

BSBMKG506
**Plan market
research**



Contents

Introduction	4
1 Identify market research needs.....	5
1.1 Communicate role of market research in enterprise operations to relevant personnel.....	5
1.2 Identify contribution of market research to enterprise activity	7
1.3 Analyse enterprise planning and performance documentation to determine research needs	9
1.4 Consult relevant personnel to determine research needs	12
1.4.1 Legal and Ethics	12
1.5 Develop statement of market research needs.....	16
2 Defining market research objectives	18
2.1 Draft research objectives	18
2.2 Undertake preliminary project scoping.....	24
2.3 Consult with relevant personnel on draft research objectives to ensure relevant and useful information is gathered	27
2.4 Review and finalise draft objectives in light of scoping parameters.....	29
3 Define data gathering approaches	30
3.1 Identify types of data required to inform objectives	30
3.1.1 Quantitative or qualitative	30
3.2 Determine combinations of types of data to best inform objectives	31
3.3 Identify and evaluate suitable data gathering methods.....	32
3.3.1 Developing questions	33
3.4 Identify data sources	37
3.4.1 Validity and reliability	37
3.5 Quantify required data	38
3.6 Identify and evaluate suitable data processing methods	41
3.6.1 Effective data sampling	41
3.6.2 Data processing and analysis	42
3.6.3 Methods of analysis.....	43
3.7 Make decisions on data types, combinations, gathering methods, sources, quantities and processing methods.....	43

3.7.1	Developing conclusions.....	43
4	Develop market research plan.....	45
4.1	Estimate resources and timelines required for market research projects	45
4.2	Determine feasibility of market research.....	45
4.3	Prepare market research plan for approval.....	46
4.4	Obtain approval to implement plan from appropriate personnel	47
4.4.1	Consultation.....	48
4.4.2	Marketing research report.....	48
	Conclusion	49
	Appendix A - Legislation in Australian business.....	50
	Appendix B: The marketing mix.....	56
	Appendix Project plan template	74

Introduction

Unit outline

This unit describes the performance outcomes, skills and knowledge required to plan market research by identifying market research needs, defining market research objectives, identifying data gathering approaches and developing a market research plan.

This unit applies to individuals in a non-market research organisation who conduct market research planning at a managerial level. While market research planning can be undertaken as part of a broader role, it does require a good general knowledge of market research principles and practices, and a detailed understanding of the organisation's operations, objectives and the application of market research.

1 Identify market research needs

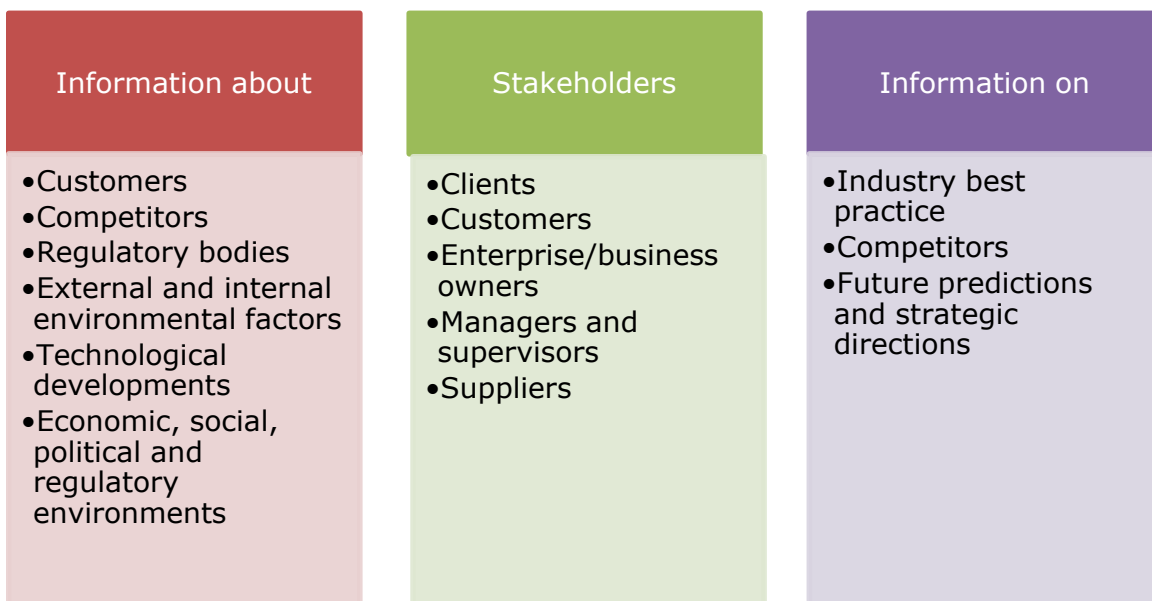
Market research should not be an academic exercise of assembled facts and figures. Good market research entails finding out what actually drives a market – and how to get the best out of it.

The market research process involves four important steps:

- Step 1** Define the problem and the research objectives
- Step 2** Develop the research plan for collecting information
- Step 3** Implement the research plan – collect and analyse the data
- Step 4** Interpret and report on the findings

1.1 Communicate role of market research in enterprise operations to relevant personnel

Making effective marketing decisions means managers need useful information about, what they need to know, who they need to involve and other information on areas that impact on the business:



Once you have identified your information and why you need to know this information, how it can help you. It is important to communicate the role of market research to the organisation.

Market research involves fully understanding what problem the business faces (or question needs to be answered) and what the cost is of not pursuing the new idea, product or service. Market research can save the organisation money by allowing decisions to be more informed and calculating the risks of taking advantage of the new initiative or idea, or of not taking it. Market research helps to avoid the case of guessing what customers feel, believe or want.

Throughout this unit we will discuss the following two case studies:

Case study	
Jenny's cleaning business	Massively Clean
Small cleaning business with growing numbers of clients.	Franchise business providing all types of domestic and commercial cleaning.
Jenny needs to communicate with her staff and her customers to make sure they are happy with her service, her prices and her products. How will she know this? She can ask them? Ask her staff and other people what they think of her service.	Massively Clean spends a great deal of money on market research. They understand how their competitors work and run customer satisfaction surveys all the time. Their CEO fully supports the importance of research but needs to see results for the cost of research and the time commitment.
Jenny needs to involve the people who work for her to help with the information regarding feedback. Jenny may not see the value in the gathering of information and miss an opportunity to improve and grow her business.	Constant monitoring of all marketing activities is essential in business. Massively Clean needs to monitor the feedback they receive to be on the lookout for opportunities to improve.

Why does market research help your business? It provides information and knowledge and intelligence to inform all your marketing decisions. The true value in the gaining of market information lies with the **Customer Insights** gained. That is; the fresh understanding of the customer and market needs derived from this information that leads to the creation of stronger creation of customer value and therefore better customer relationships.

Example *Imagine you are having a few people over for dinner and you really want to impress them; two of them are vegetarians (the most important two, the ones whose approval means the most to you) and you are preparing a beautiful 'Reef and Beef' meal. The people that are the most valuable to you are not going to be interested and feel neglected. By asking a few questions prior to the dinner about dietary requirements you would have known to prepare a beautiful vegetarian meal for them. This is market research, finding out what the market wants so you can supply it to them.*

Massively Clean specialises in Residential Cleaning but have been considering entering the Commercial Cleaning market. Market research would give them the information they need to develop an appropriate strategy, however; initially it would give them the knowledge required to judge if there was the market potential in the commercial sector to support a new player, how long they'd expect to take to become viable and if there were any 'holes' in current service delivery that would give them greater potential for success.

Who you involve in this process depends on the organisation and its size.

Jenny's cleaning business is a small enterprise so you would most likely only be involving Jenny in the market research communication and planning. Who do you think you might need to include aside from the CEO in Massively Clean? Marketing Manager? Accounts? Team Leaders or Middle Managers? Why would you need to communicate with these stakeholders?

How you communicate with your team will depend on the organisation size and how the individual personnel need to be communicated with.

Example The CEO of Massively Clean may be very busy in meetings. He may like to be emailed the meeting content first and his calendar booked for more formal meetings, or he may be a very hands-on manager and prefer to meet face to face informally to discuss issues. An option may be to involve senior management team before approaching the CEO.

When determining the most appropriate communication method ask, and make a plan that everyone is happy with and works for them and for the organisation.

1.2 Identify contribution of market research to enterprise activity

We have already discussed the fact that marketing intelligence involves the collection of information relating to:

- Competitors
- Technological developments
- Customers
- Internal personnel
- Suppliers
- Resellers

It involves the gathering of everyday information about developments in the marketing environment, performing analyses on the information and then distributing it to the managers who need it. But where does the information come from? Market research relies on gathering information from within the business and from sources external to business. What problems might be associated with relying on internal information only? This could close off potential new ideas, what your competition is doing? What your customers want and how their behaviour is changing? Business needs to consider both internal and external information in their planning.

To demonstrate the benefit of market research to your organisation it is important to identify the role it can play and how it can help you achieve your goals and the direction for the whole business.

Case study	
Jenny's cleaning business	Massively Clean
Jenny has no real competition, she has as much work as she can handle why does she need to conduct market research?	There is a major competitor who is developing a new loyalty system for their customers. It is gaining popularity and impacting on the business outcomes for Massively Clean
What if someone else opens up in her area and she is unaware of any dissatisfaction of her customers?	What happens if Massively Clean is unaware of this, or not interested?

In both of these cases the role of market research is vital and the contribution needs to be identified in relation to the specific business.

Example Massively clean may wish to research how their customers feel their competitor's loyalty program could be improved and release their own 'improved' version.

Jenny's cleaning may wish to gauge satisfaction of her customers, research what improvements could be made such as quality of work, customer service satisfaction levels or potential for new products or services.

Internal sources

- Files paper or electronic - product, customer, supplier or team databases
- Reports - Annual Reports, project reports, and sales reports
- Intranet including industry news, processes, policies, procedures and performance information
- Internal sources also include talking to other staff within the organisation

External sources

- Government departments or agencies such as Australian Bureau of Statistics
- Peak bodies and representative associations - employer groups and trade unions
- Various media including newspapers, magazines, trade journals, and internet
- Libraries are also an excellent source of information

Areas to consider for your organisation:

- The industry landscape – what does your business do and how do you fit into the industry?
- Competitor profiles – What do you need to know about your competitors?
- Other information to help you make your predictions and test your theories.

1.3 Analyse enterprise planning and performance documentation to determine research needs

Planning and performance documentation refers to organisation plans, correspondence, financial reports, sales information, and other internal reports. What information do we have that can be used to determine our market research needs? What does your organisation aim to achieve through their operations? If the business has an overall aim to achieve a particular level of profitability your market research needs to reflect how it will be consistent with that aim. If another aim is to increase the social impact of the organisation by sponsoring a charity or providing medical research in the name of another cause, this will need to be considered in the planning for research needs. Use this information when determining your research needs.



Market research methodologies

The type of information you wish to gather or, indeed, the reasons for the gathering of the information will influence the research methods you use. Budget can also have a large influence on where you gather information and may limit you to more fundamental processes to remain within budget. For example your budget may limit your ability to outsource your data mining processes.

There are two types of data sources, Primary and Secondary and two different types of information (data) that can be gathered; Quantitative or Qualitative.

When accessing information you will have to make judgements about whether particular information is relevant to your research task. Does this source tell me more about my topic? Have similar considerations been made when conducting previous research? There are two broad types of information, primary and secondary.

Primary information

Provides factual reporting or accounts of the issue you are researching. It comes from first-hand experience and has not yet been analysed or changed. Examples: Records of conversation, Invoices, statements, signed contracts etc., Census data, Minutes from meetings, Emails, faxes or letters, Diaries or diary notes.

Primary data refers to information gathered for a specific purpose. It consists of information collected for a specific purpose and is collected via three main methods:

- **Surveys** – gathering information by interviewing a number of people by using a questionnaire by the researcher in person, by telephone, by mail, fax or online
- **Observation** – collecting data by observing respondents' actions

- **Experimentation** – gathering information by simulating the real market situation for example focus groups – unstructured open ended questions or field trials – trialling samples and following up with a questionnaire/survey

Secondary data information gathered previously for some other purpose. The information already exists for example internal records and statistical analysis conducted by the Australian Bureau of Statistics (ABS) at the time of the census. This gathers information about every household in Australia. The next census is scheduled to be run in 2016. Other statistical sources and research information are available from a variety of sources depending on the information your organisation needs, there are dozens of commercial research houses that sell data to subscribers for example.

Secondary information provide reflection, review and interpretation of information after the events.

- Textbooks and biographies
- Correspondence - faxes, memos and emails that report on events or actions
- Databases - library catalogues/reports using information from these
- Sales records - monthly forecasts and targets achieved
- Forms - insurance and membership forms
- Invoices - from suppliers to debtors
- Personnel records - personal details, salary rates and training needs

Correspondence - what do we already know from letters of support, of complaint? Emails with information which is helpful to and provide support for your initiative or reasons to not continue as originally planned.

Internal records - information gathered from sources within the company. The benefit of using internal records is that they can usually be obtained quickly and can help understand the historic, current and future direction of the business. Consider:

- Financial statements, records of sales and orders, costs and cash flows
- Reports on production schedules, stock movements and inventories including storage and issues with logistics
- Capabilities to do with production and supply
- How does the new concept fit with the risk management of the organisation?
- Reseller/customer reactions and competitor activities
- Service quality levels and reported service difficulties
- A database of customer demographics, psychographics and buying behaviour

Large organisations produce large amounts of information, keeping track of it all is difficult. The information must be sorted and analysed well if it is to be of benefit.

How do we determine the research needs for an organisation? We have identified the importance of being aware of changes that can impact on the business. What information will help? What specific information and intelligence can inform our research needs?

Competitor's performance is an important factor in research - understand:

- Customer attitudes in relation to the competition, what are they?
- Patterns of use of competitors products, are the competition selling more than we are? Why?
- The importance of identification of strengths and weaknesses of your competition. This allows you to consider the direction we need to take to safeguard our business
- How aware are your customers of the market, innovation and changes?

Consumer research can help you as a business to:

- Understand the profile of your customers
- Identify changes in behaviour and buying patterns?
- Understand the status of your customer, are they current, past or potential
- Work with the marketing mix to understand attitudes to location, price
- Developing detailed customer profiles (understanding and knowing the consumer)
- Identify changes in customer's behaviours and attitudes
- Identify customers who have not used products/services for some time
- Identifying demand for products/services at other geographical locations

The marketing mix is referred to as the four Ps. These four areas impact on your business and need for market research:

Price	Place	Product	Promotion
<ul style="list-style-type: none"> •Attitudes towards prices by customers and the marketplace •Testing other strategies •Identify costs and alternative pricing strategies 	<ul style="list-style-type: none"> •Attitude to existing and new locations •Opportunity to join others to distribute information •Demand of your customers in your existing locations 	<ul style="list-style-type: none"> •Competitors products in comparison •Customer attitudes to product, features, packaging, presentation •Understand where the product is in the life cycle 	<ul style="list-style-type: none"> •How effective is advertising currently running? •What alternatives can be offered? •Test and compare alternatives

Marketing information systems consist of people, equipment and procedures to gather, sort, analyse, evaluate and distribute needed, timely and accurate information to marketing decision-makers.

What information do I really need?	Too much information can be as harmful as too little. Is this the right information to inform the decision I want to make?
------------------------------------	---

Is the information available?	You may want to find out about competitor advertising spending, but the information may not be in the public domain
Are the benefits of having the information worth the costs of obtaining it?	The value of information comes from its use. What impact will the information have on product and brand profitability, and therefore, is the cost of obtaining it justified?

1.4 Consult relevant personnel to determine research needs

Once we have analysed our data and information to determine our research needs we need to involve those personnel who:

- Have an interest in the research and its outcomes
- Who will be impacted by the research and outcomes
- Who have a responsibility to manage the business
- Who are involved in the process of running the business, setting goals and achieving the overall direction the business wants to achieve

In larger organisations there may be entire departments dedicated to this process. In smaller businesses there will be fewer people involved but their input is just as important. Who would be relevant in your organisation?

Case study	
Jenny's cleaning business	Massively Clean
Jenny needs to understand for herself and her staff what needs to be done. What do they need to understand in order to achieve the overall goals?	Marketing managers, CEO's, operational managers and high level marketing personnel will be involved in determining the research needs for the organisation.
Jenny may need to work with an external agency to achieve her market research needs. Often small business needs support in these specialist areas.	It is important that the results are communicated through the organisation and information gathered from staff and internal customers. Don't under estimate the information your personnel can contribute.

When considering research needs and the personnel to assist with the process. It is vital to seek advice regarding the legal and ethical responsibilities organisations have in terms of gathering information for market research. As with all legislation there are penalties for noncompliance and it is important for business people to be aware of their legal and ethical responsibilities.

