CHAPTER VII
MARKET RESEARCH AND IDENTIFICATION OF THE MARKET.

A firm, with a small market share, manufacturing good products may find its greatest opportunity. For many companies, the most fruitful efforts is for needs they are presently meeting. This fruitful effort, in other words, can be described as "doing research in market" - required for growth based on new-product development and expansion into previously untapped markets. Therefore, to know the customer is a basic commandment for marketers. Perhaps in terms of today's situation "know the customer" is rephrased as "know the market". The market consist of some endogenous characteristics which have a significant bearing on demand.

In order to study market the marketer should think about the customers' satisfaction, about the product or service; on what scale the wants of the customer would exist? What will be the cost which would bear satisfaction to these wants? Lastly they should find out why and in what degree the wants of the customer are not satisfied? If these questions are decided, another set of questions should be made, which include -

1) Who are buyers? 2) Where does they live?
3) Why do they buy? 4) What motivation of the buyer should be appealed to?

Another question may rub the marketer's mind after the product or service is placed, "What is the future of sales?"
Intelligent marketers would recognize the demand not only in one homogeneous market rather he would be interested to recognize the demand of various sub-types of market. In order to recognize the demand of homogeneous markets the marketer would separate its prospective customers into subgroups or submarkets. The objective of segmenting market is to group individual prospects so that their responses to marketing inputs vary greatly among various segments.

The market researchers must be anxious to know in detail about the customers of the segmented markets. Therefore, the question of conducting a survey on buyers' behaviour automatically comes. The first in surveying buyer behaviour is to establish clear boundaries of the area to be studied where a product of the given type would be needed or not. It is not possible to tell accurately the number of customers in a given area. Sometimes prospects may be identified by observation. So the second step is sampling the product which would establish a link between the marketer and the customer. It is very risky and essentially a matter of judgement that concerns accuracy. Sampling the product in a competitive market requires thorough knowledge of product, price, size and quality etc.

When the market researcher becomes eager to understand whether the product would meet the demand of the given area, they apply the simply input-output system. Literally this system is the relationship between the volume of an industry's sale and amount of its purchases. But in highly diversified technology input-output
system can not present a clear picture of sales, except a portion of it. While analyzing if they found any unfavourable result they will probably require some type of survey of field testing ( only in case of a new product ). But in case of existing product, management will conduct an interview on the operating characteristics, application techniques and production facilities. Undoubtedly, rightly conducted surveys and field tests can unearth serious problems which would be difficult to foresee on the basis of laboratory or in-house tests.

It is the general tendency of all firms to develop their present markets more intensively or penetrating new ones. Measures of market opportunity may indicate untapped potential. The market researchers employ investigative process which include atleast three broad phases : problem-definition, analysis and recommendation.

Problem definition :- In case of investigation the first step is to chart out the problems which form obstacles to meeting objectives. Secondly, they should discover the present environment of the problem. Thirdly, they should anticipate what changes may come? Fourth they should discover the nature of the problem. Fifth, besides formal process, what alternative action might solve the problem and thereby help to reach the final objectives. Finally they should judge whether the conducted research is justified to merit final
decision or not. In this context data collection is of high importance. When information has to be collected from the field, as opposed to company records, a sample must be designed. Information may be collected from sample establishments by questionnaire or interview. Besides questionnaire, personal interview is considered to be the better alternative. Interviews may be conducted by the members of the research department of the company or by salesmen etc. A well trained salesman regularly gathers reports which are of great value to the decision makers, especially with regard to competitors' activities. Interviewing requires a high order of knowledge, intelligence and tact. The limitations of the salesmen are that often they tend by nature to be extroverts and not inclined to analyse situations objectively. From the management point of view the use of salesmen as interviewers is costly both in terms of salary and expense.

