

4 Types of marketing research

Marketing research is specific by its character, purpose and form given by its orientation and specification. For this reason, a few types of marketing research can be identified.

Marketing research can be conducted either by a company itself or by a marketing research agency. Marketing research project owner is a subject (any company, institution, government, ministry or local authority) that orders and pays for the research.

Marketing research project owner should specify:

- Subject of the research (what problem should be addressed by the research)
- Objectives of the research (what information should be obtained)
- Respondents (who will provide information)

Researchers (a subject conducting marketing research) are professionals able to prepare and conduct the whole process of marketing research including market research specification, objectives statement, data collection, statistical data analysis and data interpretation. /6/

4.1 Internal and external marketing research

Internal marketing research – research conducted inside a company either by the company itself or by a research agency. The objective of the research is to obtain data related to company activities or data associated with problems inside the company.

External marketing research – research conducted outside of the company focused on certain aspects or problems in the market.

4.2 Secondary and primary marketing research

Some information that companies need is already available and simply needs organizing if it exists within the company (internal), or tracking down, if it is available from elsewhere

(external). These activities form a basis of secondary research. Other data needs collecting and processing before being usable. This is known as primary research.

Secondary research refers to the research that acquires analyses and interprets data that already exists, has been produced by somebody else in the past for some other purpose. The user is the secondary user of the data. It is called a desk research simply because data can be obtained and processed by sitting at a desk.

Secondary research may not precisely meet the need for data nor be sufficiently recent. This is why it can be used as a starting point because it is quick and cheap to acquire data. It is also useful as a familiarization process and in generating ideas that will help to formulate and refine any subsequent research (primary data collection).

- **Internal secondary research**

Much information is generated within a company in the course of its normal operations.

The purpose of internal secondary research is to collect and process the data in a way that is useful for marketing purpose. In some cases, it can save time and expenditure in acquiring data from outside.

- **External secondary research**

The research collects all kinds of external data available from various sources

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Both, internal and external secondary research have limitations for decision makers. Internal secondary research focuses on data produced by company's own activities specific to company itself. External secondary research brings data of too general a nature to be applicable to any specific problem. These limitations can be overcome by primary research.

Primary research concerns the generation and collection of original data either from the company operation or from the market associated with a company's problem. The data can be acquired either by a company itself or by a research agency. The data is specific reflecting the purpose of its collection. The company is a primary user of the data. The data obtained by primary research is called primary data.

- **Internal primary research** obtains data that does not exist in a required form but can be found in the company. The data can be obtained by observation of the processes inside the company or by interviews with the company's employees.
- **External primary research** collects data outside of the company in the market. It is the most common primary research.

4.3 Syndicated, omnibus and specialized marketing research

Based on the extent of the marketing research owner participation in the research commission and funding, the following types of the marketing research can be identified:

- **Syndicated research** – research conducted by a research agency according to its own specification on its own expenses and risks independently from requirements of any company. The findings are presented and sold as a research study to anybody who is interested in it and has a use for it. It would be too expensive for any company to collect the data individually. Buying a research study, companies are sharing the costs of generating the kind of original data they need. Although it is a primary research conducted by a research agency, the obtained data still has rather general character and may not fully meet the requirements of the company. However, it is still less expensive than to collect the data according to specific requirements of the company.
- **Omnibus research** – the research is conducted by a research agency considering requirements of a few companies. Addressed companies may each add a few questions to the questionnaire. It is confidential to the companies who participate in the research. Companies contribute to the questions and share the cost. The research gives an advantage being able to specify the questions without having to pay the cost of specific one-client research. Omnibus research is an extremely cost-effective research. The participating companies – paying clients of the agency benefit from the answers of a large number of questions about a possibly diverse range of subjects. The research is a halfway

between carrying out a complete survey and buying the data already available from external desk research or syndicated services.

- **Specialized 'made-to-measure' research** – the research conducted by a research agency by the requirements of a client (an individual company) who decides what it wants to know. The company is the only research project owner who pays all costs of the research. The research agency designs a questionnaire, collects answers to the questions, processes the data and produces a report for the client. The whole survey and its findings are confidential to the company that pays for them. It is the most expensive type of the research but the most useful since it is designed and produced to meet exactly the requirements of the client.

4.4 Continuous and occasional marketing research

The collection of research data can be a continuous or occasional (ad hoc) activity of the company (agency).

4.4.1 Ad hoc marketing research

Occasional or ad hoc research is the research conducted when needed whenever a specific problem or a need arise. The objective of the research is to obtain data related to new opportunities or problems. It can use any type of research data but mostly it refers to „made-to-measure“ research surveys.

4.4.2 Continuous (longitudinal, repeated) marketing research

It is a research organized to produce a continuous stream of data. The research measures performance over time and indicates trends. The purpose of the research is to spot changes. Valid insights into the nature of past and future changes can be obtained only from the systematic analysis of empirical data. The most appropriate approach to the analysis of change is to use several cross-sectional surveys repeated over time since one-shot cross-sectional survey by itself conducted at one point in time is not suited for the study of change. By using surveys from different periods, many processes of change can be observed and identified; differences between groups in terms of their characteristics can be investigated to determine the causes and consequences of changes.

