

Importance of Market Research on Product Validity

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In the dynamic landscape of consumer preferences and competitive markets, achieving product success requires more than just innovation and creativity. It hinges on a profound understanding of the intricate relationship between products and their intended audiences. Central to this understanding is the concept of "product validity," a dynamic measure of how well a product aligns with the aspirations, desires, and expectations of its target market. This paper's central research question explores the different methods of market research and how it can help a company's ability to ensure and maintain product validity in different businesses. Specifically, the paper investigates the adeptness of effective marketers in conducting market research, the benefits of market research, the challenges some companies face in conducting it, and the solutions to address these challenges. For example the market research conducted by large-scale corporations such as, Starbucks as they utilize technological features to gather more in depth research from their customers, is not attainable for start up businesses due to their lack of money allocation. These aspects are crucial in the journey toward ensuring a product's validity through market research. This research aims to shed light on the pivotal role of these factors in achieving product success and long-term competitiveness.

The Background of Marketers and Market Research In Corporations

In the context of this research paper, I conducted a survey that was designed to gain insights into consumers' perspectives on the marketing process and their experiences. To ensure a representative sample, a combination of random and stratified sampling methods was employed, thus mitigating sampling bias. Every participant who completed the survey did so anonymously, and prior to participating, they were presented with detailed information about the study's purpose, procedures, and their rights. Informed consent was obtained from each participant, and they were given the option to grant permission for the utilization of their responses for research purposes.

The survey instrument was structured to elicit quantitative data and comprised questions with binary response options, typically encompassing both positive and negative viewpoints. For questions pertaining to social media, additional provisions were made to accommodate individuals without social media accounts, ensuring inclusivity. Furthermore, an open-ended "Other" section was included with each question, granting participants the opportunity to provide additional qualitative insights, enriching the survey's data collection process.

With over 30 responses obtained, the statistics revealed that a substantial portion of respondents (72.2%) expressed the belief that customers should have the capacity to influence the marketing of future products. An even larger majority (81.8%) shared the perspective that it would be advantageous for the general public if marketers had a direct line of communication to product manufacturers, leveraging their market research expertise.

These findings underscore the significance of customer-centric product development, the necessity of transparent and effective communication channels, and the appreciation of marketing research as an invaluable resource. Ultimately, the statistics emphasize the constructive influence of marketing research on the enhancement of product relevance, the augmentation of customer satisfaction, and the overall success of products in the market.

It is important to acknowledge that, while these statistics provide valuable insights, the survey had certain limitations in terms of its reach. While the sampling approach was designed to include a variety of age groups, the geographical scope of the survey was relatively narrow, with a significant portion of respondents originating from the New England area. Nevertheless, the survey outcomes underscore the potential of direct marketer-manufacturer communication in effecting product alterations conducive to ensuring product validity and success.

Modern Market Research

With the rapid increase in the amount of technology being developed, the schematics of marketing have taken a turn. An abundant amount of marketing is being done via online platforms such as social media, advertisements, and artificial intelligence(AI). A large amount of quantitative and qualitative information can be taken from these online platforms, specifically AI. AI is expected to be a considerable part of the future of humanity. The use of hyper-personalization, a segment of AI is used to create highly tailored and individualized experiences for customers. It involves leveraging customer data, advanced ana-

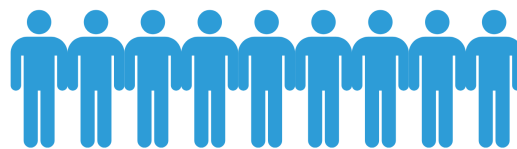
lytics, and technology to deliver personalized content, product recommendations, and marketing messages.

