

Why Marketing Research?

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Anandha Bazar Patrika Group did a study of the readers of English dailies in Calcutta and found out that the non Bengali population (a sizable proportion) living in Calcutta were dissatisfied with the then available English dailies, Statesman and Amrita Bazar Patrika. Then they found out the likes and dislikes of the non Bengali group of readers and developed their English daily 'Telegraph', which was positioned in the market as a premium publication for the conscious and affluent reader with the slogan 'unputdownable'. This paper has been steadily growing in circulation while Statesman has gone down.

Berger paints, the then British paints, in the early 80s carried out a market survey to identify methods to improve their sales. Apart from interviewing painters, builders and contractors, they also interviewed a few house-owners. That gave the idea that there were house-proud females belonging to upper echelons of the society who knew about interior decoration also decided about the shades of paint to be used in their households. They were also found to be knowledgeable about paints. That gave them the idea to launch a superior quality paint 'Luxol Silk' and advertise for the product in the lay press. Please remember that paints used to be advertised only in trade journals and the promotional efforts were always directed at the painters and contractors. After the success of Luxol Silk, every other paint company has introduced acrylic paint and started advertising in popular media as well.

Metal Box India Ltd. used to have a range of consumer products under the brand name Chrysalware, which consisted of containers, table-mats, coasters and wall-hangings all made out of sheet metal with nice art work on them. They were positioned as 'beautility' items (beauty + utility) in the market. But they would not simply move in the market. Then a study was done to find out the reasons for the consumer resistance. It showed that consumers attach a poor value to sheet metal and were not sure of the durability of the items as they were likely to get corroded. Hence the chrysalware range of products were dropped.

Vazir Sultan Tobacco company used research to identify the target market for launching their cigarette 'Charms'. Political parties use research to find the opinion of the people to develop their election campaigns. Opinion polls are used to predict the election results.

Apart from the above examples, marketing research has tremendous potential in terms of finding answers to questions such as:

- Why a product does not move in the market?
- What are the repositioning options available to a company?
- What is the likely demand for a new product?
- What market share the new product will gain in the market?
- What is the level of consumer satisfaction with a particular brand?
- What price to charge for a product?
- What is the effect of an advertising campaign?
- What are the characteristics of the consumers demographic as well as psychographic?
- What are the consumers' purchase and usage patterns?

Hence marketing research is a powerful technique, which could be used as an aid by the marketing managers to make better decisions. In a competitive environment, where buyers have a wide range of choice, it is essential for the marketers to understand the needs of the consumers and target their products. Not so long ago, products launched with just a little fanfare (and no market research) stood a reasonable chance of success. This is not possible any more. Consumers with a much wider choice have become more discriminating buyers. And in such a situation, manufacturers must design products for a buyer's market or go down. In these circumstances, market research is less a luxury than a necessity.

In India, Vikram Sarabhai was the first to start a marketing research firm. In 1960 he set up the Operations Research Group (ORG) to conduct retail audit surveys and measure consumer off take of selected products. Then came Indian Market Research Bureau (IMRB) in 1971, a research outfit of Hindustan Thompson Associates. Presently India has a number of marketing research organisations, like MARG (Marketing Analysis and Research Group), MODE (Marketing Operations Design & Enquiry), Pathfinders, MBA (Marketing and Business Associates) and MRAS (Marketing Research and Advisory Services). These agencies have made significant contributions to marketing in India.

Besides these research agencies, several companies have in-house agencies. Hindustan Lever has a market research division called Domestic Research Bureau (DRB). Levers has built up its own household panel, which provides it with information on household purchases of its brands as against its competitors.

A typical marketing research study will begin with identification of certain problem and the information needed to solve the same. Then an outside research agency may be called to study the problem. They would talk to the consumers and collect information, may be using structured questionnaires, and then carry out an analysis of the information collected to make recommendations on the problem studied. Most of us would have had the experience of answering the questions of good looking young marketing research investigators going from household to household with long questionnaires to ascertain information on awareness, knowledge and usage of different brands of products.

