# Exercise walk-through

Market research ▪ 3.2

eXercise

# You must be able to

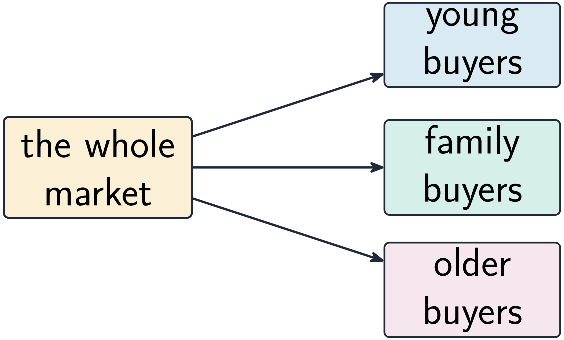
- distinguish primary from secondary research
- explain why a sample must be chosen with care
- read and use research data to support a decision

# Method — Researching the market

- **Primary (field) research 一手调研**: new data you collect (questionnaires, interviews) — fits the need but costly.
- **Secondary (desk) research 二手调研**: existing data (reports, sales records) — cheap and quick but may be old.
- **Sampling 抽样**: ask a small, typical group; a poor sample gives unreliable **data 数据**.
- Results are shown in tables and charts — read them to support a decision.

**Answer shapes:** K + App + An + Ev (a justified judgement, for "do you think" questions).

# Method — Researching the market




split into segments (here, by age)

*Research helps a business find and target groups of buyers*

# Practice 2.1 ▪ 2 marks

Define the term *primary research*.

# Solution 2.1

Method: Researching the market

**Worked steps**

new information a business collects directly for the first time, for its own purpose (2 for a clear definition; 1 for a partial idea).

# Practice 2.2 ▪ 2 marks

Identify two methods of primary research.

# Solution 2.2

Method: Researching the market

**Worked steps**

any two of: questionnaires; interviews; surveys; tests/observation $(1 + 1)$.

# Practice 2.3 ▪ 2 marks

State why a sample must be chosen carefully.

# Solution 2.3

**Worked steps**

because a sample that is too small or not typical gives unreliable data, so decisions based on it may be wrong (2 for a clear reason; 1 for a partial idea).

# Exam-style 3.1 ▪ 2 marks

Identify two sources of secondary research.

# Solution 3.1

Method: Researching the market

**Worked steps**

any two of: government reports; websites; past sales records $(1 + 1)$.

# Exam-style 3.2 ▪ 6 marks

Explain two reasons why a business carries out market research before launching a product.

# Solution 3.2

Method: Researching the market

**Worked steps**

*[6]* For **each** of two reasons: K 1 + An up to 2 — e.g. *lower risk*: research shows whether customers want the product → the firm avoids launching an unwanted product → less wasted money. *Better mix*: research reveals the right price and features → the product matches demand → higher sales. Maximum 3 each.

# Exam-style 3.3 ▪ 6 marks

A small business has little money. Do you think it should use mainly secondary research rather than primary research? Justify your answer.

# Solution 3.3

Method: Researching the market

**Worked steps**

*[6]* Both sides + judgement. **For secondary:** cheap and quick, good for a firm short of money to learn the market. **Against:** it may be old or not specific to the firm's exact idea, so primary research checks the real product. **Judgement (Ev):** a small firm should start with cheap secondary research, then do some primary research to test its exact idea — it depends on its budget and how new the idea is.