UNIT 1: INTRODUCTION TO RESEARCH

UNIT STRUCTURE

1.1 Learning Objectives

1.2 Introduction

1.3 Meaning and Concept of Research in Business

1.4 Types of Research Design : Exploratory and Conclusive Research

1.5 Process of Research

1.6 Features of good research study

1.7 Case Studies: Research Applications in Business

1.8 Let Us Sum Up

1.9 Further Reading

1.10 Answers to Check your progress

1.11 Model Questions

1.1 LEARNING OBJECTIVES

After going through this unit, you will be able to:

- discuss the meaning and concept of Research
- outline the different types of research – Exploratory and Conclusive Research
- describe the process of research
- discuss research applications in business sciences
- describe the features of a god research study

1.2 INTRODUCTION

Research is one of the most important and fascinating aspects of marketing. In this unit, a formal definition of business research is given and classifies business research into two areas: problem identification and problem-solving research. We describe the business research process and the six steps that are involved in conducting research, and discuss the nature of business research, emphasizing its role of providing information for marketing decision making. The demand for well-executed business research leads to many exciting career opportunities that are described.

Let us now discuss the various concepts of reserach in business n the following sections.

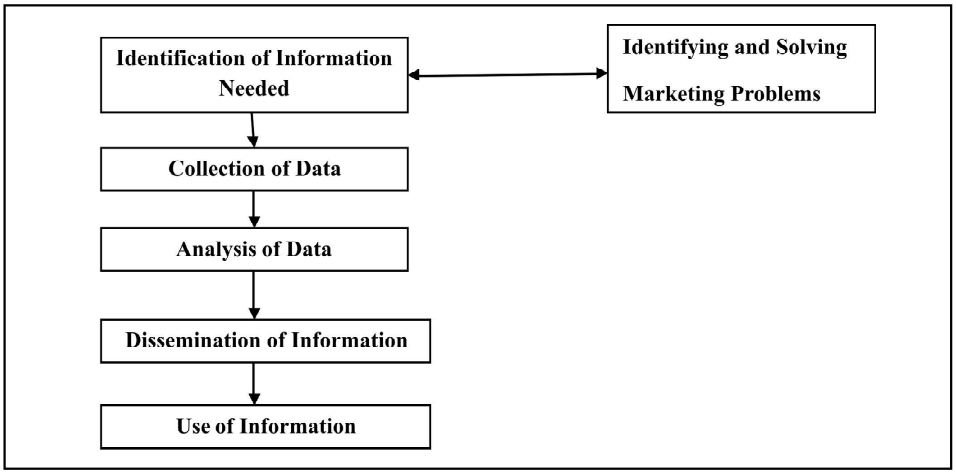
1.3 MEANING AND CONCEPT OF RESEARCH IN BUSINESS

In this unit, we emphasize the need for information for decision making and therefore define business research as follows:

Business Research is the systematic and objective identification, collection, analysis, dissemination, and use of information for the purpose of improving decision making related to the identification and solution of problems and opportunities in marketing. Several aspects of this definition are noteworthy. First, business research is systematic. Thus, systematic planning is required at all stages of the business research process. The procedures followed at each stage are methodologically sound; well documented; and, as much as possible, planned in advance. Business research uses the scientific method in that data are collected and analyzed to test prior thinking that may be formulated into specific hypotheses. Business research attempts to provide accurate information that reflects a true state of affairs. It is objective and should be conducted impartially. Although research is always influenced by the researcher's philosophy, it should be free from the personal or political biases of the researcher or management. The motto of every researcher should be, "Find it and tell it like it is."

Business research involves the identification of informtion, collection of data, analysis of data, dissemination of Information, and use of information, as described in Figure below. Each phase of this process is important. We identify or define the business research problem or opportunity and then determine what information is needed to investigate it. Because every marketing opportunity translates into a research problem to be investigated, we use the terms *problem* and *opportunity* interchangeably. Next, the relevant information sources are identified and a range of data collection methods varying in sophistication and complexity are evaluated for their usefulness. The data are collected using the most appropriate method; they are analyzed and interpreted, and inferences are drawn. Finally, the findings, implications, and recommendations are provided in a

format that enables the managers to use the information for marketing decision making and to take appropriate actions.





CHECK YOUR PROGRESS

Q.1) Define Business Research.

Q.2) Draw the different phases involved in Business research.