1.4.1 Legal and Ethics

Anti-Discrimination Legislation

Over the past 30 years Commonwealth, state and territory governments have introduced anti-discrimination law to protect people from discrimination and harassment.

The following laws operate at a federal level and the Australian Human Rights Commission has statutory responsibilities under them:

- Age Discrimination Act 2004
- Australian Human Rights Commission Act 1986
- Disability Discrimination Act 1992
- Racial Discrimination Act 1975
- Sex Discrimination Act 1984

Commonwealth laws and the state/territory laws generally cover the same grounds and areas of discrimination. However, there are some 'gaps' in the protection that is offered between different states and territories and at a Commonwealth level.

Privacy legislation Privacy Act 1988

The Privacy Act regulates 'information privacy'. The Information Privacy Principles (IPPs) are the base line privacy standards which the Australian and ACT government agencies need to comply with in relation to personal information kept in their records. The National Privacy Principles (NPPs) are base line privacy standards which some private sector organisations need to comply with in relation to personal information they hold. All health service providers in the private sector need to comply with these principles.

10 NPPs regulate how private sector organisations manage personal information. They cover the collection, use and disclosure, and secure management of personal information. They also allow individuals to access that information and have it corrected if it is wrong.

NPP 1: Collection	Describes what an organisation should do when collecting personal information, including what they can collect, collecting from third parties and, generally, what they should tell individuals about the collection.
NPP 2: Use + Disclosure	Outlines how organisations may use and disclose individuals' personal information. If certain conditions are met, an organisation does not always need an individual's consent to use and disclose personal information. There are rules about direct marketing.
NPPs 3 + 4: Info Quality + Security	An organisation must take steps to ensure the personal information it holds is accurate and up-to-date, and is kept secure from unauthorised use or access.
NPP 5: Openness	An organisation must have a policy on how it manages personal information, and make it available to anyone who asks for it.
NPP 6: Access + Correction	Gives individuals a general right of access to their personal information, and the right to have that information corrected if it is inaccurate, incomplete or out-of-date.
NPP 7: Identifiers	Generally prevents an organisation from adopting an Australian Government identifier for an individual (e.g. Medicare numbers) as its own.

NPP 8: Anonymity	Where possible, organisations must give individuals the opportunity to do business with them without the individual having to identify themselves.
NPP 9: Trans-border Data Flows	Outlines how organisations should protect personal information that they transfer outside Australia
NPP 10: Sensitive Information	Sensitive information includes information such as health, racial or ethnic background, or criminal record. Higher standards apply to the handling of sensitive information.

Source: <http://www.privacy.gov.au>

Australian Consumer Law (ACL)

Superseded the Trade Practices Act when it commenced in January 2011.

Since then, Australia has one national law for fair trading and consumer protection - the Australian Consumer Law. This means Australian consumers and businesses have the same rights and obligations wherever they are in Australia.

The ACL fulfils key reforms in the Council of Australian Government's *National Partnership Agreement to Deliver a Seamless National Economy*, and will help to reduce regulatory complexity and duplication for businesses and consumers.

<http://www.consumerlaw.gov.au/content/Content.aspx?doc=home.htm>

The ACL includes a national:

- Unfair contract terms law covering standard form consumer contracts
- Law guaranteeing consumer rights when buying goods and services
- Product safety law and enforcement system
- Law for unsolicited consumer agreements covering door-to-door sales and telephone sales
- Simple national rules for lay-by agreements
- New penalties, enforcement powers and consumer redress

Fair trading is covered by the main federal law, *Competition and Consumer Act 2010* (CCA). It makes sure that trading is fair for your business and your customers.

The CCA covers most aspects of the marketplace: dealings with suppliers, wholesalers, retailers, competitors and customers. It deals with unfair market practices, industry codes of practice, mergers and acquisitions of companies, product safety, collective bargaining, product labelling, price monitoring, and the regulation of industries such as telecommunications, gas, electricity and airports.

The Australian Competition and Consumer Commission (ACCC) administers the CCA. It promotes good business practices for a fair and efficient marketplace. Go to the ACCC External Site website for information about federal competition, fair trading and consumer protection laws.

<http://www.business.gov.au/business-topics/selling-products-and-services/fair-trading/Pages/fair-trading-laws.aspx>

Consumer protection is governed by state and territory laws (in the form of a Fair Trading Act in most cases). Familiarise yourself with the laws in your region.

See your state or territory fair trading offices for advice on business rights and obligations under fair trading laws. If you're unsure how fair trading laws apply to your situation, think about seeking independent legal advice.

Codes of Conduct and Ethics

ACMA Australian eMarketing Code of Practice

The eMarketing Code of Practice has been developed to establish comprehensive industry rules and guidelines for the sending of commercial electronic messages with an Australian link in compliance with the Spam Act 2003.

The Code's rules and guidelines provide practical and specific guidance in relation to the sending of messages in the context of current eMarketing practices.

The Code also provides a framework by which industry can handle complaints about spam as well as monitoring industry compliance.

Source: www.acma.gov.au

ADMA Direct Marketing Code of Practice

Was developed to set standards of conduct for direct marketers, minimise the risk of breaching legislation, promote a culture of best practice, serve as a benchmark in settling disputes and increase business and consumer confidence in doing business with ADMA members who are bound by the provisions of the Code.

The future expansion of direct marketing depends on the players conducting their business in a fair, honest and ethical manner, both in dealings with other businesses and consumers. Only by doing so can the reputation of the industry be enhanced so that consumer demand continues to grow.

Source: <http://www.adma.com.au/comply/code-of-practice/>

Research ethical considerations

- Harm – will proposed research harm participants -physically, mentally, socially
- Free choice – do participants have free choice to participate or stop participating?
- Informed consent – have participants been fully informed of their requirements before agreeing to participate?
- Plagiarism – have the researchers properly acknowledged their sources?
- Privacy – have the researchers properly protected the privacy of participants?
- Honesty – have the researchers been honest with participants of the research?

In market research, ethical danger points include:

- Invasion of privacy
- Stereotyping

Stereotyping occurs because any analysis of real populations needs to make approximations and place individuals into certain groups. If conducted irresponsibly, stereotyping can lead to a variety of ethically undesirable results. In the American

Marketing Association Statement of Ethics, stereotyping is countered by the obligation to show respect ('acknowledge the basic human dignity of all stakeholders').

But in today's society, is this enough?

1.5 Develop statement of market research needs

What is market research?

Market research involves finding out about things you need to know such as import duties, regulations, distribution channels, market size and growth, competition, demographics and local production – so you can assess market opportunities and the costs of capturing them.

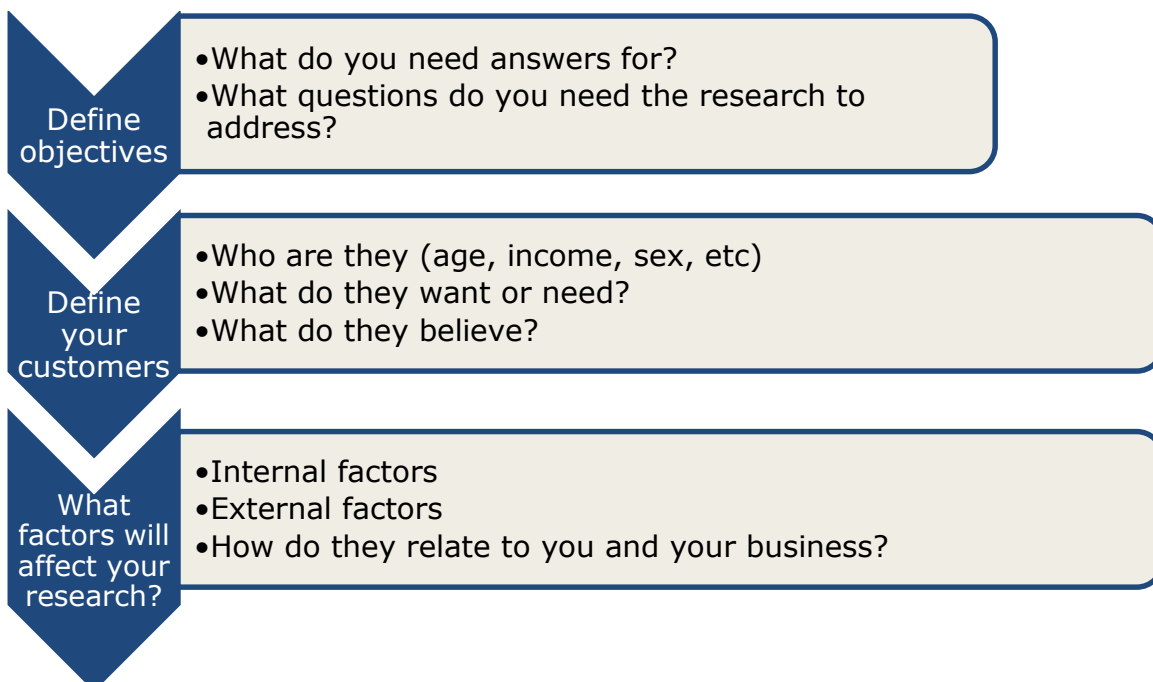
Gathering this information is usually straightforward and helps you understand how a market operates. The most valuable element of market research is information about 'market feel'. How will your product or service compete in the environment where you will be doing business?

Source: <http://www.austrade.gov.au/Market-research-MR/default.aspx>

Market research involves the systematic design, collection, analysis and reporting of data relevant to a specific marketing situation facing an organisation. It is used to:

- Identify and define marketing opportunities and problems
- Generate, refine and evaluate marketing actions
- Monitor marketing performance
- Improve understanding of the marketing process

Your statement of research needs involves a few important steps.



Case study	
Jenny's cleaning business	Massively Clean
Jenny may have an overall desire to be the largest privately owned cleaning company in the state! If this is the case then everything Jenny does with her business needs to drive that objective.	The objective for Massively Clean may be to recruit more franchisees and to increase market share by 20% in the next two years.
Jenny may need to spend money on establishing a loyalty program so she can reward her customers for referrals. Is this a good idea for her business? Market research may answer this question for her?	What could stop this from happening? The market research may be needed to answer this question? The research questions could be around identifying obstacles in the way. Or ideas to increase the chance of this happening.
Jenny may learn from her research that her customers would prefer a discount on their service as a reward rather than a cash bonus. This knowledge will inform her of the values and beliefs of her customers.	Earlier ideas have merit, or so CEO believes. Is the business willing to invest large amounts of money without making sure? Find out what your customers want first.
Internal factors may involve process issues which cause problems for administration of many parts of the business. External factors may be a down turn in the local economy affecting disposable income.	Does the internal environment for franchisees support the objectives? Externally it will be important to understand how the competition manage? What are they doing that may impact on Massively Cleans goals?

2 Defining market research objectives

2.1 Draft research objectives

Often the hardest, most important step in the process involves the marketing manager and research team working together. Careful problem definition and identifying the issues at hand is essential for ensuring the right research is carried out. Once these issues have been identified, research objectives can be set.

You must clearly understand the purpose of the research before you can start:

- What are you trying to achieve?
- What type of research should you conduct?
- What are the 'terms of reference' for your research?

The 'terms of reference' define the scope and purpose of the research, what will be included and excluded from the research, considerations and organisational requirements of the project or process.

There are three types of research typically used in a business environment:

Descriptive research

- Seeks to describe the current situation
- Is often called a situation or environmental appraisal
- Is usually conducted in conjunction with other research
- Census research is descriptive research

Explanatory research

- Seeks to explain patterns, relationships and trends that have been observed
- An aim of explanatory research is often to identify the cause of actions, which is difficult to do. Causality is difficult to establish. Just because A increases at the same time as B decreases, does not prove a relationship between the two.
- The purpose of establishing causality is to predict actions or behaviours.

Evaluative research

- Seeks to determine the success or effectiveness of policies, practices, strategies, products
- This will often include exploratory research
- Examples include surveys, interviews, focus groups and process mapping

Research areas of interest to business include:

- Clients and potential clients
- Staffing and performance
- Competitors and pricing strategies
- Products and sales performance
- Trends in business affecting strategy

- Information technology

Researchers need a clear idea of what the objective is. Is it to solve a problem, or even to determine if there is, or has been a problem?

Objectives of the research process may include:

- Situational analysis
- Comparative analysis
- Hypothesis testing
- Identification of trends
- Process mapping

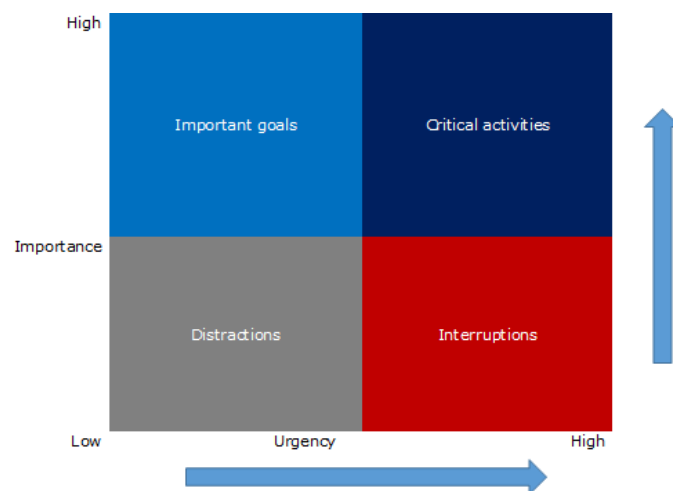
Situational analysis - involves obtaining information about the organisation and its business environment. It allows you to study an event or situation in detail to place it in its wider context and determine how to change or improve it. This kind of information can be gained by:

- Interviewing internal staff
- Analysing the company, its market, its competition and the industry in general

Situation analyses or diagnoses can be represented in a number of ways.

- A matrix form
- Overlapping circle chart (Venn Diagram)
- Relational mind map

Matrix



Venn diagram - Shows the relationship between the various elements represented. Qualitative methods of presenting and analysing information.

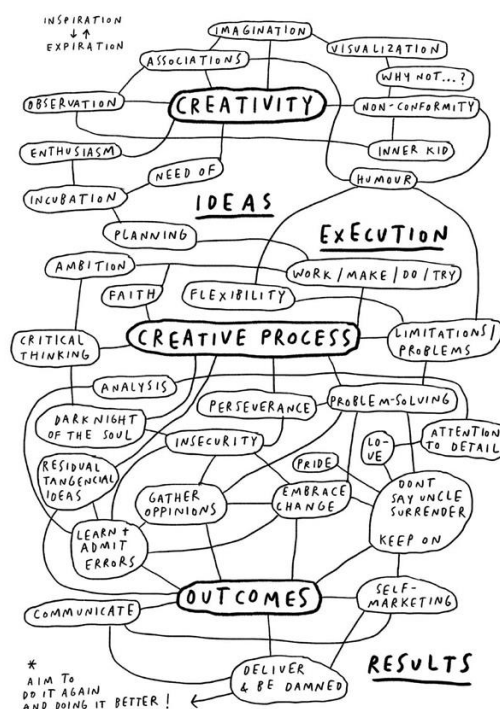


Mind maps were popularised by author and consultant, Tony Buzan. They use a two-dimensional structure, instead of a list format conventionally used to take notes.

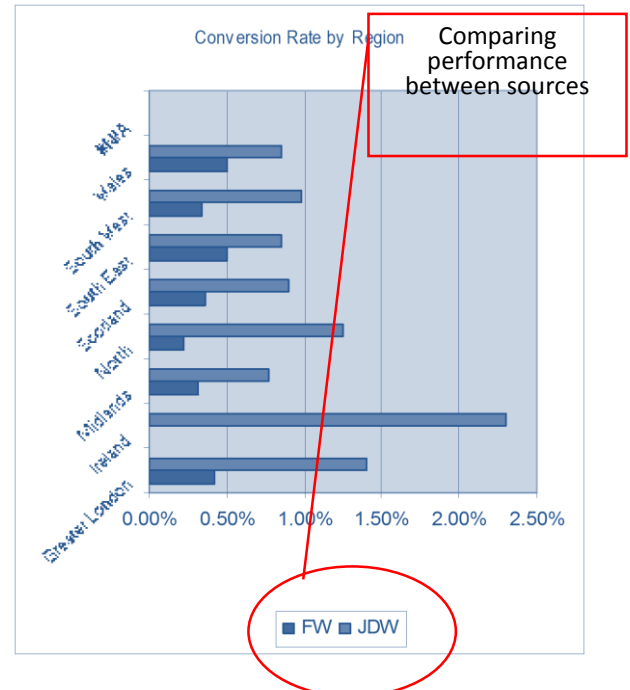
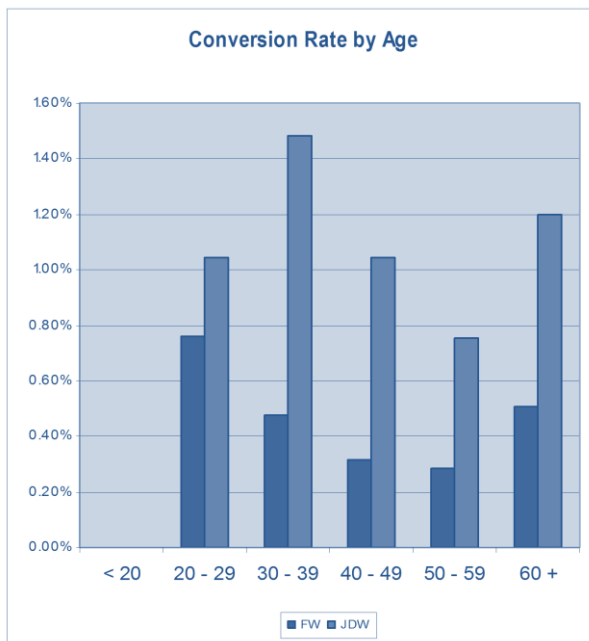
Mind maps are more compact than conventional notes. They help you make associations easily, and generate new ideas. If you find out more information after drawing a mind map you can easily integrate it with little disruption.

