



**SLEZSKÁ
UNIVERZITA**

OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

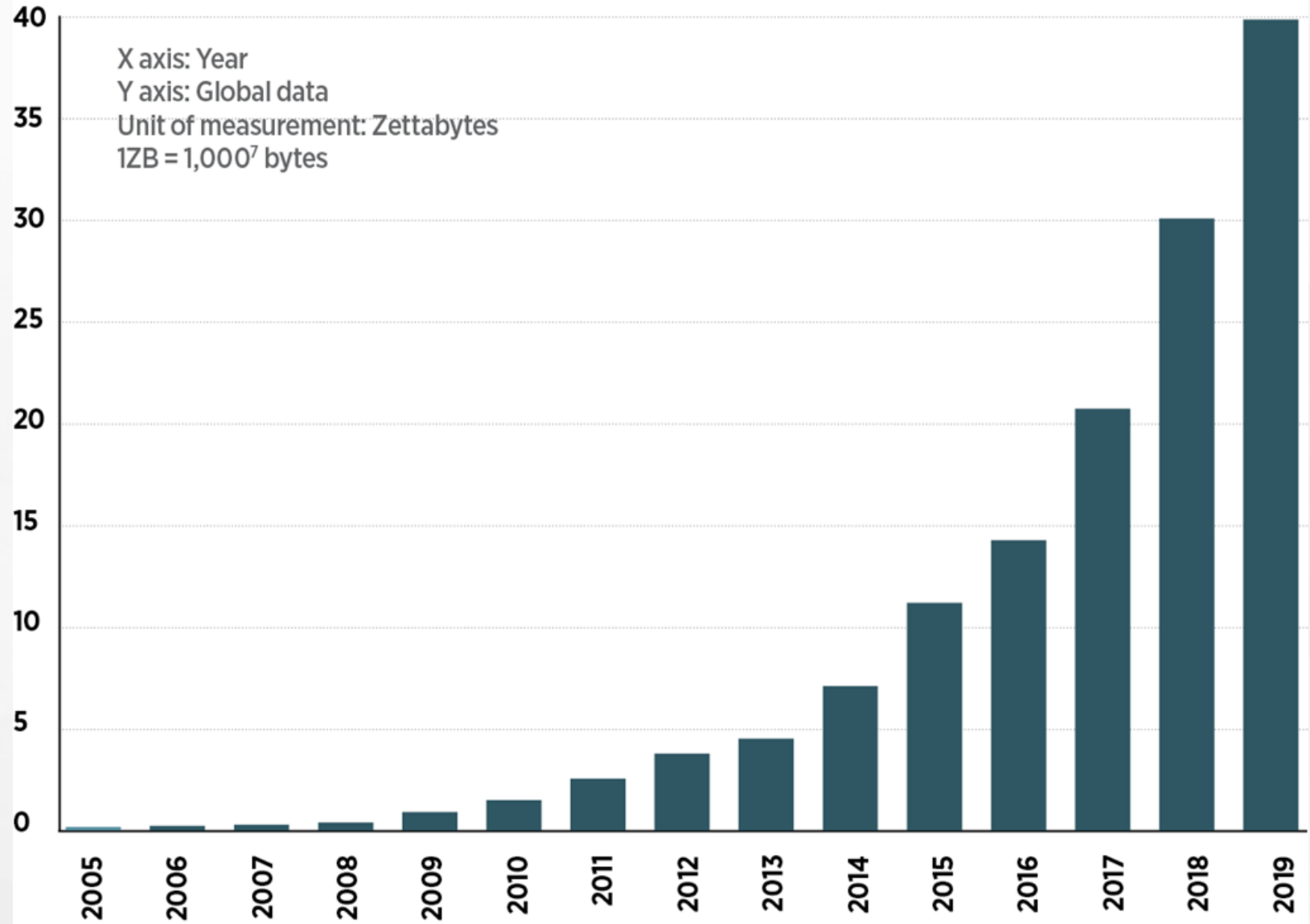
Trade Organizations

Marketing research in retail



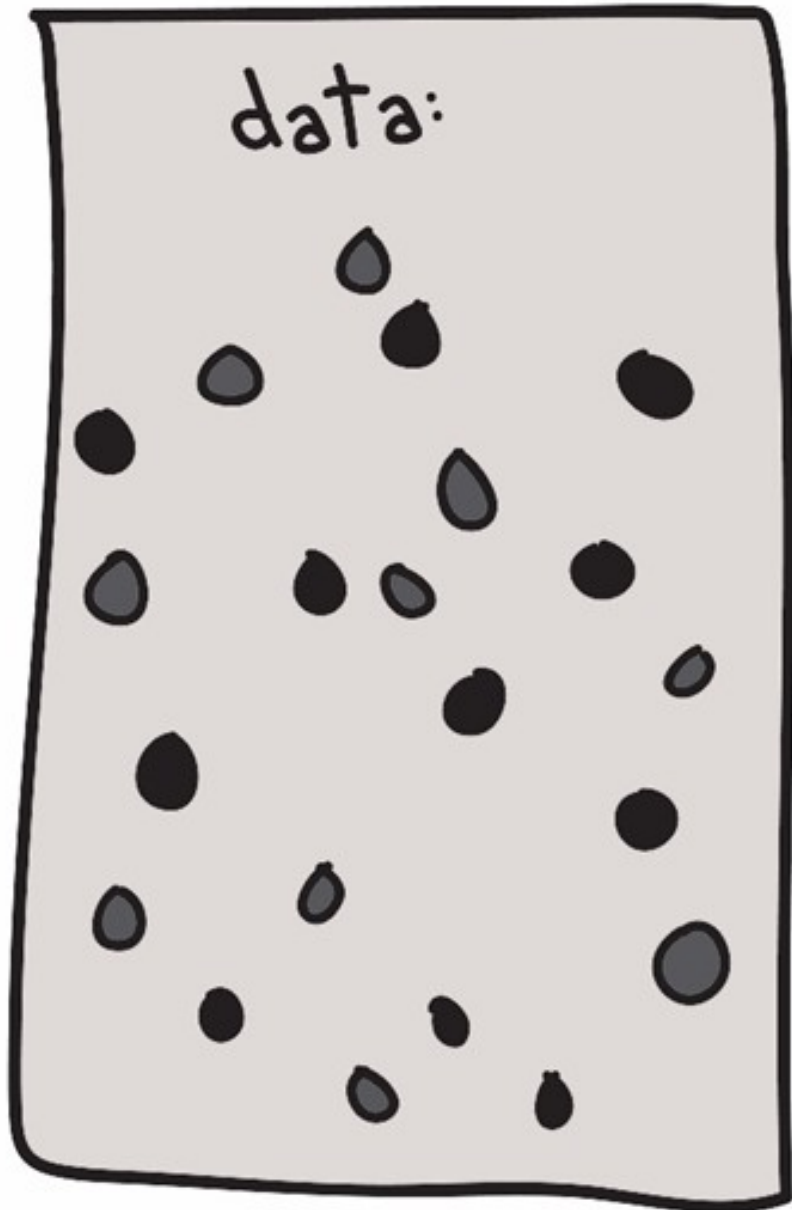
DATA GROWTH