1.4 TYPES OF RESEARCH DESIGN : EXPLORATORY & CONCLUSIVE RESEARCH

Research designs are of two broad types: exploratory and conclusive. Conclusive designs are either descriptive or causal. Exploratory, descriptive, and causal are the basic research designs we examine in this unit. Descriptive designs can be further categorized as either cross sectional or longitudinal.

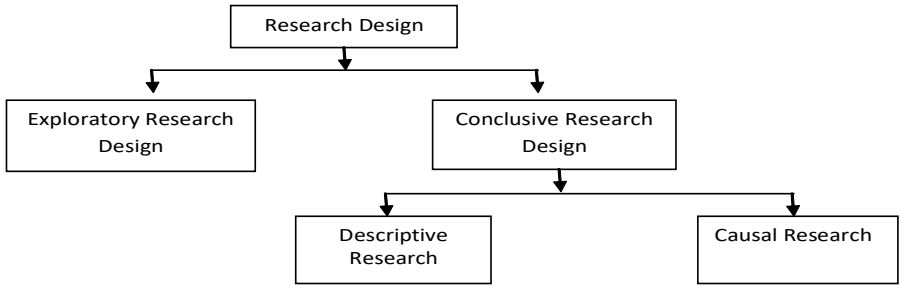


Fig:1.1 Types of Research Design

A) Exploratory Research:

The primary objective of **exploratory research** is to provide insights into, and an understanding of, the problem confronting the researcher. Exploratory research is used in cases when you must define, identify relevant courses of action, or gain additional insights before an approach can be developed. The information needed is only loosely defined at this stage, and the research process that is adopted is flexible and unstructured. For example, it may consist of personal interviews with a few industry experts. The sample, selected to generate maximum insights, is small and non representative. The primary data are qualitative in nature and are analyzed accordingly. Given these characteristics of the research process, the findings of exploratory research should be regarded as tentative. Typically, such research is followed by further exploratory or conclusive research. Thus, it is a good idea to begin a business research project by first conducting exploratory research and then some form of conclusive research. Sometimes, exploratory research is all the research that is conducted. In these cases, caution should be exercised in utilizing the findings. Secondary data including social media (discussed later in this chapter) and qualitative research (discussed in Unit IV) are the main methods of exploratory research.

The insights gained from exploratory research might be verified by conclusive research because the objective of conclusive research is to test specific hypotheses and examine specific relationships. This requires that the information needed is clearly specified. **Conclusive research** is typically more formal and structured than exploratory research. It is based on large, representative samples, and the data obtained are subjected to quantitative analysis. The findings from this research are considered to be conclusive in nature in that they are used as input into managerial decision making. Conclusive research designs may be either descriptive or causal.

B) Descriptive Research:

As the name implies, the major objective of **descriptive research** is to describe something— usually the characteristics of relevant groups, such as consumers, salespeople, organizations, or market areas. For example, we could develop a profile of the “heavy users” (frequent shoppers) of prestigious department stores like Pantaloons and Big Bazaars. A vast

majority of business research studies involve descriptive research, which makes use of surveys and observations as major methods. **Surveys** involve questioning of respondents by administering a questionnaire. **Observations** involve recording people's behaviour without asking them questions. Descriptive research can be further classified into cross-sectional and longitudinal research.

C) Causal Research:

Causal research is used to obtain evidence of cause-and-effect (causal) relationships. Marketing Managers continually make decisions based on assumed causal relationships. These assumptions may not be justifiable, and the validity of the causal relationships should be examined via formal research. For example, the common assumption that a decrease in price will lead to increased sales and market share does not hold in certain competitive environments. Like descriptive research, causal research requires a planned and structured design. While descriptive research can determine the degree of association or correlation between variables (i.e., the two variables vary together or are related), it is not appropriate for examining causal relationships (i.e., one variable is a cause of the other variable). Such an examination requires a causal design. The main method of causal research is experimentation, which is discussed further in Unit II.

