

# **Executive Certificate Program in Advanced Product and Brand Management**

## **Consumer Research**

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## Market Research

## What is 'Research' ?

*“A detailed and careful study of something to find out more information about it”*

## *Some other definitions*

*“Research is a systematic investigation (i.e., the gathering and analysis of information) designed to develop or contribute to generalizable knowledge”*

*From weather forecasts to the discovery of antibiotics, researchers are constantly trying to find new ways to understand the world and how things work – with the ultimate goal of improving our lives.*

## What is 'Purpose of Research' ?

*The purpose of research is therefore to find out what is known, what is not and what we can develop further. In this way, scientists can develop new theories, ideas and products that shape our society and our everyday lives.*

## What is 'Market Research' ?

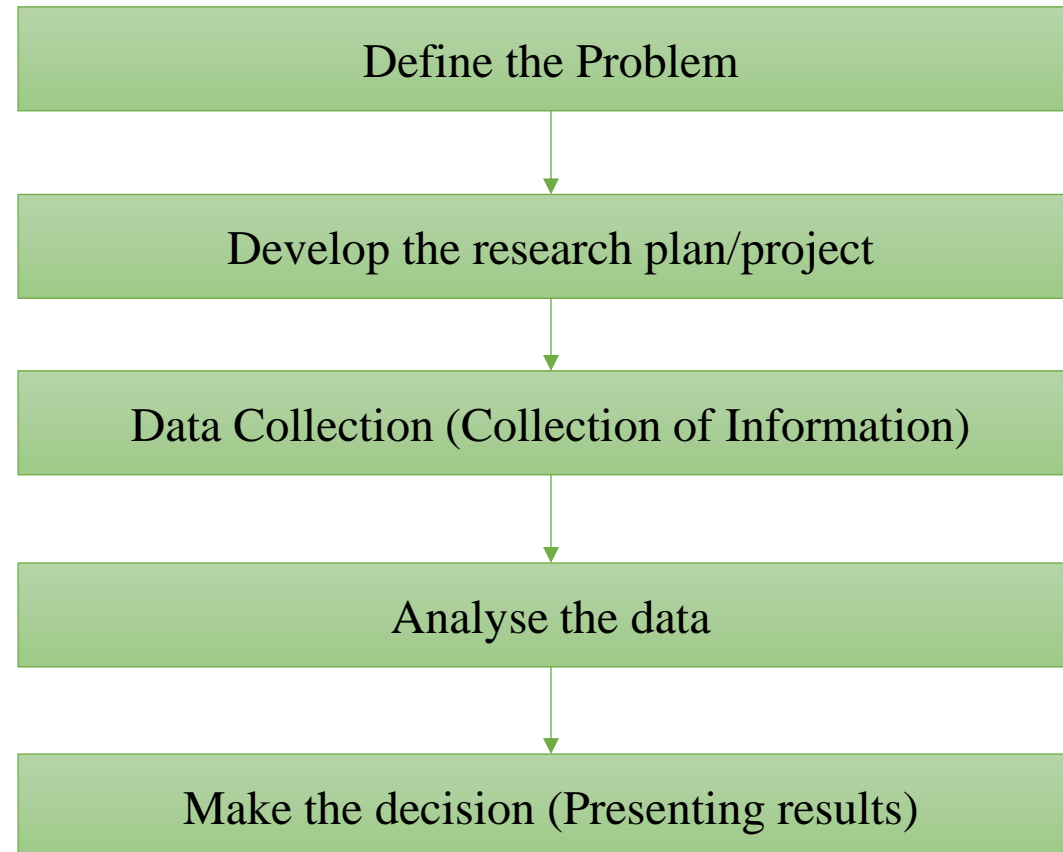
*“It is defined as the process of evaluating the feasibility of a new product or service, through research conducted directly with potential consumers. This method allows organizations or businesses to discover their target market, collect and document opinions and make informed decisions.”*

## Why is *'Market Research'* so important?

Conducting research is one of the best ways of achieving:

- *Customer Satisfaction,*
- *Reducing Customer Churn*
- *Elevating Business.*

## Marketing Research Process



Do you think that research is *easy* and *cost effective*?

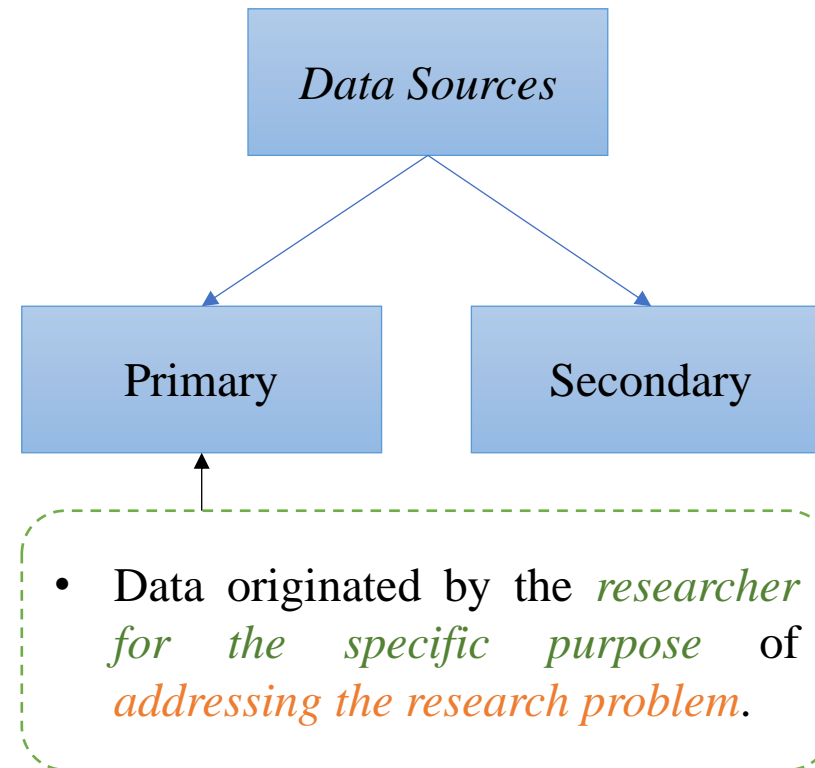
Where should we define the '*objective*' of the study?

