



Certified Market Research
Analyst
Sample Material

V-Skills Certifications

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1. MARKET RESEARCH

1.1. Introduction

Use of marketing research has grown continuously over the past fifty years, since managers painfully learned the cost of market ignorance. The modern managers must have knowledge of its method and how to use it profitably. Before defining marketing research let us determine research.

- ✓ Research always starts with a question or a problem.
- ✓ Its purpose is to find answers to question through the application of the scientific method.
- ✓ It is a systematic and intensive study directed towards a more complete knowledge of the subject studied.

Definition

Now let's define our main subject that is marketing research. The systematic gathering, recording, and analyzing of data about problems relating to the marketing of goods and services (As per the American Marketing Association)

Marketing research is the function which links the customer, customer and public to the marketer through information used to identify and define marketing opportunities and problems; generate, refine and evaluate marketing actions; monitor marketing performance; and improve understanding of market as a process.

Marketing research specifies the information required to address these issues; designs the method for collecting information; manages and implements the data collection process; analyses the results; and communicates the findings and their implications. Research in common context refers to a search for knowledge. It can also be defined as a scientific and systematic search for gaining information and knowledge on a specific topic or phenomena.

Management research is extensively used in various areas. For example, we all know that, Marketing is the process of Planning & Executing the concepts, pricing, promotion & distribution of ideas, goods, and services to create exchange that satisfy individual & organizational objectives. Thus, we can say that, the Marketing Concept requires Customer Satisfaction rather than Profit Maximization to be the goal of an organization. The organization should be Consumer oriented and should try to understand consumer's requirements & satisfy them quickly and efficiently, in ways that are beneficial to both the consumer & the organization.

This means that any organization should try to obtain information on consumer needs and gather market intelligence to help satisfy these needs efficiently. This can only be done only by research.

“Research comprises of defining and redefining problems, formulating hypothesis or suggested solutions; making deductions and reaching conclusions; and at last carefully testing the conclusions to determine whether they fit the formulating hypothesis”.

On evaluating these definitions we can conclude that- research refers to the systematic method consisting of

- ✓ Enunciating the problem,
- ✓ Formulating a hypothesis,
- ✓ Collecting the fact or data,
- ✓ Analyzing the facts and
- ✓ Reaching certain conclusions either in the form of solutions towards the concerned problem or in certain generals for some theoretical formulation Information used to identify and define marketing opportunities and problems;
- ✓ Generate, Refine, and evaluate marketing actions;
- ✓ Monitor marketing performance; and
- ✓ Improve understanding of marketing as a process. In the nut-shell we see that Marketing research specifies
- ✓ The information required to address these issues,
- ✓ Designs the method for collecting information,
- ✓ Manages and implements the data collection process,
- ✓ Analyses, Communicates the findings and their implications

Research is a systematic approach to gather information required for sound management decisions.

Characteristics of Research

Systematic Approach: Each step must of your investigation be so planned that it leads to the next step. Planning and organization are part of this approach. A planned and organized research saves your time and money.

Objectivity: It implies that True Research should attempt to find an unbiased answer to the decision-making problem.

Reproducible: A reproducible research procedure is one, which an equally competent researcher could duplicate, and from it deduces approximately the same results. Precise information regarding samples - methods, collection etc., should be specified.

Relevancy: It furnishes three important tasks:

- ✓ It avoids collection of irrelevant information and saves time and money
- ✓ It compares the information to be collected with researcher's criteria for action
- ✓ It enables to see whether the research is proceeding in the right direction

Control: Research is not only affected by the factors, which one is investigating but some other extraneous factors also. It is impossible to control all the factors. All the factors that we think may affect the study have to be controlled and accounted for.

Research Classification

Research can be classified into two broad categories as

- ✓ Basic research
- ✓ Applied research

Basic research: Basic research sometimes called fundamental research, theoretical research or pure research. It aims at expanding the frontiers of knowledge and does not directly involve

pragmatic problems. The essence of basic research is that it addresses itself to more fundamental question and not to the problems with immediate commercial potential.

