

Analysis of problem definition



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Problem definition is the first and the basic step of research process.

According to definition, “ Problem definition involves stating the general problem and identifying the specific components of the market research”. A number of failures in marketing research project are a result of unclear definition of the problem. Therefore, a lot of stress is on the decision makers to work out their objectives fully or, if they have, they are not willing to fully disclose them.

It is the responsibility of the decision maker is to ensure that the research proceeds along clearly defined lines. The researcher should make sure that he/she is able to articulate each and every aspect of the objective.

The figure shows a typical marketing research process. Correctly defining the problem is the crucial first step in the marketing research process. If the research problem is defined incorrectly, the research objectives will also be wrong, and the entire marketing research process will be a waste of time and money. So the management needs to be very careful in defining the problem to avoid errors in the research & hence in final conclusion.

Following are some of the characteristics of problem statements,

Problem Definition Process:

The process for defining the problem is explained below, C:

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The marketing research process begins with the recognition of a marketing problem or opportunity. Sometimes it is also referred as opportunity identification. Opportunity identification is nothing but Using marketing

research to find and evaluate new opportunities. Of course, marketing research doesn't always deal with opportunities. Managers may want to know, for example, " Why are we losing marketing share?" or " What should we do about Ajax Manufacturing lowering its prices by 10 percent?" In these instances, marketing researchers can help managers solve problems.

Large amounts of money, effort, and time are wasted because requests for marketing information are poorly formulated or misunderstood. Therefore, marketing researchers often find the following activities helpful:

Discuss what the information will be used for and what decisions might be made as a result of the research. Work through detailed examples to help clarify the issue.

Try to get the client or manager to prioritize their questions. This helps sort out central questions from those of incidental interest.

Rephrase the questions in several slightly different forms and discuss the differences.

Create sample data and ask if such data would help answer the questions. Simulate the decision process.

Remember that the more clear-cut you think the questions are and the more quickly you come to feel that the questions are straightforward, the more you should doubt that you have understood the real need.

Problem Definition Steps

This step may be referred to as conducting a situation analysis. Studying the decision making environment within which the marketing research will take place. The better the marketing researcher understands the decision-making environment, including the industry, the firm, its products or services, and the target market, the more likely it is that the problem will be defined correctly.

Marketing researchers must be careful to distinguish between symptoms and the real problem. A symptom is a phenomenon that occurs because of the existence of something else. So differentiating symptoms can give a clear idea about the problem.

Once the true management decision problem has been identified, it must be converted into a marketing research problem. The marketing research problem specifies what information is needed to solve the problem and how that information can be obtained efficiently and effectively. The marketing research objective, then, is the goal statement, defining the specific information needed to solve the marketing research problem. Managers must combine this information with their own experience and other related information to make a proper decision.

There is a tendency to assume that current data are superior to data collected in the past, as current data appear to be a “fix on today’s situation.” And because researchers have more control over the format and comprehensiveness of fresh data, they promise to be easier to work with.

Yet, using existing data can save managers time and money if such data can answer the research question.

When marketing researchers promise more than they can deliver, they hurt the credibility of marketing research. It is extremely important for researchers to avoid being impelled-either by over eagerness to please or by managerial macho-into an effort that they know has a limited probability of success.

The culmination of the problem definition process is a statement of the research objectives. These objectives are stated in terms of the precise information necessary to address the marketing research problem/opportunity. Well-formulated objectives serve as a road map in pursuing the research project.

Client Interview

Client interview is one of the important steps in problem formulation. It is the starting point where you interact with the client; understand his requirements & what his expectations from the research are. After this is done, it becomes serves as an information source from which the problem statements can be constructed. These interviews are mostly one on one interview which the highly skilled interviewer tries to uncover the actual requirements by probing the client with follow up questions. The information obtained from the client serves as the guideline in framing the questions. It gives the researcher the opportunity to explore in to the question areas in detail. So basically the primary use of client interviews is for exploratory

research to gain insights & understanding. C: UsersPublicPicturesclient interview. jpg

Problem Complexity:

Problem may be referred as complex problem when it is difficult to define. Very often it is very difficult to distinguish between problem & symptom. If a researcher takes up symptoms as problem then the entire research might be built on wrong foundation. Hence we need to understand what is symptom ambiguity.

Symptom ambiguity:

A symptom is a phenomenon that occurs because of the existence of something else. Marketing researchers must be careful to differentiate between symptoms & real problems. For example, managers often talk about the problem of poor sales, declining profits, increased customer complaints, or defecting customers. Each of these is a symptom of a deeper problem. That is, something is causing a company's customers to leave. Is it lower prices offered by the competition? Or is it better service? Focusing on the symptoms and not the true problem is often referred to as the iceberg principle. Approximately 10 percent of an iceberg rises out of the ocean; the remaining 90 percent is below the surface. Preoccupied with the obstacle they can see, managers may fail to comprehend and confront the deeper problem, which remains submerged. C: UsersPublicPicturesSymptom-Checklist. jpg

Random variable

Technically speaking a random variable is defined as, “ A dependent variable that is evaluated by an outcome when that outcome has an equal probability of occurrence. An example would be either the “ heads” or “ tails” of a coin toss, where the outcome becomes the random variable.” In context of marketing research when deciding over a problem many variables come to light which help us to decide over a hypothesis. We assign random variables to the hypothesis which may be numbers 1, 2, 3 or alphabets X, Y, Z.

