

Cooperative Marketing

Level-I

**Based on March 2022, Version 2 Occupational
Standard**



Module Title: - Market information Gathering

LG Code: AGR CM1 05 LO (1-3) LG (14-16)

TTLM Code: AGR CM1 TTLM 0922v1

September, 2022

Addis Ababa, Ethiopia

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Module introduction

Dear learner, the Ethiopian TVET system is now focused on the labor market demands and industry relevance. This translates that the main objectives of the TVET system is to qualify its graduates according to the occupational requirements of the industry. In this learning guide there are three learning outcome which are broke down in to three information sheets. These are listed as follows **Overview of Market Information, Obtaining market data, and Processing and analyzing market data.** In this learning guide, some learning activities and self-check exercises are included to make your study clear, attractive and precise. These are very important in deepening and enhancing your understanding of the learning out comes in the module. If you skip doing those activities and exercises, your level of understanding will be limited and insufficient. As a result, you are strongly dedicated and encouraged to do it on time accordingly. Upon the completion of the module you will be able to perform the objectives listed on instruction sheet.

LG #14	LO #1 Overview of Market Information
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Instruction sheet

This learning guide is developed to provide you the necessary information regarding the following content coverage and topics:

- Concept and meaning of Target market
- Concept and meaning of Market Information
- Objectives Market Information
- Scope of Market Information
- Types of Market Information
- Types of Target market

Demand and supply in the market system

This guide will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:

- Describe Concept and meaning of Target market
- Explain the meaning and definitions of Market Information
- List the objectives Market Information
- Describe the types and scope of Market Information
- List the types of Target market
- Distinguish Demand and supply

Learning Instructions:

1. Read the specific objectives of this Learning Guide.
2. Follow the instructions described below.
3. Read the information written in the information Sheets: Try to understand what are being discussed. Ask your trainer for assistance if you have hard time understanding them.
4. Accomplish the Self-checks which are placed following all information sheets.
5. Perform Operation Sheets
6. Do the “LAP test”
7. Ask from your trainer the key to correction key answers

Information Sheet 1

1.1. Concept and meaning of Target market

1.1.1. Target Market – Meaning

- A target market is a group of customers that the business has decided to aim its marketing efforts and ultimately its merchandise towards. A well-defined target market is the first element to a marketing strategy.
- A target market is a specific, defined segment of consumers that a company plans to serve with its products or services.
- **Identifying the target market** is an essential step in the development of products, services, and the marketing efforts used to promote them. This is why famous consultant **Peter F. Drucker said**, “The aim of marketing is to know and understand the customer so well the product or service fits him and sells itself.
- As marketing author **Philip Kotler once said**, “There is only one winning strategy. It is to carefully define the target market and direct a superior offering to that target market.”
- This **target market can be segmented by things** like geography, demographics, and psychographics.



Fig 1.1 target marketing

- After segmentation of market, next step is targeting. A target market is a group of customers at whom the sellers specifically aims their marketing efforts. It is based on effective segmentation of the market, which provides the marketer to define the segments clearly and from which the marketer can pick one marketing segment that is most appropriate for the organization.

- The beauty of target marketing is that it makes the promotion, pricing and distribution of company's products and/or services easier and more cost-effective.
- A target market consists of different groups of individuals, households, and organizations towards which a company aims to offer its products and services. Businesses can create and implement effective marketing strategies once they know about the needs and preferences of specific clients.

1.1.2. How to Identify Your Target Market

Now that you understand exactly what target markets and target audiences are, let's look at how you can uncover the market segments you should be targeting.

Step 1: Identify the Key Benefit that Your Business Provides: Get this right and your ideal target market should reveal itself. Start with the end result you want to create: satisfying customers' needs and desires. "Authentic marketing is not the art of selling what you make but knowing what to make," said marketer Philip Kotler. "It is the art of identifying and understanding customer needs and creating solutions that deliver satisfaction to the customers, profits to the producers and benefits for the stakeholders."

Step 2: Refine Your Target Market: By this point, you should have a basic understanding of whom your product or service benefits. From here, you need to **narrow down the market segment** you plan to target. Be as specific as possible. First, **define the demographics** of your target market. Demographics are simply a particular section of a population. You can segment your target market using demographics such as age, location, gender, marital or family status, occupation, income level, education level, etc. Next, **identify the psychographics** of the people who stand to benefit the most from your product or service. Psychographics are consumers' psychological attributes, like attitudes, values, interests, lifestyle, and behavior, etc. Once you've done this, you should have **clearly defined a buyer personal**. To learn more about creating buyer personas, check out Shopify's guide on "**How to Build Buyer Personas for Better Marketing.**"

Step 3: Stay Objective: This is perhaps the most difficult part of the process. It can be extremely difficult to avoid assumptions. What's more, many people unintentionally search for, recall, and interpret information in a way that confirms their pre-existing beliefs or hypotheses. This is called **confirmation bias**.

Step 4: Evaluate Your Market Segments: Now that you have real insights into which you plan to sell to, you need to verify that this is a market worth serving. Ask yourself these questions:

- Are there enough people in the target market to sustain our business?
- Does this market segment have the money to buy our product or service?
- Will they buy repeatedly, or will we have to constantly close new customers?
- Is there much competition for this market segment?

1.1.3. Target market-concept

The new concept of marketing starts from the definition of market targeting. The selection of target market helps the marketer to correctly identify the markets and the group of target customers for whom the products/services are produced. It helps in sub-dividing the market into many segments, and then deciding to offer a suitable product to some selected segments.

Market targeting is the act of evaluating and comparing the identified groups and then selecting one or more of them as the prospects with the highest potential. A marketing mix is devised that will provide the organization with the best return on sales, by creating the maximum amount of value to customers. Target marketing includes identifying marketing segments, selecting one or more of them and developing products and marketing mixes tailored to each.

In this way sellers can develop the right product for each target market and adjust their prices, distribution channels and advertising to reach the target market efficiently. Instead of scattering their marketing efforts they can focus on the buyers who have greater purchase interest.

Market segmentation reveals the firm market segment opportunities. The firm has to evaluate the various segments and decide how many and which ones to target.

1.1.4. Step process of targeting market: to successful target markets, using a segmentation approach, organizations should engage in the following three step process:

Step # 1 – Identifying Market Segments:

The first step in targeting markets is to separate customers who make up large general markets into smaller groupings based on selected characteristics or variables (also referred to as bases of segmentation) shared by those in the group. General markets are most often associated with basic product groups, such as – automobile, beverage, footwear, home entertainment etc. The purpose of segmentation is to look deeper within the general market in order to locate customers with more specific needs within the product group e.g., Seek hybrid automobile who also share similar characteristics.

Step # 2 – Choosing Market Segments:

The second step in selecting target markets requires the marketer to critically evaluate the segments identified in step 1 in order to select those which are most attractive. In determining whether a segment is worthy of being a target market, the marketer needs to address the following questions:

Is the segment large enough to support the marketer’s objectives?

Is the segment showing signs of growth?

Does segment meet the mission of the company? Once one or more segments have been identified the marketer must choose the most attractive options for their marketing efforts. At this point the choice becomes the firm’s target market.

Step # 3 – Develop Marketing Strategy to Appeal to Target Market:

The results of analyzing market segments lead the marketer to consider one of the following target marketing strategies:

- Undifferentiated or Mass Marketing.
- Differentiated or Segmentation Marketing.
- Concentrated or Niche Marketing.
- Customized or Micro Marketing.

1.1.5. Target Market – Aspects of Target Market

A. Evaluation of Segments: In evaluating market segments a company has to first identify the criteria for evaluation. The following criteria may be applied to determine the attractiveness of segments:

Profitability: Relevant information required for profitability includes:

- Sales volume
- Distribution cost
- Promotion cost
- Sales Revenue
- Profit margins

Growth Rate: growth rate of the segment in terms of growth in population, rise in purchasing power of the products is to be considered.

Company Objective: Company should evaluate the segment opportunity with reference to their short term and long term objectives. If a company's objective is to achieve long term sustainable sales volume by expanding its customer's base, then it has to go rural instead of expecting consumers to come to urban markets for products and services.

Resource Competencies of the Company: The Company should also examine its compatibility with resources and capability to service rural markets. It should take calculated risks small pilot projects, which will provide opportunities to evaluate the target segment behavior towards products and services.

Attractiveness: Marketers should consider the attractiveness of the rural markets. Smaller companies or new companies may lack the skills, experience and resources needed to serve the larger segments.

B. Selection of Segments: Selection of the segments can be done by rating the alternative segments on a predetermined scale (low, medium, high) with respect to the segment evaluation criteria. Finally, segments can be ranked on the scores obtained, and those with the highest scores can be selected as target segments to enter the rural market.

C. Coverage of Segments: Companies have three alternative coverage strategies to suit their segmentation which are undifferentiated strategy, differentiated strategy and concentrated strategy. The marketer's approach towards strategy selection changes with reference to the state of four variables like company resources, product, variability, and product life cycle stage and market variability.

1.2. Concept and meaning of Market Information

1.2.1. Introduction

Everything you need to know marketing information system. Marketing information systems are really the frameworks used for managing, processing and accessing data. They can be simply a sharing of information by key departments, but are more likely to be some form of integrated system based around information technology. The important issue is that the information from such a system is presented in a way that is useful to the marketing decisions.

With the increasing use of the computer, companies are becoming more interested in the development of a corporate wide, integrated management information system. The purpose of such a system is to bring all of the flows of recorded information in the entire company into a unified whole. Thereby it is hoped that the manager's capacity to plan and control the company's activities will be improved. Such a system is often seen as a marked improvement over current procedures.

