Unit 10: Market Research in Business

Unit code: H/502/5427

QCF Level 3: BTEC National

Credit value: 10

Guided learning hours: 60

● Aim and purpose

The aim of this unit is to enable learners to develop an understanding of the fundamental concepts that underpin why businesses collect data about their market, how they collect and interpret it and how it can be used to support marketing decisions.

● Unit introduction

It is generally accepted that having the appropriate information is the foundation of all good business decisions, and marketing information is, therefore, the basis of good marketing decisions. The ability to collect information and data about the business environment, markets and customers has been transformed by technological advances. The main research challenge today is to find the best information amongst a large amount of data, rather than finding scarce data, as was the case in the past.

Market research is carried out in all areas of marketing activities and the information collected concerns customers, markets, responses to existing and planned marketing campaigns and the general business environment. This means that the process needs to be continuous so that trends, opportunities and threats are identified.

In this unit learner knowledge of the main types and sources of market research will be developed. They will learn about the main research methods used to collect data and how to decide on the most appropriate method for a given situation. This will take into account organisational objectives and the constraints that businesses work within. Learners will also learn how data is analysed, interpreted and presented so that the research objectives are met. Learners will have the opportunity to plan and carry out some simple market research activities and to interpret their findings.

● Learning outcomes

On completion of this unit a learner should:

1   Understand the main types of market research used to make marketing decisions

2   Be able to plan research

3   Be able to carry out research

4   Be able to interpret research findings.

Unit content

1 Understand the main types of market research used to make marketing decisions

Primary research: observation; experimentation; surveys, eg face-to-face, postal, email, telephone; e-marketing research; focus groups; panels; field trials; piloting; appropriateness of each method eg fitness for purpose, cost, accuracy, time, validity, response rate

Secondary research: internal sources eg data records, loyalty schemes, EPOS (electronic point of sale), website monitoring, e-transactions, accounting records, production information, sales figures, sales personnel, Delphi technique; external sources eg internet, Government statistics, libraries, universities, company reports, specialist agencies eg Mintel, Datastream, Dun & Bradstreet; trade journals; criteria for selection eg checking of validity; use of ICT applications eg storing, organising, retrieving and reporting data

Qualitative and quantitative research: importance and use of each; triangulation

Marketing strategies and activities: eg strategic, technical, databank, continuous, ad hoc research

2 Be able to plan research

Stages: brief; defining the issue; setting objectives; planning data to be collected, eg methods of collection, who is to collect it, timings; types of data, eg internal, external, secondary, primary; target population

Research stages: proposal/brief; defining objectives; planning; forecasting; collection of data; analysis and evaluation of data; presentation of findings; making recommendations; re-evaluation of marketing activities

Purpose of research objectives: understand customer behaviour, buying patterns, preferences, satisfaction, sales trends; brand awareness; advertising awareness; product development success; new product opportunities; changes in the market; emergence of new markets; PESTLE (political, economic, social, technological, legal, environmental); competitor activities

3 Be able to carry out research

Census versus sample: sample size, choosing the sample; probability sampling, eg random, systematic random, stratified random, multi-stage, cluster; non-probability, eg quota, convenience, observation, focus group, judgement; implications of different samples; cost and accuracy of information

Questionnaire: design, questions to be asked; types of questions eg sequencing, dichotomous, multiple choice, scaled, open ended; length of questionnaire; bias; relevance; response; pilot stage

Survey: design; objectives, eg of what, where, when, how; difference between survey and questionnaire

4 Be able to interpret research findings

Statistical procedures: arithmetic mean; median; mode; range; inter-quartile range; scatter diagrams; times series; trends; use of spreadsheets for analysis

Presentation of findings: oral reports; written reports eg formal, informal; visual aids eg computer graphics, graphs, charts; presentation of conclusions and recommendations; audience; effectiveness; quality of information; facilities

Diagrammatic analysis and presentation: pictograms; pie charts; bar charts; frequency curves; histograms; line graphs; scattergrams; appropriate use of techniques; interpretation of results

Limitations of research: excess of information through customer databases; problems of e-business feedback overload; reliability of sample; accuracy, bias; subjectivity

Assessment and grading criteria

In order to pass this unit, the evidence that the learner presents for assessment needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria for a pass grade describe the level of achievement required to pass this unit.

