Cambridge

AS - Level

Business studies

CODE: (9609)

Unit 03- Chapter 17

Market research

Introduction

In the previous chapter, the distinction between 'product orientation' and 'market or customer orientation' was explained. At the heart of market orientation is market research and being focused on what customers are willing and able to buy.

Market Research

Market research is a broad and far-reaching process. More specifically, research will help a business analyse customer reaction to, among other things:

■ different price levels
■ alternative forms of promotion
■ new types of packaging
■ preferred means of distribution

KEY TERMS

Market research: this is the process of collecting, recording and analysing data about customers, competitors and the market.

The need for market research

1 To reduce the risks associated with new product launches

By investigating potential demand for a new product or service, the business should be able to assess with some degree of accuracy the likelihood of a new product achieving satisfactory sales. No research can guarantee success, however. Later in the chapter, we consider all of the reasons why market research may give a misleading message about the new product's chances of success.

The NPD process	The market research process
identify consumer needs and tastes	primary and secondary research into consumer needs and competitors
product idea and packaging design	testing of product and packaging with consumer groups
brand positioning and advertising testing	pre-testing of the product image and advertisements
product launch and after launch period	monitoring of sales and consumer response

Table 17.1 Summary of how market research supports NPD

2 To predict future demand changes

A travel fi rm may wish to investigate social and other changes to see how these might affect the demand for holidays in the future.

3 To explain patterns in sales of existing products and market trends

Market research is not just undertaken for new or planned products; it needs to be conducted for existing products too. Sales at the fashion retailer Gap had, by the end of 2013, increased by 8% compared to a year earlier, aft er several years of falling sales. Gap managers were able to analyse the sales data, conduct market research and take effective action to reverse the worrying decline in sales.

4 To assess the most favoured designs, flavours, styles, promotions and packages for a product

Consumer tests of different versions of a product or of the proposed adverts to promote it will enable a business to focus on the aspects of design and performance that consumers rate most highly. Th ese can then be incorporated into the final product. Market research can, therefore, be used to discover information about:

■ market size and consumer tastes and trends

■ the product and its perceived strengths and weaknesses

■ the promotion used and its effectiveness

■ competitors and their claimed unique selling propositions

■ distribution methods most preferred by consumers

■ consumers' preferences for packaging of the product.

The market research process

1 Management problem identification

This is the single most important step in the whole research process. Here are some examples of problems that might be investigated by market research:

■ What size is the potential market for this business?

■ Why are our sales falling?

■ How can we break into the market in another country?

■ How can we most effectively meet the challenge of new competitors?

■ What customer groups buy our products and what groups tend not to buy them?

2 Research objectives

These objectives must obviously tie in with the original problem. They must be set in such a way that, when they have been achieved, they provide all of the information needed to solve the problem. Here are some examples of market research objectives, expressed in the form of questions that need to be answered through research:

■ How many people are likely to buy our products in country X?

■ If the price of good Y is reduced, how much will this increase sales volume?

■ If we advertise this product on television, what will be the likely impact on sales volume and market share?

■ Which new product idea, A or B, is likely to generate more sales?

■ What would be the impact of new packaging on sales of our product?

■ Why are consumer complaints about our products increasing?

3 Sources of data – primary and secondary research

Primary research collects first-hand data as they are being collected by the organisation for the first time for its own needs. In contrast, secondary research is the use and analysis of data that already exist.

> **KEY TERMS**
>
> **Primary research:** the collection of first-hand data that is directly related to a firm's needs.
>
> **Secondary research:** collection of data from second-hand sources.

Sources of secondary data

The data referred to above were all obtained from several of the following well-known sources of secondary data.

1 Government publications

In most countries, sources such as the following from the UK could be referred to:
- population census
- social trends
- economic trends
- annual abstract of statistics
- family expenditure survey

2 Local libraries and local government offices

If the research data needed were only for a small area – investigating the viability of a new café, for example – then local, not national, data would be necessary, such as:

- local population census returns with details of total numbers and age and occupation distributions

- numbers of households in the area

- the proportions of the local population from different ethnic and cultural groups.

