

Limitations of Marketing Research and its Process

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ABSTRACT

Marketing research is a social science, which studies consumer behavior. The consumer behavior is of complex nature and changes with the passage of time and moods of the consumer. There are cases where the same respondent has given different answers to the same question to two different interviewers. There are also cases where the same respondent has given different answers to same question to the same interviewer at different times. For this reason one cannot expect 100% mathematical accuracy in data collection. The research findings are greatly influenced by the character and ability of research personnel. Inexperienced and non-qualified persons are often appointed as field interviewers. They can prove to be extremely dangerous as far as research findings are concerned. Some of them may not even visit the sample members but fill the data forms all by themselves or they may collect incomplete and based information. To avoid this limitation, there should be a proper selection of the field staff. Again, they must be given adequate training to deal with the research problem.

Often it is not possible to collect information from the entire market area due to limitations of time and money. To avoid this problem, care must be taken to select a proper sample that truly represents the entire population under study. However, to select a true sample is not so easy task. Many-a-times, proper research cannot be conducted due to shortage of funds. In India, research is conducted only by a few leading firms and agencies. Small firms are reluctant to conduct research or approve an agency to conduct research due to lack of funds. Marketing research involves a considerable time right from the collection of data to the preparation and submission of report. Usually the information is collected on the basis of past purchases/sales, past attitudes, and so on. This information may not be applicable to solve present or future problems. By the time the research report is ready the present problem itself may take different turn or shape, thus rendering the research findings/report meaningless. In other words, the research findings will not be able to solve the problem because of the change in the problem.

Marketing information itself is useless unless it is analyzed and certain conclusions are drawn from the analyzed data. While interpreting and analyzing the data, there needs a good judgement and intelligence on the part of the market research analysts. At times, the market research analyst may make wrong or biased judgement. There are cases where the research is conducted for name's sake. The top management do not implement the research findings. This is because research findings may require taking challenging decisions, which the managers may be reluctant to take due to risk factor. They often feel that if goes wrong with the implementation, they will be held responsible and as such the research report finds a way only in the files without anybody bothering to refer it. All marketing problems cannot be solved by marketing research. There are certain problems which needs imagination, intelligence and innovation on the part of managers to solve them. A problem of balancing social responsibility vis-a-vis profits of the firm is difficult to answer by findings of marketing research. The external business environment is uncontrollable.

Many-a-times, there are sudden changes in the external environment. Marketing research will not be in a position to judge precisely the changes in the external environment. Changing environments can throw even the best of research findings out of gear. Quite often the reports are bulky and technically worded. The managers who are in charge of implementation do not understand the report language and as such they may neglect the implementation of the report.

Every research problem is unique and requires a special emphasis and approach. One way to face the uniqueness of every problem is to tailor the research work according to individual needs. However, in practice, there is a sequence of steps called research process that have to be followed while adopting a research project. Identifying and defining the problem is the first step in the process of finding a solution. The problems of today's business are diverse. Some relate to the products, others to the customer behavior, others may be advertising problems. The problems may be the failure to meet sales objectives or of falling sales. This may be due to the product of poor advertising or personal selling lacks motivation and so on. The job of research people is to identify and define problems. There should be a good diagnosis. A poor diagnosis will lead to an ineffective solution.

The research problem is generally stated by the marketing team. The research team it supposed to conduct a preliminary investigation. For example, a sales manager who notices sales being declining might interpret the problem as ineffective advertising. The researcher, therefore, is asked to investigate the effectiveness of firm's advertising. In talking with the sales people, wholesalers and retailers of the firm's products, however, the researcher discovers that their support began to decline when a rival firm introduced a new product that gave them a bigger margin on sales. They make more profit by selling the rival's products. This gives the researcher a new perspective on thy problem. It also makes clear that an investigation of advertising effectiveness will not solve the problem. A different type of research project is needed. The researchers now begin to formulate hypothesis to fit the

problem. Hypotheses are tentative explanations of a problem, formulated based on insight and knowledge about the problem. The hypothesis may prove to be either right or wrong.

