

**MINISTRY OF EDUCATION OF THE REPUBLIC OF AZERBAIJAN**  
**AZERBAIJAN STATE ECONOMIC UNIVERSITY**  
**INTERNATIONAL MAGISTRATION AND DOCTORATE CENTER**

**“The role and importance of marketing research in entrepreneurial  
companies in Azerbaijan”**

**THEME**

**MASTER THESIS**

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**THE MINISTRY OF EDUCATION OF THE REPUBLIC OF AZERBAIJAN**  
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**INTERNATIONAL GRADUATE AND DOCTORATE CENTER**

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**MASTER DISSERTATION**

**ON THE TOPIC**

**“The role and importance of marketing research in entrepreneurial  
companies in Azerbaijan”**

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## **“Azərbaycanda sahibkarlıq şirkətlərində marketing tədqiqatlarının rolu və əhəmiyyəti”**

### **Xülasə**

**Tədqiqatın aktuallığı.** Beynəlxalq təcrübə göstərir ki, marketing vasitələrinin inkişafı və peşəkar istifadə edilməsi, ilk növbədə marketing tədqiqat texnologiyaları yerli sənaye şirkətlərinin uğuru üçün mühüm şərtidir.

**Tədqiqatın məqsəd və vəzifələri.** Tədqiqatın məqsədi yerli şirkətlərdə marketing araşdırmalarının nəticələrinin qiymətləndirilməsidir.

**Bu məqsədə nail olmaq aşağıdakı vəzifələri zəruri etdi:**

**1. strateji orientasiya, daxili səhvlər və xarici ekoloji amillər nəzərə alınmaqla sənaye şirkətlərinin marketing tədqiqatlarının nəticələrini qiymətləndirmə prosesinin təşkilatı və metodiki dəstəklənməsi;**

**2. Azərbaycan şirkətlərinin hədəf qrupunu emal sənayesində müəyyənləşdirərək bu şirkətlərdə marketing tədqiqatlarının qiymətləndirilməsi sisteminin tətbiqi üçün praktiki tövsiyələr hazırlamaq.**

**Tədqiqatın metodları.** Sistemli yanaşma, struktur-semantik müqayisə üsulları, tərkib analizi, qrafik modelləşdirmə, amil və müqayisəli analiz.

**Tədqiqatın informasiya bazası.** Azərbaycan Respublikasının qanunvericilik aktları, tədqiqat problemi üzrə ixtisaslaşdırılmış, elmi, texniki və metodik ədəbiyyat, ingilisdilli periodiklərin açıq WEB-resursları və açıq verilənlər bazasıdır.

**Tədqiqatın məhdudiyyətləri.** Tədqiqatın məhdudiyyətləri odur ki, ölkə şirkətlərinin demək olar ki, bir çoxu marketing tədqiqatları aparmır ki, bu da tədqiqatın işini müəyyən mənada çətinləşdirir.

**Tədqiqatın nəticələri.** Şirkətin ölçüsünə, bazarın istiqamətinə və məhsul növünə görə müəssisələrin qruplarının ayrılmasına əsaslanan metodoloji qərarların tətbiqi üçün metodologiya hazırlanmışdır.

**Nəticələrin elmi-praktik əhəmiyyəti.** Dissertasiyada marketing tədqiqatının nəticələrinin qiymətləndirilməsi üçün təklif olunan metodologiya Azərbaycanın istehsalçı şirkətlərində praktiki tətbiq edilməsinə yönəldilmişdir.

**Açar sözlər:** marketing, tədqiqat, şirkət, qiymətləndirmə, sahibkarlıq

## **LIST OF ACRONYMS**

<b>FCA</b>	Functional and cost analysis
<b>EFM</b>	Enterprise Feedback Management
<b>ROI</b>	Return on short-term investments
<b>KPI</b>	Key Performance Indicators

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## INTRODUCTION

**Actuality of the study:** The continuous process of globalization and the ongoing transition of Azerbaijan producers to functioning without state support in a market economy form a new business environment and necessitate the introduction on a permanent basis of modern approaches to doing business. The pace of development of Azerbaijan industries should ensure accelerated growth of national competitiveness in order to counter the expansion of large foreign corporations that have significant competitive marketing potential accumulated over decades. International experience shows that the development and professional use of marketing tools, and in the first place marketing research technologies, are becoming an essential condition for the success of domestic industrial companies.

As practice shows, the situation here is characterized as a crisis. Contrary to global trends, Azerbaijan manufacturing companies not only do not develop modern marketing analytics technologies, but also limit their scope. Created in the years of planned management, these enterprises, following the “market fashion”, in the past decade have organized marketing research on their own, but their results do not meet expectations. According to leading experts, this is caused by the overall low analytical culture, mistrust on the part of company management, the lack of high-class specialists and an underdeveloped market research infrastructure in the Azerbaijan industrial environment as a whole.

Overcoming the emerging negative trend implies the formation of a more reasoned and scientifically based approach to the assessment of marketing research results at the level of industrial enterprises. From the standpoint of this approach, it is not enough to take into account the specifics of the manufacturing industry. It is important to approach the issue of evaluating the results of the analytical work of marketers systematically - to consider it in the context of the effectiveness of the entire management of these enterprises as one of the main conditions for their strategic market success. This led to the need for a real dissertation research

devoted to the problem of forming a system for evaluating the results of marketing research by Azerbaijan companies in the manufacturing industry.

**The degree of elaboration of the problem:** As a theoretical basis for the study, development and systematization of existing scientific material were used the works of domestic and foreign scientists in the field of marketing research and industrial marketing, strategic management and economic theory: Aaker D., Azoeva G. L., Assel G., Lamben J. . -J., McConnell K., McNeill R., Malhotra N.K., Morris M., Porter M., Wright R., Sutherland K., Semenova I.V., Skorobogatykh II, Webster F. , Churchill G., Shkardun V.D. etc. The works of the presented authors substantiate the strategic importance of analytical tools for studying the market, determine the approaches to distinguishing the stages and forms of organizing marketing research in companies, describe models and methods in this field of knowledge. The study of literary sources showed that the scientific thought in assessing the results of analytical activities of a strategic nature in business is concentrated in the areas of sectoral economics and strategic management.

**Purpose and tasks of the research:** The purpose of the research is to develop a theoretical approach and a methodological basis for the formation of a system for evaluating the results of marketing research and their practical testing in large domestic companies.

Setting this goal necessitated the following tasks:

1. clarify the concepts of assessment, effect and result and their relationship with marketing research in industrial companies;
2. develop a conceptual model of the relationship of the results of marketing research of an industrial company and management activities in general;
3. to form a set of indicators for direct and indirect evaluation of the results of own marketing research of industrial companies;
4. to develop organizational and methodological support for the process of evaluating the results of marketing research of industrial companies, taking into account the strategic orientation, internal errors and external environmental factors;



5. identify the target group of Azerbaijan companies in the manufacturing industry, develop and test practical recommendations for the implementation of a system for evaluating marketing research in these companies.

**Object and subject of research:** The object of the study are Azerbaijan entrepreneurial companies. The subject of the research is the process of marketing research in industrial companies of product and sales strategic orientation.

**Research methods:** The scientific and methodological tools of the dissertation research are built on a system approach, methods of structural and semantic decomposition, content analysis, graphic modeling, factor and comparative analysis, hierarchical clustering, interval scaling.

**Research information base:** Informational and empirical basis for the substantiation and maintenance of scientific accuracy of the findings and results of the dissertation research were the legislative acts of the Azerbaijan, specialized, reference, scientific, technical and methodological literature on the research problem, open WEB-resources and closed databases of English-language periodicals.

**Research limitations:** Theoretical and methodological shortcomings that are hindering the research, lack of sufficient information and so on.

**Scientific-practical results obtained as a result of research:** The most significant scientific results obtained personally by the author are as follows:

- justified the use of the concepts of assessment and result in relation to the process of own marketing research of industrial companies, which makes it possible to consider them in unity with the results of management activities in general;

- substantiated a methodical approach to assessing the results of marketing research based on a set of interrelated indicators (direct and indirect) and characteristics (quantitative and qualitative), which allows you to vary the analytical tools, taking into account the characteristics of enterprises;

- a methodology has been developed for introducing methodological decisions based on the allocation of clusters of enterprises according to the size of

the company, the degree of its orientation to the market and the type of products; A target group was defined and a system for evaluating marketing research results in the manufacturing industry was tested.

**Scientific and practical significance of results:** The proposed methodology for assessing the results of marketing research in the dissertation is aimed at practical application in large Azerbaijan manufacturing companies. It allows them to integrate marketing analytics into management activities in order to move towards more market-oriented strategic development.

**Structure and volume of dissertation work:** The dissertation consists of the introduction, three chapters, a list of results and literature. Volume is 83 pages.

# **I CHAPTER. THEORETICAL BASIS OF MARKETING RESEARCH**

## **1.1. The essence of marketing research**

In modern society, information processes and resources acquire a special place and significance. It is they who in the modern world are the first reason, of both great successes and failures, catastrophes. “Effectively living,” wrote American scientist Norbert Wiener, “is to live, with the right information.” This statement reflects the process of entry of modern society into the informational stage of development. Information becomes a key factor in the success of the enterprise. Marketing analysis involves the identification and assessment of enterprise markets and the external marketing environment in order to identify attractive opportunities, identify difficulties and weaknesses in the enterprise. Effective marketing analysis is a prerequisite for the development of marketing plans, but it is also performed in the process of their implementation and monitoring. The information necessary for marketing analysis is collected in the process of conducting marketing research. Marketing research is the most important component of the analytical function of marketing. The absence of such studies is fraught with the most adverse consequences for the company-producer.

Very often, the main purpose of marketing research is the desire to give an adequate description of market processes and phenomena, reflect the position and capabilities of the company in the market. Typically, marketing research is exposed to the market, competitors, consumers, products, marketing environment, prices of goods, promotion of goods.

Marketing research is conducted by the company in order to solve a specific problem or their combination and develop a marketing strategy on this basis. The need for marketing research is associated with an active process of expanding production and the emergence of new technologies in all areas of production and circulation of goods and services, informatization of production and distribution of products, the growth of social and cultural needs of consumers, with the evolution of marketing as a philosophy and toolkit of entrepreneurship.

Market research is a series of systematic quantitative and qualitative analysis of the market for information on potential, market volumes, features, and competitive environment (Kotler F. 2003).

The main objectives for marketing research are:

- identification of opportunities and marketing problems in the enterprise;
- reducing the level of uncertainty when making management decisions;
- planning of marketing activities;
- development, clarification and evaluation of the control of the execution of marketing decisions.

The objects of marketing research can be:

1. Market. As a rule, it is of greatest interest to marketers and heads of organizations. Basically, we study trends and processes of market development, market structure and geography, capacity, sales dynamics, state of competition, market barriers, step-factors impact on the market, as well as opportunities and risks.

2. Consumers. These include individual consumers, families, households, and also, corporate clients. The subject of research in this case are the motivational factors that determine the behavior of consumers in the market, the structure of consumption, the availability of goods, trends in consumer demand.

3. Competitors. In conditions of tough competition, the results of this kind of research make it possible to occupy an advantageous position compared to competitors. The sphere of interests of the enterprise includes the market share of competitors, their strengths and weaknesses, consumer reactions to competitors' marketing tools, material, production, labor potential, as well as organization of business management.

4. Product. The main goal of the research is to check the compliance of technical and economic indicators and the quality of goods with the demands and requirements of consumers. Studies provide valuable data on consumer properties of a product: design, packaging, shape, color, price, service, ergonomics, and

functionality. These studies will also help develop an optimal product range, increase competitiveness and determine the main activities of the enterprise.

5. Price. The objects of study here are the costs of costing items, the degree of competition influence (comparison of technical and economic indicators and consumer parameters of goods of other enterprises), consumer behavior and reaction to the prices of goods (elasticity of demand). As a result, the most optimal cost-price and price-profit ratios are chosen.

6. Goods flow and flows. We study the trade channels, intermediaries, sellers, forms and methods of sales, distribution costs in order to identify the most effective ways, methods and means of promptly bringing the goods to the final consumer.