3 Trade organisations

Trade organisations produce regular reports on the state of the markets their members operate in. Examples of such organisations are:

- Society of Motor Manufacturers and Traders
- Furniture Retailers Association
- Engineering Employers Federation.

If a garage owner wanted to start stocking new cars for sale, then details of the type and size of car that is most popular with consumers could be obtained from the first source listed above.

4 Market intelligence reports

These are very detailed reports on individual markets and industries produced by specialist market research agencies. They are very expensive, but they are usually available at local business libraries. Examples are:

- Mintel reports

- Key Note reports

- Euromonitor.

If the owner of a small hotel planned to expand the business by opening a hotel in the capital city, one of these reports on the hotel and catering market would provide huge amounts of detail on market and consumer trends, eating and holiday habits of consumers, the number of tourists, and so on.

5 Newspaper reports and specialist publications

■ Marketing – this journal provides weekly advertising spend data and consumer 'recall of adverts' results.

■ The Grocer.

■ Motor Trader

■ The Financial Times – features regular articles on key industries such as IT and detailed country reports; essential for potential exporters.

6 Internal company records If the business has been trading for some time, a great quantity of secondary data will already be available for further analysis from:

■ customer sales records

■ guarantee claims

■ daily, weekly and monthly sales trends

■ feedback from customers on product, service, delivery and quality.

7 The Internet

The Internet has transformed secondary-data collection – but it only has access to data that have already been gathered from the sources listed above. Whenever research is conducted just from the Internet, the accuracy and relevance of the source should always be checked.

Advantages	Disadvantages
■ often obtainable very cheaply – apart from the purchase of market intelligence reports ■ identifies the nature of the market and assists with the planning of primary research ■ obtainable quickly without the need to devise complicated data-gathering methods ■ allows comparison of data from different sources	■ may not be updated frequently and may therefore be out-of-date ■ as it was originally collected for another purpose, it may not be entirely suitable or presented in the most effective way for the business using it ■ data-collection methods and accuracy of these may be unknown ■ might not be available for completely new product developments

Table 17.2 Advantages and disadvantages of secondary research

Advantages	Disadvantages
■ up-to-date and therefore more useful than most secondary data ■ relevant – collected for a specific purpose – directly addresses the questions the business wants answers to ■ confidential – no other business has access to this data	■ costly – market research agencies can charge thousands of dollars for detailed customer surveys and other market research reports ■ time-consuming – secondary data could be obtained from the internet much more quickly ■ doubts over accuracy and validity – largely because of the need to use sampling and the risk that the samples used may not be fully representative of the population

Table 17.3 Advantages and disadvantages of primary research

Methods of primary research

Primary – or fi eld – research can itself be divided into **quantitative and qualitative** research. Table 17.3 summarises the advantages and disadvantages of primary research.

Qualitative research

Finding out about the quantities that consumers might purchase is clearly important information but what is oft en even more revealing is why consumers will or will not buy a particular product. Qualitative research should discover the motivational factors behind consumer buying habits.

KEY TERM

Focus groups: a group of people who are asked about their attitude towards a product, service, advertisement or new style of packaging.

Focus groups

Focus groups are a widely used method of obtaining feedback about new products, new brand names, new advertisements and so on, before these are launched on to the market. This information is often believed to be more accurate and realistic than the responses to individual interviews or questionnaires, where respondents do not have the discussion opportunity presented by focus groups.

Quantitative research techniques

1 Observation and recording

Using this approach, market researchers observe and record how consumers behave. They can count the number of people or cars that pass a particular location in order to assess the best site for a new business. Researchers can also observe people in shops to see how many look at a new display or take a product from the shelves.

2 Test marketing

This can take place aft er a decision has been made to produce a limited quantity of a new product but before a full-scale, national launch is made. It involves promoting and selling the product in a limited geographical area and then recording consumer reactions and sales figures.