Data,
information,
knowledge



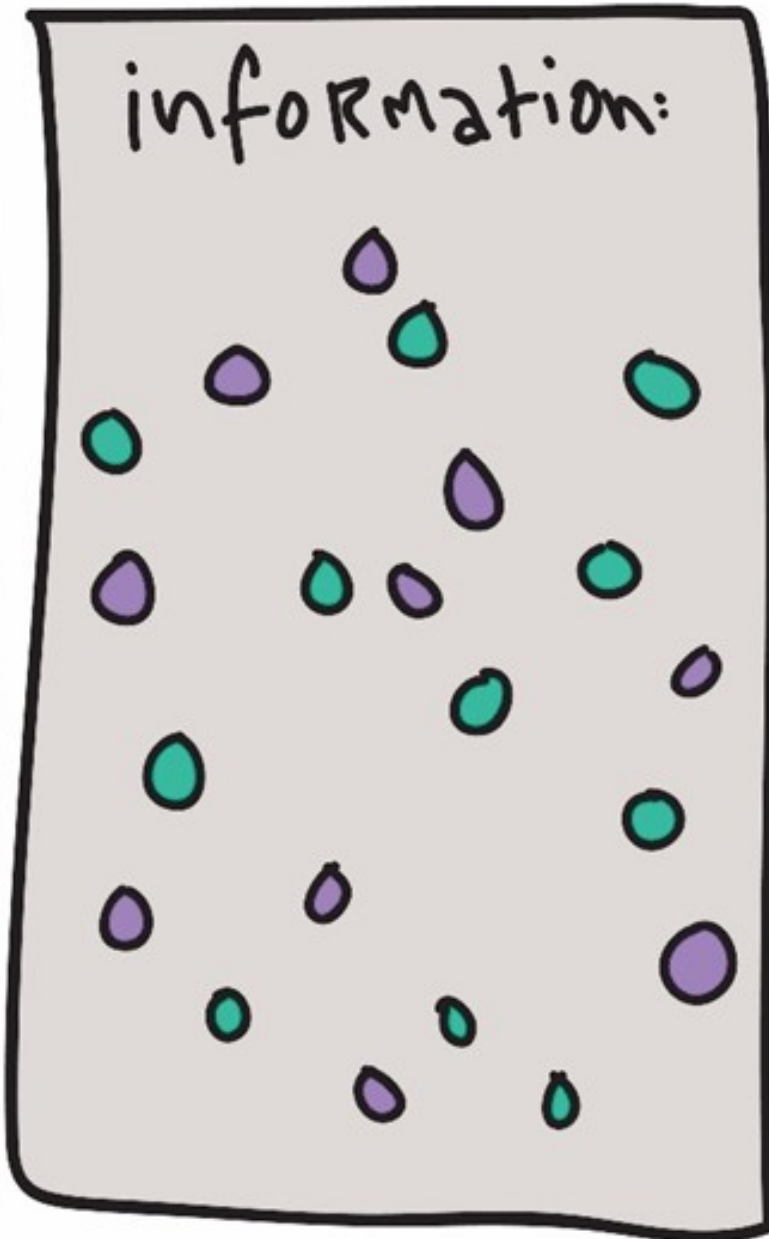
Note: Post-2013 figures are predicted. Source: UNECE

data:



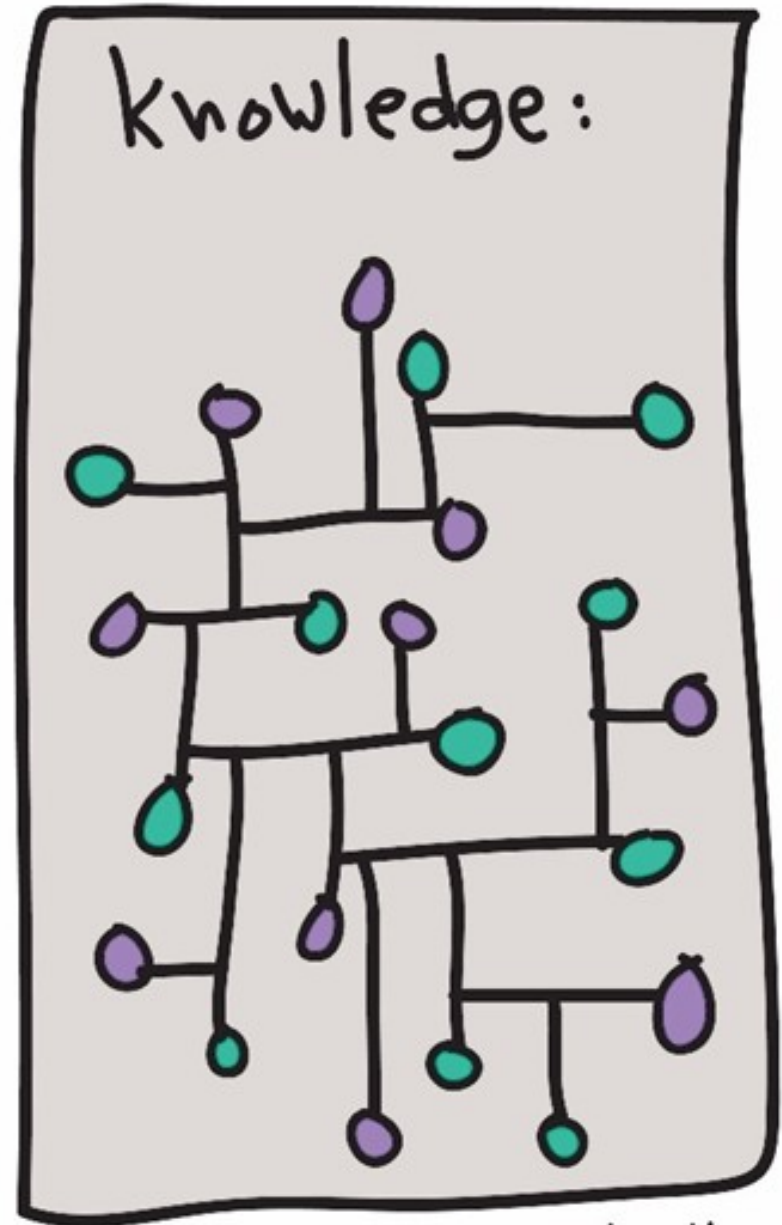
@bestqualitycrab

information:



@gapingvoid

knowledge:



