

BUSINESS RESEARCH METHODS

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Research

- In the modern complex world every society today is faced with serious social, economic & political problems.
- These problems need systematic, intelligent and Practical solutions.
- Problem solving is technical process. It requires the accumulation of new knowledge. The research provides the means for accumulating knowledge & wisdom.
- IOW, research is a systematic effort of gathering, analysis & interpretation of problems confronted by humanity. It is a thinking process and **scientific method of studying a problem and finding solution**. It is an in-depth analysis based on **reflective thinking**.

Definitions

Research in common parlance refers to a search for knowledge. One can also define research as a **scientific and systematic search for pertinent information on a specific topic**. Research is an academic activity and the term should be used in a technical sense.

Research: A careful investigation or inquiry specially through search for new facts in any branch of knowledge.

- ❑ **William Emory** defines Research as "any organised enquiry designed and carried out to provide information for solving a problem"
- ❑ **The new Oxford English Dictionary** defines research is "the scientific investigation into and study of material, sources etc in order to establish facts and the reach new conclusions".
- ❑ **Redman and Mory** defines, research as "a systematised effort to gain new knowledge".
- ❑ "A careful investigation or inquiry specially through search for new facts in any branch of knowledge" **Advanced Learner's Dictionary**.

Why Research?

- Research facilitates effective management.
- At many companies research drives every aspect of major decision making.
- For example, at Ford Motor Company, research is fundamental that management makes hardly any significant decision without the benefit of some kind of research.

Characteristics of Research

- Research begins with a problem in the form of a question in the mind of the researcher.
- Research demands the identification of a problem, stated in clear, unambiguous terms.
- Research requires a plan.
- Research deals with the main problem through appropriate sub-problems.
- Research seeks direction through appropriate hypotheses and is based upon obvious assumptions.
- Research deals with facts and their meaning.
- Research is circular

Characteristics of Research

- Research is a systematic and critical investigation into a phenomenon.
- It is not mere compilation of facts.
- It adopts scientific method.
- It is objective & Logical
- It is based on empirical evidence.
- Research is directed towards finding answers to questions
- It emphasis the generalisation of theories and principles.

NATURE OF BUSINESS RESEARCH

- i. Business Research helps communicate with current and potential customers in a better way.
- ii. It helps identify opportunities and threats in the marketplace.
- iii. It helps minimize risks.
- iv. Business research is used to plan investments and financial outcomes effectively.
- v. It helps build a better market position.
- vi. It can keep updated with current trends and innovations in the market

SCOPE OF BUSINESS RESEARCH:

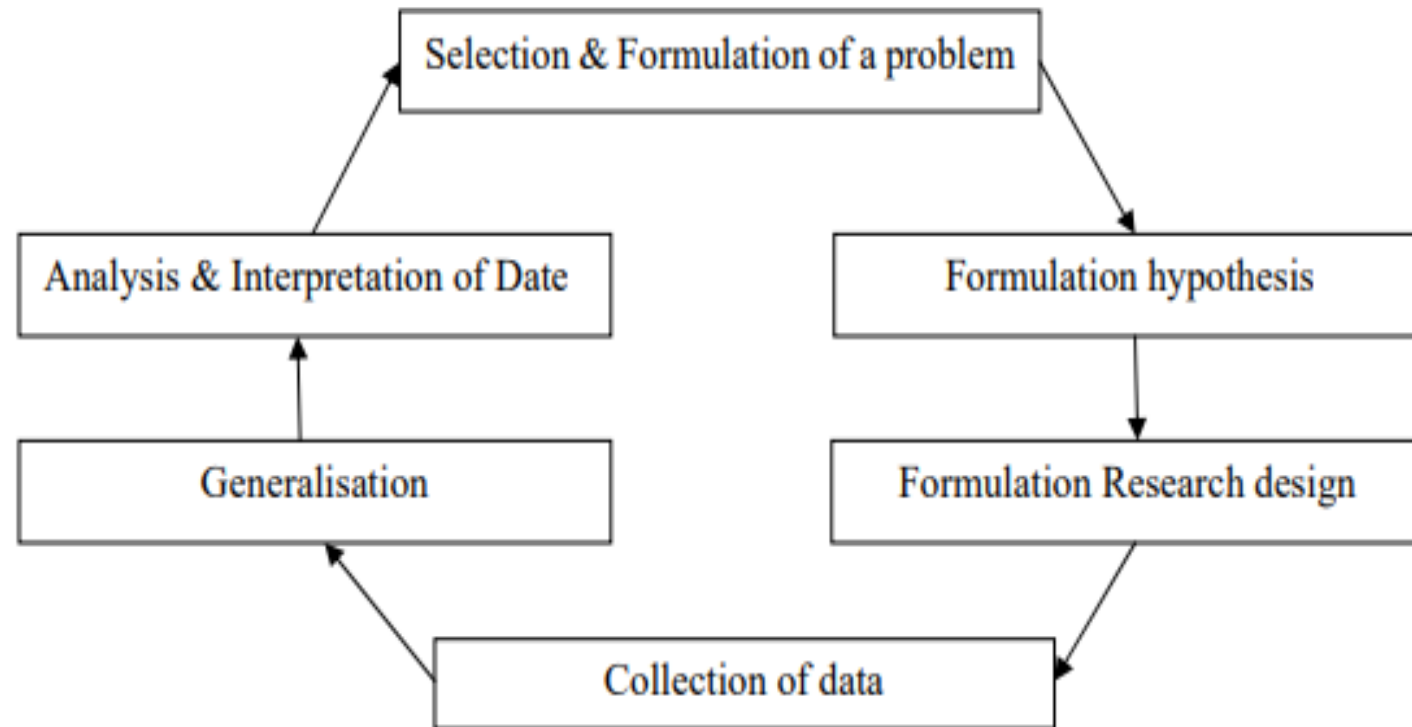
- **Production Management:** The research performs an important function in product development, diversification, introducing a new product, product improvement, process technologies, choosing a site, new investment etc.
- **Personnel Management:** Research works well for job redesign, organization restructuring, development of motivational strategies and organizational development

- **Marketing Management:** Research performs an important part in choice and size of target market, the consumer behavior with regards to attitudes, life style, and influences of the target market. It is the primary tool in determining price policy, selection of channel of distribution and development of sales strategies, product mix, promotional strategies, etc.
- **Financial Management:** Research can be useful for portfolio management, distribution of dividend, capital raising, hedging and looking after fluctuations in foreign currency and product cycles.
- **General Management:** It contributes greatly in developing the standards, objectives, long-term goals, and growth strategies.

IMPORTANCE OF BUSINESS RESEARCH

- i. Business research helps businesses **understand their customers' buying patterns, preferences and pain points, gain deeper insights into the contenders, current market trends, and demographics.**
- ii. Using effective strategies to understand the **demand and supply of the market, businesses can always stay ahead of the competition.**
- iii. Using business research, they can **reduce costs and design solutions** that aim at the market demand and their target audience.
- iv. **Chances of failures are less** with business research as it gives an idea of the target customers and the perfect time to launch a product.
- v. Research is the building block of any business. It acts as a catalyst to thrive in the market. So, **never underestimate the value of market research** and leverage its benefits to give an extra edge to business.

The Research Process



The Research Process is the Paradigm of research project. In a research project there are various scientific activities. The research process is a system of Interrelated activities. Usually research begins with the selection of a problem. The various stages in the research process are explained in the above diagram. Research is a cyclical process. If the Data do not support the hypothesis, research is repeated again.

C.R. Kothari in his book, "Research Methodology: Methods & Techniques" presents a brief overview of a research process. He has given the following order concerning the Research Process.

- 1. Formulation the Research problem**
- 2. Extensive Literature survey**
- 3. Developing the hypothesis**
- 4. Preparing the research design**
- 5. Determining sample design**
- 6. Collection of Data**
- 7. Execution of the Project**
- 8. Analysis of Data**
- 9. Hypothesis testing**
- 10. Generalisation & Interpretation**
- 11. Preparation of the report.**

- **(i) Formulation of Research Problem:** At the very outset, the researcher must decide the general area of interest or aspect of a subject matter that he would like to inquire into and then research problem should be formulated.
- **(ii) Extensive Literature Survey:** Once the problem is formulated the researcher should undertake extensive literature survey connected with the problem. For this purpose, the abstracting and indexing journals and published or unpublished bibliographies are the first place to go to academic journals, conference proceedings, government reports, books etc. must be tapped depending on the nature of the problem.

- **(iii) Development of Working Hypothesis:** After extensive literature survey, researcher should state in clear terms the working hypothesis or hypotheses. Working hypothesis is **tentative assumption made in order to draw out and test its logical or empirical consequences**. It's very important or it provides the focal point for research.
- **(iv) Preparing the Research Design:** After framing hypothesis we have to prepare a research design i.e. **we have to state the conceptual structure within which research would be conducted**. The preparation of such a design facilitates research to be as efficient as possible yielding maximal information. In other words, **the function of research design is to provide for the collection of relevant evidence with optimum effort, time and expenditure**. But how all these can be achieved depends mainly on the research purpose.

- After the researcher has formulated the research problem, the research design must be developed.
- A research design is a master plan specifying the methods and procedures for collecting and analysing the needed information.
- It is a framework of the research plan of action.
- The objectives of the study determined during the early stages of the research are included in the design to ensure that the information collected is appropriate for solving the problem.
- The research investigator must also determine the sources of information, the design technique (survey or experiment, for example), the sampling methodology, and the schedule and cost of the research.