3 Consumer surveys

These involve directly asking consumers or potential consumers for their opinions and preferences. Th ey can be used to obtain both qualitative and quantitative research. For example, here are two questions asked in a recent survey of shoppers:

1. How many foreign holidays did you take last year?
2. What do you look for in an ideal foreign holiday?

There are four important issues for market researchers to be aware of when conducting consumer surveys:

1. Who to ask? Given that in most cases it is impossible or too expensive to survey all potential members of a target market (called the survey population), it is necessary to select a 'sample' from this population. The more closely this sample reflects the characteristics of the survey population, then the more accurate the survey is likely to be.

2. What to ask? The construction of an unbiased and unambiguous questionnaire is essential if the survey is to obtain useful results.

3. How to ask? Should the questionnaire be self-completed and returned by post or filled in by an interviewer in a face to-face session with the respondent? Could a telephone survey be conducted instead?

4. How accurate is it? Assessing the likely accuracy and validity of the results is a crucial element of market research surveys.

Sample size

A sample size of 100 or 1,000 is not sufficient for surveying consumer reactions to a new chocolate advertising campaign. This is because chance variations can occur due to the limited number of respondents. A sample of 1,000 is more accurate and useful, especially if the questions focus on specific age or income groups. However, primary research should not be based on a sample size of 1,000 due to cost and time constraints, as the results may be needed quickly for quick decision-making.

Sampling methods

Probability sampling

This involves the selection of a sample from a population based on the principle of random chance. It is more complex, more time-consuming and usually more costly than non-probability sampling

These are the most common probability sampling methods:

■ Simple random sampling: Each member of the target population has an equal chance of being included in the sample. To select a random sample the following are needed:

■ a list of all of the people in the target population

■ sequential numbers given to each member of this population

■ a list of random numbers generated by computer. If a sample of 100 is required, then the first 100 numbers on the random number list are taken and the people who had these numbers allocated to them will form the sample.

■ Systematic sampling: In this method, the sample is selected by taking every nth item from the target population until the desired size of sample is reached. For example, suppose a supermarket wants to study the buying habits of its customers.

■ Stratified sampling: This method recognises that the target population may be made up of many different groups with many different opinions. These groups are called strata or layers of the population and for a sample to be accurate it should contain members of all of these strata – hence the term, stratified sampling

■ Quota sampling: This is similar to stratified sampling. By this method, interviewees are selected according to the different proportions that certain consumer groups make up of the whole target population.

■ Cluster sampling: When a full sampling frame list is not available or the target population is too geographically dispersed, then cluster sampling will take a sample from just one or a few groups – not the whole population.

Non-probability sampling

This approach to sampling cannot be used to calculate the probability of any particular sample being selected

These are the most common methods of non probability sampling:

■ Convenience sampling: Members of the population are chosen based on their relative ease of access. Sampling friends, fellow workers or shoppers in just one location are all examples of convenience sampling.

■ Snowball sampling: The first respondent refers a friend who then refers another friend… and so the process continues. This is a cheap method of sampling and is often used by companies in the financial services sector, such as health- and motor-insurance companies

■ Judgemental sampling: The researcher chooses the sample based on who they think would be appropriate to study. This could be used by an experienced researcher who may be short of time as they have been asked to produce a report quickly.

■ Ad hoc quotas: A quota is established (say 55% women) and researchers are told to choose any respondent they wish up to the pre-set quota.

What to ask – questionnaire design

It is not easy to write an effective questionnaire. Th e temptation is often to ask too many questions in the hope of gaining every last scrap of information. Yet people may become suspicious or bored with so many questions. Unless it is absolutely essential to know the names and precise ages or income levels of respondents, these questions are best avoided, as there will be reluctance to answer them.

Asking all '**open' questions** is not a good idea, although questionnaires usually end with one. followed by a list of options for the respondents to tick or rate, such as:

■ price

■ image

■ packaging

■ widely available

■ smell. As the design of the questionnaire will greatly influence the accuracy and usefulness of the results, it is advisable to undertake an initial pilot survey to test the quality of the questions. Other principles to follow include:

■ making the objectives of the research clear so that questions can be focused on these

■ writing clear and unambiguous questions

■ trying to make sure that the questions follow each other in a logical sequence

■ avoiding questions that seem to point to one particular answer

■ using language that will be readily understood

■ including some questions that will allow a classification of results by gender, area lived in, occupation and so on.