In reality, researchers use a number of techniques to collect information from consumers, apart from the simple questionnaire method. For example, one method is called 'dustbin check', where special containers (dust-bins) are provided for used cans or cartons of the product being measured. Every week, investigators go to the selected house-holds provided with dust-bins to collect the empty cartons, bottles and cans.

Use of pupilometer (to measure the movement of pupils), Voice Pitch Analysers, brain-wave analysers, and other sophisticated measuring devices are prevalent among the marketing research agencies in developed countries. In India, audience measurement for TV programmes is accomplished with the use of audimeters, an electronic device fitted to the television set which records the channel being tuned and the duration for which the television set was on. Marketing research agencies use sophisticated data analytical methods with the aid of computers to understand the underlying preferences of consumers for diverse product categories.

A number of technological improvements that are taking place in the field of electronic data processing is making it increasingly possible to access data banks in a flexible way. This is making a positive change among managers, who are becoming more and more familiar with use of data and numbers for their decision making. This used to be the dividing line between the multinational companies and their counterparts in India because the multinational companies have the access to research data accumulated by their principals, who operate all over the world. Nowadays many Indian companies like Balsara Hygiene Products, Amrutanjan Ltd., Kotharis, Parleys and many others use research to get the relevant information for their new product decisions and promotion decisions.

Research is not without problems. Suppose a study is conducted to find out the readership for a new English magazine. When a pretty young lady investigator goes around asking the question, "What English magazines you read regularly, sir?", people tend to give answers which would place them in high esteem of that lady and would invariably say that they read India Today, Illustrated weekly and the like when in reality they may be ardent readers of Star-dust and Debonair.

In a study to find out the services expected by customers from a credit-lending institution, a list of people who have availed loan from that institution were chosen for interview. The first question asked was whether they have ever taken a loan from any credit lending institution. More than 80% of the people interviewed swore by the names of all Gods that they had never gone near the premises of any credit lending institution - leave alone taking any loan. No one wanted to accept that he was financially weak!

In another study to determine the demand for spices in India, where the author was personally involved, the demand for common spices like coriander, cumin seeds and chilies were underestimated while the costly spices like cardamom and cinnamon were over estimated by more than 1000%. Leave alone housewives using spices like cardamom,

cinnamon etc. once a year; even those who never had used, also wanted to project an upper class image by stating a high consumption of these spices in their households.

People tend to give only such information which are socially acceptable and would make them appear rational. If someone is asked whether a price rise for a particular brand of detergent will make him shift to some other brand, in order to avoid appearing like a miser, he would say no to the investigator and act differently. If a new product is shown to a consumer and asked whether he would be interested in buying that product, she would readily say 'yes', as Indian Courtesy demands that you cannot say 'no' to a stranger.

But there are methods to take care of such problems. Proper wording of questions could solve the problem to a great extent. In the detergent case quoted above, if the question is worded as "Do you think the price rise will make people shift to other brands?", the respondent would be at ease to answer, because it is not directly aimed at him. Research agencies in India have carried out research on condoms, sanitary napkins and extra-marital sex - with a fair amount of success.

Marketing research on its own does not guarantee success. Even the best-conducted intelligence study may be misinterpreted and misused. The decision maker may have strong biases which may make him overlook the findings. Also, marketing research costs money, and there are often strong pressures to economise on it or to think of it too late, instead of integrating it into the marketing plan. Marketing research provides an important part of the basis for better, most cost-effective marketing, but only if it is well designed and well thought out in accordance with marketing objectives, and if the results are taken seriously and understood.

Market Research is like a LAMP POST. A drunken man uses the lamp post for support. A wise man uses the light from the lamp post to chart his route. We do have managers of either type, if not literally, at least in the way they use research. There still are managers who take decisions on their own and call market research agencies to carry-out a survey to prove that they are right. There are others who use research data to arrive at decisions.