

The Types of Marketing Research Available to Nom Nom Chocolate



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Appendices

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1. Executive Summary

Firstly, this report defines marketing research as the collection and analysis of information taken to assist with marketing decisions. It then goes on to look at the importance of relevant and appropriate marketing research, indicating that a well-defined and informative brief is crucial to the marketing research process. The brief should include sections such as background, rationale, timescales, Objectives, Methods and Reports, not all of these sections should be shared with an agency if Nom Nom chocolate choose to do their marketing research with an agency. However, if they do choose to use an agency the agency would create a proposal for the market research this would include the sections mentioned in the brief and their solutions to those sections as well as the agency's costings and personnel's CV's.

This report goes on to look at the benefits and drawbacks of marketing research, it became apparent that marketing research can be costly and sometimes difficult to identify the problem that needs to be solved, this can cause complications when choosing an effective research method. However, if the correct research method is used then the benefit the marketing research has to the organisations understanding of their target market, inevitably leading to better made marketing decisions, the benefits of conduction market research outweigh the drawbacks.

When looking at research methods in more depth it is important to understand the difference between explorative and conclusive market research, explorative research is usually the initial research method used, this type of research gives a loose understanding of the problem. Conducting explorative research first allows for conclusive research to be conducted, conclusive research gives a much more in depth understanding of a companys problem, conclusive research can be both descriptive or causal.

2. The Process of How Clients and Agencies Ensure They do Relevant and Appropriate Marketing Research

Firstly, it is imperative to outline the importance of relevant and appropriate marketing research, in order to do this marketing research must first be defined. Wilson (2006, p. 3-4) defines marketing research as “The collection, analysis and communication of information undertaken to assist decision making and marketing”. The Cim (2004, P.13) elaborate on this defining the process of marketing research to follow these five stages: Define the problem, Develop the research plan, Collect and process Data, Analyse and interpret information, and finally, Report the findings.

These clear five stages ensure that both the clients, and the agencies are carrying out relevant and appropriate marketing research. With both Wilson (2006) and The Cim (2005) agreeing that the first step to relevant marketing research is for the client to define the problem. Dibb Et al., (2012) states that these stages should be seen as an entire process, that once the problem has been identified the process can be edited slightly to fit each individual case. Wilson (2006) states that once the problem has been defined the company can decide whether to carry out the marketing research themselves or use an agency to do this for them. A research plan then needs to be developed, the data needs to be collected and then processed, so that it can be analysed and interpreted and then finally the findings can be reported.

The Cim (2006) highlight that if a company chooses to use an agency to do their marketing research for them the first step the company should take is to create a Marketing research brief for the agency, this will typically include: background, rationale, timescales, Objectives, Methods and Reports. The CIM (2005) continues to state that usually the budget would not be revealed to the agency. Both Dibb et al., (2012) and the CIM (2005) agree that the background section covers the information that’s relevant about the products and services that the company provide. That the Rationale is when the need for information arose and when the information is received the handler’s intentions for it, in simpler terms what decisions will be made. Wilson (2006) and the CIM (2005) both highlight that it is crucial in terms of the budget that the costs of collecting the data is lower than the benefits of having the data. The CIM (2005) state that the timescales section of the brief is quite obvious, meaning that if they need to make decisions based on the data collected through the proposed research by January then the data needs to be both collected and analysed before then. The timescales have a significant affect on the type of research that can be carried out. The Cim (2005) refers to objectives as the problem that needs to be solved and states that the rationale should be directly linked to the objectives that are stated. Continuing that the method includes the scale of the research, what market segments should be looked at, as well as the mix of qualitative to quantitative research. The CIM (2005) also include that the reports section contains how the final information collected once the data has been analysed should be presented this can include, report styles, types of graphs etc.

Montgomery (1967) states that the research proposal is the next step in the agencies process, continuing that the proposal is the agencies proposed method to find a solution to the companys problem, also known as the proposed solution. Mohnand Land (1989) as well as The Cim (2005) state that a proposal by a research agency is a bid to do the research job for the

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company, stating that the research proposal is similar to the brief but contains an extensive amount of detail. The Cim (2005) state that the research proposal contains the agencies proposed method of addressing each section the brief talked about, as well as including the following extra sections: Fees and expenses, Personal CV's, Relevant Experience/ references as well as Contractual details.