How to ask? Self-completed questionnaire or direct interview?

Self-completed questionnaires are inexpensive and can cover a wide area without bias. However, they often have poor response rates and can be misunderstood. Direct interviews, conducted by skilled interviewers, are more reliable and allow for detailed explanations. Although expensive, they continue until a pre-set sample size is reached, unlike the uncertain response to postal questionnaires.

How accurate is primary research?

Unfortunately, the reliability of primary data can often be called into question. Th ere are three main reasons why primary data may not be as reliable as hoped for.

1. Sampling bias: The only really accurate method of primary research is to ask the entire target population – we have already identified the time and cost constraints on this. Results from a sample may be different from those that would have been obtained if the entire target population had been questioned.

2 Questionnaire bias: This may occur when questions tend to lead respondents towards one particular answer. Because of this, the results are not a completely accurate reflection of how people act or of what they believe. An example of a 'leading question' could be: 'Which of the following factors best explains why you prefer Chocko bars to other manufacturers' chocolate bars?'

3 Other forms of bias: These might include the respondent not answering in a very truthful way, perhaps because they do not want to admit to spending so much on music downloads or clothes!

Market research developments

Increasingly, businesses are turning to electronic means to gather the data their marketing strategies require.

Electronic data retrieval methods allow businesses to access vast amounts of information, particularly for retailers like supermarkets that operate loyalty card schemes. This allows them to target consumers with ads and special offers about goods they are most interested in, making targeted marketing cost-effective. Social media platforms are also transforming market research, as seen in the case study on Introducing the topic.

Cost-effectiveness of market research

This is an important consideration. Market research is not free – even gathering secondary data takes some time and buying market research reports or undertaking primary research can be very expensive

Market research is becoming more accessible and affordable for businesses, but questions remain about its worth and cost-effectiveness. Well-designed research leads to higher sales and profits, with global spending on market research increasing by 3.8% in 2012 to US$33.5 billion.

Interpretation of data

Numerate data might be presented in many forms including:

■ Tables – these allow ease of reference can be used to present a mass of data in a precise way.
■ Pie graphs (or pie charts) – used to display data that need to be presented in such a way that the proportions of the total are clearly shown.

The size of each section is determined by the angle at the centre of the circle. This is calculated in the following way:

$$\frac{\text{value of one section}}{\text{total value of all sections}} \times 360 \text{ degrees}$$

■ Line graphs – most commonly used for showing changes in a variable, such as sales over time in time-series graphs. The line graph allows easy reference to trends in the data and shows up seasonal or other fluctuations clearly.

■ Bar charts – these use bands of equal width but of varying length or height to represent relative values. They allow easy comparison over time or between different items.

■ Histograms – frequently confused with bar charts but there is one very important distinction, it is not the height of each bar that represents relative values, but the area of each bar.

Statistical analysis of results

Interpreting and analysing statistical data can start with an attempt to identify key trends or key features of the data. The data from two surveys, taken last year and this year, is currently in raw form and lacks interpretation. This section aims to summarize numerical data using basic statistical techniques, enabling further analysis and decision-making.

	Number of hours per week
Last year	1, 5, 10, 15, 3, 6.5, 6, 4, 7.5, 16, 12, 4, 0, 2, 20, 18, 12, 10, 11, 10
This year	15, 12, 4, 5, 12, 6, 0, 2, 3, 10, 7, 8, 3, 12, 22, 18, 20, 14, 11, 8

Table 17.4 Number of hours respondents listened to radio station

	Number of hours per week
Last year	0, 1, 2, 3, 4, 4, 5, 6, 6.5, 7.5, **10, 10, 10**, 11, 12, 12, 15, 16, 18, 20
This year	0, 2, 3, 3, 4, 5, 6, 7, 8, 8, 10, 11, **12, 12, 12**, 14, 15, 18, 20, 22

Table 17.5 Research data in ascending order

Averages

An average is a typical or representative measure of a set of data. Averages tell us something about the 'central tendency' of data. There are several different types of average that can be calculated from any set of data. Th e three most frequently used are:

1. the arithmetic mean – often abbreviated to just 'the mean'
2. the mode
3. the median.
Although these are all averages, they are calculated differently and they give rather different information about what is meant by a 'typical' result.