@gapingvoid

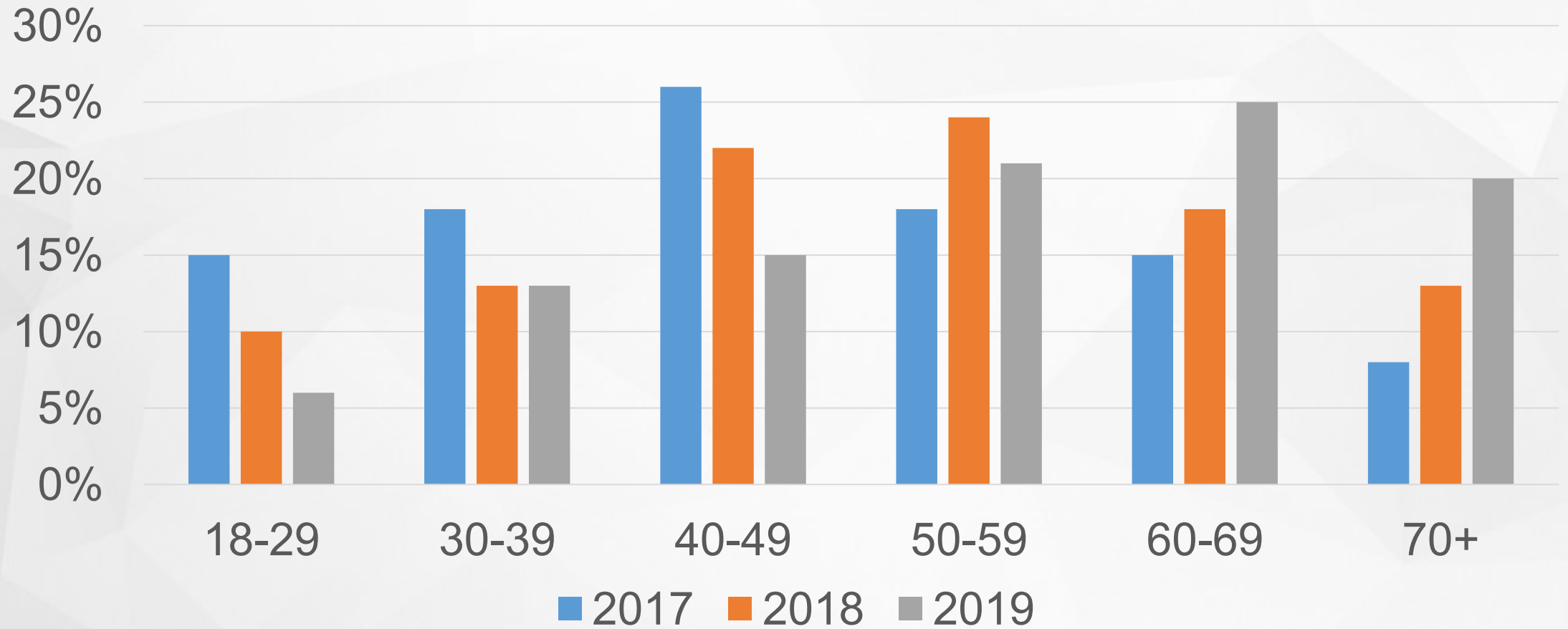
	A	B	C	D	E	F	G	H	I
1									
2	2017			2018			2019		
3	Age	Gender	Cash spend	Age	Gender	Cash spend	Age	Gender	Cash spend
4	26	Man	125,00 €	56	Man	22,00 €	25	Women	125,00 €
5	28	Women	25,00 €	55	Women	13,00 €	55	Women	25,00 €
6	59	Women	122,00 €	19	Man	85,00 €	18	Women	122,00 €
7	64	Women	12,00 €	44	Women	12,00 €	45	Women	12,00 €
8	22	Man	54,00 €	25	Man	54,00 €	22	Man	54,00 €
9	56	Man	35,00 €	36	Man	22,00 €	35	Man	35,00 €
10	55	Women	12,00 €	35	Women	56,00 €	48	Women	12,00 €
11	18	Man	25,00 €	35	Man	55,00 €	71	Man	25,00 €
12	45	Women	15,00 €	37	Women	18,00 €	45	Man	15,00 €
13	25	Man	10,00 €	48	Man	25,00 €	25	Women	10,00 €
14	36	Women	25,00 €	27	Women	25,00 €	36	Man	25,00 €
15	38	Man	38,00 €	55	Man	38,00 €	41	Man	38,00 €
16	34	Man	12,00 €	68	Man	35,00 €	34	Man	12,00 €
17	26	Man	45,00 €	24	W	12,00 €	59	M	45,00 €
18	20	Man	10,00 €	44	Women	12,00 €	20	Women	10,00 €
19	19	Women	28,00 €	48	Man	25,00 €	33	Women	28,00 €
20	19	Women	28,00 €	48	Man	25,00 €	33	Women	28,00 €

Can we make decision based on these customer data?

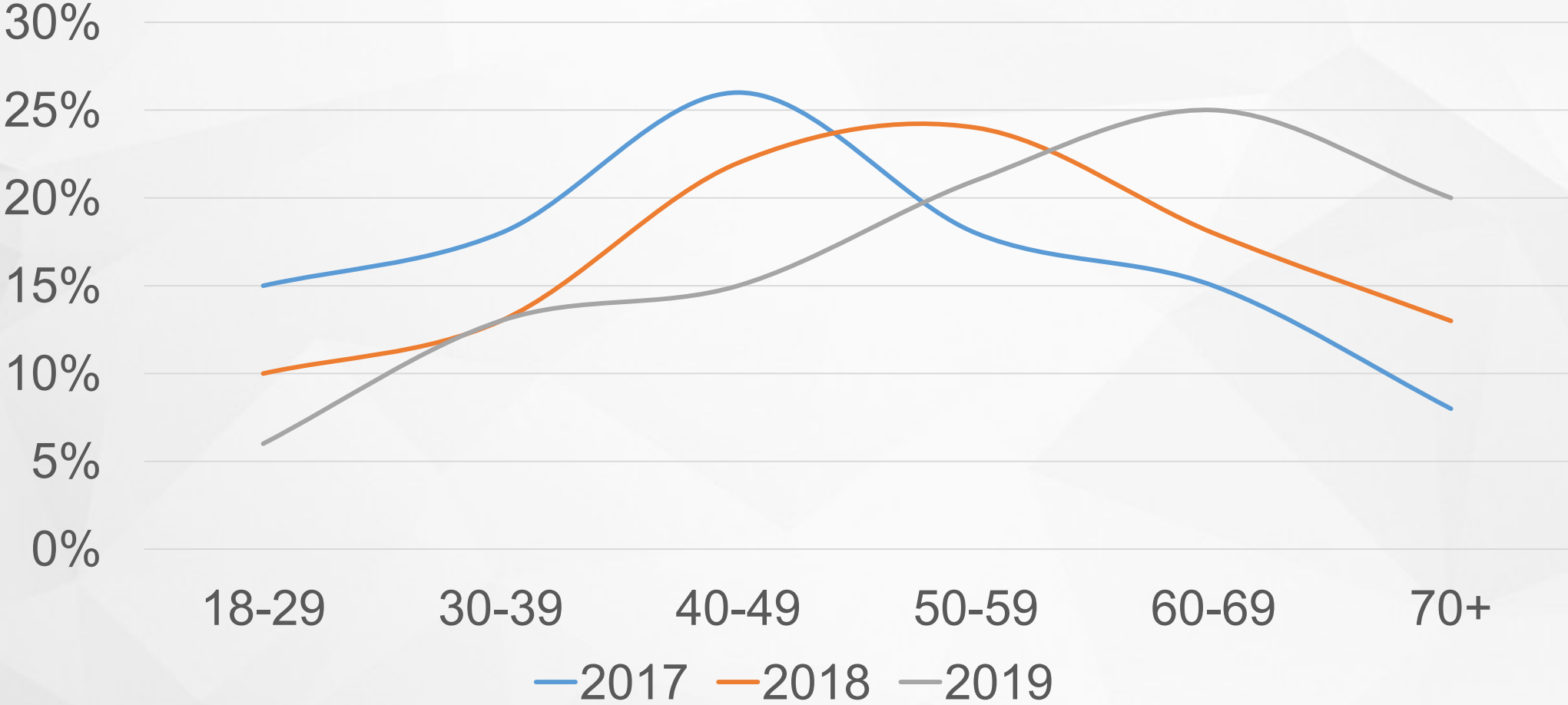
Age	2017	2018	2019
18-29	15%	10%	6%
30-39	18%	13%	13%
40-49	26%	22%	15%
50-59	18%	24%	21%
60-69	15%	18%	25%
70+	8%	13%	20%