## Develop a Research/Project Plan

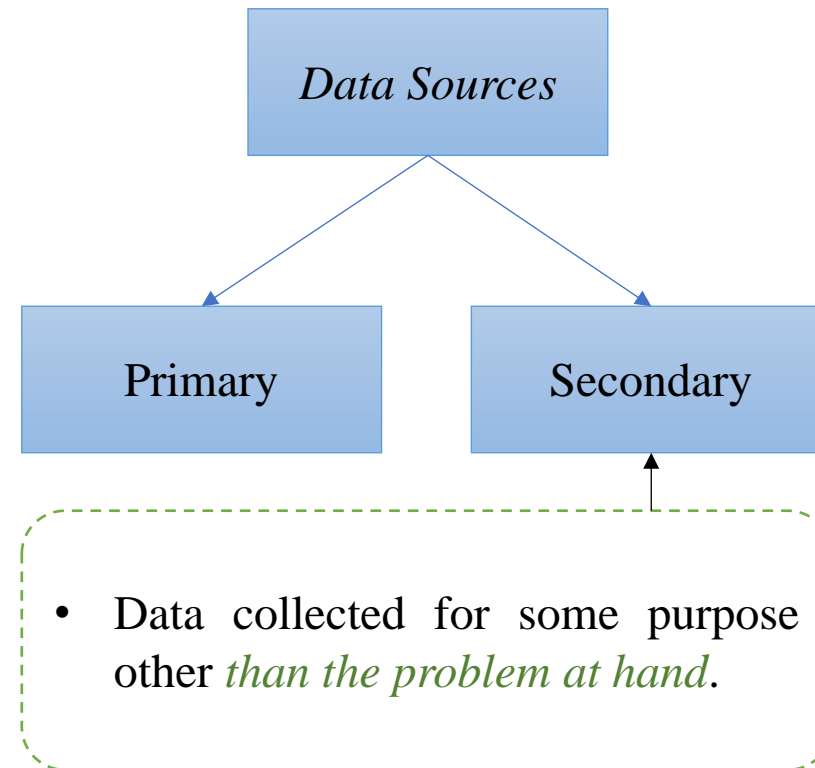
How ?



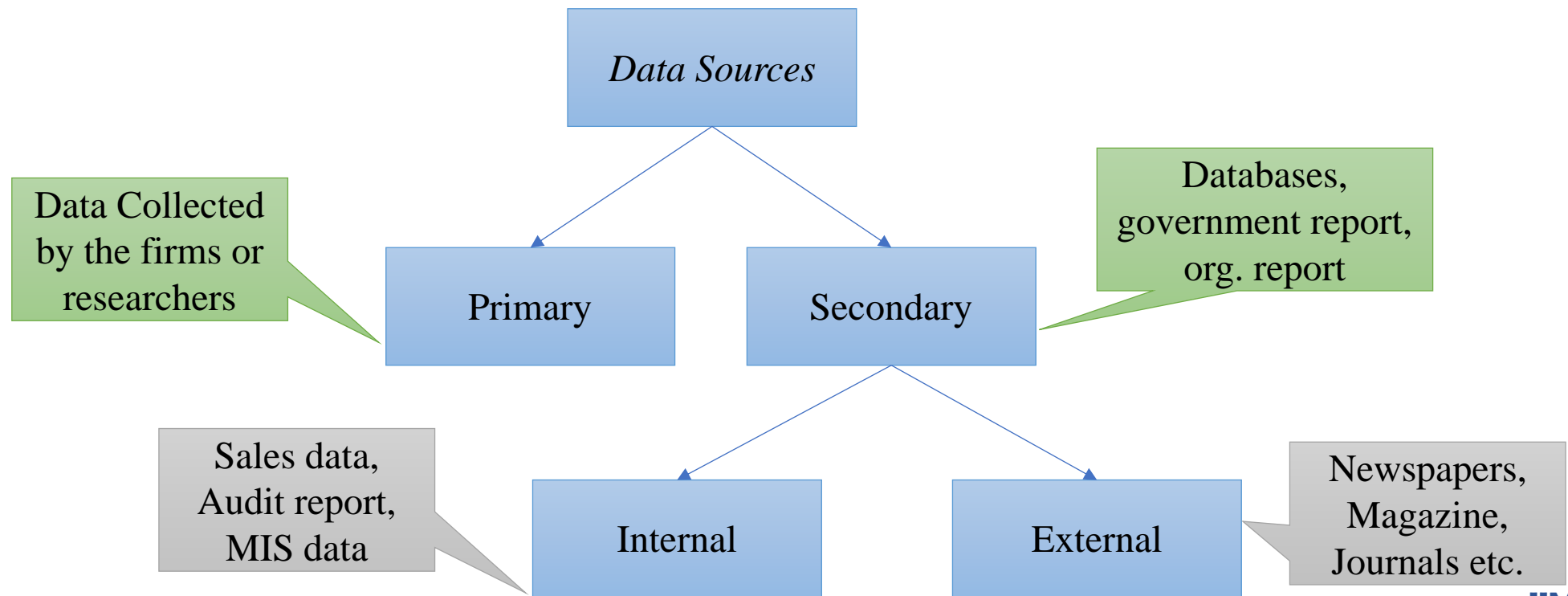
## Develop a Research/Project Plan



## Develop a Research/Project Plan



## Develop a Research/Project Plan



When should we use *‘primary data’* over *‘secondary data’*?

When we have *some specific problem* in hand (Primary data)

When required data *does not exist*

Data is *not up-to-date*

Date is *not reliable*

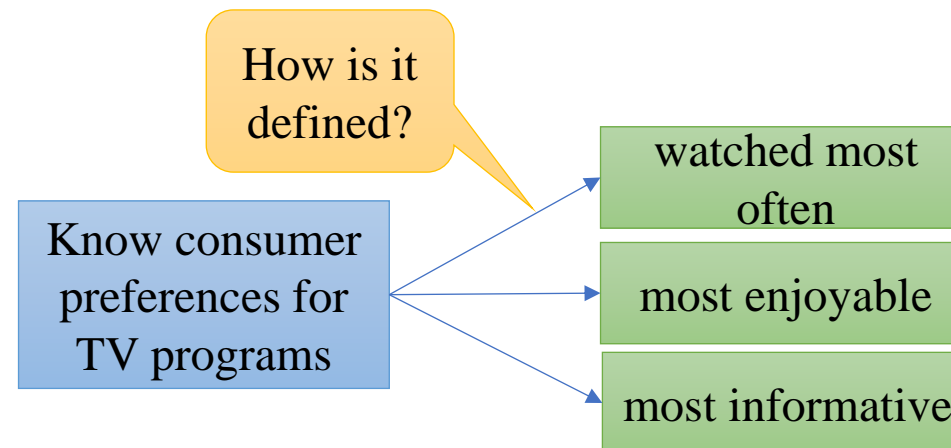
## Advantages and disadvantages (Primary data, secondary data)