Applied research: also called decisional research on the other hand, proceeds with a certain problem and it specifies alternative solutions and the possible outcomes of each alternative. Unlike basic research, it is prompted by commercial considerations.

Applied research can be divided into two categories

- ✓ Problem solving research and
- ✓ Problem-oriented research

Problem solving research: Problem solving research, as the name implies, is concerned with a particular issue or a problem and is usually proprietary in character. The latter characteristics indicate that such a research is undertaken within a firm or by an outside consultant on its behalf.

Problem oriented research: Problem oriented research is concerned with a class of issues or problems in which several firms may be interested. Research of this type usually concerned with conceptual aspects but is oriented towards applied problem.

1.2. Application of Marketing Research

Application of marketing research can be divided into two broad areas

- ✓ Strategic
- ✓ Tactical

Among the strategic areas, marketing research applications would be demand forecasting, sales forecasting, segmentation studies, identification of target markets for a given product, and positioning strategies identification.

In tactical application, we would have applications such as product testing, pricing research, advertising research, promotional research, distribution and logistics related research. In other words, it would be include research related to all the P's of marketing: how much to price the product, how to distribute it, whether to package it in one way or another, what time to offer a service, consumer satisfaction with respect to the different element of the marketing mix (product, price, promotion, distribution), and so on. In general, we would find more tactical application than strategic applications because these areas can be fine-tuned more easily based on the marketing research findings. Obviously, strategic changes are likely to be fewer than tactical changes. Therefore, the need for information would be in proportion to the frequency of changes

The following list is a snapshot of the kind of studies that have actually been done in India.

- ✓ A study of consumer buying habits for detergents-frequency, pack size, effect of promotion, brand loyalty and so forth.
- ✓ To find out the potential demand for ready-to-eat chapattis in Mumbai City.
- ✓ To determine which of the three proposed ingredients- tulsi, coconut oil or neem, the consumer would like to have in toilet soap.
- ✓ To find the effectiveness of the advertising campaign for a car brand.
- ✓ To determine brand awareness and brand loyalty for a branded PC.

- ✓ To find the customer satisfaction level among consumers in choosing a brand cellular phone handset.

As the list shows, marketing research tackles a wide variety of subjects. The list is only indicative, and the applications of marketing research in reality can be useful for almost any major decision related to marketing.

Some Other Application of Marketing Research

Concept Research: During a new product launch, there would be several stages-for example, concept development, concept testing, prototype development and testing, test marketing in a designated city or region, estimation of total market size based on the test marketing, and a national rollout or withdrawal of the product based on the results.

The first stage is the development of a concept and its testing. The concept for a new product may come from several sources

The idea may be from a brain-storming session consisting of company employees, a focus group conducted among consumers, so the brainwave of a top executive. Whatever may be its source; it is generally researched further through what is termed as concept testing.

A concept test takes the form of developing a description of the product, its benefits, how to use it, and so on, in about a paragraph, and then asking potential consumers to rate how much they like the concept, how much they would be willing to pay for the product if introduced, and similar questions.

Product Research: Apart from product concept, research helps to identify which alternative packaging is most preferred, or what drives a consumer to buy a brand or product category itself, and specifics of satisfaction or dissatisfaction with elements of a product. These days, service elements are as important product features, because competition is bringing most products par with each other.

An example of product research would be to find out the reactions of consumers to manual cameras versus automatic cameras. In addition to specific likes or dislikes for each product category, brand preference within the category could form a part of the research. The objective may be to find out what type of camera to launch and how strong the brand salience for the sponsor's brand is.

The scope of product research is immense, and includes products or brands at various stages of the product life cycle - introduction, growth, maturity and decline. One particularly interesting category of research is into the subject of brand positioning. The most commonly used technique for brand- positioning studies (though not the only one) is called Multidimensional Scaling.