Age distribution



Age distribution



Data and information differences

- **Data** is the most basic form of knowledge, e.g. the brand of butter sold to a particular customer in a certain town. This statistic is of little worth in itself but may become meaningful when combined with other data.
- **Information** is a combination of data that provide decision-relevant knowledge, e.g. the brand preferences of customers in a certain age category in a particular geographic region.



Goals of marketing research

- Understand the market
 - Present
 - Future
- Identify threats and opportunities
- Formulate marketing actions and assess its effectiveness



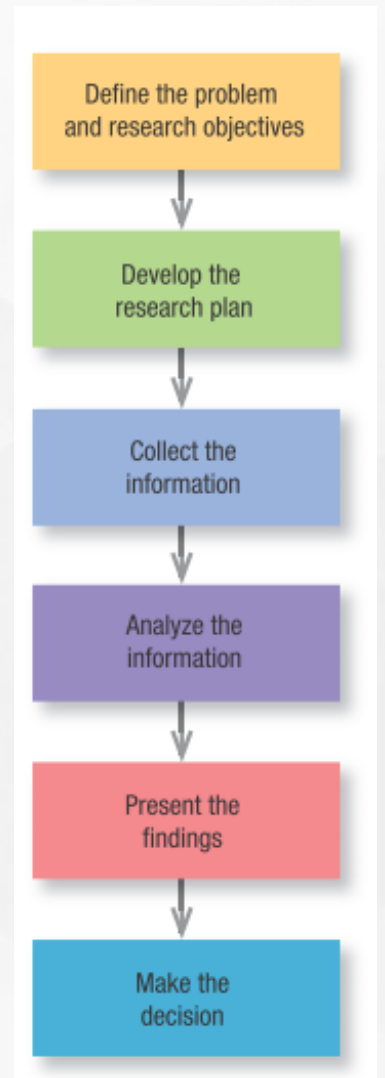
Marketing research process

- **PREPARATION PHASE**

- Problem definition
- Situation analysis
- Research project planing
- Pre-research

- **REALISATION PHASE**

- Data collection
- Data processing
- Analysis and interpretation
- Visualisation and presentation



Problem definition

- Most important part of the research project
- Well defined problem is half-solved
- There are no bad answers in marketing research, only bad questions



Case study 1: Retailer introducing new store brand

- Retailer asked marketing research company to do taste research on their new product.
- There were three new flavours of their soft drink: mango, banana and pineapple.
- Research company offered sample of all three flavours to 350 people and 43% chose banana flavour.
- Company introduced new flavour and failed miserably.
- What are the possible causes of this unsuccessful product launch?



Marketing research: In-house or agency?



halo media



CLIENTS EXPECTATIONS



CLIENTS BUDGET

Business problem



Knowledge



Know-how



What is brief?



- Well defined assignment for agency is fundamental!
- Good brief consist of:
 - Well defined request for the agency.
 - Clearly stated goals
 - Reasoning why do we need to carry research project
 - Defined context of a problem
 - Defined target group and methodology requirements
 - Clearly defined outcome with acceptance criteria
 - Timeframe, budget and team allocation



Research question

- Research question is a clear statement of the problem formulated in sentence ending with question mark.
- Clear expression of what will be studied (Kolb, 2008)
- It influence whole research process:
 - What literature we have to study in advance?
 - How we design research scope?
 - What access to the data do we need to negotiate?
 - What type of research design will be chosen?
 - What data will be needed?
 - Sample selection process.
 - Nature of a final report.



Research question examples

- **What?**
 - What make our clients leave for our competition?
- **When?**
 - When do our clients visit our store for the first rebuy?
- **Where?**
 - Where exactly Instagram influencers buy fashion products?



Research question examples

- **Who?**

- Who spreads negative brand sentiment online?

- **How?**

- How product rebranding influenced attitudes of general public?

- **Why?**

- Why do companies outsource marketing research?



Research types

- Quantitative
 - Based on numbers
 - Measurement and counting
 - Large sample size
- Qualitative
 - Based on text, sound, video and pictures
 - Interpretation
 - Small sample sizes

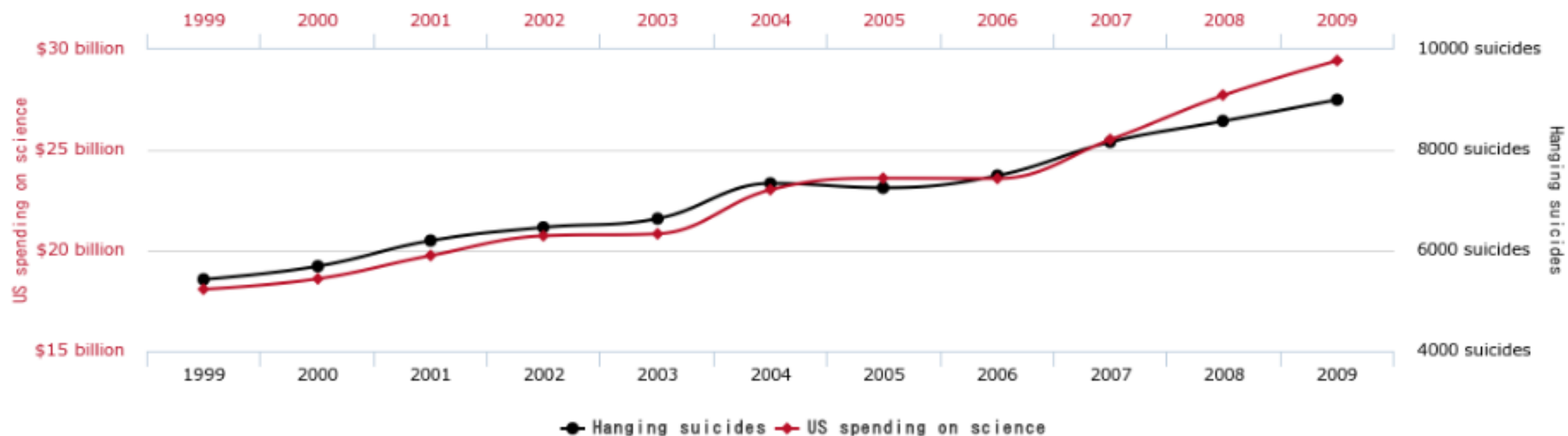


Exploratory
Explanatory
Descriptive





US spending on science, space, and technology correlates with Suicides by hanging, strangulation and suffocation