7. Systems of sales promotion and advertising. Studying the behavior of suppliers, intermediaries, customers, advertising effectiveness allows you to establish the most favorable period of time to stimulate the sale of goods, develop an effective PR company, create a favorable attitude to the company and its products, develop a system of effective communication links.

8. Advertising. Research in this area suggests approbation of advertising media (preliminary testing), a comparison of actual and expected results from advertising. The above data allows you to make decisions on activating advertising campaigns, to search for new ways to influence consumers, to increase interest in products.

9. The internal environment of the organization. Its study aims to determine the real level of competitiveness of an organization as a result of a comparison of external and internal factors. This is where full answers are given to questions about what needs to be done so that the organization's activities successfully adapt to dynamically developing environmental factors.

10. Comprehensive study. From the point of view of the object of study, marketing research is a comprehensive study. So, it is very difficult to separate from each other such areas (objects) of research as the market, consumer, competitor. The market is unthinkable without competition, consumers shape their

behavior in a certain market environment. Conducting surveys of consumers, not only their consumer behavior is studied, but the opinion and assessments characterizing the state of the market, the level of product competitiveness are evaluated by various environmental factors, i.e. marketing research can be carried out simultaneously in all selected areas.

It should be noted that all marketing research is carried out in two directions: assessment of various marketing parameters for a given point in time and obtaining their predicted values. As a rule, forecast estimates are used in the development of both the goals and development strategies of the organization as a whole, and its marketing activities (Sokolova T.V, 2005).

The organization that ordered the marketing research or conducts it independently should receive information on what to sell and to whom, as well as how to sell and how to stimulate sales. It is crucial to achieve competitive advantage in a competitive environment. The results of the study can predetermine a change in the goals and strategies of the organization as a whole. According to the ICC and ECOMAR International Code on marketing and social marketing marketing research, marketing research is “systematic collection and objective recording, classification, analysis and presentation of data related to behavior, needs, attitudes, opinions, motivation, etc. organizations (commercial enterprises, government agencies, etc.) in the context of their economic, social, political and everyday activities”

Thus, marketing research is a function that, through information, connects marketers with markets, consumers, competitors, with all elements of the external marketing environment. Marketing decisions are related to making decisions on all aspects of marketing activities. They reduce the level of uncertainty and relate to all elements of the marketing mix and its external environment for those of its components that influence the marketing of a particular product in a particular market. Marketing research can be carried out independently, by the organization’s own forces, or resort to the services of specialized consulting organizations. When choosing a research option, many factors are taken into account:

- research cost. Many organizations believe that it is cheaper to conduct marketing research on their own (Cost);
- conducting research, according to expert assessments by foreign experts, on average is less than 0.2 of each percent of the product's cost price;
- the firm's experience in conducting research and specialists with the necessary qualifications. This is especially important to consider when using complex methods of marketing research and processing of the results;
- deep knowledge of the technical features of the product. Usually, the specialists of the company have such knowledge and it is not so easy and quick to transfer them to specialists of other organizations.
- the degree of objectivity. Specialists from specialized organizations are more objective in assessing and interpreting the results.
- availability of specialized equipment: computers and special programs for them, equipment for testing. In full possess specialized organizations.
- confidentiality is better preserved when conducting marketing research by company employees. Sometimes companies conduct one part of the research on their own and the other with the help of specialized organizations.

Market research conducted annually by firms, are distinguished by scale and by type. The most important factors determining the scope of marketing research, and their direction are the size and specialization of the company. Each company independently determines the scope and volume of marketing research on the basis of its existing capabilities and needs for marketing information; therefore, the types of marketing research conducted by different companies may be different (Hague P., Hague N., Morgan C., -2004: 32).

Distinctive features of marketing research of industrial markets influence the assessment of their results. Thus, the limited number of research methods used significantly reduces the number of possible errors. Below, the author presents the independently highlighted main features of the evaluation of the results of marketing research of industrial markets according to the MESE principle: (Tull, D.S. ve D.I. Hawkins, 2000).

1. Marketing research is part of the company's management system, therefore the measurement of research results is inextricably linked with the assessment of the effectiveness of management processes;
2. Most of the success achieved depends on the implementation process;
3. Customization of research involves an individual approach to the evaluation of their results;
4. Evaluation of research results of industrial markets should be based on quantitative and qualitative (mostly) indicators;
5. A long period (sometimes more than a year) between conducting research and obtaining the final result makes it difficult to evaluate them.

These factors have an impact on the assessment of the results of marketing research of industrial markets and should be taken into account when developing a new theoretical approach (Mayros, V., Werner, D. M., 1982).

The goal of global marketing research is to provide the necessary information and analytical support to use marketing mathematical models to support marketing information, i.e. to analyze data and make optimal decisions to achieve predictions.

**Table 1. Classification of marketing research tasks**

Characteristics of market conditions	- analysis of changes in the parameters of the industrial market;
	- assessment of the potential and behavior of market entities
	- identifying trends and prospects for market development
	- an assessment of patterns of changes in the market.
Methodical support activities	- definition of the object and subject of study;
	- collection of information for further analysis;
	- determination of research methods.

**Source:** Aaker D., Day J., Kumar V., 2004.

Macro level marketing research identifies and models the patterns and trends in the market, evaluates the market's condition, defines market size, and predicts demand.



At the micro level, the estimates analyze and predict the firm's own capabilities, the market segment of the company's business and its development perspectives.

The objectives of marketing research may be dictated by the needs of developing a marketing strategy, pricing, product, communication, marketing policy and other aspects of marketing management in an enterprise.

In addition, we can list the most common solvable problems of marketing research (Berezin, 2002):

- Study of market characteristics;
- Measurements of potential market opportunities;
- Analysis of the distribution of market shares among firms;
- Sales analysis;
- Study of business trends;
- Study of competitors' products;
- Short-term forecasting;
- Study of the reaction to a new product and its potential;
- Long-term forecasting;
- Studying pricing policies.

Conducting marketing research is advisable in the following cases (Basovskiy L.E., 2003):

- Insufficient amount of information for decision making;
- The presence of internal contradictions regarding the strategy, goals, mechanisms for their implementation;
- Worsening of the situation (loss of the market, slowdown in turnover, etc.);
- Exploring the causes of unexpected success;
- Formation of new strategic or tactical plans.

The marketing research procedure can be divided into four blocks:

I. Development of the research concept.

1. Definition of research objectives and problem statement.

2. Formation of a working hypothesis.

## II. Development of a research program.

1. Definition of a system of indicators and information needs.
2. The choice of research methods and working tools.
3. Sampling.

## III. The process of obtaining data.

1. Technical organization of data collection.
2. Data collection.

## IV. The processing and presentation of data.

1. The process of technical data processing.
2. Data analysis.
3. Development of conclusions and recommendations.
4. Registration and presentation of reports.
5. Check the adequacy of the results and conclusions. (Barkan D.I. 2003: 45)

Methodological foundations of marketing consist of general scientific, analytical and prognostic methods, as well as methodological techniques borrowed from various fields of knowledge.

General scientific methods include:

- system analysis, integrated approach, program - targeted planning;
- analytic - prognostic methods that include linear programming, communication theory, network planning, queuing theory, probability theory, methods of business games, economic and statistical methods, expertise.

Let consider these methods and techniques in more detail.

System analysis - a set of methods and tools for the study of complex, multi-level and multicomponent systems, objects, processes, based on an integrated approach, taking into account the relationships and interactions between elements of the system.

Systems analysis plays an important role in the planning and management process, in making and making management decisions. It allows you to consider any market situation as a kind of object to study with a large range of internal and external cause-and-effect relationships.

An integrated approach - the use of marketing as a system using all components of marketing activities. It allows you to explore the market situation, considering it as an object with different manifestations.

Marketing research has some distinctive features. (Table 2)

**Table 2. Distinctive features of marketing research**

Group of characteristics	Distinctive features of marketing research
1. Information	<ul style="list-style-type: none"> <li>a) Manufacturability of the collection, processing and use information;</li> <li>b) Emphasis on qualitative (not quantitative) information;</li> <li>c) The complexity of data collection due to confidentiality;</li> <li>d) A high degree of study of the studied topic, in connection with high investment commitments;</li> <li>e) Marketing research results are used for making global (strategic) management making</li> </ul>
2. Organization of research	<ul style="list-style-type: none"> <li>a) Global in nature; the subject of study is industry, macroeconomic political, social, technological market factors;</li> <li>b) Customization (customized) held research;</li> <li>c) Relatively low research costs for ruble of products sold;</li> <li>d) The large time costs associated with limited the number of respondents and the specificity of the industry;</li> <li>e) Analysis of related markets.</li> </ul>
3. Research methods	<ul style="list-style-type: none"> <li>a) Limited choice of methods used research;</li> <li>b) A limited number of experts / respondents;</li> <li>c) Surveys require interest from the respondent's side;</li> <li>d) The influence of the personal factor.</li> </ul>

**Source:** was compiled by author according to Basovskiy L.E., 2003:

Program-oriented planning is one of the types of planning, which is based on the orientation of activities towards the achievement of goals. Program-oriented planning is built on the logical scheme of "goals - ways - ways - means." It is widely used in the formulation and implementation of marketing strategies and tactics.

When solving problems of choosing the priority of customer service, scheduling deliveries of goods and other similar tasks, methods of the theory of mass service are used. They provide an opportunity to study the folding patterns associated with the presence of the flow of requests for services, to observe the necessary sequence of their implementation.

The theory of communication, considering the mechanism of "feedback", allows to obtain signal information about the processes that go beyond the limits of the parameters set (Economist, 2005). In marketing activities, the use of such an approach makes it possible to manage inventory, production and sales processes. The application of the theory of communication to the organizational structures of marketing activity helps to improve the connection of enterprises with the market, to increase the efficiency of using the data obtained.

Probability theory deals with the definition and description of models related to the notion of probability. In particular, methods for calculating the probability of a certain event based on the known probabilities of other events that are logically associated with it are considered. Methods of probability theory help to make decisions that come down to determining the probability values for the occurrence of certain events and choosing the most preferable one of the possible actions. For example, to produce or not product A or B, to reorganize or expand production, to enter the market or not.

The method of network planning makes it possible to adjust the sequence and interdependence of individual types of work or operations within a program. It allows you to clearly record the main stages of work, determine the timing of their implementation, delineate responsibility, save costs, provide for possible deviations. It is quite effective to use the network planning method in developing a program for the production of a new product and organizing trial sales, preparing and conducting sales and advertising campaigns (ZIKMUND, William G., 1994).

Resolving real marketing situations is greatly helped by the method of business games. Simplified models of competitor behavior and strategies for entering new markets can be "played" to find optimal solutions.

Functional and cost analysis (FCA) - a comprehensive, systematic study of the activities of the enterprise, based on an interrelated consideration of the functions, properties, qualities of objects, goods and the costs of providing these functions. Appeal to the FSA will allow enterprises to search for such rational solutions in the field of design, technology, organization of production and service of products that will ensure its increased competitiveness.

Systematization and analysis of marketing information is carried out using economic and statistical methods. Let consider them in more detail.

Regression analysis is a statistical method of data analysis for determining the dependence of one variable on another (simple regression) or several (multi-factor regression) independent variables.

Dispersion method is used to confirm or refute the fact of the influence of the studied factor on certain economic indicators, such as the effect of advertising on sales.

Variational analysis is designed to check whether the change of independent variables significantly affects the dependent ones.

Discriminant analysis helps to divide pre-defined groups of objects through a combination of many independent variables and thus explain the differences between groups. In addition, this method makes it possible to assign a new object to a group based on its characteristics.

Factor analysis is used to study the relationship between variables in order to reduce the number of influencing factors. One of the areas of its application in marketing is market segmentation. At the same time, from a large number of variables describing the needs of potential consumers of a product, it is necessary to choose the main ones, which are fundamental for the formation of segments.

Cluster analysis allows you to combine variables or objects and groups into so-called clusters in such a way that the differences between objects that make up one cluster are less than their differences from other clusters. The main field of application of this method in marketing is market segmentation.

Multidimensional scaling allows you to get the spatial mapping that exists between objects (Golubkov E.F, 2005).

Economic-mathematical modeling is the reproduction of economic objects and processes in limited, small, experimental forms, in artificially created conditions. Mathematical modeling is often used by describing processes by mathematical dependencies. Modeling marketing processes means reproducing a certain real process or system on a computer, and using this model, studying the capabilities of this process and system, the effects on it of various factors, without conducting tests on real objects.

