

CHAPTER 2 : Market research

1. Market research

: Market research involves gathering, presenting and analysing information about the marketing and consumption of goods and services.

Market research data can be used for the following:

- Identify and anticipate consumer needs and wants Eg. Body design / style / colour / interior design / ease of maintenance / performance)
- Qualify likely demand : It is important to find out how much of a product a business might expect to sell in the market.
- Gain an insight into consumer behaviour. => Getting insight into how people behave will help a business to meet customer needs more effectively / Identify new opportunity for business

1.1 Primary research : Collecting primary data or from original source of information.

Methods of primary research

- Questionnaire / Surveys : A questionnaire is a list of written questions.
- Focus groups or consumer panels : Focus group is where a number of customers are invited to attend a discussion organised by market researchers. (one time)
- Face -to-face / Telephone interviews
- Product trails and test marketing

Advantages and disadvantages of primary research

Advantages	Disadvantages
<ol style="list-style-type: none"> 1. Data can be collected directly from customer for the specific purpose 2. The business that initially collects the data will be the only organisation with access to it. It can be used to gain marketing advantages over rival firms 	<ol style="list-style-type: none"> 1. It can be expensive to collect and may take longer than desk research. 2. The sample taken may not represent the views of all the population.

1.2 Secondary research : Involves the collection of secondary data. This is information that already exists in some form. It can be internal data, from records within the business, or external data, from sources outside the business.

Methods of secondary research

- Websites
- Social media
- Newspaper or magazine
- Television
- Reports

Advantages and disadvantages of Secondary research

Advantages	Disadvantages
<ol style="list-style-type: none">1. It is relatively easy, cheaper and quick to collect2. Several sources can be used	<ol style="list-style-type: none">1. Data is not always in a form that a particular business would want because it has been collected for another purpose.2. Data may be out of date3. Some researchers must be aware of bias

2. Quantitative and qualitative research

2.1 Qualitative research : involves the collection of data about attitudes, belief and opinion

2.2 Quantitative research : involves the collection of data that can be measured. (Number or figure)

3. Sampling methods

: is a small group that representative of all those population

- Random sampling :provides each of a group an equal chance of being chosen.
- Quota sampling : involves the target population being segmented into a number of groups that share specific characteristics
- Stratified sampling : It is also random. Sample is divided into segment or strata based on previous knowledge about how the population is divided up.