1.2.2. Definitions-marketing information system

- Marketing information system is a set of procedures and methods for regular and planned collection, analysis and presentation of information in making marketing decisions. It is an interacting, continuing, future-oriented structure of persons, machines and procedures designed to generate an orderly flow of information collected from internal and external sources of information.
- Marketing information system is a broader and more encompassing term than market research and a variation of the term management information system.
- Marketing Information System (MIS) is the structure of people, equipment and procedures used to gather analyses and distribute information required by an organization.

- Marketing information is an ongoing repetitive process of collection, analysis and presentation of information, whereas the marketing research subject is an intermittent or irregular activity — on a project-to-project basis and it is concerned with solving specific marketing problems.

1.2.3. Assessing Marketing Information Needs

A marketing information system (MIS) consists of people, equipment, and procedures to gather, sort, analyze, evaluate, and distribute needed, timely, and accurate information to marketing decision makers.

- Assess the information needs
- Develop needed information
- Analyze information
- Distribute information



Figure 1.2: Assessing Marketing Information Needs

1.2.4. Marketing information system- characteristics

- MIS is an ongoing process. It operates continuously.
- MIS acts as a data bank and facilitates prompt decision-making by manager.
- MIS operates in a rational and systematic manner and provides required information.

- MIS is future-oriented. It anticipates and prevents problems as well as it solves marketing problems.
- The gathered data is processed with the help of operations research techniques.
- MIS is a computer-based method of data collection, processing, and storage.
- Management gets a steady flow of information on a regular basis — the right information, for the right people, at the right time and cost.

1.2.5. Marketing information system-Importance

- **Anticipation of Consumer Demand:** Mass production and mass distribution in ever-expanding markets are based on anticipation of consumer demand. Under customer-oriented marketing approach, every marketer needs up-to-date knowledge about consumer needs and wants. In a dynamic economy, consumer tastes, fashions and liking are constantly changing.
- **Complexity of Marketing:** Modern marketing process has become much more complex and elaborate. Ever-expanding markets and multinational marketing activities require adequate market intelligence service and organized information system.
- **Significance of Economic Indicators:** Forces of demand and supply are constantly changing. These determine prices and general market conditions. In a wider and complex economy, fluctuations in demand, supply and prices are tremendous. Marketer must have latest information on the changing trends of supply, demand, and prices.
- **Significance of Competition:** Modern markets are competitive. A marketer cannot make decisions in a competitive vacuum. Modern business is a many-sided game in which rivals and opponents continuously try to formulate strategies to gain advantage over one another.
- **Development of Science and Technology:** Ever-expanding markets create conditions that lead to technological progress.
- **Marketing Planning:** We are living in the age of planning and programming. Our plans and programmers are based upon information supplied by economic research (economic forecasts) and marketing research (marketing forecasts), which provide the requisite information about the future economic and marketing conditions. For instance, sales forecast is the base of production plan, marketing plan, financial plan, and budgets.

1.2.6. Marketing information system-steps

Steps 1: Define the System: The system for which design is to be made has to be defined; in terms of elements, the relationship and its boundaries. The system may be the complete organization consisting of all functions or only one or several functions.

Steps 2: Source and Frequency Identification: Once the information needs have been assessed, the source of this information and the frequency of reporting have to be identified. The source could be both external and internal, whereas the frequency could be based on the occurrence of the event or by exception.

Steps 3: Formats of MIS: There are two formats which are very important.

Research assessment sheet: contains information like marketing decisions, parameters, frequency, source, and the format code.

Marketing activity evaluation sheet: will contain the items, relationship, standard, actual, variance, and reason.

Steps 4: Implementation:

- The steps needed for implementing the newly designed Marketing Information System could be- Prepare marketing research plan
- Train the research staff.
- Prepare operating schedule

1.2.7. Marketing information system- components

There are three divisions or components of marketing information system:

- Internal Marketing Information:** It is secured through accounting system. Data on sales, inventories, marketing costs, cash flows, accounts receivables and payables (credit sales and credit purchases), trading returns, financial returns, etc., constitute the information generated from within.
- External Marketing Information:** It is in the form of marketing intelligence. It keeps marketers well informed about current marketing environment, changing consumer demand, changing competition, changing prices, etc. Census data, newspapers, trade journals,

magazines, trade shows and exhibitions, books, company annual reports, salesmen's reports, suppliers, wholesalers, retailers and customers, special publications of trade associations, government reports, etc.,

- c. Marketing Research:** It is a systematic search for information. It involves data collection, analysis and interpretation. It exists primarily as a tool of managerial decision-making process: Marketing research is defined as the collection and analysis of data relevant to marketing decision-making and the communication of the results of this analysis to marketers.

1.3. Objectives Market Information

1.3.1. Marketing objectives

- Are goals set by business houses to promote its goods and services to its consumers within a specific timeframe?
- Are the strategy's set to attain the overall growth of the organisation. When it comes to a particular product, a company's marketing strategy may include increasing product awareness, providing information about product features, and reducing consumer resistance.
- are significant as they assist us in realising how effective we are and they help us stay focused. Objectives are useful only if they are grounded and realistic.
- are short-term achievements to help achieve long-term goals, which are mostly set on a weekly or a monthly timeline. These objectives should help a business analyze what a business wants to achieve from its marketing strategy. The process of setting goals gives a clear picture of what needs to be accomplished and setting positive results. Marketing goals properly planned and executed are the stepping stones to financial achievement.

1.3.2. Types of marketing objectives

Evaluating and considering the marketing plan is essential while determining your marketing objectives. There are various types of marketing objectives, but the four main types are profitability objective, market share objective, promotional objective, and growth objective.

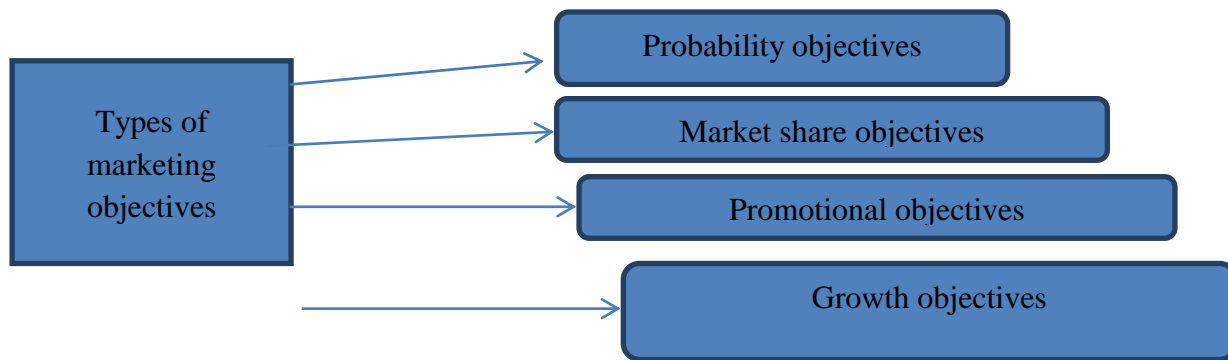


Figure 1.3: Types of marketing objectives

A. Profitability objective: is a marketing objective that regulates the amount of expected income based on the promotional strategy. Profitability is a business's ability to earn a profit as an objective in doing business. There are four profitability objectives:

- **Net profit Margin:** A business net profit margin tells how much a retailer makes after the business has paid its expenses, salaries and taxes. This is displayed in ratio to net sales and shows how much a retailer is making for every dollar of merchandise sold.
- **Asset turnover:** Asset turnover is an equation that explains what a retailer can make annually for each dollar it invests in the business assets.
- **Return on assets:** Return on assets is the equation formed when you divide a retailer's net profit by his total assets.
- **Financial Leverage:** Financial Leverage explains its use of debt in its overall capital structure. To determine this, divide total assets by net worth.

B. Market share objective: determines the percentage of market share an organization aims to capture. Increasing market share is one of the most important objectives of the business. The main advantage of using market share as a measure of business performance is that it is less dependent on macro environmental variables like the state of the economy or changes in tax policy.

C. Promotional objectives: A promotional objective aims at promoting its goods and services. It is the desired level of awareness of the product. The promotional objective is a part of the

overarching strategy. Creating a brand identity with imagery and punch lines is the first stage of a marketing campaign, followed by expanded messaging, either through email or social media.

Goals:

- Increase business
- Increase sales
- Encourage repeat business
- Brand awareness
- New product Introduction

D. Growth objectives: A growth objective analyses the current business size and determines or plans the growth strategies to achieve the desired amount of growth. Growth is an essential objective that contributes to increased revenue. By developing business strategies focused on growth, companies can increase their market share, realize sales efficiencies, and increase brand awareness, all of which translate to greater profits.

1.4. Scope of Market Information

Scope 1: Strategy Implementation: MIS helps in product launches, authorizes the co-ordination of marketing strategies, and is an integral part of Sales Force Automation (SFA), Customer Relationship Management (CRM), and customer service systems implementations. It permits decision makers to more effectively manage the sales force as well as customer relationships.

Scope 2: Strategy Development: Information needed to develop marketing strategy is also provided by MIS. It supports strategy development for new products, product positioning, marketing communications (advertising, public relations, and sales promotion), pricing, personal selling, distribution, customer service and partnerships and alliances. MIS gives the foundation for the development of information system-dependent e-commerce strategies.

Scope 3: Market Monitoring: MIS enables the identification of emerging market segments, and the monitoring of the market environment for changes in consumer behavior, competitor activities, new technologies, economic conditions and governmental policies at the time of using market research and market intelligence.

Scope 4: Wider Applications: Under modern marketing ideologies, MIS includes operational, sales and marketing process-oriented systems, which serve in daily marketing operational activities such as direct mailing (database marketing), telemarketing and operational sales management. The users are middle management and operative sales and marketing personnel.

Scope 5: Support Management and Decision Making: Marketing information systems support management decision making. Management has five distinct functions and each of them needs support from MIS. These are planning, organizing, co-coordinating, decision-making and controlling.