The results of mail survey are not considered to be the basis for marketing decisions because the mail questionnaire may come individuals or companies with a particular interest in the subject of the enquiry. In order to get accurate (as far as possible) result the researchers puts emphasis on the analysis of an area's potentiality. They also determine the size of the markets, the amount of the product that buyers will take. The researchers while conducting surveys, generally study the classes of the population of the given market, such as
farmers, homeowners or persons at certain income level. More precisely the researchers should select the most fertile market where advertisement and other promotions will be concentrated. Area potential analysis means the pursuit for the best markets for a particular product or service. By the term 'best' one might mean the market with the highest potential per capita or the market with the greatest profit possibilities. Area sales potential for a particular firm may be derived after market potentials have been estimated. Some methods which can be employed to determine area market potential and market shares, are as follows: -

i) The collected data can directly tell the actual sales figure of one's product in each market as an index of potential sales and this process is described as direct-data method. When a manufacturer gets one's sales record he takes into consideration and must not be misguided by the strength and weakness of his competitors at the time of his penetration into the market. In some cases the past selling record is considered as the equipment of present sales potentials but in dynamic market shifting demands and the probable existence of untapped demands render this an unsafe assumption.

ii) Buying power: - The amount of buying by the inhabitants of a locality or localities is the yardstick of the relative potential sales of the company. Sales management guides and other guiding brochures have been advanced as indenes. All these magazines study the 'customer preferences' in sales and highlight their weaknesses disclosed by geographical characteristics. It is true that different
types of customers often involve individual problem and special consideration. Obviously it is useful to record customers’ purchase by the size of order, frequency of orders, and gross profit on orders. This enables the marketer to identify those customers which buy a large proportion of high-margin items and which do not. In this regard, the manufacturers often finds it profitable to study the buying behaviour of customers. The market-research department of a company is entirely responsible to study the buying attitude of customers in order to disseminate valuable information to the marketer.

Volume of product sale performed by salesman is also a useful way to identify the market. The amount of business generated by each salesman can be determined by summing sales made to all customers in each salesman’s territory.

Analysing the competition in the existing market has an important bearing on the attractiveness of various market opportunities. The ability of a marketer to penetrate a new market with a high demand potential is largely dependent upon the strength of competition to other manufacturers. A thorough analysis of competition can be divided in two places: identification and appraisal. Before going to areas the capability and effectiveness of competitors it is necessary to know who are the competitors.
Market researchers identify the competitors' strength through salesmen's reports. When there is different result in sale i.e. if the sale is lost or decreased or size of anticipated order reduced, the salesmen have to discover the reasons why the sale is reduced and whether or not it is due to competitors' action. If so, they have to identify what promotional devices the marketer had employed etc. when this problem arises, one alternative is to make use regional sales managers responsible for the sales performance of each group of independent distribution. Next it is obvious to identify the strength of competitors. The share of market captured by a competitor is the basic indicator of his strength and it should be evaluated by the marketer at the time when he enters into the market. More obviously the marketer should know the approximate positions of every competitor in a given market. The strength of competitors is judged by the quality of his product, the appeal of his promotional efforts, the effectiveness of pricing and the efficiency of his distribution system.
CHAPTER VII

MOTIVATION, RESEARCH AND MARKETING RESEARCH.

People are not entirely creatures of logic. They have feeling, they like to feel important and to have their work recognized as important. Despite these, we have to admit human beings are mysterious, they react differently in different situations. At the advent of the application of psychology in marketing science, some psychologists, and sociologists suggested that the study of human motivation can develop a new way of understanding consumer behaviour that promotes the very being of marketing enterprise.

Any motivated behaviour whether preparatory or consummatory behaviour either preparatory or consummatory must be understood as a channel through which many basic needs may be expressed. Man is perpetually a wanting animal. Every need is related to the state of satisfaction and dissatisfaction. The psychologists also suggest that the situation or the field in which the organisms reacts must be taken into account, the field itself must be interpreted in terms of organisms. Otherwise the consumer must not be judged in the light of motivation research. Motivation theory is not synonymous with behaviour theory. Motivations are generally the determinants of behaviour. Scientists also believed that behaviour is always motivated and influenced by biological and cultural factors determined by situation. In the buying situation the consumer generally acts emotionally and compulsively. Unconsciously reacting to be images and designs which in the subconsciousness are associated with the product.
Motivation research means to investigate scientifically the whole range and depth of consumer and industrial buyer's reactions, his likes and dislikes, unfulfilled needs, his image of the company. The task begins with uncovering the complex web of reasons responsible for the individual's attitudes and buying decisions; it ends with transcribing our findings into an action program designed to increase the demand for what you are selling. Despite criticisms, motivation research has been successfully applied to problems such as advertising, product designs, packaging, pricing and service-facilities. Recently, the results of valuable motivational research are carried out by good marketing researchers, because motivation research brings certain hidden facts of people's mind which people cannot honestly admit. With the motivational research, the test is likely to produce the true answers because the respondent has no chance to distort them. Consequently, motivational research can lead to more accurate predictions of consumer behaviour if a certain product is placed on a market. If it is unknown how people will react to it, the plan of marketing will be exploited and played down accordingly. Therefore, specialists will use it as a capsule to sales success and can give advice to the creative people to prepare advertising copy that makes advertising less of a chance activity. The more the market researchers will learn about it, the more they would be able to eliminate wasteful expenditure and new possibilities will be opened which are of prime importance to the creation of better techniques for improvement of marketing.
Enterprise. Market research specialists use motivation research as a means of understanding emotions, sentiments and to discover unfulfilled needs of the consumer.

