



# Using Market Research for Decision Making

NEW VENTURE CREATION

# Lecture

---

Lecture this week are designed as under

1. Understand Market Research
2. MR Process
3. Conducting MR
4. Common Research Methods
5. Using Syndicated Research

# Lecture

---

1. Understand Market Research
  - a. Use & limitations
  - b. Research Tools for Marketing Decisions
  - c. Key Methodologies of MR
  - d. Consumer Insights
2. MR Process
3. Conducting MR
4. Common Research Methods
5. Using Syndicated Research

# 1a. Market Research - its Use & Limitations

---

- Market research is the systematic and objective identification, collection analysis, dissemination, and use of information for the purpose of improving decision making related to identification and solution of problems (and opportunities) in marketing.
- Do research whenever you need it for taking some 'action'
- Market research is a critical input to support hypotheses, such as:
  - on positioning routes
  - on quantifying segments
  - on identifying key purchase drivers, etc
- Market research does not necessarily ensure success. It can only :
  - reduce risk, not eliminate it
  - aid management judgment, not be a substitute for it

## 1b. Research tools for making Decisions

Decision	Research Tools
<ul style="list-style-type: none"><li>• What is my market?</li><li>• What is its size?</li><li>• How big are my competition</li><li>• Who are my consumers?</li><li>• What do they consume?</li></ul>	<ul style="list-style-type: none"><li>• ACN Retail Audit :<ul style="list-style-type: none"><li>- Mkt. Size, growth size and growth of all layers; by zone; by state, by town - class</li></ul></li><li>• IRS :<ul style="list-style-type: none"><li>- Penetration; profile of consumers by category and brand; trends and growths</li></ul></li><li>• Household Panel:<ul style="list-style-type: none"><li>- Who consume ? How much? Source of business? Etc.</li></ul></li></ul>
<ul style="list-style-type: none"><li>• Map consumer needs</li><li>• Assess need gaps</li></ul>	<ul style="list-style-type: none"><li>• U&amp;A: Qualitative<ul style="list-style-type: none"><li>- For generating spectrum of needs, attributes/ benefits need by consumers to make brand choice, generating needs - gap hypotheses, SWOT of brands</li></ul></li><li>• U&amp;A : Quantitative<ul style="list-style-type: none"><li>- Size markets, Need hierarchy</li><li>- SWOT of brands, consumption/ Usage mapping;</li><li>- Testing hypotheses generated in qualitative research</li></ul></li><li>• Primarily helps to arrive at brand proposition and TG definition.</li></ul>

## 1b. Research tools for making Decisions

Decision	Research Tools
<ul style="list-style-type: none"><li>Positioning research</li></ul>	<ul style="list-style-type: none"><li>Segmentation: studies<ul style="list-style-type: none"><li>Segments consumers by their needs</li><li>Primarily quantitative</li><li>Initial qualitative module may be required to generate hypotheses, etc.</li></ul></li><li>Concept testing :<ul style="list-style-type: none"><li>Qualitative for developing and fine-tuning brand proposition</li><li>Quantitative : for assessing consumer response and likelihood of trial (Trial probability). Quanti is must</li></ul></li></ul>
<ul style="list-style-type: none"><li>What kind of advertising to make? <i>(By this stage - we should be clear about the brand proposition. The idea here would be to get good consumer insights for making powerful communication)</i></li></ul>	<ul style="list-style-type: none"><li>Communication route development &amp; testing:<ul style="list-style-type: none"><li>For developing and testing creative routes. Primarily Qualitative</li></ul></li><li>Communication Pre-Testing :<ul style="list-style-type: none"><li>Helps assess likely response to creative when on air. Primarily Quantitative</li><li>Can have qualitative module for finer diagnostics</li></ul></li></ul>

## 1b. Research tools for making Decisions

Decision	Research Tools
<ul style="list-style-type: none"><li>• How has my communication on air impacted the consumers?</li></ul>	<ul style="list-style-type: none"><li>• Advertising Track<ul style="list-style-type: none"><li>- Quantitative</li><li>- Helps assess</li><li>- whether it has been noticed</li><li>- message communicated well;</li><li>- has impacted brand perception in positive way</li><li>- impacted consumption in desired position + sales sales nos; ACN off take data</li></ul></li></ul>
<ul style="list-style-type: none"><li>• What kind of product should I offer to consumers ? Is my formulation being loved by consumers?</li></ul>	<ul style="list-style-type: none"><li>• Product tests:<ul style="list-style-type: none"><li>- Primarily quantitative</li><li>- Various tools available - select one as per the need (see Pdt. Testing for detail)</li></ul></li></ul>

