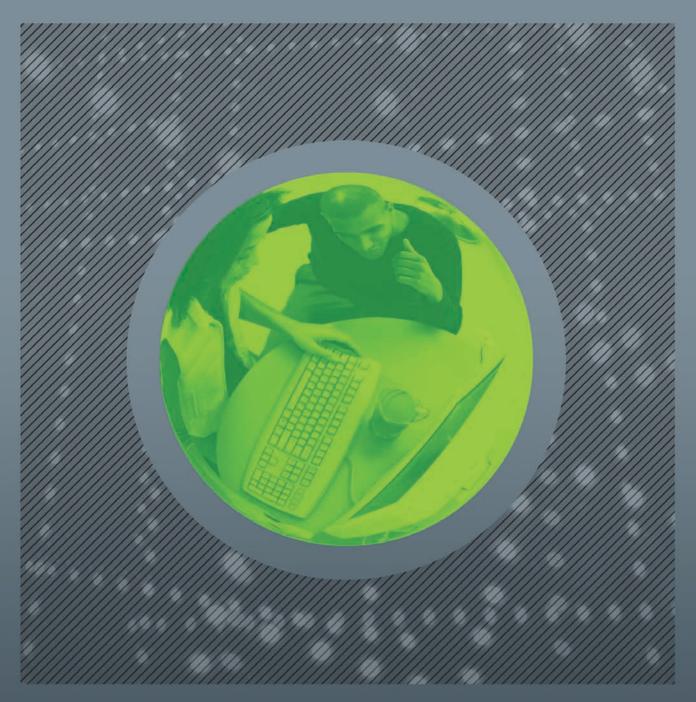
Pearson New International Edition



The Marketing Plan Handbook Marian Burk Wood Fifth Edition

Pearson Education Limited

Edinburgh Gate Harlow Essex CM20 2JE England and Associated Companies throughout the world

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ISBN 10: 1-292-02167-5 ISBN 13: 978-1-292-02167-6

British Library Cataloguing-in-Publication Data

A catalogue record for this book is available from the British Library

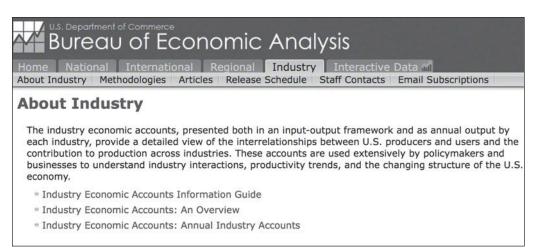


EXHIBIT 6 Industry Information from the U.S. Department of Commerce Bureau of Economic Analysis

in each source, taking note of how current the information is and extracting the specifics to be included in various sections of your marketing plan. Be prepared to explain and interpret the information in the context of your brand's situation.

Often, secondary research is too general to answer detailed questions about particular markets and types of customers. That's where primary marketing research comes in. Marketers who are qualified to do so can conduct primary research to support the planning process. Some companies have specialists on staff to conduct primary research or prefer to hire outside specialists to do so.

Primary Research

Primary research starts with a definition of what you need to know about a specific market and how that knowledge will help you create a more effective marketing plan. For example, a carpet manufacturer might want to know more about the buying process families use to determine when to buy new carpeting for an existing home. This knowledge can help its marketers better plan the timing and content of communications to trigger interest in the brand and in specific carpet products. The manufacturer can also gain insight into stated and unstated needs that carpeting can satisfy, such as making a room more comfortable (stated) and communicating social status (unstated).

The next step is to plan for collecting data through observation, surveys (online, by phone, or by mail), experiments, and other research methods. Marketers are increasingly interested in ethnographic research, online research, and neuromarketing.

ETHNOGRAPHIC RESEARCH When marketers use *ethnographic research*, they observe how customers behave in actual product-purchase or usage situations and ask questions to clarify the reasons for their behavior. The Walt Disney Company uses ethnographic research to better understand the attitudes and behavior of an important target market for cable TV programming, tween boys (ages 6–14). Trained researchers observe tween boys as they shop, visit them at home to learn what they choose and use and why, and watch what they do in their free time. Based on this research, Disney now has tween actors in its TV shows carry skateboards with the

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bottoms facing outward (to show off the personalization, which tweens like to do) and creates characters who work hard to improve their skills (which tweens admire).¹⁵

LEGO used ethnographic research to study preteen girls' play patterns before introducing a new product line aimed at girls.

LEGO. LEGO has traditionally been much more successful in marketing block sets to boys (and adults) than in marketing block sets designed for girls. When the company planned a new line of block sets for girls, it began by sending marketers on lengthy research trips to observe U.S., U.K., German, and Korean girls at play and to talk with their families. The researchers discovered that girls weren't fond of the mini-figures packaged with current LEGO sets. "The girls needed a figure they could identify with, [one] that looks like them," notes a product designer on the team.

LEGO researchers also learned that girls enjoy role-playing and storytelling as they build. Based on these findings, the company created LEGO Friends, themed sets with plastic "character" mini-dolls and blocks in bright pink, lavender, and blue colors. To jump-start storytelling, LEGO came up with a fictional setting (Heartlake City) and included accessories like a veterinary clinic and a beauty salon. "We had nine nationalities on the team to make certain the underlying experience would work in many cultures," explains the senior creative director. Although some critics have complained about what they see as gender stereotypes, the company says its aim is to "engage even more girls in the skill-developing experience of LEGO play." Actual first-year sales were double the company's projection, indicating an enthusiastic market response. ¹⁶

ONLINE RESEARCH Many marketers employ *online research*—research conducted via the Internet—because the cost is relatively low, it can be implemented and fine-tuned on fairly short notice, and the results are available in short order. On the other hand, the results will not be entirely representative of a product's market because not all consumers and business customers use online media or participate in online surveys. Nonetheless, many companies use formal online surveys or informally study consumer comments in online communities such as Facebook for clues to attitudes and purchase intentions.

