

| Subject Content | What students need to learn? |
|--------------------------|---|
| 1.2.2 Market research | <p>The purpose of market research:</p> <ul style="list-style-type: none"> ● to identify and understand customer needs ● to identify gaps in the market ● to reduce risk ● to inform business decisions. <p>Methods of market research:</p> <ul style="list-style-type: none"> ● primary research: survey, questionnaire, focus group, observation ● secondary research: internet, market reports, government reports. <p>The use of data in market research:</p> <ul style="list-style-type: none"> ● qualitative and quantitative data ● the role of social media in collecting market research data ● the importance of the reliability of market research data. |

Key Definition: Market research involves gathering information about consumers' needs and preferences.

Methods of Market Research:

Primary: New research the business carries out themselves.

- **Surveys**
- **Questionnaires**
- **Focus groups**
- **Observations**

Secondary: Research carried out in the past either by the business or somebody else.

- **Internet**
- **Market reports**
- **Government reports**

The purpose of market research:

1. To identify and understand customer needs - what do they want?
2. To identify gaps in the market – this allows them to identify which customer requirements are covered and which are not.
3. To reduce the risk of spending a lot of money on developing a product that nobody wants
4. To inform business decisions – by conducting market research a business can make informed business decisions that are more likely to be successful.

The use of data in market research:

Qualitative data: In depth research into opinions and views. It can provide an insight into why consumers buy what they buy. (Detailed)

Quantitative data: Factual research that is based on statistics and data. (Numerical)

The role of social media in collecting data: Social media feedback has now become invaluable. E.g. 48.9% of 7000 Center Parcs visitors rated the experience excellent. This provides quantitative information. Individual comments are also very useful. This provides qualitative information.

Importance of reliability of market research data: Market research is important however you need to be careful that the information is actually valid and reliable. If it is not, then this could influence the business to make the wrong decision.