

Market Research as The Architect of Informed Marketing Planning and Decision Making in Business Organization: A Literature Review

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Abstract: *This study is focused on market research as the architect of informed marketing planning and decision making in business organizations. The objectives of the study are to critically and contextually examine the development of a company or business through proper planning, organization and control of both human and material resources to satisfy all specific needs within the market at the right time, ascertain the satisfaction of customer's specific needs through required product or service which should comply with a customer's requirements and preferences when consumed, determine the economical degree of success or failure a company can have while being new to the market or otherwise introducing new products or services, thus providing certainty to all actions to be implemented, and determine the orientation or disposition of small-scale business owners/operators in terms of customer orientation versus company/profit orientation. The study identifies and exploits market research and its components, business needs for market research, business failure, marketing planning and marketing decision-making; highlights methods / techniques of conducting market research, examples of market research and the best practices for market research to deliver value to organizations that help shape strategy, uncover opportunities, reducing uncertainty and make data-driven decisions and a razor-sharp focus on efficient growth. The findings of the study are that new product development and launch needs adequate market research, the final design of a product and its positioning needs market research, market research only works when subjects are honest and open to participating and the viability of a new product and how it might perform in the real world is dependent on market research, and that the small business owners claim to be alert to customer complaints and are market-driven, among others. The study concluded that market research is vital in today's business landscape as it is the compass that guides product development, marketing campaigns and expansion efforts, ensuring resources are invested wisely. We, therefore, recommended that management of organizations should use the result of market research to inform the final design of the product and determine how it will be positioned in the market place, and management*

of organizations should also take note that the whole business activities must be preceded with market research, and sales forecasting to provide a sound, factual, consumer-oriented basis for planning business processes, and marketing practitioners must play the leading role in this direction, among others.

Key words: Market research, marketing research, business failure, marketing planning and marketing decision-making.

INTRODUCTION

If somebody were to set out on a journey, without a clear idea of where he was going to, how long he would be away, what he would be doing while he was away, OR how much it would cost him to round off his trip, such a person would be condemned as lacking a purposeful plan of his endeavour. So, it is with research work. It is an existing fact that we are all researchers in the sense that we recognize that it is impossible to think purposefully about any human activity without thinking of how to plan such an activity in order to handle its execution successfully. In like manner, businesses operate in situations of uncertainty(Cleeve,2020), and social problems manifest themselves in various manners. Businesses for instance, operate under such uncertainties as time and space, inability to aggregate purchasing units' preferences and freedom of choice in the producing sector. These uncertainties and lack of precise information are permanent features of our business and social transactions. It is therefore, our duty as business and social scientists to seek ways of reducing these uncertainties to manageable levels. This can only be achieved through research. Research decisions involve issues that range from fundamental shifts in positioning of a business(Olomi and Swai, 2021), and the context for these decisions is the planning process which proceeds sequentially to achieve pre-determined business goals. This is a never-ending process, so the evaluation of past strategic decisions serves as an input to the situation assessment. There is increasing complexity in the business environment engineered by competition, technological and governmental actions (Callon,2020). These call for the need to have more and better information on which to base decisions. In developing an appropriate marketing planning/strategy to adopt, a firm must conduct market research to define the role it wants to play in the target market(Araujo and Mason,2021). This assertion is in tandem with the findings of George (2020) who identified in his study that 40% of the market is in the hands of the 'market leaders' (firms with largest market share); 30% in the hands of 'market challengers' (the runner-up firms) fighting hard for increased market share; 20% by the 'market followers'(the runner-up firms) willing to maintain its/their market share and not rock the boat; and lastly, 10% in the hands of 'market nichers'(firms that serve small market segments, not being served by larger firms

Objectives of the Study.

The objectives of the study are to critically and contextually examine the development of a company or business through proper planning, organization and control of both human and material resources to satisfy all specific needs within the market at the right time, ascertain the satisfaction of customer's specific needs through required product or service which should comply

with a customer's requirements and preferences when consumed, determine the economical degree of success or failure a company can have while being new to the market or otherwise introducing new products or services, thus providing certainty to all actions to be implemented, and determine the orientation or disposition of small-scale business/operators in terms of customer orientation versus company/profit orientation.

Origins and Development of Market Research

Market research and insight has its origins in the social sciences and has undergone various stages of evolution and growth. In the 1840s, early developments by British philanthropists, social scientists and statisticians included survey methods and analysis of statistical data. Through the 1940s and 1950s, market research techniques expanded to include focus group research, probability sampling and experimental design (Schwarzkopf, 2019). Interpretative and qualitative research and analysis of consumption emerged in the 1970s and 1980s (Levy, 2019). Later, the Internet and social media research (or netnography) (Kozinets, 2019) were developed, followed by techniques to exploit databases such as data mining. More recently again, big data, data science, and innovations in the processing of big data and information have emerged. In parallel, since the 1980s, the history of market research has enjoyed a significant period of growth with academics exploring the development of market research and its uses and applications in different cultural and professional contexts (Tadajewski & Jones, 2019). Since the start of the 20th century, market research has played a vital role in the success of many businesses and organizations by enabling improved understanding of consumers and markets through the provision of data and insights that validate business ideas (Handlley, 2019). As the great British economist John Maynard Keynes said, 'ideas shape the course of history'. Hence, market research has played an immense role in business decision-making and made a substantial contribution through time to the development of successful products, services and business concepts.