Role of Business Research

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graph TD; A[Role of Business Research] --> B[Assisting Managers in the Decision Making Process]; A --> C[Evaluating Market Trends]; A --> D[Achieving Competative Advantage]; A --> E[Estimating Expenses]; A --> F[Price Determination];
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**Assisting
Managers in the
Decision Making
Process**

**Evaluating Market
Trends**

**Achieving
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**Estimating
Expenses**

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Role of Business Research

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graph TD; A[Role of Business Research] --- B[Management Planning]; A --- C[Control Technique]; A --- D[Suitable Marketing Operation]; A --- E[Decision Making Tool]; A --- F[Production]; A --- G[Helps Discharge Managerial Functions]; A --- H[Problem Solving];
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**Management
Planning**

Control Technique

**Suitable Marketing
Operation**

**Decision Making
Tool**

Production

**Helps Discharge
Managerial Functions**

Problem Solving

**Research Applications In Functional
Areas of Business**

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graph TD; A[Research Applications In Functional Areas of Business] --> B[Marketing Research]; A --> C[Accounting and Finance]; A --> D[Production Research]; A --> E[Organisational Research]; A --> F[Industrial Research]; A --> G[Human Resource Development and Organisation Behavior];
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**Marketing
Research**

**Accounting and
Finance**

**Production
Research**

**Organisational
Research**

**Industrial
Research**

**Human Resource
Development and
Organisation Behavior**

1) Accounting and Finance :

- i) Budgetary control systems,
- ii) Designing new practices and methods for inventory costing,
- iii) Treatment of depreciation and its effect on earnings,
- iv) The practice of transfer pricing and its effects on profitability,
- v) Individual's attitude towards investment decisions,
- vi) Decisions, regarding capital structure and [capital budgeting](#),
- vii) The effect of mergers and acquisitions on profitability,

2) Human Resource Development and Organization Behaviour :

The areas of human resource and organisational behavior are some of the core domains of research. Some of the important issues in which research studies are carried-out are as follows :

- i) Individual behaviour and interpersonal relations,
- ii) Attitudes of employees,
- iii) Leadership characteristics and styles,
- iv) Mechanisms used for [performance appraisal](#),
- v) Assessment centre and evaluation

3) Marketing Research :

There is widespread use of research in marketing. The company base all of its marketing strategies and initiatives on the basis of consumer tastes and preferences, which can be understood with the help of various researches conducted to get an in-depth knowledge about it. Marketing research can be carried out for varied things like consumer behavior, consumer attitudes, advertising effectiveness, distribution channel efficiency, sales analysis, [new product development](#), etc.

Some specific examples of marketing research are :

- i) Forecasting the demand for products,
- ii) Analysing the buying behaviour of consumers,
- iii) Measuring the effectiveness of advertising,
- iv) Decisions regarding media selection for proper advertising,
- v) Market testing for new products,
- vi) Decisions related to positioning strategies for a product,
- vii) Estimating the product potential.

4) Organisational Research :

- The organisational research is a field that constitutes many disciplines.
- In an organisation, researchers come from different, backgrounds and hence bring various concepts, tools, and methods for research.
- It is widely being accepted that the knowledge of research methods is useful for the students who aspire to become managers in future.
- Organisational research facilitates the managers to explore various theories and findings that are relevant for the organisation.
- It also helps the managers to increase their problem solving efficiency. Knowing the research fundamentals allow the managers to investigate a problem scientifically, which in turn enhances the efficiency of managers.

5) Industrial Research :

Industrial research is a practical concept and is concerned with the well being of a company. It is a planned effort to gain better information and improve the new and existing products, services and processes. Some of the major areas where industrial research is carried-out are:

- i) Finding ways to improve the quality of products and services,
- ii) [Developing new products](#) and services to gain market share,
- iii) Devising new ways to use the available resources,
- iv) Decisions regarding minimising the [cost](#),
- v) Ways to reduce hazards at workplace,
- vi) Standardisation of processes,
- vii) Developing strategies for improving the relations with customers and public.

6) Production Research :

The production function in an organisation is dynamic in nature and needs continuous improvement in process, product design, cost etc. But these changes and improvements lead to some complexities, which can be resolved by production research.

Production research is conducted in following areas :

- i) Finding new and better production methods,
- ii) Ways to standardise and control the production,
- iii) Finding strategies and methods troubleshooting.

Types of Research

- Pure Research or Basic Research
- Applied Research
- Descriptive Research
- Analytical Research
- Fundamental Research
- Conceptual Research
- Empirical Research
- Longitudinal Research
- Laboratory Research
- Exploratory Research