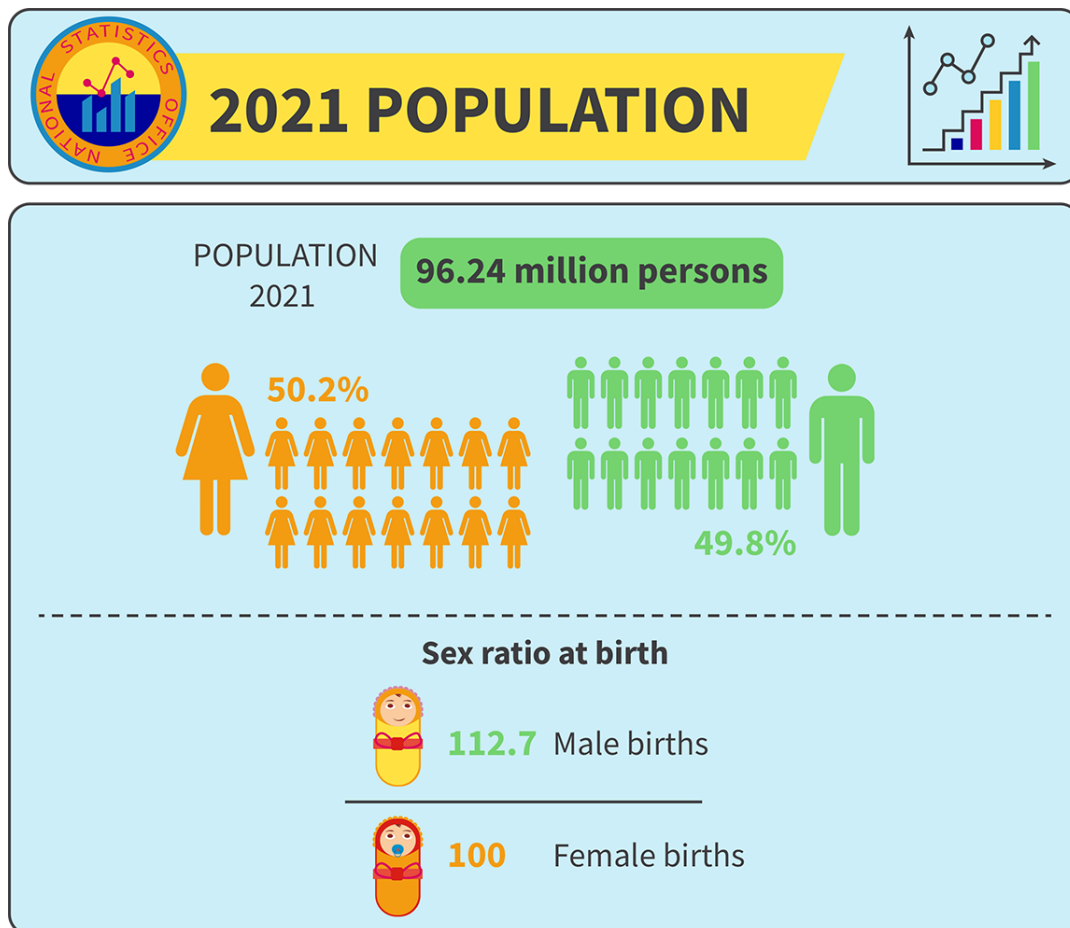


Figure 2. Governments routinely publish national statistics.

Exam tip

A simple Google search for information can sometimes produce unreliable results. Here is a list of some trusted sources of information that you may find useful in the Business Management course:

- [Gapminder \(https://www.gapminder.org\)](https://www.gapminder.org)
- [Our World in Data \(https://ourworldindata.org\)](https://ourworldindata.org)
- [World Bank \(https://data.worldbank.org\)](https://data.worldbank.org)
- [Trading Economics \(https://tradingeconomics.com\)](https://tradingeconomics.com)
- [Google Public Data \(https://www.google.com/publicdata/directory\)](https://www.google.com/publicdata/directory)

Identify one or two local or national government sources that you can use for your internal assessment research. These sources can show population or economic data and other local or national statistics.

Media articles

Media articles are published in both printed and electronic newspapers and magazines. They are updated regularly and provide current local and/or national information. Many sites also offer alert services, whereby breaking news about a selected company or topic can be sent directly to a user.

For your internal assessment research, you may need to use media articles to find information on publicly and privately held companies. The following websites may be a helpful place to start:

- Forbes (<https://www.forbes.com/?sh=2faa3bc12254>),
- Bloomberg (<https://www.bloomberg.com/europe>),
- Yahoo Finance (<https://finance.yahoo.com>),
- The Financial Times (<https://www.ft.com>),
- The Wall Street Journal (<https://www.wsj.com>).

Activity

Learner profile: Inquirer

Approaches to learning: Research skills (media literacy)

The sources above are from the UK and the US.

Identify three reliable media sources from your country that can be used for your internal assessment.

Other online content

Online content is a general category, as most of the sources above are also available online. Other online content that may be useful includes:

- social media and social media analytics, such as Instagram Analytics (researchers can also use other companies' social and other digital media to analyse the market segment)
- company websites that look at the space and the competitors
- data on share/currency/fund pricing
- e-commerce sales data from businesses' pages

- investor relations pages, including press releases and company reports



Figure 3. Instagram analytics is one way for a business to advertise, sell and monitor its popularity.

Credit: MR.Cole_Photographer, Getty Images

There is so much information available on the internet, that it can be difficult to determine which information is the best for your research. When interpreting business data, keep in mind the principles you learned in [Section 1.3.5 \(/study/app/y12-business-management-a-hl-may-2024/sid-351-cid-174702/book/strategies-and-tactics-id-36521\)](https://study/app/y12-business-management-a-hl-may-2024/sid-351-cid-174702/book/strategies-and-tactics-id-36521):

- **Currency.** Is the information up to date?
- **Relevance.** Is the information relevant for your research?
- **Authority.** Is the source of your data authoritative? Does it have a good reputation?
- **Accuracy.** Is the information correct? You may need to cross check the information with other sources, or look closely at the original sources of information.
- **Purpose.** Why has this source published this information? Is there a motive behind the publication that you should be aware of?

Table 1 compares the uses and limitations of primary and secondary research.

Table 1. Comparison of primary and secondary research.

	Uses	Limitations
Primary research	Provides direct information about customers’ tastes and preferences.	Can be expensive and time-consuming to carry out.
	Provides information about reasons for purchases.	Staff may need training to carry out the research.
	Provides unique information that can give a competitive advantage.	Can be difficult to construct effective questions and experiments.
Secondary research	Provides information at lower cost than primary research.	The business must rely on the research methods of others.
	Provides broader contextual information about the whole economy, population or general trends.	Information that the business wants may not exist.
	Published information is often already available.	Existing information may not be fit for the business’s purpose; it could relate to a different issue, different subject or different target market.

Exam tip

The IBDP Business Management guide outlines the following to help Business Management students identify secondary sources for the internal assessment:

- articles from the local, national or international press
- business accounts
- business plans
- extracts from company websites
- transcripts of a relevant audio-visual file
- financial reports
- government and other statistics
- journal publications
- market research surveys
- mission statements

(Source: IBDP Business Management guide)

Publicly held companies are required by law in most countries to publish their financial documents. Finding financial data for privately held companies may be more difficult and will require more planning.