COVENANT UNIVERSITY
NIGERIA

TUTORIAL KIT
OMEGA SEMESTER

PROGRAMME: COMPUTER SCIENCE & MIS

COURSE: MKT 325
DISCLAIMER
The contents of this document are intended for practice and leaning purposes at the undergraduate level. The materials are from different sources including the internet and the contributors do not in any way claim authorship or ownership of them. The materials are also not to be used for any commercial purpose.
MKT 325:

No. 1. There are many problems, as well as opportunities, that marketing research helps to identify. Enumerate these problems and opportunities as a marketing research agency.

2. Discuss the steps the agency will take in carrying out the research, proffering solutions to the problems while you also determine ways by which the client can utilize the opportunities shown.

3. With the aid of a model, show how a big political party and a corporate business organization in Nigeria are in need of marketing research findings.

4. As a marketing research professional, discuss the application of marketing research findings in your organization.

5. What are the steps in designing questionnaire for marketing research?

6. Discuss different types of questions that a marketing researcher can include in a questionnaire.

7. Demonstrate, with a practical example, your knowledge of questionnaire coding system

8. Highlight and explain the methods available to administer questionnaire.

9. Clearly discuss advantages and disadvantages of each.

10. It is a practice in research generally to submit the research instrument designed to pilot survey. Demonstrate how a market researcher can submit the designed questionnaire to pilot survey.

11. Clearly explain the methods of probability sampling in the use of marketing research respectively.

12. Also, explain the methods of non-probability sampling in the use of marketing research

13. Write short notes on the following:
   (a) Laboratory shop technique
   (b) Product testing technique
   (c) Market testing technique

14. In the last five years, Exceeding Grace (Nig) Ltd sold batteries at the volumes enumerated below:

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of batteries</td>
<td>4200</td>
<td>4410</td>
<td>4322</td>
<td>4106</td>
<td>4311</td>
</tr>
</tbody>
</table>

Forecast the sales volume from year 2011 to year 2014 using
   (i) 2-year moving average ,   (ii) 4-year moving average   (2 marks)
   (iii) exponential smoothing method when $\alpha = 0.8$

15. Given that $F_{t+1} = \alpha A_t + (1- \alpha)F_t$ is an exponential smoothing formula

You are required to make actual sales ($A_t$) the subject of the formula (4 marks)

16: Identify the four basic measuring scales and describe each of them in detail with the aid of insightful examples

17. What is the significance of marketing research in the consistence achievement of marketing objectives?

18. Discuss the scope of marketing research

19. What is the format for writing a good marketing research report?

20. What are the characteristics of a well defined Marketing Information System (MIS)
Marking Guard on TUTORIAL QUESTIONS: 2014/2015 OMEGA

COURSE CODE: MKT 325          COURSE TITLE: MARKETING RESEARCH
No. 1: Problems and opportunities identifiable by marketing are: (i) a new product to be introduced, (ii) modifying an existing product, (iii) expanding sales territory to Eastern or Northern part of the country, (iv) going to foreign market or international, and (v) drop in sales level. 
Also, opportunities abound like: (i) expansion base of the organization’ market, (ii) acquiring more market shares, (iii) expanding the product lines, (iv) diversifying the business. 
Also, ways by which the client can utilize the opportunities are: 
monitoring problems being faced before, during, and after the launch of a product regarding pricing problem, promotional problem, distribution problem, packaging problem, demographic structure of the target market, going international, and competition, and government policy on trade relating to the product
2. The steps the agency will take in carrying out the research, proffering solutions to the problems, using the investigation model as shown, are:

Investigation Model of Marketing Research:
Planning: What is it you are trying to find out? What could you change? The things which could change are called variables. Deciding how you will carry out the investigation, that is: what will you do?

Making a Prediction/ Hypothesis
Asking questions: Will changing this variable (independent variable) make a difference to the other (dependent) variable?

Collecting Evidence
Carrying out the experiment. Noting carefully what happens. Within this framework are questioning, communicating, collaborating, making inferences, and measuring both on the field and in the office.

Interpreting and Evaluating: Are there any trends in the results? Do the results tell you anything? Was your prediction correct? What can you conclude from this investigation?

Recording and Presenting: Making up a table of the results. Drawing a bar chart or line graph of these results. Write about what you did.
3. A model showing how a big political party and a corporate business organization in Nigeria need marketing research findings.