Type	Advantages	Disadvantages
Secondary Data	<ul style="list-style-type: none"> <li>• <i>Saves time</i> in data collection (readily available)                             <ul style="list-style-type: none"> <li>• <i>Reduces</i> data collection <i>cost</i></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <i>May not be precise</i> to our needs                             <ul style="list-style-type: none"> <li>• Data <i>may not be timely</i></li> <li>• Data source is <i>not reliable</i>, <i>usefulness</i> is an issue</li> <li>• <i>How the data is collected</i></li> </ul> </li> </ul>
Primary Data	<ul style="list-style-type: none"> <li>• Specific to the <i>immediate need and topic</i> at hand</li> <li>• Offer <i>behavioral insights</i> which secondary data does not offer</li> </ul>	<ul style="list-style-type: none"> <li>• More <i>costly</i></li> <li>• Takes <i>longer</i> to collect</li> <li>• Required <i>training and experience</i></li> </ul>

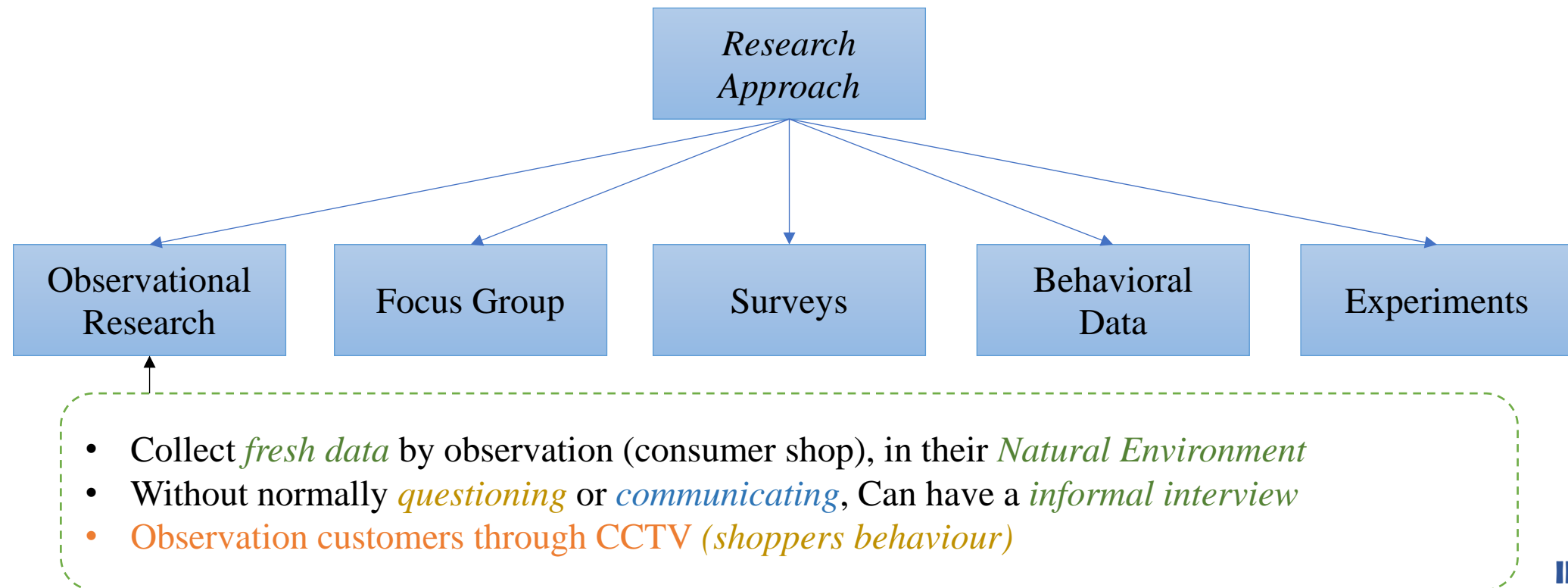
## Example (Primary data, secondary data)

Type	Example
Secondary Data	<i>Sales invoice data</i> <i>Internet Information</i> <i>Journal articles</i>
Primary Data	<i>Observed consumer behavior</i> <i>Focus group interviews</i> <i>Surveys</i>

How nature of data collection play a role in *‘selecting data source’*?



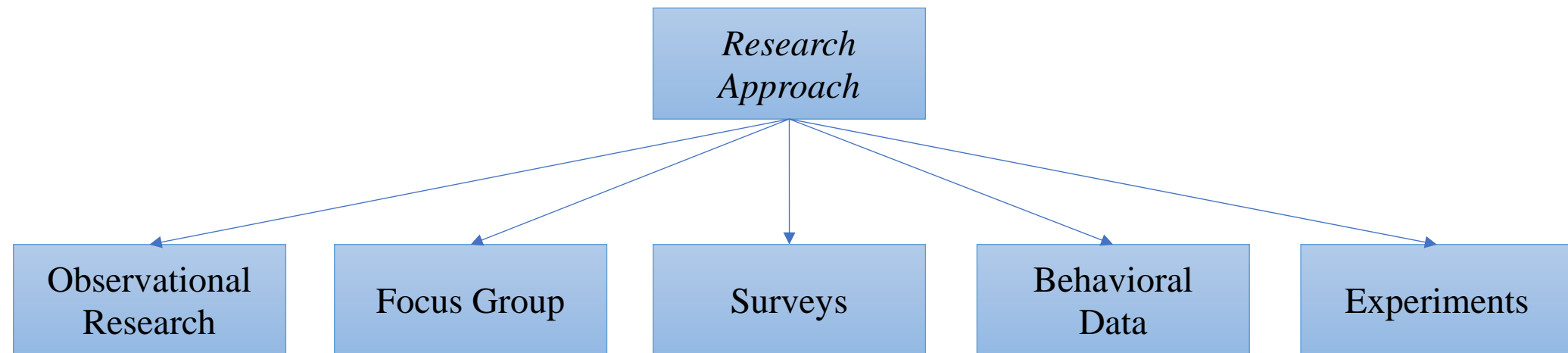
## Develop a Research/Project Plan





Source: <https://www.oreilly.com/library/view/marketing-research-11th/9781119392019/c08.xhtml>

