As a professor of marketing, perhaps I am somewhat prejudice, but to my way of thinking, marketing research is the foundation of marketing decision making and the strategic marketing planning process. In fact, I have found that information collected through the efforts of marketers in many firms is frequently used in the planning process of other functional activities around the organization. As an example, through various forms of marketing research, marketers can estimate demand and forecast. This information alone can be useful to plan production and production schedules, purchases of raw materials for production, talent necessary to meet demand, budgets and cost projections, and on and on. So, it can be said that marketing and the information that is generated through marketing research can be vital to decision making and strategic planning throughout an organization, as well as the strategic marketing planning process.

The importance of marketing research and analysis has been realized for many years. There is evidence that marketing research was done by various companies more than 100 years ago, but it was nothing more than written testimonials about various products as collected from consumers. There was no real methodology nor scientific approach to reach reliable conclusions. As the years have passed and companies began to realize the importance of solid information for marketing planning, marketing research has become more sophisticated in order to achieve the reliability of conclusions and decisions made from it, especially as they utilize computer technology to reach far reaching populations.

Most companies, even some of the relatively smaller ones nowadays, recognize the importance of market research to improve their probability for success in the marketplace. Companies, dependent upon their structure and their unique needs for information, use market research to support product lines, brands, lucrative target markets, promotional efforts, competitive strategies, etc. They may also use it for sales analysis and forecasting, new-product development, and the evaluation of specific advertising campaigns to assess return on investment (ROI). One of the most common uses of market research, as we all know, is to measure attitudes of consumers and potential consumers and levels of customer satisfaction.

The decision to do marketing research is normally a function of the importance of the level of confidence in the conclusions necessary against the cost of it. This can be a huge consideration, because the question inevitably becomes “how much research is needed in order to attain an acceptable level of reliability and accuracy necessary to make a decision and realize a return?” Said another way. Yes! Market research can be costly. And it can be counterproductive especially if there is some flaw in the research design. Nowadays, many companies outsource to market research firms, where they can be confident in professional competency to give them the level of reliability and accuracy desired against the cost required.
From a purely academic perspective, marketing research is crucial for decision support and a key to planning market strategy. Its use is essential to assess the firm’s internal strengths and weaknesses, and external opportunities and threats (SWOT analysis) in the strategic marketing planning process. It is a systematically planned process to acquire, record, process and analyze data to be used in an organization’s marketing decisions. It helps the marketing manager to:

- identify, explore, and define marketing opportunities and problems, aka “marketing intelligence”
- generate, refine, and evaluate marketing actions
- segment markets
- assess market segments (for possible targeting)
- identify and assess new market segments (for possible targeting)
- profile customer groups, i.e. demographics and psychographics
- evaluate marketing actions and monitor performance
- assess and categorize customer attitudes and strength of attitudes
- understand the values and perceptions of customers (and categorize)
- analyze customer purchase patterns and characteristics
- monitor changing customer attitudes and strength of attitudes
- understand perceptions, purchase patterns, behavioral characteristics, etc.
- track industry and competitive trends, threats, etc.
- develop product strategy to launch, grow, reach and retain maturity,
- pull a product or company back out of decline
- formulate the optimum marketing mix
- efficiently use scarce resources, i.e. before the capital investment
- reduce risk (perhaps most important)

Marketers look to the research effort to yield results that are:

1. Descriptive in their ability to gather and present factual information about the competition, the industry, the economy, the product and certainly, the customer;
2. Diagnostic as they present data related to sales, profitability, market potential, ROI, most anything that can be analyzed quantitatively; and
3. Predictive as they make forecasts based on the descriptive and diagnostic information leading to conclusions with high degrees of certainty/confidence for decision making.

The Marketing Research Process.
Regardless of how it is done, marketers know that marketing research involves a process necessary to achieve efficiency in the effort and accuracy in the results. This process is known in marketing circles as the “marketing research process.”