Scope 6: Functional Integration: MIS the co-ordination of activities within the marketing department and between marketing and other organizational functions like engineering, production, manufacturing, product management, finance, logistics, and customer service.

1.5. Types of Market Information

1.5.1. Developing Marketing Information: Marketers can obtain information from:

- Internal data
- Marketing intelligence
- Marketing research



Figure 1.4: Types of Market Information

Internal Data: Internal data consists of the information companies collect about their customers and prospective customers, typically as part of their internal operations. Marketing departments, for example, maintain information about the interest and leads they generate from prospective customers and how they are interacting with these contacts. They may capture information used for segmentation and targeting purposes, such as geographic location, gender,

age, buying behaviors, and communication preferences. Information about Web site visitors, traffic, and other customer engagement activities can be another useful type of internal data. Additionally, sales teams capture and maintain information about who is buying the product, where buyers are located, buying patterns, and behaviors. Sales and marketing teams may also maintain information about customer references, success stories, and how prospective customers are progressing toward becoming new clients.

Internal databases: are paper or electronic collections of consumer and market information obtained from data sources within the company network, including accounting, marketing, customer service, and sales departments. Internal data consists of the information companies collect about their customers and prospective customers, typically as part of their internal operations.

Table 1.1 Advantages and Disadvantage of Internal Databases

Advantages:	Disadvantages:
Can be accessed more quickly Less expensive	Incomplete information Wrong form for decision making Timeliness of information Amount of information Need for sophisticated equipment and techniques

Marketing Intelligence: is the systematic collection and analysis of publicly available information about competitors and developments in the marketplace. Another type of marketing information system is competitive intelligence that is used to closely monitor competitors, their marketing strategies, and competitive market statistics. Competitive intelligence is considered as a systematic process related to collecting, observing, and analyzing required information of the business environment that is external to an organization. Different types of competitive intelligence include:

- **Information related to the product:** This includes the information regarding the various products of competitors that compete with an organizations' products in terms of packaging, quality, quantity delivery of products, features, etc.

- **Market share related information:** This includes information related to the competitors that are selling most products in an organization's target market, changes in market share, organizations that are market leaders, etc.
- **Pricing policy and strategy information:** This includes pricing policy, pricing structure, and strategies of competitors for similar products, discounted price strategy of competitors, comparison that affect an organization's pricing as per competitor's strategy, etc.

Marketing Research: is the systematic design, collection, analysis, and reporting of data relevant to a specific marketing situation facing an organization. A systematic process of identifying different marketing opportunities is known as marketing research. Also, it includes solving marketing problems by customer data that are captured through the analysis of marketing information.

1.6. Types of target markets

1.6.1 The types of target market are as follows:

Type 1: Concentrated Marketing: Through concentrated marketing, the firm gains a strong knowledge of the segment's needs and achieves a strong market presence. Furthermore, the firm enjoys operating economies through specializing its production, distribution and promotion.

The chief advantage of concentrated marketing is that an organization can become a specialist in the needs of the chosen market segment. This enables it to save cost through large runs of a small number of products and it also tends to have a positive impact on advertising and distribution. This type of marketing results in a quasi-monopoly position. Moreover, highly satisfied customers will become strong loyalties.

But the disadvantages of concentrated marketing are:

- The economists believe that "it is wrong to put all the eggs in one basket".
- A company may concentrate on one market segment and it neglects another that might also prove profitable.
- Finally, its demands decrease all of a sudden or with increased competition, which may adversely affect the market share.

Type 2: Undifferentiated Marketing: Contrary to concentrated marketing, in undifferentiated marketing, firms treat the entire market as a target by competing successfully using the same marketing mix. Such a marketing strategy is related to when it is found that there are some products which have a broad – based appeal and hence there is no need for their segmentation. Coca-Cola, Pepsi, Thumps up, Tropicana, etc., are examples of undifferentiated marketing. In undifferentiated marketing, the firm ignores segment differences and goes after the whole market with one offer. It designs a product and a marketing programmer that will appeal to the broadest number of buyers. This type of marketing strategy relies on mass distribution and mass advertising. It aims to place the product with a superior image in people’s minds. Philip Kotler defines undifferentiated marketing as “the marketing counterpart to standardization and mass production in manufacturing”.

The advantages of undifferentiated marketing are:

- The firm can reduce expenses on research and development, production, inventory, transportation, marketing, advertising and product management.
- This cost reduction will help the firm reduce the cost of production and give products and services at lower rates to customers.

Type 3: Differentiated Marketing: In differentiated marketing the firm attempts to appeal to the entire market by designing different products and marketing programmers for different segments of the market. For example- Godrej, Hindustan Lever Limited, etc., have many toilet soaps under different names, for the higher income group, middle income group, lower income group, etc. Differentiated marketing usually involves some differentiation among products and brands as well as in pricing, promotion and distribution.

Example 1: Target market for a farm supply store: Barn Goods is a farm supply store in a rural environment. The local area includes many family cattle farms. Due to the community's remote location, delivery times from online retailers can be long. Barn Goods defines its target market as middle-aged family men who live in the area, farm for a living and need convenient access to farming equipment and feed for their animals. The business closely follows the farmers' cyclical needs. This way, Barn Goods can buy extra inventory before demand grows. They understand that it is important for their business to be a reliable source of essential items.

Example 2: Target market for a fashion boutique: Lovely Dresses is a fashion boutique in a populous city. It has a small showroom and offers a personal shopper to help customers select customized items. Purchases are then made to order and fitted to each buyer. Because of their high level of service and attention to detail, their products are costly. They define their target market as women ages 35–50 with a high income relative to the area's cost of living. Customers in their target market prefer a personalized shopping experience. Finally, they target shoppers who enjoy socializing in the community and want to wear their purchases to events.

1.7. Demand and supply in the market system

1.7.1 Introduction

Price is dependent on the interaction between demand and supply components of a market. Demand and supply represent the willingness of consumers and producers to engage in buying and selling. An exchange of a product takes place when buyers and sellers can agree upon a price. Supply and demand is the give and take of microeconomics. The market would not survive if companies did not provide a product and consumers did not buy those products. A market is essentially any place where suppliers and buyers meet to give and receive goods and services. These market price transactions are considered ethical because those involved are agreeing to adhere to the unspoken rules of the transaction where the seller is happy to accept the money and the buyer is content with paying the given price. Both parties have agreed on the value of the good or service and are making a clean trade.

1.7.2 Comparing and contrasting supply and demand

Although supply and demand works closely together, they are also different concepts that move in unique ways depending on changes in market trends and conditions. Supply has a direct relationship with the price of a product or service, which means that if the price rises, its supply will also increase. Conversely, if the price falls, then the supply will also decrease. Demand has an indirect relationship with the price of a product or service. If the price drops, demand will rise and vice-versa.

Key Differences

- **Supply:** is the amount of product that a company can provide to customers at a specific price.
- **Demand:** is the customer's desire to purchase the product at that price.
- Demand is the equilibrium between the price and quantity demanded of a product or commodity at a certain period. On the contrary, the equilibrium between the price of the product or goods and the quantity supplied at a given period is called supply.
- While the demand curve, as mentioned earlier, slopes downward, the **supply curve** has an upward sloping curve.
- The buyer's paying capacity and willingness at a specific price is demand. In contrast, the quantity the producers of those goods offer to their customers or consumers at a particular price is supply.
- Demand, as stated earlier, has an inverse or the opposite relationship with supply. If demand decreases, then supply increases and vice versa.
- Demand has an opposite or indirect relationship with the price. If the price of the goods increases, the demand decreases. Similarly, if the price of the goods decreases, then the demand increases. However, on the flip side, the price directly relates to supply. If the price decreases, the supply will also decrease, and if the price increases, supply also increases.
- Demand represents the consumer or customer's preferences and taste for a product or the commodity he demands. But, on the other hand, supply represents the firms, which is how much of the goods or items are offered by those producers in that huge market.

Comparative Table 1.2

Basis	Supply	Demand
Definition	Supply is the quantity of a commodity made available to the buyers or the consumers by the producers at a specific price.	Demand is the buyer's desire, willingness, and ability to pay for the service or commodity at a particular price.
The Law	The law of supply states that the higher the price of the goods, the higher the quantity will supply.	The law of demand describes that if all other factors remain equal (Ceteris Paribus), the higher the price of a product

	Therefore, producers are ready to supply more at a higher price. The reason is that selling a higher quantity at a higher price will increase their revenue.	or good, the lesser the people will demand that product or good. Speaking differently, the higher the product's price, the less quantity demanded.
Graph Curve	Since price and quantity move in the same direction, the graph curve for supply will be upward sloping.	The curve for demand would be downward sloping, as the quantity and price have an opposite relationship.
Variations Effects	Supply increases with the demand will lead to a surplus situation. Conversely, when supply decreases, the demand will lead to a shortage.	Demand increases with the same supply will lead to a shortage situation. When demand falls, the supply will lead to a surplus situation.
Representation	One can view supply from the producer's perspective.	One should consider demand from a consumer or the buyer's perspective.
Price Impact	As the product price increases, the supply of the product will also increase. Thus, a direct relationship.	As the product's price increases, the demand for the product decreases. Thus, indicating an inverse relationship.
Time Factor	The supply relationship is a matter of time as it is key to supply because the suppliers must (but not always) react rapidly to a change in price or demand. So, it is very important to determine whether the price difference caused by the demand will be permanent or temporary.	Unlike the supply relationship, the time factor has no impact on the demand relationship.

1.7.3 Supply and demand curves

The supply and demand graphs demonstrate the relationship between price and quantity with a company's supply and demand. The curves used on the graph show the direct result of any major changes. When there is a demand or supply shift, the curve moves accordingly and the laws of supply and demand apply.