Pricing Research: Pricing is an important part of the marketing plan. In the late nineties in India, some interesting changes have been tried by marketers of various goods and services. Newer varieties of discounting practices including buy-backs, exchange offers, and straight discounts have been offered by many consumer durable manufacturers. Most FMCG manufacturers/ marketers

of toothpaste, toothbrush, toilet soap, and talcum powder have offered a variety of price-offs or premium-based offers which affect the effective consumer price of a product.

Price research can delve into questions such as appropriate pricing levels from the customers' point of view, or the dealer's point of view. It could try to find out how the current price of a product is perceived, whether it is a barrier for purchase, how a brand is perceived with respect to its price and relative to other brands' prices (price positioning). An interesting area of research into pricing has been determining price elasticity at various price points for a given brand through experiments or simulations.

Distribution Research: Most marketing research focuses on consumers or buyers. Sometimes this extends to potential buyers or those who were buyers but have switched to other brands. But right now there is a renewed interest in the entire area of logistics, supply chain and customer service at dealer locations. There is also increasing standardization from the point of view of brand building, in displays at the retail level, promotions done at the distribution of products including service levels provided by current channels, Frequency of salespeople visits to distribution points, routing/transport related issues for deliveries to and from distribution points throughout the channel, testing of new channels, channel displays, linkages between displays and sales performance.

Advertising Research

The two major categories of research in advertising are:

- ✓ Copy
- ✓ Media

Copy Testing: It include research into all aspects of advertising-brand awareness, brand recall, copy recall (at various time periods such as say after recall, week after recall), recall of different parts of the advertisement such as the headline for prints ads, slogan for TV ads, the star in an endorsement and so on. Other application include testing alternative ad copies (copy is the name given to text or words used in the advertisement, and the person in the advertising agency responsible for writing the words is known as the copy writer) for a single ad, alternative layouts (a layout is the way all the element of the advertisement are laid out in a print advertisement) with the same copy, testing of concepts or storyboards (a storyboards is a scene-by-scene drawing of a TV commercial which is like a rough version before the ad is actually shot on film) of TV commercials to test for positive /negative reactions, and many others.

A particular class of advertising research is known as Tracking Studies. When advertising campaign is running, periodic sample surveys known as tracking studies can be conducted to evaluate the effect of the campaign over a long period of time such as six month or one year, or even longer. This may allow marketers to alter the advertising theme, content, media selection or even longer. This may allow marketers to alter the advertising theme, content, media selection or frequency of siring /releasing advertisement and evaluate the effects. As opposed to a snapshot provided by a one-time survey, tracking studies may provide a continuous or near continuous mechanism. But here, one should be careful in assessing the impact of the advertising on sales, because other factors could change along with time.

Media Research: The major category under this category is research into viewership of specific television programmes on various TV channels. There are specialize agencies like A.C. Nielsen worldwide which offer viewer ship data on a syndicated basis (i.e., to anyone who wants to buy the data). In India, both ORG-MARG and IMRB offer this service. Research could also focus on print media and their readership. Here again, readership surveys such as the National Readership Survey (NRS) and Indian Readership survey (IRS) provided syndicated readership data.

Media research can also focus on demographic details of people reached by each medium, and also attempt to correlate consumption habits of these groups with their media preference. Advertising research is used at all stages of advertising, from conception to release of ads, and thereafter to measure advertising effectiveness based on various parameters,

Limitation of Marketing Research

Now let's have a look on the limitation of marketing research. You would be surprised that how a helping hand has limitations. As marketing research can be extremely rewarding to a firm, it is wise to know that it is subject to certain limitations. One must be aware of these limitations in advance so that one is clear about what marketing research can and cannot do.