Arithmetic mean

The mean of listening to the station increased from 8.65 hours in the last year to 9.6 hours in the current year, using a small sample size, highlighting the importance of accurate data collection.

Mode

To identify the mode, it is wise to put the data into ascending or descending order; then values that recur will be immediately obvious.

Th e mode in each case is clearly visible (and is given in bold type):

■ 10 hours was the most frequently occurring length of listening time last year.

■ 12 hours was the most frequently occurring response this year

Median

The median is the middle item in a range of ordered data. The median item may be identified by using the following formula when the number of values is an odd number:

$$\frac{number\ of\ values\ +\ 1}{2}$$

It is more usual, when the number of results gathered is large enough, to approximate the median by using the formula:

$$\frac{number\ of\ values}{2}$$

Frequency data

When data are presented in a table, it is common to show them in a frequency form, rather than showing each result individually. Table 17.6 shows the sizes of the shoes sold by a shop during one day. Alongside these data another column has been added, which is used in the calculation of the mean. Th e mathematical notation used is:

■ x refers to each individual value

■ f means frequency for one individual value

■ ∑f(x) denotes the sum of all the values. Th e three averages can still be calculated from data presented in this form. Th e mean is

$$\frac{\sum f(x)}{f} \frac{Column\ 3\ total}{Column\ 2\ total}$$

$$=\frac{638}{100}=6.38$$

KEY TERM

Arithmetic mean: calculated by totalling all the results and dividing by the number of results.

KEY TERM

Mode: the value that occurs most frequently in a set of data.

KEY TERM

Median: the value of the middle item when data have been ordered or ranked. It divides the data into two equal parts.

Shoe size (x)	Number sold (frequency, f)	Frequency × shoe size
3	4	12
4	13	52
5	18	90
6	20	120
7	17	119
8	12	96
9	11	99
10	5	50
	$f=100$	$\sum f(x)=638$

Table 17.6 Frequency of shoes sold in a day: by size

Grouped frequency data

Data are presented in this form when what is being measured is not a whole number, but a range of possible responses. For example: 'Which age range are you in?' 12–18 years, 19–26 years, and so on. Table 17.8 shows wage levels within an office. Th e three averages are calculated as follows:

$$\text{mean} = \frac{\$39,975}{135} = \$296.11$$

Th e median worker:

$$\frac{135+1}{2} \text{ worker} = 68\text{th worker.}$$

Shoe size	Cumulative frequency
3	4
4	17
5	35
6	55
7	72
8	84
9	95
10	100

Table 17.7 Cumulative frequencies of shoe size

Wage x ($)	Number of workers (f)	Midpoint (x)	f(x)	Cumulative frequency
200 to less than 250	25	225	5,625	25
250 to less than 300	40	275	11,000	65
300 to less than 350	58	325	18,850	123
350 to less than 400	12	375	4,500	135
	$\sum f = 135$		$\sum f(x) = 39,975$	

Table 17.8 Weekly wages grouped data

Averages – how useful are they?

Table 17.9 suggests the most likely uses of these three averages, as well as evaluating their application in business contexts.

Measures of dispersion or spread of data

Two examinations yielded similar arithmetic mean results, with Joe achieving 45% on both papers. However, he was more satisfied with Paper 1 than Paper 2.

