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MARKETING INFORMATION SYSTEMS

Marketing Research Report

Assignment 2



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Submission date: 11/01/19

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I. Introduction

First, the term research is about enquiries, *“it is about systematic observation or investigation to find things out. It is the process by which we produce evidence or knowledge about the world. It is founded on scientific methods, which are turn supported by philosophical principles about the nature of knowledge and how we construct that knowledge”* (McGivern, 2008). Moreover, research involves *“collecting information about a subject from a variety of sources including books, journals and the Internet or by carrying out experiments or talking to people and analysis of this information”* (ABDN).

Secondly, Marketing Research encompasses areas such as: *“research into new products, modes of distribution or product development. These concepts are integral parts of marketing, which is essentially everything that happens before the sale of a product or service”* (Qualtrics, 2018). However, Market Research is a narrower concept because it is *“research focused on a specific market”* (Qualtrics, 2018). The purpose of Market Research is *“to examine the market associated with a particular good or service to determine how the audience will receive it”* (Kenton, 2018). Market Research is a part of Marketing Research. It can solve all marketing problem because it covers all areas like the product/service or customer behaviour for example.

II. Appropriate Marketing research process

A. Agency selection

First, before to choose if the MR can be done in-house or by an agency, some questions may be answered by the company as: does the company have the skills internally? What are the cost implications? Is there a need for specialist facilities or competencies? *"Using a professional market research company can ensure that you get the right information so that the strategic decisions you make are based on reliable market intelligence"* (Marketing donut, 2018). The agency selection is based on the previous experience in a market sector which is very important, appropriate capabilities & facilities, the reputation in the field and the communication skills. According to C&O marketing (2018), a Market research company, they *"implement a broad palette of approaches and methodologies to support its partners, improve their visibility on the markets and promote effective decision-making."*

When the choice is made, the MR process begins:

1. The client identifies a problem
2. The client prepares a brief and sends it to the agency
3. The agency replies to the brief with a proposal for the client
4. Client and agency meet and agree the proposal
5. Agency undertakes work

According to Green and Tull (1993), *"Marketing research is the systematic and objective search for information relevant to the identification and solution of any problem in the field of marketing."*

Moreover, a research plan is only considered adequate if it specifies: *"the research problem in concise and precise terms, the information necessary to address the problem, the methods to be employed in gathering the information and the analytical techniques to be used to interpret it"* (Fao, 2017).

B. Marketing research process

Secondly, the selection process must be relevant. That's why, the client should identify a problem area in the field of marketing because *"it can give a business a picture of what kinds of new products and*

services may bring a profit" (Pyle, 2010). This problem *"needs to be understood, the cause diagnosed, and solutions developed"* (Qualtrics, 2018). After that point and the agency choice, the client needs to understand and agree with what is being done and why: the brief. In this brief, there is the history of the client problem, the research goal, the time limit, the budget and confidentiality requirement. Once the brief is defined, the agency replies with a proposal. The proposal goal is to confirm the understanding of the client problem, show the creativity of thinking and communicate the marketing plan: *"A MR proposal details the who, the what, the where, the when and the how of research and the information and costs associated with it"* (Write a Writing, 2017). Indeed, after a meeting between the client and the agency about the proposal, the agency could undertake the research. This proposal process ensures that the client and the agency are doing relevant MR and serves as a contract between the parties.

III. Benefits and drawbacks

A. Advantages of MR

First, the purpose of MR *"is to gain a proper understanding on the subject matter to derive effective business insights"* (Write a writing, 2017), that's why this including some advantages of doing MR. Doing MR will help a company in decision-making and to do it in the right way because it *"use objective data to make informed decisions"* (Schmidt, 2016). There are so many reasons why MR should be doing because it can help *"from testing a new product to helping devise next steps in promoting a service or even to figure out how to best foster a team approach to your offer internally"* (Spindler, 2018). According to Spindler (2018), MR guides your communication with current and potential customers, helps a company to identify opportunities in the marketplace, helps to minimize some risks, measures a company reputation, uncovers and identifies a potential problem of the company activity and helps to establish trends and a market positioning. Using MR allows saving huge amounts of time for some enterprise and get a holistic view of the marketplace (Schmidt, 2016).