## 1b. Research tools for making Decisions

---

Decision	Research Tools
<ul style="list-style-type: none"><li>• I am ready with my full offer. How can I test the entire offer and assess whether it is going to work or not ?</li></ul>	<ul style="list-style-type: none"><li>• Volume estimation Studies<ul style="list-style-type: none"><li>- Concept &amp; Use test: Must be quantitative</li><li>- Simulated Test Marketing (STMs)</li></ul></li></ul>
<ul style="list-style-type: none"><li>• I am planning to reduce the price of my brand. Is it likely to rope in more consumer; more volume?</li><li>• Can I increase the price of my brand without jeopardising the business</li></ul>	<ul style="list-style-type: none"><li>• Pricing Research : Quantitative</li><li>• Various trade - off models available<ul style="list-style-type: none"><li>- BPTO</li><li>- Choice-based-conjoint</li><li>- Strategic choice models etc.</li></ul></li></ul>



## 1b. Research tools for making Decisions

Decision	Research Tools
<ul style="list-style-type: none"><li>• Where am I on my business objectives?</li></ul>	<ul style="list-style-type: none"><li>• Brand Track/ CX Studies<ul style="list-style-type: none"><li>- Primarily quantitative</li><li>- Done in carefully chosen markets - a mix of strong and weak markets</li><li>- Tells whether and how many consumers recall our ads and brands; their perception about the brands; barriers to consume etc.</li><li>- How many are aware of brand and ad</li><li>- How many have tried, lapsed etc.</li></ul></li></ul>
<ul style="list-style-type: none"><li>• My brand is not doing so well of-late?</li></ul>	<ul style="list-style-type: none"><li>• No thumb-rule can be fixed in such cases.</li><li>• Decide the key marketing task using available data. This will help fine-tune marketing and hence research task</li><li>• One may commission motivation and barrier study which can be both Qualitative and/or Quantitative</li><li>• A brand track may be needed, depending on the situation</li></ul>

## 1c. Key Methodologies of MR

---

- Qualitative vs Quantitative
- Syndicated vs Customized
- Strategic vs Marketing Mix Research

## 1c. Qualitative vs Quantitative research: When to use?

### Qualitative

- To understand the 'whys'
- Increasing understanding, expanding knowledge
- Generating hypotheses
- Exploring and explaining Customer needs, attitudes, behaviour
- Identifying Customer segments
- Identifying attributes, their various dimensions and nuances
- Developing stimulus (concepts, ads..)

Developing and fine-tuning

For depth of understanding

### Quantitative

- To know the 'whats' / for making definitive choices
- Shortlisting
- Testing hypotheses
- Quantifying Customer needs, attitudes, behaviour
- Sizing and prioritising Customer segments
- Gauging the relative importance of various attributes
- Evaluating stimulus
- Monitoring performance over a period of time

Evaluation

For prioritization and assessment

# 1c. Qualitative research methods – for in depth understanding

Types	Descriptions	Suitable for
Focus Group Discussions (FGDs)	A group of 8 to 10 respondents from the TG	<ul style="list-style-type: none"><li>• Capturing width of information with a certain depth</li><li>• Helps in developing and building with varied thoughts expressed in a group</li></ul>
MGDs (mini groups) / Triads	4-5 people Triads (3 respondents)	<ul style="list-style-type: none"><li>• Used for building and fine-tuning</li><li>• Smaller groups help in getting width plus depth of information</li></ul>
Extended Creative Groups (ECGs)	Extended duration Recruitment of creative respondents	<ul style="list-style-type: none"><li>• Used to develop ideas</li><li>• Explore new symbols for communication</li></ul>
Depth Interviews (Dis)	One to one interviews	<ul style="list-style-type: none"><li>• To capture depth of info like the end-to-end purchase process</li><li>• Used for upmarket TG</li><li>• Used for sensitive topics where group dynamics will be counter productive</li></ul>

## 1c. Quantitative Research\*

---

Understanding (the) consumer	Evaluating change in own/ competition mix
<ul style="list-style-type: none"><li>• Segment sizes</li><li>• Identify user/non-user profile</li><li>• Habits and attitudes</li><li>• Awareness and brand perceptions</li><li>• Product and brand preference</li></ul>	<p>Change in</p> <ul style="list-style-type: none"><li>• Product</li><li>• Packaging</li><li>• Advertising</li><li>• Price</li><li>• Distribution</li><li>• Promotions</li></ul>