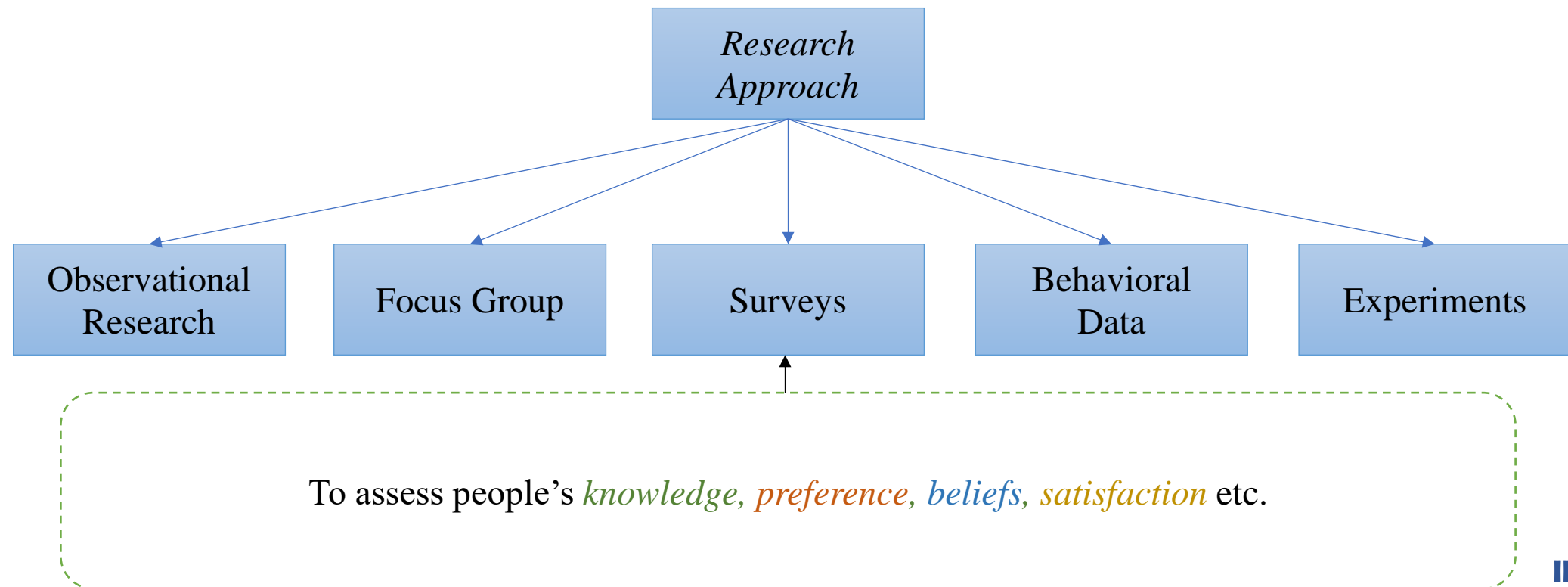
## Develop a Research/Project Plan



- Involve *6 to 10* people (belong to different demographic, psychographic, age, gender)
- **Moderator** ask questions, and **people discuss** around the agenda
- Exploratory method



## Develop a Research/Project Plan



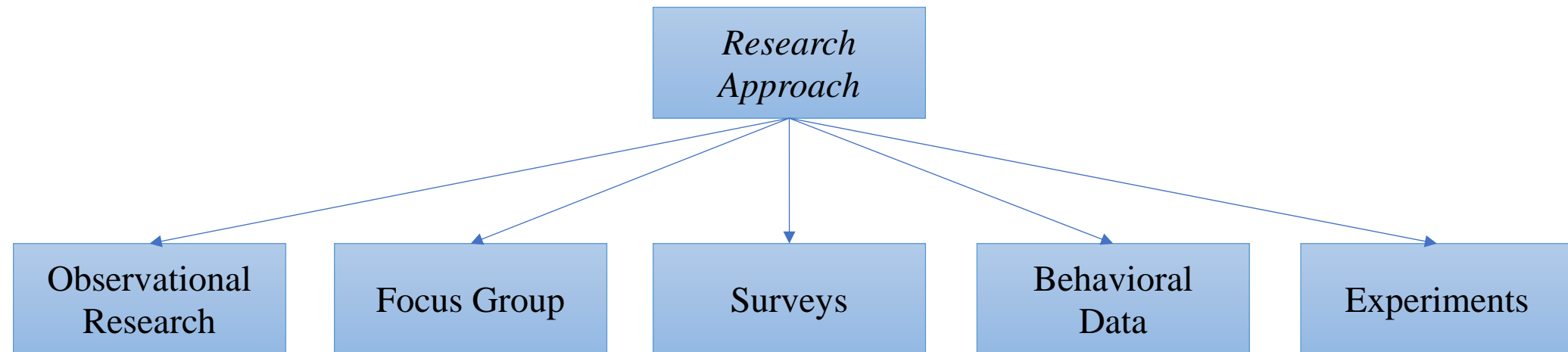
How satisfied are you with the air travel experience with us?

	Extremely satisfied	Somewhat satisfied	Neither satisfied not dissatisfied	Somewhat dissatisfied	Extremely dissatisfied
Food	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cost	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sanitization	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Comfort Level	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Baggage handling	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

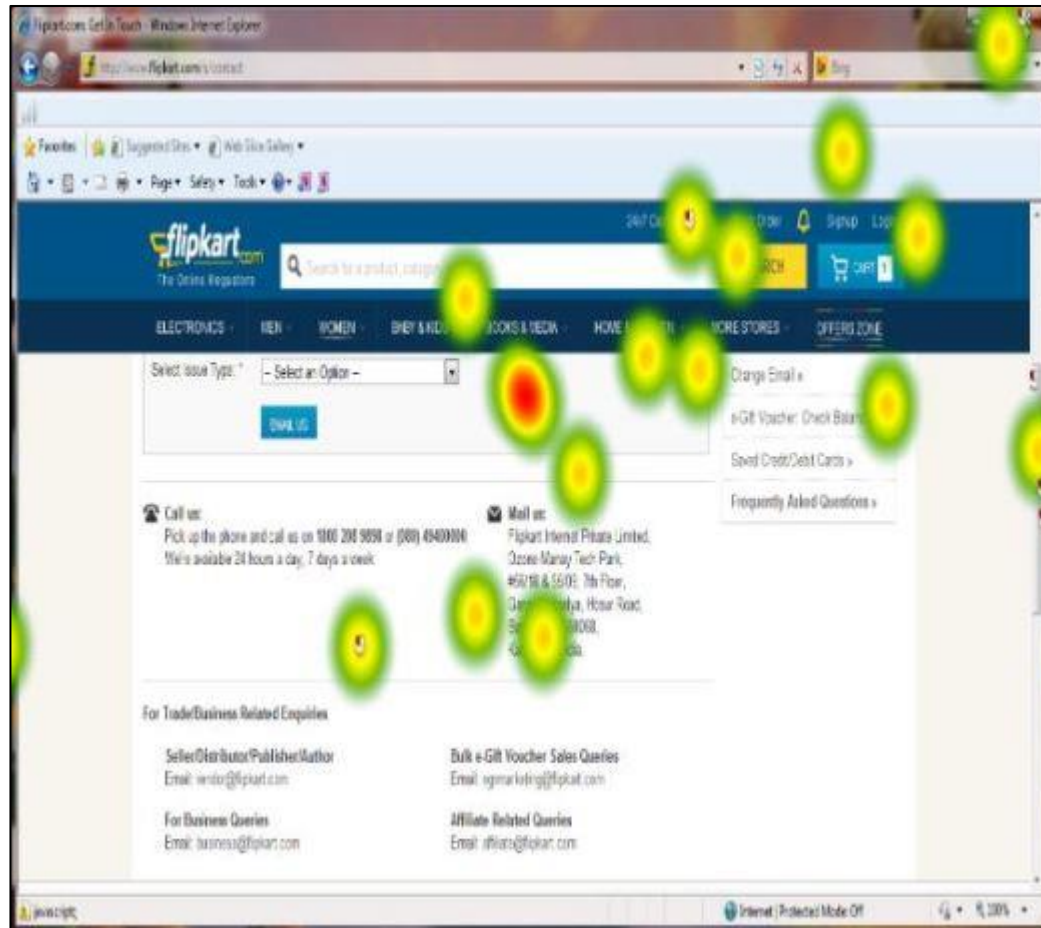
What features do you like in the following internet providers?

