

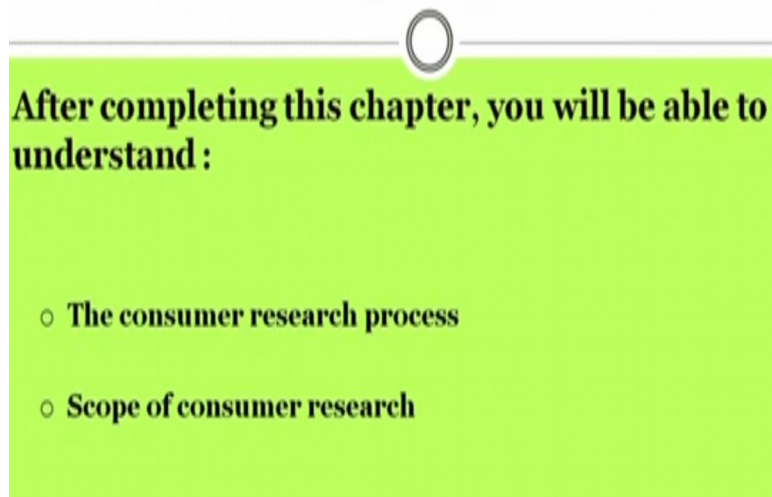
Consumer Behaviour
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Lecture - 40
Dimensions of Consumer Research

Welcome we are in the last module that is the 40th module of consumer behavior and in this module we will briefly discuss how to conduct research (00:38) consumer behavior.

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Chapter Goals



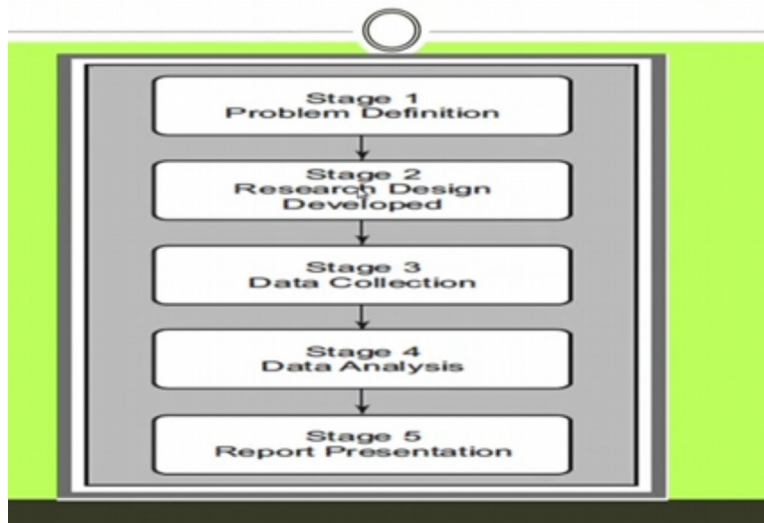
After completing this chapter, you will be able to understand :

- **The consumer research process**
- **Scope of consumer research**

So here after completing this particular chapter or module you will be able to understand the consumer research process and the scope of consumer research.

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The Consumer Research Process



So we first talk about, this is the research process, 5 stage research process which we will discuss that is the Problem definition, Research Design, Data collection, Data analysis and Report presentation. So we first try to see what are the scopes of doing consumer research and from where we have to define the problem.

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SCOPE OF CONSUMER RESEARCH

Products and Their Development

All aspects of product development, idea generation or concept testing, production, launch or post-launch decisions call for an extensive consumer research.

The scope is first the products and their development. So all Aspect of product development like Idea generation, concept testing, production, launch, post launch decisions call for an extensive consumer research. For example, if you want to develop a new product, so you may come up, you know all the engineers may come up with many kind of ideas about the product. Now, from all these ideas you have to boil down to a particular design which you will actually produce.

But for that you have to make some analysis how you have discard it the other ideas and you have selected a particular idea. A Specific analysis like conjoint analysis helps to do that.

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SCOPE OF CONSUMER RESEARCH

Identifying the Target Market

This involves identifying the customer groups which are to be catered. It is important to understand the features of the target market in terms of the following questions:

- Why do they purchase certain products or services?
- What is their present pattern of purchasing behaviour, from whom do they buy, and why?
- What kinds of benefits do they seek from the products they buy?
- What are their attitudes and opinions, and how are consumer tastes, and thus needs and wants, shifting?

Therefore, information is sought about changes in fashion and lifestyle which may in turn influence consumer purchase patterns.