- Face-to-face survey
- Do-it-yourself survey link
- CAPI (computer aided personal interview)
- CATI (computer aided telephonic interview)

## 1c. Syndicated vs Customised

- **Syndicated studies** *(for Market analysis & Generating insights):*
  - ORG Retail Audit
  - HH Panel
- **Customized Studies:**
  - Usage & Attitudes Studies *(for Generating insights, need mapping, need gap assessment, segmentation)*
  - Listing Studies
  - Concept Testing
  - Product Test
  - Concept & in-use test
  - Volume Forecasting
  - Pricing research
  - Ad Testing *(for Fine-tuning communication)*
  - Campaign Tracking *(for Tracking brand performance)*
- **Omnibus surveys** which can be cost effective for adhoc tag questions

*(for Developing the mix for a new venture)*

## 1c. Strategic vs Marketing Mix Research

---



- U&A
  - Brand Equity Monitor
- Positioning Development Research
- Evaluating Brand Extensions, etc



- Research for*
- Short listing of options
    - Pack design
    - Pack size
    - Product test
  - Change of format/ variants of new flavours, etc

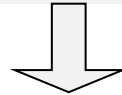
## 1d. Consumer Insights

“Insights are simple truths about consumers which have significant power to drive business growth”



## 1d. What are consumer insights?

**Consumer Insights are relevant and simple home truths about the consumer which provide hooks or clues that lead to brand building opportunities**



A Consumer Insight can pertain to your consumers needs, beliefs, practices or behavior !

- What Consumer Insights do
  - Helps identify a need-gap based on which a brand/business can be built
  - help create a context that the consumer identifies with
  - create an emotional hook or touch a nerve with the consumer
  - Insights are more than consumer understanding
  - Insights add richness to consumer understanding
  - While consumer understanding is a good starting point to arrive at consumer insights, it takes closer interaction with the consumer to identify robust consumer insights

# 1d. The difference between understanding and insight

---

- **Consumer Understanding** may help identify needs and need gaps - but more often than not
  - this is in response to researcher stimuli
  - needs and need gaps are in researcher language
  - needs and need gaps identified do not reveal anything that is startlingly new
- In addition, often in developed categories, traditional research may not identify any *significant* need gaps that are capable of grabbing consumer attention.

## *What can consumer insights do?*

- Helps brands present their benefits in a way that
  - appeals to consumers emotionally, and not just intellectually
  - the consumers instantly identify with the context
  - it presents a new way of looking at / interpreting perhaps the same benefits that other brands offer
- To create new products
- To devise brand strategy

## 1d. Some Guidelines to discover Consumer Insights?

- The quest for insights must be a continuous process. Encourage everybody to critically analyse and question consumer insights at a continuous basis
- Why would one use this product ? So ? So what ?
- What does it feel like when this product works OR fails? Who will notice ? What is the “moment of truth” when the consequences of this success / failure are greatest ?
- What are the thoughts going through your mind as you use this product ? What do you worry about and why ?
- What would happen if this product wasn't there ? What would happen ? Who would notice? How would people/ you behave ?
- How has your life changed because of this product ? How would your life change if not for this product ?
- What do you value most about this product ? What would you miss most about it ?
- What is the gold standard of this category ?

- *Consumer speak often holds the key to identifying consumer insight.*
- *The focus of these interviews / drill down questions is not on gathering data that is to be analyzed statistically. So, the focus is not on how many people said what, and what the logical sequence is ( concept testing and evaluation etc. a later stages of research can take care of that). Instead pay attention to the words, phrases used.*

# 1d. Consumer Insights

---

Consumer Insight leading to innovation

Cadbury's milk treat

- Consumer Understanding showed that mothers do not like it if their children eat chocolates. It also revealed that there was a need gap for a “healthy” chocolate
- Consumer Empathy revealed children saying “ Mom’s always say NO first”
- Brand Positioning : Cadbury’s Milk Treat- healthy so your mother will not say NO
- **Job of Consumer Insight : Revealed an interesting context that both mom’s and kids identified with**

# 1d. Consumer Insights

---

Consumer Insight leading to effective communication

Complan

- Consumer Understanding revealed that there was a need gap for a health drink that would promote “mental” ability in kids
- Consumer Empathy revealed that no mother thought her child was un-intelligent. They all said, their child was intelligent, but made careless mistakes.
- Brand Positioning : Complan keeps children sharp and alert- thus preventing careless mistakes
- Job of Consumer Insight : **Found the interpretation of the benefit “mental” ability that was acceptable to mothers.** Avoided the mistake of saying it would make your kids smarter, which mothers would have rejected ( since they all felt their children were already intelligent.

