Your notes

GCSE Business: revision notes

Market research

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Why businesses do market research

- To find out what customers need and want, spot gaps in the market, understand competitors, reduce the risk of poor decisions, and inform choices about product design and pricing.

Primary and secondary research

- Primary (field) research collects new data directly, through surveys, questionnaires, interviews, **focus groups**, observation and product trials. It is up to date and specific, but expensive and slow.
- Secondary (desk) research uses data already collected by others, such as the internet, government statistics, market reports, newspapers and competitors' websites. It is cheap and quick, but may be out of date or not specific enough.

Qualitative and quantitative data

- **Quantitative data** is numerical, such as '60% of customers prefer...'. **Qualitative data** is about opinions and reasons, such as why customers like a product.

Sampling and reliability

- A **sample** is a group chosen to represent the **target market**. Larger, well-chosen **samples** give more reliable results; biased samples give misleading results.
- Businesses also use online data, such as customer reviews, social media and website analytics.

Key terms

Market research	Gathering information about customers, competitors and the market.
Primary research	Collecting new data directly, such as through surveys.

Secondary research	Using data that has already been collected by others.
Qualitative data	Data about opinions, feelings and reasons.
Quantitative data	Numerical data.
Focus group	A small group of people who discuss a product in depth.
Sample	A group of people chosen to represent the target market.
Target market	The group of customers a business aims to sell to.
Bias	When results are distorted, so they don't fairly represent the market.

Your notes

Quick questions

Cover the answers and test yourself: remembering is what makes it stick.

1. What is primary research?
2. What is secondary research?
3. What is a focus group?
4. What is qualitative data?
5. What is quantitative data?
6. What is an advantage of primary research?
7. What is an advantage of secondary research?
8. Why are larger samples more reliable?

Answers

1. Collecting new data directly, such as through surveys
2. Using data that has already been collected by others
3. A small group of people discussing a product in depth
4. Opinions and reasons
5. Numerical data
6. It is up to date and specific to the business
7. It is cheap and quick to get
8. They are more likely to represent the whole target market

What to do next

Practise 12 questions on this topic

Try 4 exam questions, with mark schemes

Read the lesson, one step at a time

Free revision for GCSE and KS3 at lycolearn.co.uk. Some notes are for one exam board only, and say so in brackets.