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Q1: Marketing Research: Concept, Objective, Advantages and Limitations

answer

**Marketing Research: Concept, Objective, Advantages and Limitations!**

The marketing concept states that the character of the marketing orientated organisation, whether product or service based, profit or non-profit based, is the identification and true delivery of consumers’ needs and wants, more effectively and efficiently than the competition.

Hence, in a broad sense, marketing management needs to understand the minds of their target markets, their attitudes, feelings, beliefs and value systems. They require a formalised, managerial approach to this most important job. And this entire job is the basic role and purpose of formal marketing research. Marketing research is the systematic, objective and exhaustive search for study of the facts relating to any problem in the field of marketing. It is systematic problem analysis, model building and fact-finding for the purpose of decision-making and control in the marketing of goods and services.

According to American Marketing Association “marketing research is the systematic gathering, recording and analysing of data about problems relating to the marketing of goods and services.” According to Green and Tull, “marketing research is the systematic and objective search for and analysis of information relevant to the identification and solution of any problem in the field of marketing”. Professor Philip Kotler defines marketing research as “Systematic problem analysis, model-building and fact-finding for the purpose of improved decision making and control in the marketing of goods and services.”

The features of marketing research are:

1. Search for data:

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It is a search for data which are relevant to marketing problems – problems in different functional areas of marketing consumer behaviour, product, sales, distribution channel, pricing, ad and physical distribution.

2. It is systematic:

It has to be carried out in a systematic manner rather than haphazard way. The whole process should be planned with a clear objective.

3. It should be objective:

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Objectivity is more important in any result. It means that the research is neither carried on to establish an opinion nor is intentionally slanted towards pre-determined results.

4. It is a process:

It involves various steps for gathering, recording and analysing of data.

Objectives of Marketing Research:

Marketing research may be conducted for different purposes. The main objectives or purposes of marketing research are:

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i) To estimate the potential market for a new product to be introduced in the market.

ii) To know the reactions of the consumers to a product already existing in the market.

iii) To find out the general market conditions and tendencies.

iv) To know the reasons for failure of a product already in the market.

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v) To find out the better methods of distributing the products to consumers.

vi) To know the types of consumers buying a product and their buying motives to know their opinions about the product and to get their suggestion improvement of a product.

vii) To assess the strength and weakness of the competitors.

viii) To know the dimensions of the marketing problems.

ix) To ascertain the distribution methods suited to the product and the

x) To estimate the market share of a firm.

xi) To assess the probable sales volume of a firm.

xii) To assess the reaction of the consumers to the packaging of the firm and to make packaging as attractive as possible.

Advantages of Marketing Research:

i. Marketing research helps the management of a firm in planning by providing accurate and up- to-date information about the demands, their changing tastes, attitudes, preferences, buying

ii. It helps the manufacturer to adjust his production according to the conditions of demand.

iii. It helps to establish correlative relationship between the product brand and consumers’ needs and preferences.

iv. It helps the manufacturer to secure economies in the distribution о his products.

v. It makes the marketing of goods efficient and economical by eliminating all type of wastage.

vi. It helps the manufacturer and dealers to find out the best way of approaching the potential

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vii. It helps the manufacturer to find out the defects in the existing product and take the required corrective steps to improve the product.

viii. It helps the manufacturer in finding out the effectiveness of the existing channels of distribution and in finding out the best way of distributing the goods to the ultimate consumers.

ix. It guides the manufacturer in planning his advertising and sales promotion efforts.

x. It is helpful in assessing the effectiveness of advertising programmes.

