SECTION – 3

QUESTION-2.

ANSWER:-

Business Research Process:-

Business research process entails studying all aspects of a company, its customers and the market, then using that information to make sound business decisions. Typically, a company will assess its own strengths and weaknesses, but place particular emphasis on how customers view their products. When company managers study the market, they will usually take a comprehensive look at key competitors and the industry in which they operate.

Significance

The business research process often starts with an overview of the market or industry. The key objective is determining whether an opportunity exists within a certain market. One determining factor may be how much market share or percent of total industry sales each competitor possesses. For example, a small software company may determine their are two major competitors. Competitors A and B may have a 60 and 20 percent market share, respectively. The other 20 percent of the market may be served by a number of smaller competitors. The software company must determine if there is enough potential business in the market for it to make a considerable profit. Government regulation, trade policies and other industry dynamics must also be taken into consideration.

Types of Data

Most industry data can be obtained through secondary research sources. These outside agencies, including the NPD Group and Forrester Research, conduct research with consumers to determine the size of certain industries as well as sales trends. Companies that want specific information about their own customers must conduct primary research. Through primary research, a company can study the needs and product preferences of its own customers. An example of primary research is a customer satisfaction survey. A customer satisfaction survey can help a company determine how satisfied its customers are with certain product features, the price of the products and even customer service.

Function

After gathering data from primary and secondary research, business research process entails analyzing the data and looking for specific market trends or consumer preferences. Management will then use the key findings from the data to develop certain business or marketing strategies. For example, if customers demand additional features, modification plans may be made for a certain product. In addition, any other necessary changes about the product, service or entering a new market will be determined during the analysis stage. The company will then structure all of these alternatives for potential testing, according to the article "Business Research Process" at docera.com, an international business consulting firm.

Considerations

The business research process also entails testing certain alternatives from the analysis stage. The testing can involve the use of statistical models, which can better help predict future customer behavior, such as the "intent to purchase products." In addition, new market testing may include introducing a product on a small scale, studying the sales and profits, then rolling the product out on a more regional or national basis. The purpose of testing in the business research process is to better ensure potential success.

Prevention/Solution

Although the business research process usually ends with actual decision making, the process of collecting data and analyzing it is ongoing. Companies should continue to gather feedback from the market and customers, because consumer preferences can change as can technology.

Stratified Random Sampling:-

Stratified random sampling is a type of probability sampling using which a research organization can branch off the entire population into multiple non-overlapping, homogeneous groups (strata) and randomly choose final members from the various strata for research which reduces cost and improves efficiency. Members in each of these groups should be distinct so that every member of all groups get equal opportunity to be selected using simple probability. This sampling method is also called "random quota sampling".

8 Steps to select a stratified random sample:

Define the target audience.

Recognize the stratification variable or variables and figure out the number of strata to be used. These stratification variables should be in line with the objective of the research. Every additional information decides the stratification variables. For instance, if the objective of research to understand all the subgroups, the variables will be related to the subgroups and all the information regarding these subgroups will impact the variables. Ideally, no more than 4-6 stratification variables and no more than 6 strata should be used in a sample because an increase in stratification variables will increase the chances of some variables canceling out the impact of other variables.

Use an already existent sampling frame or create a frame that's inclusive of all the information of the stratification variable for all the elements in the target audience.

Make changes after evaluating the sampling frame on the basis of lack of coverage, over-coverage, or grouping.

Considering the entire population, each stratum should be unique and should cover each and every member of the population. Within the stratum, the differences should be minimum whereas each stratum should be extremely different from one another. Each element of the population should belong to just one stratum.

Assign a random, unique number to each element.

Figure out the size of each stratum according to your requirement. The numerical distribution amongst all the elements in all the strata will determine the type of sampling to be implemented. It can either be proportional or disproportional stratified sampling.

The researcher can then select random elements from each stratum to form the sample. Minimum one element must be chosen from each stratum so that there's representation from every stratum but if two elements from each stratum are selected, to easily calculate the error margins of the calculation of collected data.

Advantages of Stratified Random Sampling:

Better accuracy in results in comparison to other probability sampling methods such as cluster sampling, simple random sampling, and systematic sampling or non-probability methods such as convenience sampling. This accuracy will be dependent on the distinction of various strata, i.e., results will be highly accurate if all the strata are extremely different.

Convenient to train a team to stratify a sample due to the exactness of the nature of this sampling technique.

Due to statistical accuracy of this method, smaller sample sizes can also retrieve highly useful results for a researcher.

This sampling technique covers maximum population as the researchers have complete charge over the strata division.