You move on to identifying the target market, this involves identifying the customer groups which are to be catered. It is important to understand the features of the target market in terms of say, why do they purchase the certain product? What are the underlying reasons? Why behaving in a particular? Why people are buying online? Why people are buying offline? So all these things, what kind of benefits they seek from the product.

Like washing machine, are they are using it as to wash clothes or there using it as a lassi maker. So what are their Attitudes, opinions and how the customer tastes and needs and wants, shifting. So for you know to understand the lifestyle trend, attitude, motivation of the customer for everything actually we have to conduct some kind of research.

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SCOPE OF CONSUMER RESEARCH

Analyzing the Market

The third important area, where consumer research may be conducted is to analyze the size, shape, and characteristics of the target market. Most of the researches in this area are conducted to answer the following questions:

- What kind of the demographic and psychographic framework does the target market have?
- How is the framework getting changed over the timeline?
- What are the implications of such change to the marketing strategy formulation?

And this is the analysis of the market part for which also we request some kind of research that what are the demographic and psychographic framework in which the target market is operating, how what are the changing trends in the demographics, psychographics and what are the implications of such changes in marketing strategy formulation.

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SCOPE OF CONSUMER RESEARCH

Distribution of Product

Consumer research in this area is primarily targeted to find out the following:

- The available locations and possible opportunities for distributing a product.
- Present methods of distributing products, and possible alternatives and comparatively better methods.

Distribution of the product, consumer research is again an area primarily targeted to find out the following. The available locations and possible opportunities for distributing a product, Present methods of distributing the products, and possible alternatives and comparatively better methods.

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SCOPE OF CONSUMER RESEARCH

Suitable Sales and Promotion Methods

This aspect involves assessing the following issues:

- Which are the most appealing methods of selling and promoting products to the target customers?
- What should be the optimal coverage and frequency of a media advertisement of the products?
- Are the commercials viewed by right audience or the promotion has resulted into unnecessary exposures?
- What types of media should be used to reach to the desired audiences?
- Does the product require any celebrity endorsement? If so, which celebrity persona would be appropriate to match with the brand characteristics?

You also try to find out suitable sales and promotion methods by research and they are the issues which we mainly address or which are the most appealing methods of selling and promoting the products to the target customers or teaser campaigns more effective or the sales promotion most effective or advertising most effective one, should we go for a nontraditional mode of promotion or should we go for a traditional mode of promotion.

What should be the optimal coverage and frequency of media advertisement? Shall we go for a prime time slot, shall we go for an afternoon slot where, are the commercials used by right audience, are the promotion has resulted in necessary exposures. I am talking about a detergent, why to promote it during the football match. No issues know, during the football match mostly it is better to promote masculine products more at that time or other brands like motor cycles.

And many other things we can promote at that time. We can also promote cold drinks and all this at that time, but Surf Excel at that time may not really create any impact because audience you know the uses of Surf Excel at that time may not we watch in football. It is best place to position Surf Excel or any other detergent during the shows in serials which mostly the female or the ladies of the house watch more.

So this cannot be typecast but however this is a common practice which we are saying. Then what type of media they are exposed to, some people they are vivid readers. For example, you

want to target the very busy executives, who are very frequently travelling in the aircraft. Swagat kind of magazine which is Air India magazine or jet privilege, jet magazines and all those magazines, the airlines magazine can be of your best use.

So does the product require any celebrity endorsement? If so, which celebrity's persona would be appropriate to match with the brand characteristics, so which means here we are trying to match the celebrity's personality with the brand characteristics?

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Step 1: Problem Definition

- **The first step in any marketing research project is to define the problem.**
- **While defining the problem, the researcher must take a careful note of the purpose of the study, the pertinent background information, and exactly what the researchers want to find out.**
- **Problem definition engrosses discussion with the decision makers, interviews with industry experts, analysis of secondary data, and perhaps some qualitative research, such as focus group interviews.**
- **Only when the problem has been accurately defined, the research can be designed and conducted properly.**

So therefore it could be many, this is only a few which I have highlighted here, but there could be many actually. Ok many kind of problems which may has to be addressed. So therefore we come to these steps now. The First step as we discussed is the problem definition. So we come to that first. So we say that while defining the problem, the researchers must take a careful note of the purpose of the study that is the pertinent background information exactly what the researcher wants to find out.

I will give you one very small example say United Aam Admi Bima Yojana this is a very lucrative health insurance policy for the poor because the insurance policy amount is very less and they get a considerable coverage out of it. Product design is very nice, government provides lot of subsidy also but it was found that the penetration was not so high, now then what is the

reason behind it? So if you just define that the product was not doing, product is not doing well, what is the reason behind it? We may end with so many reasons.