Stakeholders in Marketing Research Industry


4. Application of Marketing Research Findings.

1) Marketing analysis: It involves identification of the market location, when to enter the market and when to withdraw from the market.
2) Development of new products and services: It includes generating ideas for possible new products or services, predicting market sales, developing product attributes, design and formulation, identifying target market segments and appropriate appeals.
3) Selecting brand names and pack designs: This answers questions like; which name to choose for a new product or service?, which pack and pack design are for a product?
4) Pricing decisions: It finds answers to questions such as what price to charge for a new product or service?, what is the actual selling price for our product in retail outlet?
5) Advertising decision: It provides answers to advertising questions like; who would the advertising be aimed at? What should the advertising be doing?
6) Opinion polling: It gathers the opinions the general public for the organization to act on.
7) Channel of distribution: It helps the organization to choose the right types of distribution channel to use at the right time and for specific products. For example, the sale of ice cream must be done through direct marketing that is, from producer to consumer.

No. 5. The steps in designing questionnaire for marketing research are:

Guidelines to support questionnaire design are shown as a series of 10 steps below:

Specify the information

Specify the type of interviewing method
Determine the content of individual question

Overcome the respondent's inability & unwillingness to answer

Choose structure of questions.

Choose wording of questions

Arrange the questions in proper order

Identify the form and layout

Reproduce questionnaire

Eliminate problems of pilot testing

6. Types of questions that a marketing researcher can include in a questionnaire include:
   (i) Closed ended question, (ii) Open ended question, (iii) Multiple choice questions, (iv) Counter check question, (v) Ranking question, (vi) Scale question, (vii) Two way question

7. Questionnaire coding system

After the survey has been conducted, coding of questions is next, and it is the use of numbers associated with the question responses to facilitate data entry during data analysis. The primary objectives of coding are to represent possible response with a unique number because numbers are easier and faster to enter into a computer file.

Two Ways by which Coding the Questionnaire are Considered:
   1. The way a variable has been measured in the research instrument.
   2. The way you want to communicate the findings about a variable to your client or reader.

The coding of raw data involves four steps:
   1. Developing a code book.
   2. Pre-testing the book.
   3. Coding the data.
   4. Verifying the coded data

However, generally, Excel Spreadsheet should be used; giving every variable a name. The name must begin with a letter, six to twelve character are reasonable. Assign numbers to categories. Each variable will be put into a column. All surveys should include a preface statement explaining that the questionnaire is for a class project.

Nos. 8 & 9. Methods available to administer questionnaire; the advantages and disadvantages of each are:
   (i) Mail Questionnaire:

Here, questionnaire is mailed to pre-selected potential respondents. There is no verbal interaction between the researcher and respondents in the process. There may be an initial contact; but it must be accompanied by a covering letter.

Merits:
1. Speed of contact is assured.
2. It is costly.
3. Quality of response is not guaranteed.
4. Interview bias could be avoided.
5. Data quality is relatively reliable.
6. Contacting certain target groups—requires users

Demerits:
1. It is not easy to cover the sampling frames
2. Access to the web—penetration of household business is low.
3. Technical problem

(ii) Telephone Survey:
This is seen as a semi-personal method of eliciting information through the use of telephone.

Advantages of Telephone Survey:
- High response rate is assured.
- Relative low cost
- It can reach a large number of respondents in a short time

Disadvantages of Telephone Survey:
- No opportunity to observe people's manner and countenance.
- It is highly impersonal
- Reluctance to discuss sensitive topics

(iii) Internet Survey:
An internet survey is a questionnaire posted on a website that is self-administered by the respondent. The questions are displayed on the screen and the respondents provide answers by clicking on icon; keying in an answer or highlighting a phrase. Internet survey offers more flexibility, greater interactivity, personalization, automatic skip patterns & visual appeal. Internet survey is used to answer at a time and place convenient to each respondent.

Merits:
1. Geographical constraint is removed and time constraints are lesser.
2. It offers the opportunity for re-contacting participants at a later date to either revisit issues or to introduce them to modifications on materials presented initially.
3. People from all over the world can participate in the survey and the client can observe the group from the convenience of home or office.
4. The internet enables the researcher to reach segments that are usually hard to survey e.g. doctors, lawyers, working mothers.
5. Moderators may also be able to carry on-line conversations with industrial respondents, probing deeper into interesting areas.
6. As there is no traveling involved, video tapping or facilities to arrange, the cost is much cheaper and faster to conduct.
7. Data collected can be analyzed speedily, almost in real time.

Demerits:
1. Only people that have and know how to use a computer can carry out survey online.
2. Body language, facial expression and home of voice cannot be obtained.
3. There is lack of general control over respondent’s environment and their potential exposure to disturbing external stimuli.