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xi. It is helpful in evaluating the relative efficiency of the different advertising media.

xii. It is helpful in evaluating selling methods.

xiii. It reveals the causes of consumer resistance.

xiv. It minimises the risks of uncertainties and helps in taking sound decisions.

xv. It reveals the nature of demand for the firm’s product. That is, it indicates whether the demand for the product is constant or seasonal.

xvi. It is helpful in ascertaining the reputation of the firm and its products.

xvii. It helps the firm in determining the range within which its products are to be offered to the consumers. That is, it is helpful in determining the sizes, colours, designs, prices, etc., of the products of the firm.

xviii. It would help the management to know how patents, licensing agreements and other legal restrictions affect the manufacture and sale of the firm’s products.

xix. It is helpful to the management in determining the actual prices and the price ranges.

xx. It is helpful to the management in determining the discount rates.

xxi. It is helpful to the management in ascertaining the price elasticity for its products.

xxii. It helps the firm in knowing the marketing and pricing strategy of competitors.

xxiii. It is helpful in knowing the general conditions prevailing in the mark

xxiv. It is helpful to the management in finding out the size of the market for its products.

xxv. It helps the firm in knowing its market share over various time periods

xxvi. It is quite helpful to a firm in launching a new product.

xxvii. It helps the firm in knowing the transportation, storage and supply requirements of its products.

xxviii. It helps the firm in exploring new uses for its existing products and thereby, increasing the demand for its products.

xxix. It is helpful to a firm in making sales forecasts for its products and thereby, establishing harmonious adjustment between demand and supply of its products.

xxx. It helps the firm in exploring new markets for its products.

Limitations of Marketing Research:

1. It is not a Panacea:

Marketing Research is not the ultimate solution to all marketing problems. Rather it offers accurate information, which can arrive at suitable decisions to solve problem.

2. Not an exact science:

It deals with human behaviour and as such cannot be examined in a controlled environment. There are various and uncontrollable factors which influence marketing forces. This gives scope for wrong conclusions. Hence this leads to marketing research as not being an exact science.

3. Limitation of time:

Its process is lengthy and needs long time to complete it. During the period between starting the research and implementation of decisions, the situation and assumptions may have changed drastically which reduces the utility of research report. Decisions based on such report prove to be obsolete and result in false conclusions.

4. Erroneous findings:

The complicated problems may not be comprehensively studied and their impact properly analysed by the researcher on account of insufficient fund, time and technique. This leads to erroneous findings, which disappoint the management.

5. Not an exact tool of forecasting:

It cannot be used as a foolproof tool of forecasting because there are number of intervening factors between the findings of the research and marketing complex. The forces act and react and interact to give a complex state, which is difficult to be studied.

6. In experienced research staff:

It needs great expertise and well-trained and experienced researcher, interviewer and investigator.

7. Narrow Conception:

Marketing research is a fact-finding exercise. It is not problem oriented. It is of low and questionable validity.

8. Involves high cost:

It is considered as a luxury for the management as it involves high cost.

9. Limitations of tools and techniques:

The validity of marketing research is also limited by the limitation of tools and techniques involved.

10. It is passive:

Its use and effectiveness largely depends upon the ability of executives to get the most value of it.

Question 2:

What is Advertising?

The ten common types of advertising are: display ads, social media ads, newspapers and magazines, outdoor advertising, radio and podcasts, direct mail, video ads, product placement, event marketing and email marketing.

Write briefly about different types of advertising:

The following list is an introduction to advertising tactics that you could use. Remember, you can always be creative in your advertising to get noticed (within advertising regulations).

Newspaper

Newspaper advertising can promote your business to a wide range of customers. Display advertisements are placed throughout the paper, while classified listings are under subject headings in a specific section.

You may find that a combination of advertising in your state/metropolitan newspaper and your local paper gives you the best results.

Magazine

Advertising in a specialist magazine can reach your target market quickly and easily. Readers (your potential customers) tend to read magazines at their leisure and keep them for longer, giving your advertisement multiple chances to attract attention. Magazines generally serve consumers (by interest group e.g. women) and trade (industry/business type e.g. hospitality).

If your products need to be displayed in colour then glossy advertisements in a magazine can be ideal — although they are generally more expensive than newspaper advertisements.

Magazines do not usually serve a small area such as a specific town. If your target market is only a small percentage of the circulation, then advertising may not be cost-effective.

