

## THE ROLE OF MARKET RESEARCH INFORMATION IN CORPORATE DECISION MAKING

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**Abstract:** This paper aims at understanding the role of market research information in the corporate decision making process concerning marketing decisions (4Ps). Information is an asset and resource that is essential for decision-makers so that they can define the company's short and long term goals, execute and evaluate them. The whole process can be supported by customized research and retail measurement results.

**Key words:** marketing, research, information, decision making, strategy

### I. Introduction

While marketing forms a connection between a manufacturer or a services provider company and the market, i.e. the set of actual and potential consumers, marketing research creates a link between the consumers, the public and the manufacturers/distributors by using information to define and identify marketing problems and to help with the planning, execution, development and evaluation of marketing actions. It aims at providing the management with data, information and advice as the basis of strategic and tactical decision making. The understanding of the marketing environment is essential for the management in order to be able to define the purpose, the mission, long term objectives, direct goals and operative targets – therefore it takes part in the process of long term strategically and short term tactical decision making.

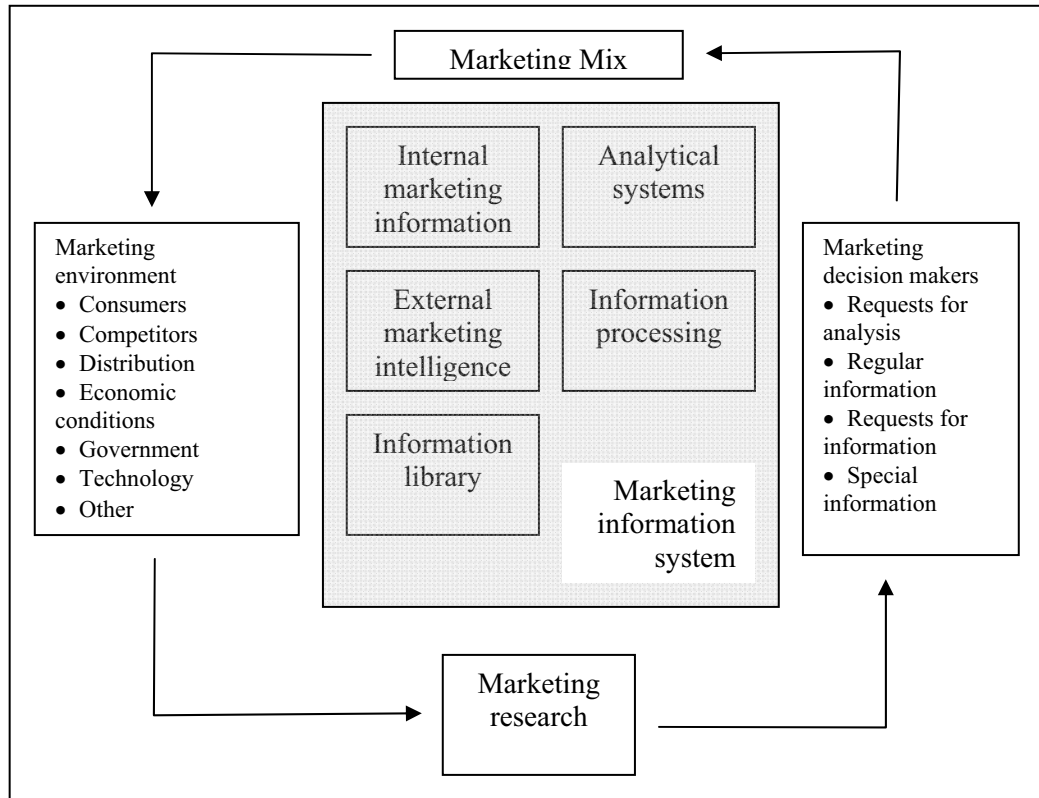
It is necessary to divide marketing research into two main areas based on the focus of the research: customized research aims at exploring the behaviour, opinions and attitudes of the consumers and is carried out mostly on an ad-hoc basis. Retail measurement deals with data and information provided continuously. The source of data here is the actual market place where the exchange takes place and the products finally reach the end consumers, i.e. outlets and stores. Consequently, the two types of market research information answer different questions, though these are only the different aspects of the same problem: how to create value for the customers and gain profit.

### II. The Role of Market Research Information

In order to make decisions on the 4Ps the management requires a complex collection of information, which needs to be organized into a structure that will contribute to the decision making process and from which the information is easily accessible over time (Figure no. 1).

Market research is a process carried out by either the company itself or agencies. Either way it has to outline the relevant pieces of information that are crucial to understand the marketing environment in a way that helps the management make

decisions, only delivering the results and actionable recommendations to them at a topline level, which is user-friendly enough to the decision makers to facilitate fast, effective and efficient decision making.



**Figure no. 1: Marketing research and the marketing information system<sup>5</sup>**

Information provided by customized research and retail measurement helps the management see the same problem from different points of view, they explain the same phenomenon with different tools. Decisions about the 4Ps can be supported by a wider scope of information using the results of both sorts of research as can be seen in Table no. 1.

**Table no. 1: 4Ps and Market Research Results**

	<b>Customized Research</b>	<b>Retail Measurement</b>
Product	<ul style="list-style-type: none"> <li>• Consumer needs' assessment</li> <li>• Niche identification</li> <li>• Consumers' expectations, attitudes towards a certain category/brand</li> <li>• Consumers' behaviour, category purchasing frequency</li> <li>• Brand/product awareness</li> </ul>	<ul style="list-style-type: none"> <li>• Competitors' existing products</li> <li>• Actual market size</li> <li>• Potential sales/shares</li> <li>• Keeping track of long term trends and short term changes</li> </ul>

<sup>5</sup> Marketing: Principles and Practice, p. 126

	<b>Customized Research</b>	<b>Retail Measurement</b>
Place	<ul style="list-style-type: none"> <li>• Purchasing habits</li> <li>• Description of consumers purchasing in certain shop types</li> </ul>	<ul style="list-style-type: none"> <li>• Channel specific strategies, distribution</li> </ul>
Price	<ul style="list-style-type: none"> <li>• Consumers' reservation prices</li> <li>• Relationship between positioning and prices accepted by consumers</li> </ul>	<ul style="list-style-type: none"> <li>• Channel specific pricing</li> <li>• Price comparison between different brands and segments</li> </ul>
Promotion	<ul style="list-style-type: none"> <li>• The role of ATL and BTL marketing in the purchasing process</li> <li>• Promotion awareness</li> <li>• Awareness of trade marketing techniques</li> </ul>	<ul style="list-style-type: none"> <li>• Channel specific promotion strategy/tactics</li> <li>• Evaluation of promotions/promotion types</li> <li>• Identifying the most effective/efficient promotion tools</li> </ul>

### III. Conclusion

Information is an asset and resource that is essential for decision-makers so that they can define the company's short and long term goals, execute and evaluate them. The whole process can be supported by customized research and retail measurement results, which underpin the managements' decisions from the customers' perspective (behaviour, attitudes and opinions) and with recommendations from hard facts and figures received from the actual outlets where the purchase takes places.

The usage of these two sorts of information sources is not an either-or question: the two give an integrated view of the situation, which makes the analysis of the current situation, the definition of the goals and the evaluation of the execution possible.

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