tylervigen.com



Problems with causality

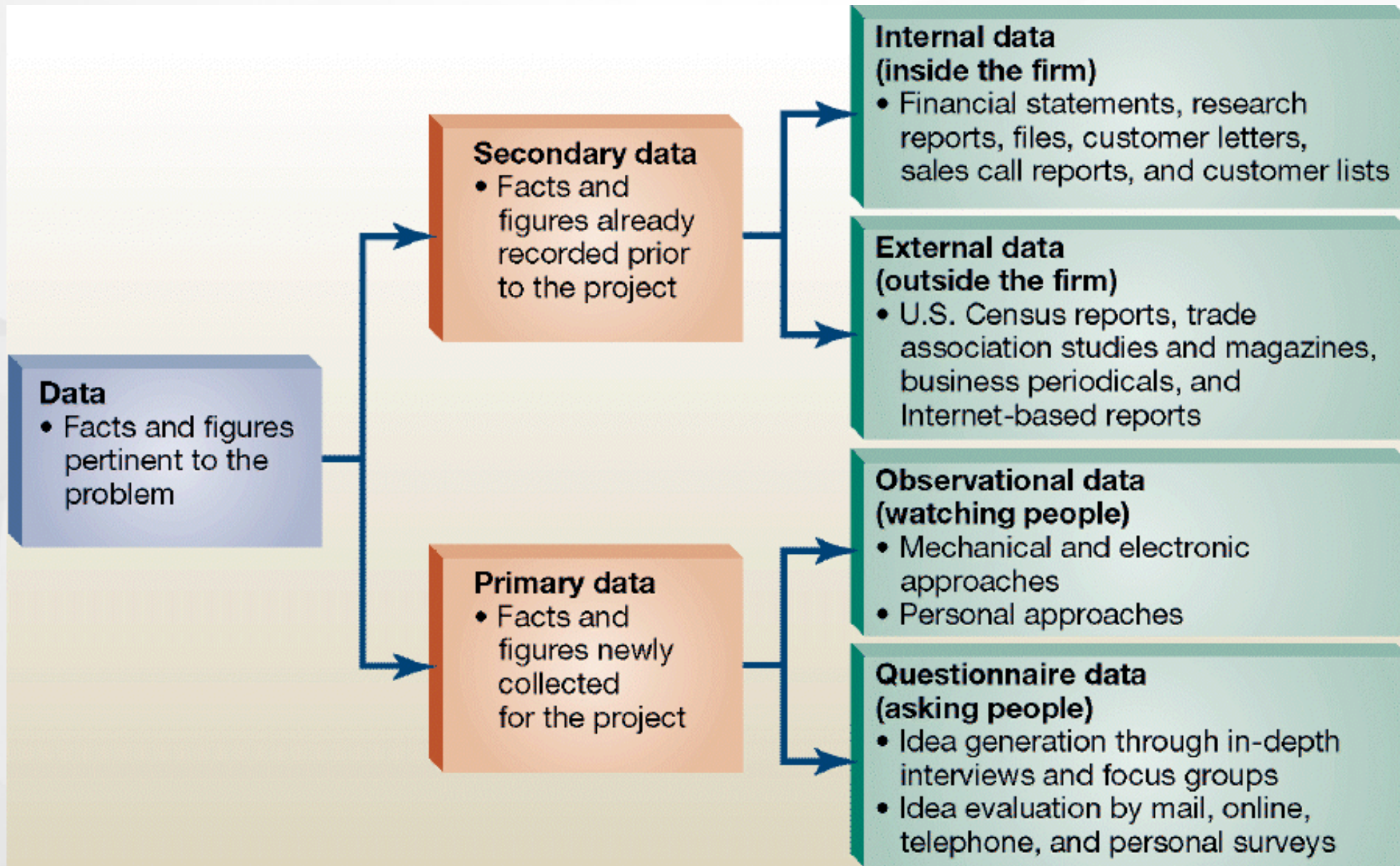
- For example, a correlation has been found between having breast implants and suicide (Koot, Peeters, Granath, Grobbee, & Nyren, 2003).
- However, it is unlikely that having breast implants causes you to commit suicide – presumably, there is an external factor (or factors) that causes both; for example, low self-esteem might lead you to have breast implants and also attempt suicide.



Research types

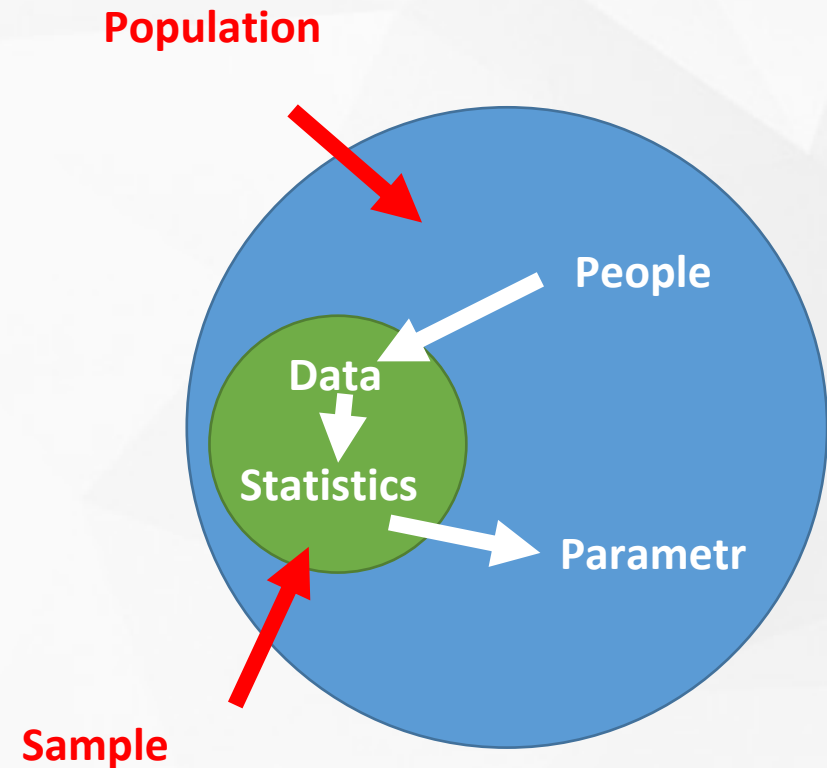
- Primary data
 - Do not exist at the beginning of the research project
 - Data collected throughout the project
- Secondary data
 - Data already existing
 - Reports, statistical data, business data, reused data, analytical data.



