

LO1

**Primary (field) research** is when new data is generated; the information gathered does not already exist.

There are many different methods that can be used for market research. Each method can be grouped as **primary** or **secondary**.

Markets can be segmented by...

- Age
- Gender
- Occupation (job)
- Income
- Geographic (area)
- Lifestyle



For example...



Gender / Lifestyle



Income



Geographic



**Market research** is the process of finding out what potential customers want/need and/or finding out about what is already available on the market (competitors).

Primary research is...

- Suited to the specific needs of the business.
- Only available to the business; competitors won't have access to it.
- Usually slow to conduct.
- Usually expensive to carry out and analyse.

**Secondary (desk) research**

is when businesses use data or information that already exists.

Secondary research...

- Is cheaper to carry out than primary.
- Is quicker as the data already exists!
- Is not always suited to the business's specific needs.
- May be out-of-date/unreliable.
- Is available to everyone - including competitors!

**Market segmentation** is when businesses divide customers into groups (or segments) based on different criteria.

Market segmentation is needed because **all customers are different** based on...

- Their needs
- What they are able to pay
- What they are willing to pay
- Amount (quantity) of goods required
- The quality they expect
- Time & location they want to buy



**Primary methods**

- Questionnaire
- Survey
- Observation
- Consumer Trial



**Secondary methods**

- Books
- Newspapers
- Government publications
- Competitors' data



They can get **feedback** by...

- Asking customers face to face
- Social Media/Comments
- Customer comment cards
- Online surveys
- Online reviews
- Phone surveys



**If markets are segmented, businesses should...**

- Have a better understanding of their customer and their customers' needs.
- Be able to target their customers easier through their marketing and advertising.
- Be able to tailor their products to suit their customer (design products for specific groups).
- Have potential for increased profits.
- Retain (keep) their customers.

**Market Research has its benefits...**

- Market research provides businesses with potential customers' opinions.
- It reduces risk; businesses are more likely to make something people want to buy!
- Market research can inform decisions on product development.
- It helps businesses understand their market (what's popular, what's missing?).
- Research can be used to make key decisions about products and marketing.
- Market research can help promote the business.