**Market Research**

Companies need to keep up to date information about factors affecting patterns in consumer purchasing, such as:

* Price
* Consumer preferences
* Availability and level of demand for products in different areas of the country

Other factors affecting patterns in consumer purchasing, such as:

* Product ‘fashion’ or trends, for example increased demand for organic foods or reduced fat foods
* Influence of advertising
* Familiarity and loyalty to brands and products

**Types of market research**

Different types of market research, such as surveys, group discussions and home product trials, provide information about what customers are buying, whether they like certain products and whether they would buy a particular product again.

1. Primary market research ( surveys, focus groups and home-product trials)
2. Secondary market research or Desk research (internal and external sources)

**Primary market research**

**Surveys –** surveys are usually carried out in main shopping areas, e.g. shopping centers and high streets. The interviewer has a questionnaire. This is a set of defined questions with a set of answers from which the person being interviewed must select. This type of research provides a ‘snapshot’ of trends or opinions.

**Focus Groups –** group discussions - a small group of consumers and a trained interviewer meet to talk about particular products of trends in food consumption. The group is made up of a mixture of consumer’s representative of the population. However ‘target’ groups e.g. 18 year old females or older people, are sometimes used to measure their reactions to specific products.

**Home Trials** – consumers are given products to try at home and a follow up discussion is carried out at a later date. This method provides responses from the whole family, not just the person who does the shopping. It is possible to see whether the product meets the needs of a particular ‘target group’.

The consumer may consider factors such as:

* Product appeal (the food and its packaging)
* Value for money
* Health
* Special attributes, e.g. Halal
* Advertising
* Portion size
* Convenience

**Secondary market research/ Desk research**

Gathering and analyzing information, already available in print or published on the internet.

* Desk research is another method of detecting trends, such as consumers’ food purchasing habits or population changes.
* Many organizations conduct research of this type. They publish and sell the data to anyone with an interest. This type of research is often cheaper and less hard work than other techniques such as surveys.
* Secondary market research is mainly based on collecting information from different sources and then coming to a conclusion. The following are the two main types of sources of secondary market research data:

**1. Internal Sources:** Internal sources are those kinds of secondary market sources that already exist and are collected in the business’s database or file system. Internal sources include information that has already been collected by the company and proves useful for future projects, etc. For most businesses, internal sources may prove enough to develop new products and services, and this may not require them to look outside.

* + **Examples:**

1. **Balance Sheet:** Previous balance sheets of the business can be referred to in order to find stats and figures that may prove useful for evaluation.
2. **Profit and Loss Statement:** Profit and loss statement scan be consulted to find out what kinds of products and services resulted in profits previously.
3. **Inventory Records:** This is another piece of data which can be used as a source for secondary market research and puts into focus many stats and figures.
4. **Sales Figures:** Companies store their previous sales figures so that they can be analyzed and used for further research.

**2. External Sources:** In case the internal sources don’t fetch enough or sufficient information, external sources can be used. External sources are those sources that present data that is collected by other businesses or people. These are collected from outside the business’s environment and include multiple sources. External sources can be wide and varied and hence one must follow a controlled approach to assessing them.

* **Examples:**

1. **Government Sources:** Several government sources can be used to collect a lot of useful information about multiple subjects.
2. **Universities and colleges:** Several college students and researchers collect and file information that can be further used by businesses.
3. **The Internet:** The internet is the most used secondary market research source but has the disadvantage of several non-credible sources with incomplete information.
4. **Competitor data:** Often, businesses use the information collected and filed by other business organizations including that gathered by their competitors.