Radio

Advertising on the radio is a great way to reach your target audience. If your target market listens to a particular station, then regular advertising can attract new customers.

However, sound has its limitations. Listeners can find it difficult to remember what they have heard and sometimes the impact of radio advertising is lost. The best way to overcome this is to repeat your message regularly — which increases your costs significantly. If you cannot afford to play your advertisement regularly, you may find that radio advertising does not generate strong results.

Television

Television has an extensive reach and advertising this way is ideal if you cater to a large market in a large area. Television advertisements have the advantage of sight, sound, movement and colour to persuade a customer to buy from you. They are particularly useful if you need to demonstrate how your product or service works.

Producing a television advertisement and then buying an advertising slot is generally expensive. Advertising is sold in units (e.g. 20, 30, 60 seconds) and costs vary according to:

* the time slot
* the television program
* whether it is metro or regional
* if you want to buy spots on multiple networks.

Directories

Directories list businesses by name or category (e.g. Yellow Pages phone directories). Customers who refer to directories have often already made up their mind to buy - they just need to decide who to buy from.

The major advantage of online directories over print directories is that if you change your business name, address or phone number, you can easily keep it up to date in the directory. You can also add new services or information about your business.

If your target market uses print and online directories, it may be useful to advertise in both, although print directories are being used less.

Outdoor and transit

There are many ways to advertise outside and on-the-go. Outdoor billboards can be signs by the road or hoardings at sport stadiums. Transit advertising can be posters on buses, taxis and bicycles. Large billboards can get your message across with a big impact. If the same customers pass your billboard every day as they travel to work, you are likely to be the first business they think of when they want to buy a product.

Even the largest of billboards usually contain a limited amount of information; otherwise, they can be difficult to read. Including your website address makes it easy for customers to follow up and find out more about your business. Outdoor advertising can be very expensive especially for prime locations and supersite billboards.

Direct mail, catalogues and leaflets

Direct mail means writing to customers directly. The more precise your mailing list or distribution area, the more of your target market you will reach. A direct mail approach is more personal, as you can select your audience and plan the timing to suit your business. A cost effective form of direct mail is to send your newsletters or flyers electronically to an email database. Find out more about [direct mail](https://www.business.qld.gov.au/running-business/marketing-sales/marketing-promotion/direct-marketing/direct-mail).

Online

Being on the internet can be a cost-effective way to attract new customers. You can reach a global audience at a low cost. Many customers research businesses online before deciding whom to buy from.

A well-designed website can entice customers to buy from you. There are a number of ways you can promote your business online via paid advertising or to improve your search engine rankings. Learn more about [doing business online](https://www.business.qld.gov.au/starting-business/internet-start-ups/online-basics).

Other ways to advertise your business online include promoting your products or services on social media sites, blogs and search engines and other websites that your target audience visits. Find out more about [social media](https://www.business.qld.gov.au/running-business/marketing-sales/marketing-promotion/online-marketing/social-media).

Question 3:

Write briefly about Value chain model.

A value chain is a business model that describes the full range of activities needed to create a product or service. ... The purpose of a value-chain analysis is to increase production efficiency so that a company can deliver maximum value for the least possible cost.

## Value and Value Chain

**Value** is the total amount (i.e. total revenue) that **buyers are willing to pay** for a firm's product. The difference between the total value and the total cost performing all of the firm's activities provides the **margin**.

Margin implies that organizations realize a profit margin that depends on their ability to manage the linkages between all activities in the value chain. In other words, the organization is able to deliver a product / service for which the customer is willing to pay more than the sum of the costs of all activities in the value chain.

A value chain concentrates on the activities starting with raw materials till the conversion into final goods or services. The sources of the competitive advantage of a firm can be seen from its discrete activities and how they interact with one another. The ultimate goals in performing value chain analysis are to maximize value creation while also monitoring and minimizing costs.