- ✓ Marketing research tends to be fragmentary in its approach as a result of which it becomes difficult to have an overall perspective in which a marketing problem is to be viewed and studied.
- ✓ Marketing research is criticized on the ground that it becomes too superficial and faculty in industry. While the principles of marketing research are good and based on scientific lines, in industry, marketing research is very often used by those who have had no formal training in the subject. Such person avoids using detailed investigations and sophisticated techniques which require both time and patience on the part of marketing researchers.
- ✓ There is an absence of a meaningful dialogue between the marketing management and the marketing research team. As a result, marketing researchers get divorced form the main stream of marketing. This denies them any opportunity to test their finding in the practical marketing situation.
- ✓ Marketing research is not an exact science. There are several imponderables which come in the way of getting accurate results. For example, consumer behaviour is an area which is rather elusive and the theory does not go very far in disclosing it very precisely. Analytical tools of marketing research are still deficient and cannot give us a precise idea, especially on the behavioural aspects.

1.3. Marketing Research Management

With the increasing use of marketing research these days, it is being realized that it is a complex task and has to be properly managed if optimum results are to be obtained. Accordingly, the management of marketing research, has assumed considerable importance nowadays.

Would you tell me what is research management?

Blankenship and Doyle provide a very lucid answer to this question:

Research management concentrates on direction and administration of the processes, projects, personnel, finances and agencies engaged in research. Its duties include seeing that the research design is right for the task and that the study is carried out properly. It sees to it that the

presentation of results to management is handled properly and that all these activities are administered within a controlled budget. It means that proper research organization has to be set up to handle individual projects and task.

It will be seen that research management includes host of interrelated activities. Thus, the types of research projects to be undertaken, the selection, the selection of research personnel, financing of research manager has to be concerned. He has to ensure that a suitable research design is developed and that the study is carried out on the right lines, according to predetermined schedule and within the budget allocated for the purpose. As these activities are interrelated, if any one of them is not conducted properly, it will have an adverse impact on the other. For example, if a research project is not conducted according to the time schedule laid down earlier, it will increase the cost and make it impossible to complete the project within the allocated fund.

Importance of Research Management

in attaining the As we know that marketing concept is useful objective of integrated marketing, research management is relevant for making marketing research really useful. By superior management is relevant for making marketing research technique can be pulled together and coordinated so that marketing research can be made really effective.

The marketing manager who understands only techniques Each must understand how to put together all the efforts falling within his sphere of responsibility.

From improved marketing research management, a firm can enjoy tow major advantages. These are:

- ✓ Marketing research will be more helpful to marketing management in decision-making, and
- ✓ Marketing research will be more economically and more effectively.

The role of research has greatly increased in the field of business and economy as a whole. The study of research methods provides you with the knowledge and skills you need to solve the problems and meet the challenges of today's modern pace of development. Three factors stimulate the interest in a scientific research to decision making.

- ✓ The manager's increased need for more and better information.
- ✓ The availability of improved techniques and tools to meet this need
- ✓ The resulting information overload

The usefulness and contribution of research in assisting marketing decisions is so crucial that it has given rise to the opening of a new field altogether called 'marketing research'. Market research is basically the systematic gathering, recording and analyzing of the facts about business problems with a view to investigate the structure and development of a market for the purpose of formulating efficient policies for purchasing, production and sales. Research with regard to demand and market factors has great utility in business. Market analysis has become an integral tool of business policy. Once sales forecasting is done, the Master Production Schedule (MPS) and Material Requirement Planning (MRP) can be efficiently done within the limits of the projected capacity based on the MPS Budgetary control can be made more efficient, thus replacing subjective business decisions with more logical and scientific decisions.

Modern industry with its large-scale operations tends to create a gulf between the customer and the manufacturer. Particularly when business is too big and operations are too far-flung, one cannot depend upon casual contacts and personal impressions. Research methodology has been developed as the tool by which business executives keep in touch with their customers. If an entrepreneur has to make sound decisions, he must know who his customers are and what they want. To a certain extent he relies on his salesmen and his dealers to supply him with market information but in recent years, more and more firms executives have turned to research methodology as a medium of communication between the customer and the company.

Marketing research is the link between the manufacturer and the consumer and the means of providing consumer-orientation in all aspects of the marketing function. It is the instrument of obtaining the knowledge about the market and consumer through objective methods, which guard against the manufacturer's subjective bias.

