The Use of Marketing Research  
For the Improvement of the Marketing Mix of the Company  

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Abstract: The market research has the role of helping in the decision making process, on a scientific base, in a company with an environment in continuous change. It can be successfully utilized in reaching most of the company’s objectives, including the purpose of improving its marketing mix. Marketing mix is composed of the variables that the company has on its “hands” to influence the targeted market. In its classical form, marketing mix has four variables: price, product, place, promotion. Marketing research can be complete or selective, on a whole collectivity or on a sample. Obviously, the data obtained through a complete research is more accurate, in comparison with the selective research. The last part of the paper is a case study on a small Romanian company, SC Pro Ceramic Art Deco Pitesti, regarding the utilisation of marketing research for the improvement of its marketing mix. The study is the first for this company and it was done as a complete research on business customers.

Key-Words: - Marketing research, marketing mix, complete research, selective research, research stages.

1 Introduction  
The company has to function in a dynamic marketing environment and managers must make decisions based on accurate information. The marketing research is supposed to find solutions for marketing management issues and to help the improvement of decision making [1].

The more intense competition is, the more important is having information to base decisions on.

There are multiple possible objectives of marketing research; this covers all marketing activities. And, on the other hand, the evolution of marketing research methods is a continuous process [2].

The marketing mix gathers the company’s variables in order to influence the targeted market.

Classical marketing mix includes the 4P’s: Product, Price, Promotion and Place. In the services area, specialists consider 5P’s, the extra element being Personnel. Some authors highlight even more components of the mix.

With the help of marketing research, based on knowing the buyers and the consumers, effective and efficient marketing mixes can be elaborated. The key to a company’s success in a market economy is attracting and maintaining satisfied customers with a good marketing mix. This means quality products and fair prices, intelligent communication and distribution.

Marketing research could be very useful for a company to determine the marketing mix and to improve it.

As a consequence, even small enterprises need continuous research [3].

There are numerous methods of acquiring information in marketing research, the most commonly used being: secondary source analysis, inquiry, the observation, the experiment, individual interview, the focus group. The best-known data collecting method in marketing research is the inquiry, which is the study based on a questionnaire [4]. Its flexibility allows the obtaining of different types of information [5]. It is though rarely used by small enterprises in Romania.
The inquiry can be made either on a sample representative for the collectivity (it is used in most research in order to make savings), or on the whole collectivity (a rare situation, especially used on small collectivities).

Theoretically, as regards the accuracy, a complete research is desirable. Because the efforts made during research (financial, time resources and human resources) would be too big, especially for large collectivities, of hundred of thousands or million units, in practice selective research are chosen more often.

Though, each and every time a complete research is possible, it is welcome.

2 Problem Formulation

The marketing issue from which the present research has begun was the sales decrease of a Romanian company, compared to the previous year. This situation arose even though the firm is known on the market and the prices it practices are below the price rate of its competitors.

2.1 Short Presentation of Pro Ceramic Art Deco Company Limited Pitesti

Pro Ceramic Art Deco Company Limited Pitesti, Romanian private property company, with sole associate, was founded in 1996. Until 2004, its activity object was the distribution of food and non-food products. Starting from 2004, not only the owner changed, but also the activity object changed into the fabrication of ceramic articles for households and decorative use.

It is a small enterprise, having 15 employees (one administrator, 5 potters, 4 painters and decorators, 2 designers, one accountant, one driver and one packer).

The firm’s products have exploited the spectacular evolution of Romanian interior decorations in the last decade.

The firm has two favourite selling areas: Bucharest (the capital of the country) and Transilvania (located closer to Western Europe and its tendencies in this field).

The pots are manually made with the use of the potter’s wheel. Burning the clay is done in metan gas ovens and the painting process is entirely handmade.

The clients are distributors (firms that buy in order to resell).

Competitors. There is a small number of firms that can provide competitive products, that is 5 firms in 2008, across the country: in Baia Mare (2 firms), Valcea, Fieni, Curtea de Arges.

Products include: pots, vases, candlesticks, aromatherapy pots. Prices are lower compared with the competitors.

Advertising is done using the firm’s website [6], by attending fairs and exhibitions where ceramic and floral products are displayed, distributing promotional materials.

In setting the promotional budget, the residual approach is used.

3 Problem Solution

A total research, on all business customers, will carry out.

Being the first research done among the clients, it was based on a questionnaire that was filled in at their headquarters.

3.1 Research Methodology

A marketing research is a complex process [7] which includes a wide range of interdependent activities. Their number can go up to a few tenths, realised in a certain order.

They can be grouped in the following main stages [8]:

a) Identifying the problem, establishing objectives and hypotheses
b) Creating the research background
c) Collecting data
d) Data processing
e) Editing the research report.