A. What is a supply curve: A supply curve on a graph shows the relationship between the amount of supply a company offers and the cost of their goods or services. It is a visual representation of how much more a product will cost to produce at a range of quantities demanded.



Figure 1.5 supply curve

Price is shown on the vertical axis and quantity is shown on the horizontal axis with supply being illustrated using an upward slope. The upward slope demonstrates how expenses react when more or less product is needed. When more money is being spent, more profits are anticipated because the supply is being made to meet expected demand.

B. What is a demand curve: A demand curve on a graph shows the relationship between the number of supply consumers are requiring and the price of a good or service. It represents how much of a product the target audience will need or want at a range of prices.

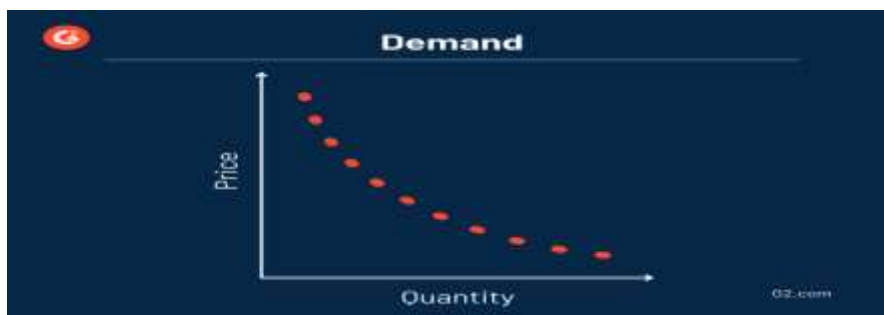


Figure 1.6 demand curve

Price is shown on the vertical axis and quantity is shown on the horizontal axis with demand being illustrated using a downward slope. The downward slope demonstrates how the quantity of products demanded reacts when the price is changed. The law of demand states when there is a price increase, consumer demand decreases. Moreover, when there is a price decrease, consumer

demand increases. This is considered an inverse relationship because price and quantity demanded move in opposite directions on the graph.

C. Achieving equilibrium: A company's market equilibrium price is where the quantity of product supplied meets the quantity of the product demanded. This equilibrium price is the only part of the supply and demand graph where the price can remain constant.

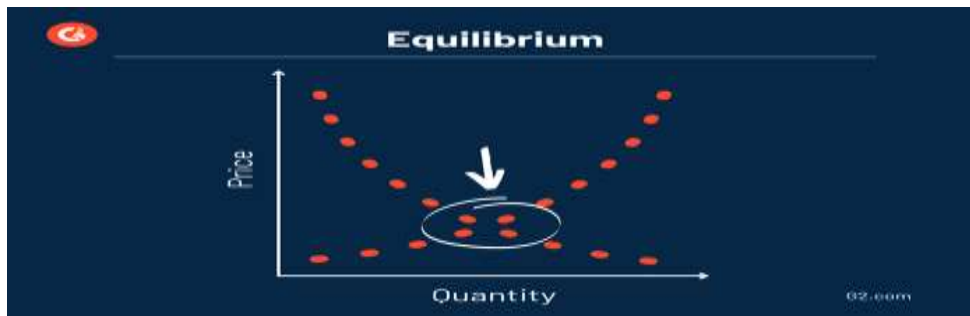


Figure 1.8 Achieving equilibrium

Reaching market equilibrium allows companies to offer a product price that matches the consumer's budget at a reasonable production cost to them. When a price rises too high, companies can be left with higher than expected quantities. This excess supply is considered surplus and is shown anywhere above the equilibrium point on the graph. To reach market equilibrium during a surplus, a company will lower its price to create more demand. As a price falls, so does the product surplus.

1.7.4. Types of demand

Demand is generally classified on the basis of various factors, such as nature of a product, usage of a product, number of consumers of a product, and suppliers of a product. The different types of demand are as follows:

- **Individual and Market Demand:** It refers to the classification of demand of a product based on the number of consumers in the market. Individual demand can be defined as a quantity demanded by an individual for a product at a particular price and within the specific period of time. Market demand is the aggregate of individual demands of all the consumers of a product over a period of time at a specific price, while other factors are constant.

- **Organization and Industry Demand:** This refers to the classification of demand on the basis of market. The demand for the products of an organization at given price over a point of time is known as organization demand. The sum total of demand for products of all organizations in a particular industry is known as industry demand.
- **Autonomous and Derived Demand:** This refers to the classification of demand on the basis of dependency on other products. The demand for a product that is not associated with the demand of other products is known as autonomous or direct demand. The autonomous demand arises due to the natural desire of an individual to consume the product. On the other hand, derived demand refers to the demand for a product that arises due to the demand for other products. Moreover, the demand for substitutes and complementary goods is also derived demand.

Demand for Perishable and Durable Goods: This refers to the classification of demand on the basis of usage of goods. The goods are divided into two categories, perishable goods and durable goods. Perishable or non-durable goods refer to the goods that have a single use. On the other hand, durable goods refer to goods that can be used repeatedly.

Short-term and Long-term Demand: This refers to the classification of demand on the basis of time period. Short-term demand refers to the demand for products that are used for a shorter duration of time or for current period. This demand depends on the current tastes and preferences of consumers. On the other hand, long-term demand refers to the demand for products over a longer period of time.

Self-check 1	Written test
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Name..... ID..... Date.....

Directions: Answer all the questions listed below.

Test I: Choose the best answer

1. What is a marketing information system?

- A. A software application that helps a company analyze marketing data, customer information, and competitor data
- B. A system that focuses solely on historic marketing activities and results
- C. A smart phone app that helps consumer's comparison shop for products
- D. A program focused on the youth market that compares product features and helps a company rank their products with shoppers between the ages of 13-18

2. What is one of the benefits of a marketing information system?

- A. It provides you with information about your customers' buying habits and wants
- B. It helps you understand what motivates people to buy a product
- C. It helps you know more about your competitors' actions
- D. All of these are benefits

Test II: Short Answer Questions

Defining key concepts - ensure that you can accurately define main terms, such as target market?

Review the activity student worksheet

- Student Worksheet: **Choosing a Target Market**
- Instructor Solutions (Members Only): **Choosing a Target Market = Solutions**

Student Discussion Activity

Best Target Market: Your task in this activity is to review the table below, which provides top-level information for eight different market segments. Based upon the information provided, you need to identify target market would you select as the best one/s to pursue, as well as addressing the various questions presented.

Segment	Size \$m	Growth %pa	Competitiveness	Access to Retailers
A	100	5	Medium	Easy
B	100	20	Aggressive	Hard
C	75	5	Medium	Medium
D	75	20	Aggressive	Hard
E	50	5	Friendly	Easy
F	50	20	Medium	Easy
G	25	5	Friendly	Easy
H	25	20	Medium	Easy

Student Discussion Questions

- Which segment/s are the most attractive? Why?
- Which segment/s would you NOT target? Why not?
- In real business life, what other information would you need to help you select the best target market for a firm?

Operation Sheet 1	
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Steps to understanding how target markets are identified and created

Case study: Suppose you are selling automotive detailing products. Is your target “anyone with money to pay for your product?” Or are you focusing your efforts on a tightly defined market niche of people with an identified need for what you are selling? “Anyone with money” is such a broad audience that it’s difficult to make any impact at all with your marketing efforts or convince very many people that they need your product. If you narrow and carefully define your target market, though, your efforts will be more fruitful because they’re focused on people with a preexisting need or interest in what you offer.

Tools and equipment’s

- i. Laptop
- ii. People
- iii. Stationary
- iv. Budget

Step 1: Identify the Business Need You Address: To define your total market, start by stating the needs you will fulfill: Who are your products or services intended for? Who do you want to do business with? What is unique about your product? If you’re selling products used in automotive detailing, your total market consists of vehicle owners—that is, all the people who could potentially buy your product. Your business will help them keep their vehicles clean and shiny.

Step 2: Segment Your Total Market: Next, break down this large market into smaller sections, using a process known as segmentation. You can use a variety of approaches to segment your total market into groups with common wants or needs. In this case, we can segment by vehicle ownership and related behavior. Specific segments might include the following:

- People who restore classic automobiles
- People who drive old clunkers and run them through the car wash occasionally
- People who own “status” cars
- Truck drivers
- Motorcycle owners



Figure: 1.9 Segments Your Total Market

Which of these subgroups are likely to be your most productive market niche(s)? You recognize that auto owners who don't care about keeping their cars clean and shiny probably won't be very interested in your products. Then there are those who care, but they lack the time and interest to do the work themselves. They take their vehicle to a shop. Others only worry about auto detailing only when it's time for a trade-in. You reject these segments as unsuitable for your niche market because they probably don't care enough about what you offer.

After further consideration and research, you decide that your market segment will be automobile owners who have both the time and the interest to do their own detailing work—people who enjoy puttering with their vehicles, who have the time to spend, and who take pride in their vehicle's appearance. You need to conduct research to confirm that there are enough potential customers in that group to support your business. You should also do competitive analysis to confirm that what you are offering is not readily available to them elsewhere. With this validation, you move to step three.

Step 3: Profile Your Target Customer Segments: Next, develop profiles of your target customer(s) to get a true picture of the people you're trying to serve. Describe these potential customers as fully as you can. Who will actually buy your product? What do you know about them? Where are they situated geographically? How much do they spend on car detailing? What are they likely to spend on your products? Where do they shop? What is their annual income? What languages do they speak? What kinds of automobiles do they drive? If you are selling

online, what methods do they prefer for online payment? What type of Web sites do they visit? How do they want their product delivered? Identify your customer profile before you conduct market planning, so that your planning is a good fit for your customers' behaviour, interests, and needs.