(iv) Personal Interview:
Though, it is the best, but costly and time consuming. How a market researcher can submit the designed questionnaire to pilot survey:
This is testing the questionnaire on a small sample of respondents in order to identify and eliminate problems in the best question. This type of survey is small in size, varying from 10 to 20 respondents depending on the heterogeneity of target population. Basically, it focuses on collecting either secondary or primary data and using an unstructured formal or informal procedure to interpret them. It involves the following:
- pilot surveying should always be done.
- all aspects of the questionnaire should be tested including question content, wording, sequence, form, layout, relevancy or difficulty in question interpretation.
• The respondents in the pilot testing should be similar to those who will be included in the actual survey.
• Begin with testing by using personal interviews
• Use protocol analysis and briefing to identify problems.
• After each significant revision of the questionnaire, another pilot testing should be conducted, using different sample of respondents.
• Responses obtained from the pilot testing should be coded and analyzed.
• Faults undiscovered by pilot survey are 4 in all
  (i). Lack of generalizability, (ii). Inability to distinguish small differences
  (iii). Lack of reliability and viability, (iv). Difficulty finding well trained investigator or observer.

No. 11. Methods of probability are: A probability sampling method is any method of sampling that utilizes some form of random selection. In order to have a random selection method, you must set up some process or procedure that assures that the different units in your population have equal probabilities of being chosen. In another way, probability sampling is one in which every unit in the population has a chance (greater than zero) of being selected in the sample, and this probability can be accurately determined. The combination of these traits makes it possible to produce unbiased estimates of population totals, by weighting sampled units according to their probability of selection. The methods are:

(i) Simple Random Sampling. The simplest form of random sampling is called simple random sampling. Here’s the quick description of simple random sampling:
  • Objective: To select n units out of N such that each \( \binom{N}{n} \) has an equal chance of being selected.
  • Procedure: Use a table of random numbers, a computer random number generator, or a mechanical device to select the sample.

(ii) Stratified Random Sampling, also sometimes called proportional or quota random sampling, involves dividing your population into homogeneous subgroups and then taking a simple random sample in each subgroup.

(iii) Systematic Random Sampling
Here are the steps you need to follow in order to achieve a systematic random sample:
  • number the units in the population from 1 to N
  • decide on the n (sample size) that you want or need
  • \( k = \frac{N}{n} \) = the interval size
  • randomly select an integer between 1 to k
  • then take every kth unit

(iv) Cluster (Area) Random Sampling
The problem with random sampling methods when we have to sample a population that's disbursed across a wide geographic region is that you will have to cover a lot of ground geographically in order to get to each of the units you sampled. Imagine taking a simple random sample of all the residents of North Western states in order to conduct personal interviews. By the luck of the draw you will wind up with respondents who come from all over the states. Your interviewers are going to have a lot of traveling to do. It is for precisely this problem that cluster or area random sampling was invented. In cluster sampling, we follow these steps:
  • divide population into clusters (usually along geographic boundaries)
  • randomly sample clusters
  • measure all units within sampled clusters
The four methods we’ve covered so far -- simple, stratified, systematic and cluster -- are the simplest random sampling strategies. In most real applied social research, we would use sampling methods that are considerably more complex than these simple variations. The most important principle here is that we can combine the simple methods described earlier in a variety of useful ways that help us address our sampling needs in the most efficient and effective manner possible. When we combine sampling methods, we call this **multi-stage sampling**.

12. **Non-probability** sampling methods in the use of marketing research are:

(i) Convenience sampling, (ii) Judgmental sampling, (iii) Quota sampling, (iv) Random Walk sampling, (v) Snowball sampling.

**No. 13.** Short notes on the following:

(a) Laboratory shop technique:

In this testing procedure, the researcher attempts to stimulate a shopping environment by setting up, for example a supermarket, shopping shelves with real brands, respondents are shown advertising copy and make actual brand choices. It is based in a mock store or display unit with penetration or repeat factors being estimated by computer modeling. At their simplest levels, a sample of representative users of the type of product is shown a new product, if the test brand is chosen, it can be taken home, if not respondents can be given it to simulate a sampling exercise. After the product is used at home for a specified time, respondents are called to another interview where they are all given opportunities to buy the test brand with their own money.