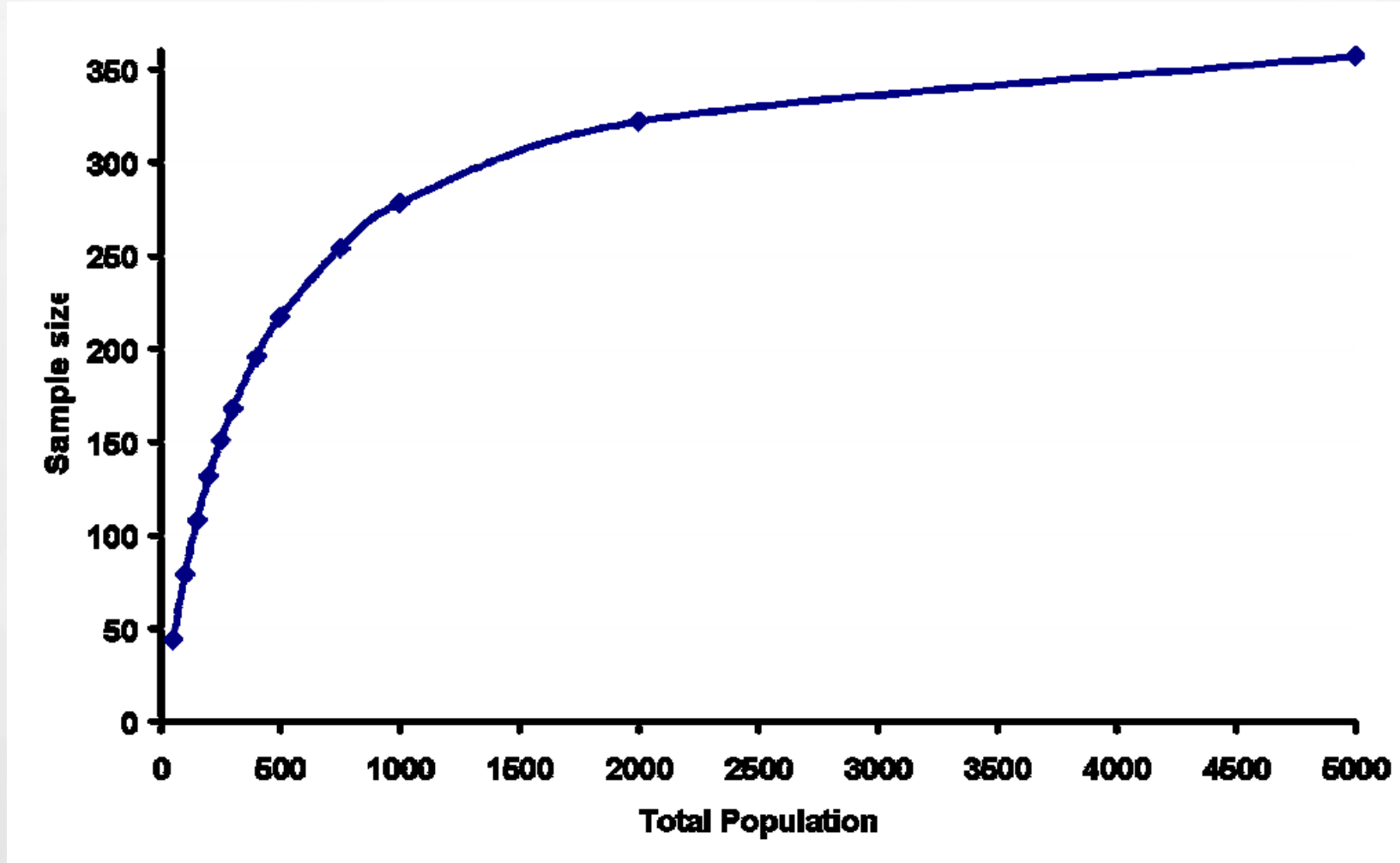


Sample and sample size

- Sample is a part of population which, when collected properly, can produce results which are generalizable.
- Greater the sample size more reliable the results are.
- Reality = Parametr + Error



Ideal sample size



Favourite colour example

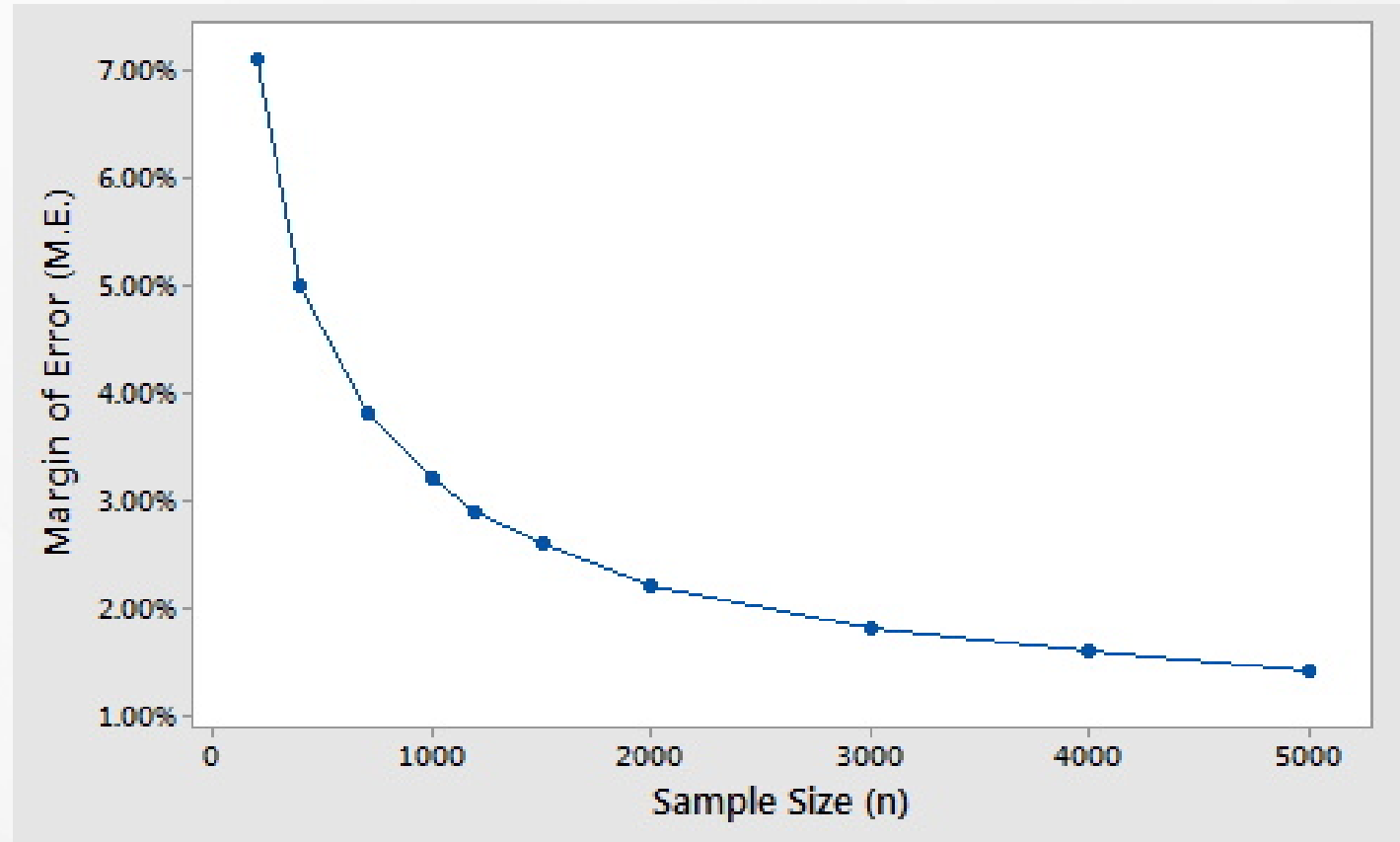
- In a class, teacher ask students what is their favourite colour.
- The realtime results goes like this:

Respondent	Answer	Results PINK in %	Results GREEN in %	Change
1	Pink	100	0	No data
2	Green	50	50	50%
3	Green	33,5	66,5	16,5%
4	Pink	50	50	16,5%
5	Green	40	60	10%
6	Green	33,5	66,5	6,5%
7	Green	28	72	5,5%
8	Pink	37	63	9%
9	Pink	44	56	7%
10	Pink	50	50	6%



Margin of error

- It is statistic expressing the amount of random sampling error in a survey's results.
- The larger the margin of error, the less confidence one should have that the reported research results are close to the "true" figures; that is, the figures for the whole population.