Consider following exampleC: UsersPublicPicturesdice. jpg

Here while analyzing each of the goals it is preferable to denote each parameter by a random variable. This makes computation easier especially when large amount of data are to be used for analysis purpose.

Management decision statement and corresponding research problem

From the above definition and process of problem definition we get brief idea of what problem definition exactly is. However it is well said that “ A problem well defined is a problem half solved!” C: UsersPublicPicturesproblem. gif

Hence it is essential to distinguish market research problem from the management decision problem. The problem basically arises because most marketing research problems manifest themselves as Management Decision Problems. The Management Decision Problems is more action oriented in contrast with the market research problem which is more information oriented. The market research problem involves determine what information is needed and how it can be obtained efficiently and be effective.

Management Decision Problems

The overall process can be defined as follows:

Situation arises or is predicted to occur in near future

Management needs to make a decision to tackle the issue

Requires research to identify key factors

Starts the research process

As discussed earlier there is no actionable guidance that is defined and simply a statement of the issue that management is dealing with is prompted. The Management Decision Problem must be restated in research terms so as to begin with research.

Marketing Research Problem:

A statement of the information needed by a decision maker to help solve a management decision problem is what we mean by a marketing research problem. It forms the most critical and integral part of the marketing research process. It provides guidance and direction for research process. It has to be closely linked with the management decision problem and drawn on the lines such that management decision can be taken in an easier way.

Steps to define research problems:

Find out why the information is being sought.

Determine whether the information already exists.

Determine whether the question really can/should be answered.

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Use exploratory research to define background of the problem

Situation analysis

The iceberg principle

Determine relevant variables

Conceptual mapping

Conceptual mapping is one of the effective tool to link the above two problems. In conceptual mapping, concepts are represented by boxes and circles which are connected with arrows that are labeled, thereby forming a downward- branching hierarchical structure. The relationship thus between the management decision problem and market research problem can be thus simplified and articulated well by linking them with phrases on the arrows e. g. includes, gives rise to, etc.

CmapTools. gif (94068 bytes)

Request for Proposal

The research request is an internal document used by management to determine which projects to fund. A request for proposal (RFP) is a solicitation sent to marketing research suppliers inviting them to submit a formal proposal, including a bid. An actual RFP, adapted slightly for the purposes of this text, is shown in Exhibit 2. 3. The RFP is the lifeblood of a research supplier. Receiving it is the initial step in getting new business and, therefore, revenue. C: UsersPublicPicturesproposal. jpg

A typical RFP provides background data on why a study is to be conducted, outlines the research objectives, describes a methodology, and suggests a time frame. In some RFPs, the supplier is asked to recommend a methodology or even help develop the research objectives. Most RFPs also ask for (1) a detailed cost breakdown, (2) the supplier's experience in relevant areas, and (3) references. Usually, a due date for the proposal will be specified.

Marketing Research Proposal

The research proposal is a document that presents the research objectives, research design, time line, and cost of a project. A typical research proposal contains following elements. The description tells us how we can create a good marketing research proposal.

Executive summary

The proposal must start with a summary of the important points from each of the other sections, presenting an overview of the entire proposal.

Background

It includes the background of the problem, including the environmental context

Problem definition/objectives of the research

Normally a statement of the problem, including the specific components, should be presented. If this statement has not been developed (in the case of problem identification research), the objectives of the marketing research project should be clearly specified

Approach to the problem

At a minimum, a review of the relevant academic and trade literature should be presented, along with some kind of analytical model. If research questions and hypotheses have been identified, then he should be included in the proposal

Research design

The research designed adopted, whether exploratory, descriptive, or casual, should be specified.

Fieldwork/data collection

The proposal should discuss how the data will be collected and he will collect it. If the field work is to be subcontracted to another supplier, this should be stated. Control mechanisms to ensure the quality of data collected should be described

Data analysis

The kind of data analysis that will be conducted and how the results will be interpreted should be described

Reporting

The proposal should specify whether intermediate reports will be presented and at what stages, what will be the form of the final report, and whether a formal presentation of the results will be made

Cost and time

The cost of the project and a time schedule, broken down by phases, should be presented. A CPM or PERT chart might be included. In large projects, a payment schedule is also worked out in advance

Appendices

Any statistical or other information that is of interest to only a few people should be contained in appendices

Real life example of Marketing Research Proposal:

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Marketing Research Proposal for Heartwarming Care

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Introduction

Heartwarming Care (HWC) is a specialty service that provides in-home care assistance to people in need. They assist in activities of daily living, such as meal preparation, bathing, grooming, light housekeeping, companionship, assistance to medical appointments, medication reminders, exercise, and activity. Heartwarming care prides themselves on having experienced, sympathetic, and caring employees. Heartwarming Care supplies care professionals for University Place, Tacoma, and the surrounding areas of Pierce County. HWC's website is generally guided to the adult children of potential clientele and also potential employees. It gives a general overview of the care available as well as a media center that provides current events that apply to the industry.