In conventional research, the respondents may give certain answers in the attempt to be 'helpful' or out of vanity or because he or she is ashamed to give true answers. From conventional research we can have general information not perfectly suitable for dynamic change of a business organisation. But change in business is essential in order to improve the quality of our life. Change or innovation by definition has inherent risks. When change occurs, how drastic the change will be or what new attitude will emerge is not difficult to predict today, though we have to admit that the future is cloudy. But it is true that to attempt to penetrate the future has long been a human preoccupation. As for that, we can not send our researchers into the future. In order to predict business change, successful motivation research has principal contribution.

I think there seems to exist within the human psyche a faculty that can anticipate more surely than scientific means. Going into the depths of my discussion, I can say this is only possible, because the human mind can understand the human mind whenever it is accompanied by a developed brain. Market research specialists also believe that capturing market is possible, not only by assembled facts but for time being, powerful imagination of creative person, successful questionnaire of motivation research program can accelerate this speed of business to reach
that very goal. To support my discussion I can put here what Harlow Shapely has said, "A survey of relevant knowledge that the inquiring mind of man has brought to light leads to speculative meditation, to a dreaming built out of wonderment". Here in marketing science, the words 'meditation' and 'dream', I want to mean concentration and insight of creative persons.

For a successful innovation - the profitable marketing of a new product in quantity - different steps are required, these steps frequently call for different kinds of people, for example, the manager, the scientists, the psychologists, market research specialists, etc. Modern managers are not so superstitious as not to recognize the importance of the contribution of psychologists and sociologist in marketing science. Rather, in some dynamic organisation they play the role of inventors they are considered as a breed who can see when others can not, who, while walking, can find treasure overlooked by others. The experienced psychologists taking the pool of knowledge, prepare questionnaires and analyse them to produce a novel result never before conceived. Therefore, they are not entrepreneurs, but their contribution is unique and essential to the process of innovation.
A customer by no means can be considered as more purchasing unit; they are more than economic statistics. People have been educated, and so the world of the customer is a difficult one and unpredictable. Therefore study-based description provides guidelines for market segmentation. A constant pressure is always coming from the management line to market researchers to provide profitable cultivation of market that can convey additional knowledge of how consumers feel, think, behave, and why they think, behave, and act. The market researchers have become interested to study their motives, attitudes, perceptions, and habits and their several activities. Therefore, the behavior of the consumer or the field of this subject has appeared as a challenge to market researchers.

The purchasing act is not a single act, rather it is a climax of a series of steps and it provides one foundation for better understanding of the consumer. Consumer behavior is influenced by the message from the firm, together with attributes of the product and environmental factors, when a consumer is exposed to these factors or stimulus he starts to process the data to produce an attitude. Formerly scientists believed that only inherited characteristics can produce attitudes that direct consumer behaviors. But psychologists today emphasis that people are influenced not only by inherited characteristics but by what they learn.
from their physical and social environment. Their behavior, to a large extent, is determined by experiences in daily stimulus situations. Some of the stimuli that originate behavior are identified as motives. Many psychologists have classified motives into two groups - (i) Primary motives that includes biological, physiological and biogenic etc. These motives stem directly from the physical needs of the individual. (ii) Secondary motives originate from the social part of the individual. These secondary motives reflect in part the things a person has learned and the way other react to him.