Figure1.10 Profile Your Target Customer Segments

Step 4: Research and Validate Your Market Opportunity: Now that you have fully identified your target market, conduct research to verify that there will be enough business in this group to support your company in its growth. This process confirms that the need actually exists and that it's not just wishful thinking on your part. Use both primary and secondary sources in your research. You might consult business directories, obtain statistics regarding automobile owners and their car-care practices, or locate newspaper articles and magazine stories written on the subject. You can also conduct your own market research using techniques such as surveys, focus groups, interviews, and so forth.

Your research should also determine the size of the market opportunity in terms of revenue as well as your potential market share. You can use primary and secondary sources to find out how many potential customers there are in the geographic area you have defined and how many businesses are directly or indirectly competing with you. Your market share will be the number of customers likely to buy from you rather than from your competition. Having defined and validated your target market, you are now better positioned to develop a marketing plan that will reach your potential customers. Perhaps your sales will take off right away—a great problem to have.

Lap Test 1	Performance Test
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Name..... ID..... Date.....

Time started: _____ Time finished: _____

Instructions: Given necessary templates, tools and materials you are required to perform the following tasks within 1 hour. The project is expected from each student to do it.

Task -1: perform how target markets are identified and created in cooperative marketing.

LG #15

LO #2 Obtaining market data

Instruction sheet

This learning guide is developed to provide you the necessary information regarding the following content coverage and topics:

- Sources of market information
- Survey tools for market information
- Data collection methods

This guide will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:

- List the sources of market information
- Identify survey tools for market information
- Describe data collection methods

Learning Instructions:

1. Read the specific objectives of this Learning Guide.
2. Follow the instructions described below.
3. Read the information written in the information Sheets: Try to understand what are being discussed. Ask your trainer for assistance if you have hard time understanding them.
4. Accomplish the Self-checks which are placed following all information sheets.
5. Perform Operation Sheets
6. Do the “LAP test”
7. Ask from your trainer the key to correction (key answers) or you can request your Trainer to correct your work.

Information Sheet 2

2.1. Sources of market information

2.1.1 Sources of Information

Information from Communication: Information can be gathered from the respondents in various ways by communicating with them. One of the most widely used devices is surveys in which a group of people are asked questions and the people respond to the questions. Personal interviews, telephonic interviews, mail questionnaires etc. all form a part of surveys. Questioning a respondent is virtually a necessity if one wants to obtain information about the level of knowledge, attitude, opinion, motivation or intended behavior.

Information from Observation: Relevant information from many marketing problems may be obtained by observing either present behavior or the result of a past behavior. Observation methods make it possible to record behavior as it occurs and thus eliminate errors arising from the reporting of the behavior.

2.1.2 Sources of marketing information

The three sources of marketing information are internal, external, and marketing research. The process they follow is to first identify the types of information needed, determine the available sources of each type of information, evaluate each source to determine if it meets the needs, select the sources that best meet the needs, and lastly enter the information into a marketing information system.

Describe the precautions that must be taken when collecting primary data for a market research study. The precautions that must be taken when collecting primary data for a market research study is to plan in advance, they cannot influence the information, and they have to be careful when gathering directly from people to respect their privacy.

A. Discretionary purchases: purchases that are not essential, so consumers can decide whether or not to purchase them

B. Internal information: information developed from activities that occur within the organization. e.g:

- customer records and sales information
- production and operation reports
- performance information

Internal sources include accounting information (Trading Profit & Loss A/c and Balance Sheets of different years), salesmen's reports, statistics in relation to advertisement expenditure, transportation costs etc. Information from internal sources is easily available and no financial burden is involved in gathering the information.

C. External information: provides an understanding of factors outside of the organization. e.g :

- government reports
- trade and professional associations
- business publications
- commercial data and information services

External sources data can be divided with two categories:

a. Primary Data: This refers to the information collected by the researcher from original sources. It is not a published data; it has to be gathered by the researcher himself by tapping various resources. Primary data is usually collected for specific purposes.

The main sources from where primary data can be obtained are:

- **Salesmen:** Salesmen are the most important source of providing firsthand information. They are appointed by the owners for the sale and promotion of its products. They have a direct link with the consumers understand tastes, preferences and buying habits of the consumers.
- **Dealers:** This is another source of collecting primary data. Valuable information can be collected with regard to demand of the product from retailers. Information about the marketing policies of competitors can also be gathered from the dealers.
- **Consumers:** Representative samples of consumers may be selected for conducting thorough investigation with regard to price, quality and use of the product. This method of collection data is very reliable as it establishes direct link between producer and the consumer.

b. Secondary Data: Secondary data is already existing which has been collected and published by some individuals or institutions. This data is available at a very low cost and it requires lesser time to collect it. The main sources of secondary data are:

- Periodicals and Newspapers:
- Govt. Publications and Reports:
- Promotion Council
- Published Surveys Of Markets:
- Foreign Govts, And International Agencies:

2.1.3 Definition of a marketing information system

A marketing information system is a tool used by managers and marketing teams to collect, store, and analyze data properly. In other words, if marketing information management is the “what,” then a marketing information system is the “how,” and an efficient system can show you “why” marketing metrics are important. To set one up, begin with acquiring data. Every marketing information system uses these four building blocks:

- Third-party databases
- Owned data
- Marketing intelligence tools
- Additional marketing research

2.1.4 How to use Write as your marketing information system

Follow these step by step instructions to create a marketing information system the whole team can adopt quickly and easily:

Step 1 Establish priorities: Determine which marketing research methods you will use and what information you’ll need to collect and upload to write. Start with any data sources that are frequently used.

Step 2 Designate folders: Open four new folders and name them after the building blocks of marketing information management: third party databases, internal data, marketing intelligence reports, and additional marketing research. Add a sentence or two explaining the purpose of the folder. Then, put a list that includes all major information sources you plan to use for that category/folder.

Step 3 Add tasks: Set up one-time tasks such as connecting your sales CRM to Write. Then set up recurring tasks like adding all social media profile analytics reports to your designated folder every month.

Step 4 Assign duties: When you have your tasks sorted, assign them to relevant team members. Add approvers who can either hold them accountable or use the information for their next step of the project.

Step 5 Automate reminders: Add **task** dependencies so that the minute one task ends, an automated email notification is sent to the assignee of the next task. You can also **automate and streamline marketing campaigns** in Write all at the same time.

Step 6 Create subfolders: Label them by date, source, or project. Formalize your system but remember to keep it flexible. You may find your first labels aren't the most efficient later on.

Step 7 Include tags: Use key project phrases, stages of your sales funnel, or even client account names to make your system easier to search through. You can always loop team members into specific conversations or files using @ mentions too.

Step 8 Draft compliant workflows: Visualize your market research workflow and marketing information management system with a **Gantt chart**. Update it as compliance regulations change so that the entire organization can stay on top of these important rules.

Step 9 Integrate research tools: Write integrates with hundreds of data resources you already use for reporting and communicating with customers. Sync your favorite tools with this marketing information management system to save time flipping between windows.

Step 10 Give proper access: In addition to marketing operations management, you'll need to grant access to any department or team that can contribute information to your system. Edit their access level to keep data safe or make it easier for certain users to view what they need right when they need it.

2.2 Basic tools for data collection

Data collection methods are how you go about collecting the data you need. Some of these methods work best for qualitative research while others are more effective for gathering quantitative data. You want to make sure that the research methods you choose can collect the data that you need for your business.

A list of basic data collection tools includes the following;

Interviews: Interviews are probably the most common tool used in planning, monitoring and evaluation. They can be carried out with one person at a time (individual interviews) or groups of people. They can be administered formally or informally. They can be carried out face-to-face or through remote media such as **telephone and Skype**.

Focus group discussions: are facilitated discussions, held with a small group of people who have specialist knowledge or interest in a particular topic. FGDs are typically carried out with around 6-12 people, and are based around a short list of guiding questions, designed to probe for in-depth information. FGDs are often used to solicit the views of those who would not be willing or able to speak up at larger group meetings.



Figure 2.1 Focus group discussions

Observation: At its most simple, observation involves ‘seeing’ things – such as objects, processes, relationships, events and formally recording the information. Expert observation is usually carried out by someone with specific expertise in an area of work, and involves the expert observing and recording information on a subject. Observation may also be carried out as a **participatory exercise**.

Photography and video: Photographs and videos show still or moving images. Photographs can be used on their own but they are more often accompanied by written captions, providing additional information. Videos are often accompanied by a commentary.

Case studies and stories of change: A case study is not a data collection tool in itself. It is a descriptive piece of work that can provide in-depth information on a topic. It is often based on information acquired through one or more of the other tools described in this paper, such as interviews or observation. Case studies are usually written, but can also be presented as

photographs, films or videos. Case studies often focus on people (individuals, households, communities).

Surveys and questionnaires: These are designed to collect and record information from many people, groups or organizations in a consistent way. A questionnaire is a form containing questions. It may be a printed form or one designed to be filled in online. Questionnaires may be administered in many different ways. A survey, by contrast, is normally a large, formal exercise.

2.3. Data collection methods

2.3.1 Introduction

You have now learned about evaluation questions and evaluation designs to match these questions. In this topic, you will be looking at how you will collect the data to answer your evaluation questions. The topic begins with information you need to know about data collection and ends with a ways to collect data. The data collection technique you choose will depend on the situation. Each technique is more appropriate in some situations than others. All can be systematic, however, even if they vary in the amount of structure used. No matter which method you choose to gather data from people, all the information you gather is potentially subject to bias – a partiality that prevents people from considering (or presenting) facts objectively. When asked to provide information about themselves, they may or may not tell you the whole truth. It might be because they do not remember accurately, or they fear the consequences of providing a truthful answer. They may also be embarrassed or uncomfortable about admitting things they feel will not be socially acceptable.

