

Seminar 4.

Marketing research in pharmacy. Research methods

Main issues to be discussed at the seminar:

1. Marketing research. Definition. Marketing research in the marketing management framework.
2. Purpose, objectives, subject, objects and functions of marketing research.
3. Main directions of marketing research.
4. Characteristics of the marketing research process.
5. Marketing research plan
6. Types of marketing research.
7. Marketing research methods.
8. Situational analysis in marketing.
9. Marketing synthesis.
10. Marketing information system.

Marketing research is the systematic determination of the range of data needed in connection with the marketing situation facing the company, their collection, analysis and reporting of the results.

Identifying problems and formulating research goals

In the first step, the marketing manager and the researcher must clearly define the problem and agree on the objectives of the study. The market can be researched on hundreds of different parameters, but such information collection is too expensive, so if specific benefits are expected from the research data, then it must be directly related to the problem facing the company and requiring a solution.

After this, the manager must formulate the objectives of the study.

These goals could be:

- 1) **search and** provide for the collection of some preliminary data that sheds light on the problem, and possibly helps to develop a hypothesis;
- 2) **descriptive and** provide, for example, a description of certain phenomena;
- 3) **experimental** and involving testing a hypothesis about some cause-and-effect relationship, for example, that a decrease in price will cause an increase in turnover.

Selection of information sources

At the second stage, it is necessary to determine the type of information the customer is interested in and the most effective ways to collect it. The researcher may collect primary or secondary data or both.

Primary data is information collected for the first time for a specific purpose.

Secondary data is information that already exists somewhere, having been collected previously for other purposes.

COLLECTION OF PRIMARY DATA. To collect primary data, it is best to develop a special plan that requires a preliminary plan of action regarding research methods, research tools, sampling plan, ways of communicating with the audience.

COLLECTION OF SECONDARY DATA. Research usually begins with the collection of secondary data. They include internal (profit and loss statements, reports on previous research) and external (publications of government agencies, periodicals, books, services of commercial organizations), and other sources.

Secondary data serves as the starting point of the study. They have the advantage of being cheaper and more accessible. However, the information the researcher needs may simply not be available. In this case, it will be necessary to collect primary data at a much greater cost of money and time.

There are three ways of collecting primary data, namely **observation, experiment, survey**.

Observation is a method of collecting primary data where the researcher directly observes people and situations.

Experimental research requires selecting comparable groups of subjects, creating different environments for these groups, controlling time components, and establishing the degree of significance of observed differences. The purpose of such research is to reveal cause-and-effect relationships by eliminating conflicting explanations for observational results.

When properly controlled, this method provides the most convincing data. Marketing managers can rely on the conclusions of an experiment to the extent that its design and execution exclude alternative assumptions that could also explain the results.

A **survey** is somewhere halfway between observation and experiment. Observation is best suited for exploratory research, experiment is best for identifying cause-and-effect relationships, while survey is most suitable for descriptive research. Surveys are conducted to obtain information about people's knowledge, beliefs and preferences, their level of satisfaction, as well as to measure the strength of their position in the eyes of the audience.

Drawing up a sampling plan.

A **sample** is a segment of the population intended to be representative of the population as a whole. The marketing researcher must develop a sampling plan that ensures that the population selected is adequate to meet the objectives of the study. To do this, you need to make three decisions:

First: who to interview? The answer to this question is not always obvious. The researcher must decide what information he needs and who is most likely to have it.

Second: how many people need to be interviewed? Large samples are more reliable than small ones, but a researcher does not necessarily need to survey more than 1% of the population to get accurate answers.

Third, how should sample members be selected? To do this, you can use the random sampling method. You can select them based on their membership in a particular group or category, such as age group or residence in a particular area. Or the selection may be based on the researcher's intuition that these individuals might be good sources of information.

How to contact sample members? By phone, by mail or through a personal interview? All methods are useful, but depending on the goals set for us.

Telephone interviews are the best method for gathering information as quickly as possible. During the interview, the interviewer has the opportunity to clarify questions that are unclear to the interviewee. Three main disadvantages of telephone interviews: you can interview only those with whom you have a connection, the conversation should be short in time and not be too personal, and a relatively low number of possible respondents.

