

MARKETING RESEARCH FOR NEW VENTURES





What is market ?

It's a group of potential consumers who have purchasing power & unsatisfied needs .

Common elements in the marketing skills of great entrepreneurs

Marketing research

m. analysis

m. knowledge

B.P.

Increased sale

Marketing research (gathering info. + analysis)

- Defining the research purpose & objective .
- Gathering secondary data .
- Gathering primary data .
- Interpreting & reporting the info. .
- Marketing research questions .



Inhibitors to marketing research

- Cost
- Complexity
- Strategic decisions
- Irrelevancy



Developing the marketing concept

- Marketing philosophy .
- Market segmentation .
- Consumer behavior .

Marketing stages for growing ventures :

(table 8.5.)

- Entrepreneurial marketing
- Opportunistic marketing
- Responsive marketing
- Diversified marketing



Marketing planning

- Marketing research .
- Sales research: to match the correct customer profile with sales priorities
- Marketing info. System
- Sales forecasting :historical sales figures
statistical techniques
- Marketing plans :based on venture's specific goals
- Evaluation :through measuring performance in sale volume ,gross sales dollars , or market share

Tele marketing :a direct marketing tool

- Definition
- Advantages .
- Pitfalls

marketing



Marketing on the Internet

- Company & brand can communicate .
- Company can cultivate new customers ; Internet is pull oriented
- Internet improves customer service .
- It supports info. transfer .

But ! 2 major concern have arisen :

- Limited target audience
- consumer resistance to change



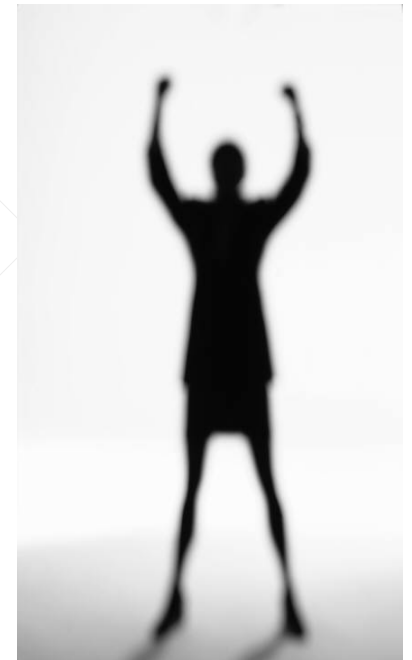
Pricing strategies



- Affecting factors .
- Psychological considerations .
- Pricing 4 the product life cycle (table 8.7.)
- Analysis of the pricing strategy (table 8.8.)

Common elements in the marketing skills of great entrepreneurs

- Adapting strategies quickly & preserving long after others have quit
- Meticulous about details & in search of new advantages
- Leading from the front enthusiastically & autocratically
- Unique environmental insight
- New marketing strategies based on unique insight
- Fear of being preempted in market
- Fiercely competitive
- Screening any proposed strategy
- Risk taking
- Clear vision .



Defining the research purpose & objectives

Suggested set of questions for general marketing research :

- Identify where customers go to purchase goods & services
- Why do they choose to go there ?
- What is the size of the market ? how much of it can the business capture?
- How does the business compete with the competitors ?
- What impact does the business's promotions have on customers?
- What types of products or services are desired by the potential customers?



Secondary data are



- Already been compiled
- Less expensive than primary data
- Internal : within the venture
- External : numerous periodicals ,trade association literature & government publications .

Primary data

- **Methods** : **Observational**
Questioning : **Survey** (major techniques : table 8.2.)
Experimentation
- **Developing an info. Gathering instrument : questionnaire**
 - Each question for a specific objective
 - First ask simpler questions & then others
 - Avoid leading & biased questions
 - Avoid misinterpreting questions
 - Give concise but complete direction** (explain desired info.)
 - Use scaled rather than yes/no questions** (when possible).