2.3.2. Meaning of data Collection

- Data is a collection of facts, figures, objects, symbols, and events gathered from different sources. **Organizations collect data to make better decisions.** Without data, it would be difficult for organizations to make appropriate decisions, and so data is collected at various points in time from different audiences.
- **Data collection** is a systematic process of gathering observations or measurements. Whether you are performing research for business, governmental or academic purposes, data collection allows you to gain first-hand knowledge and original insights into your **research problem.**

- Data collection is the methodological process of gathering information about a specific subject. It's crucial to ensure your data is complete during the collection phase and that it's collected legally and ethically. If not, your analysis won't be accurate and could have far-reaching consequences.

2.3.3 Data types

Data can take many different forms. It can be numbers and statistics, narratives, recordings, images, or ratings, to name a few. But all of these different forms fall into **two main categories of data**. These are qualitative data and quantitative data.

- Qualitative data:** include all of the information that you gather to describe something. With qualitative data, you aren't collecting numbers and statistics. Instead, you're focusing on text, images, observations, and recordings. Qualitative research uses mainly open-ended questions, which means that people aren't restricted to specific answer choices. They are able to fully express their ideas however they want. Because of the nature of qualitative data, analysis and interpretation traditionally requires more time and expense. People's thoughts are not usually expressed in exactly the same way, so the people who are collecting the information have to take time to classify data according to their needs. Qualitative research traditionally includes fewer participants than quantitative research because of the amount of effort it takes for data analysis.
- Quantitative data:** While qualitative research requires more time and leads to highly descriptive data, quantitative research focuses on numbers and statistics. With quantitative data collection, you will usually see closed-ended questions. These questions offer specific answer choices where the researcher can then use the information gathered for statistical analyses. Quantitative data collection methods are commonly used, and sometimes preferred, because they're faster to develop, it's easier to gather information from a large number of respondents, and data analysis requires significantly less time. Often, researchers are able to use computer programs.

2.3.4 Data collection important

Collecting data is integral to conducting market research. Organizations connect with stakeholders: such as prospects, customers, competitors, investors, and employees : to learn more about their target market and how they can better serve them. The data an organization collects can steer its entire business strategy, so it's vital for the data to be high- quality, secure, and relevant. “Data collection is the first and most-needed step to research the market,” says Daniela Sawyer, the founder of **Find People Fast**, a SaaS platform. “Product demand and the possible price are fixed after researching the market.” Collecting data directly from a source (meaning firsthand feedback from your audiences, as opposed to secondhand data from other sources) ensures its accuracy.

2.3.5 Common Data Collection Methods

a. Participatory Data Collection: Participatory data are data that are collected when interacting with people. Examples of participatory data are:

- **Transect walks:** walks that researchers take around a community observing the people, surroundings, and resources, and which can help identify issues that might need further investigation.
- **Social mapping:** can be used to present information on village layout, infrastructure, demography, ethno linguistic groups, health patterns, wealth and other community issues.
- **Community meetings:** information gathered during meetings of people in the community, such as comments, questions asked, etc.

b. Available Data: Sometimes data have already been collected that can be used to answer our questions. Examples of typical sources of available data:

- files/records
- computer data bases
- industry reports
- government reports
- other reports or prior evaluations
- census data
- Documents (budgets, policies and procedures, organizational charts, maps).

- c. **Observation:** Observation enables you to see what is happening. You can see a lot by just looking around. When you use observation techniques, you can be an observer in one of three ways: unobtrusive, participant, or obtrusive.
- **Unobtrusive Observer:** No one knows you are observing. For example, if you visit a local market that has been given resources for development, you can observe the activity within the shops, the traffic in the area, and may even enter into casual conversations with shoppers.
 - **Participant Observer:** You actually participate in the activity, typically without anyone knowing you are observing. For example, you may make some purchases in the local market as if you were just a regular shopper but you really are evaluating the merchant-shopper interactions.
 - **Obtrusive Observer:** The people being observed know you are there to observe them. For example, if you come into the marketplace with a clipboard and video camera and are introduced as an observer, then everyone knows you are there and for what reason.
- d. **Surveys:** Surveys are great for collecting data about people’s perceptions, opinions, and ideas. They are less accurate in measuring behavior because what people say they do may or may not reflect what they actually do. Surveys can be either structured or semi-structured.
- **Structured surveys** are precisely worded with a range of pre-determined responses that the respondent can select. Everyone is asked exactly the same questions in exactly the same way, and is given exactly the same choices to answer the questions. The time to use two options is when, for example, you want only a “yes” or “no” answer.
 - **Semi-structured surveys** ask the same general set of questions, but leave many, if not all, of the answers opened ended. Example of a structured question: To what extent, if at all, has this workshop been useful in helping you to learn how to evaluate your program?
 - ✚ little or no extent
 - ✚ some extent
 - ✚ moderate extent
 - ✚ great extent
 - ✚ very great extent

- **Techniques for Interviewing:** In this section you will learn how to interview to collect your survey data. You will find the following information:
 - ✚ developing an interview
 - ✚ suggestions for interviewing people
 - ✚ obtaining participation for in-person interview
 - ✚ dealing with cultural difference

Developing an Interview

Step Procedure

Step 1: Define the purpose of the interview. Link your purpose to the evaluation objectives.

Step 2: Decide whether you want to ask open-ended or close-ended questions.

Step 3: Draft interview questions and sequence the questions so they flow.

Step 4: Prepare an Introduction and Closure for the interview, including:

- purpose of the interview
- how and why they were selected
- close with asking whether they have questions or comments
- thank you and follow-up

Step 5: Prepare to record responses.

Step 6: Pre-test the instrument

e. Focus Groups: A focus group is a type of qualitative research methodology in which small homogenous groups of people are brought together to informally discuss specific topics under the guidance of a moderator. But the structure of the focus group is anything but informal. There is a script, a set of open-ended questions that are prepared ahead of time. The group process tends to elicit more information than individual interviews because people express different views and engage in a dialogue with each other.

The purposes of focus groups can also be grouped into four categories:

A. exploring

- explore issues, language
- test methodological approaches
- understand the setting

- formulate hypotheses

B. triangulating

- use multiple methods to enhance validity of data
- enrich and broaden data

C. pre-testing

- test questionnaire items
- assess initial reactions to programs, products, or ideas
- explore impacts on relevant groups

D. uncovering meaning

- identify meaning on multiple levels
- explore unexpressed meanings, beliefs, values, and motivations
- Elaborate upon complex accounts

Typical Elements of Focus Groups: The following are common elements of most focus groups.

- Small groups (6-12 people)
- The composition of people in a focus group depends upon the purpose of the focus group. Some focus groups are homogenous; others are diverse.
- comfortable, safe surroundings
- refreshments are essential
- Monetary incentives may be used.
- Transportation and/or childcare arrangements are often needed
- skilled moderator (or facilitator)
- note taker (takes notes, manages the audio taping and handles whatever comes up)
- Sessions are tape-recorded and ideally, a verbatim transcript is prepared for each focus group.

Key steps Focus Group

Step 1: Clarify the key research questions

Step 2: Design the research approach

Step 3: Develop your protocol (moderator's guide)

Step 4: Recruit your participants

Step 5: Specify your moderation techniques

Step 6: Debrief observers/researchers/clients and record additional information

Step 7: Analyze your data

Step 8: Present your findings

Step 9: Follow-up with your client

f. Diaries, Journals, and Self-reported Checklists: Diaries can be used in situations where you want to capture detailed information about events in people's daily lives. For example, you might want to know how people use their time during the day or to learn about a typical day in the lives of people in a community. You might want to ask people to keep a diary of their daily exercise or their diet. Diaries, ideally, are kept on a daily basis so that people can more accurately remember. It is a useful tool to supplement other data collection. It does require that people be literate and be willing to take the time to maintain the diary.

g. Expert Judgment: Sometimes it makes sense to engage experts as the source of information or opinion. Consider the role of a book critic or a movie critic. They are considered experts in their field. People use the expert's judgments to make decisions or choices. Expert judgment can be used to gather information. Some of the ways expert judgment has been used in evaluation are:

- formal professional review systems
- informal professional review systems
- ad hoc panel reviews
- Ad hoc individual reviews.

Self-Check 2

Written test

Name..... ID..... Date.....

Directions: Answer all the questions listed below

Test I: Short Answer Questions

1. Write Methods of primary and secondary data collection?

Case study: Decide whether the data collection technique consists of survey, an observational study, or an experiment. If an experiment is used, identify the treatments used and what is being measured. Then state one potential source of bias; if you cannot identify a source of bias, explain why.

2. Nick stood outside a movie theater and asked many of the patrons if the movie they saw was good.

a. Identify which type of data collection was used. Explain your reasoning.

Survey: Nick did not assign views to watch movies (experiment) and he must ask questions to get his data. k

b. If this is an experiment, identify the treatments and what is being measured in each scenario.

Not experiment

c. Identify at least one source of potential bias; if you cannot identify a source of bias, explain why.

Bias: since the movies let out at different time , nick may be surveying people who all saw movies , and all have similar views .

3. Elise gave each member of the class a Random cookie, some from recipe A and some from recipe B. then she observed which students returned for a second cookie.
 - a. Identify which type of data collection was used. Explain your reasoning.
Experiment, Elise randomly decides who would receive different treatment.
 - b. If this is an experiment, identify the treatments and what is being measured in each scenario.
Different cookies, recipes are the treatment.
 - c. Identify at least one source of potential bias; if you cannot identify a source of bias, explain why.

People who write reviews on line tend to feel strongly about the product they are reviewing. Many people who like a product may not feel compelled to review it on line; people who dislike a product may be more inclined to take the time to share their views.

A potential source of bias is the fact that Elise gave away cookies. Many people will take two cookies, even if the first one isn't any good.