	Affordable pack	Easy recharge	Strong signal	Customer Service	Warranty Offers
Airtel	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Vodafone	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BSNL	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Jio	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
MTNL	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## Develop a Research/Project Plan

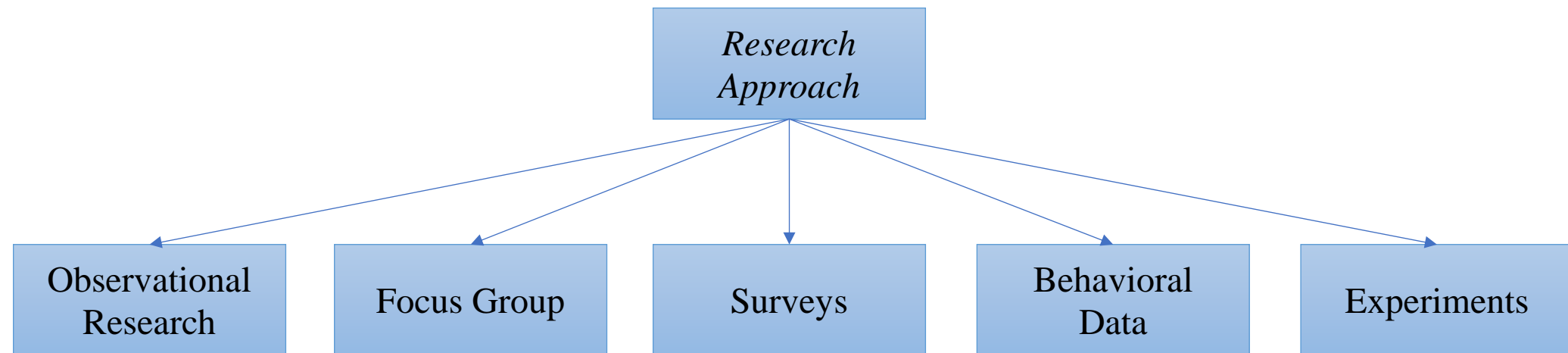


- We have *transactional data* of consumers
- Use this data to *understand the consumer* in a better way
- Ex: **MBA** (market basket analysis)

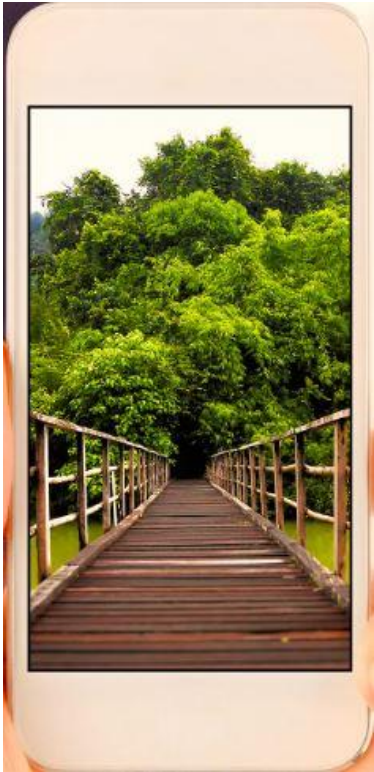


Source: Prof. Pankaj Vishwakarma (co-authored work)

## Develop a Research/Project Plan



- Use to *capture cause-effect* relationships, Systematically manipulate *one or more variable* to understand which variable have a *causal effect* on other variables. (Use *experimental design*)
- E.g., *VR experience content [Can manipulate the content quality (resolution)], Devices (smartphone, PC, VR Head Mounted Device)*



<http://surl.li/jwrbg>

<http://surl.li/jwrbz>

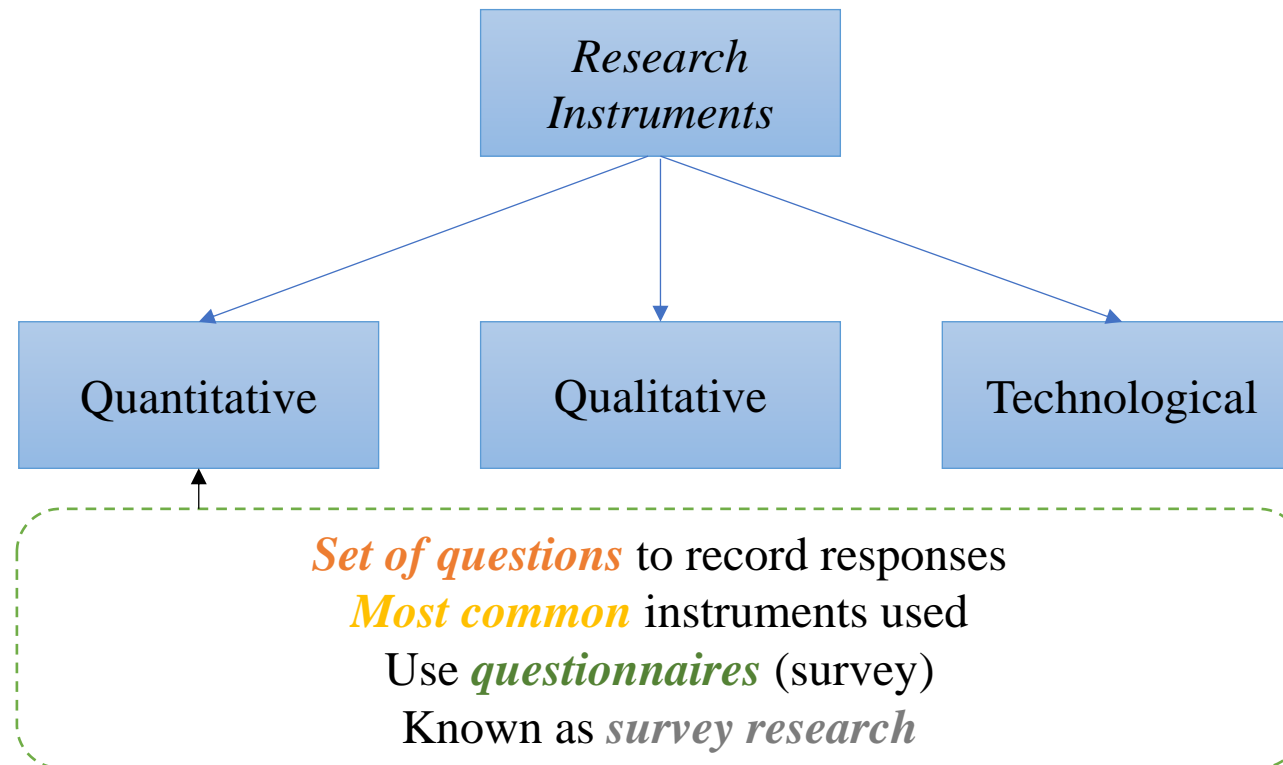
Do you think we can ‘generalize’ the ‘finding of the focus group’?