Many Researchers define marketing research as gathering, recording and analyzing of all facts about problems relating to the transfer and sale of goods and services from producer to consumer.

Research methodology is an essential prerequisite for consumer-oriented marketing. It is necessary for developing the marketing strategy where in factors under the control of the organization, viz., product distribution system, advertising, promotion and price can be utilized so as to obtain maximum results in the context of the factors outside the control of the organization viz., economic environment, competitor and laws of land.

1.4. Role of Research

Through research, an executive can quickly get a synopsis of the current scenario, which improves his information base for making sound decisions affecting future operations of the enterprise. The following are the major areas in which research plays a key role in making effective decisions.

Marketing Research

Marketing research is undertaken to assist the marketing function. Marketing research stimulates the flow of marketing data from the consumer and his environment to marketing information system of the enterprise.

Advertising research, packaging research, performance evaluation research, sales analysis, distribution channel, etc., may also be considered.

Research tools are applied effectively for studies involving

- ✓ Demand forecasting
- ✓ Consumer buying behavior.
- ✓ Measuring advertising effectiveness
- ✓ Media selection for advertising
- ✓ Test marketing
- ✓ Product positioning
- ✓ Product potential

Product research focuses on assessment of suitability of goods with respect to design and price. Market Characteristics Research (Qualitative) determines Who uses the product? Relationship between buyer and user, buying motive, how a product is used, analysis of consumption rates, units in which product is purchased, customs and habits affecting the use of a product, consumer attitudes, shopping habits of consumers, brand loyalty, research of special consumer groups, survey of local markets, basic economic analysis of the consumer market, etc.

Size of Market (Quantitative) research involves market potential, total sales quota, territorial sales quota, quota for individuals, concentration of sales and advertising efforts; appraisal of efficiency, etc. Sales research involves analysis of sales records. Distribution research includes channels of distribution, distribution costs. Advertising and promotion research consists of testing and evaluating, advertising and promotion

Production

Production research helps you in an enterprise to decide in the field of production on

- ✓ What to produce
- ✓ How much to produce
- ✓ When to produce
- ✓ For whom to produce

Some of the areas you can apply research are

- ✓ Product development
- ✓ Cost reduction
- ✓ Work simplification
- ✓ Profitability improvement
- ✓ Inventory control

Materials

The materials department uses research to frame suitable policies regarding:

- ✓ Where to buy
- ✓ **MARKETING RESEARCH**
- ✓ How much to buy
- ✓ When to buy
- ✓ At what prices to buy.

Human Resource Development

You must be aware that the Human Resource Development department uses research to study wage rates, incentive schemes, cost of living, employee turnover rates, employment trends, and performance appraisal. It also uses research effectively for its most important activity namely manpower planning.

Solving Various Operational and Planning Problems of Business and Industry

Various types of researches, e.g., market research, operations research and motivational research, when combined together, help in solving various complex problems of business and industry in a

number of ways. These techniques help in replacing intuitive business decisions by more logical and scientific decisions.

Government and Economic System

Research helps a decision maker in a number of ways, e.g., it can help in examining the consequences of each alternative and help in bringing out the effect on economic conditions. Various examples can be quoted such as' problems of big and small industries due to various factors - up gradation of technology and its impact on lab our and supervisory deployment, effect of government's liberal policy, WTO and its new guidance, ISO 9000/14000 standards and their impact on our exports allocation of national resources on national priority basis, etc.

Research lays the foundation for all Government Policies in our economic system:

We all are aware of the fact that research is applied for brining out union finance budget and railway budget every year. Government also uses research for economic planning and optimum utilization of resources for the development of the country. For systematic collection of information on the economic and social structure of the country you need Research. Such types of information indicate what is happening to the national economy and what changes are taking place.

Social Relationships

Research in social sciences is concerned with both - knowledge for self and knowledge for helping in solving immediate problems of human relations. It is a sort of formal training, which helps an individual in a better way, e.g.

