

Higher Certificate in Business in Enterprise Development

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- Classification of marketing research data
- Market research plan
- Marketing plan

Classification of Marketing Research Data

- Secondary research
 - Internal data
 - External data
- Primary research
 - Exploratory
 - Descriptive
 - Causal

Exploratory Research

- **Objective**
 - Discovery of ideas and insights
 - Understand nature of problem
- **Characteristics**
 - Flexible and unstructured
 - Often the front end of total research design
 - Information needed may be loosely defined
 - Small samples
- **Methods**
 - Case studies, depth interviews, projective techniques, focus groups

Descriptive Research

- Objective
 - Describe market characteristics or functions
 - Test hypotheses, measure
- Characteristics
 - Marked by the prior formulation of specific hypotheses
 - Preplanned and structured design
 - Information needed clearly defined
 - Large ‘representative’ samples
 - Quantitative data analysis
- Methods
 - Survey, structured observation

Causal Research

- Objective
 - Determine cause and effect relationships
- Characteristics
 - Manipulation of one or more independent variables, control of other mediating variables
 - Controlled methodology (experimentation)
- Methods
 - Experimentation

Market Research Plan

1. Define the research problem
2. Data collection method(s)
3. Measurement technique
4. Sampling method
5. Method of analysis
6. Time and cost

1. Define the Research Problem (Research Objectives)

- Statement in as precise terminology as possible of what information is needed
- Clarifies the scope of the research
- Objectives should be stated in action terms (to determine, to elicit, to identify, etc.)
- One overall/main objective, plus a number of sub-objectives

2. Data Collection Method

- Exploratory:
 - Focus group
 - Depth interview
 - Case study
 - Projective techniques
- Descriptive:
 - Survey
 - Structured observation
- Causal:
 - Experimentation

3. Measurement Technique

- Questionnaire
- Comparative rating scales
- Non-comparative rating scales
- Personal/Mechanical Observation
- Qualitative measurement techniques (e.g., word association, picture interpretation)

4. Sampling Method

- *Census*: a measurement of each element in the group or population of interest
- *Sample*: a subgroup of the total population relevant to the problem
 - Probability sample: sampling units are selected by chance, and there is a known (and equal) chance of each unit being selected
(SRS, stratified, systematic, cluster)
 - Non- probability sample: chance selection procedures are not used to draw the sample
(convenience, judgement, quota, purposive)

5. Method of Analysis

- Qualitative analysis: involves complex (often expert), though largely subjective, analysis of data
E.g., psychological evaluation, content analysis, cause mapping, etc.
- Quantitative analysis: allows complex statistical manipulation of data
E.g., Frequencies, cross-tabulation, analysis of variance, multiple regression, factor analysis, cluster analysis, multidimensional scaling

6. Time and Cost

- Having decided on the methodology to be used the researcher estimates resource requirements
- Time - CPM (Critical Path Method)
- Financial cost - costs generally calculated by adding a fixed cost + a variable cost per completed interview. Costs include direct and indirect labour costs, materials, transportation, administrative costs, etc.

Marketing Plan

1. Business definition and mission statement
2. External audit
3. Internal audit
4. Objectives
5. Strategy statement
6. Budgets and action plans

1. Business Definition and Mission Statement

- Business definition should include:
 - Type of customers it wishes to serve
 - The particular needs of those customer groups
 - Means/technology for satisfying the needs
- Business definition should be written in terms of the benefit provided to the buyer – ‘*what a product or a service does for them*’ (Drucker)
- Mission statement describes organisation’s purpose with reference to its customers, products or services, philosophy, and technology (Abraham)

Components of Mission Statement (David)

- Customers
- Products/services
- Location
- Technology
- Concern for survival
- Philosophy
- Self-concept
- Public image
- Concern for employees

2. External Audit

Macro-Environment (PESTEC)

- Political/legal
- Economic
- Social/demographic
- Technological
- Environmental
- Cultural