1. Define the problem.
The problem itself appears as a simple statement, yet it is so important to the market researcher to get the research effort off the ground with a true focus on
the collection of meaningful information related to it. The problem may be just
that, perhaps a problem with declining sales, customer satisfaction, image, et al.
But it could be an idea, also! Many of us have had ideas about a product, service
or even a retail establishment that we think may find success in the market place.
Through market research we can test our idea before we ever invest in one dollar
in order to get a better focus on the potential for our idea. (This is a mistake that
many aspiring entrepreneurs make...they invest in their idea on nothing more
than a hunch that it will be successful, and it ends up a failure. We see this
frequently.)

2. Establish a research design.
The research design is dependent upon how much is already known about the
research problem. Dependent upon this, then the choice of the design helps to
determine questions to be answered, how and when data will be gathered, and
how data will be analyzed. There are three types of research design:

a. Exploratory research. This is the most basic research design. It is broad and
for the purpose of gaining insights and ideas about the research problem. It
helps the researcher to establish priorities for further research and further
define the problem or even revise the problem if the research gives rise to
something else that may be worth more pursuing. It ordinarily involves
considerable use of secondary data sources such as interviews, industry and
competitive publications, internet searches, etc. Surveys constructed for the
specific purpose of the research may be used, also. It results in decisions to
proceed (or not) with more research. Due to the broad nature of the
research, confidence levels often leave too much to chance.

b. Descriptive research. When it is deemed necessary to study the idea in
greater detail, a design of descriptive research becomes appropriate. It allows
the researcher to describe the characteristics of certain groups, develop
profiles of the average buyer/user, estimate proportions of target markets
prone to purchase the product, and measure strength of attitudes among
market segments (for targeting). It helps to get a better focus on data
developed specifically for the purpose of the study such as through surveys,
test markets, field studies, and panels. Secondary sources of information
remain important to this research design, as well.

c. Causal research. This form of research follows a different approach to the
choice of the research design. It involves field and lab testing, i.e. panels,
test markets, retail outlet observations, customer behavior actions and
reaction often involving the manipulation of variables (dependent-the
product vs. independent-store location, price, message, etc.) Whereas
exploratory and descriptive research focuses more on the what, when, why
and where, causal research attempts to answer questions related to the
cause and affect of market research and consumer actions.
3. **Formulate a hypothesis.**
   A hypothesis is a conjectural statement about a relationship between two or more variables that can be tested with empirical data. This normally occurs after exploratory research which may or may not result in a revision of the problem definition. It sets the stage for more in-depth research, by further clarifying what researchers need to test. For example, if our idea is to propose a pizza restaurant near the campus, then this would constitute our null hypothesis. We could then test this basic idea against other alternative hypotheses related to other food items in addition to the pizza, beverages, the restaurant theme, etc. Not all studies test specific hypotheses. However, a specifically designed study can benefit from the clarity introduced by developing an hypothesis before beginning data collection and analysis. You can see how this would be beneficial to the design of the survey.

4. **Specify the sampling procedures.**
   Sampling refers to how the information and data will be collected. A sample is a subset of some population that represents the ideas, preferences and attitudes of the larger population. Before the sampling plan is chosen, the researcher must define the population or the universe of interest. Rarely is it practicable nor even possible to sample an entire population. So, the researcher must decide if the sample is truly representative of the population. If so, then the researcher must conduct a *probability sample*, where every element of the population has a known and equal chance of being selected. This is accomplished through a systematically conducted *random sample*, i.e. every 100 or 1000 participants in the population. A probability sample will result in conclusions within a high level of confidence, aside from any sampling error that must be considered. If it is not possible nor necessary to achieve the results of a probability sample, then the researcher may pursue a non-probability sample, where the probability of each member of the population being selected is not known. Such samples are acceptable as long as the researcher understands the non-representative nature of the sample, and is able to live with lower levels of confidence in the conclusions. Non-probability samples are taken quite frequently as we see in malls, on the internet, in the mail, etc., and, contrary to what you may think, they can result in useful conclusions.