More than this, mind mapping helps you break large projects or topics down into manageable chunks, so you can plan effectively without becoming overwhelmed or forgetting something important.

A good mind map shows the 'shape' of the subject, the relative importance of individual points, and the way in which facts relate to one another. This means that they're very quick to review, as you can often refresh information in your mind just by glancing at one. In this way, they can be effective mnemonics - remembering the shape and structure of a mind map can give you the cues you need to remember the information within it.



Comparative analysis - The process of analysing separate items, situations or events and then comparing them with each other.



People do this all the time when they shop, for example, for food or clothes. They look at two bottles of fruit juice and compare them before making a decision about which one to buy. For instance, are they the same size; is one sugar-free; what price are they?

Hypothesis testing

A hypothesis can be defined as an assumption or proposition that a researcher makes about some characteristic of the population being investigated. The researcher needs to determine whether research results are significant enough to conclude something about the population under investigation.

Marketing hypothesis testing process

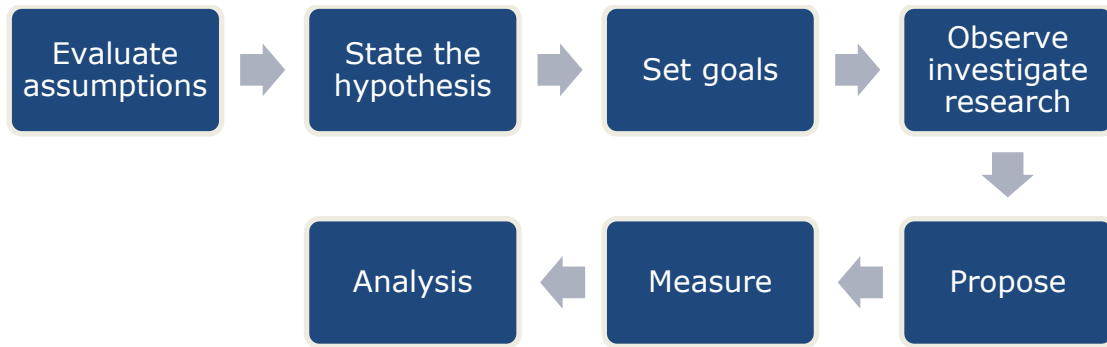
A hypothesis is a statement, belief or assumption. It may or may not be true. For example if your business want to begin to import women's shoes for work. You may decide that your research hypothesis is:

'Women don't want to wear imported shoes to work because they are not readily available.'

Through your research you may decide that the research problem (or question to be answered) is:

Why don't shoes businesses stock imported shoes for work.

There are several stages for testing a hypothesis. Very simply they revolve around:



When considering the example above our research objectives could include:

- What women will make up our target market for work shoes
- What advertising will reach them, why are the competition failing?
- What message will appeal to our audience and compel them to act?
- Do the existing shoes have problems for Australian women?
- Has there been a change in overall shoe buying habits?
- How does price affect our customers?
- Are the products available in the wrong place?

Identification of trends

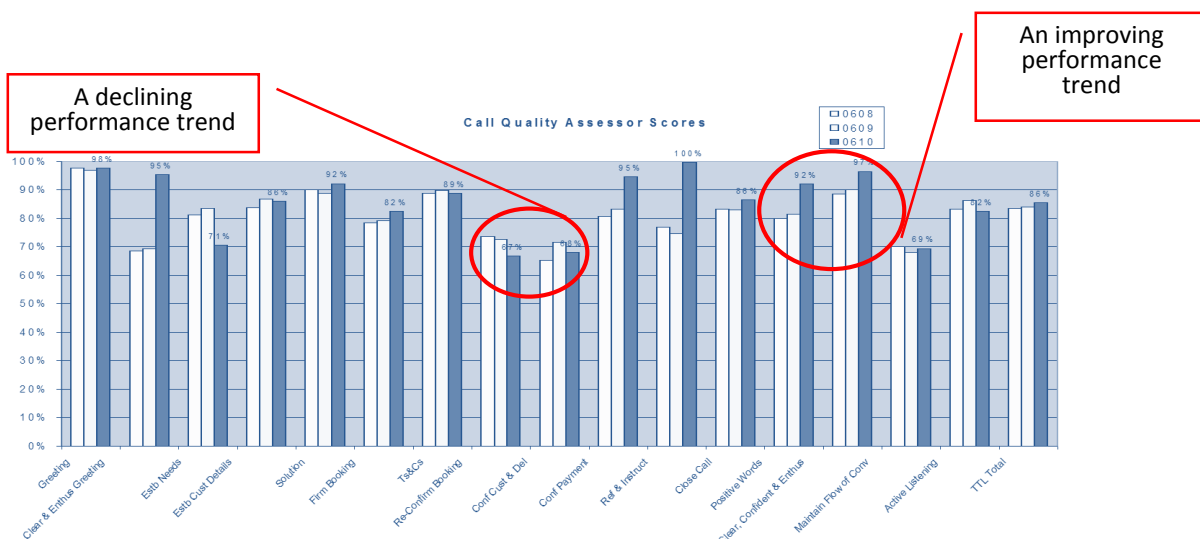
Trends can be defined as patterns or general directions, courses or tendencies. Eg:

The population of koalas in a newly established National Park has been monitored and found to be steadily increasing since the Park's creation.

Sometimes, based on past trends, it may be possible to attempt to predict (forecast) future trends. Redirecting or forecasting trends in the marketplace requires the collection of solid research data.

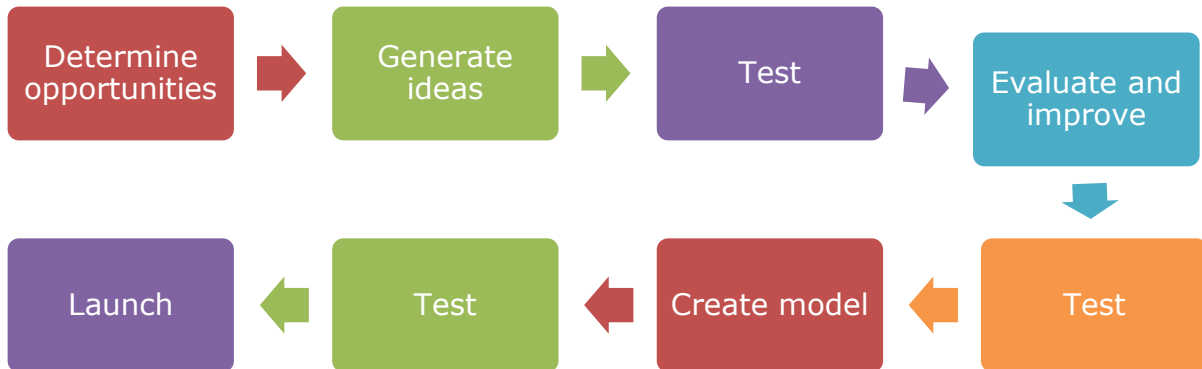
We could take our example of the women's shoes and track the trends in women's shoe sales over the past five years we may notice a change in buying patterns.

Identification of trends example



Process mapping

To map a process you need to identify and record all the separate parts of the particular process, creating a map (or outline) that shows you how the process happens. Process mapping is useful when you need to understand how or why something happens so that you can change or improve the process. An example of a process map could be this one for developing a new product:



When you define your research objectives, make sure that:

- You clearly understand what you are trying to achieve
- They are realistic and achievable
- You have discussed them with your manager or other colleagues, if required
- Your manager or other colleagues agrees with them
- They are consistent with organisational requirements for conducting research
- They are linked to expected improvements to the business

Case study
Jenny's cleaning business
Jenny wants understand why people spend money on cleaning? How can she get more people to employ her?
Her hypothesis might be: 'Only families with both parents working are interested in cleaners.' She may want to understand the relationship between income and time and cleaning
Her research objectives may then include: <ul style="list-style-type: none"> • Do families of working parents employ cleaners more often than families where one parent is at home or working part time? • Who makes up her target market? What do they believe? • Has there been any trends in the cleaning industry? • Is there any relationship between commercial cleaning and domestic cleaning? • Are their new competitors?

- Do customers prefer private businesses to franchises?
- Are the prices comparable between areas, private and larger companies?
- Should single cleaners work alone or do two people make for a better result?

Jenny will make these decisions in combination with research and the information she already has, her own figures from internal records, any feedback from her customers, comments made by others and her own observations.

2.2 Undertake preliminary project scoping

How do you determine what you will include with this market research? In the same way as you manage any other project, it is important to determine what you will and will not include in the scope of this specific market research process.

To effectively deliver the outcomes of the research on time and to budget, it's possible to treat market research as a project.

Key project management principles to be included in market research planning are:

- Consultation and stakeholder involvement - important at every stage of your research project, plan your consultation and engagement strategy early, stakeholders can make significant contributions when formulating research objectives, project scope and identifying good sources of valid and reliable data relevant to your project
- Resources and development of time lines, budgets and other implementation plans
- Gaining of approvals
- Needs analyses
- Scoping practices

Initiating	Planning	Executing	Controlling	Closing
<ul style="list-style-type: none"> •Project brief •Project charter •Scope – what will be covered in the process, the extent of the project •Out of scope a complete list of what will not be covered 	<ul style="list-style-type: none"> •Project management plan •Risk, change, resources •Obtain approvals 	<ul style="list-style-type: none"> •Execute tasks defined in the plan •Implement procurement, quality, risk management plans •Manage project team 	<ul style="list-style-type: none"> •Measure project performance •Manage changes to project •Monitor risks and quality 	<ul style="list-style-type: none"> •Obtain final acceptance for the project •Release project resources •Conduct post implementation review

In terms of project management it is important to manage the research of our market (and the questions we need answered) in a systematic way. In the appendix we have a Project Plan template that may help you with your planning.

We now need to have our market research questions answered in a way that helps us. The research objectives need to be stated very clearly. We will have done this in previous steps.

Now, continue to plan your research. Different marketing problems (questions to be answered) need different information and research outcomes to answer the questions. It is not a one size fits all approach.

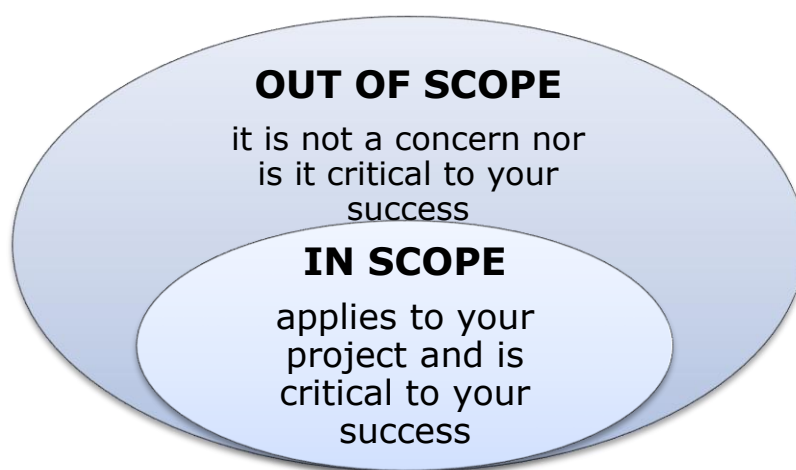
This process involves identifying possible sources of information, methods of collecting the information and considering legal and ethical issues. Assess the scope of the work involved when the research request is received.

Consider various factors including whether the request is part of your normal workload, or a new initiative. If you are unfamiliar with the subject matter, you may need extra time and this must be factored into the timeline.

'Terms of reference' - always plan your research within the boundaries of your organisational requirements. These may include:

- Quality assurance and/or procedure manuals
- Security and confidentiality requirements
- Legal and organisational policy, guidelines and requirements
- Codes of conduct and ethics
- WHS procedures
- Business and performance plans

When we refer to 'scope' we refer to the extent or range of view, application, or operation. The scope for the market research project refers to the operation of our organisation and the context of our research objectives.



Now we need to define the terms of reference or the scope of the project. Before we can do this we need to understand:

- What resources are required?
- External market research required if any?
- Possible research locations or methodologies?

- Sample sizes and nature of samples?
- Time constraints and availability for research?

Resources refer to the human, physical and financial resources. How many hours need to be dedicated to the process? Is the benefit worth the investment? What financial cost will be attached to the process? At this stage the cost benefit analysis comes into its own.

Financial	Human	Time	Technology
<ul style="list-style-type: none"> •The money available to a business for spending on the project 	<ul style="list-style-type: none"> •The resource that resides in knowledge, skills, and motivation of people, usually within the organisation but increasingly is becoming an outsourced commodity 	<ul style="list-style-type: none"> •Both the timeframe that the project must be completed by, and the amount of time that can be committed to it in man-hours 	<ul style="list-style-type: none"> •Software packages or hardware products that can assist in the collection, storage, analysis or dissemination of the research

When you define your research objectives, make sure that:

- You clearly understand what you are trying to achieve
- They are realistic and achievable
- You have discussed them with your manager or other colleagues, if required
- Your manager or other colleagues agrees with them
- They are consistent with your organisation's requirements for conducting research
- They are linked to expected improvements to the business

There are software applications which help management with these processes; the need for this depends on the size of the organisation and the specific requirements for the research. Smaller organisations may choose to employ or outsource this research from a time point of view. They may not have time or expertise to complete the research within their own organisation.

Case study	
Jenny's cleaning business	Massively Clean
Jenny has a small staff and she knows how to clean. She may be better to outsource her market research to make sure she can concentrate on doing what she does best. Remember she still needs to attend to booking, customer satisfaction, supervision	Massively Clean has a marketing department with skilled staff in the area of market research. They are more than capable of conducting the necessary research. They still need to identify the resources required, the research methods.

and management of staff, not to mention financial bookkeeping duties! An external specialist will be experienced and specific in their approach, it most likely be cheaper and certainly more effective.	Where, when and how they plan to conduct the research including time frames. They may wish to conduct research into the need for franchisees in the area of regional Australia. What will they cover in this scope? What will they not cover?
NB: Jenny may be very good at market research and her needs may be very simple. In this case she can do her own research very simply. It is not true that small businesses should not or cannot do their own research.	NB: Business may use a combination of approaches to get the results they desire.

How to conduct research? The process for conducting research is:

- Where will I find the information?
- How will I access it?
- What technology will I need to use?
- How much and what sort of information do I need?

Additional questions you could consider to help to structure your research could be:

- Do I need to establish the facts and or include background information?
- Do I need specialist information such as statistical or scientific data?
- Do I need to provide expert opinion?
- Do I need to explain an issue or area, such as a legal requirement?

Now determine your research strategy. What sources of information you should choose and how you should conduct your research? Consider:

- The time you have available
- The type of data required
- The expectations of interested parties
- The resources you have available
- The overall research objectives

2.3 Consult with relevant personnel on draft research objectives to ensure relevant and useful information is gathered

Your process and research problem (question to be answered) will have identified the relevant personnel or stakeholders; it will have identified the questions to be answered in order to meet the objectives set by the organisation. Your draft research objectives will be defined based on these factors. Now gathering relevant and useful information must be determined.

If this is not done correctly resources will be wasted and the outcome not successful.

The relevant personnel usually involve the marketing team and support team (administration, finance, customer service, etc.).

Consultation involves developing excellent communication skills with the people who are identified as stakeholders as well as those who can provide the research (information) you desire. Consider the importance of being able to communicate effectively to gain the results you need:

Interpersonal skills

Life skills we use every day to communicate and interact with other people, individually and in groups. People who have worked on developing strong interpersonal skills are usually more successful both professionally and personally. Examples of good interpersonal skills include:

- Questioning to clarify details that pertain to the process
- Listening, summarise and repeat to be sure of your information

Verbal communication: Clarity of speech, remaining calm and focused, being polite and following basic rules of etiquette will aid effective verbal communication. The words we use as well as the tone of voice.

