

The Marketing Process

Situation Analysis

This is about identifying opportunities to satisfy unfulfilled customer needs. Companies must identify customer needs, but they must also develop an understanding of their own capabilities in the environment in which they operate. This is done by analysing the external and internal environment, and should include past, present and future aspects.

Analysis may be conducted through market research (customers needs), PESTLE Analysis, (re: external environment), Five Factor Analysis (re: operating environment), and SWOT Analysis (re: internal factors)

Marketing Strategy

When the analysis is completed, a marketing strategy or a strategic plan can be developed. This involves market segmentation, adopting a appropriate philosophy and approach to marketing, and developing a plan to get the product or service to the identified market.

Marketing Mix

Decisions about the Marketing Mix (product, price, place and promotion), are critical factors in the overall marketing strategy, and companies devote a great deal of time to get the “mix” right. If any of the factors in the “mix” is not right, this will have a negative effect on sales.

Implementation & Control.

Implementation occurs when the marketing plan has been developed and the product has been launched. As the market changes, the strategy and the marketing mix can be adjusted to accommodate the changes.

Any planned changes to the product/service or the way it is marketed must be implemented and continual monitoring is needed to ensure that customer needs are met. Control makes sure that the marketing programme moves in the direction set for it.

The Research Process

According to Armstrong and Kotler (2007) there are four steps in the research process

- Define the problem and research objectives
- Develop the research plan for gathering information
- Implement the research plan, collect and analyse the data
- Interpret and report the findings.

Step 1 – Define the problem and research objectives

It is sometimes difficult to define exactly what information is needed or what a problem might be, but research without purpose is useless. This first step involves drawing up a clear statement about the issue and then setting clear research objectives.

There are three types of research objectives:

Exploratory research – to gather preliminary information to help to identify potential markets for products and/or services

Descriptive research – to better describe marketing problems, situations, markets and market potential, and/or attitudes, demographics, behaviours, etc of consumers

Causal research – to test hypotheses about cause and effect relationships. For example, what would be the effect of doing this on that?

Often, all three types of research objectives are covered.

Step 2 - Develop the research plan for gathering information

This step is about determining the exact information needed and then developing a plan for gathering it in the most efficient and effective way. The research plan outlines existing data and sets out the methods, sampling plans and tools to be used to gather new data.

Market research is an industry in its own right with qualifications and many professionals employed in it. Many large organizations commission research, rather than conduct it themselves, and of course there may be substantial costs associated with this. In these cases the research plan is likely to be carefully documented. However, smaller businesses with fewer resources available to them often conduct their own research. There is a wide range of tools and methods available to conduct market research, but it is important to select the appropriate ones otherwise a lot of time and money may be expended unnecessarily.

Step 3 – Implement the research plan, collect and analyse the data

This involves collecting, processing and analyzing the information. There are many methods of gathering information. They can generally be classified as secondary research and primary research. Care must be taken to collect accurate, sufficient, reliable, and current data. Knowledge is acquired from the accurate interpretation of the information.

Qualitative information which is information based on expression of opinion, values, perceptions or qualities cannot usually be translated into numerical facts, but is useful for identifying general or recurring themes.

Quantitative information which is information based on facts, figures, measurable quantities may appear to be easier to analyse, but it is important to interpret it as accurately as possible.

Calculations of percentages and averages are usually possible, and can be used to identify norms, deviations and variations.

Analysis may confirm or invalidate hypotheses

Information must be sifted in order to select what is relevant as a basis for drawing conclusions and making decisions. The most important thing is to get to the facts.

Facts are often buried beneath statistics, opinions and misleading arguments.

If the data is given context and meaning it becomes information which can then be used to increase or enhance knowledge and form the basis of decision making.

All information should be subjected to some form of analysis. Taking information on face value is risky, and could produce disastrous results if acted upon. You need to know how to read it in order to increase your knowledge and understanding and to enable you to make informed decisions.

Step 4 – Interpret and report the findings

Research findings are usually reported in written format, and conveyed to decision makers, to enable them to make sound decisions about future approaches to marketing. The decision makers will need to see that the research methodology was reliable and valid, and would expect to see conclusions and recommendations supported by facts and figures.

References:

Armstrong, G., Kotler, P., *Marketing, an Introduction*, 11th Edition Upper Saddle River, N.J.: Pearson/Prentice Hall, 2007.

Making sense of qualitative data (using a tally sheet)

A common practice in analysing qualitative data is to do something like a long-hand version of what researchers call 'factor analysis'....

It involves taking each question on the questionnaire and grouping the responses.

Let's say one of the questions on a questionnaire was:

"What did you enjoy most about your visit to the exhibition?"

Take the first questionnaire response. Let's say it was:

"The exhibits were really well laid out"

Then take the next questionnaire and read the respondent's answer to the same question. Let's say the person said:

"There was lots of space to move around, and everything was easily accessible"

Take the next questionnaire, where the answer was:

"The way things were displayed made the exhibition feel as if everything flowed along"

Because these three responses all relate to the display and lay-out, they could be grouped together.

Place tick marks to indicate the number of people that had now said this, as follows:

Exhibits really well laid out; space to move around and accessible; the way things were displayed, flowed.vvv

Let's take the next questionnaire where the response was:

"Staff were really helpful" v

This is a new idea so it gets listed on its own, still on the left hand side, beneath the others. Any other comments about staff could be grouped with this one....

You can see that you start to build up a picture of the most common feelings about the exhibition and your analysis sheet could end up looking something like the one above...

Remember that you cannot do calculations on these data. The tally marks are only to help in identifying general themes. If someone does not comment on all the points listed, you do not really know why: the person could have thought about it and decided it was not worth mentioning or the person simply did not think of it!

When the factor analysis has been completed, it should be possible to come up with a reasonable analysis of the responses to the questions.

EXERCISE

The answers below were submitted in response to the question: "What did you like least about the programme?" (related to a parenting class).

Responses:

1. Room was too stuffy and crowded
 2. Group leader let people take over discussion
 3. People talked too much
 4. Film on childbearing
 5. Too much talk about mother's role not father's
 6. I didn't like the venue
 7. Nothing
 8. I enjoyed it.
 9. Not enough time for discussion
 10. No childcare facilities
 11. Other people allowed to talk too much
 12. I liked it all
 13. Group leader not able to control discussion
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Task 1. - Carry out a factor analysis by grouping the answers together

Task 2 - Summarise the responses/findings.