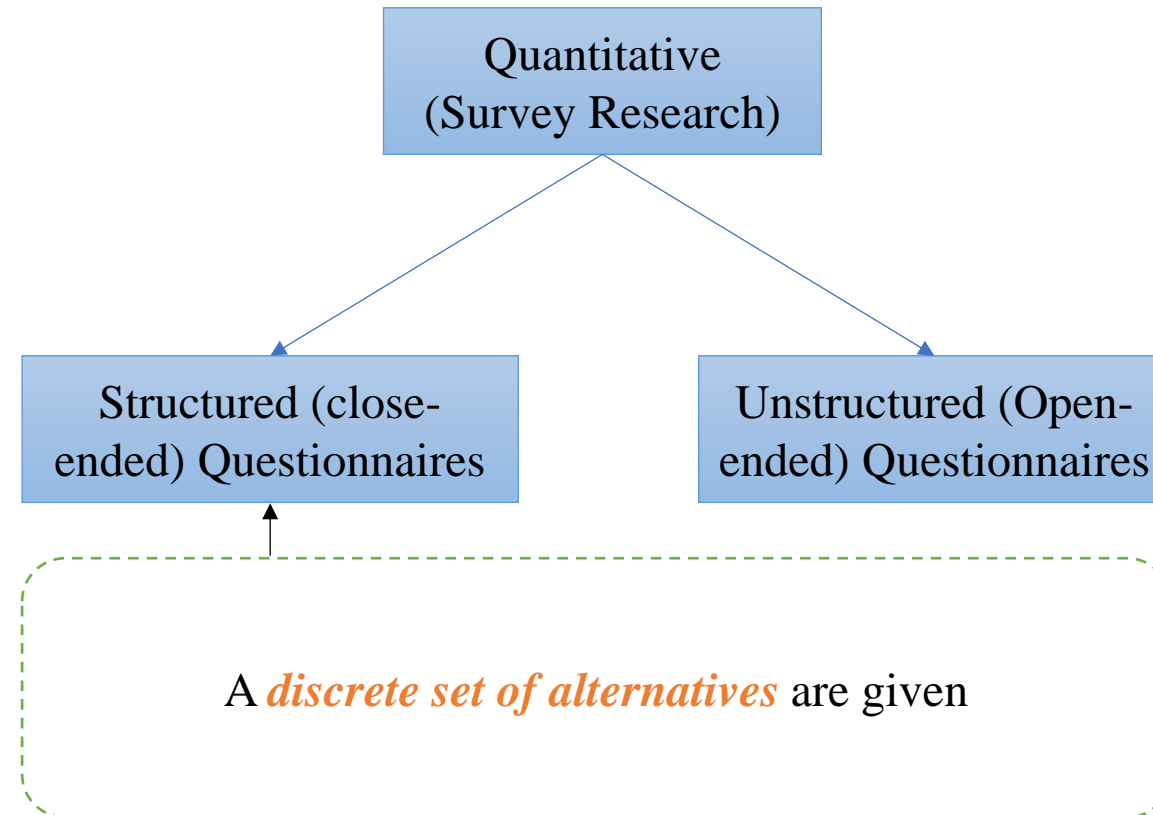
If No, why?

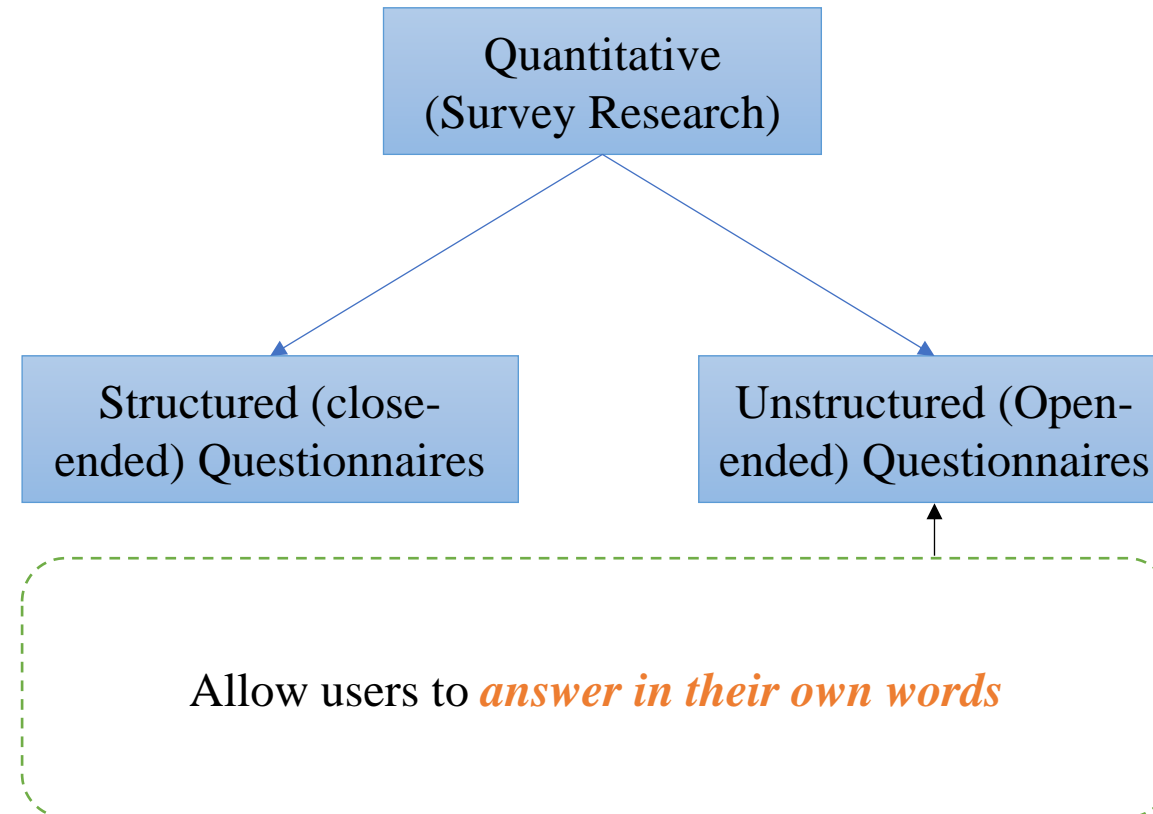
Sample size is *too small* (generalization is a problem)

Sample *not chosen randomly*

## Develop a Research/Project Plan







## Quantitative

**SHAMPOO STUDY**

We are working for a consumer package good company and are interested in understanding more about your shampoo usage.