Sample size in qualitative studies

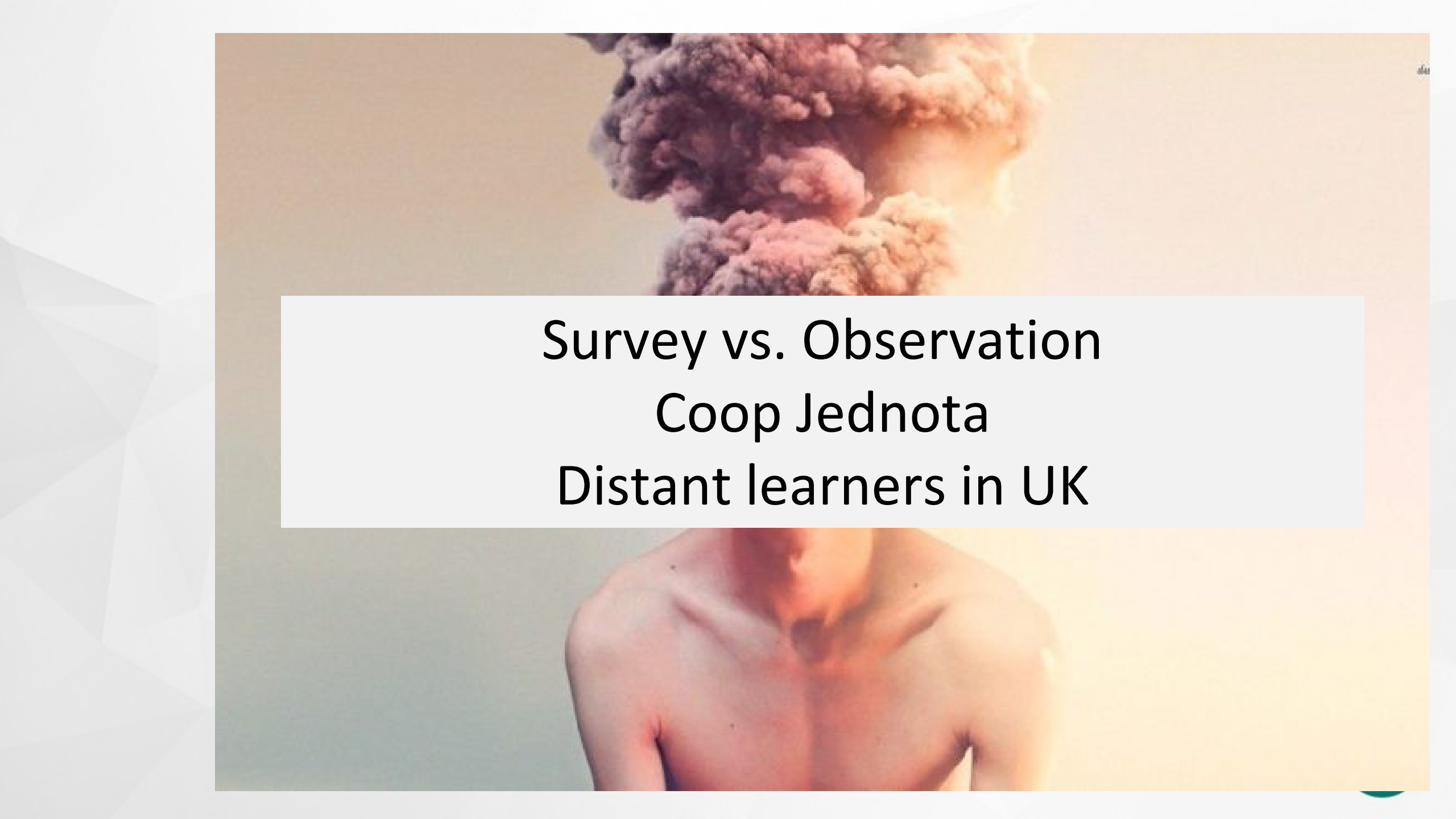
- The data collection takes place as long as there is no condition in which further examination of the selected sample does not bring new substantial information.
- **Theoretical saturation**
- The goal of qualitative research is not generalization, so it is not the aim of the results to relate to the whole population but to reveal the connections and causes of a certain behavior of customers.



Primary data collection methods

- Survey
 - Interview
 - Questionnaire
- Observation
- Experiment





Survey vs. Observation
Coop Jednota
Distant learners in UK

Data collection techniques - qualitative

- Deep interviews
- Focus group discussions
- Expert consultations
- Observation



Data collection techniques - quantitative

- Face to face interviews
- Telephone interviews
- Postal survey
- Electronic survey
- Observation
- [Experiment](#)