Non-verbal communication: When we communicate, non-verbal cues can be as important, or in some cases even more important, than what we say. Look at body language and body movements; posture; eye contact; proxemics (closeness and personal space).

Listening skills: Listening is the ability to accurately receive and interpret messages in the communication process. Listening is not the same as hearing. Hearing refers to the sounds you hear, listening requires more than that: it requires focus. Pay attention to the story and how it is told. If you are talking you cannot be listening!

Reflecting: Even if you have excellent listening skills the only person who can tell you if you have understood correctly or not is the speaker. Reflect on the message and clarify with the speaker if you have understood them correctly. Ask them if what you have heard is what they have said.

Clarifying: This involves offering back to the speaker the essential meaning, as understood by the listener, of what they have just said. Checking for understanding will avoid areas of confusion and misunderstanding. Think of the number of times you have misunderstood, not asked for clarification and then gone off on a tangent.

Your approach to others will determine your success levels in gaining the information.

Poor interpersonal skills	Highly skilled in interpersonal skills
Could be younger	Older people have more experience by virtue of their age, this does not mean they are sensible!
Communication skills may be basic, they may be reasonably good at listening	Communication skills are well developed. Practiced and skilled listeners'.
Assertive behaviour may need developing	Assertive, remember this is not aggressive

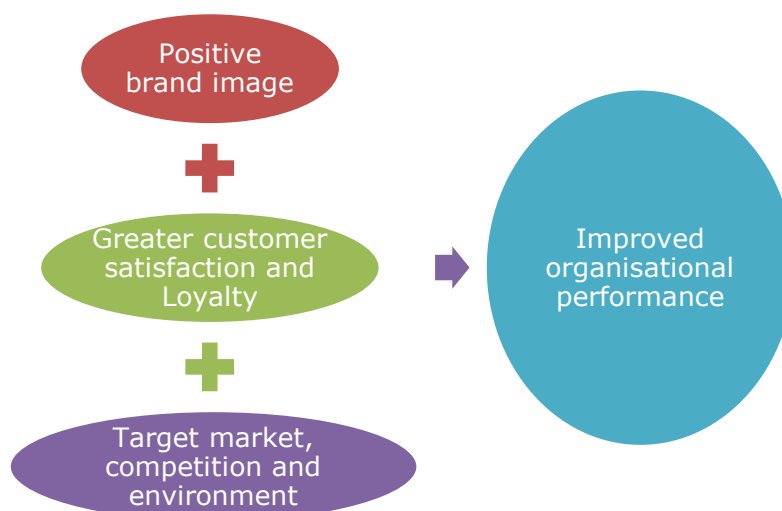
Not persuasive or confident to clarify or reflect,	Highly persuasive, tactful and diplomatic
Lacking confidence to approach variety of people	Have confidence to approach a range of people

Communication is vital in this process. You need to understand who to communicate with, how often and in what way. What do they need to know? What is important to share and what is the most convenient method of sharing this important information. You may choose to use a communication matrix like this one below. It helps coordinate the approach for all your stakeholders and lets everyone else in your team know where you are up to and who needs what and when!

Role	Project responsibility	Skills required	Number of staff required	Estimated start date	Duration required

2.4 Review and finalise draft objectives in light of scoping parameters

Remember, your primary responsibility is to improve the business (or to meet the objectives as defined by the organisation) therefore your research objectives must have a clear link to this responsibility.



Do your objectives for market research fit with the resources, the needs of the organisation and the definition of the problem (or question you need the answer to)?

Discussion should involve all relevant personnel, including persons experienced in the research methods you intend to use. The knowledge and information will help ensure the research undertaken does what you need it to.

3 Define data gathering approaches

3.1 Identify types of data required to inform objectives

Data analysis is the process in which raw data is organised so useful information can be extracted from it. The process of organising and thinking about data is critical to understanding what the data does and does not contain.

There are a variety of ways in which people can approach data analysis, and it is very easy to manipulate data during the analysis phase to push certain conclusions or agendas. It is important to pay attention when data analysis is presented, and to think critically about the data and the conclusions which were drawn.

Remember to always be mindful of:

- Data validity
- Data reliability
- Data relevance

Types of data can include, but is certainly not limited to:

- Formal or informal comments, feedback from clients, customers staff etc.
- Government statistics
- Industry planning information
- Qualitative quantitative data
- Sales figures
- SWOT analysis of competition and your own business in relation to the needs of the research

Remember from section 1, there are two types of data sources, Primary and Secondary and two different types of information (data) that can be gathered; Quantitative or qualitative.

When accessing information you will have to make judgements about whether particular information is relevant to your research task. Does this source tell me more about my topic? Have similar considerations been made when conducting previous research? There are two broad types of information, primary and secondary. Both primary and secondary information can be qualitative or quantitative.

3.1.1 Quantitative or qualitative

Interpreting data requires one of two approaches. Quantitative or qualitative.

	Quantitative	Qualitative
	Quantitative research is conclusive, and takes a more logical, data-led approach.	Qualitative research is exploratory. It is used when we do not know what

	<p>Due to the specific nature of quantitative data it is particularly useful for assessing performance of the individual, the team and the organisation.</p> <p>Generates numerical data or information which can be converted into numbers.</p> <p>Rates the likelihood as a probability or frequency of the risk using numerical weighting e.g. 1 in 200 cases will exhibit this behaviour.</p> <p>Quantitative data can be verified and manipulated statistically.</p>	<p>expect, and need to define or develop an approach to the problem.</p> <p>It focuses primarily on the issues of interest, looking at how people feel, what they think and why they make certain choices.</p> <p>Generates non numerical data.</p> <p>Rates the likelihood using words and alphabetical ratings e.g. Extremely likely = A.</p> <p>Examination of non-measurable data such as reputation, brand image, or feelings people may have. E.g. Rate risk in terms of low, medium or high, or not important, important or very important.</p>
Goals	<p>Counting and classifying.</p> <p>Constructing statistical models and figures to explain outcomes.</p> <p>Narrow hypothesis and conclusive research.</p>	<p>Describing and explaining.</p> <p>Complete and detailed descriptions</p> <p>Whole picture with exploratory research.</p>
Instruments for data gathering	<p>Questionnaires, surveys, measurements, audits, points of purchase, click-streams.</p> <p>Trend analysis can only be successfully interpreted using 'quantitative' style questions that provides you with information based on multiple choice, rank in order or measurements such as frequency.</p>	<p>Interviews, focus groups, observation, In-depth interviews, and participation/observation.</p> <p>Tools that are useful include mind maps, brainstorming.</p> <p>Information derived from qualitative data (text) on its own may not be all that useful for trend analysis.</p>
Types of data	Numbers, tables.	Words, images objects, graphs.
	Objective. Seeking precise measurements and analysis of concepts.	Subjective. Researchers seeks to understand human behaviour and why we make the choices we do.

The decision which type of research to use is, of course, dependant on what you are aiming to achieve with your research. If you want to use numerical information to support your theory then use quantitative, if you need to explain why something is the case then use qualitative. In order to analyse market trends, you need to ensure the correct research is used.

3.2 Determine combinations of types of data to best inform objectives

Good research usually uses a combination of all source types, but the sources will depend on the purpose of your research. As part of your research proposal, you should have identified a range of sources of information and methods of collecting that information.

Gathering data to help market research needs can come from:

- Internal organisation records
 - Sales records
 - Customer feedback questionnaires
- Marketing intelligence
 - Market trends
 - Competition SWOT analysis
- Secondary marketing research
- Primary marketing research

Combinations of data will support each other.

Example Massively Clean only referred to the government statistics regarding the number of commercial premises in a postcode they may get a false idea of the number of businesses they could approach. Some of those businesses may have government contracts in place, some may use another contractor and not be happy with their service. Using the government data in conjunction with a survey or focus group of a cross section of possible businesses who would need commercial cleaners may provide a more worthwhile result.

Make sure your objectives are clear and think very carefully how you will answer your research questions? What information do you need from what sources?

Consider how customer surveys could support the results of a competitor analysis. What information do you need is the question? More than one source to support your information will make it all the more valid.

3.3 Identify and evaluate suitable data gathering methods

There are numerous methods in which to obtain data, best practice principles state that a variety of these methods should be used in collecting your research data.

Example Massively Clean may use bulk surveys and questionnaires to their customers and the general public and use these results to formulate their focus groups, etc. Or they may use their observations to create focus groups and then finally create questionnaires to enable numeric quantification of their research.

<p>Internet</p> <ul style="list-style-type: none"> • Australian Bureau of Statistics • Google, Bing, Yahoo • Industry web sites • Be specific in your searches to avoid frustrating and inefficient results. • Eg: a drink marketer googling 'enhanced water products' would come up with 13.5 million results 	<p>Case studies</p> <ul style="list-style-type: none"> • What has happened in other companies/ states/countries, relevant to your industry or objectives? • Refer to Marketing April/May 2015 page 54 for the A2 Milk Company case study • Based on surveys and scientific research the A2 Milk company created the 'Thank You A2' campaign • Using such a case study could influence other marketers with similar situations in varying markets 	<p>Focus groups</p> <ul style="list-style-type: none"> • Contextualised brainstorming • Can show a product/service and obtain immediate feedback prior to going to market • Can market test demographic responses to market concept • Conducted by a trained moderator
<p>Literature Searches</p> <ul style="list-style-type: none"> • Industry magazines/journals • Marketing text/journals • Industry texts/resource books 	<p>Surveys and questionnaires</p> <ul style="list-style-type: none"> • Plan what to measure • Formulate questions to obtain required data • Decide on order and wording of questions and layout of survey • Test survey for omissions and ambiguity, using a small sample size • Correct issues and pre-test again if necessary 	<p>Face to face interviews</p> <ul style="list-style-type: none"> • Plan what to measure • Formulate questions to answer data requirements • Exceptional way to gain direct feedback without 'group think'
<p>Observation</p> <ul style="list-style-type: none"> • Data can be gained internally • Observe relevant people, actions and situations • Eg: Fisher and Paykel have established a lab in which it can observe the interaction of children and their toys 	<p>Discussion groups</p> <ul style="list-style-type: none"> • Can be formal or informal • Can risk 'group think' where a dominant personality directs the rest into a certain way of responding • Obtains observable data efficiently 	

3.3.1 Developing questions

Authors, Burns and Bush believe there are five 'should' and eleven 'should not' of question wording.

Should

- The question should be focused on a single issue or topic
- The question should be brief

- All respondents should interpret the question the same way
- The question should use the respondent's core vocabulary
- The question should be grammatically simple, in a sentence if possible

Should not

- Assume criteria that are not obvious
- Be beyond the respondent's ability or experience
- Use a specific example to represent a general case
- Ask respondent to recall specifics when only generalities will be remembered
- Require the respondent to guess a generalisation
- Ask for details that cannot be related
- Use words that overstate the condition
- Have ambiguous wording
- Be 'double-barrelled' (asking two questions at the same time)
- Lead the respondent to a particular answer
- Have 'loaded' (use of subtle emotional appeal) wording or phrasing

Source: Alvin C. Burns, 2009. Marketing Research (6th Edition). 6 Edition. Prentice Hall.

These are the main types of questions:

Open ended questions are sometimes known as unstructured questions.	Allows respondents to reply in their own words. No pre-set choices of answers and the respondents can decide whether to provide brief one-word answers or more detailed and long.
Multiple choice questions	Provide respondents with a choice of predetermined responses to a question. Respondents are asked for one answer that correctly expresses their viewpoint or all applicable response.
Dichotomous question	The dichotomous question is an extreme form of multiple-choice question as only two choices are offered. For example: yes / no; spray on / roll on; cash / credit; etc.
Closed questions	Ask respondents to make one or more choices from lists of possible responses such as: date of birth, gender etc.
Structured (scale) questions	Use rating scales where the respondent is given a continuum of labelled categories that represent a range of responses.

Advantages and disadvantages of using open ended and multiple choice questions?

Open ended questions:

Advantages	Disadvantages
A wider range of responses can be obtained	Do not suggest alternative answers
Respondents often prefer this type of freedom	They may also misinterpret the type of information requested

The categories are not respecified therefore lacks any influence in the response	These questions are difficult to summarise when tabulating the responses
	Weighted towards more educated people

Multiple choice questions:

Advantages	Disadvantages
Offer alternatives, tabulating is simplified	Bias can occur due to order of alternative answers with respondents tending to choose the first answer on the list (if they have no strong feelings on a particular question)
This questioning method enables quick answers and therefore has increased appeal to potential respondents	Limited choices of responses

Regardless of the type of question used, there should be an opportunity for respondents to provide an answer to every question. If numerous questions are left blank because the respondents felt the answers provided did not apply to their situations, the study's findings will be weakened.

Sequencing and layout decisions

The format and order of questions should be set out to gain and maintain the respondents' cooperation and also to make it easy for the interviewer to administer. Four basic guidelines for sequencing a questionnaire are:

- Open the interview with an easy and non-threatening question
- Questionnaires should flow smoothly / logically from one question to the next
- With most topics you should start with broad, general questions and move toward the more specific
- Sensitive questions should not be placed at the beginning of the questionnaire

Remember in preparing a questionnaire YOU must decide:

- What questions to ask
- The type of the questions
- The wording of the questions
- The ordering of the question
- What assumptions you make

Each question should be considered very carefully before it is used to see that it contributes to the research objectives.

Source: Kotler P. et al-Marketing 7th edt. p225

Remember that the purpose of the survey is to gather information that meets your research purpose. You need to present your research information in a way that is useful in the decision making process. Ensure that your survey allows for suitable presentation of this information.

Why should we use one or other of these methods? What are the particular advantages and disadvantages of data collection?

Method of collecting data	Advantages	Disadvantages
Online questionnaires	Instant results. Cost is reasonable. Able to aim questions to anyone in any area. Easy for the user. Generic unbiased questioning possible.	Unreliable as to respondent's motive and who is actually responding. Does the respondent understand the question? Limited by the confines of the site features. Samples dependant on availability not directed to target audience. Questions can be too general and not useful at generating results.
Main questionnaires	Relatively cheap to administer. Allows anonymous responses.	Responses may not be forthcoming or take a long time to be returned. Does the respondent understand the question? Unreliable as to respondent's motive and who is actually responding.
Telephone surveys	Cheap. Fixed questions can ensure non biased questioning. Can direct geographically.	Consumers sick of having calls to their home. May be unwilling to participate. Puts respondents on the spot. Do not call lists compromise options.
Observation	Can be done by managers on the job. Cheap costs. Able to discern responses to various in-house ideas and initiatives.	Recording may be unreliable or non-existent. Biased observers may contaminate the sample. Limited experience with own business.
Focus groups	Great way to generate ideas and opinions. Respondents can feed off each other and be valuable contributors. Well-chosen groups can provide good outcomes and new ideas and perspectives.	May have difficult members in the group who dominate or refuse to contribute. Can contaminate the results. Need to be sure the group is not hand-picked to provide answers already known or expected.
Literature existing	Reliable and valid sources of research can provide excellent low cost information.	May be slightly removed from your needs, can provide skewed information if inexperienced in interpretation.

	Much of the hard work has been done and information is available readily to support other sources of research.	Can take time to understand the original purpose and how it relates to your problem.
--	--	--

3.4 Identify data sources

Sources of information vary and can be classified as either internal or external

Internal includes

- Organisational files, reports and/or surveys
- Work intranet and other organisational material
- Other staff

External includes

- Government departments and publications
- Representative associations such as employer bodies, institutes, unions and professional associations
- Newspapers and magazines (especially industry specific)
- Television, radio and/or internet
- Local and specialist libraries

Common methods of collecting information include

- Interviewing colleagues/customers
- Obtaining information from other organisations
- Accessing previous file records
- Observing and listening
- Checking written material including referrals and client files
- Questioning (in person or via indirect means)
- Undertaking internet research
- Checking research provided by others (in journals)

3.4.1 Validity and reliability

Information sources need to be evaluated for their validity and reliability.

Validity the ability of a scale to measure what it is supposed to.

Reliability the degree to which measures are free from error and yield consistent results.

Note that **Validity = Accuracy** and **Reliability = Consistency**

Example Wikipedia. Is it a valid source? Is it a reliable source? Potentially no. Why? Wikipedia is a community content website. Any member of the public can contribute content to the website so there is a chance that the content is not valid or reliable

When assessing validity and reliability consider:

- The nature of the organisation undertaking the research
- The purpose of the research and the sponsors of the research
- The number and types of respondents involved in the research
- The research instrument used to collect the information

3.5 Quantify required data

Analysis of your research in terms of what statistical information is presented is a common and powerful exercise. Statistical analysis allows the researcher to view data to determine trends, frequency, relationships and commonality.