So we have to here boil down to certain aspects. Was there any problem in target market selection? No, it is understood that there are lot of BPL population or APL population and they are prone to different diseases also. They sell their sales to you know cover up the medical expenditures. So therefore the need wise or the target segmentation select wise there was no problem. Now then what is the problem?

Is there any problem related to the product itself, is the premium too high? No, the premium was also not again too high. So then what is the other thing, so we have to (()) (07:58) in this way. What are the prevailing things, what is the paying capacity of this kind of customers initially, so is the product design the problem? No then we move to the second one, okay then is the premium structure a problem? May or may not be.

Is the premium structure is not the problem then whether there is any kind of promotional issues which could be highlighted, or is the product actually reaching to the customer before that they evaluate on the basis of price or they evaluate the product is good or bad for that first the product has to reach to them. Has the product reached to them? So if I start asking me the question like this and go for a secondary research and start picking up from previous reports.

I may end up with understanding that there may be some problem that the product might not be reached them. So my research area the problem definition would be, now in this case how to make the product that is the, this particular Aam Aadmi Bima Yojna reachable to the customers. So if I can find out these have new probably my why it is not get penetrating that problem could be solved.

If I can find out why it is not reaching to the customer, so which means now I am focusing on the promotion and distribution aspect as such. So this is how from a broad area of problem you have to actually narrow down your object if this is how you define the specific problem. And this may

require some discussion with the industry experts, it may require some analysis which I said analysis of secondary data.

You may not have any secondary data also, there in that case you go interviews and focused on interview to the respondents and by that you can gain some knowledge you can go for in-depth interview to some few respondents, I am trying to find out what would be the probable area of problem. So from there you have to define here such problem very accurately.

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Step 2: Development of an Approach to the Problem

- This step involves developing the theoretical background, identifying the research questions, forming the hypotheses, etc.
- This process is conducted primarily by discussions with management professionals or by referring to the existing case studies or pilot survey.
- This step may be considered as the ground work for formulating research design.

Then is once you have determined ok this is my problem that why the product, why this insurance product is not reaching to the customer. So this is my problem then the second step has to be developing an approach to the problem. So this steps involves developing the theoretical background, identifying the research questions, forming the hypothesis etc. So what are this theoretical background means?

What are the earlier researches which has happened in this area if any? I will sort down what are the parameters which they have noted and try to test whether these are applicable in the kind of target group I am also working or not. Secondly research questions, what could be the research questions in this case. See I am talking about only about the rich, so in rich I will talk about whether this was promoted to these people or not.

Are the people aware about this or not, second I have to check that whether the agents have reached to them or not. Whether I am using only traditional you know mode of insurance distribution that is the agents or I am using any other mode of insurance distribution there, will the other mode of insurance distribution will be more effective. So all these you know I can frame as my research questions.

Then the processes conductor primarily by discussion as I said, I can discuss with the management professional, I can see the case studies, previous case studies, previous Research reports and I can also conduct a pilot study for that. So this is a state which we considered as the ground work for formulating the Research Design.

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Step 3: Research Design Formulation

Research design is a skeleton or outline for carrying out the consumer research project. It comprises of the following elements:

- ***Secondary data analysis***
- ***Identifying sources for primary data***
- ***Methods of collecting quantitative data (survey, observation, and experimentation)***
- ***Sampling plan***
- ***Scale design and formation of questionnaires***
- ***Plan on analytical tools***

Now we come to the most important part of the consumer research that is the research Design formulation. Now in Research Design formulation this is a skeleton first we go for secondary data analysis this is the established reports, from the report for example we want to understand the consumer brand based equity of some Indian hospitals then what are the dimensions we should look into.

So we will see that maybe improve quality of the hospital, maybe the brand awareness of different hospitals, maybe the brand image of different hospitals may play a role to select the, to

enhance the brand equity of that hospital. There could be some other things also to select an Indian hospital, maybe the infrastructure of the hospital is another parameter.

So these are the things which I may derive from theory which means the earlier researches they have already analyzed it, so I can go through several papers particularly the recent papers to identify what could be the movable areas where I should consider to build up a brand equity. Similarly, for this insurance case which I was saying that I have to see what could be the other.

What could be the promotional media which has been traditionally used by different insurance companies, what are the hindrance, then what could be the possible things which the companies has not thought, so what are the impacts of using those media like maybe the social workers or NGO workers in this process or may be community based models in this process, so what in earlier, are they any case studies like this and what are the outcomes of this.

