

Lesson 5: Market research

Marketing is the term given to all the different activities intended to make and attract a profitable demand for a product. This involves:

- identifying consumer needs and wants in order to develop the **product**.
- setting the **price**.
- deciding on the best **place** to sell the product.
- deciding on how best to **promote** the product.

These four factors are often referred to as '**The Four Ps**' or the **marketing mix**.

What Is Market Research in Business?

Market research involves gathering data to learn more about target demographics and consumers so a business can market itself more effectively and, ultimately, succeed in the market. Market research is a vital part of any business strategy, whether that business is B2B or B2C, big or small, new or old. It provides the answers companies need to make decisions that will move them forward instead of back by empowering them to base decisions on data.

Most companies know what market research is and acknowledge its importance in a general sense, but they may not realize just how crucial market research is to the success of their business. When you need to identify market trends, understand your core customer better, or achieve a long list of other important goals, market research is the answer.

Types of Market Research

Market research is a broad category. In fact, there are many varieties of market research that you can use to meet the specific goals of your business. Below, we'll explore the different benefits of each type of market research.

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- 1 Brand research
- 2 Marketing campaign evaluation
- 3 Competitor research
- 4 Customer segmentation research
- 5 Consumer research
- 6 Product development
- 7 Usability testing

How to do Market Research:

To compete in today's highly competitive markets, it's essential to keep your finger on the pulse of what's going on in your industry.

Well-conducted market research will help you with that.

In the following, we'll explore How to do market research!

Here's how to conduct market research in five steps:

1. Define the Focus of Your Research
2. Develop a Marketing Research Plan
3. Collect Data
4. Analyze Data and Generate Insights
5. Present Your Findings and Continue Testing

Case Example: Industry Trends Research

Industry trend research considers factors such as technological breakthroughs, changes in consumer behaviour, and changes in the market that may impact upon your industry. The following case study of Amazon launching a video streaming service will show how industry research can help you stay ahead of the competition.

Amazon

Rather than simply sticking to what works, Amazon isn't afraid to expand into new territory and this is a core reason why they are so profitable. According to Verdict analyst O'Brien "the key to Amazon's success is that it isn't afraid to try out new things even if they fail. That urgency and scale is hard not to admire." An example of this is when Amazon launched Amazon Prime Instant Video in February of 2011 in response to consumers moving away from traditional TV to online streaming sites, and paid subscriptions to sites such as Netflix.

Similar to Netflix, Amazon Prime Instant Video provides Amazon Prime customers access to over 5,000 movies and TV shows for free with their membership. By now you may be wondering how well Amazon is competing with Netflix—and the results may surprise you. While in 2017 Netflix still outnumbered subscribers watching video by over two-to-one, as of February of 2018, [Amazon is beating Netflix in 3 countries](#): Germany, India, and Japan. According to Amazon CFO Brian Olsavsky "Prime members who watch video also spend more on Amazon". As you can see from the example, being open to new trends can help your business anticipate consumer needs allowing you to be more relevant to your customers.

We've looked at how cultural and industry trend research are both an integral to a strong marketing strategy.

References:

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