

16.5.3: What needs researching in marketing

An easy, and truthful, answer to this question is "everything". There is no aspect of marketing to which research cannot be applied. Every concept presented in this marketing text and every element involved in the marketing management process can be subjected to a great deal of careful marketing research. One convenient way to focus attention on those matters that especially need researching is to consider the elements involved in marketing management. Many important questions relating to the consumer can be raised. Some are:

- Who is/are the customer(s)?
- What does he/she desire in the way of satisfaction?
- Where does he/she choose to purchase?
- Why does he/she buy, or not buy?
- When does he/she purchase?
- How does he/she go about seeking satisfaction in the market?

Another area where research is critical is profits. Two elements are involved. First, there is the need to forecast sales and related costs—resulting in profits. Second, there is the necessity to plan a competitive marketing program that will produce the desired level of sales at an appropriate cost. Sales forecasting is the principal tool used in implementing the profit-direction element in the marketing management concept. Of course, the analysis of past sales and interpretation of cost information are important in evaluation of performance and provide useful facts for future planning.

A great deal of marketing research is directed toward rather specialized areas of management. These activities are broken down into five major areas of marketing research. Briefly, these activities are:

- *research on markets*—market trends, market share, market potentials, market characteristics, completion, and other market intelligence
- *research on sales*—sales analysis, sales forecasting, quota-setting, sales territory design, sales performance measurement, trade channels, distribution costs, and inventories
- *research on products*—new product research, product features, brand image, concept tests, product tests, and market tests
- *research on advertising and promotion*—promotion concepts, copy research, media research, merchandising, packaging, advertising effectiveness measurement
- *research on corporate growth and development*—economic and technological forecasting, corporate planning inputs, corporate image, profitability measurement, merger and acquisition, and facilities location.

Newsline: How execs use research

Creating and introducing new products is the most important research priority among marketing executives. The Marketing Science Institute of Cambridge, Massachusetts, USA, surveyed 160 executives from its sponsoring organizations. The executives, representing 60 major consumer and industrial goods and services corporations, were asked to divide 100 points among several research areas. After successful new product introductions, the executives said that market orientation and customer relationships are the next most important areas. Those issues displaced improving the use of marketing information and measuring brand equity as the second- and third-highest concerns, respectively, in the previous survey.

"The new research priorities indicate that a shift is taking place in marketing practice", notes Donald Lehmann, executive director of the institute. "Market orientation has taken hold and the increasing power of the consumer is apparent in the movement away from product-driven strategies. Marketers also realize that they need to make choices about who their customers should be and whose needs they are best equipped to meet ... and most significantly, they are looking for better ways to anticipate adoption and diffusion of really new products." said Marni Clippenger, communications director at MSI, "Companies seem to be shifting away from using the brand to really figuring out what customers want."^[1]

Capsule 6: Review

1. Marketing research is the scientific and controlled gathering of nonroutine marketing information undertaken to help management solve marketing problems.
2. Any business that is consumer-oriented will benefit from marketing research.
3. Research can be applied to every facet of marketing.

1. [1]Sources: Rachel Rosenthal. "New Products Reign as Research Priority," *Advertising Age*, August 8, 1994, p. 26; Robert McMath, "To Test or Not To Test," *American Demographics*, June 1998, p. 64; John McManus, "Mission Invisible," *American Demographics*, March 1999, p. 6.

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