Of course there are several this kind of (()) (13:30) is there then Jawahar scheme is there and there are so many schemes which are SEWA is there community based health insurance scheme there also having VimoSEWA which is formed by self employed women's Association in Gujarat. So there are several communities based schemes also. So we can try to find out which mode is the best one, so we can do this if you find out from the secondary data analysis which mode is the most suitable one.

Then you identify what are the sources of the primary data, from where can we collect data, which of the areas, who should be our customers from which geographic locations we will collect, then methods of collecting should, we collect by survey, observations, experimentation which may we want to collect. Because survey is like filling up questionnaire kind of observation maybe like I am just observing a person and writing an observation report everyday like a diary.

And then maybe after one month I will see how the person has behaved over a month. Now, there is experimentation, experimentation is often used in our research or advertising research where in the laboratory research you can put some respondents in front of computer and you can

see how they are responding to different kind of acts. Before and after how their opinions are differing or what is the perception about the ad.

So that is an experimentation framework you can create. Then comes another important part that is the sampling plan, now sampling plan consists of actually 4 major elements. First is what type of sampling we are going to use. There are several types of sampling, some probabilistic sampling technique is there, some non-probabilistic sampling technique is there, now probabilistic sampling technique or like random sampling.

You can select anybody from the population. Now there could be a study for random sampling, which means I am defining an income class or I am defining a geographical section from where I will be selecting customers so which means, but within the geographic like rural, within rural I am selecting at random, so which will or a particular income group within that I am selecting at random.

So which means I am defining a strata but within that strata I am selecting at random. Then comes systematic random sampling, which means kind of maybe every 5th respondent you are serving or every 10th house you are serving like that. Then there could be some kind of non-probabilistic sampling technique, non-probabilistic means first is a convenience sampling whomsoever you feel you are comfortable to get data from, so you are serving them but this can result in too much of error.

So only in the pilot data you can use this or for qualitative research you can use otherwise, not very much advisable. Judgmental sampling where the researcher use their own judgment though it is also a type of convenience sampling because researcher will identify the samples based on his convenience, but he will use on judgment to select the sample, because the person is likely to buy an insurance or he may requires an insurance, what is his propensity to element.

So may be the propensity to the element is the judgment, which I am putting here as a barrier to select anybody as my respondent in this case. So, there could be some quota sampling in the same way, male, female quota you can select, this percentage female, this percentage male, there

could be multiphase sampling also. Multiphase sampling like, first I may select some geographical area then within that geographical area.

I may further select some rural areas in that those geographical area, in those rural areas I may see that the places, where the customers are, where the literacy level is slightly higher, so all these data I have to get from the secondary research and accordingly I can go for a multiphase sampling also. So this is all about the sampling types then comes about your sampling unit, whom are you going to survey, the farmers, the artisans, the maid servants, whom are you going to survey for this particular Aam Aadmi Bima Yojana.

So you please list out the types of people or the units whom you are going to survey, the head of the family or anybody in the family. So those things has to be clarified, this is the sampling unit. Then is sample size how many customers you are going to survey. There are definite formulas for sample size determination, I am not going in that details because it is not in our session. So but based on the requirement you can actually use different formula to find out the exact sample size required depending on the extend of rescission level (()) (18:26).

After sampling size, you have to decide on the extent of the sampling, which areas you are going to collect your data from. After the sampling plan, it is your next part that is your scale design and formation of your questionnaires, what question to ask. So from the literature or from focused group interview or from in depth interview you can do a content analysis to find out the items and the context, you know, which you need for the test, so that way you Design a scale.

After you design a questionnaire, then you can plan for the analytical tool. Because see, what analytical tool again depends on what is my intention. In my Intention is new I want to see the, you know, new product development part like, which should be the optimal characteristics or features of my new product. So for that I may go for a conjoint analysis. I want to go for market segmentation say motorcycles then I can go for cluster analysis.

I may want to know the underlying factors behind the failure of my product. I may go for a factor analysis for that. Ok, if I say I want to go for I want to see that I mean which kind of political

campaign of which party is more effective. Which is more effective? So to know that I may, which means that I want to see that how many customers are likely to vote to Hillary Clinton or some how many customers are likely to vote to Trump.

So if I want to see this I may go for a discriminate analysis which may give me a clear understanding that which kind of customer are likely to vote Mrs. Clinton and which kind of customer are likely to vote Mr. Trump. So this depends on what kind of analysis I will do that depends on what I want. I may want to find out the relative importance of different attributes. So in that case, I may go for analytic hierarchical process also to find out, you know, relative important so there could be many.