Wilson (2006) states that once an organisation has chosen an agency to do their marketing research the marketing research can then begin, the Cim (2005) also highlights that there is an extensive number of research methods and types. These options will be discussed in depth Section four.

3. Benefits and the Drawbacks of Doing (and not doing) Marketing Research

Babin and Zikmund (2016) highlight that it is important to remember that different types of marketing research have different benefits and drawbacks, however, looking at market research in a broad way the benefits and drawbacks are similar for each type of research.

Starting with the benefits, Wilson (2006) highlights the main benefit of marketing research to be the ability to make an informed marketing decision. Chaffey and Ellis-Chadwick (2016) talk about the importance relevant research has in making an informed decision, if measurable, specific and relevant data has been collected and analysed then it can significantly impact upon an organisations position and understanding of their target markets.

Gilmore and McMullan (2009) explain that one of the biggest obstacles market researchers have to face is ensuring the correct form of market research is undertaken, an example of this would be when measuring customer satisfaction, a customer survey or customer focus group would prove much more beneficial than observing customers as they shop. Another drawback of marketing research is the cost both Wilson (2006) and The Cim (2005) highlight how costly employing an agency to carry out marketing research can be for a company particularly a small organisation such as Nom Nom Chocolate, if the marketing research is not specific, measurable, and timely then the cost cannot outweigh the benefits of the marketing research.

4. Ways in which marketing research can be undertaken for Nom Nom Chocolate

For this section to be understood it is crucial to highlight the difference between primary and secondary research, as well as qualitative and quantitative research. Blythe (2010) refers to secondary research as research that pre-exists, that comes from other sources, and was usually collected for a different reason, whereas primary research is new research that is being gathered at the time it is wanted. Kotler and Armstrong (2014) continue from Blythe's (2010) point both stating that secondary research should be carried out before primary research as it is already pre-existing. Tapp (2008) highlights the importance of marketing information systems to secondary research, stating that they store information such as sales records, profitability, as well as transaction history, see appendix A for an example of an MKIS.

Wilson (2006 P.105) defines qualitative research as "research that is undertaken using unstructured research approach with a small number of carefully selected individuals to produce non-quantifiable insights into behaviour, motivations and attitudes". Quantitative research is more structured and less flexible, The CIM (2005 p.136) define quantitative research to be "structured to collect specific data regarding a specific set of circumstances"

Whilst there is a wide variety of ways in which an agency could carry out marketing research, for Nom Nom chocolate it is important to recognise the limitations of this report, three types of research design will be highlighted and the type of marketing research methods they typically use will be discussed. Starting with Exploratory research defined by Doyle (2011) as "The preliminary research to clarify the exact nature of the problem to be solved". Wilson (2006) states that exploratory research is to create initial insights and ideas, helping to provide direction for any further research, exploratory research is often at the front end of a research design. The Cim (2005) and Wilson (2006) both agree that exploratory research includes research methods such as surveys and secondary data collection, this is qualitative research that proves versatile and flexible. Descriptive and causal research are both types of conclusive research, Wilson (2006) outlines the main differences between exploratory research and conclusive research to be that exploratory research gives a loose understanding of a problem, while conclusive research tests specific relationships and hypotheses. This then allows for conclusive findings that can be used to help make informed decisions, whereas exploratory research findings are tentative and only allow for a base understanding for further research to be conducted (The CIM, 2005).

Wilson (2006) states that what is happening in the market can be described by descriptive research, this type of research provides the answers to the who, what, where, how and when questions of marketing research. Baines, Fill, and Page (2011) state that this type of research can be carried out by surveys, panels, observations and well as secondary data, this type of research can take the form of both primary and secondary research. Wilson (2006) states that this type of research can be used when a marketing phenomena's occurrence needs to be predicted. Wilson (2006) describes causal research to involve the manipulation of one or more independent variables to determine the cause and effect of an event. The Harvard Business Review

(2016) highlights the importance of only one variable being changed when this type of research is carried out, stating that a company must be certain that a cause and effect relationship has been accurately determined. Wilson (2006) and The CIM (2005) both agree that the main method used in causal research are experiments, this all allows causal research to be quantitative primary research.