- What are the most important characteristics for choosing a brand of shampoo?
 

**Unstructured** →
- Please rate the importance of the following shampoo attributes?
 

	Very Unimportant			Very Important	
Price	1	2	3	4	5
Fragrance	1	2	3	4	5
Ability to clean	1	2	3	4	5
Dandruff Control	1	2	3	4	5

**Structured** →

## Qualitative

- It is relatively *indirect* and *unstructured* measurement approaches, limited only by researchers' creativity, that permit a range of responses.
- Method especially used in *exploration*

*E.g., Understanding consumer preference can reveal some more elements*

What is *'Mixed-method'* study?

*What do you think about the ‘number of sample’ used for the study in case of ‘quantitative and qualitative’ study?*

- *Drawback of Qualitative method:*
  - *The sample size is **small***
  - *The results **can not be generalized***
  - *Different researchers' evaluation for the **same qualitative results** may draw **different conclusion***

## *When to use Qualitative research method?*

- *When we have **less or almost no literature exist***
- *When we want to **explore the factors** in a particular domain*

*E.g., VR experience*

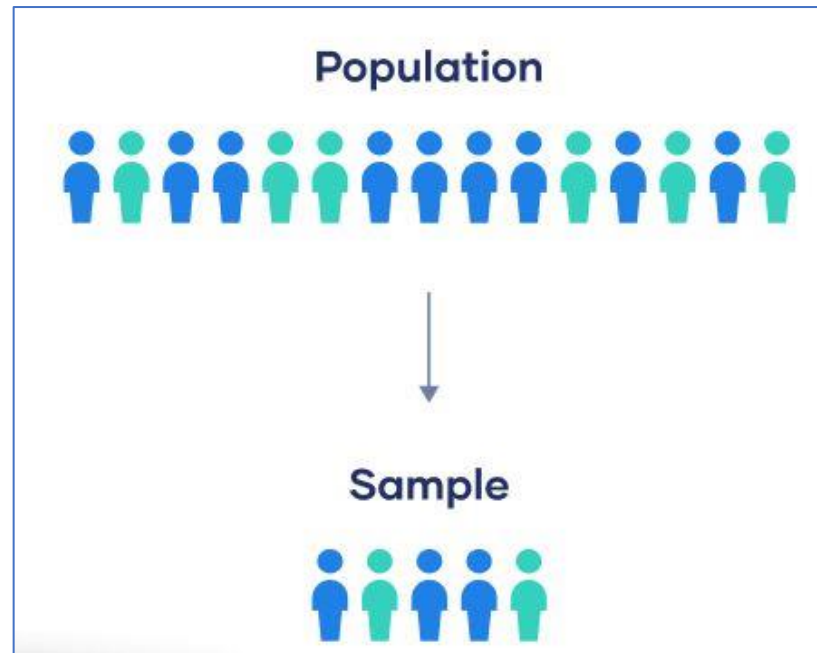
## Technological Devices

- Use **devices** to record the **changes** or **responses**
- E.g., **sensors**, **scanner** etc.

*For instance: Understanding the **consumer sensation level** while they are using **VR for experience** (using heart rate, breath level etc.)*



*What is population and sample?*



Process is  
“Sampling”

## Data Collection

### Sampling Plan:

- *Sampling Unit: Whom* should we survey? *E.g., Airline customer satisfaction*
- *Sample Size: How many* people should we survey?
- *Sampling Procedure: How should* we choose the respondents?
  - *Probability Sampling*
  - *Non-Probability Sampling*

## *Probability Vs Non-probability Sampling*

- *Probability sampling*: It involves *random selection*, allowing you to make *strong statistical inferences* about the whole group.
- *Non-probability sampling*: It involves *non-random selection* based on *convenience* or other criteria, allowing you to easily collect data.

## Data Collection

### Contact Methods:

- Online: *Use of Internet*
- In Person: *Offline Survey*
- Mail and Email: *Sending questionnaire via mail and email*
- Telephone: *Asking question over telephone call*

## Analyzing Data

At here, we got the *raw data*

*Do you think this has any value to researchers or to marketers?*

*If not, what is more valuable to both entities?*

**Purpose:** Converting the *data into information*

## Make the Result (Presenting Results)

Now we *draw conclusion* based on the *information* we have.

*Prepare a report* on *results* and *present them* to the appropriate *decision makers*

## Exercise



Which Phase is more *'expensive'* and *'error prone'*?

## Why is 'Market Research' so important?

Reasons why market research is important and should be considered in any business:

- *Valuable information*: It provides *information and opportunities* about the value of existing and new products.
- *Customer-centric*: It helps to determine *what the customers need and want*.
- Marketing is *customer-centric* and understanding the customers and their needs will *help businesses design products or services* that best suit them

## Why is 'Market Research' so important?

- *Forecasts*: By understanding the *needs of customers*, businesses can also forecast their *production and sales*.
- *Competitive advantage*: To stay ahead of *competitors* market research is a vital tool to carry out comparative studies.

## Primary vs Secondary Research Methods

*Secondary Research:* involves using information that others have already put together.

E.g., If you are starting a business making *clothes for tall* people, you don't need to question people about how tall they are to find out how many tall people exist—that information has *already been published* by the Government.

Daily use Plastic packaging

## Primary vs Secondary Research Methods

*Primary Research:* in contrast, is research that you design and conduct yourself.

E.g., you may need to find out whether consumers would prefer that your soft drinks be *sweeter* or *tarter*.

Research will often help us *reduce risks* associated with a new product,  
but it cannot take the risk away entirely.

## Primary vs Secondary Research Methods

Surveys are useful for getting a great deal of specific information. Surveys can contain *open-ended questions* (e.g., “In which city and state were you born? \_\_\_\_\_”)

*Closed-ended*, where the respondent is asked to select answers from a brief list (e.g., “\_\_\_ Male \_\_\_ Female.”)

## What is the advantage of *Open-ended* questions ?

Respondent is *not limited* to the *options listed*, and that the respondent is *not being influenced* by seeing a list of responses.