Ideally a laboratory shop should be a retail outlet used entirely for the purpose of testing consumers’ acceptance of products and their behavior towards new forms of packaging, special offers, price variations, advertising, etc. In practice, a shop used purely for testing purposes, would have an artificial atmosphere and be difficult to operate commercially; so such research is limited to certain products within a normal retail outlet. For instance, a firm may arrange with the shop-owner to have a special display of its products for a week or fortnight, with free samples, demonstrations, special offers, etc, while researchers interview the customers to find out their likes and dislikes concerning the brand and its different areas to have any value. As it will only cover a small sample of potential buyers; a great deal of valuable information can be obtained at a fairly low cost.

**Product testing technique**

This test is an examination of somebody’s knowledge of a product. Products can be tested but are more frequently tested against one or two other brands. Likely questions are: how often they are used, in what way, and how likely would buyers purchase a product like this, if it is made, etc? Product testing entails a whole sequence of related events, from the idea stage, screening of concepts, and development of potential new products viability and organization of consumer evaluative tests. Product testing is therefore a means by which the value of a product to a customer is determined in advance.

The purpose of product testing is to:

1. Uncover product shortcomings.
2. Evaluate commercial prospect.
3. Evaluate alternative formulations.
4. Uncover the appeal of the product to various minute segments
**Market testing technique:** Market testing is not the same as test marketing. It is a process that helps to find out how particular markets react to your products and to assess its future potentials. It is testing of goods or services in a market bearing in mind classes of customers, patronage structures, and policies guarding the management of the market. Some areas of the country are considered better barometers of demand than others, because the tastes of a particular area for certain products seem to resemble those of the whole country. Markets are not same; markets chosen for fast foods should be such places that enlightened people who are so busy in offices and those who care for healthy food in-take stay. Typical markets must be representatives of the areas where that such product is in demand. Some markets are used as the ultimate test of demand for a product, because consumers there are slow to accept a new brand or product. In this case, the researcher is expected to harvest the following favourable or unfavourable behaviours regarding his products: (i) market, (ii) pricing, (iii) positioning, (iv) promotional, and (v) people.

14. Classification of measurement scales are;

- Nominal scale
- Ordinal scale
- Interval scale
- Ratio scale

**Nominal scale**
- A simple system of assigning numbers to events or order to label them.
- Eg assignment of numbers to basketball players to identify them.
- Order is of no consequence...have no quantitative value.
- Provide convenient ways of keeping track of people, objects and events.
- Example:
  - Males = 1, Females = 2
  - Sales Zone A = Akowonjo Sales Zone B = Okokomaiko
  - Drink A = Pepsi Cola, Drink B = 7-Up, Drink C = Mirinda

**Ordinal scale**
Placements events in order.
- Used in research related to qualitative phenomena.
- Eg as in ranking a student in his academic performance (from highest to lowest scale).
- More precise comparisons can be made
- Examples:
  - Career Opportunities = Moderate, Good, Excellent
• Investment Climate = Bad, inadequate, fair, good, very good

• Merit = A grade, B grade, C grade, D grade

A problem with ordinal scales is that the difference between categories on the scale is hard to quantify, i.e., excellent is better than good but how much is excellent better?

**Interval scale**

• An interval scale is a scale that not only arranges objects or alternatives according to their respective magnitudes, but also distinguishes this ordered arrangement in units of equal intervals (i.e. interval scales indicate order (as in ordinal scales) and also the distance in the order)

• Interval scales can have an arbitrary zero.

• Primary limitation is the lack of true zero.

• For eg increase in temp from 40°F to 50°F is same as 60°F to 70°F.

but the ratio of two temp 40°F and 80°F means nothing due to the lack of absolute zero.

➤ Examples:

➤ Consumer Price Index

➤ Temperature Scale in Fahrenheit (32 degree is the ice melting point

Interval scales allow comparisons of the differences of magnitude (e.g. of attitudes) but do not allow determinations of the actual strength of the magnitude

**Ratio scale**

• Have an absolute or true scale of measurement.

• For e.g. zero point on a centimeter scale indicates the complete absence of length or height.

• A kind of comparison which is not possible in case of an interval scale.

• All statistical techniques can be used and all manipulations that can be carried out with real numbers.