Forecasting in marketing is a scientifically based prediction of the development of the marketing process in the future based on the study of cause-effect relationships, trends and patterns in the present and the past.

Quantitative forecasting methods estimate the future based on past data using mathematical methods. The simplest prediction method is extrapolation, i.e. the spread of trends in the past for the future.

Projections based on the indicator assess the course of development of the process, little dependent on the entrepreneur, on the basis of one or several prerequisites. The qualitative prediction methods include the Delphi method and the scenario method.

A special place is occupied by the methods of expert assessments. Such estimates are a group of methods by which additional information can be obtained from specific people (experts) in cases where there is no other data. They allow you to quickly get an answer about the possible development processes of a particular event on the market, identify the strengths and weaknesses of an enterprise, and get an assessment of the effectiveness of certain marketing activities.

Qualitative marketing research is conducted with the help of experts. There are several methods for the qualitative assessment of a company's position on the market: the Delphi method, the brainstorming method, the synectic method and the short-term meetings.

Typically, the Delphi method is used to study market conditions (Bagiyev, 2003: p.12).

The "brainstorming" method is more efficient and reliable enough. Its essence lies in the fact that a group of qualified specialists is selected and a meeting is held with them. All those present are divided into two groups, the first generates ideas and assessments, the second analyzes them. Free exchange of views is encouraged, and it is prohibited to make any critical comments about the value of the idea or characteristic.

The leader must be impartial and direct the discussion in the right direction. The more options are offered to participants, the higher the likelihood of the emergence of a truly valuable idea, reliable characteristic or prediction, with which most participants agree.

The method of sylectics is that experts from different fields of activity gather. Each of the participants perceives the meeting as a contest and proposes a premeditated idea or characteristic. Accepted the most realistic idea, which received the support of the majority.

One of the methods of qualitative analysis is the method of conducting focus groups. The focus group consists of eight or twelve participants, with whom the moderator conducts a fairly in-depth discussion of a particular topic or concept. The purpose of the focus groups is to study and find out what people are saying and why.

The group's research idea in marketing came from the field of social physiology, where research has shown that people of different living standards and professions tell more about the proposed topic and do it with greater depth if they express their thoughts freely rather than answering specific questions. Usually in focus groups avoid direct questions. Instead, they use indirect questions that stimulate free discussion. As a result, a large database of information is obtained compared to a regular interview (Burns, A.C., and Bush, R.F., 2000: p.45).

Actively used in the research and development of marketing teaching methods borrowed from other sciences. The greatest connection of marketing

methodology is manifested with the methods of sociology and psychology, since marketing focuses on consumer behavior and the factors influencing it. For this purpose, we study, for example, the motivation of consumer behavior in the market, the perception by consumers of promotional activities, the image of the goods. Psychological tests, motivational analysis are widely used.

The methods of sociology make it possible to investigate the processes of disseminating information in the market, to identify the attitude of consumers to innovations, to study the development of various spheres of human life activity, its value orientations. In this case, the methods of questionnaires, "panel" surveys, etc. are used.

In marketing research, anthropology methods have been widely used, which makes it possible to better study the market environment with regard to national cultures and living standards. Anthropological measurements are also used in specific cases when modeling a number of consumer goods.

Ecology methods are used in marketing, for example, in the design of environmentally friendly packaging of goods. Aesthetics and design are closely related to the design of goods, brands, computer technologies are used for marketing, customer relations, and for collecting, processing data, building models, getting recommendations and much more.

## **1.2. Ways to organize marketing research**

Marketing research can be organized with the help of a private research organization or through its own research department. Theoretically, there is a third option for organizing marketing research when combined with two options, but the complexity of the co-ordination work is a significant obstacle. Recently, mutually beneficial cooperation of firms with graduating departments of relevant specialties in attracting the research and applied potential of students and faculty members of universities has become popular. At the same time, one party (the firm) gets a solution to the problem that interests it, and the other side (students and teachers)



gets the opportunity to put a huge amount of theoretical knowledge into practice. Real problems and real places of practice are a good incentive for universities to establish creative contacts on a long-term basis. However, in some countries there is also the opposite tendency - not to attract students to participate in research activities.

Each version of the organization of marketing research has its own advantages and disadvantages. The following factors can be used as evaluation criteria (Diane, 2003):

- research cost;
- research experience;
- knowledge of product features;
- objectivity of research;
- provision with equipment;
- confidentiality.

The firm chooses the most important criteria for evaluating the way research is organized or ranks the given criteria in descending order of importance. Based on the analysis of the advantages of each method in accordance with the designated criteria, a conclusion is made about their preference.

Research organization using your own research department.

Its own research department deals with market research that meets the company's information needs. The conduct of the research by its own research department is characterized by the advantages and disadvantages mentioned above with the evaluation criteria (Golubkov, E.P., 2003):

1. Internal investigation is cheaper than private investigations, but in this case, it is not possible to transfer at least a portion of costs to a third party.
2. The practice of research is limited, and professionals are generally a wider profile.
3. Specialists of the research department have extensive special knowledge of the product features, which cannot always be transferred to consultants.

4. The objectivity of the results of the research may be questionable as the behavior of employees can hurt their firms and the researchers depend on management.

5. Technical support is not very important, as a rule, the most common hardware and software.

6. Confidentiality is high, the circle of dedicated participants is scarce.

*Research organization with the help of a special research agency.*

Qualified research agencies conduct various investigations, and the results can help the company solve the existing problems. In order to benefit from the work of research agencies, managers of the company must have an idea of the features of their activities and develop certain mutual skills.

*Types of services provided by research agencies* (Khrutsky, Khrutsky V.E. Korneyev I.V., 2004).

Specialized research agencies offer a variety of marketing information services:

1. Conducting initiative (standard) marketing research, on the basis of which information and analytical reviews are issued.

2. Conduct customized marketing and social research.

3. Conduct custom research type "omnibus", when the questions of several customers are combined in one study.

4. Decision support and advisory activities.

*Standard Market Research.*

Initiative marketing research and analytical reviews are most popular on several topics:

- monitoring of advertising and information in the press;
- audience of advertising media (for example, monitoring of TV audience, radio audience, press audience);
- monitoring of the country's Internet;
- standard market research (furniture, perfumery, pharmaceuticals, etc.);

- study of indices of entrepreneurial activity in the region in the context of the labor market, stock market, small and medium businesses, etc.

*Field research type "omnibus".*

Omnibus-type surveys are performed on a regular basis (weekly, monthly or quarterly) with certain respondents representing the opinions of individual consumer groups or the general population. The survey questionnaire includes two or three questions, initiated by ten or fifteen clients. Thus, the omnibus-type study allows customers to take an equity part in the payment of expensive research and save money. Each client receives an analysis of the answers only to his questions and pays for the results for each of his questions asked. For example, one firm conducts omnibus-type studies on a sample of 1,500 (up to 2,000) respondents four times a year according to a well-planned schedule (the deadlines for accepting questions and submitting a report are indicated). One closed type question costs customers \$ 125, an open type costs \$ 182, and a filter question costs \$ 58. There are some limitations on the number and complexity of the questions asked. Another company conducts a telephone survey on the principle of omnibus, 1000 London residents and 1000 Liverpool residents, the sample is a mini-model of the entire population of London or Liverpool aged 16 years and older.

The questionnaire is formed by adding questions from the survey customers to the standard part, which includes information about gender, age, income, education level, marital status, number of children in the family, and field of activity.

The report includes: a file with survey data conducted during personal contact, a description of the sample, tables of two-dimensional distribution (in the customer's queries / basic demographic characteristics), brief analytical results.

*Individual marketing research.*

Individual marketing research is very diverse, since it is carried out in accordance with the problem faced by the customer to implement a specific marketing function in a particular market or market sector. Possible topics for customized research (Lambert J.J., 2011):

- assessment of the volume and structure of demand for a product (service) in the region;
- assessment of real supply in the studied market sector, obtaining information on the volume and structure (range / price) of supply;
- analysis of consumer preferences, identification of factors that significantly affect their behavior;
- definition of the “portrait” of the target consumer, his information preferences;
- advertising testing;
- analysis of the effectiveness of promotional activities.

*Relationship with research agencies.*

Recently, more and more enterprises are ordering research to professional research agencies, rather than doing this work themselves.

Specialists of one research firm, depending on the degree of “deepening” of researchers, identify four types of interaction between customers:

1. Providing information is the most common and simple type of interaction between a customer and a research organization. All that is required of researchers is a professional approach to solving the problems of collecting and processing the information necessary for making decisions.

2. Preparation of conclusions and recommendations. This type of interaction involves not only the implementation of information gathering procedures, but also its interpretation (that is, some “blanks” for its practical application).

3. Development of an action algorithm for the implementation of recommendations. This type of interaction involves a combination of research and consulting services to solve customer problems.

4. Implementation of recommendations. This type of interaction involves the creation of a team that is directly involved in the processes of enterprise management and helps managers to implement the proposed algorithm of actions (Ling, Stuart, 2003).

When a decision has been made regarding the organization of the research and the type of interaction expected, a research organization should be selected with which relations will be developed to implement the research project. When ordering an individual study, the development of client relations with research agencies goes through the following stages (Ling J., 2003):

1. Statement of the problem.
2. A proposal from a research organization.
3. Choosing a research firm.
4. Interaction during the study.

If the results of a study are acquired after conducting a standard initiative study, then interaction with the research organization is simplified; You can review the results in advance to make sure that the information provided meets the needs of the company.

*Formulation of the problem.*

The quality of research depends on the formulation of objectives. If customers cannot articulate exactly what they need, the result is unlikely to satisfy them. The correct formulation of the problem justifies the need for research and should contain sufficient information so that the specialists of the research organization can identify the problem and present all the existing limitations on its solution.

Marketing research specialists recommend using the following:

- basic information (company, its experience, links with the business, which should be taken into account in the study);
- the nature of the subject matter of the research;
- information about the goods or services to be studied;
- relevant internal information;
- thinking about the best approach to research;
- time and financial constraints.

The document is sent to several companies that could carry out this research project, along with a proposal to submit a quotation and schedule for consideration.

If necessary, all questions on the organization of the study can be discussed in more detail in personal contact with the specialists of the research organization.

#### *Research proposal.*

The research agency is preparing a proposal for marketing research, which, along with proposals from other artists, will be considered by the customer.

If the customer has determined in sufficient detail what he needs (the method of collecting information, the duration of the study, the scope and procedure of sampling and the analysis methodology), the proposal of the research organization will contain answers to all the questions mentioned in the received document, possible improvements to the project or cost reduction and the amount of the fee.

If the customer's request is limited to a brief description of the problem, the offer will be much more extensive. In general, the proposal of the research organization contains the following information (Wilson A. 2002: p.45):

- research objectives;
- the nature of the information to be searched;
- research approaches, its stages, recommended methods for gathering information, scope of research, geographical coverage;
- cost;
- time frame of the study;
- team of researchers with their qualifications;
- types, forms and content of the report.

#### *Choosing a research organization.*

According to one research firm, of all the firms that had rendered the services of research organizations in London in 2017, 50% cited the choice of a high professional level as a selection criterion, 40% of the company's fame, another 40% relied on the choice of a research organization on their personal experience and 25% - on the recommendations of friends.

In our opinion, the following most significant criteria can be used when choosing research organizations (Ryakhovskaya Y.Y., 2005):

- research experience;
- knowledge of the industry;
- geographic coverage;
- research cost.

Experts from research organizations recommend that potential customers additionally take the initiative:

1. Find out who is the client of a research firm, whether you can consult with them about the quality of services provided by the applicant.
2. To get acquainted with specific reports on the results of research conducted by specialists of the company.
3. To conduct personal negotiations with a potential supervisor.

*Interaction during the research.*

The nature of the interaction during the research is determined by the chosen method of control over the research process. All important conditions from the point of view of the customer must be included in the research agreement.

The customer can meet with the team of researchers to make sure that the tasks assigned are understood correctly, to provide all the information that is relevant and is not confidential. All details of the study should be agreed at the initial stage and not interfere with the research process when the work has already begun.