B. Disadvantages of MR

Secondly, unfortunately, there are drawbacks in doing MR. Indeed, *“Market research can be costly depending on the methods chosen by the company”* (Jane, 2018). That’s why the company have to choose if the MR can be done in-house or by an agency and some questions may be answered by the company as: what are the cost implications? Another drawback is that it cannot be an alternative to decision-making because even if *“it aids in decision making and can improve the quality of decisions, it cannot guarantee a 100% success”* (Akrani, 2013). There is also the time associated with doing the research because *“time is directly related to the costs, as the longer the research takes, the costlier it may turn out for the company”* (Jane, 2018). Furthermore, needs of the marketplace can affect negatively the company because *“of people who all respond to a survey that the product is not interesting enough for them to purchase”* (Jane, 2018). Indeed, MR studies customers behaviour and marketing environment so *“since these factors keep on changing, it cannot give exact information”* (Akrani, 2013).

C. Disadvantages of not doing MR

Thirdly, not doing MR can affect decision-making in the wrong way because of poor information about the marketplace. If a company wants to innovate its business without doing it, it can limit its chance to succeed and be a risky situation with costs implications. *“If a company does not complete adequate research, it can be a danger of selling to the wrong people misunderstanding in its marketplace”* (Nibusinessinfo, 2018). It can affect its business performance and not ensure a competitive advantage.

IV. Marketing research for NomNom Chocolate

A. NomNom Chocolate issues

NomNom Chocolate wants to know which MR can be undertaken for its activity according to the issues in and around the marketplace. That’s why they should know which information they have to collect: What is their competitive advantage regarding their products? What are the chocolate sector trends? What are the customer’s needs? What are their behaviours? Who are the competitors? What do they sell?

B. Primary research

First, there is primary research which the goal is *“to gather data from analysing current sales and the effectiveness of current practices”* (Pyle, 2010). Collecting primary research data including interviews, surveys, questionnaires, modelling, testing, panels and focus groups gathering a sampling of potential clients. NomNom Chocolate should do some of these types of primary research because it gets direct feedback about its activity from its potential client. However, some important questions may be answered as: What factors do they consider when purchasing this product or service? What do they like or dislike about current products or services currently on the market? What is the appropriate price for a product or service? (Pyle, 2010). NomNom Chocolate is selling premium chocolate with special tastes as flavours from Venezuelan chocolate combined with fresh chilli or Welsh vodka. According to Ukessays (2017), the UK chocolate marketplace *“is the largest within the European Union (30% of the EU market) with British citizens consuming more chocolate than any other EU nation (Barnett, 2006)”*, but there are some barriers to entry because *“the chocolate industry is synonymous with a number of large firms (Mars, Nestle and Cadbury) dominating the market, enjoying a well-established history and therefore high brand loyalty”* (Ukessays, 2017), so NomNom Chocolate should be aware with its price. Customers are looking for new tastes, that’s why NomNom Chocolate ought to make primary research about its customers with a survey (online or by email) which is the most popular method to collect data (Fleming, 2018). In addition, the company can ask target question as: how many times a week do you eat chocolate? What type? Which price?

C. Secondary research

Secondly, there is secondary research which the goal is *“to analyse data that has already been published”* (Pyle, 2010). NomNom Chocolate have to know which types of sources do they have for secondary research: internal sources because *“every department within an organisation will have its own records that represent a potential source of valuable data”* (Riley, 2017) and external sources about the market environment found by market research company, banks, trade magazines but also