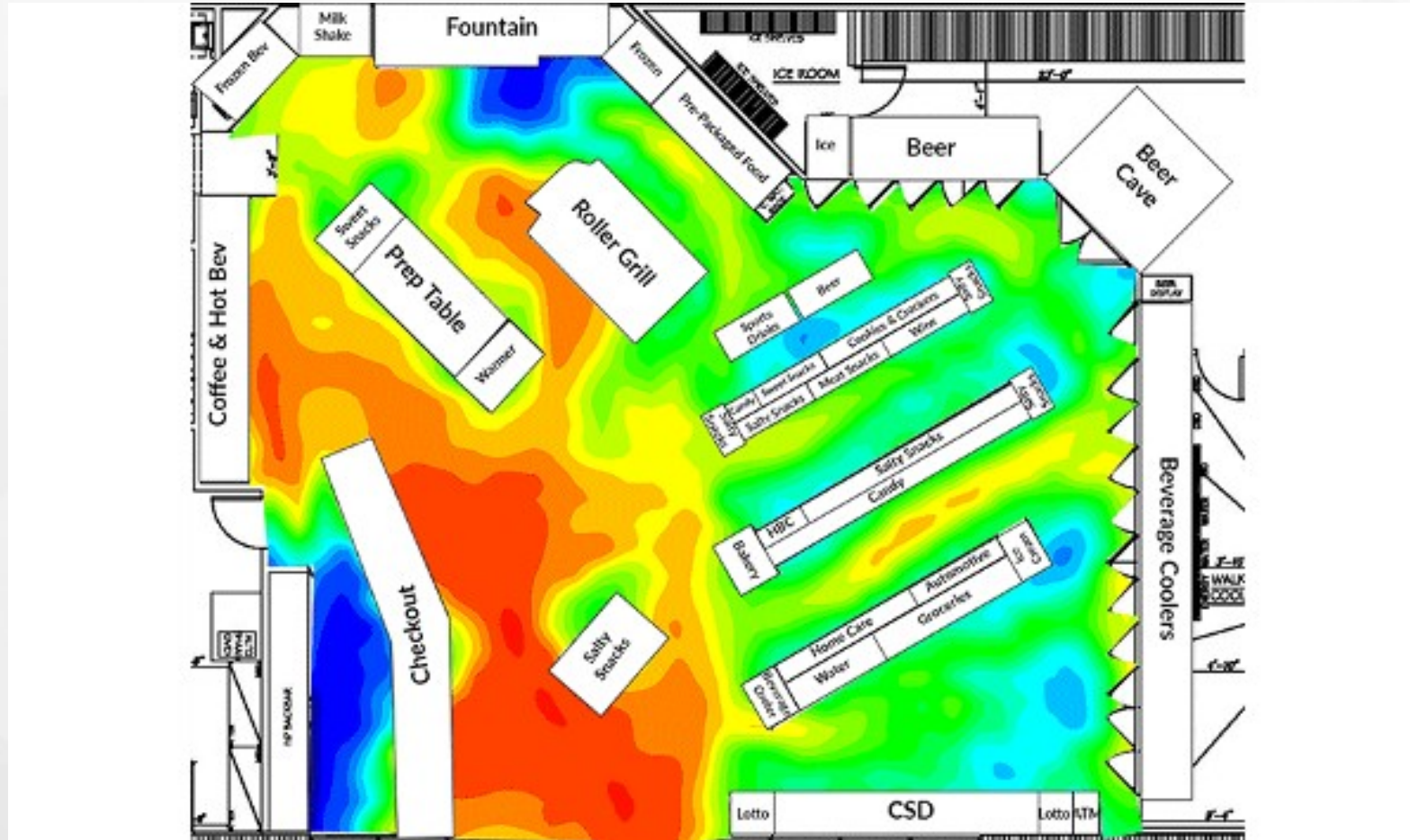
Data collection techniques - specifics for retail



Data collection techniques - specifics for retail



Data collection techniques - specifics for retail



Data collection techniques - specifics for retail



Case study 2: Pepsi challenge

- Famous Pepsi challenge research showed some disturbing results. Despite the leading position of Coca cola, during the blind taste tests people preferred Pepsi.
- Based on few sips of Coke and Pepsi, consumers immediately chose Pepsi for its sweeter taste. Coca cola reacted quickly with brand new product: New Coke.
- However, market shares dropped down immediately and the new taste was not accepted by the customers as managers predicted.
- What are the possible causes of this unsuccessful product launch?



Validity

- Valid questions are those that give us answers exactly what we ask - what is the main goal of research.



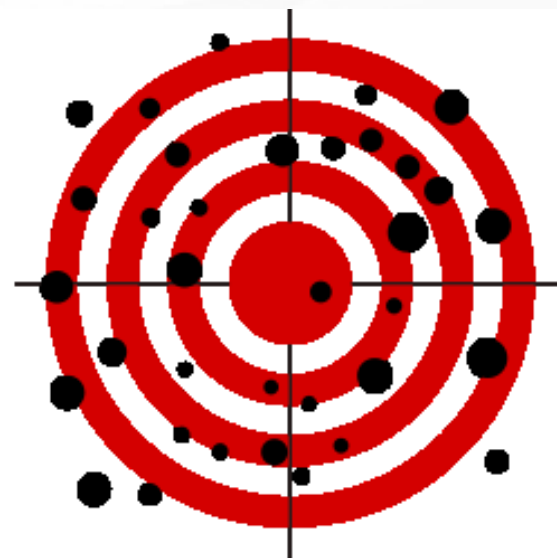
Reliability

- It expresses the degree of sustainability of research tools.
- To what extent the question remains reliable and still valid in further iterations - for example, in other time, social and cultural conditions.

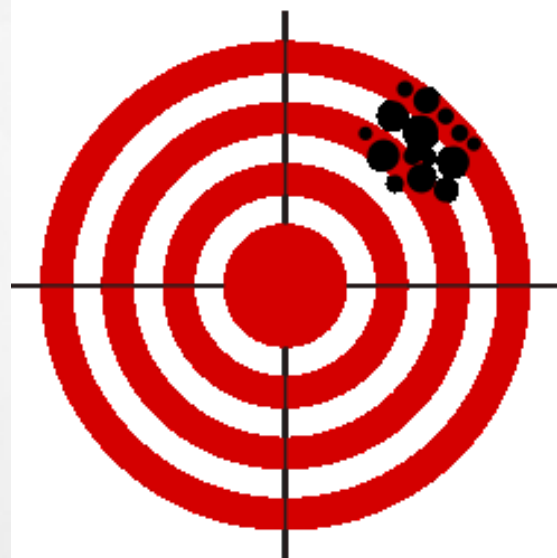




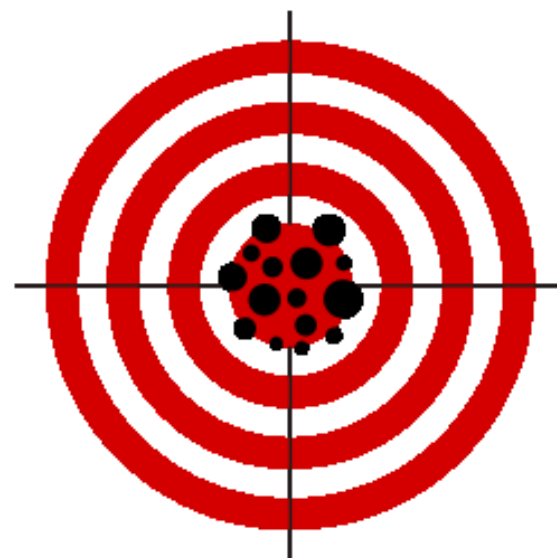
Unreliable & Invalid



Unreliable, But Valid



Reliable, Not Valid



Both Reliable & Valid



Experiential exercise assignment

- The students in each class will be organized into teams. Each team of students will visit a chosen retail shop in Karviná (Tesco, Lidl, Kaufland, Hruška, Billa) and observe the retail mix adopted by the store (i.e. merchandise, location, customer service, store design, pricing and promotion). The team should further examine the competitive advantages compared to other stores that sell similar merchandise. You may purchase some products by yourself and analyze the purchase experiences to assist your evaluation of the retail mix.
- Each team will present the findings in the class (about 20 minutes for each team) and make recommendations on how the chosen retailer might improve the retail mix in order to achieve growth in sales or profit.



Experiential exercise assignment

- Merchandise – width and depth of the product portfolio in categories: shampoo, milk, toothbrush.
- Location – strengths and weaknesses
- Customer service level
- Store design type
- Sales promotion – what products, where and how.
- Competitive advantages compared to other stores that sell similar merchandise.





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Thank you