Purpose and Scope

The main objective of this research is to conduct conclusive research to verify insights about the current position of Heartwarming Care's website. The final analysis should assist Heartwarming Care in determining whether to change or maintain the current website structure, content and rhetoric. In short, Heartwarming Care is striving to maintain a grasp on the technological

and marketing standards of progressive generations. The website's intended audience is the adult children of the company's current clientele and adult children of prospective clients. This market is primarily made up of Baby Boomers.

Specific Objectives

- Determine the key words used by clients when looking for a healthcare provider for their family members online.

- Measure the 'usability' of Heartwarming Care's website.

- Evaluate reactions to the 'media center' located on the landing page of Heartwarming Care's website.

- Determine user's willingness to provide name and email information in exchange for access to 'media center'.

- Determine whether all information on website is relevant.

- Determine whether all desired information by users is present on website.

- Identify the home locale of online users.

- Identify the general demographics of online users.

Sample Design

Because of the conclusive nature of the objectives, we will primarily use quantitative questioning in the surveys. All qualitative questions will be left to a minimum for ease of analysis and reporting.

Data Collection Procedures

Data will be collected through two separate media – home phone calls and online. The numbers to be called will be provided by Randy Walden from Heartwarming Care’s existing database. A phone script will be created to make all home calls consistent and unbiased.

We propose, for online surveys, that a link to a survey be on the website and accessible from any page on the site. Because the website also caters to prospective employees the online survey will divert to a separate set of questions pertaining to job seekers and how they perceive the ease and effectiveness of the website.

Data Analysis Plan

Once surveys are complete, data will be analyzed by both SPSS and Survey Monkey. Survey Monkey offers a web-based interface for creating and publishing custom web surveys, and then views the results graphically in real time.

SPSS predictive analytics software improves business processes by directing, optimizing, and automating decisions made throughout an organization.

Predictive analytics includes both the analysis of past, present, and projected future outcomes using advanced analytics, and decision optimization for determining which action will drive the optimal outcome.

Reporting

Following the analysis stage, a report and a PowerPoint presentation will be created. A formal presentation of all findings and conclusions will be given between December 9, 2008 and December 15, 2008. A final copy of the

report summarizing the findings of all phases of the research will then be submitted electronically and through the mail.

Timetable

Dates

Deliverables

Oct. 1 – Oct. 12

Industry and Secondary Data Report Development

Oct. 8

Approved Proposal Needed

Oct. 9 – Oct. 24

Survey Development

Oct. 25

Survey Submitted for Approval

Oct. 29

Survey Approval Needed

Nov. 1 – Nov. 15

Surveying

Nov. 15 – Nov. 20

Coding and Data Preparation

Nov. 20 – Nov. 25

Analysis of Data

Nov. 25 – Dec. 3

Report and Presentation Preparation

Dec. 9 – Dec. 15

Presentation and Final Report

Associated Costs

Cost of having website host, IlluminAge, add pop-up survey powered by Survey Monkey to current site. Cost of incentives (to be determined by Randy Walden) for those surveyed.

Benefits of good proposal

Clients:

Specifies research methodology

Specifies time line

Specifies deliverables

Specifies project cost

Allows for planning team member involvement & resource allocation

Ensures competing vendors carefully consider,

Project specification

Research design/methodology

Project cost

Supplier:

Identifies specific responsibilities of the vendor

Identifies the role the client has in fielding the research

Allows for planning team member involvement & resource allocation

Serves as a valuable tool for managing client expectation, especially when the client,

Contributes to delay or revises the project timeline

Mandates change to project scope

Requests additional or alternative deliverables

Cancels the project

Case on Indian company to explain problem definition

Bharti Airtel Ltd. (BAL) going global

Bharti Airtel Ltd. (BAL), a market leader in Indian telecommunication industry looks to expand its operations in emerging markets. It has established as a dominant player in India with its innovative business process model and as a strong brand. However in recent times it was facing tapering growth because of increasing competition and saturation of the urban markets. While more

and more players are trying to enter and capitalize the Indian market which is experiencing high growth, BAL plan to go global first step towards its globalization venture is the acquisition of Zain Group's telecom business in fifteen African countries in the year 2010. This it plan to make a stronger hold in the African continent. The concerns around whether BAL overvalued the deal are an issue in the eyes of the industry observers. However they are keen to see how the company performs and will it be able to use its innovative business model and establish itself as a strong brand as it is in India. Also it has to combat with the cultural differences, political forces and socio-economic environment. So here we can see Bharti in order to shape up to the African markets facing various marketing dilemmas.

Management Problem

What are the critical success factors in order to tackle the new emerging market?

Will the cross-country differences in Cultural, demographic and market conditions effect the company?

How to tackle the legal and regulatory framework?

How to tailor market entry strategy to fit a specific industry and business environment

Marketing Research Problems

Cross-country barriers: What is the acceptance for foreign companies in African markets?

Existing players: Who are the major competitors in the African market?

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Consumer perception: What is the consumer perception towards new brand?