Third Party Marketers, hired by a company, have a direct line of communication with the manufacturers have certain advantages in employing the use of hyper-personalization:

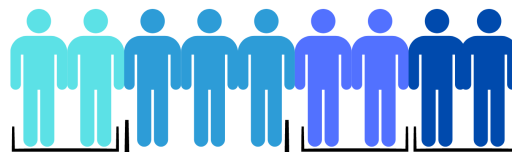
1. Marketers with a direct line of communication with the manufacturers can collaborate closely to collect relevant data points directly from customers. By having access to firsthand customer insights, marketers can refine their hyper-personalization strategies and tailor products and marketing efforts accordingly.
2. For instance, if the idea of a product is exposed to the public, without the product itself being made, marketers with a direct line to the manufacturers would be able to relay specific customer preferences and feedback to inform the customization of product features. By understanding individual customer requirements, marketers can collaborate with manufacturers to create products that align more closely with personalized expectations.
3. Hyper-personalization requires continuous feedback and adaptation to deliver personalized experiences effectively. Marketers with that direct line of communication can continuously supply manufacturers with current updates on customer opinions.
4. Having a direct line of communication with manufacturers facilitates faster prototyping and testing cycles. Marketers can work closely with manufacturers to quickly develop and iterate prototypes based on hyper-personalization requirements.

Marketers who have a direct line of communication with the manufacturers tend to have a much better product outcome, and can use hyper-personalization more effectively. There is modern day evidence of the success of hyper-personalization, often used by entertainment platforms such as Netflix and Tiktok. Both Netflix and Tiktok use algorithms to personalize every individual's viewing page. Typically this is done through tags. Movies or TV shows are assigned tags such as: Horror, Romance, Action, and occasionally the tags of actors in the film. Both platforms have become increasingly popular among the growing generations due to the convenience they offer. Implementing this kind of approach into the consumer world will attract the newer generations due to the convenience it offers. Offering products based on previous purchases tends to create a physiological feeling within the consumer to buy it, such as the Bandwagon appeal or Feedback Loop. This will generate a boost overall sales. The diagram below was created on Instapage, a large online landing page platform, that provides a visual of how products are distributed among consumers. Non-Targeted consumers receive no targeted ads providing neither convenience nor marketing for

Non-Targeted Consumers



Targeted Consumers



Hyper-personalized Consumers



Fig. 1 Hyper-personalized marketing is the most beneficial and satisfies the most consumers ¹

the respective product. The targeted consumer receives more personalized ads but still retains a relatively large demographic. The Hyper-personalized consumer receives both an elevated convenience approach and a targeted marketing approach. The usage of technology will only continue to grow as time elapses, and AI hyper-personalization will undoubtedly be used more in the future.

Benefits and Potential Success of Market Research in Relation to Product Validity

Market research can admittedly ensure the validity of a product, but it is also essential to maintain and uphold the validity of a product, if not, there can be unfortunate consequences. Due to this it is imperative that ensuring product validity is important for companies. An example of a lack of market research leading to expenditure is in the context of baby products, some common items might include issues with car seats, strollers, toys, baby food, or other items intended for use by infants and young children. "TJ Maxx, Marshalls and HomeGoods, agreed to pay a

fine of \$13 million for selling recalled infant products that had been removed from the market due to risks of infant suffocation and death.”(ABC News Kavilanz), Babies and young children are particularly vulnerable to injury or harm, and their safety should be the top priority when designing and manufacturing products for them. Specifically TJMax’s, buying and purchasing team as the parent company of the rest which allocates 2% of the total revenue to its department(TJX 2023 financial data set). Market research can help ensure product validity. Through methods such as consumer surveys, focus groups, and observational studies, a comprehensive assessment of parental preferences, infant behavior patterns, and safety expectations could have been conducted. This knowledge could have empowered the company to design the baby blanket with precision, incorporating safety features and ergonomic considerations that align with the unique needs of infants and caregivers. Another possible market research outcome could’ve been that the original baby blanket company looked at its competitions (another baby blanket company) that has had proven success for a extended period of time with their baby blankets. In this way the original company could have adapted their competition’s baby blanket and made it their own style. This is excluding factors such as legal discrepancies. Using these examples of market research would have likely prevented the company from a 13 million dollar, and reputation loss. An example of this is Apple Inc. and Microsoft In the late 1990s and early 2000s, Apple conducted extensive market research on Microsoft’s Windows operating system and saw the success of their software. Apple then revamped their Macintosh operating system, leading to the development of macOS, which introduced a more user-friendly interface, innovative design, and enhanced functionality. This adaptation helped Apple regain market share and position itself as a viable competitor in the computing industry².

