



Class 11	Entrepreneurship	Unit 5C: Researching the Market
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Question 1. Answer each of these questions in about 15 words:

(1) What is 'Market research'?

(2) What is 'Market Survey'?

Answer:

1. Market research is a systematic gathering, recording and analyzing of data about 'problems' which is a continuous process.
2. Market survey is an organized and in-depth approach, which includes all the research activities involved with extracting out carefully the information for not only the first time, but directly from the sources.

Question 2. Answer each of these questions in about 50 words:

(i) To be characterized as good market information, enlist any four essential characteristics to be possessed by it.

(ii) Define 'Research Instruments'.

(iii) Give one major difference between 'Market Research and Market Survey'.

(iv) List the types of market survey conducted to extent information.

Answer: (i) Following are the characteristics of a good market

information: Clarity, Completeness,

Relevance, Accuracy, Confidentiality, Authenticity, Economy and Precision.

(ii) Research instruments are the instruments, tools methods or techniques employed in research for gathering the information or response.

(iii) Market survey is a smaller concept as it is a method of conducting market research

(iv) Survey can be conducted through:



Question 3. Answer each of these questions in about 150 words:

(i) State the main steps involved in Marketing Research.

(ii) Explain Marketing survey along with the methods of conducting the same.

(iii) What role is played by 'Marketing Research'?

(iv) Market survey can be used as a tool for betterment of society. To conduct a fair survey, list four strong values of a surveyor.

Answer: (i) Following are the main steps involved in Marketing Research:

Step 1: Defining the marketing problem to be tackled and identifying the marketing research problem involved in the task.

Step 2: Specifying the information requirement, i.e. preparing a list of the needed information.

Step 3: Developing the research design and research produce, i.e. determining whether such information is already available, either in records of the company or in outside sources.

Step 4: Information, i.e. select the research instrument to be used, select sample type and size.

Step 5: Analyzing the information and interpreting it in terms of the problem being tackled.

Step 6: Summarize the findings.

Step 7: Preparing the research report.

(ii) Market survey is an organized and in-depth approach, which includes all the research activities involved with extracting out carefully the information for not only the first time, but directly from the sources.

A normal way of conducting a survey comprises of the following procedure:

Step 1: Planning the Survey.

Step 2: Fieldwork.

Step 3: Analysis and Interpretation of Data.

Step 4: Report Making.

There are two types of market survey:

(a) The census (b) The sample

(iii) Following points describe the role played by market research:

- (a) Information about customers: Manufacturers, retailers, etc. of all kinds of services need certain kinds of information in order to be able to satisfy their customers' wants and needs.
 - (b) Designing Marketing programs: In order to design effective marketing programs, research is essential.
 - (c) Decisions: In dealing with recurring decisions of any enterprise information through such research is vital.
 - (d) Choosing Marketing program: For satisfying the diversity in consumers' characteristics, a firm wish to determine the most appropriate market, product or information so as to choose a combination of marketing programmes which could satisfy the customers.
 - (e) Helpful in Feasibility study: Before preparing a business plan, the entrepreneur has to do a quick feasibility study of the business concept to find the possible barriers to success.
- (iv) Following are the values of a surveyor conducting market survey:**
- (a) Fairness in conducting a survey.
 - (b) Unselfish motive while conducting survey.
 - (c) Proper analysis for depicting the correct result.
 - (d) Framing a unique questionnaire for bringing out the correct result from the consumers.

Question 4. Answer each of these questions in about 250 words:

(i) Discuss the steps involved in conducting the market survey.

(ii) "Market Survey" is an useless expensive tool". Do you agree with the statement? Should it be dispense away with? Support your answer with reasons.

(iii) Lalit is planning to launch a new female clothing store. Draft a survey, not exceeding 10 questions as to collect some information that will be helpful in launching of this store.

(iv) "Survey is a customized technique." Which technique is generally used for it? Throw some light on the importance and precautions of these techniques.

Answer: (i) A survey procedure comprises the following steps:

Step 1: Planning the Survey: In this step, the entrepreneur to deal with the following:

- (a) **Define:** Define the problem clearly and accurately.
- (b) **Method:** Select the most appropriate method to conduct the survey from the various methods available viz. personal interview, Telephonic etc.