At the stage of field work, the customer has the right to be present during individual interviews, to receive copies of working papers, to pay the costs of copying materials - this can be used if there are some doubts about the qualifications of the researchers. It is important to ensure that the researchers, when providing the results, share the results as such and their personal interpretation of the data, as well as their recommendations.

### **1.3. The impact of marketing research on entrepreneurial activity**

With the economic development, the increase in the welfare level of the people caused their wishes and needs to increase and diversify in terms of quantity and quality. Businesses can develop and live to the extent that these demands and requirements can be predicted.

The increase in competition, the acceleration of technological innovations and the emergence of very rapid developments especially in the field of communication have led to uncertainty regarding the decisions of the capture manager and hence increased the risk. As a result of the changes in environmental factors, the decisions taken in the field of business administration started to contain higher levels of risks. The complexity of the decisions to be taken, as well as the larger amounts of the results of the decisions, increased the risk of the relevant decisions. As a natural consequence of this, business managers need more information that will reduce the risk of their decisions (Basovski, 2003).

Decision making is the determination of applicable alternatives in the execution of business activities and the selection of one of these alternatives. However, in determining the alternatives and making a selection among these alternatives, the manager needs information about the variables in the environment in which the business and the business are operated. On the other hand, it is not always possible for managers to meet the information needs required for decision-making and to make decisions without any information. In other words, when executing decisions, managers do not have sufficient information about the variables that affect this decision, therefore decisions regarding the business carry a risk. The collection of data that will ensure the complete destruction of the risk is:

- Time pressure: The necessity of giving any decision immediately,
- Inadequate or insufficient staff to collect the required data
- Not having a full tradition in all aspects of business management (especially in terms of research function)



- Small business size
- Expensive research and long-term revenue generation
- The supply and demand balance in the market is generally in favor of the producer

- It is not possible for companies to not give importance to research function due to reasons such as not giving (Bagiyev G.L., 2003):

Nowadays, the risks faced by companies in making marketing decisions are more than the risks encountered in the management of other business functions. It is possible to sort the reasons for this as described below.

- Marketing decisions are not repeated in time due to their characteristics.
- Marketing decisions require the estimation of the behavior of the people who create the markets.

- The variables related to the decisions made have effect and response relations among themselves.

- The results of marketing-related decisions are generated over time and their impacts will be extended to future periods.

- Decisions on marketing management are given and applied under the effects and constraints of environmental factors.

- Business managers cannot make direct contact with the business customers because of mass production and mass marketing.

In order to reduce the amount of risk in this area, there is a need to collect data to reduce uncertainty about the variables affecting the decisions taken. In order to meet this need, marketing research is an effective decision making tool used by business managers. Marketing research is a systematic and impartial investigation and analysis of the information required to identify and solve any problems in marketing. Marketing Research is a systematic collection, recording and analysis of data on problems related to the marketing of goods and services.

- Data in marketing research should be collected and analyzed systematically. This should include a plan covering all stages of the research.

– Objectivity in marketing research is the basic principle, if research is done to verify a preliminary idea, time and resources are wasted (Barkan D.I., 2003).

According to another definition, Marketing Research; examine, evaluate and explain what people think, what they feel, what they want to do and what they do before they take possession of the goods; in this way, it helps to make marketing decisions. The point that should be stated in relation to marketing research is that the results of the research are always in the form of estimation. The risk decreases with the accuracy of the estimates made. It helps the manager to make decisions by providing the data. Nowadays, the purpose of marketing research is generally accepted as: The purpose of Marketing Research is to narrow the uncertainty area where the business manager works and to provide the correct information to minimize the probability of error in decision making (Ling J., Stuart M., 2003).

It is possible to list the advantages of marketing research which gives information to business management and application results to the business;

– Managers' relationship with the market is established. As a result, which customers determine what they want and what price they want.

– Marketing research prevents marketing of resources and time wastage as it integrates marketing activities in a plan and program. In addition, the research reduces the wastefulness to a low level as it gives the opportunity to differentiate between the options according to the costs, very profitable, very profitable and normal profitable and unprofitable.

– With marketing research, it is possible to develop additional benefits by finding new places and new markets for new products or existing products. As known, products have a life curve. With the help of marketing research, the company can create solutions to the problems that arise when the product can be withdrawn from the market and when it will be replaced.

– Marketing research, as it reflects the preferences of consumers in all respects, helps to select the best methods for selecting and using the best technologies in the production of the products that have certain characteristics and that consumers prefer.

- With marketing research, the enterprise can easily adapt to the rapid changes in the market.

- Marketing research ensures the determination of a business policy appropriate to the wishes and needs of consumers (Sokolova, 2005).

Although market research is used instead of marketing research, market research is a narrower concept. Examines transactions and events occurring in a particular market for exchanging goods. Since marketing covers all activities related to the flow of goods and services from producer to the latest consumer, marketing research is much larger. It covers all marketing functions and deals with all marketing factors that affect the sales of goods and services. Topics covered in the field of application of marketing research can be grouped into three main groups:

- Marketing research deals with goods or services. Examines reactions to products. By cooperating with the technical research to produce a new product, it ensures that the demands of the manufacturer and the consumer are best matched. In order to meet the demand, it helps to decide what amount of goods should be produced. It helps to identify policies regarding the form, color and size of the finished product and its packaging.

- Marketing research deals with the market. In other words, it examines customers. Demonstrates the importance of different groups of buyers in the marketing of certain products. Explain the behavior of buyers and the factors that affect these behaviors. Measures the impact of the efforts and advertising shown to increase the buyer's demands and attitudes towards the product and the sales of the product. It also examines the strengths and weaknesses of competitors, their causes and the advertising and sales forces of competitors.

- Marketing Research deals with sales and distribution operations. The market examines who the customers are and where they are located, the number of customers and how to reach them. Identifies customers' habits, where and why they buy products. Shows my profitable distribution channel and sales locations.

Explains how advertising and sales efforts should be done to increase the sales of the product (Diane A., 2003).

There are three approaches to how the marketing research organization will be in business.

1. The business may decide to place marketing research in the marketing research department. In such a section, a researcher with more than one full-time responsibility is assigned to marketing research. They have no other responsibility for the investigation.

2. The enterprise may assign the marketing research task to the part-time responsibility of a director who has no further responsibility for investigating.

3. The responsibility for research can be given to a non-enterprise research organization.

Some businesses have extensive marketing research departments and do all marketing research themselves. Some of the enterprises have small research departments. They use non-enterprise research institutions when necessary.

The organization of a research department in a business is a vital issue, as long as a good organization cannot be established, the research task cannot be done fully, and it cannot be useful even if it is done.

Because the research studies have many different forms and require many activities, the organizational structures of the research department of the enterprises are not alike, for example, Ford Motor Company in A.B.O. But he is not yet qualified to carry out all the research himself. The research department needs the staff, research and planning groups. Today, the company is obliged to provide bans from external sources.

The characteristics of the data collected in the research and its use may vary from business to business. A business may be involved in conducting marketing research to contribute to technical research activities. Another enterprise may only desire a small research group that conducts sales analysis. Therefore, we can say that the study of the research department determines the organizational structure of the enterprise.

On the other hand, the breadth of research varies from business to business and has an impact on the structure of the research organization. As the size of research in a business grows, more specialist personnel are needed.

There is no definite measure of how the ideal research section will be. An organization structure suitable for one may not be suitable for the other.

## **II CHAPTER. DEVELOPMENT OF A METHODOLOGICAL APPROACH TO THE CREATION OF A SYSTEM FOR ASSESSING THE RESULTS OF MARKETING RESEARCH OF COMPANIES**

### **2.1. The role of marketing research in the international market**

All key marketing decisions regarding company strategy and tactics should be based on market research. These studies help to obtain information that increases the validity of key management decisions in the field of commodity, price, sales and communication policies of the company. Using the information, you can plan events of the marketing mix complex and track the effectiveness of their execution. The main purpose of marketing research is to reduce the risks of making wrong management decisions in the field of market policy and make better use of market opportunities; therefore, information becomes a source of competitive advantages for a company. The size of financial risk in case of making wrong management decisions is ultimately the foundation for determining the budget for marketing research.

The management of a department store in the United States has a database of customers. In connection with the decline in sales of the household goods department, it was decided to investigate which of the two factors - the terms of payment for purchases or the proposed range - would cause the greatest response from customers. Three types of messages were compiled for emailing. The message of the first type focused on prices, loan conditions and a convenient payment system. The message of the second type - focus on the proposed brand of goods. The third message was a check - it indicated only the date and time of the sale. For the study were selected 3 thousand consumers. Each type of message sent 1,000 clients. The sample of the respondents included consumers who made purchases in the household goods department during the last 6 months. All consumers were promised a discount of \$ 10 after the presentation of a postal card. The maximum number of responses was received on messages with an emphasis on the range.

Consumers in this group outnumbered the other two groups in terms of income, education and age. As a result, the department developed a marketing program for expanding the range based on mature-age consumers with a high income level (Malhotra N.K, 2007, p.387).

Obviously, the more detailed the accounting of contractors, events and operations in the company's database, the more successfully the company can conduct marketing research, for example the segmentation of its consumers. If the company has appropriate credentials, then for segmentation such parameters as descriptive, behavioral, psychographic characteristics of the consumer can be used, and the company can also segmentation of customers according to the benefits from the consumption of the offered product or service.

The system of internal accounting and reporting is the basis of the MIS (Marketing Information System). The company's database records not only customer data, but also all contacts with them, orders and stages of their execution, time of invoicing, terms of payment and data on actual customer payments, shipment and delivery methods of goods, stock status. From the company's database, you can retrieve operational information on sales in terms of time, product lines, customers, etc. Analysis of the company's sales, supplemented by market analysis, is a good foundation for forecasting demand for the company's products. Knowledge about customers, accumulated in the database of the company, allows companies to deploy programs to develop relationships with them. This is the case, for example, of Apple, which relies on consumer information from its retail store databases, as well as from iTunes databases.

If the system of internal accounting and reporting contains information about what is happening in the company, then the marketing intelligence system contains information about the market situation. The data sources for this IIA subsystem of the company are books, newspapers, specialized publications and databases, and marketing research data that can be purchased by the company or obtained on its own.

Example. One of the most important competitive advantages of marketers Nissan consider personally made information system, allowing to solve the following tasks.

1. Collection of marketing information of various types (from internal sales statistics to research results) in a single format.

The information system allows Nissan marketers to analyze sales data, marketing research results, company and shop visiting site statistics, consumer demand statistics, and other marketing data. Based on the incoming data, a daily summary is automatically generated, which helps each manager to assess the current state of affairs.

2. Forecasting the number of future buyers for new models and brands of cars.

A model for predicting the number of future buyers was created under the direction of Charles Jacobi, manager of the analytical division of Nissan. The model is based on sales statistics and the results of many years of consumer research and allows (www.svplotnikova.ru - 2018).

Identify dependencies between different stages of the purchase cycle: from awareness of the make or model of the car to choosing a dealer and paying for goods. As a result, analysts with a fairly high degree of accuracy can predict what part of consumers who consider Nissan as a possible purchase at the very early stage of choosing a car, in the future will actually make this purchase.

3. Tracking the influence of advertising media and advertising materials of various types on consumer behavior.

Another model included in the Nissan information system is designed to determine the success of each advertising material and advertising medium in terms of economic and communicative efficiency. This model also uses consumer research data, advertising campaign statistics and sales statistics. The introduction of an information system for evaluating the effectiveness of advertising allows the company to reduce advertising budgets while maintaining steady sales growth.



Modern MISs are now complemented by another block - Enterprise Feedback Management (EFM). This unit allows you to plan and conduct market research among potential or existing customers of the company, process and store their results. Such corporate feedback management of a company acquires particular importance in a situation where customer experience becomes a crucial aspect of competition. And if one can assess the behavioral loyalty of consumers by observing the dynamics of the company's client base, then one can only assess the emotional loyalty of consumers by asking their customers questions. EFM is an automation of all stages of a research business process: planning, conducting, processing results. The system contains an advanced questionnaire editor with support for various types of questions, logical branching and randomization of the order of questions and answers, quoting of samples, determination of the schedule of the study and sample size. At the stage of marketing research, the system selects respondents from a database (for example, CRM), sends out invitations by e-mail, creates a web application for an online survey on the company's website. To analyze the results, there is a specialized statistical functionality that allows you to generate customized visual reports in the form of tables and graphs. The system has access control, which allows differentiation of roles and access rights to studies and reports.

