



Marketing Research Scenario in Indian Corporate Sector

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ABSTRACT

In India, the role and importance of marketing research has been growing steadily in the post-liberalization era. Two changes are prominent in this regard: First firms have strengthened their in-house marketing research capability. Second, firms are also increasingly using the services of external market research agencies. More firms take to Marketing research now. With the sea change in the marketing environment of the country, especially the intensification of competition in practically every sector and every product category, all firms have been compelled to turn to market research. Since the consumer is now calling the tune, firms have become aware that only consumer driven and consumer driving companies can survive and prosper now. Marketing research is the tool available to these firms for finding out what the consumers actually want and how their marketing offers/4Ps can be fine-tuned in line with their needs and expectations

KEYWORDS : Market, Market Research, MR Agencies, Consumer Behaviour

Introduction

The market success goes to those companies that are best matched to the current environmental imperatives. Those companies that can deliver what the people want and can delight the Indian customers are the market leaders.

Today the companies are operating in such a marketplace where survival of the fittest is the law. In order to win, the companies are coming out with various new and evolving strategies because the Indian market is also changing very fast. It is to capture the Indian market, that the Indian and the Multi-National Companies are using all of their resources. The Indian market is no longer a sellers' market. The winner is the one who provides value for money.

Present Scenario of Marketing Research in Indian Corporate Sector:

Given the standard of market research in India today, it is hard to believe that this field was almost non-existent about two decades ago. There was little focus on the consumers, their desires, likes and dislikes. In the absence of choices sales were assured. Hence, there was almost no emphasis on research and development. Market Research provides an idea of the business and the consumer market pattern. They pave the way to economic and business development and help to generate profit for the country. Market research involves giving insight to all the categories of marketing - valuation, distribution, promotion of product and services. For betterment and improvement, market research is absolutely essential.

There are loads of Market Research agencies and consulting firms that give excellent report, provide a helping hand to the Indian and international companies. Out of the lot, IMRB International is the ground breaker in Indian Market Research. Others following the lead are -Delphi Research services,ORG-MARG,MRUC,Nielson India.

The market research agencies in India; cover all the main areas of marketing - spanning B2B and industrial research, social research, media research, brand research, corporate and employee research, channel and retail research, product and packaging research, pricing research and business-specialized consumer research.

Recent developments in the Indian market bear a similarity to traditional free markets where primary determinant of success is keeping the customers happy. Managing a product (service) in tune with such market sources assume a critical role. Historically in the shortage prone economy, marketing was seemed to be a luxury that did not seem relevant to the needs of the Indian consumer. This view is now rapidly changing. Expenditure on unsuccessful product launches, wrong product positioning, improper distribution system etc can whittle away the vitals of organization in the absence of sound, professional marketing management and high quality market research. Thus corporate world in India has now realized the utility of data based marketing decision making rather than only intuition and hunch. So to derive an edge over the competition in today's dynamic

business environment, any marketer finds it essential to evolve marketing programmes based on proper marketing research.

Changing Market Dynamics Today, there are multiple factors that drive market research in India. The market today is an ever-changing place, driven by many factors. Apart from the consumer, there are now a number of other factors to be considered, such as the role of social media, diversified markets and so on. Consequently, market research has become extremely specialized. Today it includes developing product prototypes, finding the right retail mix, carrying out well planned audits, creating brand image, concept development and much more. These various factors have meant a rapid rise in market research in India. Indian firms are now at par with the best of international firms. They now handle local work as well as outsourced work from international companies.

Focus of the India market research agencies are -

Understanding consumers - The trends of the customers are tracked by the market research agencies. Their needs, perceptions, projected demands are all studied and marketing strategies are formed accordingly.

Investigating market - This method helps in mapping the market conditions and demands are estimated.

Conceptualizing product development - Positioning strategies, product and service strategies are formed accordingly after taking into consideration the marketing research results.

Reasons for Rise of Marketing Research:

The reason for the sudden rise of market research in India was undoubtedly the advent of globalisation. As international firms entered the Indian market, local companies were quick to realise their deficit in terms of product and marketing development. The international companies had massive R&D departments. They came from cutthroat markets where only the fit and prepared survived. Their products were often superior and their marketing aggressive. In fact, it was these companies' need for local knowledge that provided the start to research consulting in India. The Indian companies were not far behind. Suddenly, there was a boom in market research with new players emerging over the years. Today this field is organised, highly professional and fiercely competitive.

High degree of competition: The memories of long waiting time to get delivery of a product, limited choice and sometimes shabby products and unusually high prices have dimmed a great deal. The heat of the competitions is not restricted to the urban markets. Even the rural markets have begun to have benefit from the impact of these changes.

Large number of consumers with wide variations of requirements, tastes and preferences for different products and services.

Change in the socio economic condition of the market : Especially the consumer goods manufacturers today encounter a sizeable middle income population, and moreover, rise in the number of working women and educational level have significantly affected consumer behavior.

Growth in the communication facilities has led to greater awareness and more choice options to advertise through.

Consumers, by and large, are found to have more discretionary income. But they have at the same time, much concern about their value for money

Changes in licensing and import policy : Since 1985 liberal licensing and import policy of the Indian government has brought about many changes in the corporate sector. Changes have taken place both, in the scale and in the nature of problems which the management must tackle.

Market Research Industry in India

Emergence of new age sectors like Telecom, Media (Digital) & Insurance are helping the Market Research Industry to climb to new heights with varied analysis of Consumer Insights. The Overall Market gets divided into full services MR agencies and the KPO Services clocking around 18% of CAGR(Source: Industry Estimation). During the last couple of years there has been a consolidation between MR agencies in their scale of operations and data management practices. No wonder despite all these, India still becomes the popular destination for the MNC based research agencies since there is untapped potential of new sets of consumers with an opportunity to serve huge population. MR Team (Part of Advertising Agency during 70's) moves from the boardrooms of Consumer Durable or FMCG companies into the boardrooms of every sector of the economy.

Challenges & Opportunities

Market Research is changing and that too from its early days of data collection (Pen n Paper Method) to technically prowess devices like PDA's, mobile phones & in-built camera's which can record exact state of the matter of every interview. At the same time, MR has become more of a commodity rather than delivering differential value to the end consumer. Still MR is being performed in mega cities and towns rather than pushing it to the rural economy which undoubtedly is the next biggest growth opportunity in our country for all the products/services. MR industry is also facing a crunch in having the right kind of people skilled with a good training background to understand the nitty gritty of the clients brief. Moreover, today's most of the research work is being covered with a regular monitoring job like tracking, audience measurement, syndicated studies etc rather than with a specific problem. Another eaten away factor could be the nature of the industry which is fragmented and largely being driven by price factor worrying clients ranging from product's to service industry. As a result, absence of talents due to low price factor has resulted in MR

firms having a project to project assignment system where in they do the piecemeal job i.e. data collection and not the analysis which is done at the client side.

Also adding the factors like communisation of the information and the proliferation of smaller firms have led the industry not being able to get out of the talent-price circle. To get rid of this problem many MR Firms like TNS, Synovate or Nielsen is planning to arrange their own sets of training to fresh graduates for the industry. Nielsen has opened up its training centre near Mumbai with two years curriculum in the field of Market Research, similarly TNS is hiring from various backgrounds to notch up its mid-level research function. In the last couple of years the Industry has also seen the emergence of new sets of players namely Analytics, Data Mining or Warehousing firms like Absolutdata Systems, Annik Systems, and Datamation. Many of these firms earlier were Knowledge Process Organisations (KPO's) who served foreign clients and now turning up to cater the local demand. There is another set of genre which has emerged during the past few years like HP Decision Analytics Firm or IBM Business Decision Centre or McKinsey Strategic Research Division providing their research based services to their parent companies adding values to their strategic teams. In fact what has been observed also in the past that many IT giants like Oracle, Microsoft has started expanding their own research resources within their marketing team for providing critical inputs on consumer behaviour to their strategic group. It is also observed that the consulting firms like PwC or Ernst & Young or KPMG has started advising their clients in giving them the end to end solution from sharing the market insights to conceptualization of idea's to product designing and in turns creating lot of problems for the full service market research agencies to hold their clients.

Conclusion

The IT enabled market research is a new trend which propounds ways to maximize an enterprise's returns in the newly emerging liberalized market in India. Now is the time for the MR agencies to reap the ever growing and burgeoning customers with rapidly changing lifestyles through research work, so that Indian Marketers could be more productive, result oriented and globally the best workforce to cater the demands of their consumers. Various factors such as consumer attitude, values, change in consumer behaviour and lifestyle can be easily ascertained with the help of information systems rather than solely relying on surveys. The economy is slowly gathering momentum in the world of market research making the environment adapt to newer model of business where the individual becomes the focal point for gathering data. With consumers becoming more techno savvy and aware about the marketing questions that are asked to them, it is becoming increasingly difficult to hold the pressure and retain their full attention. Market research firms with flexibility to adopt game changing strategies along with an openness to integrate both the primary and secondary marketing techniques are only likely to survive and rule the roost in the coming years.

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