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Step 4: Field Work or Data Collection

- The data collection step requires a field force.
- The field force may directly operate in the field, as in the case of questionnaire-based survey and personal interviewing (in-home, mall intercept, or computer-assisted personal interviewing).
- They can also conduct survey from an office by telephone or by online surveys using google docs, etc.
- Apposite selection, training, supervision, and evaluation of the field force may minimize data-collection errors.

Then I may, I have to go for the data collection phase. In data collection phase, you know, if it is a questionnaire based survey then you can actually go to the field and collect the data personally interview in home, mall intercept you can do, computer based personal interview. You can send to the contacts over online, Google docs and all those things. Telephonic interview is also sometimes done but and the supervisor has to, you know look after, so that there is minimization in data collection error.


Now one thing you should understand here is that, there could be different ways of Data Collection. Researcher himself may collect the data but if it is a big research like Hindustan

Unilever a very big organization they want to collect mass data, so in that case, they may ask for freelancers, they have given it to the market research agency, they may resort to freelancers but the freelancers usually they need to be get monitored also.

Freelancers are those people those who get per day basis they get some amount or per questionnaires they are paid. And they go out to the field and get questionnaire filled up by the respondents.

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Step 5: Data Preparation and Analysis



- Data preparation primarily involves data editing. Data editing includes removal of several redundant data and thereafter, coding, transcription, quality control, and validation of data.
- Each questionnaire or checklist is thoroughly inspected or edited and, if necessary, corrected. Thereafter, numeric coding is done for each response received through the questionnaire.
- Data validation ensures the accuracy and fitness of the data for further statistical analysis.
- The researcher interprets the data and reaches to certain conclusion by several data analysis tools.
- Normally, while dealing with a single measurement of the sample units, the univariate techniques are used for analysis. On the other hand, multivariate techniques for analyzing the data are used depending on the statistical principle of multivariate statistics, which involves observation and analysis of more than one statistical variable at a time.

After you get that data then you how to go for data editing because lot of missing values would be there, you can edit those, then you have to code that then there could be redundant data also. Then there could be, then you have to code it, transcribe it, quality control it, judge the reliability of the scale, there are several reliability techniques then you have to judge the validity of the scale also.

There are ideally, you have to judge the abstract validity of the scales like convergent and discriminate validity of the scale. Now each questionnaire is actually an order checklist that has to be thoroughly inspected and edited, if necessary it has to be corrected. After validity or reliability, if it is not performing the reliability test and you may have to go for a second data collection after that.

If it is a qualitative data, you have to convert it into the numeric one, when you have to see that what kind of coding you will do. Data validation as I have said and then the interpretation of the data and if you are dealing with a single measurement of Sampling unit like say age or any purchase items of something. So if you are dealing with one single measurement then you can go by univariate techniques.

But in market research particularly when you are talking about consumer research, I really as I have said that price is not the only determinant of consumer decision making, there could be many. So if while you are talking about many determinants, so in that case, you may have to actually go for multivariate data analysis technique, which is like regression factor analysis, cluster analysis and all structural equation modeling all these for analyzing your data.

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Step 6: Report Preparation and Presentation

Usually research reports are structured in the following sequence:

- Preface
- Executive summary
- Contents
- List of figures and tables
- Introduction
- Theoretical background
- Problem definition
- Research design
- Data analysis
- Discussion on findings
- Recommendations
- Conclusion
- Appendices
- Bibliography

After you have analyzed your data then you have to prepare your report and presentation. So this is the sequence of writing any consumer research report. First, you have to write the preface why you are, which context you have started doing this research and then the executive summary of the entire research, then you have the content list, list of figures and tables, then you write the introduction, in introduction you have basically have to contextualize the problem.

In this case, I was saying that why this insurance policy has not been penetrating in the rural masses? So if that is my question, then how do I arrive to this question and how do I say that

from that to up to rich. I have said why it is not penetrating and secondly I am saying that after analyzing that product, price on this literature, then I have finally said that I will judge, why it has not reached the customers.

Therefore, so that is the, you know, the introduction part I have to write in the zest that and then the theoretical background I have to elaborately do the literature review and justify what I have said in the introduction section. Define the problem then the research design, which I have already mentioned the details about that, then the analysis of the data, then discussion on the findings.

And then after the findings, what your recommendation like if you have identified why it is not reaching to the customer, maybe because of the traditional model may not work, community based model might be better choice, so you can give those recommendations and finally conclude. In conclusion, what you have to do is you have to start that what was your objective of the research.

And then how you, what kind of findings you have got and what is the outcome or your conclusion from that findings that you will write followed by appendices, where you will actually put the figures and tables and this bibliography, this is a list of the references of the Literature which you have referred to. So this is in short the consumer decision making process and this completes our course of consumer behavior. Thank you.