4. Steven observed students enter a classroom for class; and recorded whether the first half of the students who arrived for class chose to sit in the front half of the room.
 - a. Identify which type of data collection was used. Explain your reasoning

Observational study. Steven did not randomly assign treatments or ask questions to collect his data; he collected data solely from

- b. If this is an experiment, identify the treatments and what is being measured in each scenario.

Not an experiment.

- c. Identify at least one source of potential bias; if you cannot identify a source of bias. Explain why

5. Jill searched the Internet to find comments and reviews from people who owned the type of cell phone she was thinking of buying.
 - a. Identify which types of data collection were used. Explaining your reasoning
 - b. Identify at least one source of potential bias; If you cannot identify a source of bias. explain why.

Test II: Multiple choices

1. Which one is not a form of collecting data?
 - A. Observations
 - B. Interviews
 - C. Records
 - D. These are all forms of collecting data
2. Watching something or someone is a form of what method of data collection?
 - A. Observations
 - B. Interviews
 - C. Surveys
 - D. Measurements
3. What type of market consists of a defined group most likely to buy a company's products or services?
 - A. Focus group
 - B. Target market
 - C. Objective market
 - D. Concentration zone
4. A (n) _____ consists of people and procedures dedicated to assessing information needs, developing the needed information, and helping decision makers use the information to generate and validate actionable customer and market insights.
 - A. Enterprise planning system
 - B. Enterprise information system
 - C. Marketing information system
 - D. Corporate performance management system
 - E. Geographic information system
5. If you want to collect information about peoples' perceptions, opinions, and ideas, data collection techniques would be a good choice?
 - A. Open-ended survey
 - B. Observation
 - C. Available data
 - D. Self-report checklist
6. If you want to collect information about peoples' actual behavior which of the following data collection techniques would be a good choice?

Operation Sheet 2	Procedure of Developing an Interview
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A. Tools and equipment's

- i. Stationary
- ii. Laptop
- iii. Telephone mobile
- iv. photographs, films or videos

B. Procedure of Developing an Interview

Step 1: Define the purpose of the interview: Link your purpose to the evaluation objectives.

Step 2: Decide whether you want to ask open-ended or close-ended questions.

Step 3: Draft interview questions and sequence the questions so they flow.

Step 4: Prepare an Introduction and Closure for the interview, including:

- purpose of the interview
- how and why they were selected
- close with asking whether they have questions or comments
- thank you and follow-up

Step 5: Prepare to record responses.

Step 6: Pre-test the instrument.

Lap Test 2	Practical Demonstration
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Name.....

ID.....

Date.....

Time started: _____ Time finished: _____

Instructions: Given necessary templates, tools and materials you are required to perform the following tasks within 2 hour. The project is expected from each student to do it.

Task-1: Apply Procedure of Developing an Interview

Task -2: perform how to use as your marketing information system

LG #16	LO #3 Processing and analyzing market data
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Instruction sheet

This learning guide is developed to provide you the necessary information regarding the following content coverage and topics:

- Meaning and types of data processing
- Steps in data processing
- Data analysis and interpretation data

This guide will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:

- Explain the meaning and types of data processing
- List the steps of data processing
- Analyze and interpret data

Learning Instructions:

1. Read the specific objectives of this Learning Guide.
2. Follow the instructions described below.
3. Read the information written in the information Sheets: Try to understand what are being discussed. Ask your trainer for assistance if you have hard time understanding them.
4. Accomplish the Self-checks which are placed following all information sheets.
5. 5.Perform Operation Sheets
6. 6.Do the “LAP test”
7. 7. Ask from your trainer the key to correction (key answers) or you can request your Trainer to correct your work.

Information Sheet 3

3.1. Meaning and types of data processing

3.1.1 Introduction

Data Processing is a method of manipulation of data. It means the conversion of raw data into meaningful and machine-readable content. It basically is a process of converting raw data into meaningful information. “It can refer to the use of automated methods to process commercial data.” Typically, this uses relatively simple, repetitive activities to process large volumes of similar information. Raw data is the input that goes into some sort of processing to generate meaningful output.

Types of Data Processing

There are different types of data processing techniques, depending on what the data is needed for. In this article, we are going to discuss the five main types of data processing.

- Commercial Data Processing:** means a method of applying standard relational databases, and it includes the usage of batch processing. It involves providing huge data as input into the system and creating a large volume of output but using fewer computational operations. Many manual works are automated through the use of computers to make it easy and error-proof. Computers are used in business to take raw data and process it into a form of information that is useful to the business. Accounting programs are prototypical examples of data processing applications.
- Scientific Data Processing:** Unlike commercial data processing, scientific data processing involves a large use of computational operations but lower volumes of inputs as well as outputs. The computational operations include arithmetical and comparison operations. In this type of processing, any chances of errors are not acceptable as it would lead to wrongful decision-making. Hence the process of validating, sorting, and standardizing the data is done very carefully, and a wide variety of scientific methods are used to ensure no wrong relationships and conclusions are reached.

- **Batch Processing:** means a type of Data Processing in which a number of cases are processed simultaneously. The data is collected and processed in batches, and it is mostly used when the data is homogenous and in large quantities. Batch Processing can be defined as the concurrent, simultaneous, or sequential execution of an activity. Simultaneous Batch processing occurs when they are executed by the same resource for all the cases at the same time.
- **Online Processing:** In the parlance of today's database systems, "online" signifies "interactive", within the bounds of patience." Online processing is the opposite of "batch" processing. Online processing can be built out of a number of relatively more simple operators, much as traditional query processing engines are built. Online Processing Analytical operations typically involve major fractions of large databases.
- **Real-Time Processing :** The current data management system typically limits the capacity of processing data on an and when basis because this system is always based on periodic updates of batches due to which there is a time lag of many hours in happening of an event and recording or updating it. This caused a need for a system that would be able to record, update and process the data on as and when basis, i.e. in real-time which would help in reducing the time lag between occurrence and processing to almost nil.

3.2. Steps in data processing

3.2.1 What Is Data Processing?

Data in its raw form is not useful to any organization. Data processing is the method of collecting raw data and translating it into usable information. It is usually performed in a step-by-step process by a team of **data scientists** and **data engineers** in an organization. The raw data is collected, filtered, sorted, processed, analyzed, stored, and then presented in a readable format.

Data processing is essential for organizations to create better business strategies and increase their competitive edge. By converting the data into readable formats like graphs, charts, and documents, employees throughout the organization can understand and use the data.

3.2.2 Data Processing Cycle

The data processing cycle consists of a series of steps where raw data (input) is fed into a system to produce actionable insights (output). Generally, there are six main steps in the data processing cycle:

Step 1: Collection: The collection of raw data is the first step of the data processing cycle. The type of raw data collected has a huge impact on the output produced. Hence, raw data should be gathered from defined and accurate sources so that the subsequent findings are valid and usable. Raw data can include monetary figures, website cookies, profit/loss statements of a company, user behavior, etc.

Step 2: Preparation: Data preparation or data cleaning is the process of sorting and filtering the raw data to remove unnecessary and inaccurate data. Raw data is checked for errors, duplication, miscalculations or missing data, and transformed into a suitable form for further analysis and processing. The purpose of this step is to remove bad data (redundant, incomplete, or incorrect data) so as to begin assembling high-quality information so that it can be used in the best possible way for business intelligence.

Step 3: Input: In this step, the raw data is converted into machine readable form and fed into the processing unit. This can be in the form of data entry through a keyboard, scanner or any other input source.

Step 4: Data Processing: In this step, the raw data is subjected to various data processing methods using machine learning and artificial intelligence algorithms to generate a desirable output. This step may vary slightly from process to process depending on the source of data being processed (data lakes, online databases, connected devices, etc.) and the intended use of the output.

Step 5: Output: The data is finally transmitted and displayed to the user in a readable form like graphs, tables, vector files, audio, video, documents, etc. This output can be stored and further processed in the next data processing cycle.

Step 6: Storage: The last step of the data processing cycle is storage, where data and metadata are stored for further use. This allows for quick access and retrieval of information whenever needed, and also allows it to be used as input in the next data processing cycle directly.

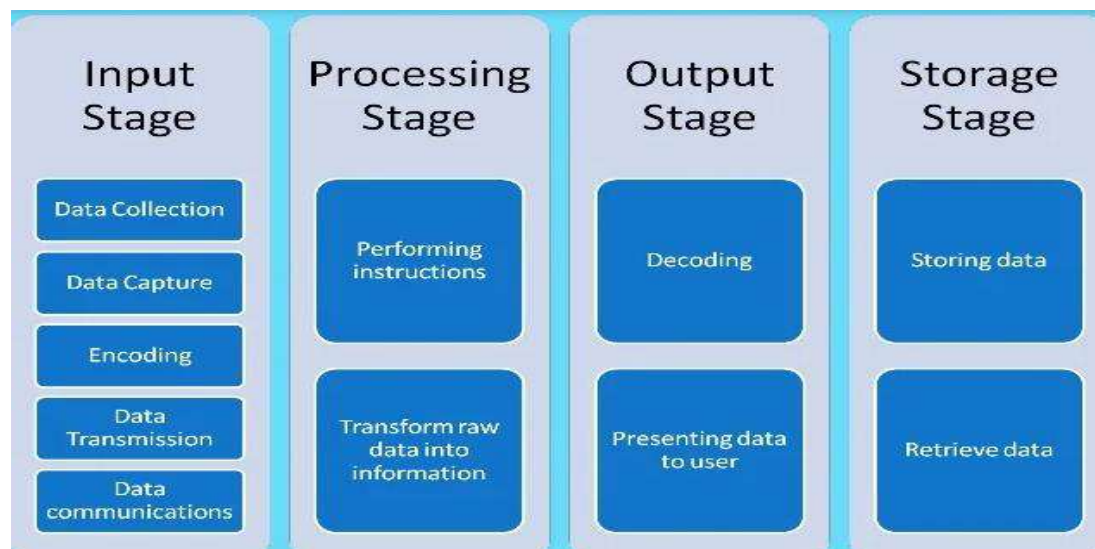


Figure 3.1 Data Processing Cycle

3.3 Data analysis and interpretation

3.3.1 INTRODUCTION

Data, as we know, is available to us in the raw form of information. The raw piece of information has a journey of its own before it converts into insightful data. These chunks of information can be hard to understand in their crude form and cannot be directly fed into the algorithms. It goes through a series of steps. The two most important steps in this ladder are Data Analysis and Data Interpretation. Some of us may have thought these terms are synonyms of each other. It is not so. These two are entirely different processes and also follow a chronology in the life cycle of data science.