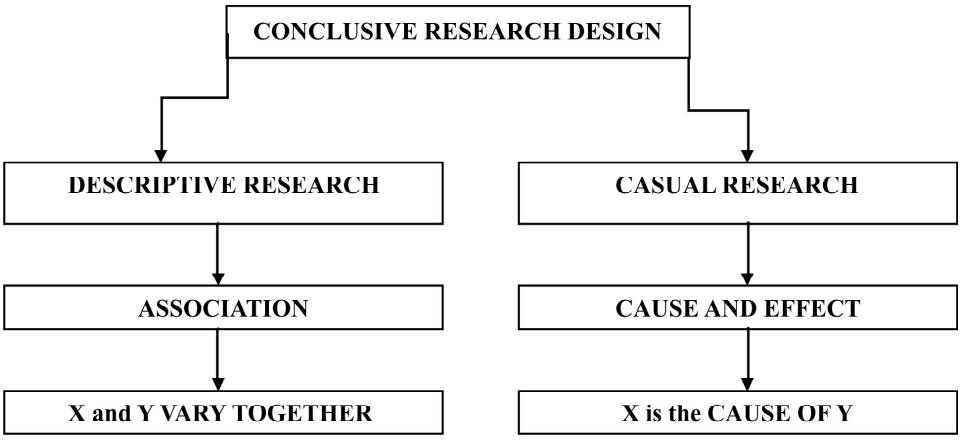


Fig 1.2: Types of Conclusive Reserach Design



CHECK YOUR PROGRESS

Q.3) Define Exploratory Research and Conclusive Research

Q.4) Name the two types of Conclusive Research

1.5 THE PROCESS OF RESEARCH

We conceptualize the **business research process** as consisting of six steps (Figure below): defining the problem, developing an approach to the problem, formulating a research design, doing field work or collecting data, preparing and analyzing data, and preparing and presenting the report. Each of these steps is discussed in great detail in the subsequent chapters; thus, the discussion here is brief.

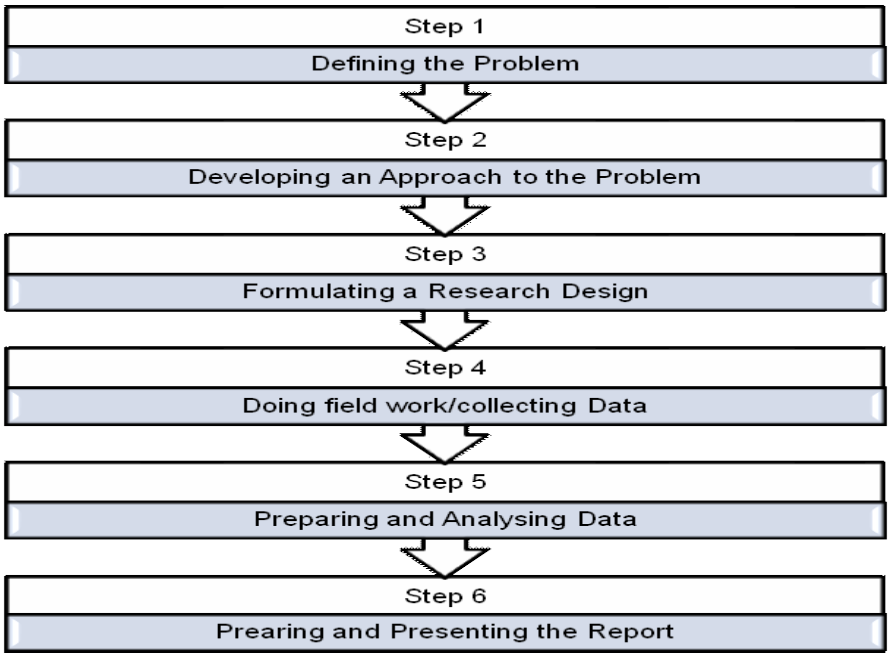


Fig 1.3:Research Process

Let us now discuss the steps in following ways:

Step 1: Defining the Problem: The first step in any business research project is to define the problem. In defining the problem, the researcher should take into account the purpose of the study, the relevant background information, the information needed, and how it will be used by managers in making decisions. Once the problem has been defined precisely, the research can be designed and conducted properly.

Step 2: Developing an Approach to the Problem: Development of an approach to the problem involves a broad determination of how the problem will be addressed without going into the details. It consists of formulating an analytical framework and models, and research questions and hypotheses, and identifying the information needed.

Step 3: Formulating a Research Design: A research design gives details of the procedures that must be implemented for obtaining the required information. Its purpose is to design a study that will test the hypotheses of interest, determine possible answers to the research questions, and provide the information needed by managers for making decisions. Determining the type of research to be conducted, defining the variables precisely, and designing appropriate scales to measure them are also part of the research design. The issue of how the data should be obtained from the respondents (for example, by conducting a survey or an experiment) must be addressed. It is also necessary to design a questionnaire. The researcher has to develop a sampling plan that specifies how to select respondents for the study and must prepare a preliminary plan of data analysis.