Theoretical Foundations.

A)..Market Research and Marketing Research.

Araujo and Mason(2021) postulated that market research refers to the process of gathering and analyzing data about customers, competitors, and market trends to gain insights and make informed business decisions. It helps businesses understand their target audience, identify opportunities, and develop effective marketing strategies. By undertaking market research, businesses can make data-driven decisions that drive growth, innovation and competitive advantage. In other words, Market research is defined as the systematic collection, analysis, and interpretation of data about a specific market, industry, or consumer segment. It involves studying customers, competitors, and market dynamics to identify opportunities, mitigate risks, and make informed business decisions. Market research provides valuable insights into consumer behavior, preferences, and market trends, helping organizations develop effective marketing strategies, launch new products, and optimize their market positioning (Difiorel, 2020). Market research examines a target market, looking at a marketplace and the people within it. Most market research types can be either primary, secondary, qualitative

or quantitative. It's a type of research that typically gathers information tied to a specific research objective. The process collates, analyzes, and interprets data relating to (Lewis,2022) : a target market (or several), a service or product, a target audience – be it past, present, or forward-looking. A company can use market research to determine many things. A few examples are (Lewis, 2022) :

- Whether to take a new product to market.
- Assess the viability of a business within a market.
- Uncover opportunities for growth.
- Decide on investment.
- Develop strategies to enter a new market.

Marketing research.

Marketing research addresses a broader set of questions than market research. It goes beyond simply looking at the marketplace – considering pricing, product features, positioning, go-to-market strategy, channels, branding, customer journeys, and more. It seeks to answer a more broad set of questions than market research – as it covers the conception, development, delivery, and evolution of a product or service within a market. The process collates, analyzes, and interprets data relating to (Nunan and Yallop,2019) :

- Different marketing channels.
- Opportunities for growth.
- Ad-spend for various channels or products.
- The types of creative and content to use.
- Organic and paid traffic analysis.
- Website traffic and engagement metrics.
- Social media analysis.

A company can use marketing research to determine many things. A few examples are (Nunan and Yallop,2019) :

- Which channels deliver ROI for others in the same market.
- Audience demographics, including geography, age, gender, loyalty, search interests, and cross-shopping behaviors of a target audience.
- The most popular pages, content, products, and campaigns.
- The ad creative and content resonate most with a target audience.
- The levels of pricing, promotions, and packages offered by others in a market.
- Customer journey mapping.

Both marketing and market research are crucial to the success of a business. Although both are different, here are a few areas and ways they can overlap (Palmatier,2019):

- A tool to inform decisions about the type of products or services to offer.
- Types of online market research take the form of a project.
- Seek to provide answers to organizational questions.
- Used to uncover optimal markets or geographical locations to enter.

- Gather information using qualitative and quantitative research methods.

Araujo and Mason (2021) distinguished between marketing research and market research as follows:

Marketing research looks at products, pricing, positioning, and promotions (the four Ps of marketing), analysis at the micro level, concerned with marketing process, including pricing, positioning, promotions and product, focuses on tactics, often generic to a market and others within that market, becomes useful when a product or service is available and there is need to become more efficient or effective whereas market research focuses mainly on the marketplace. Market research informs marketing research. Marketing research is research around the marketing process. Market research is research around the market/marketplace – sometimes, it's called business research. Under market research, you have market positioning, market sizing (PAM, TAM, SAM), demand analyses, and comparing different geographies. There is an overlap between consumer needs, audience demand, and consumer trends are interesting from both a market and marketing perspective. But market research is done when you plan to enter a new market or think about creating a new product when you launch a company or acquire via an M&A/partnership. Marketing research is done once you already have a product and region, and you need to run marketing activities for this product efficiently and effectively. So I would say the purpose is the most significant difference.

Market Research is analyzing the 'macro' environment in which your company exists: audiences, major player moves, emerging industries trends, and competitor benchmarking across business impact metrics, e.g. (sales, revenue, job hires, ad spend, customers), etc

Marketing Research is analyzing more at the micro level. So, reviewing either specific or multiple marketing channel activity (PPC, SEO, Referral, Advertising), campaign efficacy, and looking for opportunities to drive ROI on your marketing budget to become more efficient. Market research addresses the marketplace, and marketing research takes a broader view that considers many factors relevant to the marketing mix. Both types of research deliver value to organizations that help shape strategy, uncover opportunities, and enable a razor-sharp focus on efficient growth.

