4.2 Market research and sales forecasting

Name: _____ Class: _____ Date: _____ **Total: 30 marks**

KEY WORDS primary research • secondary research • focus group • quota sampling • moving average • sampling error

Objective

Build the skills to answer exam questions on **market research** : primary and secondary research, sampling methods and descriptive statistics, and at HL **sales forecasting** with moving averages.

You must be able to:

- distinguish primary and secondary, qualitative and quantitative research
- evaluate surveys, interviews, focus groups and observation
- compare quota, random, stratified, cluster, snowball and convenience sampling, and explain sampling errors
- use descriptive statistics (mean, median, mode, charts) to present data
- explain ethical issues in market research

1 Key knowledge and worked examples

■ Market research

Primary research collects new data for a specific purpose: **surveys/questionnaires**, **interviews**, **focus groups** (a small group discusses a product), **observation**. It is specific and up to date but costly and slow. **Secondary research** uses data already collected by others: market analyses, academic journals, government publications, media articles. It is cheap and quick but may be out of date or not quite relevant.

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Quantitative data are numbers (e.g. 62% would buy); **qualitative** data are opinions, reasons and feelings.

sampling method	how it works	strength / weakness
random	everyone has an equal chance of selection	unbiased / needs a full list
quota	a set number from each group (e.g. 20 men under 30)	quick, reflects groups / not random
stratified	random sample from each group in proportion to the population	representative / needs detailed data
cluster	choose one or a few areas and survey there	cheap / areas may not be typical
snowball	each person suggests others	reaches hard-to-find groups / biased
convenience	ask whoever is easy to reach	quick and cheap / often biased

Sampling errors happen when the sample does not represent the population (too small, biased). **Ethics:** informed consent, honesty about purpose, privacy and data protection, no pressure on vulnerable groups.

Descriptive statistics (toolkit): the **mean** (total ÷ number of values), **median** (middle value in order), **mode** (most common value); bar charts, pie charts and infographics to present results.

Answer shapes: name the method → why it suits the case → one limitation → judgement.

2 Practice

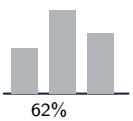
2.1 Distinguish between primary and secondary market research. [2]

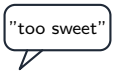

survey



report

2.2 Distinguish between qualitative and quantitative research. [2]





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2.3 Explain **one** advantage and **one** disadvantage of using a focus group to test a new snack. [4]



2.4 Distinguish between quota sampling and random sampling, and explain **one** advantage of each. [4]

group	quota
students	20
workers	20



names drawn at random

2.5 A survey asked 7 customers to rate a new menu from 1 to 10: 4, 7, 7, 5, 9, 6, 7. Calculate the mean, median and mode, and state which best describes a typical rating. [4]

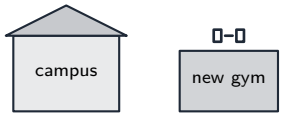
4	7	7	5	9	6	7

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3 Exam-style questions

3.1 FitZone runs 8 gyms and plans to open a new one near a university campus. It needs to know how many students and local workers would join, and what they would pay.

(a) Explain **two** sources of secondary research FitZone could use. [4]



(b) Discuss the most suitable primary research and sampling methods for FitZone. [10]

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