Most statistical methods used in business are known as inferential statistics. That is, using a sample to infer the results across the rest of the population. If one group of people behave/think this way, then it's likely that everyone else will.

Commonly used statistical analysis measures:

- Mean, median and mode
- Variance and standard deviation
- Probability
- Testing hypotheses
- Correlation
- Regression analysis (to predict future results)

Mean median and mode

The mean (or average) of a set of data values is the sum of all of the data values divided by the number of data values.

The median of a set of data values is the middle value of the data set when it has been arranged in ascending order. That is, from the smallest value to the highest value.

The mode of a set of data values is the value(s) that occurs most often.

Variance and standard deviation: are measures of how spread out a distribution is. They measure how variable a group of results are. Standard deviation is a measure of how spread out your data is. Computation of the standard deviation is a bit of a process.

- Compute the mean for the data set
- Compute the deviation by subtracting the mean from each value
- Square each individual deviation
- Add up the squared deviations
- Divide by one less than the sample size
- Take the square root

<http://www.robertniles.com/stats/stdev.shtml>

Example You are being asked to look at a local coffee shop. The owner wants to make some decisions about the business and doesn't know where to start. Among other things you decide to survey 10 people about the coffee and take a score out of five. You get your results and find that the mean is three.

5	5	5	4	3	3	2	1	1	1	total	30	Mean	3
---	---	---	---	---	---	---	---	---	---	-------	----	------	---

You do however need to understand the spread of these figures. The results mean something quite different given that there are a few fives and ones. Finding the standard deviation shows us how spread out the numbers are. This helps us determine what is really going on. If you only relied on the mean, three, you would think things were fine, slightly above average. Ones however suggest problems, knowing the spread is very useful. You can obviously see the spread on such a small sample, but imagine you surveyed 10 000 coffee drinkers.

Variance = the average squared deviation of each number from its mean



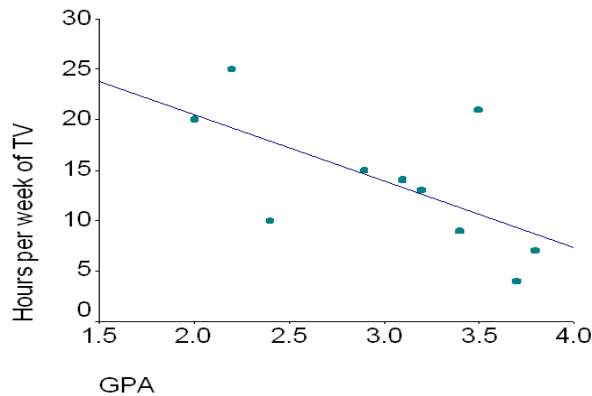
Probability - the measure of how likely it is for something to happen.

Testing hypotheses - A hypothesis is an assumption or proposition that a researcher makes about some characteristic of the population being investigated?

- What is the problem?
- What is your expectation?
- Create a model to measure the data against
- Use your model to guide data collection
- Compare your expectation with the information at hand (data)
- Use the data to modify your model
- Use the information and model to make predictions about the hypothesis

Correlation: the degree and type of relationship between two variables in which they vary together over a period of time.

For example, the Grade Point Average (GPA) achieved at school in relation to the hours of television watched.



Regression analysis

Predicts the outcome of an event (the dependent variable) based on interactions between other related drivers (the explanatory variables). It is important to note that it is difficult to be sure as to what are explanatory variables (or causal), and what happen to be coincidence. Causality is difficult to establish. Just because A increases at the same time as B decreases, does not prove a relationship between the two.

For example, you can reasonably predict sales volumes by looking at marketing expenditure and the number of sales representatives your company employs. As marketing expenditure and sales rep numbers increase, you can reasonably expect a corresponding increase in sales volume.

What performance hypotheses did you come up with?

Does this mean that salary, gender or tenure cause performance? No, not necessarily. There are many possible explanations for the suggestions of relationships. For example:

- Barbara gets paid more than anyone else in the group. She may be the Sales Director, and therefore have more responsibilities as well as a smaller sales region than the rest of the team
- Janet, while earning the least amount and has the second lowest performance %, may only work part time
- Henry may have the region with the largest client base, and therefore does not need to work particularly hard to make sales

You will need to make assumptions when analysing the data you gather. Part of the research process is 'sanity checking' your assumptions with others. Peer and expert review is critical to your success.

When checking your assumptions validity, ask yourself...

- Can I demonstrate a clear relationship between the data and my conclusions?
- Is there any other explanation for this relationship?
- Can I explain how I came to my conclusion?
- Do my assumptions relate to my research objectives?

3.6 Identify and evaluate suitable data processing methods

After evaluating questions and information requirements, the next step is to consider what data sources and methods are likely to yield the necessary information and to develop a research plan. This requires:

- Which existing data sources are suitable
- What gaps in information are there and are they critical
- Method of information collection
- Achievability of the research plan given available resources and timing of the evaluation
- Privacy and ethics approval requirements

3.6.1 Effective data sampling

Data sampling is simply the process of using a small percentage of a total population to assist you to understand how the entire population might respond. Often, conducting a comprehensive survey of all staff of a company, all residents of a suburb, all citizens of a country or even all members of a team is difficult, costly, time consuming or simply impossible.

Selecting a sample procedure

After determining whether using a sample or a population would be appropriate to use for our given survey, the next step is to determine what sampling procedure to use. Selecting a sampling procedure consists of two major groups:

- Probability sampling
- Non-probability sampling

Probability sampling consists of the following procedures:

Simple random sampling – each member of the population has a known and equal chance of being selected e.g. Lotto, drawing lots.

Systematic sampling – each member has a known but not equal chance e.g. randomly select a number (1 to 10), if the number 5 is picked, then every fifth number in the list is selected. (Bias)

Stratified sampling – the population is divided into strata (group levels). Each stratum has its common and measurable characteristics (age, income, geographical area etc.), and a random sample is done for each stratum. (Time-consuming)

Non-probability sampling consists of the following procedures:

Judgment sampling – occurs when a knowledgeable person selects sample members that they believe are appropriate. (Subjective)

Convenience sampling –based on the researcher’s convenience, i.e. location.

Quota sampling – is similar to the stratified sampling method, whereby, an appropriate number in each stratum is selected e.g. universities use this system for some of their courses, such as physiotherapy.

Snowball sampling – is a form of judgmental sampling that is very appropriate when it is necessary to reach small, specialised populations. Initially a group is selected (via the judgment sampling method) specifically because they purchased the product.

To convert your data into a manageable form, sort and summarise so it is easier to analyse. Ways to do this include drawing attention to key pieces of information by:

- Adding notes or comments to data
- Highlighting sections of text or figures
- Labelling material
- Selecting particular sections of data and filing them together
- Choosing a few typical examples to describe your larger body of data
- Noting critical or important pieces of information

3.6.2 Data processing and analysis

Data analysis is the process where raw data is organised so useful information can be extracted from it. The process of organising and thinking about data are critical to understanding what the data does and does not contain. There are a variety of ways in which people can approach data analysis, and it is very easy to manipulate data during the analysis phase to push certain conclusions or agendas.

It is important to pay attention when data analysis is presented, and to think critically about the data and conclusions which were drawn. Remember to always be mindful of:

Data validity	The ability of a scale or measure to measure what it is supposed to measure
Data reliability	Are measures error free and therefore yield consistent results
Data relevance	The degree to which the information relates to the topic.

Ultimately, poor information will likely result in a poor decision

Raw data can take a variety of forms, including measurements, survey responses and observations. In its raw form, this information can be incredibly useful, but also

overwhelming. Over the course of the data analysis process, raw data is ordered in a way which will be useful.

For example, survey results may be tallied, so that people can see at a glance how many people answered the survey, and how people responded to specific questions.

In the course of organising the data, trends often emerge, and these trends can be highlighted in the research report so that readers take note. In a casual survey of ice cream preferences, for example, more women than men might express a fondness for chocolate, and this could be a point of interest for the researcher.

Modelling data with the use of mathematics and other tools can sometimes exaggerate such points of interest in the data, making them easier for the researcher to see.

3.6.3 Methods of analysis

Data sampling is the process of using a small portion of the population to help you understand how the whole population may react. Examples include political polls, television ratings data and what housewives think of a new washing powder.

Feedback on results of research you have started from interested parties is invaluable to make sure your research is relevant and useful. Interested parties can include managers, decision makers, experts and project owners.

Peer review - Providing results or preliminary findings to your peer group can be as useful as getting feedback from interested parties. Peers can provide you with different ideas and insights into your research, and can suggest additional sources of information.

Review of previous research others have done before you is critical to the success of nearly all research projects. Whether you use other's research as a primary source or just to develop research strategies, it is essential to be careful in choosing past research.

3.7 Make decisions on data types, combinations, gathering methods, sources, quantities and processing methods

- Choices achievable with available resources
- Cost benefit of choices
- Are the choices consistent with organisational procedures, policies?
- Will the choices satisfy the research objective?

3.7.1 Developing conclusions

In order for your research to be useful, you need to be able to draw some conclusions. You need to:

- Make sense of your research material
- Form an opinion about the data gathered

- Develop a line of reasoning
- Make recommendations as to what should happen now

You should be able to:

- Write your conclusions clearly and succinctly
- State how they relate to the research and business objectives
- Clearly point to the evidence that your conclusions are logical and based on the available evidence
- State your conclusions objectively and without bias

Data processing options

Your business has a range of options to manage the data processing:

- Data processing service experts
- Manual or personal methods
- Packaged analysis routines or programs
- Specialist software packages

It is easy to fall into traps when analysing or processing data yourself, particularly if you have an interest in the outcome. It is better for the reliability of the analysis to engage an unbiased third party or to use specialist programs. However, this can be quite costly.

When deciding which option is right for your research project, it is important to consider:

- The budget
- Timeframes
- Expertise available
- Technology available
- Purpose of the research
- The impact on business and the critical nature of the research

A simple way to analyse the above is a grading system answering key questions:

- How easy will it be to implement the research project?
- Is the methodology of a sufficiently high quality and credibility?
- How useful is the research likely to be?
- Are alternative information results available with the same or higher level of validity and reliability and with lower resource costs?

4 Develop market research plan

After the objectives have been set, the next step involves:

- Determining specific needs
- Developing a plan for gathering it efficiently
- Presenting the research design in the form of a plan

4.1 Estimate resources and timelines required for market research projects

Resources required for the effective delivery of your research project will generally fall into one of four categories:

- Financial - money available to a business for spending on the project
- Human - the resource that resides in the knowledge, skills, and motivation of people, usually within the organisation but increasingly is becoming an outsourced commodity
- Time – both the timeframe that the project must be completed by, and amount of time that can be committed to it - man-hours
- Technology – software packages or hardware products that can assist in the collection, storage, analysis or dissemination of the research

Having a clear understanding of what resources you have, and what resources you need is critical to ensure that the research objectives are achieved. You cannot determine the feasibility of your research project without considering these factors.

4.2 Determine feasibility of market research

- How easy will it be to implement the recommendations?
- How credible are the methodology?
- How useful is the research going to be?
- Can other results be obtained another way?

A feasibility analysis evaluates research project's potential for success. The following factors are often assessed:

Technology and system feasibility

This assessment is based on an understanding of technology and system requirements, to determine whether the business has the expertise to complete the research project. It's important to consider any other factors that may impact the business's ability to complete the research project. Particular attention should be paid to the human factor and its relationship to technology and systems. At this point, the interest is whether the research project is both technically and legally feasible (assuming moderate cost).

Legal feasibility

Legal feasibility determines whether the proposed research project conflicts with any legal requirement. An assessment against the legal and ethical requirements is conducted at this point to eliminate anything undesirable.

Operational feasibility

Operational feasibility is a measure of how well a proposed research project solves the problems, and takes advantage of the opportunities identified during scope definition. It should consider equally the human resources, time and work involved to ensure it is operationally practicable to conduct the research project or to outsource it to reduce operational interruption.

Schedule feasibility

Any project will fail if it takes too long to be completed. This means that it is important to determine whether the proposed project can be completed within a given time period. Schedule feasibility is a measure of how reasonable the project timetable is. Given our expertise and workload, are the project deadlines reasonable?

4.3 Prepare market research plan for approval

Considerations for the market research plan can include:

- Research approaches (observational, survey, experimental)
- Contact methods (mail, telephone, personal interview, online)
- Sampling plans (who, how many, how chosen)
- Research instruments (questionnaire, mechanical devices).

The research plan/proposal should cover

- Current situation appraisal and description of need
- Research objectives
 - Clearly identify the purpose of your research
 - What are you trying to learn from the research?
 - Does this meet the organisation's goals?
- Research methods and strategies
 - How are you going to research this?
 - Will you use personal interviews, questionnaires, focus groups, information from other organisations or online research?
 - The information to be obtained
 - The sources of secondary information
 - The methods for collecting primary data
- Identification of legal and ethical considerations
 - Privacy, discrimination and potential WHS implications
- Methods of analysis
 - How you are going to analyse your data?

- What variables will you use to analyse your data?
- List the technology you will use such as Excel spread sheet
- The way the results will be used to help decision- making
- The key milestones that will be met in the research process
- The proposed costs of the research.

Thorough research requires you to think critically about the information you collect, evaluate its worth and determine how to present it to others.

Market research as a project

To effectively deliver the outcomes of the research on time and to budget, it's important to treat it as a project. As market research is often a small scale endeavour for non-marketing managers, below are the key project management principles you must include in your market research planning:

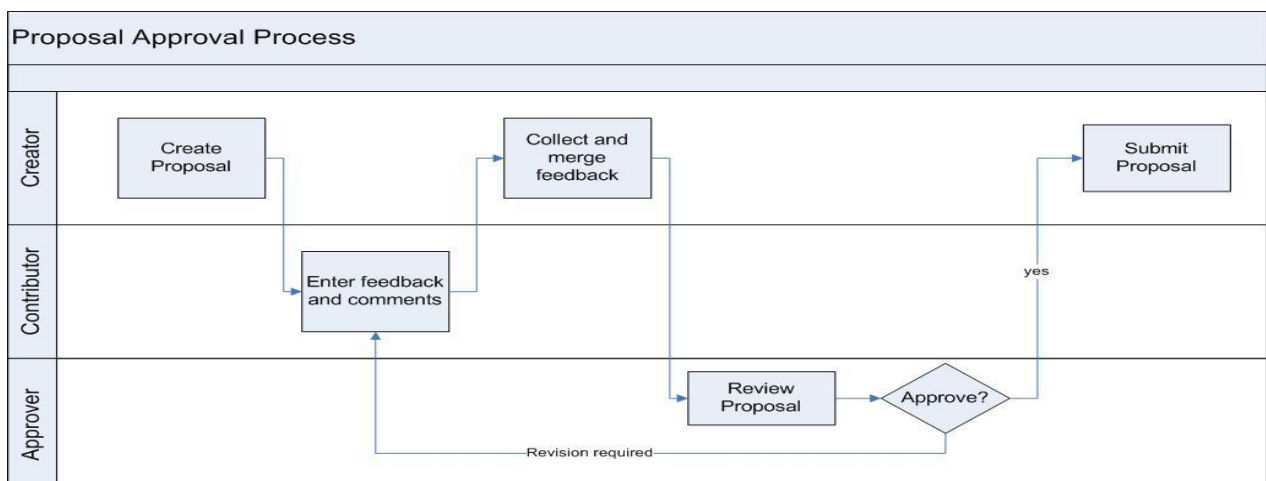
- Consultation and stakeholder involvement
- Resources and development of time lines, budgets and other implementation plans
- Gaining of approvals
- Needs analyses
- Scoping practices

4.4 Obtain approval to implement plan from appropriate personnel

Gaining approval

There is little point in undertaking a project without having approvals in place. In a large organisation there may be a lengthy approval process for any expenditure of this nature. In smaller organisations it may be more informal.

Either way, the authority to go ahead must be secured in order to protect the interests of the business and to allow for adequate planning and budgeting for the organisation. Here is an example of a simple approval process that may be used in smaller organisations:



Source: <http://www.rickgeneva.com/wp/posts/whats-so-hard-about-process-modeling/>

4.4.1 Consultation

Consultation with stakeholders is important at every stage of your research project.

As discussed earlier, stakeholders can make significant contributions when formulating research objectives, project scope and identifying sources of valid and reliable data relevant to your project.

Plan your consultation and engagement strategy early on. This is important to make sure they are not forgotten.

4.4.2 Marketing research report

The format of the marketing research report varies with the needs of the organisation. The report often contains the following sections:

- Authorisation letter for the research
- Table of contents
- List of illustrations
- Executive summary
- Research objectives
- Methodology
- Results
- Limitations
- Conclusions and recommendations
- Appendices containing copies of the questionnaires, etc.