In our example, the preliminary exploration might lead the researcher to hypothesize that sales are declining because:

- Product quality and price are too high, and/or
- Middlemen do not earn an adequate margin, and/or
- The Product is becoming obsolete.

If the test of the first hypothesis leads to its acceptance one conclusion is that product quality and price are too high. If it is rejected, the researcher concludes that quality and price are not too high and proceeds to test the other hypothesis. Thus, the hypothesis guides the research effort and suggest what data are needed.

The researcher's hypothesis guides the data collection effort. To test the hypothesis, 'sales are declining because the product quality and price are too high', the researcher would want to know:

- Customer expectations about product quality and price
- What products customers consider to be substitutes, and
- The price of the competing brands.

Researchers use primary and secondary data. Primary data are collected specifically for a particular problem. It must be generated by originated research through observation and/or inquiry. Secondary data is readily available information, it can be collected from published sources. Although secondary data are usually cheaper and faster to collect than primary data, researchers consider their relevance, accuracy, credibility and timeliness.

The sources may be internal or external. The major internal source of primary data is company personnel. Retailers, customers, wholesalers are important external sources of primary data. The major internal source of secondary data is company records. Libraries, trade associations and government publications are important external sources of secondary data.

The research design is the grand plan for conducting the research investigation. It provides a guideline for the researcher to enable him to keep a track of his actions and to know that he is moving in the right direction in collecting the data. Whatever may be the nature of research problems, all research designs contain answers to the following questions:

- What the study is about and the types of data required?
- Why the study is undertaken?
- Where data can be found?
- In which areas, the study will be undertaken?
- When, or What periods of time, the study will conclude?
- How much resources (men, money and materials) will be required?
- What techniques of gathering data will be adopted?

Thus, the considerations which enter into making decisions regarding the what, where, how much, by what means, constitute a research design or plan.

If the researcher cannot solve the problem with the help of secondary data, he should then make efforts to collect the primary data from the field for which he generally requires a questionnaire. While designing a questionnaire, the following points must be kept in mind:

- What type of information is required?
- What type of technique will be used for conducting the research i.e. whether telephone, personal or mail?

Market research is always restricted by shortage of time and other resources. Therefore, few persons are selected to provide answers for thousands of people in the market. However, the sample so selected must represent the total population under study. The sample can be selected at random or by using probability techniques. After designing the questionnaire and sample, the researcher then proceeds to select the required number of field staff i.e. interviewers, if need be. The field staff, so chosen must be given sufficient training to handle interviews and recording of data. Students of psychology and, statistics are preferred for field work.

Problem solving is essentially a process of collecting more and more information. As mentioned earlier, information can be collected from various sources, both internal as well as external, readymade or firsthand information. While collecting data care should be taken of:

- Information is up to date and free from bias.
- It is objective and relevant to the needs of problem.
- Data is complete in all respects.

The Collection of information accounts for major part of nay research work. The data when collected is mostly available in crude form and as such it must be processed. To process the data, it must be organized. The techniques and tools like editing, coding, classification and tabulation are commonly used to process the data.

Editing helps to weed out unwanted and irrelevant data, whereas, coding, classification and tabulation makes the data ready for applying statistical techniques for analysis purpose. After drawing conclusions, the researcher will then proceed to prepare the market research report. The report is divided into a number of paragraphs or chapters, depending upon the nature of the problem. The report consists of the following:

- Title of the report.
- Table of contents.
- Synopsis.
- Introduction.
- Methodology used.
- Findings.
- Conclusions and recommendations.
- Limitations, if any.

After preparation of the report, the reporter should submit the same to the decision maker. The language of the report should not be too technical. After presenting the report, the researcher should find out whether his report is accepted, if accepted whether his recommendations are implemented and if implemented, whether recommendations are successful in solving the market research problem.

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