Chapter 1
The Role of Marketing Research in Strategic Planning

Value of Marketing Research Information
Marketing Research is the function that links an organization to its market through the gathering of information. This information allows for the:

- identification and definition of market driven opportunities and problems, and
- generation, refinement, and evaluation of marketing actions, and
- monitoring of marketing performance and improved understanding of marketing as a business process.

---American Marketing Association

Important Activities to the Marketing Research Function
- Designing methods for collecting information,
- Managing the information collection process,
- Analyzing and interpreting results,
- Communication of findings in a problem solving manner.
Marketing and The Marketing Concept

A Business Philosophy Centered on Being:

- Customer Oriented
- Goal Directed
- System Driven

Generating a Marketing Culture

- Monitoring Environment and Customer
- Customer Driven Innovation
- Set of Values & Norms Established by the Business to be Truly Customer Focused
- Information for Long Range Planning
- Relationship Building

Strategic Planning Process and Related Marketing Research Tasks

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Marketing Situational Analysis

Market Analysis

Opportunity Assessment Involves Locating & Identifying New Product-Market Opportunities for a Company. Analyze the Macroenvironment Through:

- Content Analysis
- In-Depth Interviews
- Formal Rating Procedures

Market Segmentation

Lifestyles

Family Income

Family Size

Age

Focus of Benefit and Lifestyle Studies

Benefits of Using Products

Preferences for Products

Characteristics of Customers

Marketing Situational Analysis

Analyze Competition

Importance-Performance Analysis

Identifying Key Attributes that Drive Consumer's Purchase Decision

Price

Product Performance

Quality

Competitors are Then Evaluated Based on These Attributes
Bush, Ortinau, and Hair, 1st Edition
Chapter 1. The Role of Marketing Research in Strategic Planning

Designing Marketing Strategies
Target Market Analysis

- Early Identification of New Products
- Assess Differences by Market, Demographics, Attitudinal, or Behavioral Characteristics
- Monitor Changes in User Profiles, Usage Patterns, and Attitudes
- Measure the Effectiveness of a Firm’s Current Marketing Strategy

Designing Marketing Strategies
Positioning & New Product Planning

- Positioning
  - Desired Perception that a Company Wants its Target Market to Associate with the Product or Brand its Offering.
  - Used to Construct Perceptual Maps.

- Concept/Product Testing
  - Information for New Products...
  - Determine if New Products Should Replace Current Products.

- Test Marketing
  - Appeal of New Products for New Target Segments.
  - Identify Products that are Most Preferred.

Marketing Program Development
Product Portfolio Strategies

- Customer Satisfaction Studies
  - What do Customers Think are the Strengths and Weaknesses in a Firm’s Marketing Mix?
  - Measures Customer Attitudes i.e. Satisfaction with Pricing Policy.

- Service Quality Studies
  - How does the Organization Conform to the Quality Level Expected by the Customer?
  - Measures Attributes Most Important to Customers i.e. Dependability of
Marketing Program Development

Distribution Strategies

Research Methods that Focus on the Distributors and Retailers that Link Producers with End-Users and Business Markets.

- Cycle Time Research
- Retailing Research Practices
- Logistical Assessment

Pricing Strategies

Information on pricing is used for:
- pricing new products,
- establishing price levels in test market situations,
- modifying prices for existing products.

Two types of pricing research include:
- Demand Analysis estimates the level and causes of customer demand.
- Sales Forecasting estimates financial outcomes for different price strategies.

Integrated Marketing Communications

Advertising Effectiveness
Attitudinal Research
Sales Tracking

Acquiring Information About a Promotional Plan
Information is the key to the accuracy of the marketing plan.
This can be accomplished through a Marketing Decision Support System (MDSS) - comprised of a database which includes standardized marketing research reports, sales and cost data, product line sales, advertising data, and price information.

Two Types of Marketing Research Firms

**Internal Providers**
- Consistent Research Methods
- Shared Information Across the Company
- Minimized Research Spending
- Actionable Research Results

**External Providers**
- More Objective
- Specialized Talents
- Greater Flexibility in Scheduling Studies
- Match Project Requirements with Talents
Changing Skills for a Changing Marketing Research Industry

- Secondary Data Skills
- Presentation Skills
- Foreign Language Usage
- Negotiation Skills
- Computer Proficiency

Trends Affecting the Changing Marketing Research Industry

- Emphasis on Secondary Data Collection Methods
- Technology Related Data Management
- Computers for Information Acquisition/Retrieval
- Broader International Client Base
- More Data Interpretation/Information Management

Summary of Learning Objectives

- Describe and explain the impact marketing research has on marketing decisions.
- Demonstrate how marketing research fits into the strategic planning process.
- Provide examples of a variety of marketing research studies designed to aid in the decision making process.
- Understand the scope and focus of the marketing research industry.
- Understand emerging trends and new skills associated with the practice of marketing research.