After the formation of attitude, the second step is the evaluation of attitude toward the advertised product or brand and considerations of product's ability to satisfy needs. Factors which compel them to evaluate are - talking with the people, the product and brand attributes, personal situations and shopping experiences etc. If the advertised product is considered a good means for satisfying some end, then a favourable motivation develops towards the product. Here the market researcher can prepare a report on consumer behaviour by preparing a questionnaire and interviewing consumers. And the third step is the transformation of motivation into an act of purchase. The final step involves the consumption of the product.

Market researchers and communication experts believe that the customer moves through different mental stages before finally buying a product. First, customers are commanded by some psychological stimuli
and these stimuli are affected by personality. Later, the psychological command and personality interact to filter the psychological traits are processed. Secondly, after getting information, the customer becomes exposed, they draw attention and comprehend and react. In the next stage the customer recognizes problems and flows through internal search and alternative evaluation. Here the customer judges the product basing on factual and value premises. Then the customer takes a decision. Therefore a decision is then the outcome of a mental process which cannot be measured directly.

In human beings there are also some motives below the level conscious perception. It is true that more attention can undoubtedly be focused on unconscious motivation by advertising. The lively appeal of advertising copy rub the consumer's mind and repressed motivations therefore act unconsciously to influence behavioural patterns. Motives can be divided into many groups as we have traditional marketing literature as follows:-(i) Primary motive that leads to the purchase of a class of article, (ii) selective buying motives, or that determine choice within product class. (iii) Rational motives, or those motives which influence the customer to purchase product by comparing price and quality, durability etc. Often satisfaction of emotional needs may be included in behaviour when it is rationalized, for example, a mother who buys a garment of latest design for her child may wish to satisfy emotional needs both for her and
her child. In her purchase, she may rationalize her own behaviour. Therefore, she can explain the purchase on the basis of rational motives. She may explain that she bought the garment because of the quality of cloth, perfect stitching, perfect price, etc. iv) Dormant motives which were formed previously but presently unrecognized due to some unavoidable circumstances and must be brought to the buyer's attention. (v) Conscious motives are those which are felt and experienced by the buyer without intervention by the marketer.

Today it is also believed that motives are not only the buying—behaviour determinants. Cultural and situation differences can exert great influence over product selection. Availability of product information may play a significant role in influencing purchase behaviour.

Besides motives there are some other internal factors that influence the behaviour. Personality theory is one of them. This is a very complex concept used to understand the complex nature of human behaviour. One's personality influences one's attitude. Personality can be defined as "the configuration of individual characteristics and ways of behaving which determines an individual's unique adjustments to his environment". The availability of the data of personality helps marketers to implement them into the field-ready corrective purchasing behaviour with personality types and traits.
If the consumer had the same personality or the same totality of characteristics, the task of market research specialist would be sample. The components like motives, attitudes, perceptions, habits and others are combined together to form personality. Personality is characterized by person's heredity, environment, communications and from exposure to institutions like family, Club, school, religious centre etc. It is reflected in attitudes, perception, and behaviour patterns. Personality characteristics are unique because two different persons may respond in different ways to the same stimulus from time to time. The varied responses are definition of personality taken from "Marketing research" (Page-175).

Sometimes the result of differences in attitudes, a personality characteristics. Attitude has become one of the most frequently and seriously studied variable to market researchers. There is much reason to believe that one's attitude toward a product or brand will influence his purchase behaviour towards that product. It is also true that behaviour will not always correspond with attitude. So the relationships of attitude and purchase behaviour is not always clear; for example, a person may have favourable attitude toward a product but this may not result in its purchase because the product may be too experience &r his budget.

Market researchers also believe that purchase behaviour is influenced by product characteristics and influences to which they are exposed. Influences may definition of personality taken from "Marketing Research" (Page - 175 by Gerald Zaltman, Philip C. Burger. Copyright 1975 by The Dryden Press. A Division of Holt, Rinehart and Winston Inc. All rights reserved.
reach from interpersonal relations or from lively appeals of the mass media. But how communication works is not clearly understood. Behaviourists believe that before purchasing a consumer verifies advantages, compatibility, complexity, diversibility, communicability of other products of the same product line. As a result, innovation is one of the most important characteristics of marketing. Market researchers conduct surveys and give instructions as to what changes should be made on the product. This change is called product innovation which means changes in product offering. Innovation can gain consumer acceptance and increase the rate of sell.

Market researchers also study the culture that can be defined, "that complex whole which includes knowledge, belief, art, law morals, customs and any other capabilities and habits acquired by a man as a member of society". The information about different cultural trends are especially important to international marketers because they are always crossing cultures for the distribution of their product in the global market. The study of culture is a pursuit which helps the marketing man to understand the purchasing behaviours of consumer. Undoubtedly individuals of a society are greatly influenced by the culture of that society because culture is the broad matrix of society. Individuals learn in common with other members of the group to which they belong. Sometimes change in behaviour, purchasing behaviour or activities may not be

Definition of Culture quoted from "Marketing Research" (Page - 150) by Gerald Zaltman Philip C. Burger.
considered as changes in isolated attitudes. In fact, they live in society, they have learned from or have been influenced by the culture of that society that has admired the change.

Marketers modify their marketing strategy by utilising the influence of broad social processes. Culture enlarges thinking; so the study of culture helps the market researchers to understand the large contexts of action and of the fundamental themes that underlie behaviour. To the foreign marketers, to study a foreign market means to study a foreign culture. A cultural approach to business behaviour brings forward the obvious patterns that serve as guidelines for, and limits to, business action, and sometimes make clear those subtle and underlying means and goals of behaviour. Today the cultural approach has gained great importance in setting marketing strategy, for indeed, these two have been reciprocally related, and interact to breed fruitful result.

Market researchers also study the status characteristics. It is obviously important in identifying the consumer behaviour. Status can be defined by the position occupied by the individual within a group relative to other members. Market
researchers study status characteristics basing on social classes. Status varies in different social classes; for example, lower class people value education less than middle-class people so this purchasing behaviour may indicate differences because many products are consumed as part of gaining education. Middle-class people put emphasis on morality, respectability, they like neatness, cleanliness, politeness etc.; but on the other hand lower-status people rely on luck, they are less willing to risk their security, they always judge any matter by immediate results, actions or reactions, or gratifications whereas the middle class people can control their destiny, patience by experiencing knowledge, and implementing their education and intelligence. They also believe that they could drive their fortune through a proper way in order to achieve success. All these characteristics can mightily change the consumers' mind or can breed a new mind in the consumer which would affect his purchasing behaviour to a great extent.

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Chapter - VII

Role of Computer in Solving Marketing Problem:

"Computer is an amazing and complex tool that can perform complex tasks. It can solve mathematical problems, do accounting chores and analyze business activities, and remember facts and report these. It can guide and control production machinery to perform involved operations, it also can maintain surveillance over countless activities and report irregularities. Computer can perform very difficult task accurately within a moment, but it can not think. A computer is merely an ingenious arrangement of metal, plastic, and wire."

Generally, a computer perform any problem in mathematics. Marketing, as it is recognized as a vast area, the flow of information and data is essential for making decisions. Sometimes, marketing expert has to go through the past records, the computer can compare and relate facts and helps him to make logical decisions. Human being can not store mile after mile of information and data into his brain for a long time even for a short period, but a computer can store information in its magnetic storage. It can report the experts past records that has been stored in it.

Electronic data process not only invent the nation-wide chains of retail stores, it also inform which customers are the best prospects for certain merchandise. EDP has become routine in many marketing operations.

Communication is essential to any organized...
Unless and until it is studied it would be an obstacle to management operations. In U.S.A. and other developed countries computer is used to despatch real-time marketing data in order to meet the change appears in consumers' buying nature. It is only possible, with the help of computer, to analyze the facts as quickly as changes occur, to facilitate management in its decision making.

Before planning marketing min. marketing experts have to have information and data. As the situation differs, it is not possible to lay down hard and fast rules to provide solution for all circumstances. So real-time data communication system is essential to serve marketing function and purpose of the operation. Whatever may be the volume of data transmission, computer is ready to control and perform the communication network.

Computers have made significant change in marketing management, giving the experts closer contact with the activities under his control. Facts from the production line and product sale that feed back to a computer can be analysed at once. A computer can not think but can help to decide whether the situation is normal or not.

As the marketing is a vast area to study, the information provided by the computer system serves the marketing experts in a great extent.
i) It has made provide for the executives to observe trends of business and enables them to develop policy both for immediate and for the future.

ii) It helps the experts to evaluate his current operations in comparison with previous periods and with the goals set for the current period.

iii) It helps them to eliminate the adverse condition and to change policy if it is necessary.

iv) It indicates new ways and opportunities for profit and improved operation.

v) It relieves the experts providing complete, accurate useful and current data, information in concise form.
numbers. The sources of the numbers are measurements, observations, and judgements based on experience.

4) It requires that the formulas can be solved algebraically. The solutions represent a decision that best measures up to the standard of performance. criteria decided in the second requirement.

Operations researchers do not operate in the world of assumptions. They function in a marketing setting. Operations researchers tend to find better problem-solving calculations through their investigation concerning themselves with the primacy of marketing factors in enterprise decisions. They must recognize the extended influence of marketing forces.

Mathematical models, the offspring of operations research, has given an extra pace to the management science on the path of progress. Models are really useful tools in the areas of marketing problems and have been received widespread acclaim for this accomplishments. If linear programming, is used with operations research, as a part of it the value of operations research becomes unlimited. In fact, it is the promise to 'potential applications' in marketing.

Operations research lead the marketing problems to an end. So they have become the means to better marketing decisions. They appear to develop a preference for rigor over realism, for manipulative potentiality over practicality, and for mathematical sophistication contd...p/3
Chapter-2

The Place of Market Segmentation

It is better to discuss what is market segmentation? There are several definitions of it but all of them do not cast much light upon the process whereby business men decide whether the segment is worth cultivating or not. Simply to say market segments are subgroups in society. These groups buy and sell in particular way which set them off from others and ultimately they are categorised. If market segmentation is the strategy of dividing markets, its philosophy is "Something for everybody". Moreover, the decisions to market segmentation varies from firm to firm.

Why market Segmentation? The fact is well known to all that face-to-face selling tells marketers a lot about individual customers. But the flow of mass market selling puzzle the marketing managers and compell them to think in terms of market segments. When manager will be emerged in studying the consumer characteristics he might have some considerations helpful to segmenting market. The strategy of market segmentation suggests a continuous policy of looking for differences in the total market.

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It entails creative action. In a segmented market, it is more or less easy to rub the consumer mind to the given message and to crystallize new needs in the minds of consumer which may invoke demand for specialised product.

Significance of Market Segment in MR.

First I will discuss the significance of market segmentation.

a) People are varied kinds of consumer because they are different in nature. Consumer's marketing behavior reflects varied social fabric. Market is segmented basing on the individual's make up that share specific, explicit memberships and participation in social units. Having a clear understanding of consumer behavior one can group them, consequently market can be segmented. Whenever market is segmented, marketing expert's are well known about the different streams of market. Market Segmentation suggests differences in a definite area and the marketing experts always tries to require modified thinking on merchandising in order to meet these changes. Segmentation is also practised in many facets of marketing, for instance, the penetration of new markets for existing products. 

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through sales force specialization, or diversification of channel distribution.

Market segmentation is an inevitable aspect of economies. In a market, there have always been users, non-users, happy and dissatisfied users. Whether they are called segments or not, they remain as subsets of larger population. It should also be noted that market segmentation is not only the convenience of the marketer but a toxic product to the revolutionary thought experts’ minds.

The reality of market segment does not provide that the consumer behaviour is stable, non-volatile and unchanged rather it keeps marketing experts alert to watch the trends of change within the market. Often marketer faces problem when market segments are changing and not related to familiar demographic variables.

b) 1) Market Segmentation direct the appropriate amount promotional attention to the most profitable segments of his market.

ii) It help the marketing planner to understand the major stream in a swiftly changing market and thus he can plan take advantage of it.

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(iii) It helps to determine fruitful and effective appeals in Company's advertising, where several appeals are rubbing the consumer most effectively.

(iv) It helps to select advertising media and to make a budget of it in the light of anticipated impact.

(v) It correct the timing of advertising and promotional efforts.

Postwar boom of new brands and sales outlets have made market segmentation possible as widespread adoption in marketing management — and now is considered as recognised marketing strategy that takes account of more than simple economic and demographic variables.