These discrete activities involve the acquisition and consumption of resources - money, labour, materials, equipment, buildings, land, administration and management. How value chain activities are carried out determines costs and affects profits.

## Basic Concepts of Value Chain Analysis

Most organizations engage in hundreds, even thousands, of activities in the process of converting inputs to outputs. These activities can be classified generally as either primary or support activities that all businesses must undertake in some form.

### **Primary Activities**

Primary activities are directly concerned with creating and delivering a product. They can be grouped into five main areas: inbound logistics, operations, outbound logistics, marketing and sales, and service. Each of these primary activities is linked to support activities which help to improve their effectiveness or efficiency; and According to Porter (1985), the primary activities are:

#### **Inbound logistics**

Refers to goods being obtained from the organisation's suppliers and to be used for producing the end product.

#### **Operations**

Raw materials and goods are manufactured into the final product. Value is added to the product at this stage as it moves through the production line.

#### **Outbound logistics**

Once the products have been manufactured they are ready to be distributed to distribution centres, wholesalers, retailers or customers. Distribution of finished goods is known as outbound logistics.

#### **Marketing and Sales**

Marketing must make sure that the product is targeted towards the correct customer group. The marketing mix is used to establish an effective strategy, any competitive advantage is clearly communicated to the target group through the promotional mix.

#### **Services**

After the product/service has been sold what support services does the organisation offer customers? This may come in the form of after sales training, guarantees and warranties.

With the above activities, any or a combination of them are essential if the firm are to develop the "competitive advantage" which Porter talks about in his book.

### **Support Activities**

Support activities assist the primary activities in helping the organisation achieve its competitive advantage. There are four main areas of support activities: procurement, technology development (including R&D), human resource management, and infrastructure (systems for planning, finance, quality, information management etc.). They include:

#### **Firm infrastructure**

Every organisations needs to ensure that their finances, legal structure and management structure work efficiently and helps drive the organisation forward. Inefficient infrastructures waste resources, could affect the firm's reputation and even leave it open to fines and sanctions.

#### Human resource management

The organisation will have to recruit, train and develop the correct people for the organisation to be successful. Staff will have to be motivated and paid the 'market rate' if they are to stay with the organisation and add value. Within the service sector such as the airline industry, employees are the competitive advantage as customers are purchasing a service, which is provided by employees; there isn't a product for the customer to take away with them.

#### **Technology development**

The use of technology to obtain a competitive advantage is very important in today's technological driven environment. Technology can be used in many ways including production to reduce cost thus add value, research and development to develop new products and the internet so customers have 24/7 access to the firm.

#### **Procurement**

This department must source raw materials for the business and obtain the best price for doing so. The challenge for procurement is to obtain the best possible quality available (on the market) for their budget.



**Question 4:**

**What can be marketed? Mention with examples.**

Now that you have a general idea of what marketing is, what do you think can be marketed? In reality, anything from goods to services to human beings to events can be marketed. How?

* Goods: anything that you can buy that is tangible (can be touched)- examples include: food, clothing, shoes, books, electronics.
* Services: anything that you can buy that is intangible (cannot be touched), when someone performs something for you- examples include: hair cut, banking, landscaping, house cleaning
* Events: a planned occasion- examples include: the Olympics, professional sports games, concerts, shows
* Experiences: a combination of goods and services to create an event that leaves an impression on someone- examples include: DisneyWorld, cruises
* People: each person can become their own brand and can be marketed on their positive attributes- examples include: you!, professional athletes, actors, singers
* Places: towns, cities, states, and regions can all be marketed to make people want to visit them- examples include: Florida, Australia, New York City

Working with a partner, you are going to create a video on www.animoto.com (create a free account with your school email). You pick a subject for your video from the list above, then chose a specific type of it (example: you picked goods, then your specific type is Nike). Once you know your subject, you will create a 30 second video "marketing" whatever it is your picked. Some examples are included below. Highlight the good things about your person, product, place, etc.