

Marketing—cross-functional decision-making

- Process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives
- Marketing is the activity, set of institutions, and processes for creating, communication, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large

The Marketing Concept

- A business philosophy
- Satisfy the consumer and earn a long-term relationship

1. Consumer Orientation
2. Cross-functional Orientation
3. Goal Orientation

Marketing Research—a means to implement the marketing concept

- Planning, collection, and analysis of data relevant to marketing decision making and the communication of the results of this analysis to management
- **Three Roles of Marketing Research**
 - o 1. Descriptive Role—gathering statements of facts
 - o 2. Diagnostic/Explanatory Role—explaining effects of marketing mix actions or data
 - o 3. Predictive Role—predicting the results of a planned marketing decision
- **Two Types of Research**
 - o 1. Applied Research—conducted when a decision must be made about a specific pragmatic problem
 - Almost all marketing research studies conducted by businesses

- o 2. Basic or Pure Research—attempts to expand the limits of knowledge rather than solving a pragmatic problem
- **Value of Marketing Research**
 - o Decreased uncertainty
 - o Increased likelihood of a correct decision
 - o Improved marketing performance and resulting higher profits
- **Costs of Marketing Research**
 - o Research expenditures
- **Four Questions to Answer When to Conduct Market Research**
 - o Time Constraint—is time available?
 - o Availability of Data -is the data at hand inadequate?
 - o Nature of the Decision—is it important?
 - o Benefits v. Costs
 - **Unanimous Yes = Conduct market research**
 - **Any No's = Do not conduct market research**

Major Steps in the Marketing Research Process

1. Identification of the problem.

- An easy mistake—a symptom is not the problem. A symptom occurs as a result of a problem → “The Iceberg Principle”
- After finding the symptom, analyze the situation (“situation analysis”) before formulating the CORRECT research problem
 1. Understand the decision makers’ objectives and constraints
 - What causes you to notice the problem (symptom)?
What factors do you think have created this situation?
 - What are the key decisions you are trying to make?
What actions will you take depending upon the gathered information?
 - Find out the research constraints (i.e. time, costs etc.)
 2. Understand the decision makers environment
 - Information related to the company’s external environment (i.e. the industry, economy, competition)
 - Information related to the company’s internal environment (i.e. background of the company, its organization, its products, target market, promotion)
 3. Understand how the symptom occurs of something else (i.e. what are the causes to focus the research on?)
- o Research techniques to ‘analyze the situation’
 - Discussions with Decision Makers
 - Experience surveys (i.e. interview industry experts—internal or external)
 - Secondary (or historic) data analysis
 - Exploratory research
 - Use preliminary research techniques
- Define the problem, formulate:
 1. Management Decision Problem (MDP) (Action Oriented)
 - Asks what the decision maker needs to do