A large number of companies, especially large ones, starting with automobile companies (GM, Ford, DaimlerChrysler) and firms producing consumer goods (Procter & Gamble, Colgate-Palmolive, CocaCola), and ending with banks (Citigroup, Bank of America), have their own marketing research departments.

At Procter & Gamble, the Department of Economic Research was organized in 1924, when no company had ever conducted thorough, applied market research. The first brand in the development of which market research was used was Camay soap. Housewives were asked to choose the form of soap they liked. 72 design variants, divided into 12 groups of 6 variants each, were shown to 19,760 women. When the number of options was reduced to 2, the “finalists” were exposed in pairs

in the windows of grocery stores to select the final version. In the period from 1930 to 1942, despite the difficulties of the Great Depression and World War II, the budget of the market research department increased from \$ 45,000 to \$ 189,908. Now in each product division of the company there is a marketing research group, whose task is to study the products of competitors. In addition, at the level of the whole company, there are two independent groups that are engaged in market research and advertising effectiveness research.

According to the estimates of the Association of Market and Public Opinion Researchers, the volume of the Russian market for market research in 2013 was 430 million dollars, its annual growth is 10% in US dollars and 13% in rubles. The Russian market for market research has reached the 14th place in the world and the 7th place in Europe. In 2013, per capita spending on marketing research in the UK was \$ 80.3, in the USA - \$ 43.8, in Italy - \$ 12.3, in Russia - \$ 2.1. Six global research networks control 64% of the Russian market, while their share of the world market - 35% (Procter & Gamble, 2006: p.75). According to the results of the annual survey of the Russian Marketing Guild, presented in Figure 2.2, the market research market in Russia reached \$ 320 million, including \$ 200 million, in quantitative studies ([www.mysharcd.ru](http://www.mysharcd.ru) - 2018).

The Internet has increased speed and reduced research costs, has provided a new channel for them. 2012 was a turning point in this respect: the share of global spending on online and offline research became equal. New opportunities in the marketing research industry are connected with new research methods and new research channels. In addition to research on the Internet, research is being developed using mobile technologies. New research technologies also cause threats that are characteristic of the industry: technologies can force people out of marketing research, and for research companies there is a threat that customers will begin to conduct marketing research on their own.

In the past decade, the Internet itself has changed. Social networks and Web 2.0 have changed the way we communicate by making users the active side of communication and content generators. This provided opportunities for the

emergence and development of a new type of research and research without questionnaires and respondents - the very foundation of the marketing research industry since it emerged.

With the development of neurology, theories of networks and theories of mass behavior, the prerequisites for understanding the motivation of people and the factors influencing their behavior also changed. People post photos, videos, share thoughts on social networks. This array of information became a challenge for researchers and demanded new tools for analyzing consumer behavior.

In the past few years, the term big data literally shook the research community. According to a global survey conducted annually by Econsultancy and Adobe since 2012, among the marketers of companies, “big data”, describing the actions of people on the Internet, can do a lot. They are able to optimize offline business processes, help understand how mobile device owners use them to search for information, and increase marketing efficiency. A survey conducted by KPMG in 2013 showed that the share of those who use big data in developing a business strategy is 56% in the world.

Monitoring the activity and the statements of people on the Internet has generated innovative methods of marketing research. The annual ranking of the top 50 most innovative research companies in 2013 by GreenBook Research Industry Trends Report was led by the following companies

([www.greenbookblog.org](http://www.greenbookblog.org) - 2018):

- 1) BrainJuicer;
- 2) Vision Critical;
- 3) Ipsos;
- 4) GFK;
- 5) Google;
- 6) TNS;
- 7) Nielsen.

BrainJuicer c 2010 occupies a leading position in the ranking. This company proposed new research approaches using social media monitoring, having

developed the DigiViduals methodology. DigiViduals are robots programmed to represent a certain type of people. In DigiVidual, the age, place of residence and occupation are programmed, for it creating emotions and basic personal characteristics are extremely important, since they allow the robot to detect the corresponding content. Robots are looking for photos, videos, songs, blogs, objects of interest for shopping in social media - everything that corresponds to this type of personality. Of the thousands of objects studied, a map is created representing the life of a certain type of people with their motives. This map becomes the basis for the development of creative marketing campaigns and new products.

Essentially, Digi Viduals is a new type of creative search engine that is able to convert a huge amount of complex and abstract data into something simple and understood. They help build an emotionally rich picture of the interests of the target audience.

The work of such a “virtual respondent” is built in three stages. First, the robot collects information about its “own”, that is, the target audience given by the researchers. To do this, he collects and analyzes information left in the form of posts on social networks by real people belonging to the same target audience. Then he begins to "live", i.e. post posts on popular social networks. At the third stage, there is an analysis of what exactly is laid out by the robot, how other people react to its posts. The bulk of the manual labor in DigiVidual projects falls on this stage: it is necessary to understand and interpret the content that DigiVidual will stir.

This research methodology provides the following features:

- 1) segmentation and a deeper understanding of the target audience - a quantitatively defined and ethnographically rich “portrait” of the audience;
- 2) accurate brand personification;
- 3) monitoring trends - the embodiment of trends in the person and the possibility of monitoring over time;
- 4) generation of insights;
- 5) monitoring of insights;

## 6) new product development.

The theoretical and methodological foundation of research is based on the study of scientific literature: textbooks, journals, and monographs on marketing, mathematical statistics, and econometrics. Theoretical considerations not only determine which variables should be investigated, but also how to process and measure them, how to make a research plan and build a sample. The theory also serves as the basis on which the researcher collects and interprets the data - “there is nothing more practical than a good theory.”

- A model is a system (that is, a set of elements forming a certain integrity that are in links or relationships with each other), the study of which allows to obtain information about another system.

- Since most of the real processes and phenomena are complex (due to the large number of parameters characterizing them), modeling (ie, building a model) makes the task of studying properties and patterns easier, since the model often takes into account only the most significant characteristics of the objects and the links between them. Thus, a model is a simplified representation of a real process or phenomenon.

- As a rule, real processes and phenomena (in particular, economic) can be formalized, that is, presented as a set of interrelated formal-logical and mathematical expressions. Such a representation is called a mathematical model.

- The results of mathematical modeling for clarity can be presented in the form of a graph showing the change of one characteristic depending on another or on time.

- For example, the Apple iPhone market for the last 6 years has been characterized by an increase in growth rates, demand is pronouncedly seasonal.

Hypotheses are reasonable assumptions about the structure and nature of the connections between the objects being studied and about the possible causes of marketing problems. The main requirement that must be met by any successful hypothesis is its verifiability. A necessary condition for the hypothesis is a strict definition of all concepts used in it.

Suppose a hypothesis is formulated “consumers with average income prefer domestic wines”. Prior to the study, it should be clearly defined that “consumers” are persons who consume wine of at least 1 per month; “Average income” is income from \$ 300 to \$ 500 per month per family member; “Prefer” means buying in most cases, with the exception of emergency situations; “Domestic wines” are wines produced from Azerbaijan grapes or bottled in Azerbaijan.

At the beginning of the XXI century Harley Davidson management expressed doubts about investments in the expansion of motorcycle production due to a long decline in sales in the 1980s. The main question that interested the management of the company: will the demand in the long run be high or will consumers be carried away with something else?

A search study was conducted to clarify the marketing problem.

During the study, experts confirmed the high brand image. They predicted an increase in spending on leisure and entertainment by 2010.

Secondary data showed that motorcycle owners have a second vehicle.

The focus groups revealed that motorcycles are not so much a vehicle as a means of entertainment and recreation. In addition, brand loyalty was confirmed with repeated purchases.

The conducted search research allowed to formulate a marketing problem and a research problem.

Management problem: should a company invest in building up motorcycle production?

The problem of marketing research: will customers be loyal in the long term?

The following research objectives (search questions) were formulated.

1. Who are the consumers?
2. Is it possible to segment the market?
3. Do all segments have the same buying motive? How do they perceive their Harley motorcycles?
4. What is their brand loyalty level?

The following hypotheses were put forward.

1. The market can be segmented based on psychographic characteristics.
2. Each segment has its own motives for owning a Harley motorcycle.
3. Brand loyalty is high in all segments.

To achieve the goal and accomplish the tasks, the following methods were used.

1. Focus groups studied:

- actual owners;
- potential owners;
- motorcycle owners of other brands.

2. 16 thousand questionnaires were sent to obtain a consumer profile and their assessment of Harley motorcycles.

As a result, the company received the following results.

Seven segments are selected (hypothesis 1 confirmed):

- “adventurous conservative”;
- “sensitive pragmatist”;
- “adherent style”;
- “relaxed tourist”;
- “typical capitalist”;
- “cold-blooded loner”;
- “brash loser”.

Hypothesis 2 is refuted: when buying, all buyers proceeded from the fact that Harley is a symbol of power, freedom and independence.

Hypothesis 3 (customer loyalty in the long term) is confirmed.

Funds were invested.

## **2.2. Construction of a model of the relationship between the results of marketing research and management activities of companies**

Campaign has published a column by Ray Beharry, head of marketing for Pollfish research company and mentor at a startup incubator at the Polytechnic Institute of New York University. He described several situations in which market research mistakes led companies to multi-million dollar losses.

In 2004, Coca-Cola planned to attract a new audience: young men of 20-40 years old, who like the taste of Coca-Cola. According to the research of the brand, representatives of this audience were indifferent to diet drinks, but they did not like the taste of Coca-Cola Light. For this segment, the company has created a drink C2.

The drink was supposed to be the middle link between the classic and diet soda Coca-Cola. At the same time, a study of the American market showed that men prefer low-calorie foods with a rich taste. C2 was more expensive than other brand drinks.

Coca-Cola spent \$ 50 million to advance C2. The decision to launch the drink was supported by marketing research data on male preferences. As a result, the drink was not tied to the global brand, and marketing investments did not pay off.

The Campaign browser advises to pay attention to cases where market research participants begin to praise the product. This may mean that their feelings are insincere, and the found insights are not related to reality.

Because of this, according to his observations, sales of the Zune player, a competitor of the iPod from Microsoft, have failed. The company entered the highly specialized market, but did not state its differences. Microsoft released the player in 2006 in the US, and in 2011 ceased production. During the sales of Zune, the company has invested several hundred million dollars in its development.

In 2014, Amazon released the Fire Phone smartphone on its own operating system. The Campaign browser assumes that the device has entered the market on a “me too” basis. The weakness of the manufacturer was the lag from the first



iPhones and smartphones based on Android. Beharry believes that the product did not have bright differences compared with competitors. Amazon lost \$ 83 million on Fire Phone investments, not counting delivery to sales points and marketing costs.

According to the Campaign browser, Microsoft and Amazon have not well studied their competitors and pricing principles in new markets and were quick to launch products. Therefore, the author concludes, the study of competitors is as important as the study of the target audience. With it, the company determines how it stands out in the market.

Marketers under constant pressure come up with creative campaigns that would engage consumers in interaction with the brand. He notes that this task is not easy to solve in any market and that it becomes more complicated when the product is distributed in several countries. Obviously, in this case we must remember: that it does not work in one country will not work in another.

In 2009, HSBC entered the international market. The original slogan of the US campaign is “Assume Nothing” (“Trust the Facts”). For some non-English speaking countries, its translation sounded like “Do nothing”. Because of this mistake, HSBC spent \$ 10 million to change the international slogan for The World's Private Bank.

The new HSBC campaign was taken more positively, but the consequences of the error were significant. Beharri argues that the situation could have been avoided if marketers studied the translations more carefully. Therefore, companies should investigate the impact of new communications in potential markets. Despite the fact that the positioning may not change for different countries, the perception of the brand may vary significantly.

Due to the rapid transformation of the consumption market, sought-after products quickly become obsolete. The Campaign browser notes that Kodak has focused so strongly on its products that it has overlooked the changes. The company developed technologies that are used in digital cameras in 1975. But

representatives of the brand did not think that the purpose of consumers was to take large photographs, and not to buy film for cameras.

