

## Steps IN THE RESEARCH PROCESS

### 1 Decide *exactly* the question to be answered by the research

This is vital. Research most often fails because the question that was asked was not specific enough.

### 2 Decide what type of research to use

Different types of research are good for answering different questions. You will often need a combination of types to find out all that you need to know. (See page opposite.)

### 3 Test and refine your research

If you design a questionnaire, test it out on ten people before using it on 500. That way, you can iron out any problems caused by unclear or misleading questions before you waste time and money on 500 useless questionnaires.

### 4 Conduct your research

Collect enough information to give you meaningful results, but not so much that it is impossible to analyse.

### 5 Analyse the results

Set up a system to analyse your results. Draw conclusions from your analysis.

### 6 Use it

Use your research soon. Act on it. Marketing research quickly goes out of date.

## Researching your market

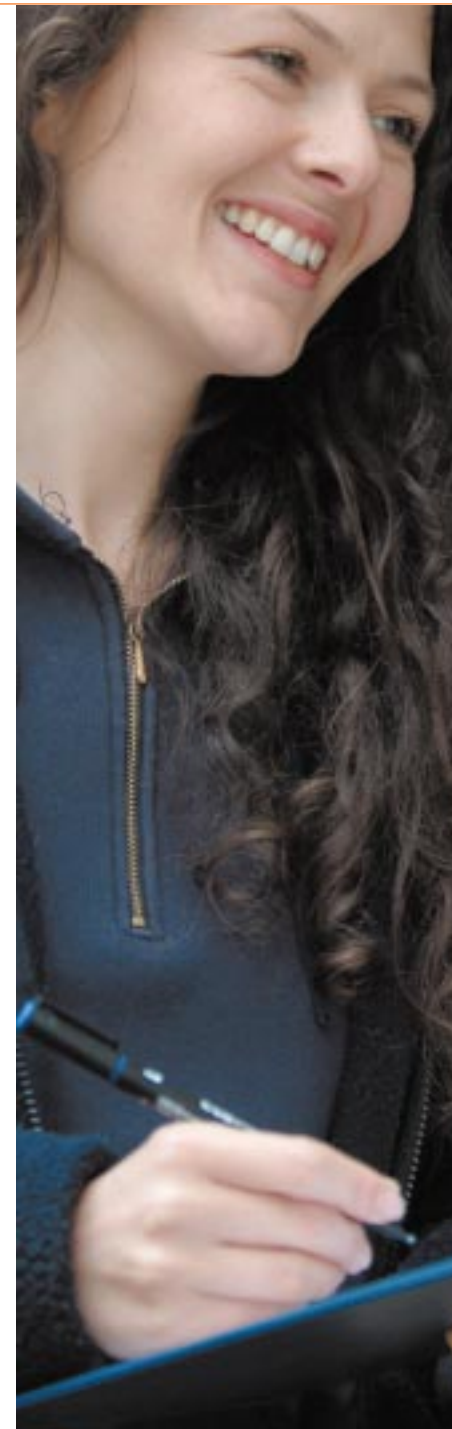
### Why research? And how do you do it?

Marketing research reduces the risk in management decision making. If you do no market research at all, you might stay in business, but you are unlikely to do as well as you could have done with even some quite basic research.

### These are just ten (of many) questions which can be answered by marketing research:

- 1 How big is the market for my product/service?
- 2 How much are customers prepared to pay?
- 3 What would be the effect of a price increase/product modification and so on?
- 4 What features of our product/service do customers most and least value?
- 5 Which of our new product ideas has most potential?
- 6 What proportion of the market does each main competitor have?
- 7 How is their product/service better or worse than ours?
- 8 What do customers think of us and our competitors?
- 9 How many people noticed our latest advertisement?
- 10 Has our advertisement made people actually want our product/service?

**Tech tip** A spreadsheet application such as Microsoft Excel can help you analyse your results. Use formulae to work out averages, and pivot tables to summarise a list of results. To create an instant chart, select your data and press the F11 function key. Charts are great for identifying trends – and perhaps more usefully, for spotting results that *don't* follow the trends.



## Tools for marketing research

Here's a round-up of some different types of research and what they're good for.

### Secondary research

*This is research using information that already exists.*

You can often find out a lot by searching on the internet, in libraries or in Government reports. Often this is free, but be careful: the research may be out of date, biased, or not specific to the questions you need to answer.

For some types of information, you might be able to use **observation**: watching traffic flows (cars or people), seeing how people behave or what they buy.

Or you could become a **mystery shopper**, ordering competitors' brochures and using their services to compare them with those of your business.

### Primary research

*This is research designed specifically by or for you.*

**Questionnaires** are best for simple questions with closed answers (yes/no or a simple scale). For example:

#### 1 Do you ever buy a daily newspaper?

- Yes       No

#### 2 How often do you buy *The Daily Mail*?

- Every day       More than once a week  
 Weekly       More than once a month  
 Less than once a month

**Questionnaires** can be used for large numbers of responses. If you use simple questions, they are easy to analyse.

You will get the highest response by questioning people face-to-face, and the lowest by sending your questionnaire by post. Telephone questionnaires are cheaper and quicker than face-to-face, but don't expect such a high response rate.

**Interviews and focus groups** are better for more complex questions, such as:

- How do our customers feel about our after-sales service?
- How do customers perceive the quality of our product compared to those of our competitors?

For these 'touchy-feely' questions, it is best to talk in more depth to a few people, either individually or as an informal group discussion.

You often need a combination of different types of research to give you all the information you need. It is often a good idea to start by exploring all the secondary research that already exists, because this is usually quite quick and cheap. You can then fill the gaps in your information with some primary research. Often this will also help to check whether the secondary research information you have found was valid and accurate.