## What is the disadvantage of *Open-ended* questions ?

Open-ended questions are *often skipped* by respondents and *coding* them can be quite a challenge.

## What is the usefulness of *Focus group* ?

It is useful when the marketer wants to *launch a new product* or *modify* an existing one.

The group is usually led by a *moderator*, who will start out *talking broadly* about topics related broadly to the product *without mentioning the product* itself.

## What is the usefulness of *Focus group* ?

E.g., a focus group aimed at **sugar-free cookies** might first address consumers' **snacking preferences**, only gradually moving **toward the specific product** of sugar-free cookies.

By not mentioning the product up front, we avoid **biasing** the participants into thinking only in terms of the **specific product brought out**.

Thus, instead of having **consumers think primarily** in terms of what might **be good or bad** about the product, we can ask them to **discuss more broadly** the **ultimate benefits** they really seek.

E.g., instead of having consumers merely discuss **what they think about some sugar-free cookies** that we are considering releasing to the market, we can have consumers speak about **their motivations** for using **snacks** and what general **kinds of benefits** they seek.

Such a discussion might **reveal a concern** about **healthfulness** and a **desire for wholesome foods**.

Probing on the meaning of **wholesomeness**, consumers might indicate a desire to **avoid artificial ingredients**.

This would be an important concern in the marketing of sugar-free cookies but **might not have come up** if consumers were asked to comment directly on the product where the **use of artificial ingredients is**, by virtue of the nature of the product, necessary.

## *Personal Interview*

- involve **in-depth questioning** of an individual about **his or her interest** in or **experiences** with a product.
- We can get **really into depth** (when the respondent says something interesting, we can ask **him or her to elaborate**)
- It is **costly** and can have an issue of **interviewer bias**.



Bluetooth Wireless Headphones  
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Sound, Carry Pocket

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EMI starts at ₹193. No Cost

**Offers**

**Bank Offer**

40 % Discount

## *Activity*

Divide the class into groups

Assess the brands based on values (**benefits** and **sacrifices**)

## What is an innovation ?

Technically, Innovation is the process of creating a **product or service solution** that delivers **significant new customer value**.

In more practical terms, innovation is simply the process of figuring out “**what customers want.**”

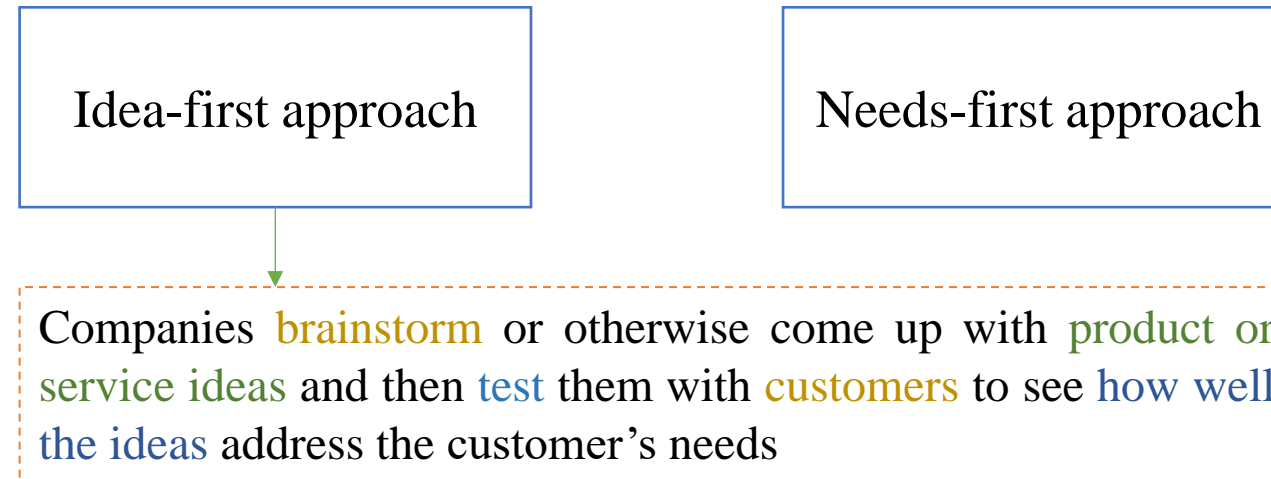
## Why do innovation projects fail?

What is the *goal* of an innovation?

To come up with **solutions** that address **unmet customer needs**.

## Why do innovation projects fail?

There are two most popular approaches to innovation



## Why do innovation projects fail?

There are two most popular approaches to innovation

Idea-first approach

Needs-first approach

Companies **first learn** what the **customers' needs** are, then discover which **needs are unmet**, and then **devise a solution** that addresses those unmet needs.

## Why do innovation projects fail?

There are two most popular approaches to innovation

Idea-first approach

Needs-first approach

- It is **inherently flawed**.
- **Not very effect** approach to innovation.
- Always be a **guessing game** that is based on **hope and luck**
- **Highly unpredictable**.

## Why do innovation projects fail?

There are two most popular approaches to innovation

Idea-first approach

Needs-first approach

- Not inherently flawed
- Often flawed in execution
- Can be addressed using Outcome Driven Innovation

## Why do innovation projects fail?

There are two most popular approaches to innovation

Idea-first approach

Needs-first approach

There are **three reasons** for this to be failed:

1. **Generating more ideas** does not meaningfully **improve the probability** that someone will come up with **the optimal idea** to satisfy the unmet customer needs.

E.g., Expecting a sharpshooter to hit a target without knowing the what the target is.

## Why do innovation projects fail?

There are two most popular approaches to innovation

Idea-first approach

Needs-first approach

E.g., Expecting a doctor to recommend a right treatment without knowing what is wrong or what the symptoms are.

2. The **evaluation and filtering processes** are flawed  
Customers unmet needs are unknown, the evaluation and filtering processes can miss great ideas and fail to filter out bad ideas.

## Why do innovation projects fail?

There are two most popular approaches to innovation

Idea-first approach

Needs-first approach

3. Customers **cannot articulate** the solutions they want  
In most cases customers are not a scientist, engineer, researcher or expert.

Coming up with the **winning solution** is not the **customer's**  
**responsibility.**

It is the **responsibility of the company.**

If all the customer's **unmet needs** are **known**,  
then ideas can be **generated** to address them—and these ideas will have  
**obvious value**.

What are the methods utilized to capture customers' needs ?

Focus groups, personal interviews, customer visit, observational research etc.

While nearly every manager agrees that the goal of innovation is to  
**devise solutions** that **address unmet customer needs**,  
a **common language** for communicating a **need** does not exist.

Here, **Jobs-To-Be-Done Framework**

## Understanding the Job

<https://www.youtube.com/watch?v=sfGtw2C95Ms>

<https://media.bain.com/elements-of-value/#>