Consider the following distribution:
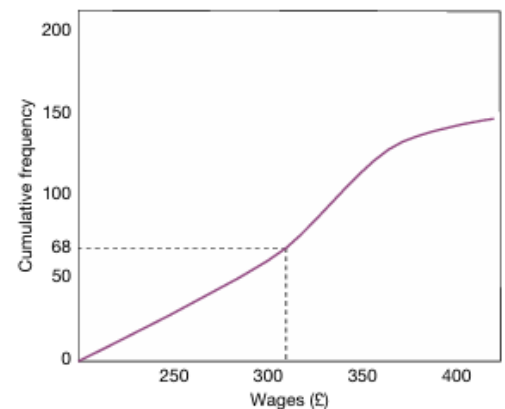Paper 1: Top mark 83%, lowest mark 14%
Paper 2: Top mark 60%, lowest mark 43%

Figure 17.1 A cumulative frequency graph showing wages paid to workers and the median result

The range

The range of data distribution is commonly used, with the highest result – lowest result formula. However, it can be distorted by extreme results, such as a brilliant student's higher scores. To avoid this, the 'Butler Range' is sometimes used, excluding the highest and lowest results.

The inter-quartile range

To overcome the problem of one result giving a misleading picture when the range is used, the inter quartile range is often calculated. The median divided the data into two halves; quartiles divide each half again. Figure 17.2 helps to illustrate this.

Average measure	Uses	Advantages	Disadvantages
Mean	■ When the range of results is small, the mean can be a useful indicator of likely sales levels per period of time. This could be used to help determine reorder levels. ■ Often used for making comparisons between sets of data, e.g. attendance at football clubs.	■ The mean includes all of the data in its calculation. ■ It is well recognised as *the* average as it is so widely used – and therefore easily understood. ■ It can be used to analyse data further in other ways that assist in understanding the significance of the results collected.	■ The main problem is that the mean is affected by one or two extreme results. For instance, if in the wages example on page 245, the income of the managing director had been included (say, $50,000 per year), then the mean result would increase substantially. This would make it less of a meaningful average for all of the other 135 workers. ■ It is commonly not a whole number. Is it really useful for stock-ordering purposes to know that the mean shoe size sold was 6.38?
Mode	■ As the most frequently occurring, the result could be used for stock-ordering purposes. For instance, the shoe shop in our example above would need to hold more pairs of size 6 shoes than any other size.	■ It is easily observed and no calculation is necessary. The result is a whole number. Easily understood.	■ For grouped distributions, the result is estimated from the modal group – a fairly complex calculation could be made if this estimate was not accurate enough. ■ The mode does not consider all of the data. As a consequence, it cannot be used for further statistical analysis. ■ There may be more than one modal result, which could cause confusion.
Median	■ Could be used in wage negotiations, e.g. 'Half of our union members earn less than $xx per week.' ■ Often used in advertising, e.g. 'The reliability records show that our products are always in the best-performing 50% of all brands.'	■ It is less influenced by extreme results than the mean is. This makes it more representative than the mean when there are a few significantly high or low results.	■ Calculation from grouped data is not straightforward and there is an element of inaccuracy when doing this. ■ When there is an even number of items in the results, its value is approximated. ■ It cannot be used for further statistical analysis.

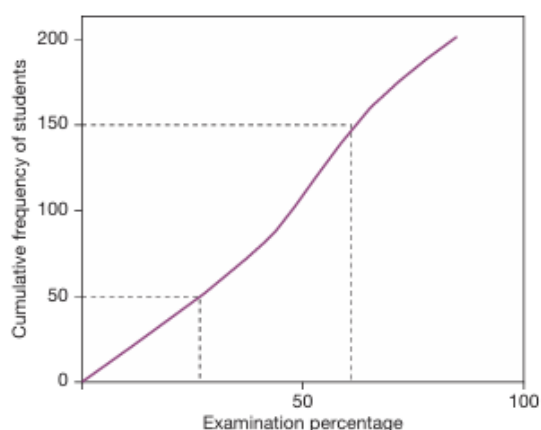**Table 17.9** Evaluation of the three averages

Figure 17.2 Inter-quartile range (200 students)

🔑 **KEY TERM**

Inter-quartile range: the range of the middle 50% of the data.

The inter-quartile range is calculated by subtracting the value at the third quartile from the value at the first quartile.

■ The value at the third quartile is found by the formula: $3 \times$ number of results $\div 4$.
■ The value at the first quartile is found by the formula: number of results $\div 4$.