Assessment and grading criteria		
To achieve a pass grade the evidence must show that the learner is able to:	To achieve a merit grade the evidence must show that, in addition to the pass criteria, the learner is able to:	To achieve a distinction grade the evidence must show that, in addition to the pass and merit criteria, the learner is able to:
P1 describe types of market research		
P2 explain how different market research methods have been used to make a marketing decision within a selected situation or business [CT]		
P3 plan market research for a selected product/service using appropriate methods of data collection [CT, SM]	**M1** explain, with examples, how different market research methods are appropriate to assist different marketing situations	**D1** evaluate the market research method used by a selected organisation
P4 conduct primary and secondary research for a selected product/service making use of identifiable sampling techniques [IE, TW, EP]	**M2** explain the reasons for choosing the particular method of data collection for a selected product/service	**D2** evaluate the findings from the research undertaken.
P5 interpret findings from the research presenting them clearly in an appropriate format. [RL, TW]	**M3** analyse the research findings and make recommendations on how marketing strategies could be adapted or implemented.	

PLTS: This summary references where applicable, in the square brackets, the elements of the personal, learning and thinking skills applicable in the pass criteria. It identifies opportunities for learners to demonstrate effective application of the referenced elements of the skills.

Key	IE – independent enquirers	RL – reflective learners	SM – self-managers
	CT – creative thinkers	TW – team workers	EP – effective participators

Essential guidance for tutors

Delivery

This unit builds on and extends learners knowledge and understanding of the market research process from original brief to presenting of findings. Learning outcome 1, allows learners to establish what market research is about, how to categorise research data and activities (primary/secondary, quantitative/qualitative) and ways of gathering data.

Learning outcome1 links to the aims and objectives within a selected organisation. It is vital from the outset that learners can differentiate between bona fide market research, and salespeople who purport to be researching the market in order to sell their product. This unit involves tutor-led delivery which will focus on the reasons for market research and how this is ongoing and integral to the success of a business. This will lead on to more learner-centred activities. Learners will need to understand concepts such as:

- strategic research: knowledge needed to guide decisions which are likely to have long-term implications

- tactical research: eg specific actions of competitors or adjustments in prices

- databank research: incorporating and updating all relevant market information.

Learning outcome 2 develops the learning outcome 1 with the planning of research. An exercise could look at the differences between primary and secondary research, the main research methods, the advantages and disadvantages of each, how appropriate they are, and whether they produce mainly quantitative or qualitative data. It is important that learners have access to paper-based and internet-based sources of secondary information such as company reports, economic trends, consumer trends, and census data. The Bized and Office for National Statistics websites are very useful here.

The importance of information and communications technology for collecting and analysing information should be emphasised. A mind mapping exercise relating to market research objectives would encourage learner interaction, particularly with regard to local, national or global companies and products familiar to learners.

In learning outcome 3, questionnaire design could offer opportunities for active learning such as using a brief to find out, the lifestyle of a particular market group. By designing questionnaires in pairs, and then using the 'snowball method', learners can gain constructive criticism from their peers and come up with a group questionnaire to pilot. This can then be used for learning outcome 4.

Learners' personal experiences of using the internet can be used to demonstrate how important data is that can obtained from competitors websites (for example, their products or promotions), from their own customers' buying patterns, and customer comments on products (for example, *www.thetrainline.com*, *www.tesco.com*, *www.goski.co*m). It is also important to recognise the danger of 'drowning' in data. Learners need to be aware that selecting appropriate data is more important than volume.

Learners may need support with the statistical procedures required for learning outcome 4. The learning outcome links well with Functional Skill requirements, and learners should be encouraged to use statistical techniques in the context of market research so that they do not perceive it as 'number-crunching'. Learners should understand manual collation and the use of spreadsheets by using software such as Microsoft Excel. The analysis of the questionnaire from learning outcome 3 will personalise the exercise.

Analysis of learners' own questionnaires may be useful as the limitations of their own research can be used in discussion to identify an organisation's possible limitations. Producing individual reports can allow learners to benefit from constructive criticism from their peers and see how they could improve their assessed assignment.

Outline learning plan

The outline learning plan has been included in this unit as guidance and can be used in conjunction with the programme of suggested assignments.

The outline learning plan demonstrates one way in planning the delivery and assessment of this unit.

Topic and suggested assignments/activities and/assessment
Introduction to the unit and the programme of learning
Substantiate understanding of types of research findings
Formal input
Group discussion about selected businesses or products
Online research about current situation of product/service/business
Assignment 1: Setting the Scene
Plan research campaign
Carry out research
Group work
Produce and analyse results
Visits and speakers to/from businesses
Assignment 2: Trailblazer
Input on interpretation of results
Research and group work
Assignment 3: They Think it's All Over
Assignment completion, with review and feedback
Supervised assignment work
Non-supervised study time and completion of assignments

Assessment

For P1, learners should describe the different types of market research. For P2 they should explain how these have been used to make a marketing decision in a given situation, for example as applied to the market development of a selected product or service. They will need to understand how both quantitative and qualitative data complement each other. For P3 learners need to choose an appropriate method of data collection and plan research for a selected product or service. P4 requires learners to conduct both primary and secondary research, making use of an identifiable sampling method. For M1 and M2, the skills demonstrated in P1, P2 and P3 may be brought together as learners analyse the effectiveness of the research, including appropriate data collection and sampling methods.

P5 requires learners to interpret findings from their own research and to present them verbally, diagrammatically, graphically or in writing. Diagrams could be of established models such as the Boston or Ansoff matrices. For M3, learners should analyse their own research findings, drawing conclusions and making recommendations as to how marketing strategies should be adapted to accommodate research findings. Work for D1 and D2 should draw together work from M1, M2 and M3 as learners evaluate the application of selected research methods and make recommendations for improving in research methodology based on their findings. In this respect learners are refining their strategies for market research as well as the marketing strategies themselves.

Programme of suggested assignments

The table below shows a programme of suggested assignments that cover the pass, merit and distinction criteria in the assessment and grading grid. This is for guidance and it is recommended that centres either write their own assignments or adapt any Edexcel assignments to meet local needs and resources.

Criteria covered	Assignment title	Scenario	Assessment method
P1, M1	Setting the Scene.	The school/college is looking for a step-by-step guide to the terminology and use of types of market research.	User manual.
P2, P3, P4, M2, M3, D2	Trailblazer.	'State of the Art' thinks there is a market for a re-sealable plastic drinks container to replace cans. It wants a thorough investigation into the viability of the product before proceeding to production, pricing and promotion.	Questionnaires. Verbal presentations supported by slideshow handouts. Numerical and graphical images to justify judgements. A marketing plan.
D1	They Think it's All Over.	The finance department has a different view and wants a report outlining the lessons learned from the research.	Formal report to the finance department.

Links to National Occupational Standards, other BTEC units, other BTEC qualifications and other relevant units and qualifications

This unit forms part of the BTEC Business sector suite. This unit has particular links with the following unit titles in the Business suite:

Level 2	Level 3
Business Online	Introduction to Marketing
The Marketing Plan	Creative product Promotion
	Relationship Marketing
	Internet marketing in Business

This unit also links to the following draft National Occupational Standards for Marketing and Sales for Non-Specialists Units 1 and 2.

Essential resources

Access to a range of information resources to complete investigative assignments and case studies will be essential, including relevant CD ROMs and the internet, as will be access to computers for research. This will enhance the delivery of this unit. Also, being able to see computerised accounting packages in operation in business would be beneficial. Learners will also need access to relevant paper-based research material and books.

Employer engagement and vocational contexts

The unit provides rich opportunities for the use of visits, speakers and work-based projects.

Indicative reading for learners

Textbooks

Dibb S, Simkin L, Pride W M and Farrell O C – *Marketing Concepts and Strategies* (Houghton Mifflin (Academic), 2005) ISBN 061853203X

Hall D, Jones R and Raffo C – *Business Studies, 3rd Edition* (Causeway Press Ltd, 2004) ISBN 1902796837

Hill E – *Foundations in Marketing* (CIM Publishing, 2001) ISBN 0902130994

Proctor T – *Essentials of Marketing Research* (FT Prentice Hall, 2005) ISBN 0273694944

Websites

www.bized.ac.uk	Provides interactive and online models and simulations for teachers and learners, and provides valuable direct access to company reports in the UK and around the world
www.cim.co.uk	The Chartered Institute of Marketing
www.mintel.com	Mintel is a global supplier of consumer, media and market research
www.marketingonline.co.uk	MarketingOnlineLive.com
www.marketingteacher.com	Free marketing resources for learners, teachers and professionals

Delivery of personal, learning and thinking skills

The table below identifies the opportunities for personal, learning and thinking skills (PLTS) that have been included within the pass assessment criteria of this unit.

Skill	When learners are …
Independent enquirers	investigating the characteristics of sampling techniques in data collection
Creative thinkers	generating ideas about which business/product to investigate and where suitable research could be obtained
Reflective learners	reviewing the outcomes of the data collection and recommendations and reflecting on whether suitable methods were used
Team workers	working with others to collect, collate and analyse data
Self-managers	planning the stages and carrying out market research Organising resources to meet all targets set
Effective participators	collecting suitable primary and secondary research that is fit for purpose.

Although PLTS are identified within this unit as an inherent part of the assessment criteria, there are further opportunities to develop a range of PLTS through various approaches to teaching and learning.

Skill	When learners are …
Independent enquirers	planning market research carrying out market research
Creative thinkers	processing the data collected interpreting the research findings
Reflective learners	analysing the data collected in terms of usefulness evaluating the methods of collection and whether they were fit for purpose
Team workers	collaborating on the production and refinement of questionnaires taking responsibility to assist others
Self-managers	managing all resources to achieve set targets selecting and reviewing secondary data sources for fitness for purpose
Effective participators	making valid marketing recommendations based on collected evidence making useful recommendations for improvements.

● Functional Skills – Level 2

Skill	When learners are …
ICT – Use ICT systems	
Select, interact with and use ICT systems independently for a complex task to meet a variety of needs	researching websites for secondary information for a selected market research task
Use ICT to effectively plan work and evaluate the effectiveness of the ICT system they have used	interpreting the data collected using software systems using appropriate software to present findings
Manage information storage to enable efficient retrieval	creating suitable file and folder structures
Follow and understand the need for safety and security practices	ensuring data is kept safe by using passwords and/or encryption ensuring data is kept in a physically secure environment
Troubleshoot	creating back-up copies of data in case data is lost loss from one source
ICT – Find and select information	
Select and use a variety of sources of information independently for a complex task	collecting primary data via questionnaires collecting complementary secondary data for the same task
Access, search for, select and use ICT-based information and evaluate its fitness for purpose	extracting relevant information from websites evaluating the findings of research for suitability
ICT – Develop, present and communicate information	
Enter, develop and format information independently to suit its meaning and purpose including: ● text and tables ● images ● numbers ● records	interpreting the results of market research presenting the results of market research creating questionnaires
Bring together information to suit content and purpose	analysing the results of investigations
Present information in ways that are fit for purpose and audience	presenting the results of market research
Evaluate the selection and use of ICT tools and facilities used to present information	processing the data collected using software packages
Select and use ICT to communicate and exchange information safely, responsibly and effectively including storage of messages and contact lists	communicating with other group members on questionnaires

Skill	When learners are …
Mathematics	
Understand routine and non-routine problems in a wide range of familiar and unfamiliar contexts and situations	collecting quantitative data from market research questionnaires
Identify the situation or problem and the mathematical methods needed to tackle it	using techniques such as addition, division and average to arrange the data
Select and apply a range of skills to find solutions	using these techniques to create useful information by processing the data
Use appropriate checking procedures and evaluate their effectiveness at each stage	using software such as spreadsheets to automate actions to improve efficiency and accuracy
Interpret and communicate solutions to practical problems in familiar and unfamiliar routine contexts and situations	creating graphical representations of data to aid understanding
Draw conclusions and provide mathematical justifications	arranging and using data numerically to support recommendations
English	
Speaking and listening – make a range of contributions to discussions and make effective presentations in a wide range of contexts	carrying out group work to create questionnaires making presentations about the interpretation of data working in a team where appropriate
Reading – compare, select, read and understand texts and use them to gather information, ideas, arguments and opinions	reading data about the task set collected from secondary sources selecting which data to use and which to reject
Writing – write documents, including extended writing pieces, communicating information, ideas and opinions, effectively and persuasively	writing report on research findings of the research writing analyses of the findings using standard layouts to make recommendations eg Boston Matrix justifying research methods.