Fact=

Large Quantities of Data

Organized & modeled through

**Tables ,Charts,&
Other graphic methods**

Meaningful info.

Marketing research questions



Typical subjects : Sales

Distribution

Markets

Advertising

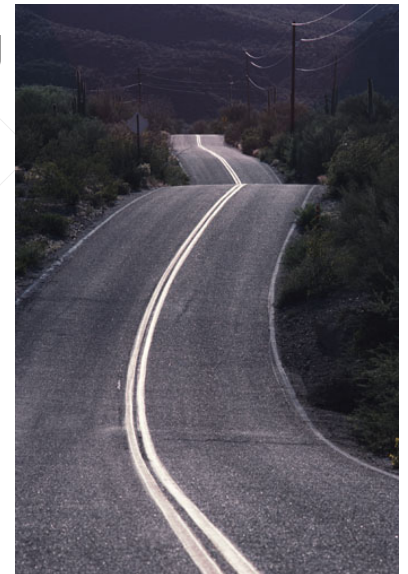
Products .

Marketing philosophy

- Product driven philosophy :High -tech & state of the art out put
- Sales driven philosophy :new auto dealers
- Consumer driven philosophy :often most effective , although many ventures do not adopt it .

O 3 major factors influence the choice of a marketing philosophy :

- Competitive pressure
- Entrepreneur 's background
- Short term focus .



Market segmentation : the process of identifying a specific set of characteristics that differentiate one group of consumers from the rest :critical for new ventures with very limited resources .

Variables :

- **Benefit variable** (convenience, cost , style) : helps to identify unsatisfied needs that exist within this market
- **Demographic** (age , marital status ,sex , occupation ,income, location) :helps to determine geographic profit of the consumers & their purchasing power potential .

Consumer behavior

- Type of consumer characteristics (table 8.3.)
personal & psychological
 - Innovators
 - Early adaptors
 - Early majority
 - Late majority
 - Laggards
- Buying decisions according to changing characteristics (table 8.4.)
- Analysis ;5 major consumer classifications
 - Convenience goods
 - Shopping goods
 - Specialty goods
 - Unsought goods
 - New products
- Choosing channel intermediaries (figure 8.1.)



Marketing research: to identify customers & fulfill their desires

- **Useful information** :the company's major strengths & weaknesses
 - market profit
 - current & best customers
 - potential customers
 - competition
 - outside factors
 - legal changes
- **5 tips** (for entrepreneurs needing research but lacking high funds)
 - Establish a contest
 - Piggyback a questionnaire onto company catalog or sales brochure
 - Develop management by exception philosophy
 - Call your customers
 - Put research questionnaire in various products' packages .

- **Advantages :**

receptiveness/impressions/more presentations/unlimited geographic coverage/better time management/immediate feedback/better control/less "piracy"/lower salary & communication/other lower expenses

- **Pitfalls :**

Danger & defeat of poor calls

Dissension between the field sales staff & telephone sales personnel

Problem of rapid turnover of telephone staff

Affecting factors :

- The degree of competitive pressure
- The availability of sufficient supply
- Seasonal or cyclical changes in demand
- Distribution costs
- The product's life cycle stage
- Changes in production costs
- Prevailing economic conditions
- Customer service provided by the seller
- The amount of promotion done
- & The market's buying power .

Psychological considerations :

- The quality is interpreted by customers according to the level of the item's price .
- Customers shy away from buying a product where no printed price schedule is available .
- An emphasis on the monthly cost of purchasing an expensive item often results in greater sales than an emphasis on total selling price .
- Most buyers expect to pay even-numbered prices for prestigious items & odd-numbered prices for commonly available goods .
- The greater the number of meaningful customer benefits the seller can convey about a given product , generally the less will be the price resistance .

Key words :

Marketing research

Secondary data

Primary data

Market philosophy

Market segmentation

Consumer behavior

Marketing stages

Marketing planning

Telemarketing

Marketing on the internet

Pricing strategies .