

TOURISM POLICIES AND FASHION, ART AND FOOD INDUSTRIES

Customer needs and wants

Lecture 7

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Learning objectives

- ✓ Identify how customers fulfill their wants and needs from a marketing perspective.
- ✓ Understand the marketing research process.

The rationale for market research

Marketing is the act of facilitating the exchange of a given commodity for goods, services, and/or money to deliver maximum value to the consumer.

Drucker (1973) contended that the purpose of the business is to create a **satisfied customer**.

Market research may be defined as the systematic design, collection, analysis and reporting of data and findings relevant to a specific marketing situation facing a company.

Assessing the needs and wants of customers

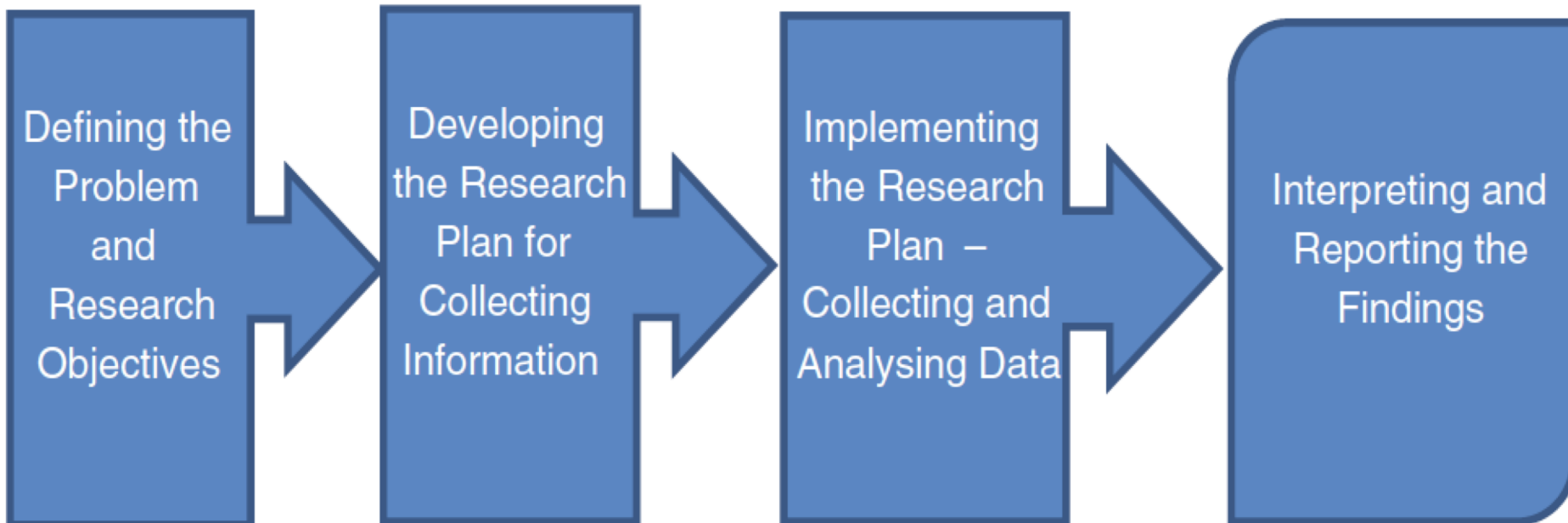
Consumer wants and needs should drive marketing decisions.

Demand is the economic principle that describes a consumer's desire, willingness and ability to pay a price for a specific good or service.

Consumer wants and needs are the drivers of all strategic marketing decisions.

Customer Decision Process: i) need recognition; ii) information search; iii) evaluation of alternatives; iv) purchase.

Marketing research process



Defining the problem, the research objectives and plan

- Identifying the research problem to create a competitive advantage.
- Two forms of research objectives:
 - Exploratory (preliminary stage of investigation).
 - Descriptive (characteristics of phenomenon studied).
- The next step is to concentrate on designing the research plan: i) specifying the data, ii) determining the methods; iii) deciding on the sample employment.

PAUSE

Market research techniques: survey questionnaires

- A questionnaire allows the researcher to gather information with a considerable level of accuracy and at an affordable cost.
- Criteria to create an adequate questionnaire:
 - Interesting and easy to read.
 - Elicit specific information.
 - Clear questions and easy to understand.
 - Questions should not influence the participants' answer.
 - Personal questions at the end of the questionnaire.
 - Use of Likert scales.
- Pilot questionnaire to test it.

Market research techniques: others

- **Face-to-Face Interviews:** an interviewer is physically present to ask the questions and to assist the respondent in answering them.
- **Focus Group Meetings:** a facilitator asks participants questions and the participants provide their opinions in a free-form style.
- **Telephone Interviews:** are conducted just like in-person interviews.
- **Test Marketing:** way of assessing the customers' reactions to innovative products and services.
- **Desk Research:** It involves the analysis and interpretation of already available data .

Sampling

Sampling is a process used in statistical analysis in which a predetermined number of observations are taken from a larger population.

Some important terms when talking about sampling:

Population is the entire pool from which a statistical sample is drawn.

Census occurs when a universe is being totally investigated.

Sample is a segment of the population.

Probability Sampling and Random Sampling: all individuals will have an equal chance of being included in the sample.

Nonprobability sampling does not represent the whole population.

Non-probability sampling

Getting responses using non-probability sampling is faster and more cost-effective than probability sampling because the sample is known to the researcher.

Examples of nonprobability sampling include:

Convenience sampling. The research participants are chosen due their relative ease of access.

Snowball Sampling. This form of sampling exists where research participants recruit future subjects.

Purposive Sampling. The researchers choose the sample of respondents who they think would be appropriate for their study.

Data analysis

Data analysis is defined as a process of cleaning, transforming, and modelling data to discover useful information for business decision-making.

There are several types of data analysis techniques that exist based on business and technology. However, the major types of data analysis are:

- Text Analysis
- Statistical Analysis
- Descriptive Analysis

Key elements of a research report

1. Title page (This area lists the title, client, research agency, date, et cetera)

2. List of contents

3. Preface

4. Summary of the findings or conclusions (the summary of the main findings may be accompanied by recommendations)
Points 1–4 provide a concise report of the nature and outcome of the research programme

5. Previous related research (This section indicates how previous knowledge may have a bearing on the research at hand)

6. Research method (Procedures that are used to collect information; How was the research conducted?—How was the research carried out?—Who were the research participants?—What were the research techniques that were used in the analysis?—The characteristics and size of samples should also be recorded)

7. Results (It is important to provide clear, simple and a logical presentation of the research findings. The results are usually presented through paragraphs, tables and graphs)

8. Conclusions

9. Appendices

Points 5–9 provide the detailed evidence from which conclusions, implications and recommendation are derived

Contacts and office hours

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