The marketing problem from which the research has begun was the sales decrease in 2007, compared to the previous year, by 14.3% after a constant sales growth in the previous years [9]. This situation arose even though the firm is known on the market and the prices it practices are below the price rate of its competitors.

Research objectives:

- Establishing distributors’ opinions about the firm’s marketing mix
- Establishing the firm’s image amongst clients
- Establishing clients’ opinions towards competitors.

Hypotheses. Three hypotheses of the study were formulated, as follows:

H1 - Clients’ opinions towards firm products and its prices are favourable
H2 - Firm’s image amongst clients is favourable
H3 - Clients have less favourable opinions towards the firm’s competitors.
The questionnaire contained especially closed questions and mixed questions. There were only two open questions (with free answers).

As a scaling method, the semantic differential was used in five stages (having as extremes “Very favourable” and “Very unfavourable”).

The image of the firm was measured according to 7 criteria, these being: “Order deadline”, “Commitment to order execution”, “Prices”, “Receptivity towards clients’ demands”, “Cooperation Flexibility”, “Firm’s publicity”, “Firm’s renown”.

The collectivity consisted of all 23 distributors, on 12th of April 2008 (according to internal evidence). The observation unit, on which information has been acquired, was the client firm.

The sampling unit. The person to answer the questions on behalf of the client enterprise, in an informed manner, was the director of supply or the owner.

A complete research was done, on 23 enterprises that is all customers of the company on the 12th of April 2008. This shows that it was not an usual research, done only on a sample.

The acquisition of data took place between the 12th and the 19th of April 2008. There were no refusals in answering the questions, which demonstrates the reliability of the results. It also reflects the existence of a good relationship between the enterprise and its customers.

3.2 Results

All types of products (pots, vases, candlesticks, aromatherapy pots) obtained high ranking (between 4.17 and 4.30 on a scale from 1 to 5), as concerns the innovation of the product line.

The decorations’ themes also received good scoring (between 3.86 and 4.21). The lowest medium score was obtained by candlesticks (3.86). The global ranking was 4.59, the image of the enterprise being a very favourable one.

“Enterprise advertising” was the only criterion with a score below 4 (4 being “favourable”), that is 3.86. The “Order deadline” got 4.95, and “Price” received 4.91, very close to the highest rank.

Out of the five competitors, only three are better-known by clients. Most of the clients have worked with other competitors too. More than half of them were collaborating with other competitors at the time when the research took place.

No other enterprise had lower prices. Even though, there was another company (Sens Art Fieni) that had a wider range of decoration themes and a higher renewal rate of the product line.

Attendance to fairs and exhibitions represented the main way of informing customers about Pro Ceramic Art Deco Company Limited Pitesti.

Half of the clients had no suggestions regarding the enterprise. The main suggestions offered were “Widening the range of colours” (30% of the clients) and “More simplicity” (22% of the clients).

The first two hypotheses of the research have been confirmed (H1 - Clients’ opinions towards firm products and its prices are favourable, H2 - Firm’s image amongst clients is favourable).

The last hypothesis did not confirm (H3 – Clients have less favourable opinions towards the firm’s competitors). One of the competitors has a better image as concerns its products, but not his prices.

4 Conclusion

This total research has brought reliable data. For example, one of the competitors was considered to have a wider range of decoration themes and a higher rate of product line renewal, while having higher prices. These aspects must be taken into consideration by the administrator of Pro Ceramic Art Deco Company Limited.

None of the competitors were perceived by clients as having lower prices.

The company’s image amongst clients is a favourable one. The image’s best quoted criterion of Pro Ceramic Art Deco Company Limited is the “Order deadline”, which scored 4.95 (the closest to maximum value). The enterprise is perceived as having low prices (4.91).

Of the total amount of five competitors, only three are better-known by clients.

Most of the clients have collaborated with other competitors, and more than half of them still were at the time when the research took place.

Half of the clients had no suggestions regarding the enterprise. The main suggestions offered were “Widening the range of colours” and “More simplicity”.

The following recommendations are based on the previous results.

“Enterprise advertising” was the main criterion of the company image and it obtained the lowest score. Therefore, there must be insisted on advertising even though the promotional budget depends on the financial resources the enterprise holds at a certain moment.

Cheap methods must be approached, though more boldly, due to the fact that competition is something not to be neglected. This means that
advertising will remain the weak point of the marketing mix that has been used.

The distributors’ suggestions regarding colour diversity and simplicity of design themes should be taken into consideration. Even though not all clients share the same opinions, the research has shown that these aspects regarding the products may explain the lowering sales of the enterprise, especially when a competitor is considered to be more interesting regarding decoration themes and renewing the product line (even though their prices are higher).

This first research done on the clients by the enterprise could be repeated periodically, research expenses being reduced and vital information could be obtained.

References: