

Chapter 6: Answers to Questions for Review and Discussion *Revised Fall 2011*

2. What factors make market research in business-to-business markets different from research in consumer markets? What are the resulting characteristics of business-to-business market research?

The factors that make market research different in business-to-business markets compared to consumer markets include smaller sample size potential, greater technical knowledge in business-to-business, and diversity in needs and viewpoints within the buying center. Consequently, business-to-business market research, compared to consumer market research, tends to be more qualitative, based on individual interviews of customers and prospective customers.

3. Compare the data requirements for go/no-go decisions, targeting decisions and design decisions.

Data requirements for go/no-go decisions, targeting decisions and design decisions are as follows:

Go/no-go decisions

Whether or not market opportunity exists

Measure market potential size

Determine market growth rate

Market interest

Determine potential acceptance of intended target market

Targeting decisions

Collect data to distinguish segments based on needs

To ascertain need strength

To determine fit with firm's strengths

To estimate costs of targeting and addressing needs

Confirm/deny segment size

Design decisions

Segment definition of situation, preferences, buying behavior

Segment definition of needs/benefits

Significant in-depth understanding to determine how best to design the offering

4. What are the differences between exploratory and conclusive research? When could exploratory research be used effectively without progressing to the use of conclusive research?

Difference between exploratory and conclusive research:

Exploratory

Research designed to ascertain context and possible relationships. It's used as a first assessment of potential in a market or markets for product concepts, strategic opportunity definition, pricing iterations, channel modifications, and communications messages and channels.

Conclusive

Research designed to confirm preliminary findings, often with more of a quantitative approach. This allows the marketer to make more definitive decisions, but presupposes that data can be collected in a timely and cost effective manner and that the data are a valid representation of the market or customer reactions to marketing variable. These data may be so expensive to obtain or so invalid, that the marketer may design the marketing program based on exploratory research. The design would then allow the constant collection of data that would indicate how well the market is responding and would further allow the adjustment of strategy and tactics as this "conclusive" information is collected and interpreted.

7. Why is it more difficult to do competitive analysis in today's market than it was a decade or so ago? Explain in terms of the six forces of competition.

It is more difficult to do competitive analysis in today's markets because (a.) real and potential competitors may differ, (b.) the ability to determine new entrants is becoming significantly harder, (c.) opportunities for substitutes expand proportionately to the growth in technology, (d.) emerging and growth markets are often less well-defined in terms of actual longer-term needs. A big problem is the increased use of value networks and the resulting requirement to interpret the strengths and weaknesses of partnerships rather than of individual competitors.