Lack of Resource Issues Regarding Market Research

A subset of companies consciously opt to forego the execution of market research, often propelled by desire to evolve. The global franchise, Starbucks, actively collects both in-person and online feedback from customers using their AI platform Deep Brew. In order to better connect and enhance their market research Starbucks CEO Laxman Narasimhan states, “ We’re gonna power our Deep Brew with Gen AI with that customers might think about in terms of products and trends, bring it in to how customers order, help the barista build it, and then link it to marketing”³. The continuous enhancements to the feedback methods Starbucks implements helps it better connect and meet customer needs, enhancing company sales.

Conversely, there exists another cluster of companies that finds themselves encumbered by resource-related constraints,

encompassing financial limitations and shortages in human capital, thus impeding their capacity to commit to comprehensive market research endeavors. A quintessential illustration of the former scenario is discerned in the case of the Ford Edsel. In the late 1950s, the Ford Motor Company engendered substantial investments in the development and subsequent launch of a novel automobile model christened the “Edsel.” The ostensible objective of the Edsel was to address a perceived lacuna in the market and to vie with contemporaneous automakers. However, the genesis of the Edsel was dominantly steered by the intuitive inclinations and visionary outlooks of Ford’s top echelons, unaccompanied by an earnest engagement in meticulous market research to gauge customer proclivities and requisites. A prevailing sentiment prevailed among these executives that consumers would ardently embrace the Edsel’s idiosyncratic design attributes and innovative features. Regrettably, the Edsel’s advent marked an inauspicious commercial inception, mired in ineffectuality. The market landscape had transmogrified, with consumers fervently desiring compact, fuel-efficient vehicles. Consequently, the Ford Motor Company bore the brunt of substantial financial losses, as exemplified by Mohammed’s “Ford Edsel” Brand Failure Case Study and Business Lessons⁴. This emblematic episode vividly underscores the ramifications of eschewing market research and the ensuing discord between visionary engineering and customer preferences, culminating in dire fiscal exigencies for the enterprise.

Conversely, companies grappling with resource constraints find themselves ensnared in a decidedly disadvantaged predicament, bereft of the capability to harness the salient benefits of market research in the formulation of their strategic determinations.

Mitigations to Lack of Market Research Resources

However there are ways to mitigate the company’s disadvantages. In today’s dynamic business landscape, companies with limited resources often face challenges in conducting extensive market research. However, emerging trends and innovative methodologies offer viable solutions to gather valuable market insights and ensure product validity. One such approach is leveraging crowdsourcing and citizen science initiatives, where companies can engage a broader audience to collect valuable data and feedback. For example, NASA’s “Citizens Science” Projects encompass the benefits of crowdsourcing. A notable example is the “Planet Hunters” project, which invites individuals to analyze data from the Kepler Space Telescope. Citizen scientists were tasked with identifying the signs of exoplanets by examining variations in the brightness of stars. The collaboration of this project resulted in the discovery of numerous exoplanets and expanded our knowledge of distant solar systems. This demonstrates how crowdsourcing is an effective way to gather research. In the context of market research engaging a

diverse audience, fostering collective problem-solving, and prioritizing cost-efficiency, companies can access a broader range of perspectives and obtain valuable insights while remaining budget-conscious. Additionally, the use of online platforms and business intelligence tools allows businesses to analyze internal data, uncover market trends, and make informed decisions. An example is the Lego Ideas case study. The popular toy manufacturing LEGO harbors a platform called, “LEGO Ideas”. Users submit their designs, and the community votes on the proposals, with the winning designs potentially being produced as official LEGO sets. This process not only engages the LEGO fan base but also allows the company to tap into a vast pool of creativity. Examples of the success of the platform “Lego ideas” are the “Ghostbusters Ecto-1” and “NASA Apollo Saturn V”, both sets were ideas that gained widespread support and were eventually brought to market. Both sets have become very popular purchases among the LEGO company.