A **mailed questionnaire** may be a better means of contacting individuals who either will not agree to a face-to-face interview or whose responses may be influenced by the interviewer. However, postal questionnaires require simple, clearly stated questions, and the return rate and response rate for such questionnaires is usually low. The exception is E-mail, where the response speed is almost instantaneous.

Personal interview is the most versatile of the three survey methods. The interviewer can not only ask more questions, but also add his own personal observations to the results of the conversation. The personal interview is the most expensive of the three methods and requires more extensive administrative planning and supervision. There are two types of personal interviews: individual and group.

Individual interviews involve visiting people at home or at their place of work or meeting them on the street. The interviewer must secure their cooperation, and the conversation itself can

last from a few minutes to several hours. In some cases, the interviewee may be given a small gift as compensation for their time spent.

A *group interview* involves inviting 6-10 people for several hours to talk with a specially trained interviewer about a product, service, organization or some other marketing problem. The presenter must be highly qualified, objective, knowledgeable of the topic and industry in question, and the ability to understand the specific dynamics of group and consumer behavior. Otherwise, the results of the conversation may be unhelpful or misleading. Interviewees are usually paid a small monetary reward for participating in the conversation. The conversation usually takes place in a pleasant atmosphere. The facilitator encourages a free and relaxed exchange of views between the interviewees in the hope that the dynamics of group behavior will reveal their true feelings and thoughts. The statements are recorded manually or using a voice recorder and then studied to try to understand how, for example, consumers make purchasing decisions. Group interviews are becoming one of the main marketing research tools to gain a deeper understanding of the thoughts and feelings of consumers.

Characteristics of research tools.

When collecting primary data, marketing researchers have a choice of two main research instruments, which are questionnaires and mechanical devices.

Questionnaire is the most common research tool for collecting primary data. In a broad sense, a questionnaire is a series of questions to which the respondent must answer. A questionnaire is a very flexible tool in the sense that questions can be asked in many different ways. The questionnaire requires careful development, testing and elimination of identified shortcomings before its widespread use.

The most common mistakes are asking questions that cannot be answered, that people will not want to answer, that do not require an answer, and the absence of questions that should definitely be answered. Each question needs to be tested in terms of the contribution it makes to achieving the results of the study. Questions that are simply of idle interest should be omitted, since they delay the procedure and get on the interviewee's nerves.

The form of the question may affect the answer. Questions can be **open** or **closed**. And depending on these questions, there are also two types of questionnaires: **open and closed**. A **closed question** includes all possible answer options, and the respondent simply selects one of them. An **open-ended question** is structured in such a way that it gives respondents the opportunity to answer in their own words. Open questions are posed in a variety of forms. Open-ended questions are especially useful at the exploratory stage of research, when you need to determine what people think without measuring how many of them think in a particular way. On the other hand, answers to closed questions are easier to interpret and tabulate. Questions should be tested before widespread use.

Sequence of questions also requires special attention. The first of these should, if possible, arouse the interest of the respondents. Difficult or personal questions should be asked at the end of the interview, before the interviewees have time to withdraw into themselves. Questions should be asked in a logical sequence. Questions that classify respondents into groups are asked last because they are more personal in nature and less interesting to the respondents.

Stages of marketing research

Collection of information

Once you have developed your research project, you need to collect information. This is typically the most expensive and most error-prone phase of the study. There are four major problems that arise when conducting surveys. Some respondents may not be at home or at work, and attempts to contact them will have to be repeated. Others may refuse to participate in the survey. Still others may respond biased or insincerely. And finally, the interviewer himself may be biased and insincere.

When conducting experiments, researchers need to be careful to ensure that experimental and control groups match each other, not to influence participants by their presence, to give instructions in a completely uniform manner, and to ensure that all other conditions are met.

Analysis of collected information

The next stage of marketing research is to extract the most important information and results from the totality of the data obtained. The researcher summarizes the data obtained in tables. Based on these tables, indicators such as frequency distribution, average levels and degree of dispersion are derived or calculated. Then the researcher, in the hope of obtaining additional information, processes the obtained data using statistical techniques and decision-making models used in a marketing information analysis system.