- ✓ It helps professionals to earn their livelihood. It helps students to know how to write and report various findings.
- ✓ It helps philosophers and thinkers in their new thin kings and ideas.
- ✓ It helps in developing new styles for creative work.
- ✓ It may help researchers, in general, to generalize new theories.

1.5. Qualities of a Marketing Research Manager

Now we will discuss the qualities of a marketing research manager, because he is the person, who is responsible for the success of marketing research management. A research manager must have some special qualities if he is to do justice to his assignment. To begin with,

- ✓ He must be innovative and always be prepared to look at any problem from a fresh perspective.
- ✓ He must be confident of his skill and knowledge and prepared not only to accept new ideas but also to try them out.
- ✓ He should be well-informed and up-to-date in his own area of specialization. In addition, he should be familiar with recent developments in particular industries, especially the problems faced by them in the marketing of their products.
- ✓ He should also be familiar with the recent trends in research technique and should be prepared to absorb the latest knowledge as much as possible.

Without such an outlook, a research manager will not be able to inspire his team and offer the leadership that is expected of him. Finally, he should have considerable selling skill so that he can

convince the management regarding the accuracy and soundness of the recommendation emerging from his research.

One of the most crucial decisions to be taken by management is whether marketing research should be undertaken and if so, what place is to be assigned to this function. This is an administrative decision which calls for a clear perspective on the part of top management. Even when a decision is taken in favor of the marketing function, a related issue is what budget allocations are to be made to carry out marketing research efficiently. Also, the organization of marketing research activity has to be considered so that management gets the maximum benefit from it.

1.6. Marketing Research Function

First of all, the question arises as to how the marketing research function is to be organized within a firm. It should be noted that the organizational structure for this function will differ according to the type of agency which is handling it. Organizational structure for marketing research function differs according to the type of agency, which is handling it. Thus, a marketing research organization in a manufacturing firm will be different from that in a research or a consultancy firm, as the requirements and emphasis on research will be different. A major difference between a manufacturing firm and a research firm is that whereas in the former, research being one of the several activities is a means to an end, in the latter, research is the only activity and is an end in itself. A research firm has to ensure that research work leads to profit, whereas a manufacturing firm need not be concerned with consideration.

Another point of difference between the two organizations is the degree of emphasis on the practicality of marketing research. Manufacturing firm would normally place greater emphasis on the marketing research findings in the day to day marketing of its products. However this is not the case of marketing research firm as it is not engaged in marketing of any product there are several options for an organization while making the decision for the structure of marketing research function for Example, there could be a marketing research department or cell with a skeleton staff if the marketing research function is not considered very important. Alternatively, the firm may have a well developed department comprising a number of specialists as also the other supporting staff. The specific organization will depend on the requirement of each firm. A firm which has decided to introduce a marketing research function has to decide which of the three options, should be selected:

- ✓ To set up a formalized marketing research department consisting of some full-time specialists whose main responsibility would be to carry out marketing research studies and report the findings to the management,
- ✓ To assign the marketing research responsibility to one or more line or staff executives on a part-time basis, who would have to undertake it in addition to the major responsibility in other sphere, and
- ✓ To assign the responsibility of undertaking marketing research responsibility to one or more line or staff executives on a part-time basis, who would have to undertake it in addition to the major responsibility of undertaking marketing research to an outside individual or an organisation?

In some firms, where a separate marketing information system exists, the marketing research function may form a part of such a system. In such cases, marketing research acts as one of the inputs to the marketing information system.

If the firm has decided to have separate marketing research department, then sufficient freedom should be given to the latter to carry out its tasks. Another aspect that is relevant is whether a large firm should have a centralized marketing research department or whether alternatively each division or operating unit should have its own. The main advantage of the centralized marketing research department is all there will be more effective coordination of marketing research with marketing management. Also, effective control and supervision of research can be ensured. On the other hand, if marketing research is undertaken by each division or operating unit, it will enable researcher to be more knowledgeable about divisional markets and their problems. In addition, such an approach will offer great autonomy to division and operating units in their research activity which will ultimately be beneficial to the firm.