In 1996, Kodak's revenue was \$ 16 billion, and in 2011 - \$ 6.2 billion. According to quarterly reports, for three years the company suffered losses nine times. Between 2011 and 2012, the value of Kodak shares fell by 90%. The advantage of the company was the technology for shooting films, but it quickly lost its relevance. Campaign notes that in this case it was better to abandon some products to prevent competition.

According to the consulting firm McKinsey, the most successful companies conduct market research about two times more often than outsiders. Many make due efforts to release products that have already failed. The Campaign browser concludes that, ideally, getting information about the market is constantly needed, and not just during research.

In 2016, a large advertising campaign to attract tourists to one of the US regions was defeated because of one mistake in a video for \$ 5 million. Among the footage of the scenery of the state also caught Icelandic paintings. Apparently, one of the creators of the video was confused by the similarity of writing words in English (Rhode Island and Iceland).

After the release of the video, an error was noticed, the materials were removed and edited. But it was the first post that became viral and attracted much more attention than the corrected one. Of course, this attention was not at all what the regional tourism bureau would have liked.

In 2015, Amazon created #PrimeDay as its own analogue of Cyber Monday. Unfortunately, at that time, many of the discounts and offers did not at all meet the expectations of consumers, after which the hashtag became viral in the worst sense.

When Amazon offered a whopping \$ 0.10 discount on the Sony PlayStation, many users couldn't help but mock comments.

In 2014, Apple released the iPhone 6, accompanied by very bright advertising and promises. In particular, one of the advantages of the new smartphone was that it had a rigid body, despite its size and small thickness.

In the video, which now has nearly 70 million views, Unbox Therapy showed how easy it is to bend a new model. As soon as the video appeared on the network, there was no turning back. The war between ardent fans and opponents of Apple broke out more than ever, and the hashtag #bendgate long reminded of the failure of the corporation.

Artificial intelligence is not always right. In 2014, Google bot mistakenly identified the new slogan of the largest US bakery Greggs. In this case, the director of the brand, Nick Knowles, managed to turn the trouble into a major victory.

Thanks to a witty and successful dialogue between the company and the Google team, the public's attention focused on the brand. As a result, the error turned out to be the best advertising campaign ever for a bakery.

When large objects, events or global issues are involved in an advertising campaign, you should be doubly careful. It would be safer to abandon risky actions and choose more neutral options.

After the Coca-Cola company published a new advertising brand image in the form of a map of Russia without the Crimea, a huge number of Russian audiences were indignant. Networks appeared posts where the drink is poured into the toilet, and customers refuse to purchase the company's products.

In response to negative comments, Coca-Cola published an updated version of advertising, with the inclusion of the Crimea. And then she received a wave of indignation from the Ukrainian citizens.

The conclusion from this experience is only one: do not use images in advertising that can provoke anger or other negative with its content.

Sometimes all you need to do for high-quality advertising is just google.

During the 2014 World Cup match between the United States and Ghana, Delta sent a congratulatory tweet to the American national football team. The post

included an image where the number “2” stood next to the Statue of Liberty, and the number “1” stood next to the giraffe.

It is always better to think a little more about the concept of advertising and double-check all the facts. Social networks need to be handled very carefully, because as soon as something becomes viral, it will live forever. The best way to avoid files is to take as a rule a responsible and thoughtful approach to creating content.

### **2.3. Methodology for a systematic assessment of the results of marketing research, taking into account the strategic orientation and the influence of external and internal factors**

Almost everyone knows that many Azerbaijani enterprises and companies are not particularly successful in development. Low growth rates in many enterprises, especially in the last 2 years, are felt both inside and outside the country (in cases where local companies are represented abroad). Azerbaijani enterprises that export their products can be counted on the fingers, and the level of sales efficiency and effectiveness of the investment spent is rather low.

Some may disagree with me, arguing that measuring the effectiveness of an enterprise’s activity is necessary by the level of profit (according to the theory, by the achievement of extreme indicators). These experts believe that the most accurate way to measure the performance of an enterprise is to measure income levels after deducting expenses. However, some Azerbaijani companies and enterprises that showed high levels of income earned super-profits for the following reasons:

1. Absence of major competitors;
2. Using methods to increase sales through administrative pressure.

The inefficiency of the marketing moves of enterprises and companies is explained by the low efficiency of the marketing units, the low percentage of the return on short-term investments (ROI). The question arises: how to improve the

effectiveness of marketing moves? If during the course of a marketing move, whether it is a new product release, campaign or action, there were no poor quality marketing steps, then the problem lies in the absence or low effectiveness of marketing research. Marketing research should not be confused with the collection and analysis of current information. The principal feature of marketing research is a targeted focus on solving a specific marketing problem. To this end, many successful companies in developed and developing countries usually carry out the following types of marketing research:

- Market Research;
- Product Property Studies;
- Sales Research;
- Advertising Research;
- Motivational analysis (Motivation Research, area of research related to consumer psychology).

The quantity and quality of research conducted in successful enterprises abroad is so high that in this connection the opposite problem is common - companies are obsessed with sophisticated market analysis in search of short-term profit. This forces the management of companies to move away from an intuitive approach to business.

In 90% of cases in Azerbaijan, the management of companies assumes that there is no need for marketing research. The decision to conduct marketing moves is not based on the analysis of research data, and research related to the effectiveness of marketing projects (analysis of project effectiveness) is generally not carried out. Business leaders rely too heavily on their intuition and spend a large amount of budget marketing funds, trusting only their experience and other, non-systematized information that came to them during a certain period of time. What is the result?

1. The failed advertising campaigns aimed at the image that do not bring the necessary intangible effect;
2. Low sales of new products;

3. Low ROI of advertising campaigns aimed largely at the material effect;
4. Absurd models of brand perception, after a marketing step, due to the fact that the brand perception is not studied at all and is not taken into account when carrying out actions and campaigns;
5. Low level of service and, as a result, customer satisfaction (low customer satisfaction).

In the best case, research managers refer to the list of tasks of the marketer. Or, as they like to call “Marketing managers” in Azerbaijan. In principle, we are a market in which direct sales are often referred to as marketing managers - there is nothing surprising. Some progressive companies include employees in the marketing department who specialize in carrying out such research, which reduces their overall marketing research costs by conducting desk research and research that costs the company much less. However, cheaper does not mean better. Marketing research in-house is an economical and, often, effective tool. However, the practicality of most desk research is questionable. Firstly, one of the most important conditions in the collection and analysis of data is completely absent - objectivity. The marketing unit itself conducting marketing research often adjusts its results to their own goals and the ambitions of managers.

However, my opinion is based on the fact that if the Marketing Department is properly organized to perform a meaningful and requiring a large investment marketing step (say, a new product release), combining desk research and research with marketing research companies is the most effective way. Analysis of data transmitted by marketing research to customer companies should not contain “tips”, “ways to improve” problems as a result of research, but should contain only the analytical part of processing the collected data. In this case, if the company itself is not able to cope with the efficient processing of the obtained analytical results, the best planning scheme for the marketing step should be the following: “Company by mark. Research - Marketing / Consulting Agency - Marketing division of the customer’s company”. But back to the situation in the market of Azerbaijan.

Why is the market for market research in Azerbaijan so small? It is considered that the first companies in the market of marketing research in Azerbaijan appeared in the first half of the 90s. Today, the leading research companies in Azerbaijan are mainly the “old-timers” of the business. However, even the turnover of the leaders in this field, such companies as Era, Siar, Business Insight and so on, doesn’t compare with companies of the markets of Kazakhstan, Georgia, Russia or Turkey known to me, when comparing and equalizing the scales.

The problems of lack of marketing research in many companies in Azerbaijan are associated with the overall inefficiency of managing these enterprises and the lack of clear understandings of development directions and plans to achieve any goals. This “vice” gives rise to another “offspring” of ineffective management - the lack of control over marketing steps by top management, the lack of a clear framework for key performance indicators (Key Performance Indicators, KPI). But in reality, money is spent, and the effect is “drawn”.

Until 2015, a significant part of enterprises in Azerbaijan, in the financial sector, in the production and sales sector, as well as in other services, received serious incomes. Nobody cared about the effectiveness of the money spent. In consequence of this, control of the budget spent by the top management was minimal. Now, due to the unfavorable economic situation in the country, compared to the period up to 2015, a significant part of enterprises is experiencing a period of revenue cuts, marketing budgets have become idle and there is a need for strict economy and reasonable control over marketing tools. Understand this all, however, what methods to apply in this situation, few know. Banal budget cuts do not help, in new economic conditions and with changes in the volume and models of sales, profits fall as monstrously as marketing budgets.

In this case, sensible managers and heads of marketing departments understand that, at a minimum, the marketing budget should be kept at the same level. Narrowing the market means that pressure with certain marketing tools needs to be strengthened. However, accurate, surgical methods, a clear

understanding and measurement of the audience at which the marketing step is directed, and then, measurement of key totals, which will immediately lead to effective spending, are now needed.

What is the first thing companies need at this transitional stage? The following items reflect the opinion of the author and in no case are not a general theoretical model of the marketing methodology and refer to a generalized enterprise (For each enterprise it is necessary to work out an individual package of marketing research).

1. Understanding the overall positioning in the market today, whatever it is. Unfortunately, many company executives in Azerbaijan live with illusions about the attitude of their clients to the company. Attachment of an Azerbaijani client to enterprises is low. And the management itself is to blame. To understand the realities of how customers and non-customers of an enterprise see it and how they are treated to it at the moment, research on the perception and evaluation of the brand is necessary, and, best of all, if the budget allows, order this research to specialize marketing research companies. If the scale of the company is not large, it is necessary to conduct a desk analysis based on the feedback of the client base, and if it is possible to obtain minimal information from competitors' clients.

2. A clear marketing strategy, based on a common development strategy. I consider this stage the most important and difficult to correct the situation in the company. Large companies, again, are advised to turn to external consulting assistance from agencies that have serious, positive case studies and entrust them with work on the analytical data obtained at the first stage, the stage of understanding the current situation. If the scale of the company is small, this stage falls entirely on the shoulders of the company's marketing specialists. Here it is important to clearly understand and compare the adequacy of the planned strategy in relation to the market, the overall picture of which is obtained on the basis of desk research, and not the construction of transcendental goals of becoming a “market leader”.



3. Conduct market research, the target group and the properties of the goods to which major marketing steps are directed. It should be clearly understood that conducting a regular desk research or attracting an external company will save the company tens of thousands of manats wasted for inefficient actions, campaigns, products, rebranding and other marketing steps. In the future, systematic studies of competitors, pricing, product policies, consumer behavior studies, etc. are needed.

4. Mandatory measurements of the services provided and service by conducting research of a “qualitative” nature, like the “Mystery Shopping Customer” for service companies, as well as research on the effectiveness of sales channels and methods for companies engaged in production and sales. To see what the client faces when using your services is a pledge to improve aspects of the service. Conducting research data is possible even for small companies. Firstly, such research costs much less than “quantitative” marketing research, and secondly, with a certain dexterity of the marketing unit, this research can also be carried out on its own. It is especially important to remember - “Mystery shopper” or monitoring of objects and sales channels will not bring the desired effect, if carried out once. Conducting this type of research in 4 waves (4 times a year), I believe, is the minimum condition necessary for a clear picture of the effectiveness of steps to improve service.

5. And finally, the last item in the general mandatory research basket is the measurement of the level of advertising effectiveness. To date, there is no clear understanding of the effectiveness evaluation, in general there are up to 10 methods for evaluating the effectiveness of advertising campaigns. I propose to take into account at least a measure of communicative performance (how many clients or potential clients have seen your advertisement) in order to assess the psychological effect on the consumer’s consciousness and the measurement of the economic effectiveness of the advertisement (how many potential clients have used after contacting advertising with your products). Measuring the economic effectiveness of advertising - the item is much more complicated than communicative performance. However, if the company's sales units can organize a

trivial and typical customer question: “How did you hear about our company?”, Then the problem will be partially solved. In this case, if we are talking about a large enterprise, the inclusion of issues related to advertising in a general questionnaire as part of the “Brand awareness” research is the best solution. Measuring advertising effectiveness is a very complex and deep process with an extensive methodology that can best be trusted by professional research companies.

Having considered the situation in the enterprise in which the reader works or which he directs, it can be concluded that marketing research is the best tool to increase the cost-effectiveness of marketing steps. Understanding of this will come to the management of Azerbaijani companies, sooner or later. Today it is necessary to firmly understand that reducing the marketing costs of advertising and promoting products is not the way out. The way out is in changing marketing budgets, where the costs will be balanced between marketing research and subsequent effective advertising costs.

### **III CHAPTER. EVALUATION OF RESULTS OF MARKETING RESEARCH ON COMPANIES OF AZERBAIJAN**

#### **3.1. Determining the basis of the system for assessing the results of marketing and identifying the conditions for the implementation of research of companies of Azerbaijan**

To confirm the practical significance of the system evaluation of the results of marketing research it was tested in real business environment. In this case, a systematic approach was used to select the testing base, which takes into account various clusters of enterprises, taking into account the stage of strategic development, the type of products, the attitude to industrial markets and annual turnover. At the first stage, in order to isolate clusters, all enterprises were grouped by type of product. Then, on the basis of the already selected groups, taking into account the criterion - the type of strategic orientation, the resulting clusters were identified, which differ in the composition of industrial enterprises with the closest testing conditions. In work only the companies of grocery and sales types of strategic development were considered. The division into clusters is due to the fact that according to the study conducted by the author, about 80% of the enterprises in the manufacturing industry in Azerbaijan have a product or sales orientation. At the next stage, enterprises were selected in terms of annual turnover. From the point of view of the author, the approach being developed is applicable to manufacturing companies with a turnover of more than \$ 100 million, since these enterprises are the largest, producing about half of the total turnover of the industry.

Based on the analysis and interviews at both enterprises, the need for top management to substantiate the strategic role and systematically evaluate the results of marketing research was revealed. From the point of view of the author, the problem of the separation of marketing research from management activities is observed in other companies, and its solution is relevant and practically important to justify the role of marketing in the business environment. Based on this, the purpose of applying

the developed approach was the need to substantiate the role of the research, assess their results and influence the decisions made.

During the survey, we surveyed Veyseloglu, Azersun, Embawood, Bazarstore.

In Veyseloglu, we interviewed Social Media Manager Elgin Seyidov. He said that there is a system for research, SRM programs that do not exist in Azerbaijan, but there are such programs abroad. For example, according to the SRM software that we have, we see what a customer is doing, but we cannot make any offers that are appropriate for that purchase. Because our system does not allow it. However, while studying abroad, they offer special discounts on the client in the Microsoft program in Ukraine, according to their customer service. When that customer arrives at the store, it sends a message to the app so that any product you purchase within 5 minutes will only be discounted for you. If this system was not applied in Azerbaijan, it would be great if it is applied.

The company carries out marketing research when opening a new store. For example, they measure beforehand: how much is the population in that area, how many cars go from there, even if the cost of the cars is expensive or cheap. We set up shops around and calculate how much daily shopping is available in these stores, and how many customers are there. But we do not do marketing research when opening mini markets, we are doing it for more than 2000 m<sup>2</sup>. We currently use customer requests. For example, we have meetings with focus groups. At this time, we have secret meetings with several clients, they do not see us, but we see them. By doing so, we determine whether the customer is satisfied, what changes he wants, or if the customer has been a customer before, but now chooses another business, we investigate the cause. We are doing such meetings once or twice a year.

According to the number of views on the YouTube channel, the company is in the second place in this field. Holidays advertise on TV. For example, they announced a discount on Novruz holiday, and there was a lot of revenue. They say there is no need to introduce their products. They only introduce their personal branded products. Which of these products do not have other markets, just in the Araz market. For example, “bloom”, “dalga” branded products.

Araz Asgarov, marketing and sales manager of Azersun Holding, Tea product group, evaluates the role of marketing research in the "4" rating.

Market research is a must-have for learning the market before making a new product. Both the focus group and the survey method are used. The budget for marketing research ranges from 15 to 20,000 manat. There are pages on Youtube, facebook, and instagram. The number of viewers on Facebook is 16,000, in instagram 750, on youtube, about 200. These are not indicators of the general company, but the Azerchay.

They use other marketing methods apart from brochures. Their company conducts more marketing research in the company, including Azerchay, Berga and Bizim tarla. There is no need to introduce marketing research in Azerbaijan because they are well-known here. But the company is holding meetings with foreign guests.

In his opinion, marketing research has direct influence on management decisions. For example, when they produce tea, they investigate why they do not have tea on the market.

The level of market research in Azerbaijan is estimated at "3". In his view, the reason for the company's failure to carry out marketing research is the lack of a corporate governance system. At the same time, one of the reasons for the company's withdrawal is that it does not conduct marketing research.

We met Embawood's brand manager Hikmat Akhundov. The following question was reflected in the survey conducted with him.

Embawood is an international company. There are factories in Azerbaijan, Georgia, Ukraine, Kazakhstan. Each country has 30 to 40 stores and 130 stores in Azerbaijan. There are manufacturing factories, store sales, distributors. Through these distributors, furniture products are sent to Central Asia, Europe, Arabia and some African countries. It produces, sells, and ultimately serves the field of activity. The role of marketing research is crucial, and it is difficult to decide on products without having to do research. Marketing research is often done every year, once a year, with competitors' analyzes every six months, and more product reviews.

They use all marketing techniques, face-to-face in market research, and sometimes focus group ads and products, to provide statistical information for product information. For example, market growth, determination of purchasing power in the market, etc. Observers themselves are also observing: competitors, customers are watching the movement of the store. Market surveys are conducted by surveys. They have Facebook, instagram, linkedin, youtube pages. The number of Facebook members is about 500,000.

Their products are advertised on the internet, and in ideal designs they represent an official meeting. Marketing research affects 70% of management decisions. Marketing research is facing challenges, and research companies are less on the market. For example, we do not have market research ourselves and it is difficult to do, it requires a lot of internal resources, workers, time. Because they do not have the company's internal resources, they integrate into the outside, which affects quality.

In Bazarstore, we interviewed Gunay Novruzgizi, Head of PR and Marketing Department.

Bazarstore's field of activity is both service, sales and production. The company also produces personal products for customers to offer more affordable products. There are high quality and affordable personal provide labels, brands. These are both quality and price, and are the most received products by customers. They have a large space on the shelves.

The company appreciates the role of marketing research, and, in their opinion, its role is too great. Because there is no sales without marketing and marketing without sales. Therefore, it is always necessary to develop marketing activity. It is necessary to use innovations, to look at trends, to offer innovations to the client. This is also the case with marketing. This is especially important in the company. Almost the main place in the business is marketing activities, which builds an annual marketing plan and sells it according to marketing plan throughout the year.

The company conducts marketing research on a regular basis. For example, they follow new trends throughout the year, and make changes in politics when producing new products. As the provide labels increase, they change their policies,

advertising policies, and campaigns as they increase their brand names. Campaigns are being held for their announcement, delivery. This is certainly one of the studies. Almost every month they go through the marketing plan and make any changes. For example, what are the new trends, what world-class events are, what to do about it, or analyzing the country's retail sector and taking appropriate action.

They use all marketing methods. Customer service carries out customer analysis every 3 months, conducts surveys in shops. For example, if there is a problem in any of the stores, they will conduct additional surveys, face-to-face with customers.

Marketing budgets are not small. They work on the "360 degree contact" principle. The advertising budget is not small, because as both outdoor ads and indoor ads, TV, radio, and social networks are used. Facebook, instagram linkedin, youtube channels. The number of members is about 60,000 on Facebook and about 86,000 in the instagram. There are 209 viewers on Youtube.

They use all mentioned advertising tools. Each month the budget is allocated. TV ads are less expensive than it's costly. They promote their products through discount campaigns, advertisements, and the Internet.

Marketing research has a great impact on management decisions.

One of the reasons for not conducting marketing research in Azerbaijan is the misunderstanding of its essence. The company allocates budget for these surveys. Even if they can get customers' complaints whatsapp, it's likely to get faster. The choice of customers is always important for them.

A survey of companies shows that some of them attach great importance to marketing research, which is very important. Now let's estimate their results

### **3.2. Methodological approach to the evaluation of marketing research results at companies of Azerbaijan**

The author of the dissertation research has developed an approach to assessing the results of marketing research, taking into account qualitative and

quantitative criteria. The value of information on the study presented is represented by a group of qualitative and quantitative indicators characterizing various aspects of the study being conducted.

Three of the company representatives are male and one is female.

**Table 3. Gender of participants**

Companies	Gender	
	Male	Female
Veyseloglu	+	
Azersun	+	
Embawood	+	
Bazarstore		+

**Source:** prepared based on author's survey

According to the field of activity, companies are serving in the same fields.

**Table 4. Area of activities of participants**

Companies	Area of activities			
	service (IT)	production	sales	other
Veyseloglu	+		+	
Azersun	+		+	
Embawood		+	+	
Bazarstore	+	+	+	

**Source:** prepared based on author's survey

As can be seen from the table, one of the other companies, apart from the marketplace, is engaged in sales and service. Bazarstore is also engaged in production.

**Table 5. Evaluating the role of marketing research in business activities**

Companies	Evaluating criteries			
	Less	Good	Very Good	none (your own proposal)
Veyseloglu			+	
Azersun			+	
Embawood			+	
Bazarstore			+	

**Source:** prepared based on author's survey

As seen from the table, each of the companies evaluates the role of marketing research "very good".



**Table 6. The range of marketing research in companies**

Companies	The range				
	1 time per year	Quarterly	Reserve	New product	Not doing
Veyselöglu			+		
Azersun		+			
Embawood	+	+			
Bazarstore		+		+	

**Source:** prepared based on author's survey

As you can see from the table, companies are mostly conducting their marketing research quarterly.

**Table 7. Using marketing methods**

Companies	Marketing methods					
	research (questionnaire)	focus group	face - to - face	statistical information	observation	other
Veyselöglu	+	+	+	+		
Azersun	+	+				
Embawood	+	+	+	+	+	
Bazarstore	+	+	+	+		

**Source:** prepared based on author's survey

As seen from the table, Veyselöglu, Embawood, Bazarstore uses all of the marketing methods and Azersun uses only two.

**Table 8. Annual marketing budget**

Companies	Budget				
	0-1000 AZN	1000-5000 AZN	5000-20000 AZN	20000-50000 AZN	50000-dən daha çox
Veyselöglu	Not answered				
Azersun			+		
Embawood	2-10% of the sale				
Bazarstore			+		

**Source:** prepared based on author's survey

As it is seen from the table, Veyselöglu did not disclose the amount of lost marketing research. But only Azersun said the concrete amount.

**Table 9. Use of social networks**

Companies	Social networks					
	Facebook	Twitter	Instagram	linkedin	Youtube	Other
Veyseloglu	+		+	+	+	
Azersun	+		+		+	
Embawood	+		+	+	+	
Bazarstore	+		+	+	+	

**Source:** prepared based on author's survey

As you can see from the table, companies use unequivocally Facebook, Instagram and Youtube pages.

**Table 10. Number of members in social pages**

Companies	Number of members					
	Facebook	Twitter	Instagram	linkedin	Youtube	Other
Veyseloglu	34000		60000	less	2000	
Azersun	16000		750		200	
Embawood	150000		42000		518	
Bazarstore	60000		86000	less	209	

**Source:** prepared based on author's survey

As seen from the table, Embawood has the most viewers on social networks.

**Table 11. Advertising tools**

Companies	Advertising tools				
	billboard	social networks	TV	brochure distribution	other
Veyseloglu		+	+		
Azersun	+	+	+		
Embawood	+	+	+	+	
Bazarstore	+	+	+	+	

**Source:** prepared based on author's survey

As seen from the table, Veyseloglu uses only two of the advertising tools, Azersun third, Embawood and Bazarstore four.

**Table 12. Ways to promote products**

Companies	Ways				
	advertisement	official opinion	via the internet	making discount company	other
Veyseloglu	+	+	+		
Azersun	+		+	+	
Embawood	+	+	+	+	
Bazarstore	+		+	+	

**Source:** prepared based on author's survey

As you can see from the table, Embawood uses all four ways to promote its products, but others use three.

