

Welcome students. I am Muktali Cuncoliencar , Assistant professor in Commerce, and in this module I will present on the need for market research. The Module number is 15 and the name of the unit is identification of business opportunities.

Today we are going to see the need for market research. In this module, a student will be able to understand the importance of market research and will be able to use the same while introducing a product in the market.

Now, there are various reasons why an entrepreneur goes for market research. Some of the reasons are as follows:

Facilitates smooth introduction of new products.

Finding out customer response to a new product. Market research helps an entrepreneur to know the needs and wants of the customers. It also helps an entrepreneur to know whether the customer is satisfied with the product or not.

Develop a suitable marketing mix:

Market research helps an entrepreneur to develop a marketing mix for his business. Marketing mix is all about 7 P's of marketing that is price, place, product promotion, physical evidence, people and process. It reveals the problem of the customers regarding new products. Market research helps an entrepreneur to know the problems regarding introduction of new products. Say for example if the customer is dissatisfied with the product, it helps an entrepreneur to know the reason for the dissatisfaction.

It controls the risk involved in introducing a new product.

Market research helps an entrepreneur to know the risk involved in introducing a new product at the initial stage, thereby helping him to reduce future losses.

For example, Oreo biscuits, Now Oreo biscuits came up with vanilla flavor. Vanilla flavor was very much successful in the market and still today we find Vanilla flavor in the market. They also tried to come up with watermelon flavor, but the watermelon flavor was not successful in the market.

So through market research an entrepreneur comes to know whether a particular product will be successful in the market or not.

Local to global markets

Now businesses are no longer confined to national boundaries. This was all possible because of globalization. Now say for example, if an entrepreneur wants to sell his product in the international market, it becomes very much for an entrepreneur to study the international marketing environment through market research and entrepreneur can collect data about the international environment and the data which is collected can be used for making strategies to enter the international market.

Increased competition.

An entrepreneur faces severe competition from new entrants. Market research helps an entrepreneur to find out the competitors. It helps the entrepreneur to know the competitors in the market as well as it helps an entrepreneur to know the strategies of the competitors. Apart from this market research also helps an entrepreneur to frame his or her own strategies, which an entrepreneur can use to tackle the competition.

Growth of science and technology.

Modern entrepreneurs make use of technology in production and marketing processes. They make use of the sophisticated and upgraded technology in the business. Now as we know that the technological environment is very dynamic and it keeps on changing so through market research, an entrepreneur can scan the technological environment and study the changes that are taking place in the technological environment.

Information gap

Many a times there is a no direct contact between a producer and consumer and there arises the information gap. There are intermediaries like wholesalers, retailers who help the producers in distributing the product to the final consumer and therefore there arises a gap between a producer and a consumer. Now this gap can be filled through market research. Through market research, an entrepreneur can study the customer more thoroughly which can help him to reduce this gap.

Role of consumerism.

Nowadays Consumers are aware of their rights and duties rights, such as right to information, right to speak, and so on. Consumers are not ready to compromise on the quality of goods and services. Now, if a particular product or service is not up to the mark or is not upto the needs and wants of the customers, it will lead to customer dissatisfaction. So in order to avoid this, entrepreneur can use market research. Through market research, he can study the consumer more thoroughly. He can get information about the consumer, lifestyles and attitudes in detail which can help him to satisfy the customer.

Managerial Decision Making

An entrepreneur will have to make several decisions. Market research helps an entrepreneur to collect the relevant up to date accurate data from the market which plays a very vital role in the decision making process.

Storing information

the information which is collected can be used for future reference which can be used for taking future decisions. For example, if the entrepreneur wants to expand his business or if he wants to diversify his business, he can use the information that is collected through market research.

Identifying problems and opportunities in the market.

Now as we know that the business environment is dynamic and it keeps on changing. the changing business environment can either create a problem for a business or it can create an opportunity

for a business. Now through market research an Entrepreneur can scan the business environment and come to know about the problems that are there in the environment. He can also find out the solution to this problem. Along with this,an entrepreneur can also grab the opportunities which are available in the market.

A very good example could be covid pandemic. Now because of covid pandemic it has created losses problems for many businesses but at the same time it has created opportunity for the producers and sellers of sanitizers and masks.

These are my references,thank you.