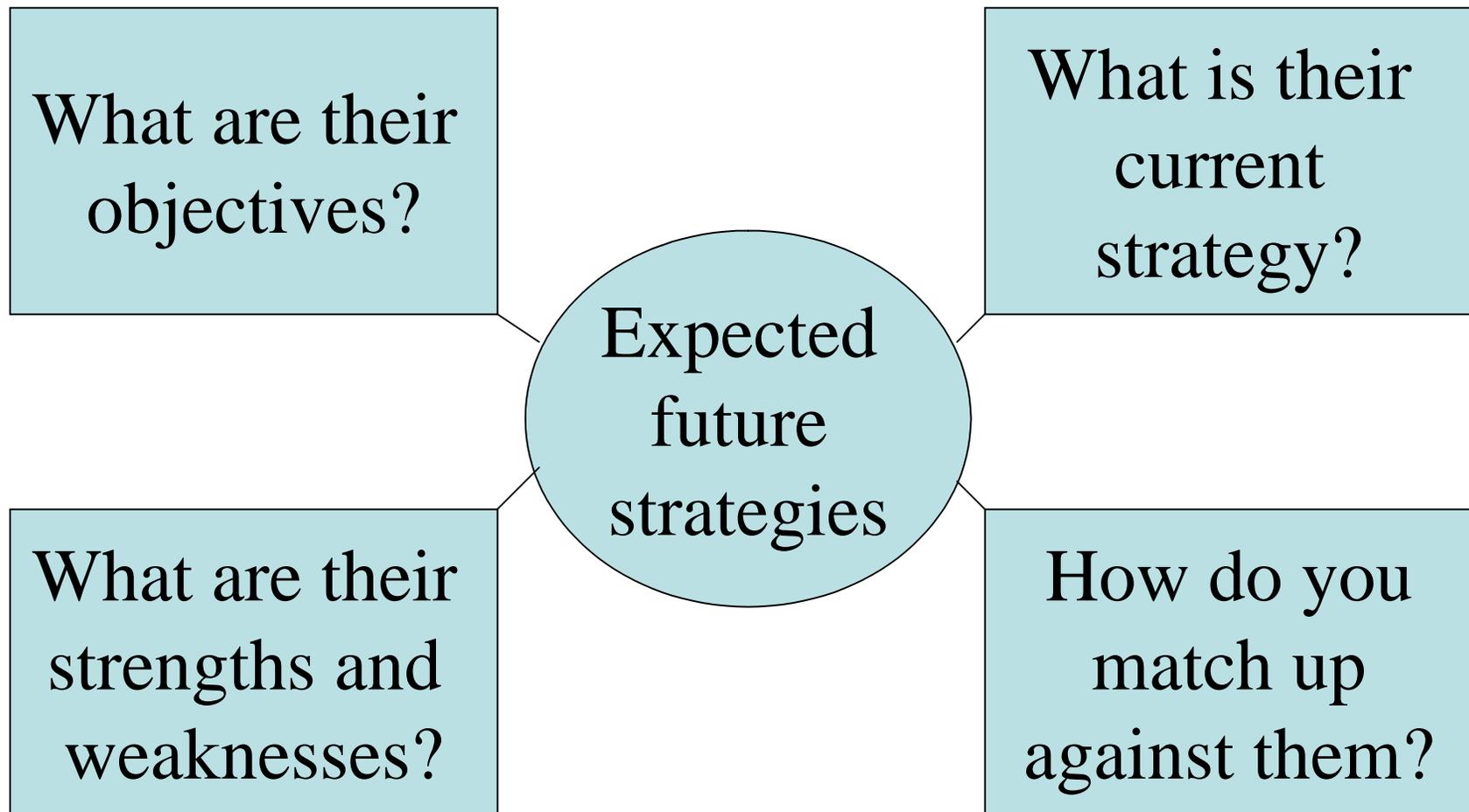
Task (Micro) Environment

- Markets
- Customers
- Competitors
- Distribution and dealers
- Suppliers
- Facilitators and marketing firms
- Publics

Customer Analysis

1. *Who* are the current and potential customers?
2. *Why* do they buy?
3. *How* do they make purchase decisions?
4. *Where* do they buy?
5. *When* do they buy?

Competitor Analysis Framework



3. Internal Audit

- Financial resources
- Physical resources
- Human resources
- Technological resources
- Organisational resources

Marketing Audit

- Marketing strategy audit
- Marketing organisation audit
- Marketing systems audit
- Marketing productivity audit
- Marketing function audits
 - Product audit
 - Price audit
 - Communication audit
 - Distribution audit

SWOT Analysis

(Summary of Internal and External Audits)

- Strength – something the organisation is good at or a characteristic that gives it an important capability
- Weakness – something the organisation lacks or does poorly relative to other organisations
- Opportunities – external developments or conditions in the environment that have favourable implications
- Threats – factors which pose dangers to the welfare of the organisation

4. Objectives

- Objectives set in terms of:
 - Production (manufacturing capacity, service quality, etc.)
 - Financial (r.o.i., r.o.s, profit, cash flow, shareholder wealth, etc)
 - Marketing (market share, marketing productivity, sales volume, customer awareness, customer satisfaction, customer value creation, etc.)

Characteristics of Good Objectives (Stevens)

- Clear and concise – avoiding long statements and phrases
- Presented in a written form to facilitate communication and to avoid altering objectives over time
- Stated in a specific time period
- Stated in measurable terms
- Consistent with overall company objectives and purpose
- Obtainable but challenging
- Name specific results in key areas (e.g., sales)

5. The Strategy Statement

- Market segments selected and targeted
- Positioning relative to direct competition
- Product strategy (product line, mix, NPD, brand growth strategies, packaging, after-sales-service, warranty, etc.)
- Pricing and price structure
- Channels of distribution (direct, indirect, multiple channels, intensity of market coverage, etc.)
- Marketing communications strategy (personal selling, advertising, sales promotions, direct marketing, PR, etc.)

Criteria for Selecting a Strategic Option

- Feasibility – assess skills and resources constraints
- Strength – always try to have a strength advantage
- Concentration – avoid scattering of efforts
- Synergy – ensure co-ordination and consistency in efforts
- Adaptability – be ready to respond to the unexpected
- Parsimony – avoid waste of scarce resources

6. Budgets and Action Plans

- Budget – formal, quantitative expression of planning and strategy initiatives expressed in financial terms
- Master budget contains:
 - an operating budget (projects future revenues and expenses)
 - a financial budget (focuses on the effects of the operating budget and other initiatives on the organisation's cash position)
 - Supplemental special budgets (e.g., advertising budget)
- Action plan – who does what, when, how, etc.