**Market research examples**

|  |  |  |
| --- | --- | --- |
| **Research method** | **Advantages** | **Disadvantages** |
| Observations, this is where a market researcher watches and takes note of consumer behaviour | * This works really well in retail situations allowing the researcher to see what consumers are doing and buying | * This method of research leaves a lot of questions unanswered, i.e. why consumers are behaving the way they are |
| Questionnaire, A business will carry out a questionnaire assessing potential demand for a product/service | * Can identify target customers * Help with promotion * Establish selling price | * Very time consuming * Questions can be biased and mislead results |
| Survey, involve respondents being asked a number of questions. The most common surveys are telephone surveys and postal surveys but online surveys are becoming increasingly popular. | * They can reach a wide demographic * A wide range of questions can be asked | * Response rate is often low * Often you learn what peoples preferences are but not why they have those preferences |
| Focus Group, allows for more in-depth answers and more open questions | * Interviews give an insight into customer perceptions * Help a firm decide on advertising image | * Time consuming and expensive * Interviewer can sometimes affect the results |
| Consumer trials, New products tested on the public before they are launched | * Useful to get consumer feedback prior to product launch to establish demand and price willing to pay | * Time consuming and expensive * People will often say what the tester would like them to say |