In addition, Social media platforms and online communities present another cost-effective avenue to engage with customers, understand preferences, and foster valuable interactions. Embracing the principles of the lean startup methodology empowers companies to validate product concepts with real customers, swiftly iterating and refining offerings. Furthermore, strategic alliances and data-sharing arrangements with complementary businesses or research institutions can unlock access to broader market insights. By intertwining these emerging research topics with practical solutions, businesses can navigate the challenges of limited resources and ensure that their products align effectively with customer needs and preferences.

Additionally, purchasing market research studies from reputable institutions and research providers can be a cost-effective and practical solution for these businesses to gain access to valuable data and make informed decisions. Reputable research institutions and providers are staffed with experienced researchers and subject matter experts. By purchasing their market research studies, businesses can tap into this expertise and benefit from the rigorous methodologies employed by these institutions. One such example is IBM. IBM created the IBM Watson, “enterprise-ready AI and data platform designed to leverage foundation models and machine learning”(IBM). IBM Watson is a tool leverageable for market research as it has a positive history of aiding in company advances. Truist Financial is one company that has had success with IBM, wishing Watsonx’s AI platform as said by the Truist Divisional Chief Information and Experience Officer, “We are exploring opportunities to co-create, build proofs of concept and ultimately deploy them in the production environment for the benefit of our teammates and clients⁵. IBM is an online platform that can be utilized by smaller companies, or companies that do not have the resources to allocate for large amounts of market research, as a less expensive alternative. In addition GWI and Sightx are both online market research platforms that are easily accessible to

smaller businesses. This enhances the credibility of the data obtained, providing reliable and trustworthy information for decision-making. By purchasing ready-made research studies, businesses can obtain a wealth of data at a fraction of the cost, making it a more affordable option to access valuable market insights. On top of this, small businesses may struggle to reach a large enough sample size for their research, limiting the statistical significance of their findings. By buying research studies, businesses can access data from more extensive and diverse sample sizes, providing a broader perspective on consumer behaviors and trends. These ready made studies also prove to save time for businesses that are in need of instant information. Many online platforms are ready to conduct research. Reputable institutions such as MIT have research databases, for example MIT Libraries, that contain ready-made, easy market research access. For small businesses and budget-constrained enterprises, purchasing market research studies from reputable institutions can be a pragmatic approach to gaining access to valuable market insights without incurring the high costs of original research⁵. By leveraging the expertise, credibility, and cost-effectiveness offered by research providers, businesses can make informed decisions, identify growth opportunities, and stay competitive in their respective industries. Embracing the value of purchased research studies empowers these businesses to make data-driven choices, enhancing their chances of success in a dynamic and competitive market environment.

Conclusion

In the dynamic realm of evolving consumer preferences and competitive markets, achieving product success hinges not solely on innovation but also on a profound understanding of the intricate interplay between products and their intended audiences. Rooted in this comprehension is the concept of “product validity,” gauging how seamlessly a product aligns with the aspirations, desires, and expectations of its target market. This paper delves into the relationship between adept marketers, comprehensive market research, and the potency of product validity. It highlights how skilled marketers, armed with insights from market research, craft products that resonate harmoniously with consumer desires. Emphasizing the merits of rigorous market research, the paper underscores the pivotal role it plays in providing essential insights for informed decision-making, transcending mere innovation to establish enduring relevance. Due to an ever evolving world the importance of market research is predominant. This paper addressed alternative options for companies that do not have the resources to spend on large amounts of market research. It suggests alternative methods such as online research platforms, and ready-made research databases, enabling businesses to navigate the path towards product validity. In conclusion, the synergy of adept marketers, thorough market research. Resultant product validity emerges as a powerful

nexus, guiding businesses towards the intersection of innovation and consumer acceptance, ultimately leading to products that enrich lives and stand the test of time through market research.

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