Araujo and Mason (2021) opined that market research typically involves several key components and methods that contribute to a comprehensive understanding of the market and its dynamics. These components include:

i. **Qualitative research** This approach focuses on exploring the underlying motivations, attitudes and perceptions of individuals or groups. It often involves techniques such as interviews, focus groups and open-ended surveys. Qualitative research helps uncover insights that quantitative data alone cannot provide, offering a richer understanding of consumer behaviour.

ii. **Quantitative research:** In contrast to qualitative research, quantitative research relies on numerical data and statistical analysis. It involves surveys, questionnaires, experiments, and

structured observations to gather data from a large sample size. Quantitative research is valuable for measuring and quantifying trends, patterns, and correlations within a market.

iii. Primary research: Primary research involves collecting firsthand data specifically for the research objectives at hand. This can be done through surveys, interviews, observations or experiments tailored to the research's unique requirements. Primary research provides fresh and specific insights but can be time-consuming and costly.

iv. Secondary research: Secondary research, also known as desk research, involves the analysis of existing data and information collected by others. Researchers access databases, reports, academic papers and publicly available data to gather insights. It's a cost-effective way to obtain a broader perspective on a market but may lack the specificity of primary research.

v. Market segmentation: Market research often involves dividing a market into distinct segments based on various criteria such as demographics, psychographics, behaviour or geographic location. Segmenting a market helps businesses target their marketing efforts more effectively and tailor their products and services to meet specific customer needs.

vi. Data collection methods: Market researchers employ various data collection methods, including surveys, interviews, focus groups, observations and online analytics. The choice of method depends on the research objectives, budget and the type of data required.

vii. Data analysis: Once data is collected, it must be analyzed to extract meaningful insights. Statistical tools, software and expertise are often used to process and interpret data accurately.

Market research is not a one-size-fits-all activity. The choice of components and methods depends on the specific research objectives, the target audience and the resources available. It's a dynamic and iterative process that can uncover valuable insights, guide strategic decisions and ultimately contribute to business success.

viii. Market Segmentation: Identifying and dividing the target market into distinct segments based on demographics, psychographics, behavior, or other relevant characteristics. This helps tailor marketing strategies to specific customer groups..

ix. Research Design: Developing a research plan that outlines the objectives, methodology, and timeline for conducting the research. This includes selecting appropriate research methods, determining the sample size, and defining the sampling technique.

x. Competitive Analysis: Assessing competitors' strategies, strengths, weaknesses, market positioning, and offerings. This helps identify market opportunities, potential threats, and areas for differentiation.

xi. Consumer Behavior Analysis: Examining consumer decision-making processes, buying habits, preferences, and satisfaction levels. Understanding consumer behavior is crucial for developing effective marketing strategies and targeted campaigns.

xii. Market Size and Forecasting: Estimating the total market size, growth potential, and future trends. Market sizing helps assess the market's attractiveness and potential demand for products or services.

xiii. Reporting and Presentation: Summarizing research findings, insights, and recommendations in a clear and concise manner. Effective communication of research results ensures that stakeholders can make informed decisions based on the findings.

These components work together to provide a holistic view of the market, consumer behavior, and competitive landscape, enabling businesses to make informed decisions and develop effective marketing strategies

In an increasingly competitive and rapidly changing business landscape, market research is important because it helps organizations of all sizes and industries. It offers critical insights, reducing uncertainty and enabling data-driven decisions.(Ayodele, Nwankwo and Madiche, 2021; Hardy, Phillips and Lawrence,2019):

- 1) Navigating uncertainty. Businesses operate in an environment marked by uncertainty. Market conditions can shift unpredictably due to economic fluctuations, technological advancements and global events. Market research acts as a stabilizing force, helping businesses navigate uncertainty by providing a solid foundation of knowledge.
- 2) Risk mitigation. One of the primary roles of market research is risk mitigation. Understanding the potential risks and challenges that lie ahead allows businesses to prepare effectively. By identifying market trends, consumer preferences and competitive landscapes, organizations can anticipate challenges and develop strategies to mitigate them. This proactive approach not only safeguards businesses but also positions them for resilience and growth.
- 3) Strategic decision-making. The strategic decisions made by a business are pivotal to its success. Market research informs these decisions by offering insights into market dynamics, customer behaviour and industry trends. Whether it's expanding into a new market, launching a new product or fine-tuning marketing strategies, businesses can align their actions with market realities, increasing the likelihood of success.
- 4) Customer-centric approach. In the age of customer-centricity, understanding the needs, preferences and expectations of consumers is paramount. Market research places the customer at the heart of business operations. By collecting and analyzing customer feedback, businesses can tailor their products, services and marketing efforts to resonate with their target audience. This customer-focused approach enhances customer satisfaction and loyalty.
- 5) Competitive advantage. In a crowded marketplace, gaining a competitive edge is a constant pursuit. Market research provides the tools to outmanoeuvre competitors by offering insights into their strategies, strengths and weaknesses. Armed with this knowledge, businesses can differentiate themselves, identify unexplored opportunities and stay ahead of the competition.
- 6) Financial planning & resource allocation. Efficient resource allocation is essential for a company's financial health. Market research informs budgeting decisions by identifying areas where investments will yield the highest returns. Whether it's allocating marketing budgets, research and development funds, or capital for expansion, businesses can optimise their resource allocation based on data-driven insights.
- 7) Adaptation to change. Change is the only constant in the business world. Market research equips businesses with the agility to adapt to shifting market dynamics. By staying attuned to emerging consumer trends, economic shifts, and unforeseen events, organizations can pivot their strategies

effectively. This adaptability is crucial for survival and growth, particularly in fast-paced industries.