Conclusion

Business is like a holiday! You need plans to make sure you get there on time, to know where you are going, to be able to afford all the activities, to know what you want to do and where to go to get the things you want.

Market research is like part of the map for business. It needs to be used with all the other tools for planning your trip! As a manager you need to be able to conduct market research yourself or be able to understand the need for it as well as the results when you arrange for collection of data about your organisation.

In conclusion businesses conduct market research for the following reasons:

Identify potential customers	Who will use your product/service? What do they like or need? Are they single, married, and divorced? How old are they? Any children? And so on.
Understanding existing customers	Why do people choose your product over competitors? What magazines, websites, and books do they read? What do we need to know about them that we don't?
Set targets that are realistic	From what you have found out you can set targets for realistic products, growth, new products etc.
Develop strategies to reach your customers	Once you know these things about your customers you can make decisions about what you can do to match their needs with YOUR product or service
Examine and solve business problems	If you have a problem you can work out how to address it if you have information. If your sales have fallen you might find that a new competitor has moved in and you need to adjust your approach.
Prepare for business expansion	Proper research will show you the way into new areas for your business. You would never open a new shop without knowing whether the location or the services were right for your market.
Identify opportunities for your business.	You could find new opportunities for your business. Areas that are not serviced by your product or not fully serviced. Changing populations in your area could also lead to opportunities you didn't know about until you did your research.

Knowing this, you need to set your goals for research, find out what information already exists, do your own research then analyse your results and finally act on the results of all your hard work.

Appendix A - Legislation in Australian business

This document is intended to provide an introduction to some of the most often used pieces of legislation and issues that affect businesses in Australia. It is by no means exhaustive and nor should it be used as an instrument to provide legal advice to others. The document is intended to provide general legislative and regulatory compliance guidelines relating to business activities. It should be used as a starting point for your own research into a particular issue. REMEMBER Australian businesses are obligated to comply with a range of laws.

Legal compliance is mandatory in all business organisations. Non-compliance is not accepted or tolerated. Ignorance of the law is no excuse!

Legislation is a set of rules, regulations or guidelines passed by an Act of parliament (State or Commonwealth).

Regulatory requirements are details of a particular Act. Regulations always follow legislation and set out standards, procedures and guidelines in the compliance of legislation. These rules and guidelines assist organisations to properly carry out compliance requirements as per the relevant legislation.

Standards are set by relevant government departments as codes of practice and industry standards.

General consumer protection laws

Federal government legislation exists to protect consumers, the environment and the community, as well as to promote fair trading and competition. These laws govern how businesses interact with their suppliers, customers and other businesses. They also outline the legal rights of businesses and business owners when conflicts arise.

You must determine which of these affects *your* business operations.

Managers need to be aware of legislation relevant to their particular managerial functions and industry. Employers and managers are required to understand legal compliance issues within their respective organisations and be able to carry out compliance at all times as part of the management process.

Managers are both professionally and legally accountable for their conduct and work practices within their parameters. Statutory requirements are legally binding and managers are required to comply with compliance matters depending on the requirements of the legislation. A business owner, manager or employee who contravenes relevant Act and regulations may be liable to criminal penalties and or civil action. It is also important to note here that if the legal entity of the business /organisation is a company structure, the business may be separately legally liable.

Government regulations and legislation is dynamic and changing. You must remain up to date as it is your responsibility.

Often Federal legislation is different to that of each state, make sure you are compliant with the correct legislation. If you are not sure check!

Access to State and Commonwealth Acts and regulations can be found online at a number of sources – Example of a range of internet sites to begin your research include:

www.business.gov.au www.comlaw.gov.au/
<http://www.oaic.gov.au/freedom-of-information>
<http://www.fairwork.gov.au/about-us> <http://www.comcare.gov.au>

Issue	Legislation	Detail correct at time of printing November 2014
Affirmative Action	Equal Employment Legislation	
Anti-Bullying	Fair work WHS Anti-Discrimination	People who believe they're being bullied in the workplace can apply to the Fair Work Commission for help in resolving the issue. Bullying occurs when a person or group of people, repeatedly behave unreasonably towards a worker. The behaviour also has to be deemed a risk to the worker's health or safety.
Anti-discrimination	Anti-discrimination is the key diversity legislation in Australia. There are also State and territory legislation which follows the federal Acts. These include: <ul style="list-style-type: none"> Disability Discrimination and Other Human Rights Legislation Amendment Act 2009 Disability Discrimination Amendment Act 2005 Equal Opportunity for Women in the Workplace Act 1999 Fair Work Act 2009 Human Rights and Equal Opportunity Commission Act 1986 Racial Discrimination Amendment Act 1980 Sex and Age Discrimination Amendment Act 2011 	Together, they prohibit discrimination on the basis of: Gender, sexual preference, political opinion, trade union activities, colour, race and ethnicity, social origin, religion, nationality, family responsibility, irrelevant medical record, irrelevant criminal history, age, marital status, carer status, parental status, breastfeeding, disability, pregnancy Managers need to ensure that performance-management processes do not contravene anti-discrimination legislation. A manager can be seen to discriminate against employees when they treat them with a particular attribute (i.e. age, gender, parental status, disability) less favourably than employees without that attribute or with a different attribute. Employers and managers are also considered to be acting in a discriminatory manner if they impose an employment condition that: An employee with a particular attribute cannot comply with <ul style="list-style-type: none"> A higher percentage of people without an attribute can comply with A higher percentage of people with a different attribute can comply with Is universally applied and that people with an impairment or a disability cannot meet Is unreasonable

Competition laws/ Consumer laws Product liability regulation	Australian Consumer Law (ACL) is set out in Schedule 2 of the Competition and Consumer Act 2010 . The standards are enforced by the Australian Competition and Consumer Commission (ACCC).	Provides regulations on unfair contract terms, consumer rights guarantees, product safety laws, unsolicited consumer agreements, lay-by agreements and penalties, and other areas. Further information see Ministerial Council on Consumer Affairs: Australian Consumer Law.
Copyright	Copyright Act 1968 which applies the national law throughout Australia.	The Copyright Law of Australia defines the legally enforceable rights of Intellectual Property which includes creators of creative and artistic works under Australian law.
Employee rehabilitation and compensation	<i>Safety Rehabilitation and Compensation Act 1988</i> The SRC Act Workers Compensation and Rehabilitation Act 2003 QLD	The SRC Act 1988 covers: Commonwealth and ACT public servants Employees of Commonwealth and ACT statutory authorities and corporations. Australian Defence Force members for injuries before 1 July 2004. Employees of corporations with a licence to self-insure under the SRC Act. The SRC Act provides rehabilitation and workers' compensation to employees covered by the scheme for a work related injury. The QLD legislation established a workers compensation scheme for Queensland which provides benefits for workers who sustain injury in their employment, also for dependants if an injury results in the workers death.
Employment contracts See also Independent contractors	This comes under the general law of contract and determines the legal relationship between employers and employees and sets out the terms and conditions of employment.	<ul style="list-style-type: none"> • Codes of conduct that employees are required to comply with • Contractual requirements of both employers and employees under a contract of employment • Organisational policies that employees need to observe. These requirements are generally set out by the human resource management department • The grounds upon which an employer can terminate without notice • Period of notice an employee needs to be given when employment is terminated with notice • How and when an employee's performance will be appraised or reviewed • How the employee will be remunerated for their work • Many of the legal requirements mentioned here also refer to employment relations under the Fair Work Act 2009

<p>Environmental Australian Government, state, territory governments, and local governments jointly administer environmental protection. There are many pieces of legislation which apply, check which one applies in your situation. The following are some examples:</p> <ul style="list-style-type: none"> • Coastal Protection and Management Act 1995 • Waste Reduction and Recycling Act 2011 • Environmental Protection Act 1994 • Nature Conservation Act 1992 • Queensland Heritage Act 1992 • Sustainable Planning Act 2009 • Water Act 2000 (Chapter 3) 		<p>Australian Government legislation governs the process of assessment and approval of national environmental and cultural concerns. State and territory environmental protection legislation apply to specific business activities. For further information, see business.gov.au: Environmental legislation.</p>
<p>Ethical principles</p>	<p>Universal standards of right and wrong. Be sure to consult with State legislation which apply to your relevant industry. Each business should have relevant HR policy and procedures covering this for their practices.</p>	<p>They detail the kind of behaviour a company or person with sound ethics should and should not engage in. How your character is judged is critical to success of your business. Unethical actions will destroy trust and credibility. Ethical principles are: Honesty, integrity, promise keeping, loyalty, fair, caring, respect for others, legal, commitment to excellence, leadership, reputation, accountable, avoiding conflicts of interest,</p>
<p>Freedom of Information</p>	<p>Freedom of Information Act 1982</p>	<p>The FOI Act provides a legally enforceable right of access to government documents. It applies to Australian Government ministers and most agencies - obligations of agencies and ministers are different. FOI allows individuals to see what information government holds about them, and to seek correction of that information if they consider it wrong or misleading.</p>
<p>Human Rights</p>	<p>The Australian Human Rights Commission Act 1986</p>	<p>Anti-discrimination legislation</p>
<p>Independent contractors See also Employment contracts</p>	<p>Are self-employed and provide a service to a business. Often negotiate their own payments and working arrangements, and can work for a range of clients at any given time.</p>	<p>Before entering into a contract, determine whether someone is classified as an independent contractor so you can comply with your legal obligations. Their status affects their rights and obligations. It's possible for someone to be an employee for some work and independent contractor for other work. Remember it's illegal to fire, or threaten to fire, an employee if they don't agree to become a contractor.</p>

Industrial relations reform	Federal – Fair Work Act 2009 State QLD for example QLD Industrial Relations Act	The Industrial Relations Reform Act allowed workplace disputes to be settled by enterprise bargaining between employers and unions in the workplace. If the dispute was not settled, the Australian Industrial Relations Commission could settle it.
Privacy	Privacy Act 1988 You need to be aware of your obligations under the Australian Privacy Principles (APPs). Australia has national privacy legislation, overseen by the Office of the Australian Information Commissioner (OAIC) this regulates how businesses collect, access, and store personal information and communication.	There are specific requirements on management of sensitive information e.g. medical records. Legislation applies to a number of different activities and sectors. Australian states and territories also have individual privacy laws that may apply in the workplace and affect business in each jurisdiction. A new set of privacy principles was introduced in March 2014. The principles cover how a business handles personal information, including the: handling and processing personal information use of personal information for direct marketing and disclosing personal information to people overseas.
Racial Discrimination	Racial Discrimination Act 1975	Anti-discrimination legislation
Sex Discrimination	Sex Discrimination Act 1984	Anti-discrimination legislation
Trade Practices	Australian Consumer Law	Superseded in January 2011 by the Competition and Consumer Act 2010
Unfair or unlawful dismissal	The primary piece of legislation relating to unfair and unlawful dismissal is Fair Work Act 2009 (Cwlth).	Under this legislation, employees can claim their dismissal was harsh, unjust/unreasonable, not a case of genuine redundancy or the dismissal was not consistent with the Small Business Fair Dismissal Code.

Work Health and Safety	<p>Workplace Health and Safety Act 2011</p> <p>Some states still use OHS be sure to check with your state as to the particular areas you need to comply. Under health and safety legislation, employers have a duty to ensure that employees' working environments are safe and pose no threats to their health and wellbeing in the workplace.</p>	<p>Under this legislation, risks to health and safety also includes bullying and violence in the workplace.</p> <p>Bullying can be defined as repeated, unreasonable behaviour directed at employees that poses risk to health and safety. Performance-management needs to ensure that in carrying out their duties, their behaviour cannot be construed as bullying. Particularly relevant when addressing poor employee performance. They should be careful not to:</p> <ul style="list-style-type: none"> • Verbally abuse employees • Exclude or isolate employees • Set employees impossible tasks or assignments • Harass employees, psychologically or otherwise • Intimidate employees • Intentionally withhold information vital for effective work performance • Assign meaningless tasks to employees are not job related
Work place diversity	<p>These federal and state legislations covers workplace diversity and equal opportunity in Australia:</p> <p>The Australian Human Rights Commission Act 1986</p> <p>The Age Discrimination Act</p> <p>The Sex Discrimination Act 1984</p> <p>The Racial Discrimination Act 1975</p> <p>The Racial Hatred Act</p> <p>The Disability Discrimination Act</p> <p>The Workplace Gender Equality Act 2012</p> <p>The Fair Work Act 2009</p> <p>State-based anti-discrimination and WHS laws</p>	

Remember: you need to be aware of your own responsibilities. Legislation changes. Keep up to date. **Non-compliance is not tolerated and ignorance of the law is no excuse!**

Appendix B: The marketing mix

It refers to the various elements making up the practice of marketing in its totality. Often referred to as the Four P's:

- Product** Quality and features. Why do your customers need what you are selling? What are the perceived benefits of your product? Product is a good service, idea, place or person - whatever is for sale whatever we are selling. Considered to include core - benefits the product offers the customer, actual which is the physical product and augmented the whole package including warranty, delivery and after sales options for example.
- Price** List price, discounts, allowances etc. what will make them part with their money? What the customer is willing to exchange for the product that they want. Consider price as well as all the costs, time, social, lifestyle for example.
- Place** Retailers, locations, warehousing where do your customers go to fulfil their needs? How available is the product to your customers? This relates to channels of distribution as well as actual places the product is available from.
- Promotion** Advertising, personal selling, sales promotions. All activities, actions taken to let customers know about the product benefits and how this product fits their needs.

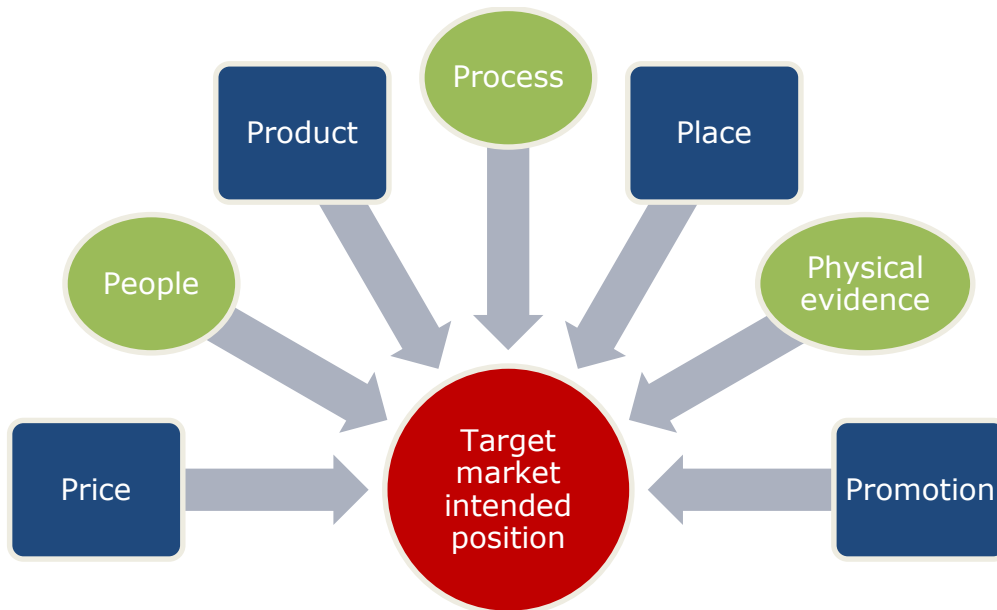
The Four P's are closely linked to the consumers Four C's:

- Product Customer needs and wants
- Price Cost to the customer
- Place Convenience
- Promotion Communication

The extended marketing mix

In recent years, the marketing mix has been extended to include people, process and physical evidence. This is largely as a result of the marketing of services.

- People** Important particularly in the marketing of services.
- Process** Customers migrate to other service providers when the process is not providing customer value.
- Physical evidence** Examining every aspect that customers use in their perceptual field to assess such a service.



Product

A product is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need. There are many types of products - goods, services, events, ideas/causes, people, political candidates and parties, locations and so on.

Goods: many products are physical goods e.g. cars, toasters, shoes, books, and televisions. Goods may be used over an extended period of time (durable products e.g. refrigerators) or may be consumed in a single usage or short period (non-durable goods e.g. grocery items).

Services: service organisations offer their customers something essentially intangible - the interaction does not result in the ownership of anything that endures. Services usually involve high involvement by the consumer and are more personal in nature than consuming physical goods e.g. a visit to the dentist or doctor, hairdresser, a meal at a restaurant. Services usually involve synchronous delivery and consumption e.g. a driving lesson, a lecture. They are perishable once the experience is over (e.g. a concert, a flight etc.) there is no taking it back.