Step 4: Doing Field Work or Collecting Data: Field work, or data collection, involves a field force or staff that operates either in the field, as in the case of personal interviewing, or from an office by telephone, through mail, or electronically as in the case of e-mail and Internet surveys. Proper selection, training, supervision, and evaluation of the field force help minimize data collection errors.

Step 5: Preparing and Analyzing Data: Data preparation involves adequately preparing the data for analysis. Each questionnaire or observation form is inspected or edited and, if necessary, corrected for any errors.

Number or letter codes are assigned to represent each response to each question in the questionnaire; this procedure is called coding. The data from the questionnaires are transcribed or keyed onto disks or storage devices, or input directly into the computer. The data are then analyzed to derive information related to the components of the business research problem and thus to provide input into management decision making.

Step 6: Preparing and Presenting the Report: The entire project should be documented in a written report that addresses the research questions; describes the approach, the research design, data collection, and data analysis procedures; and presents the results and the major findings. The findings should be presented in a comprehensible format so that management can readily use them in the decision-making process. In addition, an oral presentation should be made to management using tables, figures, and graphs to enhance clarity and impact.

Although we have described the research process as a sequence of steps, it should be noted that these steps are interdependent and iterative (above figure). Thus, at each step, the researcher should not only look back at the previous steps but also look ahead to the following steps. Our description of the business research process is fairly typical of the research being done by major corporations such as Apple, in the introductory Research in Practice example discussed at the end of this unit.



CHECK YOUR PROGRESS

Q.5) Write the different steps involved in the Business Research Process

1.6 FEATURES OF A GOOD RESEARCH STUDY

Research in simplified terms means searching for the facts searching for the replies to the various queries and also for the solutions to the various problems.When we talk about good reserch study, we should take care of the following:

1. Research should be systematic in nature.
2. It should be logical.

3. It should be empirical and replicable in nature.
4. It should be according to plans.
5. It should be according to the rules and the assumptions should not be based on the false bases or judgments.
6. It should be relevant to what is required.

The following are the features of a reserach study:

(i) Defining the Business research Problem and Developing an Approach: The simplest way to find out when a company needs help is when it has to make a decision. Any time there is a go or no/go, a yes or no, or a decision to be made, the company can ask what information can help reduce the risk associated with the decision. It would then talk with to develop the information that might help to reduce that risk. The first step is to define the business research problem, and a lot of discovery takes place at this stage. The account executive (AE) will sit down with a client and try to determine whether what the client believes is the problem really is the problem, or whether it needs to change or broaden the scope of the problem. Discussions with the key decision makers (DMs) might reveal that the company has been focusing on too narrow an issue or that it has been focusing on the wrong problem altogether.

The researcher must believe that defining the business research problem is critical to a successful research project. The company finds out what the symptoms are and works with the client to identify the underlying causes. Considerable effort is devoted to examining the background or the environmental context of the problem. In at least half the cases, when they go through the process of exploring the problem, the problem will change. It will gain a new scope or direction. This process results in a precise definition of the business research problem, including an identification of its specific components.

Once the problem has been defined, the researcher develops a suitable approach. The problem definition is refined to generate more specific research questions and sometimes hypotheses. Based on its experience, the researcher would develop a variety of analytical models that are customized to the identified problem. This process also results in the identification of information that will help the client company solve its problem.

(ii) Research Design Formulation: In formulating the research design, the researcher should place special emphasis on qualitative research, survey methods, questionnaire design, and sampling design.

a. Qualitative Research. One of the pitfalls that the researcher encounters comes with qualitative research. Qualitative research is nice because it is immediate. The information generated tends to be extremely rich and in the customers' words. He would get to see what kinds of answers are being given and what kinds of questions and concerns customers or potential customers might have. However, one of the dangers is thinking that all customers or potential customers might view products or service offerings in the same manner, that is, generalizing the findings of qualitative research to the larger population.

b. Survey Methods. The researcher can use a variety of methods including telephone, mall intercept, mail, and Internet or Web-based surveys. He should carefully select the method that is best suited to the problem. If the researcher is trying to interview customers around the globe, it sends an e-mail invitation to respondents to complete the survey via the Web. Currently, Internet surveys are the most popular across the business research industry in.