8) Measurable outcome. A well-executed market research strategy comes with measurable outcomes. Businesses can track the impact of their decisions, assess the effectiveness of marketing campaigns, and adjust strategies in real-time based on data-driven insights. This leads to less waste, improved efficiency and better results.

9) A strategic asset. Market research is not an optional extra but a strategic asset. It is the compass, the risk mitigator and the foundation upon which successful businesses are built. It guides organizations through uncharted waters, helping them make informed choices, seize opportunities and navigate challenges.

B)..How To Conduct Market Research
Vaara and Durand (2019) stipulated that conducting effective market research requires careful planning and the use of various research methods and techniques

Step 1: Define your research **objectives** **Before diving into research, it's essential to clearly define your objectives. What specific** information are you seeking to obtain through market research? Are you interested in understanding consumer preferences, evaluating market trends or assessing the competitive landscape? Clearly defined research objectives will guide your research efforts and help you stay focused.

Step 2: Choose your research methodology. Market research can be broadly categorized into two main types: primary research and secondary research. **Primary research:** Involves collecting original data directly from sources via methods such as surveys, interviews and observations, offering specific and current insights aligned with research goals. **Secondary research:** Entails analyzing existing data from sources like market reports and academic studies, providing cost-effective access to valuable context and background information. Select the research methodology that aligns with your research objectives, timeline and budget. Often, a combination of primary and secondary research is used to gain a comprehensive understanding of the market.

Step 3: Design your research instruments

If you choose to conduct primary research, you'll need to design research instruments such as surveys, questionnaires or interview guides. Ensure that your research instruments are clear, unbiased and designed to collect relevant data. Pilot testing your instruments with a small group can help identify and address any issues before full-scale data collection.

Step 4: Collect data

Data collection is a critical phase of market research. For primary research, you'll administer surveys, conduct interviews or organize focus groups to gather data from participants. Ensure that data collection methods are consistent, and follow ethical guidelines when handling sensitive information. For secondary research, you'll access and review existing data sources,

extracting relevant information for your analysis.

Step 5: Analyze data

Once you've collected data, the next step is data analysis. This involves organising, cleaning and interpreting the data to extract meaningful insights. Data analysis may include statistical techniques, content analysis or qualitative coding, depending on the nature of the data.

Step 6: Interpret findings

After analyzing the data, it's essential to interpret the findings in the context of your research objectives. What do the data and insights reveal about the market, consumers and competitors? Consider the implications of your findings and how they relate to your business goals.

This involves drawing conclusions, identifying key trends, and relating them to the research objectives. The insights should provide valuable information that guides marketing strategies, product development, or business decisions.

Step 7: Make informed decisions

The ultimate goal of market research is to inform decision-making. Based on your research findings, informed decisions can be made about product development, marketing strategies, target audiences, pricing and other aspects of your business. Use the insights gained from market research to enhance your competitive advantage.

Step 8: Continuous monitoring

Market research is not a one-time activity. Markets evolve, consumer preferences change and competitors adapt. Therefore, it's important to establish a system for continuous monitoring and updating your market research efforts. Regularly gather new data, track market trends and reassess your strategies to remain competitive.

Step 9. Reporting Research Findings

The final step is to present the research findings in a clear and concise manner. A market research report is typically prepared, which includes an executive summary, methodology, findings, insights, and recommendations. The report should effectively communicate the research results to stakeholders and provide actionable recommendations based on the insights.

C). Examples of Market Research.

Araujo and Mason (2021) stated the diverse applications of market research across various industries and scenarios as follows:

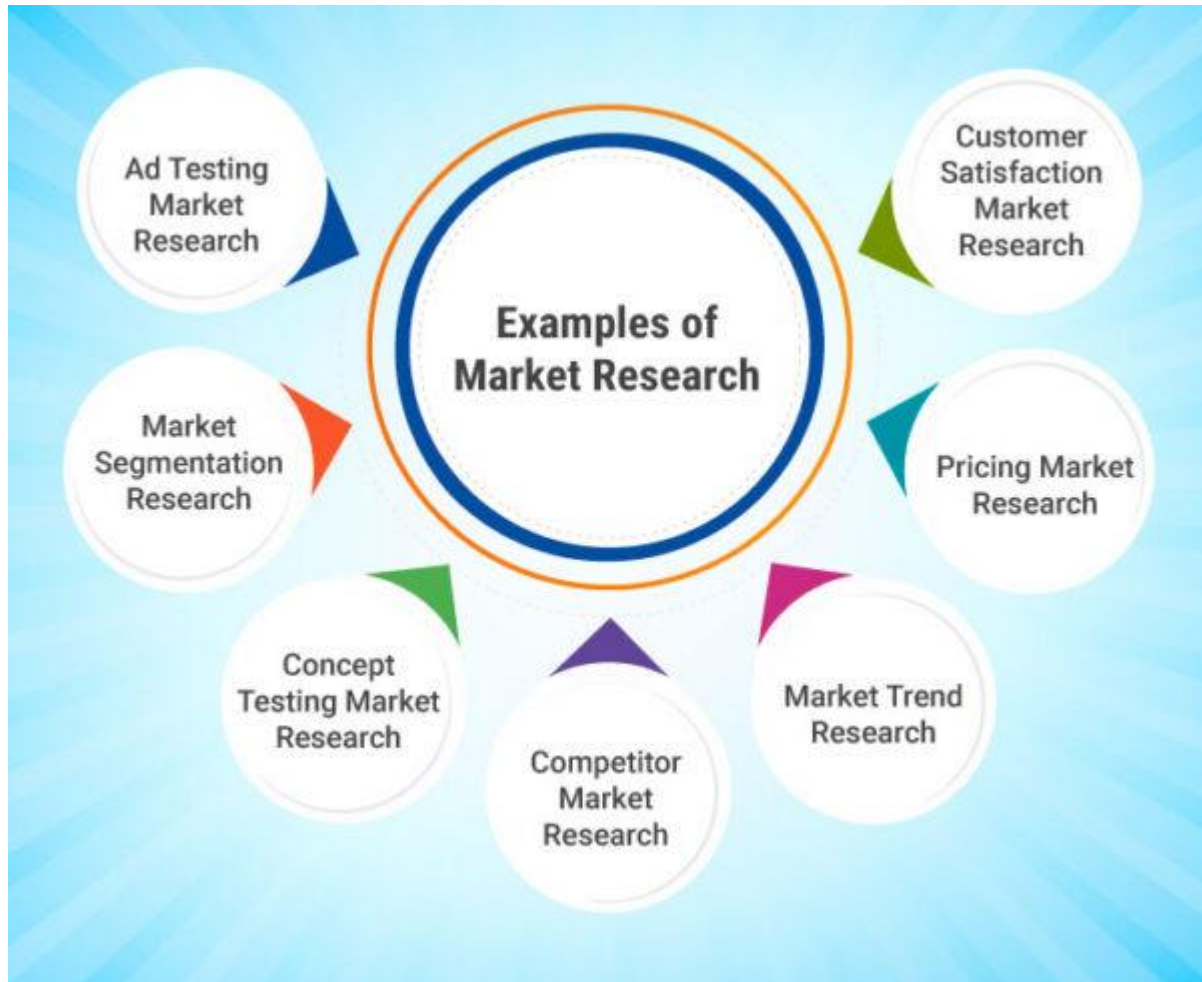


Fig. 1: Diverse applications of market research across various industries and scenarios:

Source: Araujo L.& Mason K. (2021). Markets, infrastructures and infrastructuring markets. *AMS Review*, 11, 240–251 <https://doi.org/10.1007/s13162-021-00212-o>

i).Customer Satisfaction: Market Research: A company conducts a customer satisfaction survey to gather feedback from its existing customers. The survey includes questions about their experience with the product or service, overall satisfaction, likelihood to recommend, and areas for improvement. The results help the company understand customer satisfaction levels, identify key drivers of satisfaction, and take action to enhance the customer experience.

ii).Pricing Market Research: A business is considering introducing a new product or service and wants to determine the optimal pricing strategy. They conduct pricing research, which involves surveys or conjoint analysis, to gather data on customer price sensitivity, willingness

to pay, and perceptions of value. The research helps the company set competitive pricing that aligns with customer expectations and maximizes profitability.

iii).**Market Trend Research:** A market research firm monitors industry trends and analyzes market data to provide insights to clients. They track market size, growth rates, industry dynamics, and consumer preferences through secondary research. The analysis helps businesses understand market trends, identify emerging opportunities or threats, and make informed strategic decisions.

iv).**Concept Testing Market Research:** A company has developed several product concepts and wants to evaluate their potential success before investing in product development. They conduct concept testing research, which involves presenting the concepts to a target audience through surveys or focus groups. The research helps assess consumer interest, perceived benefits, and purchase intent for each concept, allowing the company to select the most promising one to pursue further.

v).**Competitor Market Research:** A company wants to assess the strengths and weaknesses of its competitors in the market. They conduct competitor analysis, which involves gathering data on competitors' products, pricing, distribution channels, marketing strategies, and customer perceptions. The insights obtained help the company benchmark against competitors, identify areas of competitive advantage and develop strategies to differentiate itself in the market.

vi).**Ad Testing Market Research:** A company is planning to launch a new advertising campaign and wants to assess its effectiveness. They conduct ad testing research, which involves presenting different versions of the ad to a sample audience and gathering user or customer feedback on message comprehension, brand recall, and emotional response. The research helps the company optimize the ad campaign by identifying the most impactful and persuasive elements.

vii).**Market Segmentation Research:** A company wants to understand its target market better and tailor marketing strategies to specific customer segments. They conduct market segmentation research, which involves analyzing demographic, psychographic, and behavioral data to identify distinct customer segments with different needs, preferences, and buying behaviors. The segmentation analysis helps the company develop targeted marketing campaigns, messages, and product offerings for each segment.

D).**Best Practices for Market Research.**

Lewis (2022) opined that market research is a crucial process that helps businesses understand their target market, consumer preferences, industry trends, and competitive landscape. By gathering and analyzing relevant data, companies can make informed decisions and develop effective marketing strategies. Some of the best practices for market research are (Wills,2019; Mason, Kjellberg and Hagderg, 2019):

1. **Define your research objectives:** Clearly articulate the goals and purpose of your research. Identify the specific information you need to gather, such as customer insights, market size, competitor analysis, or product feedback.

2. **Identify your target audience:** Determine the specific demographic or customer segment you want to study. This will help you tailor your research methods and questions to gather the most relevant data.
3. **Choose the right research methods:** Select the most appropriate research methods based on your objectives and target audience. Common methods include surveys, interviews, focus groups, observation, secondary research, and data analysis.
4. **Develop a research plan:** Create a detailed plan outlining the research methodology, timeline, and resource allocation. This will ensure that the research is conducted efficiently and effectively.
5. **Use a combination of qualitative and quantitative research:** Qualitative research methods, such as interviews and focus groups, provide in-depth insights and opinions, while quantitative methods, like surveys and data analysis, offer statistical data and measurable metrics. Combining both approaches provides a comprehensive understanding of the market.
6. **Collect data from multiple sources:** Gather information from diverse sources, including primary data (collected directly from customers or target audiences) and secondary data (existing research, industry reports, and government data). This multi-source approach enhances the reliability and accuracy of your findings.
7. **Maintain data quality and integrity:** Ensure the data collected is accurate, reliable, and relevant to your research objectives. Use standardized measurement scales and survey techniques to maintain consistency.
8. **Analyze and interpret the data:** Use appropriate statistical analysis tools and techniques to analyze the collected data. Look for patterns, trends, and correlations that can provide valuable insights for decision-making.
9. **Keep an eye on competitors:** Conduct a competitive analysis to understand your competitors' strategies, strengths, weaknesses, and market positioning. This information can help you identify opportunities and develop effective marketing plans.
10. **Stay ethical and maintain privacy:** Adhere to ethical guidelines and protect the privacy of participants and their data. Obtain informed consent and ensure confidentiality throughout the research process.
11. **Communicate and act on findings:** Present your research findings in a clear and concise manner. Translate the insights into actionable strategies and recommendations that can drive business growth.
12. **Continuously monitor the market:** Market research is an ongoing process. Keep a pulse on industry trends, consumer preferences, and market dynamics to stay ahead of the competition and identify new opportunities.

By following these best practices, businesses can conduct effective market research that informs decision-making, helps identify growth opportunities, and supports the development of successful marketing strategies

E).Business Failure.

Business failure is not new in Nigeria. Although statistics on business failure rate in Nigeria is not very reliable, the failure seems to be about 4 in every 10 in retail enterprises

(Nwachukwu,2015). A recent study by him in four Eastern states- Anambra, Imo, Rivers, and Cross River on business failure rate gives an alarming picture. Between 1994-1997, 3,875 enterprises had permanently closed their doors. The situation appeared to be worse in Port Harcourt where five in every ten small enterprises in Manufacturing or Processing had either permanently or temporarily gone out of business. The major factor accounting for trend is the state of the economy. Inadequate funds and the general lull in economic activity which continued to limit the scope for new investment in the construction industry has adversely affected entrepreneurs in the construction industry. Our study showed that 50% of the small and medium size enterprises have gone out of business. The situation in manufacturing is not quite different. Most (65.4%) of manufacturing enterprises operate below average installed production capacity. The utilization rate varied from 10% to a maximum of 30%. Industries most hit by the economic recession are those in retailing, import/export, clearing and forwarding, construction of all types, electronic appliances, hotels and restaurants. Research work on the causes of business failure all over the world has pointed to poor management as the major factor. Many individuals are known to have gone into business because of their new invention, technical competence, love of business ownership, or inability to work comfortably with others. These are factors that on their own will not hold an organization together. Some entrepreneurs are known to have failed for the following reasons, despite their enthusiasm(Nwachukwu,2015):

- i). Lack of training and adequate preparation.
- ii). Frustration of changing competitive conditions because of inability to evaluate these conditions and learn how to cope with them.
- iii). Lack of proper understanding of the market; in some instances, the entrepreneur defines his market very narrowly.
- iv). Lack of financial understanding; inability to determine the availability of funds and how to use them to the best advantage
- v). Lack of appreciation and use of accounting functions.
- vi). Lack of adequate capital, and
- vii). Poor credit management.

F). Why Does Every Business Need Market Research?

Market research is one of the most effective ways to gain insight into your customer base, competitors, and the overall market. The goal of conducting market research is to equip the company with the information it needs to make informed decisions. It is especially important when small businesses are trying to determine whether a new business idea is viable, looking to move into a new market, or are launching a new product or service (Wycherley, 2020):

- i). **Competition.** According to a study conducted by Business Insider, 72% of small businesses focus on increasing revenue. Conducting research helps businesses gain insight into competitor behavior. By learning about your competitor's strengths and weaknesses, you can learn how to position your product or offering. In order to be successful, small businesses need to have an understanding of what products and services competitors are offering, and their price point.

ii).Customers. Many small businesses feel they need to understand their customers, only to conduct market research and learn they had the wrong assumptions. By researching, you can create a profile of your average customer and gain insight into their buying habits, how much they're willing to spend, and which features resonate with them. Additionally, and perhaps more importantly, you can learn what will make someone use your product or service over a competitor.

iii).Opportunities. Potential opportunities, whether they are products or services, can be identified by conducting market research. By learning more about your customers, you can gather insights into complementary products and services. Consumer needs change over time, influenced by new technology and different conditions, and you may find new needs that are not being met, which can create new opportunities for your business.

iv).Forecast. A small business is affected by the performance of the local and national economy, as are its' customers. If consumers are worried, then they will be more restrained when spending money, which affects the business. By conducting research with consumers, businesses can get an idea of whether they are optimistic or apprehensive about the direction of the economy, and make adjustments as necessary. For example, a small business owner may decide to postpone a new product launch if it appears the economic environment is turning negative.

G). Marketing Planning.

Marketing planning is the structured process by which an organization develops a strategy to promote its products or service to target audiences, guiding all marketing activities and aligning them with business goals (Adlina and Julie (2020) ;Yallop and Aliasghar, 2020). It typically involves a series of steps to create a comprehensive marketing plan. A successful marketing plan ensures alignment with the business's broader objectives, improves resources allocation, and increases the chances of achieving desired marketing outcomes. An overview of the marketing planning process include (Olomi and Swai, 2021):

1.Situation Analysis;

i).SWOT Analysis; Identifying strengths, weaknesses, opportunities, and threats of the business.

ii).Market Research; Assessing customer needs, trends, competitors, and overall market conditions.

iii).PEST Analysis; Examining political, economic, social, and technological factors affecting the business.

2. Defining Objectives; Establishing clear , measurable goals based on the insights from the situation analysis. Objectives can include increasing market , boosting brand awareness, improving customer retention or launching a new product.

3. Target Market Identification; Defining the target audience using market segmentation (demographic, geographic, psychographic, and behavioural). Creating buyer persona to represent ideal customers.

4. Market Strategy Development;

i).Positioning; Deciding how the product or service will be perceived in the market compared to competitors.

ii).Marketing Mix (4Ps);

-Product. what you are selling and how it meets customer needs.

-Price; Pricing strategy (premium, penetration, competitive pricing, etc).

-place. Distribution channels for delivering the product to consumers.

-promotion. Tactics to communicate the value of the product, including advertising, social media, email marketing, PR, and more.

5. Budgeting. Allocating resources for different marketing activities . Setting priorities based on the most cost-effective strategies to achieve marketing goals.

6. Action Plan. Outlining the specific actions to implement the strategy, including timeliness, roles, and responsibilities. Planning for marketing campaigns, events or launches.

7. Monitoring and Evaluation. Setting KPIs (Key Performance Indicators) to measure the success of the marketing activities. Regularly reviewing the results and making adjustments to optimize performance.

Marketing Decision-Making.

Adlina and Julie (2020) defined marketing decision-making as a process which involves choosing strategies and tactics to achieve business objectives related to customer acquisition, retention and brand positioning. It is a structured process that considers various factors such as market research, customer behavior, competition, product positioning, and financial metrics. Effective decision making in marketing ensures that campaigns are targeted, cost effective and aligned with the overall business strategy. The key aspects of marketing decision making include (Ross and McTavish,2019): market research, target audience, competitive analysis, marketing mix (4Ps), budgeting, customer behavior, data- driven marketing, risk management and ethics.

Methodology.

The population of interest in this study is all small-scale business enterprises in Enugu City. The sampling unit for this study was a small-scale business unit. For the purpose of sample selection, we made every possible effort to ascertain whether the State Government had a comprehensive and up-to-date list of small-scale business enterprises based in the State or Enugu City. Finding none, we ruled out random sampling as it was considered impracticable to generate such a list specifically for this study. We, therefore, adopted quota sampling for the study. The city was divided roughly into five zones and assigned to five research assistants each of whom was mandated to administer copies of the questionnaire which served as the instrument for the study on respondents which each of the five research assistants used to achieve a usable response of fifty questionnaires. We engaged five research assistants, one to a zone. Each of them was briefed on the study and mandated to interview fifty small-scale business enterprises in the zone assigned to her. There were a number of provisions, however, first, the sample should be spread out across the entire zone. Second, efforts were made to ensure that the variety of small-scale businesses in terms of size, type of product and type of business were included. In this way, we generated data from a total sample of two hundred and fifty (250). All the 250 questionnaires so generated were usable, representing a 100 percent response rate. This unusually high response rate is attributable to the contractual arrangement

between the researchers and each research assistant to the effect that each research assistant was to generate fifty usable questionnaires.

Orientations of Small-Scale Businesses.

Orientation was defined to mean the extent to which the business under study believe in customer orientation and therefore the extent to which they are market-driven. In an effort to measure the orientations of the small business operators under study, they were confronted with the eleven statements in Table 1 and asked to state the extent of their agreement or disagreement on a 5-point Likert-type scale ranging from ‘Strongly agree’ to ‘Strongly disagree’. The mean score for each statement is shown in the index column of the table. For the computation of the frequencies, the ‘Strongly agree’ and Agree columns’ were collapsed to form the ‘Agree column’. A similar collapse yielded the ‘Disagree column’. Agreement with the statements is indicative of a lack of mark or customer orientation while disagreement shows a market or customer orientation.

Table 1. Responses to Statements Measuring Marketing Orientation

S/N	STATEMENTS (INDICATIVE OF ORIENTATION)	AGREE	NAD	DISAGREE	INDEX
1	Profit is more important than satisfying customers	39(16%)	3(1%)	207(83%)	3.84
2	When there is a conflict between making more money and satisfying customers, I will give preference to making more money	45(18%)	9(4%)	196(78%)	3.79
3	Money spent on finding out what customers want or how satisfied they are , is a waste.	20(8%)	13(5%)	217(87%)	4.13
4	My business is too small to carry out market research.	39(16%)	23(9%)	188(75%)	3.91
5	Nigeria is not yet developed enough to adopt the idea that the consumer is king.	57(23%)	17(7%)	176(70%)	3.74
6	My customers who complain a lot do not mean well for my business.	55(22%)	23(20%)	149(60%)	3.62
7	Good customers do not complain even when they are dissatisfied	36(15%)	11(4%)	203(81%)	3.92
8	Business people who know what they are doing, try to do away with difficult customers.	59(24%)	18(7%)	173(69%)	3.66
9	Some customers who claim to know too much should be disregarded	66(26%)	27(11%)	157(63%)	3.54
10	Marketing research is for big companies	34(14%)	24(10%)	192(76%)	4.06
11	Formal training of employees is for big companies	44(18%)	16(6%)	190(76%)	3.93

Source: Field Data, 2024

The mean score of the respondents for each of the statements shows tha on the average, they are consumer-oriented and therefore market driven. For example, over 80% of the respondents disagree with the suggestions that (i) ‘profit is more important than satisfying customers’, (ii) ‘money spent on finding out what customers want or how satisfied the are, is a waste’. (iii)

‘good customers do not complain even when they are dissatisfied’. The obvious conclusion here is that most of the chief operators of most of the organizations covered in this study are customer-oriented; they share the tenets of the marketing concepts.

Findings.

- i). Market research usually combines both primary and secondary information.
- ii). New product development and launch needs adequate market research.
- iii). The final design of a product and its positioning needs market research
- iv). Market research only works when subjects are honest and open to participating.
- v). The viability of a new product and how it might perform in the real world is dependent on market research.
- vi). Market research uses both qualitative and quantitative data to assess marketing mix impact on customer behavior.

Conclusion.

Market research is vital in today’s business landscape. Market research is a dynamic and iterative process that empowers businesses to make informed decisions, minimise risks and stay competitive. By understanding customer preferences, industry trends, and competitive landscapes, businesses can tailor their strategies for success. Market research is the compass that guides product development, marketing campaigns and expansion efforts, ensuring resources are invested wisely. By following and adopting a research-driven mindset, organizations can unlock valuable insights and position themselves for success in today’s ever-changing business landscape.

Recommendations.

In view of the findings and conclusion of the study, we make the following recommendations:

- i). Management of organizations should accord market research as a key component of a company’s research and development (R&D) stage, which helps companies understand in advance the viability of a new product that they have in development and to see how it might perform in the real world.
- ii). Management of organizations should conduct market research before introducing new products to the market to determine their appeal to potential customers.
- iii). Management of organizations should use the result of market research to inform the final design of the product and determine how it will be positioned in the market place.
- iv). Management of organizations should take note that the whole business activities must be preceded with market research, and sales forecasting to provide a sound, factual, consumer-oriented basis for planning business processes, and marketing practitioners must play the leading role in this direction.
- v). There is need to encourage and assist small-scale businesses to become more and more market-driven. The national institute of marketing of Nigeria should include in their journal articles and marketing tips that have special relevance to small-scale businesses. Also, the institute should aggressively pursue a strategy of special marketing consultancy for small-scale business enterprises. This can be organized at chapter levels. Consultancy fees should be affordable.

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