• Examples:

  • Money
  • Weight
  • Distance

  • Temperature on the **Kelvin Scale**

Interval scales allow comparisons of the differences of magnitude (e.g. of attitudes) as well as determinations of the actual strength of the magnitude.
<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of batteries</td>
<td>4200</td>
<td>4410</td>
<td>4322</td>
<td>4106</td>
<td>4311</td>
<td></td>
</tr>
<tr>
<td>2-yr moving average</td>
<td></td>
<td>4305</td>
<td>4366</td>
<td>4214</td>
<td>4209</td>
<td></td>
</tr>
<tr>
<td>4-yr moving average</td>
<td></td>
<td>4260</td>
<td>4287</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exponential smoothing method</td>
<td></td>
<td>4368</td>
<td>4331</td>
<td>4151</td>
<td>4279</td>
<td></td>
</tr>
<tr>
<td>$\alpha = 0.8$</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

16. $F_{t+1} = \alpha A_t + (1- \alpha)F_t$

$F_{t+1} = \alpha A_t + F_t - \alpha F_t$

$F_{t+1} - F_t + \alpha F_t = \alpha A_t$

$A_t = F_{t+1} - F_t + \alpha F_t$

17. Some of the numerous reasons why marketing research is needed in business are:

1. If marketing is the engine that drives the firm, then marketing research is the process that keeps the engine tuned.
2. Classical marketing research, gathering data about goods and services. The emphasis on marketing research is on the identification and satisfaction of customer needs.
3. In order to determine customer needs and the implement marketing research is aimed at satisfying those needs, marketing managers need information about. They need data about customers, competitors, and other forces in the market place.
4. The task of marketing research is to assess the data needed and to provide management with relevant, accurate, reliable, valid, and current data.
5. Marketing research gives a firm the confidence to enter the market that competitors considered too risky, and to seize a lucrative opportunity.
6. Marketing research has been used to hasten the introduction of successful new products and services to the market place.
7. New ideas and concepts have been screened before businesses make huge investments in plant and material on products which consumers would not support by the aid of marketing research.
8. Product formulations have been improved by means of consumer input through various marketing research techniques.
9. The marketing research professional of the future will use information from many different areas to assist decision makers at the highest levels within the organization to plan and manage the firm's activities.
10. Marketing research has kept the marketing engine well tuned and in the future, it will be called upon to pull information from all sectors of the firm to assist management grow the value of the enterprise.
11. In order to be considered a full-service firm in the future, marketing research firms will be required to hire and train professionals from academic areas, such as Change management, Industrial Psychology, Finance that are not currently represented in the firm.
12. Marketing research focuses and organizes marketing information. It ensures that such information is timely.
13. Marketing research provides what you need to reduce business risks.
14. Marketing research spots problems and potential problems in your current market.
15. Marketing research identifies and makes profit from sales opportunities.
16. Marketing research gets basic facts about your marketing to help you make better decisions and set up plans of action.
17. Marketing research helps a firm to know the nature of its product.
18. Marketing research helps to pay to promote the product.
19. Marketing research aids to know the price charged to potential customers.
20. Marketing research helps firms to know the means used to make the product available to them.

18. Marketing Research is very wide. It comprises the following sub-research areas:
   - Customer research
   - Price audit
   - Sales research
   - Distribution research
   - Advertising research
   - Product research
   - Packaging research
   - Media research
   - Motivation research
   - Banking, insurance and other financial institution research.

19. Format for Writing Marketing Research Report:

The following outline is a suggested format for writing the marketing research report:

- Cover page, showing the market study, Client’s name and the Agency.
- Title page, indicating the summary of the market study.
- Executive Summary of contents
- Table of contents
- List of tables
- Executive summary

Executive summary is the first thing your clients and readers of your business plan see. It should be the last part of the business plan you write. The purpose of the executive summary of the business plan is to provide your clients/readers with an overview of the business plan. Therefore, your business plan's executive summary will include summaries of:

- a description of your company, including your products and/or services
- your mission statement
- your business's management
- the market and your customer
- marketing and sales
- your competition
- your business's operations
- financial projections and investment directions.
- The executive summary will end with a summary statement, a “last kick at the can” sentence or two designed to persuade the readers of your business plan that your business is a winner.

Chapter I: Introduction
Chapter II: Review of Performance

Chapter III: Methodology

Chapter IV: Market Data Presentation, Analysis and Interpretation

Chapter V: Summary of Findings and Conclusion

Chapter VI: Recommendations (Investment Direction)

20. **Characteristics of a well defined Marketing Information System (MIS)**
1. It is or should be interactive, i.e. the system should allow analysis rather than merely retrieval of information
2. It should be cost effective. It should be based on a careful evaluation of how the system will contribute to more cost effective marketing decision
3. It should be based on careful appraisal and analysis of the decision making requirements of marketing decision
4. It should be designed so that it would be user friendly
5. It is carefully planned and constructed to achieve the maximum pay-offs for the organization within specified goods
6. Total network of contacts with the environment and sources of relevant events are built effectively into the system
7. The flows of materials are directed to the areas of need where new information can help managers to effectively resolve or minimize problem