c. Questionnaire Design. In designing the questionnaire, the researcher should pay particular attention to the content and wording of the questions. Some questions are well-defined and can be easily framed; for other issues, the exact questions to ask might not be clear. The simpler the question and the more clear it is who the target respondents are, the better the information generated.

d. Sampling Design. The researcher can have a sampling department that consults with the senior account management team and account executives to determine the proper sample to use. The sampling frame is defined in terms of who the respondents are and who can answer the questions that need to be addressed. The target population is defined by the business research problem and the research questions. He should be concerned about using a representative sample so that the results can be generalized to the target population (e.g., all the target consumers as opposed to only the consumers included in the sample).

(iii) Data Collection and Analysis: Once the information has been collected, it will reside either in a computer-related format or a paper format that is entered into a computer format. The results are tabulated and analyzed via computers. Through the "Digital Dashboard" product, the researcher should not only have the ability to disseminate the results to clients when the project is finished, but also to show them the data as it is being collected. The researcher breaks down the data analysis by relevant groups. You might see information by total respondents, and you might see information broken out by gender or business size. Essentially, he looks at different breaks in the data to try to understand what is happening, if there are differences based on different criteria, and, if so, how to make decisions based on that information.

(iv) Report Preparation and Presentation: Clients need information much faster than they have in the past because decisions need to be made much more quickly. Organizing large meetings to present data analysis results is not practical in many situations. The report documents the entire research process. It discusses the management decision problem, the business research problem, the approach and research design, the information obtained to help management make the decision, and the recommendations.

The report-writing process starts from the first conversation with the client, and it is written as the research proceeds, not simply when the project is almost done. The report focuses on improving management's decision making. The researcher's goal is to help clients have better decision-making abilities so that the clients are more valuable to their respective companies. He should emphasize this focus by reminding its clients, "Here are the management decision and business research problems we agreed upon. Here's the information we gathered. Here's the decision it points to." The researcher should believe that a successful research project often leads to a subsequent research project; the research process is more of a circular process. It does not typically have a finite beginning and end. Once you solve a problem there is always another one to work on.



CHECK YOUR PROGRESS

Q.6) What are the features of a good research study ?

1.7 CASE STUDIES: RESEARCH APPLICATION IN BUSINESS

(i) Case Study of Apple : Combining Marketing Research and Technological Innovation

Apple launched the iPad in 2010 and sold 300,000 of the tablets on the first day, 1 million iPads in twenty-eight days—less than half of the seventy-four days it took to sell 1 million iPhones. Consumers watched more than 30 billion videos online in one month. As in the case of other innovative products it had introduced in the past (iPod, iTunes Music Store, iPhone), marketing research played a significant role in the design and successful introduction of the iPad. Business research in the form of focus groups (interviews with a small group of consumers), analysis of social media, and surveys indicated that in this electronic age of multitasking, consumers were looking for electronic devices that integrate numerous functions on one platform. Consumers were also looking for a device that filled the gap between smart phones and laptops. The iPad was designed to meet this need and succeeded in creating a new mobile device category on its own. With over 15 million iPads sold in its first nine months of availability, the late Apple CEO Steve Jobs said 2010 was “The Year of the iPad.” Capitalizing on this great success, Apple launched the iPad2 in March 2011. The company launched a new version of the iPad on March 16, 2012 and sold more than 3 million units in four days, making this the most successful launch yet for Apple’s tablet. On September 12, 2012, Apple unveiled a new thinner iPhone 5 and pre-orders sold out in less than an hour. The iPhone 5 set a new sales record as customers placed more than 2 million pre-orders for the iPhone 5 on the first day it was available, doubling previous results and exceeding initial supply of the smart phone.

Apple undertakes extensive research to identify marketing opportunities and also to develop products and marketing programs to exploit those opportunities. While, it maintains an in-house staff of marketing researchers, the company relies heavily on external marketing research suppliers. All the information generated by marketing research becomes a part of Apple's decision support system. Despite the passing away of Steve Jobs on October 5, 2011, consumers can expect the stream of innovative new products from Apple to continue given the company's continued reliance on marketing research and technological innovation. In fact, during 2013 and 2014, Apple was expected to launch many new innovative products including the highly anticipated Apple television that has been developed based on extensive marketing research.

