



III. Short Answer Type Questions [4 Marks]

Question 1. What is the usefulness of Market Research?

Or

“Marketing Research is thus that versatile activity which is used by many different kinds of organisations to gather a variety of information”. Explain.

Answer: Following points describe the usefulness of market research:

- Information about customers: Manufacturers, retailers, etc. of all kinds of services need certain kinds of information in order to be able to satisfy their customers' wants and needs.
- Design in Marketing programs: In order to design effective marketing programs, research is essential.
- Decisions: In dealing with recurring decisions of any enterprise information through such research is vital.
- Choosing Marketing program: For satisfying the diversity in consumers' characteristics, a firm wish to determine the most appropriate market, product or information so as to choose a combination of marketing programmes which could satisfy the customers.
- Helpful in Feasibility study: Before preparing a business plan, the entrepreneur has to do a quick feasibility study of the business concept to find the possible barriers to success.

Question 2. Describe the examples indicating the success of market research in India.

Answer: Following brands narrate the successful results of market research:

- Vicks Vaporub: After much research work, 'Vicks Vaporub' was introduced in the market exclusively as a rub for colds and re-launched itself with a stronger formulation for faster relief. This move took Vicks vaporub ahead of Amrutanjan.
- Dabur Chyawanprash: After research Dabur Chyawanprash, made changes in packaging and advertising in 1993 which raised its market share to 68.5%.
- Rasna: "Rasna" after conducting detailed market research followed strategy of "The influence - the child", the quality of ease in preparation, along with the economy and advertisement campaigns reinforced all changes. This resulted in capturing 85% of soft drinks concentrate market.
- Procter & Gamble: Procter & Gamble calls or visits over one million people in connection with about 1000 research projects undertaken by its different product operating divisions.

Question 3. Enlist the main steps involved in marketing research.

Answer: Following are the main steps involved in marketing research

Step 7: Preparing the research report

Step 6: Summarize the findings

Step 5: Analyzing the information and interpreting it in terms of the problem being tackled.

Step 4: Information, i.e., select the research instrument to be used, select sample type and size.

Step 3: Developing the research design and research produce, i.e. determining whether such information is already available, either in records of the company or in outside sources.

Step 2: Specifying the information requirement, i.e. preparing a list of the needed information.

Step 1: Defining the marketing problem to be tackled and identifying the marketing research problem involved in the task.

IV. Long Answer Type Questions [6 Marks]

Question 1. Explain with the help of the concept of the faith of management in the market survey.

Answer: One of the early Japanese invaders of the American car market was the Datsun. Later it changed its name to Nissan but continued to compete successfully. In 1987 Nissan sold 753,000 cars and trucks to U.S. buyers, but there was a drop of 3 per cent from the previous year. The decline was a matter of some concern to the management.

A survey among U.S. car buyers found that Nissan had to clear image in the market. When car buyers were asked to identify Nissan, many showed lingering confusion over the name change from Datsun.

Some buyers thought that Nissan was part of Toyota. There was more confusion over model names such as Maxima and Sentra; consumers thought these were cameras and wrist watches.

On the basis of these findings, Nissan planned a TV advertising campaign, to sell a Maxima or Sentra and to tell views what Nissan is. The survey mentioned above told the Nissan management they had a problem and, on the basis of that information, they used tens of millions of dollars to an advertising campaign to rectify the problem. This example clearly shows that the management had confidence in the DATA provided by survey.

Question 2. What is Market Survey? When is it used?

Answer: The day to day information is essential for any organization for its long term survival. Market survey is one of the market research techniques. It is widely used. It is used synonymously with Market Research.

It is used if the required data is not available in either form:

- The company's internal records, or
- The external published resources.

Market survey amounts to the original field research work for the purpose of collecting primary data, with reference to a defined problem on hand.

Question 3. Describe Kraft Foods Company's decision model.

Answer: Kraft Foods was planning to develop a flavoured rice product that would be easier to prepare than the dominant rice brand then available. Rice-A-Roni.

After developing the product, Kraft Foods decided to go into a test market if the following three conditions existed.

1. The average household ate flavoured rice products several times a month.
2. Preparing the rice products felt that their current brands were not convenient to prepare.
3. Consumers generally were not satisfied with their current brands.

After conducting the market survey the results were as follows:

- About half of the flavoured rice users prepared such dishes less than once a month;
- Only 11 per cent felt that their current brands were inconvenient to prepare; and
- Almost 80 per cent were satisfied with their current brands.

Thus, Kraft Foods managers decided not to test market with their new flavoured rice product and to drop the idea completely.

Question 4. Describe the importance of market survey.

Answer: The importance of the market survey can be explained using following points:

- Customer is the King: Market survey informs accurately about the customer's needs, wants, nature of demand, likes and dislikes and all other related aspects of movement of products from the production stage till the consumption. This provides an edge over competitors to the enterprise.
- Risk reduction: The systematic and intelligent use of market survey reduces and minimizes the risk of decision-making under the conditions of uncertainty. This is because the results are analyzed in order to finalize a business plan.
- Helps attaining objectives: Market survey helps in the attainment of goals of the enterprise smoothly and timely. This is because the market survey is designed with the goals and objectives of the enterprise.
- Market Overview: As market survey is a systematic collection, recording, analysis and interpretation of data, relating to the existing or potential market, it thus provides a complete overview of the market.
- Forecast: Accurate, effective and timely sales forecast is provided by the market survey. This in turn promotes the firmness and soundness to the marketing decisions.
- Facilitates Decision-Making: A survey helps in each and every decision-making of an entrepreneur which is based on proper rationale and supportive data. This results in proper decision-making.

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