5. **Collect the data.**
   This is an important part of the research design, regardless of which design is selected. There are two types of data: 1) secondary data, which is data taken from a previously published or compiled source (not for the direct purpose of the study), i.e. census data, or data taken from the internet or a journal or even invoices from within the organization itself, and 2) primary data, which is data collected specifically for the purpose of the study, i.e. a survey.

   Keep in mind that secondary data normally allows the researcher to manage costs, since it is data that is already available, and less time is required to collect it. Primary data requires more time and cost to collect it. (This would likely be
another reason for companies to use a market research firm, since they have extensive volumes of secondary data that may be sufficient to accomplish the research objectives without involving a full-blown, time consuming, costly study. Nevertheless, data gathered specifically for the purpose of the study - primary data - will result in richer, more detailed information than secondary data offers.)

6. **Analyze the data.**
   If the research design, the questionnaire, and the data collection technique are flawed, then it will show up when the researcher is attempting to analyze the data. I have seen this happen on a number of occasions, and when it does, it often results in the necessity to go back and start all over. This can delay the research, especially if it becomes necessary to re-administer the questionnaire.

   When analyzing secondary data, there is little that can be done with it from a scientific perspective aside from forming conclusions and projections based on information that may relate to the research question. You may view charts and broad data related to the industry, the competition, the economy, etc., but little can be taken from it with any reliability as it is doubtful that it will project to your particular research problem. Yes, it can be quite useful, but again, it has no direct bearing on the particular research problem at hand, because you cannot apply any specific statistical application directly related to the researcher's study.

   When it comes to primary data gathered specifically for the study at hand, as may be collected through a survey, then that is quite different. It is then possible to analyze the data scientifically by means of statistical applications that were specified early in the research design process. The first step here would be to **edit** the raw data to ensure that it was presented correctly by the respondent. For example, if a respondent answered a question twice when only one response was required, then it must be thrown out as it is contaminated and of no use to the researcher. Next, the data must be **coded**, where the researcher transforms the data into values, such as when attitudinal semantics are assigned numerical values. This is a necessity from the quantitative perspective. Then, the data must be **tabulated** which is the counting of cases that fall into various categories, i.e. the number of males and females, income categories, education levels, etc. This type of data is known as nominal data, and is quite valuable in cross-tabulating against attitudinal measures by respondent. From this, researchers can apply analysis of variance, frequency analyses, regression analyses, chi square analyses, and other statistical applications that are useful to draw conclusions within certain levels of confidence.

7. **Present the findings of the research.**
   Findings associated with the research are the culmination of these aforementioned efforts. Often, the market researcher is asked to present these findings in such a way as they may be understandable to the untrained eye, especially when referring to statistical applications, confidence levels and the sort. It is possible and even necessary to show this in the final report of findings,
but most readers are going to be interested in whether or not the objectives of the research were achieved, particular questions were answered, and conclusions and recommendations are founded with a high degree of certainty.

Researchers will need to support these points of interest with detailed background and methodology in the body of their report as they present their findings, of course. However, most people in positions of responsibility within the organization are going to go straight to their own points of interest as likely found in an “Executive Summary” portion of the report. Researchers need to ensure that they can answer such questions as “how do you know this?” as they present their findings. Thus, the executive summary should, at the very least provide assurance that all objectives were met and associated questions answered, and evidence that all recommendations are well supported.

In conclusion, you can see the key roles that marketing research plays in strategic marketing planning. You may even be able to see also how it can be valuable even in the overall strategic planning for the entire organization. Simply, it is involved with the gathering and analysis of vital information that can be used throughout the organization. It is a part of an intelligence feedback process that provides marketers with data necessary to make educated decisions based on a scientific methodology. We can see what works in the market place or what does not work, and why. And we can even test the viability of a business idea absent the expense of a great deal of time and money by moving forward with it before knowing the demand for it nor the risks associated with it.