Presentation of the results obtained

The researcher should not overwhelm marketing managers with the number and sophistication of the statistical techniques he uses. This will only confuse managers. It is necessary to present the main results needed by the company's management to make major, urgent marketing decisions. Research is useful when it helps reduce the uncertainty faced by marketing professionals.

Situational analysis

Situational analysis is a set of methods that help determine a company's place in the surrounding business environment, identify its strengths and weaknesses, and find the features of the product that affect business development.

The task of situational analysis is to create a conditional report on where, from a marketing and business point of view, the company is located in the general economic space, where it can move, and how to scale it. A set of analyzes will help you figure out where to invest resources in the first place and what you should be wary of from competitors and the environment.

Situational analysis includes several subtypes of marketing and economic analyses, all of which ultimately help create a large report for creating a company development strategy.

Here are some key methods:

- ✓ PEST analysis - study of the external environment affecting business;
- ✓ SWOT analysis - assessment of the company's strengths and weaknesses;
- ✓ SPACE analysis - analysis of the strategic position and assessment of the company's actions;
- ✓ competitor analysis - studying competitors, clarifying the competitiveness of a particular company, identifying dangerous factors that affect competition.

Methods used to obtain data

The format of the study depends on the type of specific analysis. The main methods include:

- Descriptive - the company owner or top managers fill out questionnaires in which they describe the features of the business and their own feelings. This approach is used, for example, in SWOT analysis.
- Survey - to obtain data, a survey is conducted among the target audience of the business. Moreover, data can be collected both using the existing customer base and among potential customers.
- Expert - to conduct marketing research, a special agency is hired, which collects and systematizes data using all possible methods. Agency representatives interview top executives, survey clients, and receive information from various external sources, for example, from government statistics agencies or surveys of industry experts and analytical agencies.

In order to study competitors, the following indicators are compared:

- Product: its quality, range, attractive packaging.
- Customer service: customer service upon purchase, warranty service, return option.

- Price: cost compared to a competitor, availability of discounts, payment terms, opportunity to get a loan.
- Marketing: promotion options, advertising, personal selling, automated sales, other sales promotion methods.
- Sales: number of sales channels, ease of access to sales for the buyer, number of sales partners.

A similar assessment matrix needs to be compiled for all competitors. After that, highlight a list of strengths and weaknesses and conduct analytics - what changes need to be made so that in six months or a year the situation in the company will improve.

SWOT is a method by which the features of a product and external influences on it are studied. For each company product you need to fill out a table consisting of four blocks.

- Strengths (product strengths). Here you can write down the competitive advantage of the product, the connections of the company founder, and special competencies in the team. That is, what makes a business stand out.
- Weaknesses (weaknesses of the product). Describe the negative features of the product or business. For example, heavy debt load, the need for large ongoing support costs, special requirements for personnel and, accordingly, the difficulty of hiring.
- Opportunities (opportunities that the external environment offers). These are market trends, legislative relaxations, government support, bankruptcy of major competitors.
- Threats (threats in the external environment). At this point, you need to take into account factors that could potentially harm the product. For example, a market decline, special political decisions, a production crisis.

SWOT analysis does not require the use of any special economic or marketing tools - such tables can be compiled by the head of the company based on independent analysis.

External factors, both threats and opportunities, must be sought in legislation, market research, the actions of competitors, the discovery of new technologies, and social trends.

To analyze internal factors, they study staff behavior, ask employees for their opinions, conduct customer surveys, and look at sales data.

PEST analysis is a method for studying the external, or macro, environment. It is used to assess market trends and list threats and opportunities for the company. Sometimes PEST analysis is a component of SWOT analysis, but usually in marketing research it is a separate market research tool.

To conduct a PEST analysis, you need to answer four sets of questions.

1. P - political factors

This block describes the political and legal environment of business. They are studying the legislative framework that they plan to develop and adopt in the coming years. Look at the trends in the industry in which the business operates. Perhaps the state plans to exert greater control over processes, tighten certification and licensing requirements, or limit advertising opportunities. There will likely be new hiring rules that give preferences to certain categories of employees.