Events: combine elements of physical products with those of services, particularly the experiential aspects of sporting, entertainment and other staged events delivered over a period of time. For example, the Olympic Games combines physical goods (food, drinks, merchandise) with experiences, such as attending one of the events or the Opening and Closing ceremonies. Events often attract sponsor companies that wish to reinforce positive buyer attitudes by being associated with the particular event.

Ideas/causes: ideas or social causes can be marketed like other products, in the hope that the consumer will adopt the behaviour associated with the idea, and promote it to others.

'If you drink then drive, you're a bloody idiot.'

'Kissing a smoker is like kissing an ashtray.'

People: live performances by people/recording artists are products. Because of global television, sporting stars are products in their own right. They are used to lift the people-drawing power of the sports they represent and also used as brands to sell and endorse products.

Political candidates and parties: politicians market themselves as well as their political ideologies and their political parties. We do not 'buy' them, but we give them our attention,

vote for them and support their policies. Political parties adopt many of the same marketing research techniques used in the commercial world. Where do politicians campaign these days? On television? In person? On Facebook? On YouTube?

Locations: visits and experiences to locations are also marketed and 'sold' as products. While consumers do not necessarily assume ownership of them, they buy the experience of visiting and experiencing that place, and will often consume a range of products associated with that location.

If someone buys a ticket to the Great Barrier Reef for a holiday, what 'experience' might they be buying? What types of products might they consume while on holiday there?

Product attributes

Developing a product or service involves defining the benefits that will be offered to the marketplace. These benefits are communicated and delivered by product attributes such as quality, features and design.

Product quality is the ability of a product to perform its functions. It includes the product's overall durability, reliability, precision, ease of operation and repair, and other valued attributes.

How should a product's level of quality be determined?

Marketers should match quality levels with expectations of the target market or quality levels of competing products. Quality also relates to the consistency of delivery of quality. Do you think consumers these days expect quality from every brand? I.e. is quality now a necessity?

Product features are used by marketers as a competitive tool to differentiate your product from those of a competitor. Often companies begin by offering products without any extra features - a 'stripped down' model and progressively create higher-level models by adding more features.

- What sort of questions might companies ask their customers to determine what new features they should add to their products?
- Which specific features do you like most?
- What features could we add to improve the product?

Good design is not just about making a product look good (style), it is also about creating products that are easy, safe, inexpensive to use and service, and simple and economical to produce and distribute. For example, Black and Decker's cordless power tools feature outstanding design, which contributes to their great success.

Good design can attract attention, improve product performance, cut production costs and give a product a strong competitive advantage.

Products are further categorised by the level of attributes they contain.

Augmented	Actual / secondary	Core
<ul style="list-style-type: none"> •Delivery and credit •Installation •Warranty •After sales service 	<ul style="list-style-type: none"> •Brand name •Features •Styling •Quality •Packaging 	<ul style="list-style-type: none"> •Core benefit or service

Core product: The problem-solving services or core benefits that consumers are really buying when they obtain a product. This addresses the question:

What is the buyer really buying?

When designing products, it is critical to identify the core benefits offered by the product to its consumers.

'In the factory, we make cosmetics; in the store, we sell hope.' Charles Revlon of Revlon Cosmetics.

Actual product: A product's parts, styling, features, brand name, packaging and other attributes that combine to deliver core product benefits.

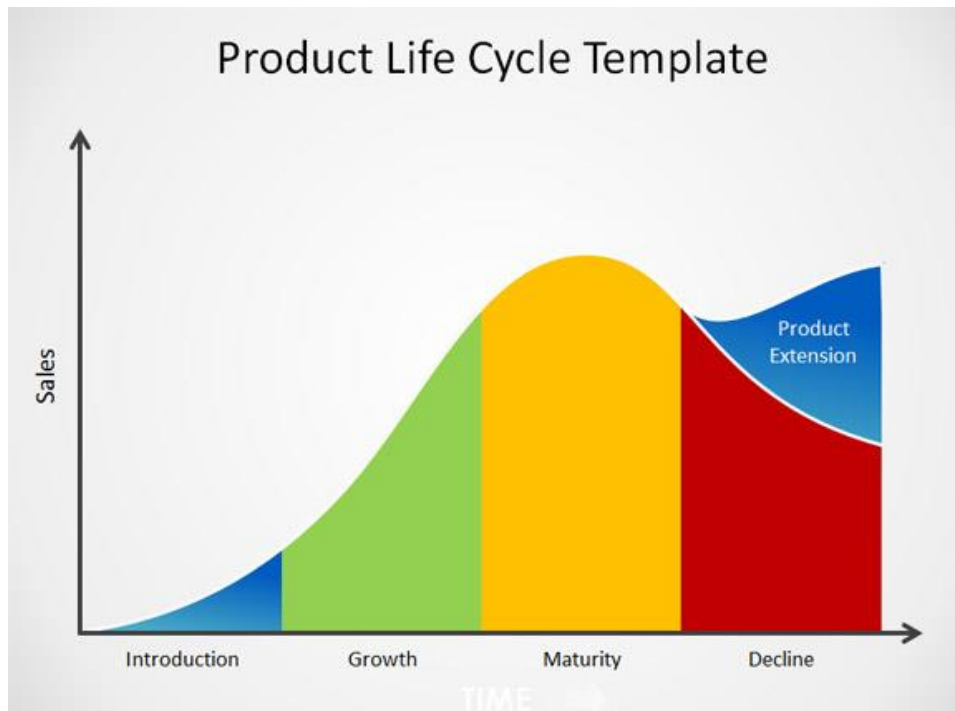
Example: A Qantas air ticket from Brisbane to London is an actual product. So are the Qantas name (brand name), air terminal layout and services, plane seating configurations, crew uniform styling, booking system (a component of packaging), features such as in-flight movies, food and beverage service/quality are carefully combined to deliver the core benefit or service.

Augmented Product: Additional consumer services and benefits built around core and actual products. For example, some consumers might require greater service levels than others - Business or First Class, or vegetarian meals. Some expect extra services before the flight, and so might join the Qantas Club. Some expect extra augmentation through packaged tours, a Frequent Flyer point's scheme. These all become important parts of the total product.

The Product life cycle

The product life cycle is the course of a product's sales and profits during its lifetime. It involves five distinct stages:

- Product development
- Introduction
- Growth
- Maturity
- Decline



The exact shape and length of each stage varies from product to product, and market to market.

Product development

A product concept (idea) is developed into a physical product (prototype) to ensure that the idea can be turned into a workable product. Prototypes are tested to ensure the product performs safely and effectively.

Introduction

New product is first distributed and made available for purchase. Consumers of the new product need to be informed and to try it. Deal with negative/low profits due to low sales and high distribution and promotion costs. Because the market is not generally ready for product refinements at this stage, companies produce basic versions of the product.

Growth

If successful, sales will start climbing quickly. New competitors enter the market, introducing new product features. The market expands, as does the number of distribution outlets. Profits increase, as promotion costs are spread over a larger volume. Unit manufacturing costs fall. Product quality and features are improved, new market segments entered, new distribution channels established, and prices lowered at the right time to attract more buyers.

Maturity

Sales growth slows or levels off. Normally lasts longer than the previous stages, and poses challenges for the marketer. There are many producers with many products to sell. Competitors mark down prices, thus reducing profits. Marketers should consider one of the following strategies:

Market modification - look for new users and segments for current product. Bailey's Irish Cream liqueur targeted the 19-25 singles segment with its positioning as a 'sexy' drink

Product modification - change a product's characteristics to attract new users and more usage e.g. Renault keeps adding new styles and features to its line of compact cars

Marketing-mix modification - e.g. cut prices, launch a new advertising campaign, and offer new or improved services to buyers

Decline- in sales.

The company must identify declining products, are they to be:

Maintained - in the hope that competitors will leave the industry

Harvested - reducing costs in the hope sales hold up

Dropped - could sell to another firm or liquidate it at salvage value

Reasons for the decline can be many e.g. technological advances, shifts in consumer tastes, increased competition, and changes to regulations.

The life cycle can be a useful framework for describing how products and markets work. It can help in developing good marketing strategies for different stages of the cycle. However, managers may have trouble using it e.g. identifying what stage their product is at, when it will move to the next stage, and what factors affect its movement through the stages.

This is a strategy for promoting company growth by offering modified or new

Price

Price refers to the value of the exchange charged for a product or service. You pay rent for accommodation, tuition for education, a toll on the motorway, interest for the money you borrow from the bank, and so on.

Price is the only element in the marketing mix that generates revenue; all of the others (product, promotion and distribution) are costs. Common mistakes made by companies in setting prices include:

- Pricing is cost-oriented
- Prices are not revised to reflect market changes
- Pricing does not take the rest of the marketing mix into account
- Prices are not varied enough for different product items and market segments.
- Pricing decisions are affected by a number of factors, Internal (company) and external (environmental)

Internal Factors

Marketing Objectives

Price is often largely determined by the target market and positioning for the product. The clearer a firm is about its objectives, the easier it is to set price.

Objectives affecting price

Survival: if a company is facing financial troubles due to over-capacity, heavy competition or changing consumer wants, they may reduce prices to stay in business.

Current profit maximisation: a company estimates demand and costs at different price levels and chooses the most profitable price.

Market-share leadership: by setting prices as low as possible, a company hopes to out-sell the competition.

Product-quality leadership: the objective of highest quality means setting higher prices.

Example Virgin Mobiles has positioned itself as a company for budget-minded callers, and keeps prices low.

Marketing-mix strategy

Pricing decisions must be coordinated with product design, distribution and promotion decisions to form a consistent and effective marketing program. Decisions made for other marketing-mix variables may affect pricing decisions, and vice versa. Price is often largely determined by the target market and positioning for the product.

Example Fashion houses like Gucci and Armani hold a high-quality position in the market. They must set their prices high enough to cover high quality materials, resellers' high margins and good service.

Yamaha, discovered a market for affordable stereos, and so designed their product with a lower price in mind.

Costs

The company must cover all costs for producing, distributing and selling the product, and also deliver a fair rate of return for its effort and risk. Costs are therefore an important element in pricing strategy. A company has two types of costs i.e. fixed costs and variable costs.

Fixed costs (or overheads) do not vary with production or sales level e.g. rent, heat and executive salaries.

Variable costs vary directly with the level of production e.g. the costs of wires, plastic, packaging and other materials that go into producing a calculator. Total costs are the sum of the fixed and variable costs for any given level of production.

Companies must watch costs carefully, if it costs them more than competitors to produce and sell their products, they will have to charge a higher price or make less profit. To price wisely, managers must understand how its costs vary with different levels of production.

Management wants to charge a price that will at least cover the total cost of production at any given level of production.

Organisational considerations

There could be other issues internally that will affect pricing decisions, every case is different and needs to be examined thoroughly to make the correct pricing decision.

External factors

Market and demand

Costs set the lower limit of pricing, the market and demand set the upper limit. Buyers balance the price of a product / service against the benefits of owning it. Before setting prices, marketers must understand the relationship between price and demand for its product.

Economists recognise four different types of markets, each presenting a different pricing challenge:

Pure competition	Many buyers and sellers trade in a single commodity. No single buyer or seller therefore has much effect on the going market price.
Monopolistic competition	Many buyers and sellers trade over a range of prices rather than a single market price. Sellers can differentiate their offers and buyers pay different prices for different products.

Oligopoly	There are only a few sellers who are highly sensitive to each other's pricing and marketing strategies. Example if Optus slashes call costs, Telstra will likely have to do the same.
Pure monopoly	There is a single seller- it may be a government monopoly, a private, regulated monopoly or a private, non-regulated monopoly. They may set prices quite low to make the product accessible, or quite high to slow down consumption

When setting prices, the company must consider consumer perceptions of price and how these perceptions affect buying decisions and demand. Pricing, like other marketing-mix decisions, must be buyer-oriented. Effective pricing involves understanding how much value consumers place on the benefits they receive from the product and then setting a price that fits this perceived value. A demand curve shows the number of units the market will buy in a given time period, at different price levels that might be set.

In most cases, the higher the price charged for a product, the lower the demand. However, in the case of luxury goods, sometimes higher prices lead to higher demand amongst the target market, as they perceive a higher quality product. Most companies try to measure their demand curves, estimating demand at different price levels.

Marketers also need to understand price elasticity i.e. how responsive demand will be to a change in price. If demand hardly changes with a change in price, demand is **inelastic**. If demand changes greatly, we say the demand is **elastic**.

What determines the price elasticity of demand?

Buyers are **less** price-sensitive when the product they are buying is

Unique or when it is high in quality, prestige or exclusiveness

When substitute products are hard to find

When the cost of a product is low relative to their income

If demand is elastic rather than inelastic, sellers will consider lowering prices.

Competitor's prices and offers

Companies can use competitors' prices as a starting point for its own pricing strategy. The company's pricing strategy may also affect the nature of the competition that it faces.

Example: A purchaser considering buying an Omega watch will evaluate Omega's price and value against the prices/values of comparable products made by Seiko, Tag Heuer etc. If Omega follows a high-price, high margin strategy, it may attract competition. If it follows a low-price, low-margin strategy, however, it may stop competitors or drive them out of the market. Basically, Omega will use price to position its offer relative to competitors.

Other external factors

Economic conditions: inflation, booms, recessions and interest rates all affect both the costs of producing a product and consumer perceptions of the product's price and value, and their ability to purchase.

Other parties: the company should give resellers a fair profit.

Government regulations: the Trade Practices Act prohibits unfair pricing practices e.g. predatory pricing. Predatory pricing is where prices are set unreasonably low to force competitors out of the market.

Pricing approaches

Companies set prices by selecting a general pricing approach that includes one or more of the following four sets of factors:

- Cost-based pricing
- Value-based pricing
- Competition-based pricing
- Relationship pricing

Cost-based pricing

This is the simplest pricing approach; it involves adding a standard mark-up to the cost of producing the product.

Disadvantages -It ignores current market demand and the competition. Mark-up pricing only works if that price actually brings in the expected level of sales.

Advantages- Sellers can be more certain about costs than about demand.

Sellers earn a fair return on their investment but do not take advantage of buyers when buyers' demand becomes great.

Example Suppose a radio manufacturer had these costs and expected sales:

Variable cost per unit = \$10

Fixed costs = \$300 000

Expected unit sales = 50 000

The manufacturer's cost per radio =

Cost per unit = unit variable cost + (fixed cost/unit sales)

= \$10 + (\$300 000/\$50 000) = \$16.

There also needs to be a mark-up, in this example use a 20% mark-up

= unit cost/ (1 – desired return on sales)

= \$16 / (1 – 0.2) = \$20.

Break even pricing (*target profit pricing*)

This involves setting the price to break even on the costs of making and marketing a product, or to make the desired profit. Manufacturers should consider different prices and estimate breakeven volumes, probable demand and profits for each. Much depends on price elasticity and competitors' prices.

Breakeven volume = fixed cost/ (unit sell price – unit variable cost)

= \$300 000 / (\$20 - \$10)

= 30 000 units

Value-based pricing

This approach sets price based on buyers' perceptions of value rather than on the seller's costs. The company uses the non-price variables in the marketing mix to build up perceived value in buyers' minds. Price is then set to match the perceived value.

Example Consumers may purchase nachos for \$5.50 at the supermarket, \$7 at the food hall, \$9.50 at the local restaurant, \$15 at a hotel restaurant and \$20 at an upmarket restaurant. Each venue can adjust their price according to the value of the total experience (the atmosphere, quality of service).

Cost-based pricing is product driven: The company designs what it considers to be a good product, totals the anticipated costs of producing it, sets a price that covers costs plus a target profit, and then uses marketing to attract buyers to the product.

Value-based pricing is customer driven: The Company sets its target price based on customer needs and perceptions of product value. The targeted value and price drive decisions about product design and what costs can be incurred.

Competition based pricing

When a company sets its price based largely on following competitors' prices rather than on company costs or demand, it is called going-rate pricing. When demand elasticity is hard to measure, companies use this approach as they feel it represents industry wisdom on the going rate. This approach is also often used when companies bid for jobs. Using sealed-bid pricing, a company bases its price on how it thinks competitors will price rather than on its own costs or demand.

The company may **price above the market**, pricing its products higher than similar products charged by competitors. IBM price this way because its products are perceived to be durable, of high quality, state-of-the-art and high serviceability.

The company may **price below the market** by adding a lower profit per unit or keeping costs per unit lower than competitors. In this situation, the distinguishing attribute of the product is its low price e.g. generic supermarket items.

The company might **price at the market**, establishing prices that reflect the prevailing market price for a particular type of product.

Relationship pricing

This approach to pricing requires a special approach to pricing that incorporates shared risk and reward between companies and suppliers.

Example: A company may meet with its suppliers to explore ways of enhancing value to both businesses, or to reduce production costs.