Revision questions

Q1. 9609/12/O/N/17/Q4 (b)
Briefly explain two advantages of customer (market) orientation to a business. [3]

Q2. 9707/12/M/J/10/Q2
(a) Define market research. [2]
(b) Briefly explain the difference between primary and secondary research. [3]

Q3. 9707/11/O/N/09/Q4
(a) Distinguish between the median and mode. [2]
(b) Briefly explain how the mode might be more useful to shoe manufacturer than the median. [3]

Q4. 9707/13/O/N/10/Q1
(a) Distinguish between the mean and mode. [2]
(b) Briefly describe one business situation in which the mode might be a useful measure. [3]

Q5. 9707/12/M/J/10/Q4
(a) Outline the main feature of pie charts. [2]
(b) Briefly explain the main advantages of using bar charts as a method of presenting information. [3]

Q6. 9707/13/M/J/10/Q2
(a) Define primary research. [2]
(b) Distinguish between 'random sampling' and 'quota sampling' [3]

Q7. 9707/12/M/J/11/Q1
(a) State two advantages of using secondary market research data. [2]
(b) Briefly explain why a business might choose to conduct primary market research. [3]

Q8. 9707/11/O/N/13/Q2
(a) Define primary 'research'. [2]
(b) Briefly explain two advantages of primary research. [3]

Q9. 9707/13/O/N/14/Q1
(a) Define the term 'market research'. [2]
(b) Briefly distinguish between desk (secondary) methods and field (primary) methods of market research. [3]

Q10. 9707/12/M/J/13/Q2
(a) Define the term 'random sampling'. [3]
(b) Briefly explain two advantages of using quota sampling. [3]

Q11. 9609/12/M/J/16/Q2
(a) Distinguish between random sampling and quota sampling [2]
(b) Briefly explain two limitations of market research sampling. [3]

Q12. 9609/12/O/N/16/Q4
(a) Define 'secondary market research' [2]
(b) Briefly explain two advantages of using 'focus groups' as a method of market research. [3]

Q13. 9609/12/F/M/17/Q1
(a) Define the term 'market research'. [2]
(b) Briefly explain the limitations to a business of using secondary market research. [3]

Q14. 9609/12/F/M/18/Q1
(a) Define the term 'random sampling'. [2]
(b) Briefly explain two benefits of using quota sampling when carrying out market research. [3]

Q15.9609/11/M/J/18/Q1
(a) Define the term 'market research'. [2]
Briefly explain two advantages to a business of primary (field) market research [3]

Q16.9707/11/M/J/13/Q3
Briefly explain advantages of using 'sampling 'in market research. [5]

Q17. 9707/11/O/N/11/Q3
Explain two limitations of using samples in market research. [5]

Q18.9707/01/M/J/09/Q7 (b)
Explain how market research might be used to reduce some of the problems faced by a new start-up business. [12]

Q19. 9707/12/O/N/09/Q7 (b)
A manufacturer of soft drinks wants information about customer needs and preference. [12]

Q20. 9707/11/M/J/12/Q7 (b)
Discuss how this information might be collected. [12]

Q21. 9707/12/O/N/12/Q7
(a) Explain why many businesses spend large amounts of money on market research. [8]
(b) Discuss the advantages and disadvantages of using the internet to collect market research data. [12]

Q22. 9707/11/O/N/15/Q5
(a) Explain the importance of primary market research to new business. [8]
(b) Discuss how a business could make sure that its market research expenditure is cost effective. [12]

Q23. 9609/13/O/N/17/Q5
(a) Analyses why primary market research could be more useful to a business than secondary market research. [8]

(b) Discuss the advantages and disadvantages to a business of using focus groups to collect market information on a new product. [12]

Q24. 9707/13/O/N/10/Q6
Discuss possible benefits and limitations of market research for a car manufacturer. [20]

Q25. 9707/12/M/J/14/Q6
Discuss how a cell (mobile) phone manufacturer could assess the effectiveness of its market research expenditure.
[20]

Q26. 9707/12/O/N/15/Q6
Discuss the view that while market research can be very beneficial for a business it can also have serious
limitations.