3.3.2 Definition of data Analysis.

Data analysis is described “as the process of bringing order, structure, and meaning” to the collected data. The data analysis aims to unearth patterns or regularities by observing, exploring, organizing, transforming, and modeling the collected data. It is a methodical approach to apply statistical techniques for describing, exhibiting, and evaluating the data. It helps in driving meaningful insights, form conclusions, and support the decisions making process. This process

of ordering, summarizing data is also to get answers to questions to test if the hypothesis holds. Exploratory data analysis is a huge part of data analysis. It is to understand and discover the relationships between the variables present within the data.

3.3.3 Types of data analysis

- a. **Descriptive Analysis:** Descriptive Analysis, as the name says, describes the data. The foundation step simply looks at the past data and tells what has happened in the past. It captures and summarizes the past using measures of central tendency, measures of dispersion, visualizing using dashboards. This analysis helps understand how the data is present and does not make any predictions or answers why something has happened. It is useful for generating reports, tracking Key Performance Indicators (KPIs), sales leads, and revenue reports.
- b. **Diagnostic Analysis:** After identifying what has happened, the next logical step in the process is to find the answer to why something has happened. Diagnostic analysis helps dig further by creating detailed, informative, dynamic, and interactive dashboards to answer that. It separates the root cause of the problem and identifies the source of the patterns. It is also useful in anomaly detection and the factors that affect the business. It can be applied to determine which factors led to improvement in sales.
- c. **Predictive Analysis:** After detecting the root cause of the problem and understanding the causal relationship between the variables, one would want to know if the event is likely to happen again? Predictive analysis is all about that. It predicts the likelihood of an event, forecasting any measurable amount, risk assessment, and segmenting customers into groups. Since it forecasts the occurrence of an event, it employs probability. Along with the previous summarized and root cause analysis, the models use statistics and machine learning algorithms for predicting future outcomes.
- d. **Prescriptive Analysis:** The prescriptive analysis is result-oriented. It collaborates the learning's from the what, why has happened with what is likely to happen to help with what measures to maximize the primary business metrics. It prescribes the best course of action,

strategies. The prescriptive analysis is not predicting one individual standalone event but a collection of future events using simulation and optimization. It is heavily applied in the financial, social media, marketing, and transportation domains.

- e. Cognitive Analysis:** This advanced type of analysis aims to mimic a human brain to perform tasks like a human does. It combines technologies such as artificial intelligence, semantics, machine learning, and deep learning algorithms. It learns and even generates data using the already available data and retrieves features and hidden patterns. Real-time data cognitive analysis is heavily employed in **image classification and segmentation**, detection of objects, machine translations, virtual assistants, and chat bots.

3.3.4 Definition of data Interpretation

Data interpretation is the process of assigning meaning to the processed and analyzed data. It enables us to make informed and meaningful conclusions, implications, infer the significance between the relationships of variables and explain the patterns in the data. Explaining numerical data points and categorical data points would require different methods; hence, the different nature of data demands different data interpretation techniques.

There are two primary techniques available to understand and interpret the data:

- 1) Quantitative, and
- 2) Qualitative

Quantitative Methods: The quantitative data interpretation technique is applicable for the measurable or numerical type of data. The numerical data is of two types:

- **Discrete:** countable, finite quantities. Eg: the number of ice-creams
- **Continuous:** not countable. Eg: height, weight, time, speed, humidity, temperature.

There are two most commonly used quantitative data analysis methods are:

- i. Descriptive Statistics:** this field of statistics focuses on describing the data, its features. It comprises of two categories: measures of central tendency (mean, median, mode, and measures of dispersion or variability, which tell how much spread is there in the data or the data varies.

ii. **Inferential Statistics:** this branch of statistics generalizes or infers how the larger data is, its features based on the sample taken from this larger data.

Qualitative Methods: Qualitative methods are implemented to analyze the textual and the descriptive data called the categorical data. Text data is usually unstructured. The qualitative data is subdivided further based on their characteristics:

- **Nominal:** The attributes have no ranking or order. Eg: Region, Gender, Classes in school
- **Ordinal:** The attributes are ranked or ordered in a sequence. Eg: Grades
- **Binary:** It has only two categories. Either yes or no, Class 1 or 0.

3.3.5 Importance of Data Analysis and Interpretation

Data analysis aims to bring order and structure to data by manipulating, summarizing, and reducing it to an interpretable form. It helps to uncover the patterns in the data. Data interpretation aims to execute and apply processes that assign meaning to these discovered patterns by analyzing data. It draws statistical conclusions, infers the relationships and implications.

Self-Check 3

Written test

Directions: Answer all the questions listed below

Test I: Short Answer Questions.

1. Which comes first, analysis or interpretation?

2. What are the techniques to analyze data?

3. What are the types of data analysis?

Test II: Multiple choices

1. Following are the reasons why the data analysis and interpretation are important?

- A. Informed decision-making
- B. Identification of trend and forecasting needs
- C. Cost-efficient
- D. Clear Insights

2. What are the two most commonly used quantitative data analysis methods?

- A. Descriptive Statistics,
- B. Inferential Statistics
- C. Prescriptive Analysis:
- D. A and B are correct

3. What are the 3 steps in interpreting data?

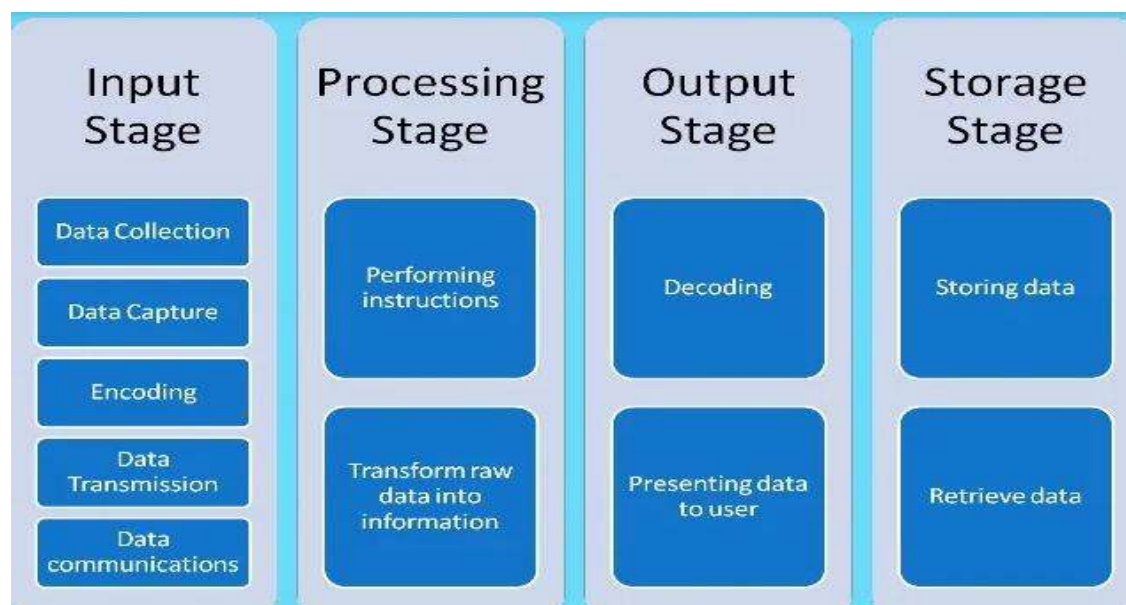
- A. Develop the findings
- B. Develop conclusions
- C. Develop recommendations
- D. All are correct

Operation sheet 3	Steps in data processing
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A. Tools and equipment's

- I. Telephone and Skype.
- II. Photographs, films or videos
- III. Stationary and laptop

The data processing cycle consists of a series of steps where raw data (input) is fed into a system to produce actionable insights (output). Generally, there are six main steps in the data processing cycle:



Step 1: Collection: The collection of raw data is the first step of the data processing cycle. The type of raw data collected has a huge impact on the output produced. Hence, raw data should be gathered from defined and accurate sources so that the subsequent findings are valid and usable. Raw data can include monetary figures, website cookies, profit/loss statements of a company, user behavior, etc.

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Step 5: Output: The data is finally transmitted and displayed to the user in a readable form like graphs, tables, vector files, audio, video, documents, etc. This output can be stored and further processed in the next data processing cycle.

Step 6: Storage: The last step of the data processing cycle is storage, where data and metadata are stored for further use. This allows for quick access and retrieval of information whenever needed, and also allows it to be used as input in the next data processing cycle directly

Lap Test 3	Practical Demonstration.
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Name..... ID..... Date.....

Time started: _____ Time finished: _____

Instructions: Given necessary templates, tools and materials you are required to perform the following tasks within 2 hour. The project is expected from each student to do it.

Task 1: perform steps in data processing

Reference Materials

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ACKNOWLEDGEMENT

Ministry of Labor and Skills, federal ATVET Coordination directorate director and Ardaita ATVET College wish to extend thanks and appreciation to the many representatives of TVET instructors and respective industry experts who donated their time and expertise to the development of this Teaching, Training and Learning Materials (TTLMs).

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