

MAR 4613

Test 1 Study Guide

Chapters 1-4

CHAPTER ONE: INTRODUCTION

What is marketing research and what is its purpose?

Marketing Research is the organization's formal communication link with the environment.

Through marketing research, the organization gathers and interprets data from the environment for use in developing, implementing, and monitoring the firm's marketing plans

1. Marketing research is a much broader and more common activity than most people realize.
 - 1.1. Regardless of the types of products or services offered, all organizations share a common problem: *They need information in order to accomplish their goals effectively.*
 - 1.2. Different organizations need different kinds of information, and the information they need can be gathered in many different ways.
 - 1.2.1. Service Marketers use the results of marketing research to determine how satisfied their customers are.
 - 1.2.2. Politicians use marketing research to plan campaign strategies.
 - 1.2.3. Churches use market research to determine when to hold services.
 - 1.2.3.1. Market research is an essential activity that can take many forms, but its basic functions are to (1) gather data (2) transform the data into useful information that managers can use to make decisions.

What is the purpose of marketing?

1. The purpose of marketing is to create exchanges with customers that satisfy the needs of both the customer and the marketer.

In their attempts to create exchanges with customers, marketing managers generally focus their efforts on the four P's: **(Also known as the "Marketing Mix")**

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|---|---|
| <ol style="list-style-type: none">1.2 The product or service<ol style="list-style-type: none">1.2.1 Product variety1.2.1 Quality1.2.1 Design1.2.1 Features1.2.1 Brand name1.2.1 Packaging1.2.1 Sizes1.2.1 Services1.2.1 Warranties1.2.1 Returns1.2 Its price<ol style="list-style-type: none">1.2.1 List price1.2.1 Discounts1.2.1 Allowances1.2.1 Payment period1.2.1 Credit terms | <ol style="list-style-type: none">1.2 Its placement or the channels in which it is distributed<ol style="list-style-type: none">1.2.1 Channels1.2.1 Coverage1.2.1 Assortments1.2.1 Locations1.2.1 Inventory1.2.1 Transport1.2 Its promotion or communications mix<ol style="list-style-type: none">1.2.1 Sales promotion1.2.1 Advertising1.2.1 Sales force1.2.1 Public relations1.2.1 Direct marketing1.2.1 Database marketing1.2.1 Sponsorships1.2.1 Internet marketing1.2.1 Publicity |
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Many factors in the marketing environment affect the success of the marketing effort. These factors include other social actors: *competitors, suppliers, governmental agencies, customers themselves and so on...* and the societal trends in the external environment: *economic, political, and legal, social, natural, technological, and competitive trends*. As a result the marketing manager has an urgent need for information, and that's where marketing research comes in.

What is the defining characteristic of marketing management?

1. The constant and urgent need for relevant and accurate information.
2. Today three major categories of firms conduct marketing research:

2.1. Producers of products and services

- 2.1.1. Marketing research really began to grow around the end of WWII when firms found that they could no longer sell all they could produce but instead had to gauge market needs and produce accordingly. Marketing research was called upon to estimate these needs. Many marketing research departments were born in these reorganizations.
- 2.1.2. Firms, both large and small alike have one or more people assigned specifically to the marketing research activity. Organizations that produce products or deliver services for businesses or customers often conduct research designed to develop and market their products and services. Many companies use marketing research to track customer satisfaction and consumer preferences, store image and so on...

2.2. Advertising agencies

- 2.2.1. Advertising agencies often conduct research designed to help create and measure the effectiveness of advertising campaigns. This may involve testing alternative approaches to the wording or graphics used in an ad or investigating the effectiveness of various celebrity spokespersons. However, many agencies also do marketing research for their clients to determine the market potential of a proposed new product or the client's market share.

2.3. Marketing research companies

- 2.3.1. Many companies specialize in conducting marketing research. The United States is home to 15 of the top 25 largest market research firms in the world. Although most specialized marketing research firms are small, few are sizable enterprises. Some firms provide syndicated research, that is to say they collect certain information on a regular basis, which they then sell to interested clients. The syndicated services include organizations such as The Nielson Company, which provides product-movement data for grocery stores and drugstores. Syndicated research is not custom designed for a particular client, but is designed and collected by the research company and sold to multiple clients.

Other firms, though, specialize in custom-designed research. Some of these provide only a field service; they collect data and return the data-collection instruments directly to the research sponsor. Some are limited-service firms, which not only collect the data but also analyze them for the client. And some are full service research suppliers, which help the client in the design of the research as well as in collecting and analyzing the data. Other organizations that provide or conduct marketing research include government agencies, trade associations, and universities. *Government Agencies* provide much marketing information in the form