# Lecture

---

Lecture this week are designed as under

1. Understand Market Research
- 2. MR Process**
3. Conducting MR
4. Common Research Methods
5. Using Syndicated Research

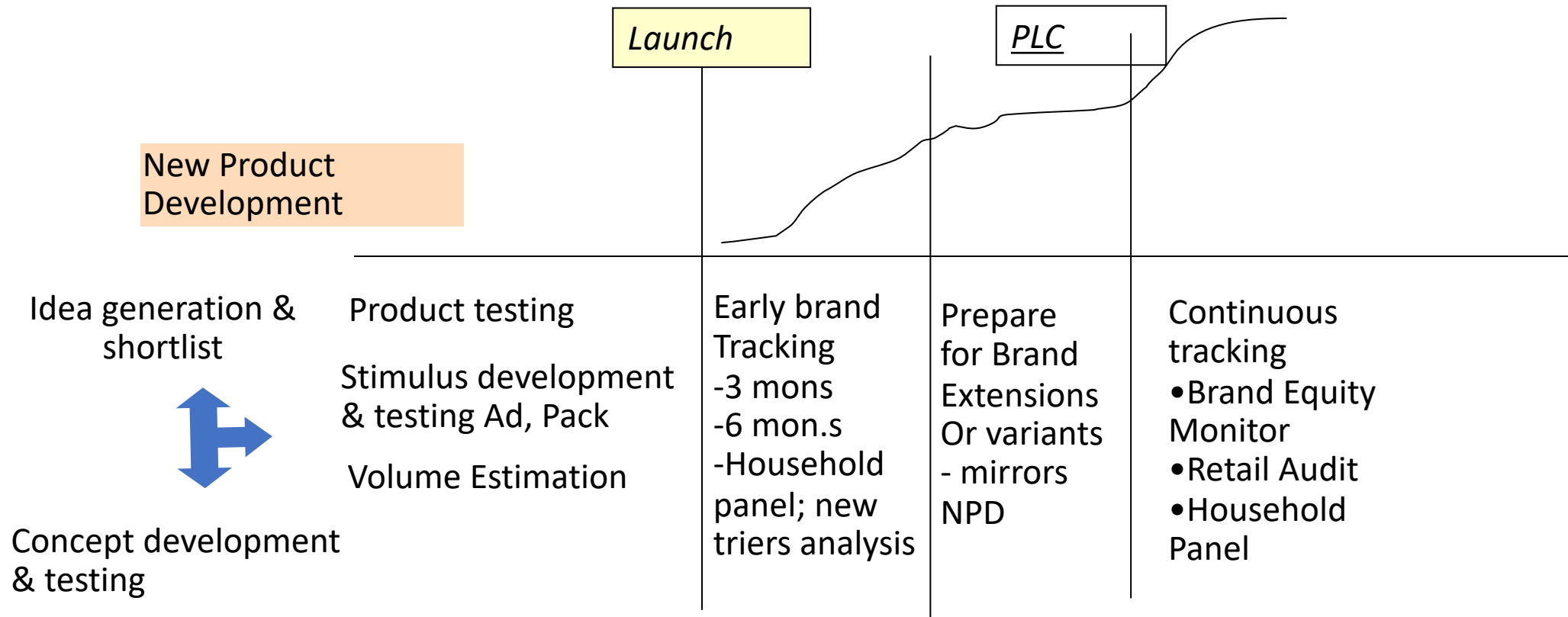
## 2. Research Plan Process

---

- Briefing the MR agency/ expert
- Evaluation of Proposal
- Effective Implementation of MR project
- Summarizing key learning's from the MR exercise
- Cataloguing: Findings and Action-taken-Report

## 2. Research Plan in context of venture

What you do always – qualitative consumer interaction



Periodic – Overall Trends Analysis e.g. lifestyle studies/ habits and practices / usage & attitudes



## 2. Annual Research Plan

MR Inventory Grid Sample

Topic/Kind of study	Information Covered	Knowledge level	Age of info.	Need to update	Comments
(For example)					
Needs & Needgap study					
Equity Study					
Need Segmentation study					
Brand Track					
Advertising Research					
Advertising Pre-Test					
Etc. Etc.					

Need to update:

No need/Useful –  
nice to know/Useful –  
need to know

Knowledge level:

Nil/Reasonable/High

- Helps in taking stock of all relevant past research data
- Eliminates 're-inventing the wheel'

# Market Research

TO BE CONTINUED.....