In this block, you need to study the general level of government intervention in the industry where the business operates. Experts describing the political environment try to predict relations between countries if they affect the scope of the company's work.

2. E - economic factors

The head of the company needs to independently or with the involvement of experts make a forecast on several parameters characterizing the state of the economy.

- Study the dynamics of the economy and the market in particular - is it in a recession or growth stage?
- Forecast changes in exchange rates with which your business operates.
- Estimate the unemployment rate the market will reach in a few years.
- Study changes in inflation and real incomes of the population.

- Find out the trends in the banking industry: will they develop credit offers, expect to work with businesses, or are they trying to develop at the expense of individuals?

3. S - socio-cultural factors

In this block, experts try to make a forecast about the demographic state of business consumers, the level of education of the population, and the skill level of the future workforce. They also find out trends in changes in fashion, mentality, tastes and preferences of the audience.

The purpose of this block is to understand how the cultural and social characteristics of the market will affect the market.

4. T - technological factors

It is necessary to study the latest trends in the development of the IT and engineering sector related to the company's industry. Understand what new discoveries and startups will have an impact on the market: what will be automated, what services will change key technologies and mechanics of production and sales.

This block studies innovations that will help a company compete effectively in the market. Experts understand technologies that are just beginning to be widely used in the industry.

There is an extended type of PEST analysis, when two more blocks of questions are additionally considered. In the legal block, experts understand the legal environment of business - they study legal acts that legislators at various levels plan to adopt in the coming years. The environmental block clarifies the degree of the company's impact on the environment and potential problems due to this. The modified method is relevant for companies whose activities are particularly dependent, respectively, on the legal framework or the impact on the environment.

SPACE analysis - it is necessary to evaluate four groups of factors, each parameter is given a score from 0 to 6. The assessment is carried out either by the manager himself, or by experts and market analysts.

1. Factors of environmental stability (ES). These are the rate of inflation, the stability of demand, the price range of market competitors, the presence of technological changes, competitive pressure and obstacles to the entry of new players into the market.

2. Factors of industrial potential (IS). This includes growth and profit potential, financial stability, the level of technological development of the industry, and the degree of use of resources by the company. In addition, the productivity of the company's possible capacities is assessed.

3. Drivers of Competitive Advantage (CA). These are market share, quality of the final product, customer loyalty, and capacity utilization by competitors.

4. Factors of financial strength (FS). This block assesses financial dependence, liquidity, return on investment, required capital, availability of capital, and ease of exiting the market.

Situational analysis is a set of marketing methods that help determine the company's position in the external environment.

- Conduct a competitor analysis - this will help you determine the overall level of competition in the market and the company's position among rivals.

- Do a SWOT analysis - find out the strengths and weaknesses of the product that the business produces. And find out the opportunities and threats that the external environment presents.

- Order a PEST analysis - using this method, experts collect information about the macroenvironment, the factors of which will influence the development or stagnation of the company in the next 3-5 years.

- Structure all data using the matrix of the company's strategic position - find out what strategy the business adheres to and in what direction the enterprise should move.

Collect data for situational analysis using a cumulative method: hire experts, conduct interviews with current and potential clients, record the feelings and opinions of business leaders. Draw conclusions, build hypotheses and test them. Based on the results of experiments, implement best practices.

Marketing synthesis - the stage of putting forward marketing goals , reflecting the general short-term and long-term goals of the enterprise, their clear formulation, determination of the qualitative and quantitative aspects of future **marketing** activities.

Marketing synthesis includes:

- ✓ setting goals;
- ✓ assessment of goals;
- ✓ hierarchy of goals.

A marketing information system is a system for collecting and processing marketing information. **A marketing information system** includes the methods, personnel, equipment, and programs used to obtain, analyze, and evaluate data.

Complete, reliable and up-to-date information allows you to make informed and effective decisions. Results **of the marketing information system** used to:

- ✓ develop a marketing strategy ;
- ✓ identify problems and weaknesses in the company's work;
- ✓ find opportunities for development and growth points;
- ✓ evaluate the effectiveness of current activities and decisions made;
- ✓ manage relationships with clients and partners;
- ✓ increase profits and save employees time on routine tasks.