Companies that use *behavioral tracking* want to research what customers do when they visit certain websites or click on certain ads. Google, for instance, tracks users' online activities so it can examine behavior patterns and serve up ads based on interests revealed by those patterns. This does, however, raise ethical concerns, as will be discussed later, and marketers must also comply with all applicable laws and regulations, which often vary from country to country.

NEUROMARKETING One of the newest areas of marketing research is *neuromarketing*, investigating consumers' physiological and neurological reactions to marketing activities. Neuromarketing may help firms dig deeper into what happens inside consumers when they see products in stores, view or hear advertising messages, buy and use goods and services, and evaluate their buying decisions. Amazon, for instance, uses eye-tracking technology to analyze the way consumers look at its retail pages and has redesigned some screens based on this research.¹⁷

Using Marketing Research

If marketing research is not available or must be carried out, you should indicate this in your marketing plan and include the research as part of your plan's budgets and schedules. Also plan to conduct ongoing marketing research to help measure results during implementation. For instance, you might use advertising research to test messages and media as well as

PLANNING TIP

Summarize research findings, identify key needs and influences, and plan for new research.

to study customer response; you might use test marketing to gauge reaction to new products. Research studies of customer satisfaction, market share changes, and customer attitudes and buying patterns are also valuable for spotting and analyzing clues to the company's effect on the market and customers (as well as seeing how competitors are doing).

At times, you may be forced to make decisions based on incomplete data; given the fast pace of the global marketplace, you'll rarely have enough time or money to conduct exhaustive research covering every contingency. Therefore, you'll have to assess the risk of waiting for more research compared with the risk of seizing an opportunity before it slips away or before competitors gain an edge.

Finally, as noted earlier, privacy is a major issue in marketing research. Although marketers can do a better job of targeting segments and planning marketing activities by gathering and analyzing vast amounts of data, research also raises some questions about privacy. Most people are aware that supermarket purchases, web-surfing habits, and other behavior can be easily tracked. But what specific information is collected and how is it used? Can individuals be personally identified? How are individuals protected by privacy laws, industry self-regulation, and companies' privacy policies? The U.S. Federal Trade Commission (FTC) is taking a closer look at companies' use of behavioral tracking research. (For more information, visit the FTC site at www.ftc.gov/ or scan the QR code here.) So keep privacy in mind as you plan.



Summary

When analyzing markets, start by broadly defining the general market and the needs of those customers. Markets are always changing, as consumers or business customers enter or leave and start or stop buying a product. For this reason, firms should project market changes and analyze demand in detail before selecting a specific segment to target. Many companies track their market share over time, compared with that of competitors, to understand market dynamics and establish a marketing metric.

Research is important for analyzing consumers and business customers. In consumer markets, cultural considerations, social connections, and personal factors help shape needs, wants, and behavior patterns. Marketers also research how consumers think and act in each stage of the buying decision process. Business buyers are influenced by both organizational considerations and organizational connections. Companies can use secondary research and primary research to gain a better understanding of their markets and customers. However, marketers may be forced to plan marketing activities based on incomplete data in order to keep up with fast-moving market opportunities or to counter competitors.

Your Marketing Plan, Step by Step

Use the following questions as starting points for learning more about both markets and customers. Document your answers in your marketing plan.

- Where will you find secondary research about consumer markets? Try to locate at least three solid sources. In addition to searching specific key words, consider the following:
 - **a.** Population data from the U.S. Census (www.census.gov)
 - International demographic data from the United Nations (http://unstats.un.org/unsd/demographic/products/vitstats)
 - c. The American Customer Satisfaction Index (www.theacsi.org)
 - **d.** Google Trends (www.google.com/trends)
 - e. College and university library sources (such as www.bber.umt.edu/default.asp)
 - f. Research groups (such as http://pewresearch.org
- 2. Where will you find secondary research about business markets? In addition to searching specific key words, locate three or more good sources, such as the following:
 - **a.** U.S. government resources (http://business .usa.gov)
 - **b.** NAICS industry data (www.census.gov /eos/www/naics/)
 - c. Industry Week magazine (www.industryweek com/)
 - **d.** Businessweekmagazine(www.businessweek .com)
 - **e.** *E-Commerce Times* (www.ecommercetimes .com/)
 - **f.** College and university library sources (check your school's resources)
- 3. From the information you've collected, extract details to define the market for your product, including the potential available, qualified available, and target markets. Summarize your findings in a grid similar to that in Exhibit 3.

- Be as specific as possible in your definitions, recognizing that you may have to adjust these definitions later (after you complete your research and plan your targeting strategy). If your marketing plan is for a product already in existence, also define the penetrated market. For a marketing plan that focuses on business customers, include NAICS codes in your definitions.
- 4. If your marketing plan focuses on a real product, research and estimate its current market share (in unit or financial terms). Whether your plan focuses on a new, real, or made-up product, estimate the market shares of the major competitors in the industry, based on your research. How have share trends in this product category changed over time? What environmental factors seem to have affected these share changes? What are the implications for your marketing plan?
- 5. For marketing plans that focus on consumer markets, use secondary research to find data about how culture, social connections, and personal factors are likely to affect the people in your defined markets. Explain your findings in your marketing plan and include two specific ideas for how your marketing plan will make use of these insights.
- 6. If your plan focuses on business customers, research how organizational connections and considerations (including derived demand) are likely to affect the businesses, nonprofits, or institutions in your defined market. Read respected industry blogs for clues to influences on business buying. Explain your findings in your marketing plan, including at least two specific points about how your marketing plan will tap into these influences.

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