

Newsletter

What is the difference between marketing research and market research?



Marketing Research

(alternatively, scholarly research in marketing)

Always seeks to expand the total knowledge base of marketing

For instance:

- To develop a better method to measure trade competitiveness
- To develop a model for understanding factor influencing development of an industry



Market Research

Attempts to solve a particular company's marketing problem (problem-solving)

For instance:

- To identify trade competitiveness of a particular product
- To identify the biggest company of an industry



Conventional marketing consultants provide market research



What is wrong with Market Research?

Nothing is wrong

But when only basic methods are adopted, it can be dangerous.



The most common methods used by the consultants:

- Descriptive analysis (percentage, growth rate, average value, etc.)
- Qualitative analysis (story-telling)



Good

Advantages of these methods:

- It provides a quick overview of a situation
- It's easy to interpret the results in layman's terms



Bad

Disadvantages of these methods:

- It overlooks many aspects i.e. outlier, consistency, competitiveness etc.
- It's more difficult to interpret the results in layman's terms, but it's not impossible



Consequences when you are too dependent on the basic methods:

Campbell's® Souper Combo™ was estimated worth \$68million.

It's so close to Campbell's policy: \$70million threshold level for a new product introduction.

Campbell's® Souper Combo™ was eventually launched, but failed to achieve the target.

What went wrong in their research (or pre-launch test)?

Price, repeat purchase pattern, and packaging graphics weren't tested.

If repeat purchase pattern was taken into account, Souper Combo™ probably would be a \$40 to \$45 million business. Far away from the threshold.

References:

Hodlock, C.L. (2007). Why smart companies do dumb things: avoiding eight common mistakes in new product development. Prometheus Books.
Hunt, S.D. (1983). Marketing theory: the philosophy of marketing science. Richard D. Irwin, Inc.

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