In simpler terms if Nom Nom chocolate know little about the problem, they are trying to research then their initial step should be to try exploratory research, then move onto either descriptive or causal. If the problem is already well understood then Nom Nom chocolate could move straight towards descriptive and or causal research. View Appendix B for a breakdown of this.

Wilson (2006) and, Kotler and Armstrong (2014) discuss some more creative method of market research including projective techniques, Shadowing, Self-observations and Diaries, Participant observations – filming, note taking, interviewing actions, Situation simulations, Conversation analysis, and Mystery shoppers. Projective techniques this type of market research allows for further insight into subconscious, while indirectly interoperating their feelings. Projective techniques are unstructured and try attempt to mask the purpose of the research being undertaken, techniques such as word association, completion techniques, and construction techniques can all be used as part of this type of marketing research (Stapleton et al.,2012).

5. CONCLUSION

To conclude it is important to Nom Nom chocolate that they carry out marketing research, that they have a well-defined problem with the intent to investigate in depth, having a well-defined problem is more likely to lead them to effective results. They should cover the following sections background, rationale, timescales, Objectives, Methods and Reports, this will allow for the agency to provide them with a suitable proposal to carry out the marketing research.

Good marketing research can prove crucial to an organisation if the data collected is relevant and specific to the problem, in order to do this careful thought needs to be put into what type of marketing research Nom Nom Chocolate would benefit from. Due to the limitations of this report, in the future it is felt that the benefits and drawbacks of market research should be looked at in more depth. However, the benefit Marketing research has to an organisation outweighs the cost and complications marketing research can cause when done effectively.

It has become evident that initial exploratory research is most likely needed, this can then be expanded on with conclusive research in either a descriptive or causal form.

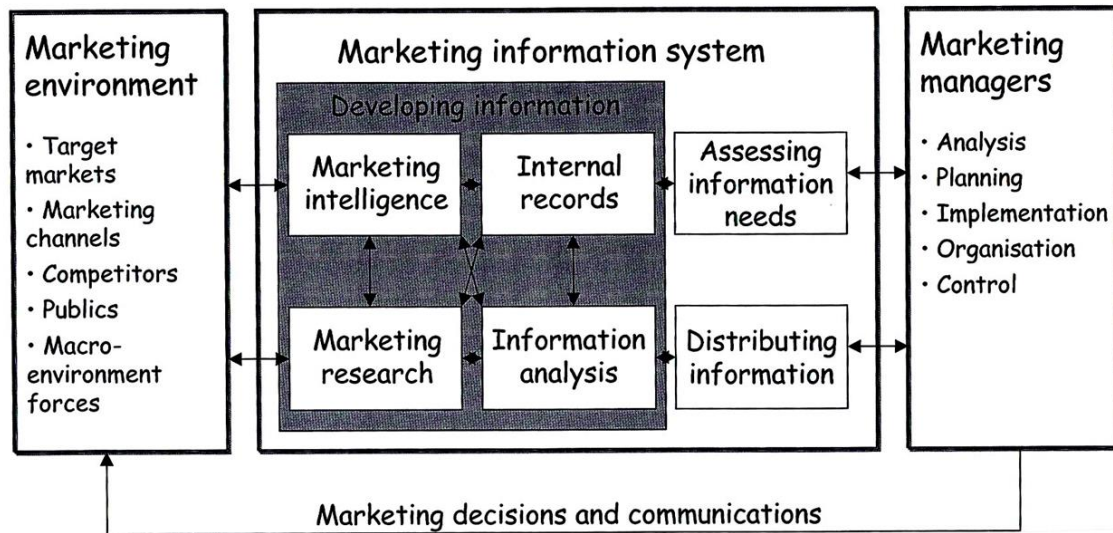
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6. APPENDICES

Appendix A



Appendix B