(c) **Area:** Entrepreneur has to decide the area and extent of the study. Census survey can be selected if all the units of the universe are to be contacted or sample survey if select units are to be taken.

(d) **Questionnaire development:** Questionnaire should provide the information which entrepreneur wants to know and is based on his objectives.

Questionnaire should not be complicated and should be properly worded.

Step 2: Fieldwork: Here, the entrepreneur ensures that:

(a) **Recruitment and Training:** Investigators are scientifically recruited or properly trained for the work.

(b) **Supervision:** Survey is properly supervised.

(c) **Time schedule:** The time schedule is adhered to this care is taken.

(d) **Recording:** Responses are honestly and accurately recorded.

(e) **Meticulous collection:** The collection of data is done meticulously.

Step 3: Analysis and Interpretation of Data: Here the entrepreneur either by using software program or by hand, tabulate the collected data. The care is taken that:

(a) Data is edited

(b) Data is tabulated processed and interpreted

(c) Data is statistical analysed and interpretations are recorded accordingly.

Step 4: Report Making: In this step market research reports with main findings from the study. Here a summary of what the study revealed, along with a list of various recommendations for the enterprise's continual growth and success in the market is done. This report is the basis for taking any decision related to the enterprise.

(ii) Market survey is not an useless tool because of following reasons:

(a) **Customer oriented:** Market survey informs accurately about the customer's needs, wants, nature of demand, likes and dislikes and all other related aspects of movement of products from the production stage till the consumption. This provide an edge over competitors to the enterprise.

(b) **Minimises risk of the enterprise:** The systematic and intelligent use of market survey reduces and minimizes the risk of decision-making under the conditions of uncertainty. This is because the results are analyzed in order to finalize a business plan.

(c) **Goal oriented for a firm:** Market survey helps in the attainment of goals of the enterprise smoothly and timely. This is because the market survey is designed with the goals and objectives of the enterprise.

(d) **Provide correct picture of the markets:** As market survey as is a systematic collection, recording, analysis and interpretation of data, relating to the existing or potential market, it thus provides a complete overview of the market.

(e) **Helps in Forecasting:** Accurate, effective and timely sales forecast is provided by the market survey. This in turn promotes the firmness and soundness to the marketing decisions. Future decisions become more reliable due to market survey.

(iii) Market survey for launching a new female clothing store:

Name	:	_____
Sex	:	Male — Female
Marital status	:	Unmarried/married, both spouses working/married, one spouse working
Age	:	_____ Under 25
		_____ 25-34
		_____ 35-44
		_____ 45-54
		_____ 55 and over
Household Income:		
		_____ Under ₹ 40,000
		_____ ₹ 40,000 — ₹ 54,000
		_____ ₹ 55,000 — ₹ 69,000
		_____ ₹ 70,000 and above
1. Expenditure incurred on female clothes		
	(i)	₹ 100 to 500 per month
	(ii)	₹ 500 to 1000 per month
	(iii)	₹ 1000 to 2000 per month
	(iv)	More than ₹ 2000
2. Preferred choice of clothings		
	(i)	Readymade clothes
	(ii)	Stitched clothes
	(iii)	Choice of family members
3. Shopping preference		
	(i)	Shopping mall
	(ii)	Traditional market
	(iii)	Roadside vendors
	(iv)	Internet shopping
4. Preferred time of shopping		
	(i)	Afternoon
	(ii)	Evening
	(iii)	No time schedule
5. Liking for Bargaining		
	(i)	Prefer bargain
	(ii)	Do not do bargaining
	(iii)	Doesn't matter.

(iv) The importance of the market survey can be explained using the following points:

(a) **Customer is the King:** Market survey informs accurately about the customer's needs, wants, nature of demand, likes and dislikes and all other related aspects of movement of products from the production stage till the consumption. This provides an edge over competitors to the enterprise.

(b) **Risk reduction:** The systematic and intelligent use of market survey reduces and minimizes the risk of decision-making under the conditions of uncertainty. This is because the results are analyzed in order to finalize a business plan.

(c) **Helps attaining objectives:** Market survey helps in the attainment of goals of the enterprise smoothly and timely. This is because the market survey is designed with the goals and objectives of the enterprise.