So we can conclude that marketing research plan should be written out in sufficient detail. Before it is finalized, it should be circulated amongst the concerned officials in the company. It should fit into the marketing plan of the company, as it is an important input in it. Although it should be followed and implemented as far as possible, there should be an element of flexibility in it so that certain changes, if found necessary, can be made.

1.7. Hiring Outside Agencies

Many a time, companies do not set up marketing research departments, as they do not have adequate amount of research consultant as and when they feel the need for research. Especially in a country like India, the number of companies having their own marketing research departments is extremely limited. Many 'buy' marketing research from outside. Such companies should know how to select a marketing research agency before sponsoring a research study.

Choice of Research Agency Why hire marketing research?: If a firm does not have persons well-versed in research techniques, it has no choice but to hire the services of a marketing research agency.

When a firm has a separate marketing research department or cell, it may find at a particular point of time that it is fully engaged on certain other studies and, as such, it cannot take up an additional problem, for detailed investigation. In that case too, it has to assign the study to an outside marketing research agency. The firm may find that an outside agency may complete the study faster, at a lower cost as well as with the utmost objectivity. As such it may decide to assign its study to an outside agency

Now the next question to be considered is that how does the firm go about choosing an outside marketing research agency. In developed countries, there are a large number of such agencies which either undertake complete ad hoc research projects or perform one or more specialized services such as drawing a proper sample of respondents, interviewing respondents, or processing data. In all those cases where it is necessary to hire outside agencies, the marketing researcher must be able to evaluate such specialized services.

There are several dimensions which need to be kept in view while selecting an outside agency for conducting Marketing Research. These considerations may be enumerated as below:

- ✓ **Technical Expertise:** The marketing researcher should know who is to undertake the study and what is his proficiency in marketing research. The client firm may find that a research agency is good at basic studies but is not competent enough to undertake complex studies. Some research agencies are poorly staffed and as such they should be avoided.
- ✓ **Objectivity:** The question of objectivity is very important. Outside agencies should be reputable for their objective approach in research projects.
- ✓ **Confidentiality:** The client firm must ensure that the research agency maintains strict confidentiality regarding the project.
- ✓ **Economic Factors:** A client firm may invite research proposals from more than one agency. In such a case, it would choose the most economical agency. However, client firms should not overlook the fact that some agencies are very economical, but at the same time their quality is also poor. Quality should not be compromised.
- ✓ **Timely submission of reports:** The client firm should enquire about the reputation of the research agency especially in relation to its timely submission of reports. Sometimes, outside agencies are quick in taking up assignments from clients but are not so prompt in carrying out the task.
- ✓ **Experience of the Supplier:** The client firm should ascertain the standing of the agency. While general experience is very important, relevant and specific research experience is what should be looked for.
- ✓ **Reputation of the agency:** It is necessary to ensure that the agency has a good reputation. This consideration is important for lending credibility to the research findings. This is of special importance particularly when the client firm intends to use the study for creating an impact.

Since no single agency is likely to be strong on all these considerations, it is necessary that the client firm adopt a reasonable approach in this regard. It should ascertain which of the above criteria are crucial for its research project and then to select an agency.

Advantages of Research Proposals

There are some advantages of getting a research proposal from an outside consulting firm. First, there is fresh thinking on the marketing problem referred to by the company. This is because the outsider's approach is not subject to any constraints, which may be applicable within company. Second, it enables the company to evaluate the research capability of the consulting firm and its reliability. Third, a research proposal is always desirable as it offers some sort of commitment from the consultant to the company. In its absence, there may arise some misunderstanding and differences between the two parties regarding the specifications, time or price. Finally, the research proposal, once approved by the company, becomes a contract, binding both the parties. The company can then turn to other problems, since it is sure that the research will be taken care of by the consulting firm.