This example illustrates the crucial role played by business research in designing and implementing successful marketing programs. It illustrates only a few of the methods used to conduct business research: focus groups, analysis of social media, and surveys. This course will introduce all types of business research techniques and illustrate their applications in designing effective marketing strategies. The role of business research can be better understood through its definition.

(ii) Case Study of McDonald's : Adapting to Local Culture with its Global Image

In markets across the globe, McDonald's respects local cultures and has adopted its menu and dining experience to local preferences. Business research showed that, in India, food consumption was influenced by people's religious beliefs. Accordingly, McDonald's dropped beef and pork from its menus, conforming to the religious beliefs of Hindus and Muslims, who make up most of India's population. Instead, it has numerous vegetarian versions of some of its American classics, like the McVeggie burger and McSpicy Paneer, as well as chicken offerings. On the value menu, the McAloo Tikki burger, made from a potato-based patty, is a top seller, accounting for as much as 25 percent of the restaurants' total sales in India.

Marketing research also revealed that vegetarians in India are strict in observing food habits and practices. Therefore, McDonald's kitchens in this country are divided into separate sections for cooking vegetarian and

non vegetarian food. In September 2012, the fast-food giant announced that the new restaurants in some pilgrimage areas in India will be vegetarian only to cater to the preferences of the local customer base. In part, McDonald's success globally has been attributed to its ability to adapt to local culture and preferences while retaining its global brand image, which is made possible by its reliance on business research.



1.8 LET US SUM UP

In this unit we ahve discussed the following:

- **Business Research** is the systematic and objective identification, collection, analysis, dissemination, and use of information for the purpose of improving decision making related to the identification and solution of problems and opportunities in marketing.
- Business research involves the identification, collection, analysis, dissemination, and use of information.
- Research designs are of two broad types: exploratory and conclusive.
- Conclusive designs are either descriptive or causal.
- Exploratory, descriptive, and causal are the basic research designs.
- Exploratory research is used in cases when you must define, identify relevant courses of action, or gain additional insights before an approach can be developed.
- **Descriptive research** is to describe something— usually the characteristics of relevant groups, such as consumers, salespeople, organizations, or market areas.
- **Causal research** is used to obtain evidence of cause-and-effect (causal) relationships.
- **Business research process** as consisting of six steps namely: defining the problem, developing an approach to the problem, formulating a research design, doing field work or collecting data, preparing and analyzing data, and preparing and presenting the report.

- Some of the features of a reserach study are:
  (i) Defining the Business research Problem and Developing an Approach
  (ii) Research Design Formulation
  (iii) Data Collection and Analysis
  (iv) Report Preparation and Presentation:



1.9 FURTHER READING

1. Malhotra, N.K. and Dash, S. (2011); *Marketing research: An Applied Orientation* (6th edition); New Delhi: Pearson Education.



1.10 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q1: Buisness research is the systematic and objective identification, collection, analysis, dissemination, and use of information for the purpose of improving decision making related to the identification and solution of problems and opportunities in marketing.

Ans to Q2: Business research involves differnt phases , they are ; the identification of informtion, collection of data, analysis of data, dissemination of Information, and use of information.

Ans to Q3. The primary objective of **exploratory research i**s to provide insights into, and an understanding of, the problem confronting the researcher.

Conclusive research is formal and structured than exploratory research. It is based on large, representative samples, and the data obtained are subjected to quantitative analysis.

Ans to Q4. The two types of conclusive research are : **Descriptive Research** and **Causal Research**

Ans to Q5. Business research process as consisting of six steps.They are- defining the problem, developing an approach to the problem, formulating a research design, doing field work or collecting data, preparing and analyzing data, and preparing and presenting the report

Ans to Q6. (i) Defining the Business research Problem and Developing an Approach.
(ii) Research Design Formulation.
(iii) Data Collection and Analysis
(iv) Report Preparation and Presentation



1.11 MODEL QUESTIONS

a) Describe the task of business research.

b) What decisions are made by marketing managers? How does business research help in making these decisions?

c) Define business research.

d) What are the different methods of conducting business research?

e) What are some of the issues that should be considered when conducting business research?

f) Why do organizations conduct business research?

g) What are some of the reasons for the increased need for business research?

h) Discuss the different types of Business research Designs?

i) Explain in details the different steps involved in the Business research Process.

J) What are the features of a good research study?

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