(d) **Market Overview:** As market survey is a systematic collection, recording, analysis and interpretation of data, relating to the existing or potential market, it thus provides a complete overview of the market.

(e) **Forecast:** Accurate, effective and timely sales forecast is provided by the market survey. This in turn promotes the firmness and soundness to the marketing decisions.

(f) **Facilitates Decision-Making:** A survey helps in each and every decision making of an entrepreneur which is based on proper rationale.

Precautions of these techniques: Following are the precautions:

(a) Survey must be conducted as per the objectives of the firm.

(b) Survey must be conducted by the trained personnel.

(c) Simple questions must be framed in the questionnaire.

(d) Expenditure on the survey should be as minimum as possible.

(e) Survey should be customer oriented.

MORE QUESTIONS SOLVED

I. Very Short Type Questions [1 Mark]

Question 1. Define Market Research.

Answer: Market Research is referred as the systematic study and evaluation of all factors bearing on any business operations which involves the transfer of goods from a producer to a consumer.

Question 2. What do you mean by Marketing research?

Answer: Marketing research is the systematic and objective search for an analysis of information relevant to the identification and solution of any problem in the field of marketing.

Question 3. "Value and usefulness of information depends'. How?

Answer: The value and usefulness of information depends on the extent to which it possesses the essential characteristics of good marketing information.

Question 4. What is market Research Process?

Answer: To help acquire valid and reliable information, a series of steps are likely to be followed, which are referred collectively as the Marketing Research Process.

Question 5. What do you mean by Research Instruments?

Answer: Research instruments mean the instruments, tools methods or

techniques employed in research for gathering the information/response. For example, Market Survey.

Question 6. Define market survey.

Answer: Market survey is an organized and in-depth approach, which includes all the research activities involved with extracting out carefully the information for not only the first time, but directly from the sources.

Question 7. What principles are vital for an effective market survey?

Answer: An effective market survey uses the principles of the scientific method such as, careful observation, formulation of hypotheses, prediction and experience.

Question 8. Name the types of Market Survey.

Answer: There are two types of market surveys:
(a) The census (b) The sample.

II. Short Answer Type Questions [2/3 Marks]

Question 1. Information through market research is used for what by the enterprises?

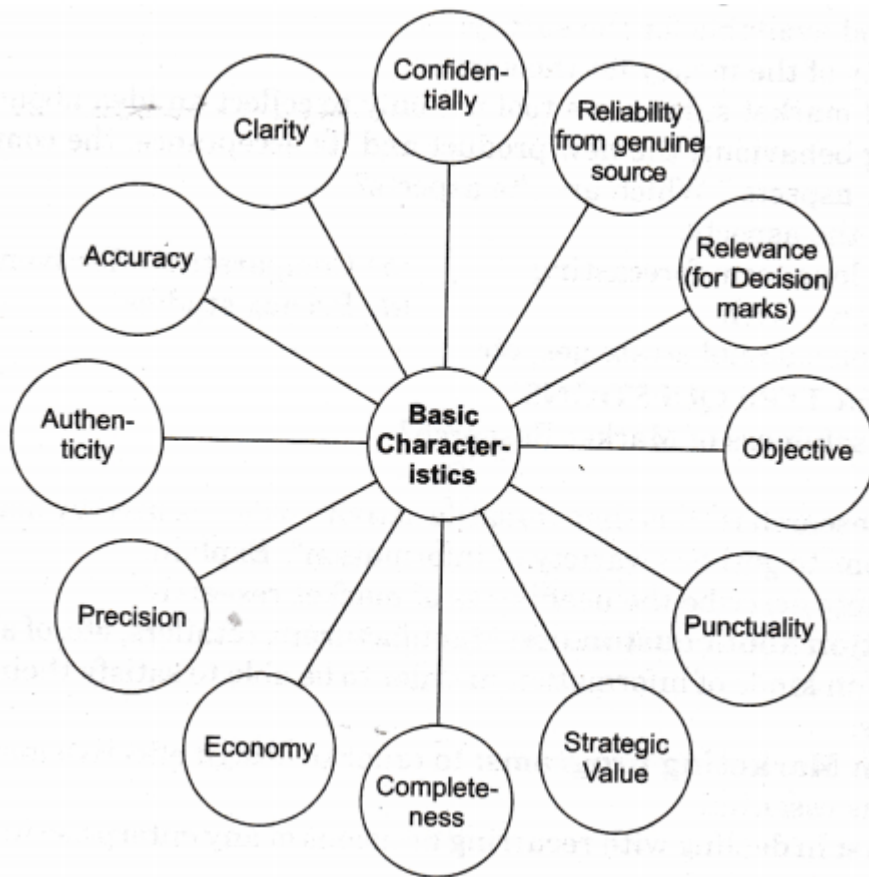
Answer: Information through market research is used to:

- Identify and define marketing opportunities and problems;
- Generate, refine and evaluate marketing actions;
- Monitor marketing performance;
- Improve understanding of marketing as a process.

Question 2. Give the basic characteristics of Good Marketing Information.

Answer. Following are the basic characteristics of a good marketing

information:



Question 3. Explain the meaning of Marketing Research Process.

Answer. Research is done to find out information about the market for a product and providing information. This information is very useful as it acts as an aid to decision-making for a firm. This decision-making is for a wide range of business activities from a new product development to after sales services. This systematic gathering, recording and analyzing of data about 'problems' is a continuous process and is also not an easy task.

Question 4. What can reduce the element of uncertainty due to lack of information? How does it reduce the uncertainty?

Answer: A scientific method can minimize those elements of uncertainty which result from the lack of information. It reduces the danger of making a wrong choice between alternative courses of action. Alternatives have their own merits and demerits. Studying them carefully is essential for any enterprise.

Question 5. What are the common methods used for market survey?

Answer: Survey can be conducted through:

- Personal interviews
- Telephonic interviews
- Direct mail interviews
- Fax/E-mail interviews
- Online interviews
- Questionnaire Development
- Field work

Question 6. Give the steps involved in market survey.

Answer: A normal way of conducting a survey comprises of the following procedure:

Step 4: Report Making.

Step 3: Analysis and Interpretation of Data.

Step 2: Fieldwork

Step 1: Planning the Survey.

Question 7. Which type of the market survey is the best?

Answer: The selection of the census or sample survey depends on the following :

- Required degree of accuracy in the survey.
- Time period available for the survey.
- Availability of the money for the survey.

Question 8. “A customized market survey is a tool not only to collect an idea about customers, their wants, buying behaviour, the new product and its acceptance, the competitors, but also helps in many aspects.” Which are the aspects?

Answer: Following are the aspects:

- Short and long term forecasting
- Comparative effectiveness studies
- Packaging research
- Pricing studies
- Distribution channel strategies, etc.

III. Short Answer Type Questions [4 Marks]

Question 1. What is the usefulness of Market Research?

Or

“Marketing Research is thus that versatile activity which is used by many different kinds of organisations to gather a variety of information”. Explain.

Answer: Following points describe the usefulness of market research:

- **Information about customers:** Manufacturers, retailers, etc. of all kinds of services need certain kinds of information in order to be able to satisfy their customers’ wants and needs.
- **Design in Marketing programs:** In order to design effective marketing programs, research is essential.
- **Decisions:** In dealing with recurring decisions of any enterprise information through such research is vital.
- **Choosing Marketing program:** For satisfying the diversity in consumers’ characteristics, a firm wish to determine the most appropriate market, product or information so as to choose a combination of marketing programmes which could satisfy the customers.
- **Helpful in Feasibility study:** Before preparing a business plan, the entrepreneur has to do a quick feasibility study of the business concept to find the possible barriers to success.

Question 2. Describe the examples indicating the success of market research in India.

Answer: Following brands narrate the successful results of market research:

- **Vicks Vaporub:** After much research work, ‘Vicks Vaporub’ was introduced in the market exclusively as a rub for colds and re-launched itself with a stronger formulation for faster relief. This move took Vicks vaporub ahead of Amrutanjan.
- **Dabur Chyawanprash:** After research Dabur Chyawanprash, made changes in packaging and advertising in 1993 which raised its market share to 68.5%.
- **Rasna:** “Rasna” after conducting detailed market research followed strategy of “The influence – the child”, the quality of ease in preparation, along with the economy and advertisement campaigns reinforced all changes. This resulted in capturing 85% of soft drinks concentrate market.
- **Procter & Gamble:** Procter & Gamble calls or visits over one million people in connection with about 1000 research projects undertaken by its different product operating divisions.

Question 3. Enlist the main steps involved in marketing research.

Answer: Following are the main steps involved in marketing

research Step 7: Preparing the research report Step 6: Summarize the findings

Step 5: Analyzing the information and interpreting it in terms of the problem being tackled.

Step 4: Information, i.e., select the research instrument to be used, select sample type and size.

Step 3: Developing the research design and research produce, i.e. determining whether such information is already available, either in records of the company or in outside sources.

Step 2: Specifying the information requirement, i.e. preparing a list of the needed information.

Step 1: Defining the marketing problem to be tackled and identifying the marketing research problem involved in the task.

IV. Long Answer Type Questions [6 Marks]

Question 1. Explain with the help of the concept of the faith of management in the market survey.

Answer: One of the early Japanese invaders of the American car market was the Datsun. Later it changed its name to Nissan but continued to compete successfully. In 1987 Nissan sold 753,000 cars and trucks to U.S. buyers, but there was a drop of 3 per cent from the previous year. The decline was a matter of some concern to the management.

A survey among U.S. car buyers found that Nissan had to clear image in the market. When car buyers were asked to identify Nissan, many showed lingering confusion over the name change from Datsun.

Some buyers thought that Nissan was part of Toyota. There was more confusion over model names such as Maxima and Sentra; consumers thought these were cameras and wrist watches.

On the basis of these findings, Nissan planned a TV advertising campaign, to sell a Maxima or Sentra and to tell views what Nissan is. The survey mentioned above told the Nissan management they had a problem and, on the basis of that information, they used tens of millions of dollars to an advertising campaign to rectify the problem. This example clearly shows that the management had confidence in the DATA provided by survey.

Question 2. What is Market Survey? When is it used?

Answer: The day to day information is essential for any organization for its long term survival. Market survey is one of the market research techniques. It is

widely used. It is used synonymously with Market Research. It is used if the required data is not available in either form:

- The company's internal records, or
- The external published resources.

Market survey amounts to the original field research work for the purpose of collecting primary data, with reference to a defined problem on hand.

Question 3. Describe Kraft Foods Company's decision model.

Answer: Kraft Foods was planning to develop a flavoured rice product that would be easier to prepare than the dominant rice brand then available.

Rice-A-Roni.

After developing the product, Kraft Foods decided to go into a test market if the following three conditions existed.

1. The average household ate flavoured rice products several times a month.
2. Preparing the rice products felt that their current brands were not convenient to prepare.
3. Consumers generally were not satisfied with their current brands.

After conducting the market survey the results were as follows:

- About half of the flavoured rice users prepared such dishes less than once a month;
- Only 11 per cent felt that their current brands were inconvenient to prepare; and
- Almost 80 per cent were satisfied with their current brands. Thus, Kraft Foods managers decided not to test market with their new flavoured rice product and to drop the idea completely.

Question 4. Describe the importance of market survey.

Answer: The importance of the market survey can be explained using following points:

- **Customer is the King:** Market survey informs accurately about the customer's needs, wants, nature of demand, likes and dislikes and all other related aspects of movement of products from the

production stage till the consumption. This provides an edge over competitors to the enterprise.

- **Risk reduction:** The systematic and intelligent use of market survey reduces and minimizes the risk of decision-making under the conditions of uncertainty. This is because the results are analyzed in order to finalize a business plan.
 - **Helps attaining objectives:** Market survey helps in the attainment of goals of the enterprise smoothly and timely. This is because the market survey is designed with the goals and objectives of the enterprise.
 - **Market Overview:** As market survey is a systematic collection, recording, analysis and interpretation of data, relating to the existing or potential market, it thus provides a complete overview of the market.
 - **Forecast:** Accurate, effective and timely sales forecast is provided by the market survey. This in turn promotes the firmness and soundness to the marketing decisions.
 - **Facilitates Decision-Making:** A survey helps in each and every decision-making of an entrepreneur which is based on proper rationale and supportive data. This results in proper decision-making.
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