Two basic approaches in a longitudinal study of change can be distinguished:

- **Panel study**
- **Repeated cross-sectional studies**

Panel study

In a study using a *panel design*, data on the same topics are collected from the same respondents at different points in time. However, this methodology brings a few problems that concern the achievement of the initial sample, sample mortality and conditioning. This means that in long-term study, it is difficult to recruit a representative panel of respondents and guarantee that the data will be collected from the same sample every time. The reason is that either fewer or fewer people are willing to participate in the research, or some of them die and new people are not represented in the original panel. There is also a risk that the panel members become untypical because of being on the panel. Long-term longitudinal studies require long-term commitment of resources (financial and human) and this makes this approach to the research comparatively rare.

Repeated cross-sectional study

In *repeated cross-sectional design* or so-called trend studies or time series surveys, data are gathered at different points in time from different samples drawn from the same population under study. Repeated survey, as they do not follow the same individuals over time, allow a shift of focus from detecting individual change, i.e. net change among individuals in panel survey to one of aggregate change - the gross effect of all the changes (“gross change”) in the population. For example, research findings saying that consumption of coffee Tchibo has increased by 10 percent over the last year may mean that customers simply drink more coffee as well as the number of customers drinking coffee Tchibo has increased. Unfortunately, repeated cross-sectional survey does not allow finding an individual changes in consumer (shopping) behaviour, i.e. how many consumers have changed their coffee preferences in favour of Tchibo coffee.

To overcome limitations of panel and cross-sectional studies, a combination of both designs can be used. One such hybrid is the “**rotating panel survey**” where panels are rotated - new panels are added and old ones are rotated off to maintain up-to-date samples of changing population.

A second hybrid, the “**split panel survey**” estimates gross change in repeated surveys by adding a panel component to repeated survey. It is supposed that these hybrids will likely become more common in the future; however, Kish (1983, 1986) recommends the use of split panel design.

4.5 Quantitative and qualitative marketing research

Based on the kind of research data we want to collect, research can be categorized as being:

- quantitative or
- Qualitative.

4.5.1 Quantitative research

Quantitative research involves research techniques of representative samples, questionnaires, interviewers and data processing. The findings are expressed quantitatively, with statements like 25 percent of respondents (population) own ... or in natural or monetary units.

The required research data can be obtained by:

- secondary data analysis
- primary research using questionnaires (surveys)

It can include secondary desk research and/or primary research in the market. Companies that wants to be pro-active (making things happen) rather than reactive (responding to things that have already happened) apply it.

The data is obtained from a sample of respondents that should be of representative of the population. Population mean the whole group under research consideration. The definition of the population being considered must be specifically described for the purpose of each research survey. It would be expensive, time-consuming and difficult to survey the whole population. For this reason, it is necessary to select a limited number of respondents who will be representative of the population. Collecting data from a sample is cheaper, quicker and more efficient than a census (interviewing the whole population) provided the population is

relatively large. Information obtained from the data will then be generalized with a known level of statistical accuracy on the whole population. Besides the sample being representative, it is important that the sample is sufficiently large for statistical generalization. This usually means several hundred or even thousand respondents. In general, quantitative research is more expensive and more time consuming than qualitative research.

4.5.2 Qualitative marketing research

Qualitative research produces data, which is rich in insight, explanation, understanding and depth of information. The objective is to find reasons, opinions, perception, meaning and motives that are behind and cause certain situation or process.

The data is provided by a few respondents and thus cannot be generalized to the whole population. The main methods used in qualitative research are depth interview, focus groups or psychological and sociological methods, such as psychological exploration, associations, projective techniques, physiognomic techniques, tests of colours, shapes or it may use devices such as galvanometer, eye-tracking camera or hidden camera.

Qualitative research can be used in the research process to generate ideas, attributes, factors or hypotheses, which will be investigated further by a subsequent quantitative survey.

4.6 Exploratory, descriptive, explanatory and prognostic research

Based on the purpose of the research and methods used in the research, the research can be categorized as:

- Exploratory
- Descriptive
- Explanatory (causal)

Exploratory research is rather general in its topic and objectives. It is less formal, structured and rather small in its extent.

It can be the first stage of a main research. Its objective is either to explore an area where little is known or to investigate the possibilities of undertaking a particular research study and use

the preliminary data for the research study design. It can also be called a **feasibility study** or a **pilot study** in case the study is conducted to decide if it is worth to undertake a detailed investigation. Exploratory studies are also conducted to develop, refine and/or test measurement tools and procedures. Methods used in an exploratory study includes literature review, observations, secondary data analysis, and interviews with customers or experts.

Descriptive research aims to describe what is prevalent with respect to the issue or problem under study, i.e. to describe systematically a situation, problem, phenomenon or attitudes towards an issue and provide thus information needed by a company.

Descriptive study usually describes:

- Market, market potential characteristics
- Characteristics of a certain product/service users, profiles of consumers
- Attitudes and/or behaviour of customers or consumers
- New products, new technologies or innovations in the market.

Explanatory research attempts to clarify why or how there is a relationship between two or more factors associated with a situation or phenomenon. The aim is either to explain or to discover or establish the existence of a relationship, association or interdependence between two or more aspects of a situation. These studies can also be called correlational studies.

This type of research is demanding in terms of its preparation, undertaking and data analysis and interpretation. It can be time consuming and expensive, as well. Experiments and market tests are used often (Kumar, 2011).

Summary

There are two main types of marketing research – secondary research that obtains existing data and primary research that collects new data related to a specific problem. Both research types can be conducted continuously, longitudinally or repeated in a certain period, or conducted occasionally whenever needed. Marketing research can be of quantitative or qualitative character.

Using classification of the types of a research based on objectives, a research study can be classified as exploratory, descriptive or explanatory.

References:

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