BHP Billiton has a number of alliance partner customers who they share the cost, risks and benefits of oil exploration and processing with.

Price adjustment strategies

In addition to the previous approaches to setting prices, companies also apply a variety of price adjustment strategies to account for differences in consumer segments and situations:

- Discount pricing
- Segmented pricing
- Psychological pricing
- Promotional pricing

- Geographic pricing

Discount pricing: a company lowers the regular price of its products:

- Cash discounts
- Quantity discounts: selling products at a lower cost per unit if the buyer purchases a given quantity e.g. 6 bottles of wine
- Functional discounts: decreasing the price for a reseller who performs certain marketing activities for other members of the distribution chain
- Seasonal discounts and allowances: a special discount offered in the off-season e.g. Air tickets

Segmented pricing: the company sets different prices for different customers, product forms, places or times. Nokia will price different mobile phones at different price points depending on their different functionality.

Psychological pricing: the company adjusts the price to communicate more effectively a product's intended position. Expensive (highly priced) suits and other apparel are then perceived to be of a higher quality. Similar to value-based pricing.

Promotional pricing: the company decides on loss leader pricing (charging less, when launching a product, in the hope it will lead to a greater quantity of sales and repeat purchase), special-event pricing and psychological discounting.

Geographic pricing: the company decides how to price to distant customers, choosing from alternatives like uniform delivered pricing, and zone pricing. Supermarkets and petrol stations often use this pricing model.

Place

Marketing logistics networks (place) is the system of efficiently and effectively making and getting products and services to end-users.

It consists of marketing channels. Members of the marketing channel move goods from producers and suppliers to consumers. Members may include retailers, manufacturers, warehouses, transport companies, docks and wharves.

Distribution and logistics can add up to 30-40% to a product's cost. A well planned marketing logistics program can be a very important tool in competitive marketing.

Through marketing logistics network management practices, companies attempt to source the right inputs (raw materials, components, capital equipment), convert them efficiently into finished products and dispatch them to their final destinations. Companies can attract additional customers through offering better service, faster delivery times or lower prices through logistics improvements.

Marketing logistics network decisions typically involve:

Cycle-time reductions e.g. changing the manufacturing process to make it faster from time of order to time of receiving the product

Conversion operations locations e.g. placing a manufacturing plant close to the source of raw materials to reduce costs and time

Purchasing decisions e.g. to make or buy or vertically integrate or network with suppliers

Manufacturing and operations process decisions e.g. product scheduling to produce larger amounts of a product at one time and thereby reduce costs

Order processing and costs e.g. outsourcing a call centre overseas where labour is flexible and costs are lower

Warehouse numbers and costs e.g. improving customer service by placing warehouses in each capital city to speed up delivery times

Inventory levels and costs e.g. reducing inventory levels and costs by reducing the amount of storage in warehouses

Transport types and costs e.g. using rail transport instead of road transport to reduce freight costs

Restructuring the marketing channels used to place products within easy reach of buyers and end-users.

A marketing channel 'is a set of interdependent organisations involved in the process of making a product or service available for use or consumption by the consumer or industrial user.'

Kotler et al (2007).

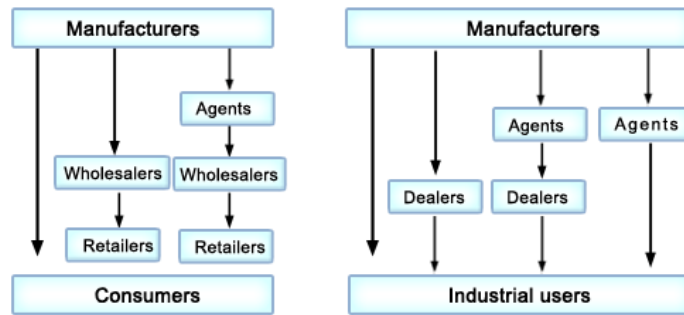
Members of the marketing channel move goods from producers and suppliers to consumers.

Marketing channel members perform many key functions, including:

- **Information:** gathering and distributing marketing research and intelligence information about people and forces in the marketing environment, this aids marketing planning
- **Promotion:** developing and spreading persuasive communications about an offer
- **Contact-** finding and communicating with prospective buyers
- **Matching:** shaping and fitting the offer to the buyer's needs, including grading, assembling and packaging
- **Negotiation:** reaching an agreement on price and other terms of the offer so that ownership or possession can be transferred
- **Physical distribution:** transporting and storing goods
- **Financing:** acquiring and using funds to cover the costs of the channel work
- **Risk taking:** assuming the risks of carrying out the channel work

Channel structures

Each layer of intermediaries that performs some work in bringing the product and its ownership closer to the final buyer is a channel level. The number of intermediary or channel levels used indicates the length of a channel. A direct marketing channel has no intermediary levels. It consists of a manufacturer selling directly to consumers.



For the producer, greater numbers of levels generally means less control, greater complexity and more costs. Channels may contain one middleman level. In consumer markets, this is typically a retailer e.g. Kmart sells televisions, cameras, tyres, furniture, appliances that they buy directly from manufacturers.

Channels may contain two intermediary levels- typically a wholesaler and a retailer e.g. this is often used by small manufacturers of food, pharmaceuticals, hardware and other products.

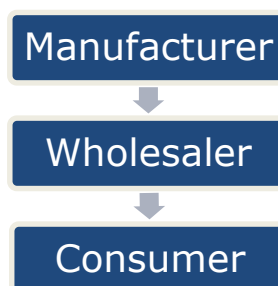
Other channels contain three middleman levels. For example, in the giftware industry, a jobber buys from wholesalers and sells to smaller retailers who are not generally served by larger wholesalers.

Are marketing channels also used in marketing services?

Yes! Producers of services and experiences also must decide how they will make their output available to their target markets. For example, when governments sell services like health systems, they must determine agencies and locations for reaching widely spread populations.

Vertical Marketing Networks (VMN)

This is a distribution channel structure in which producers, wholesalers and retailers act as a unified network. One channel member owns the others, has contracts with them or wields so much power that they all cooperate. The VMN can be dominated by the producers, wholesaler or retailer.



Woolworths in Australia is a good example of a Vertical Marketing Network. They own, dominate or control, manufacturers, producers, logistics, warehousing and retailers for their marketing channel.

Horizontal marketing networks

A horizontal marketing network is a channel arrangement in which two or more companies at one level join together to follow a new marketing opportunity. Companies are able to combine capital, production capabilities or marketing resources to accomplish more than they could, working alone.

In Victoria's Goulburn Valley, fruit canners joined forces to market their product overseas under a single brand name to achieve wider distribution.

Hybrid marketing channel networks - These are multichannel distribution systems in which a single firm sets up two or more marketing channels to reach one or more marketing segments.

Example Ingham chicken sells chicken products and portions using its own brand through large retailers like Coles and Woolworths, and store branded chicken products to food retailers like McDonalds and KFC and to other independent fast food operators.

Today, Ingham encompasses a fully integrated farming, primary and further processing poultry business (operating 10 feed mills, 10 primary plants and six further processing plants), and a diversified stockfeed business, ingredients for pet food and stockfeed, a piggery operation and extensive bloodstock breeding and racing division.

Retailing - refers to all the activities involved in selling goods or services directly to final consumers for their personal, non-business use.

Types of retail stores

Retail stores come in all shapes and sizes, and new retail types keep emerging. They can be classified according to one or more of several characteristics:

- Amount of service
- Product line sold
- Relative prices
- Control of outlets
- Type of store cluster

Different types of retailers use different levels of service:

Self-service retailers	Limited-service retailers	Full-service retailers
<ul style="list-style-type: none"> • Provide few or no services to shoppers • Shoppers perform their own 'locate-compare-select' process to save money • This retail structure is used by sellers of convenience goods, such as supermarkets, Kmart, Big W, Aldi, etc. 	<ul style="list-style-type: none"> • Provide only a limited number of services to shoppers • Hardware chains like Bunnings provide limited, but technically competent, sales assistance for their products • These types of retailers may also offer additional services such as credit and merchandise return 	<ul style="list-style-type: none"> • Retailers that provide a full range of services to shoppers • These include speciality stores and first-class department stores, where salespeople assist customers in every phase of the shopping process • They usually carry more speciality items, and provide more liberal returns policies, credit plans, free delivery, home servicing etc.

Retailers can be classified by length and breadth of product assortment:

Specialty stores: carry a narrow product line with a deep assortment within that line e.g. stores selling sporting goods or furniture or books or electronics.

Department stores: carry a wide variety of product lines, such as clothing, home furnishings and household goods e.g. David Jones, Myer.

Convenience stores: small stores, located near residential areas, open long hours, 7 days a week, and carrying a limited line of high-turnover convenience goods such as milk and bread e.g. 7- Eleven.

Mass merchants: carry a large assortment of merchandise such as hardware (Bunnings Warehouse) or electrical goods and furniture (Harvey Norman) or personal healthcare (Priceline).

Superstores: almost twice the size of a regular supermarket carrying a large assortment of routinely purchased food and non-food items, and extra services as dry cleaning, photo developing, cheque cashing, bill paying, car care etc.

Hypermarkets: combine supermarket, discount and warehouse retailing- carrying food, furniture, appliances, clothing etc. More popular in US than Australia.

Retailers can also be classified according to their prices:

Discount stores: sell standard merchandise at lower prices by accepting lower margins and selling at higher volume.

Off-price retailers: buy at less than regular wholesale prices and sell at less than retail, usually carrying a changing and unstable collection of higher-quality merchandise, often leftover goods e.g. factory outlets.

Catalogue showrooms: sell a wide selection of high mark-up, fast moving, brand-name goods at discount prices. These include jewellery, power tools, cameras, luggage, sporting goods, toys etc. They make money by cutting costs and margins to provide lower prices that will attract a higher volume of sales.

Retailers can also be classified according to ownership structure:

Chain stores: two or more outlets that are commonly owned and controlled employ central buying and merchandising, and sell similar lines of merchandise e.g. Coles Myer controls 20c of every retail dollar in Australia. The dominance of retailing turnover by a limited number of firms has implications for marketers, who have to gain distribution with key retailers if they are to gain market coverage.

Retailer cooperatives: a group of independent retailers that band together to set up a jointly owned central wholesale operation and conduct joint merchandising and promotion efforts e.g. Mitre 10.

Franchise: a contractual association between a manufacturer, wholesaler or service organisation (a franchisor) and independent businesspeople (franchisees) who buy the right to own and operate one or more units in the franchise system e.g. Real estate agencies, McDonalds.

According to type of store cluster:

Central business districts (CBDs): are the areas of business at the heart of a city or town, usually containing department stores, specialty stores, banks, movie theatres etc.

Shopping centres: a group of retail businesses is planned, developed, owned and managed as a unit e.g. Indooroopilly Shopping Centre.

Wholesaling

Wholesaling includes all activities involved in selling goods and services to those buying for resale or business use. Wholesalers are firms engaged primarily in wholesaling activity. Wholesalers buy mostly from producers and sell mostly to retailers, industrial consumers and other wholesalers.

Why would a producer use wholesalers rather than selling directly to retailers or consumers?

Because wholesalers are better at performing one or more of the channel functions.

Wholesalers offer a range of benefits:

Selling and promoting - wholesalers' sales teams help manufacturers reach many small customers at a low cost. The wholesaler has more contacts and buyers often trust the wholesaler more than they trust the distant manufacturer.

Buying and assortment building - wholesalers can select items and build assortments of different products needed by their customers, thereby saving the consumers much work.

Bulk breaking - wholesalers save their customers money by buying in carload lots and breaking large lots of products into small quantities.

Warehousing - wholesalers hold inventories, thereby reducing the inventory costs and risks of suppliers and customers.

Transportation - wholesalers can provide quicker delivery to buyers because they are closer than the producers.

Financing - wholesalers finance their customers by giving credit, and they finance their suppliers by ordering early and paying bills on time.

Risk bearing - wholesalers absorb risk by taking title (ownership of the products) and bearing the cost of theft, damage, spoilage etc.

Market information - they give information to suppliers and customers about competitors, new products and price developments.

Management services and advice - wholesalers often help retailers to train their salespeople, improve store layouts and displays, and set up accounting and inventory control systems.

Promotion

This is the most commonly recognised aspect of the marketing function. It is the process of integrating and coordinating available communication channels to deliver a clear, consistent and compelling message about the organisation and its products or services. The objectives of the communication may vary: inform, persuade, remind, or reinforce attitudes or perceptions.

In order to develop a compelling message, the sensible marketer:

- Identifies the target audience
- Determines the response they seek
- Selects a message
- Selects the appropriate media
- Collects meaningful feedback

Identifying the target audience

The target audience affects all decisions when developing your promotion strategy. The audience might be current users, potential buyers, decision makers, decision influencers, groups, individuals, special interest groups, general public etc.

- What will be said?
- How will it be said?

- When will it be said?
- Where will it be said?
- Who will say it?

Determining the response sought

The marketer uses communications to influence consumer state of mind:

Awareness	Product name recognition, or 'brand awareness'. The message may simply be repetition of the product name.
Knowledge	The goal is to provide the target market with information about the product or organisation
Liking/ admiring	Create favourable emotional responses and connections to product or organisation.
Preference	Build consumer preference by promoting the product's quality, value, performance and other features
Conviction	Convince the target market that buying the product is the right thing to do, that it fills a need (previously identified need or not).
Purchase	Lead consumers to take the final step, often called the 'Call to Action'. This may include a sales promotion such as offering the product at a reduced price, letting the consumer 'try before they buy', or a 'limited time offer'.

Obviously, the eventual goal is for the consumer to purchase the product; however, there are other stages that come before the ultimate purchase in the decision making process that the marketer will attempt to influence.

Selecting a message

The marketer must determine:

- What to say – message content
- How to say it logically – message structure
- How to say it symbolically – message format
- For example, in a print ad, the marketer must consider:
 - Headline
 - Colour
 - Illustrations
 - Placement
 - Copy

Selecting media

There are five common communication channels used in modern consumer marketing:

- Advertising
- Public relations

- Personal selling
- Sales promotions
- Direct marketing

Reviewing media performance

Once the message has been sent, the marketer must obtain meaningful feedback to determine the success of the communication. Research may include:

- Whether the consumers remember the message
- How many times they saw it
- What points they recall
- How they felt about/responded to it
- Their past and present attitudes about the product or company
- Whether it resulted in a behaviour change

Appendix Project plan template

This document will work in with your Project Charter, which will be provided by your Project sponsor giving the details of the project itself.

If you are unsure of any elements of the charter you must ask. To clarify and to avoid issues with your planning, resources, time and budget.

Depending on the details of your Project Charter you will leave out various elements if they are not required.

Project Plan	
Project name	
Date	Signature
Project manager	
Date	Signature
Project sponsor	
Date	Signature
Document version control	Version number and date of issue
Description of change	Hint: This helps to keep track of changes in version. For example if your budget is changed you will reflect this in the Project Plan and can indicate this here with a new version number.
The following are definitions of terms, abbreviations and acronyms used in this document.	
Term	Definition

1. Project plan overview	The purpose of the Project Plan is to present the detail required to successfully execute and control the project, facilitate communication among project stakeholders, and document approved schedule baselines. The project plan is a living document and is expected to change over time as more information about the project becomes available.
2. Critical project assumptions	<i>The project plan was developed based upon certain key assumptions as noted in the Project Charter. Any changes to these assumptions may impact the project schedule, projected costs, the project scope and/or the project quality. These assumptions are:</i>
3. Project work plans	<i>Your project work plan can vary depending on the needs and specific requirements of your project. Some elements may not be needed, some will need great detail other areas less detail will be required.</i>
3.1 Work breakdown structure	<i>The work breakdown structure identifies the project's tasks to provide a framework for organising and managing the work of the project.</i>
3.2 Project schedule	<i>The project schedule includes milestones, task dependencies, task duration, delivery dates, and staff resources assigned to complete the tasks.</i>
3.3 Project budget	<i>The project budget describes cost and budget needed to complete the project tasks.</i>
4. Project control plans	<i>In this section you will give a brief overview of the control strategies you have put in place for the project management plan. You will then place a copy of the control plans in the appendix of this document.</i>
4.1 Communications plan	<i>This plan outlines how you will communicate with the project stakeholders and the project team.</i>
4.2 Quality management plan	<i>Describe how you plan to control the project quality. What quality assurance activities will be performed during the course of the project? Who will conduct these activities?</i>
4.3 Change management plan	<i>Describe how change requests will be processed. Who has authority to approve scope changes? How will changes be tracked?</i>
4.4 Risk management plan	<i>Provide a plan to manage project risk. Provide contingency planning and risk management treatments.</i>
4.5 Procurement plan	<i>Explain the project procurement process. Who has authority to expend project budget? Who will plan and monitor project procurement?</i>