by its own research as surveys and observations, that's why NomNom Chocolate should doing primary research firstly. The company should collect information about its customers because that will help them for marketing decisions and *"no small business can succeed without understanding its customers, its products and services, and the market in general"* (Pyle, 2010). For example, *"the increasing availability and use of loyalty cards and big data has given businesses the chance to gather a wide range of valuable information on customer buying habits, allowing them to target promotional campaigns more effectively"* (Riley, 2017). According to Pyle (2010), there are common marketing mistakes that NomNom Chocolate must avoid: using only secondary research because they can miss out other factors which are relevant for their business, using only web resources because this can increase the risk of false discoveries and data can be manipulated, that's why an agency ensure relevant research, and also surveying only the people the company know because *"to get the most useful and accurate information, the company needs to talk to real customers about their needs, wants and expectations"*. Moreover *"the main difference between primary and secondary research lies in the fact that whether the research is conducted previously or not"* (Surbhi, 2016) so NomNom Chocolate ought to do them both in order to identify the marketplace deeply.

D. Research design

Furthermore, there is also research design which is *"a plan or framework for conducting the study and collecting data. It is defined as the specific methods and procedures you use to acquire the information you need"* (Qualtrics, 2018). Indeed, the researcher *"must give a complete description of the research design he will be following in his work. The research design can be exploratory, causal, descriptive or adopted"* (Write a writing, 2017). The method is incorporating into the proposal in response to a research brief. Exploratory research means *"to reach a better understanding of the research problem"* (Fao, 2017), it is like an initial investigation. Descriptive research *"is concerned with describing market characteristics and/or marketing mix characteristics"* (Fao, 2017) and causal research deals with the

cause and effect to find or prove a reason. Both are part of a conclusive research. In case of NomNom Chocolate, they have to know what kind of research is the most suitable (Saunders & Thornhill, 2012):

Research project components	Exploratory research	Conclusive research
Research purpose	General: to generate insights about a situation	Specific: to verify insights and aid in selecting a course of action
Data needs	Vague	Clear
Data sources	Ill defined	Well defined
Data collection form	Open-ended, rough	Usually structured
Data collection	Flexible; no set procedure	Rigid; well-laid-out procedure
Data analysis	Informal; typically non-quantitative	Formal; typically quantitative

This table shows that conclusive research is the most suitable for NomNom Chocolate in order to have clear information about the marketplace. However, if the company is very familiar with the issue, it can go straight to descriptive or causal research. NomNom Chocolate ought to ask the right questions: what are the issues NomNom Chocolate require answers for in and around the marketplace? In this way, exploratory research is the most suitable to generate insights about a situation.

E. Quantitative and qualitative data

On the other hand, there are different data collection methods: quantitative (based on numbers) and qualitative (based on emotions). To select the best method, NomNom Chocolate ought to know the difference between these two, according to Belk & Fischer (2012, introduction page 3):

	Qualitative	Quantitative
Nature of data	Visual and verbal recordings in rich detail	Responses distilled into numeric scores
Relevance of context	Results are assumed to be specific to time, place, people, and culture studied	Results are assumed to be generalisable across contexts and cultures
Nature and control of potential causes	Ideally naturalistic with multiple factors shaping the behaviours observed and discussed	Ideally settings are controlled and variables are manipulated or measured to allow simple causal inferences

This table shows that the choice of which data collection methods is better depends on what does the company wants to know. Quantitative data allow NomNom Chocolate to analyse its business with numeric scores (e.g. production yield) while qualitative data helps the company to have information about its client's behaviours. Moreover, there is a representative method which is sampling which means *“getting opinions from a number of people, chosen from a specific group, in order to find out about the whole group”* (Riley, 2017).

NomNom Chocolate sample	
Population (more accurate as possible)	A NomNom Chocolate client sample
Size (Bigger is more relevant)	Between 500 – 1000
Probability method	Stratified random
Non-probability method	Convenience or quotas

V. Conclusion

To conclude, there are a lot of ways to undertake MR. From the agency selection to the marketing research process, the most important thing is: what does the company want to know? NomNom Chocolate situation shows that there are different ways to operate. The company should select which way is better to answer to marketplace issues by the most relevant process: what is the company market positioning regarding its competitors and its customers? Doing MR will help people to ensure competitive advantage and in decision-making.

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