**Table 13. The impact of marketing research on management decisions**

Companies	Indicators			
	Less	very little	greatly	no role
Veyselöglu			+	
Azersun			+	
Embawood			+	
Bazarstore			+	

**Source:** prepared based on author's survey

As you can see from the table, each of the companies evaluates the effect of marketing research on management decisions "greatly".

**Table 14. Facing problems with companies' marketing research programs**

Companies	Answers	
	Yes	No
Veyselöglu	+	
Azersun		+
Embawood	+	
Bazarstore		+

**Source:** prepared based on author's survey

As you can see from the table, Bazarstore and Azersun do not face problems with marketing research programs

**Table 15. Problems faced by companies in marketing research programs**

Companies	Problems				
	political	economic	technological	social	other
Veyselöglu				+	
Azersun			+		
Embawood	+	+	+		
Bazarstore	No problems				

**Source:** prepared based on author's survey

As can be seen from the table, Embawood faces more marketing research problems.

A survey of all companies revealed that they face the following problems and are doing some work to solve the problem.

When dealing with marketing research, Veyselöglu face some problems. For example, some of the customers are skeptical of their surveys and refuse to answer

questions. This is a social problem. No technological problems. Because there are customer representatives in the markets that have their tablets. Those tablets are only for conducting surveys. There is no longer need for a client to write something on the paper. They try to mobilize and negotiate with customers to solve the problems.

Azersun faces some technical problems with marketing research. But the market research is carried out by another company.

Embawood face political problems and do not allow market research in the regions. They also have difficulties in terms of economics because everyone who is conducting the survey is paid, and the more money is spent. Technically, the problems are that, for example, they do not have technology in the company, for example, if they want to conduct neuro-marketing. To eliminate problems, you need to involve skilled cadres, financial resources, and open-minded people. According to them, marketing companies in Azerbaijan are holding large companies. Generally, marketing evaluations are poorly assessed in Azerbaijan. In general, he assesses the level of marketing research in Azerbaijan as "weak".

The problems Bazarstore face are indifferent to inquiries. Generally there is no big problem. They do not have problems with clients. Because they are in the around of people, educate and attract them. Even the name of the "super card" was chosen based on customer inquiries. When designing provide labels, they consult their clients with their designs, produce the most sounding product.

### **3.3. Recommendations on the results of the assessment and the conditions for the further application of the proposed methodological approach**

The approach developed by the author allowed to conduct a systematic assessment of the results of marketing research on the example of the manufacturing industry company Embawood. Using the developed approach revealed the current shortcomings in the organization of the marketing research process:

1. There is a weak effect of research results on management decisions adopted by the company;
2. A limited selection of data collection methods is used;
3. It does not take into account the influence of external factors;
4. The indicator of the representativeness of research is at an average level.

From the point of view of the author of the thesis, the presence of the first and second factors is closely related to the specifics of marketing research of industrial markets. In turn, the weak influence of marketing research results on the company's management decisions is partly due to the following reasons:

- The weak influence of the strategic marketing department on the organization's activities;
- Higher priority given to the modernization of production, compared with the development of new markets and the use of marketing tools.

According to the author of the thesis, the issue of weak influence of marketing research on the organization's activities should be resolved at the level of the organization's management. The main recommendations for Embawood according to the results of testing the developed approach are:

- Implementation of the marketing research evaluation process based on the results of the implementation of the decision made;
- Strengthening the impact of marketing research on the adoption of management decisions in the company;
- Using more marketing research methods applicable for analyzing industrial markets (expert survey, benchmarking, etc.);
- Accounting for the influence of environmental factors.

Of course, an increase in the number of methods used leads to an increase in the budget for marketing research, but given the high importance of the decisions made, these costs will be reasonable. As a result of the approbation of the proposed indicators, it was revealed that marketing research in the Veyselöglu, Azersun and Bazarstore is conducted at a high level: a large number of information sources and an extensive set of modern methods of collecting information are used; research

pays off in a short period of time; studies are characterized by high feasibility and average value of information, which was definitely based on performance indicators. However, the quality of the information obtained is reduced due to the use of outdated forecasting methods (trend method), and, as a result, the impact of systematic marketing research errors. In addition, unsystematic errors affect the research results.

To reduce the effect of systematic errors on research results, it is advisable to use the method of scenario conditions for price forecasting, as well as to carry out constant adjustment of the forecast depending on changes in market conditions. In addition, it is necessary to pay attention to the reliability and validity of information provided by marketing research, as well as the reliability of external sources of information used. In the course of testing the methodical approach proposed in this dissertation for evaluating the results of marketing research, the necessary conditions for its use have been identified. From the point of view of the author, for its implementation it is necessary to observe the condition of the practical use of the results of marketing research, that is, the adoption of management decisions based on the research and subsequent implementation.

According to the author, the assessment of economic indicators, such as the return on research and the size of the expected profit (loss) from the implementation of decisions is conditional and characterizes the economic feasibility of marketing research. The conditional nature of the assessment is determined by the fact that the research itself is not a tool for making profit. The estimated payback time for research and the expected amount of profit or loss are calculated based on the final financial or target results obtained from the implementation of management decisions. The final result, in addition to information, is influenced by the decision-making process and its implementation. Therefore, when forecasting economic indicators, it is necessary to assume the minimum impact of these factors, which will allow for the maximum extent to take into account the role of research.

There is an opinion that in the practical implementation of decisions made on the basis of the information received, it is impossible not to take into account the influence of managerial factors. It is impossible not to agree with this statement, but to assess the role of the influence of all factors, it is necessary to evaluate management activities, which greatly expands the field of research and goes beyond the scope and subject of this dissertation. The scope of the research was limited only to marketing research, which made it possible to more clearly focus on solving one of the problems existing in modern marketing.

There is also a point of view that one can cite as an example a number of studies for which the proposed approach will not be applicable. The aim of the author was not to substantiate the effectiveness in each of the individual examples of marketing research, but, on the contrary, to create a single universal approach that affects the most important characteristics of marketing research. From the author's point of view, in the presence of any universal approach, there will always be types of research for which this approach will not apply. This is due to a wide range of research problems and methods for solving them. In addition, it should be noted that it is impossible to take into account the influence of force majeure circumstances and factors beyond the scope of a typical marketing research (political, macroeconomic and other factors).

Marketing research is not aimed at providing information characterized by 100% reliability, which is a consequence of the constantly changing market environment and the existence of a number of factors whose predictive value cannot be taken into account. It is always important for a researcher and a customer to determine an acceptable level of permissible error, the value of which is inversely proportional to the cost of research. In addition, the author found that an additional constraint to maximize the results from the use of marketing research is the format of the organizational structure and the number of employees in this department. Therefore, the direction of further research may be to study the influence of the form and composition of the organizational structure on the work of the marketing research (marketing) department.

During the testing of the methodology, the author identified new methods that can be used to assess the results of marketing research. These methods can be applied in further research on this topic:

- Comparison of the estimated benefits from the project with the actual;
- Determination of forecast accuracy (in comparison with actual data).

The use of these methods will improve the reliability of the assessment of the results of marketing research. The approach proposed by the author can also be used in enterprises of other industries, which can and should be the subject of further research.



## CONCLUSION

The process of market globalization and increased competition has led companies to respond promptly to market changes, making the most of the marketing research tool. They are of particular importance in the companies of the product and sales orientation of the manufacturing industry, where the cost of the decision is high compared to the cost of their implementation, and research can minimize the risks of the decisions made. To date, the organization of research for large industrial companies has become a factor of survival in a highly competitive business environment, and high-quality and timely information very often becomes the key to success.

The growth of competition and the transition to an open economy have caused a secondary role in the marketing and product orientation of industrial companies in the marketing research tool. As a result, many enterprises are faced with the problem that the cost of independent research or the purchase of ready-made results is not a prerequisite for obtaining the desired result. This is primarily due to the lack of interrelation between marketing research and the final result of the company, as well as the lack of an evaluation system for the marketing research process. Therefore, a systematic assessment of marketing research with the aim of maximizing the results from using this tool, more fully integrating into the company's activities and raising the overall level of analytical culture is the most urgent task.

In the course of the dissertation research, the author clarified the role of marketing research conducted in industrial companies of product and sales orientation, demarcated their area of responsibility, proposed a model for the interrelation of marketing research and the final results of the company, proposed a phased assessment, including a priori, intermediate and a posteriori stages, as well as developed a system for evaluating the results of marketing research based on quantitative and qualitative indicators and taking into account the impact of tori external and internal environment.

The dissertation research allowed us to formulate a number of conclusions in the framework of solving the designated problem:

1. During the consideration of the theoretical foundations of marketing research, the author identified the specifics of their organization for manufacturing enterprises of a product and sales orientation. In addition, the main factors characterizing the information, organization of research and data collection methods that are most typical of this type of research were highlighted. In the course of the subsequent consideration of the theoretical foundations of the marketing research category, the author studied the main elements of the definitions of existing authors and formulated his own definition that most closely matches the selected object. Also, a typology of the existing types of marketing research was carried out and a new classification was proposed, reflecting the types of marketing research, collection methods and types of information received and allowing differentiation of these categories.

2. Based on the analysis of the organization of marketing research by well-known authors, a new list of stages was proposed to determine the feasibility of organizing research at the stage prior to their conduct (a priori), as well as to evaluate the result of the research (a posteriori), including taking into account economic indicators and effectiveness.

3. As a result of studying the economic literature, the terms economic efficiency, effectiveness and efficiency were delimited, a classification of the approaches of modern authors to the evaluation of the result was made, and direct and indirect approaches were identified. The classification served as the basis for the development of the author's approaches to the system evaluation of marketing research results.

4. In the course of reviewing the approaches of modern scientists to the assessment of the results of marketing research, the author of the dissertation identified their main advantages and disadvantages. Thus, the characteristic distinguishing feature of the approaches under consideration is the lack of distinction between indicators for evaluating economic indicators and

effectiveness, the lack of a systematic assessment of the marketing research process and the consideration of the influence of external and internal factors. These prerequisites were the basis for the development of a new methodology for system evaluation of marketing research results.

5. Marketing research is considered as an integral part of management activities; their influence on decision-making in industrial companies has been repeatedly noted. Marketing research contributes to the adoption of more informed decisions, affecting the competitiveness of the enterprise as a whole. From the point of view of the author of the thesis, it is possible to trace the indirect relationship between marketing research and the final results of the company, which can be expressed in achieving its goals (sales, profits, market share or survival in a competitive environment). The researches in question are not a tool for obtaining financial profit; their goal is to provide information for making management decisions; the result of marketing research is information.

7. The complexity of the methodology for assessing the results of marketing research is to take into account both quantitative and qualitative. Their criteria, which provides greater reliability of the results. Using an assessment of indicators of valuation and accounting for the effectiveness of marketing research, it is possible to identify the degree of their influence on the final results of a company, as well as the ability of research to influence the management process of the organization as a whole.

The developed system assessment methodology can be used by managers of manufacturing enterprises to conduct a systemic assessment of marketing research, including taking into account economic characteristics and performance indicators, as well as identifying current shortcomings in order to develop a process of improvement and integrate research into the company's management activities. Practical recommendations proposed in the thesis increase the competitiveness of large domestic manufacturing enterprises by integrating marketing research into their activities and implementing their phased transition from product and marketing to marketing strategic orientation.

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2. <https://www.entrepreneur.com/article/306277>

3. <http://fortune.com/2014/11/17/top-10-research-development/>

4. <https://www.quora.com/How-much-do-companies-spend-on-market-research>

5. <https://static1.squarespace.com/static/51d25286e4b0ab0e18156945/t/55a82696e4b03c912a9fcde1/1437083304675/SeriesC+Startup+Marketing+Budget+Survey.pdf>

6. <https://www.quora.com/How-much-should-a-startup-spend-on-market-research>

**APPENDIX**  
**Questionnaire**

**Hello I am a graduate of ASEU. I have research topic related to marketing research in companies. The results of your inquiry are directly dependent on your objectivity and sincerity. Please give us 5-10 minutes to answer our questions. Thank you in advance for your cooperation.**

Please check the appropriate answer.

1. Gender:   a) Male  
                  b) Female
2. Your activity area?
  - a) service (IT)
  - b) production
  - c) sales
  - d) other
3. How do you see the role of marketing research in business activities?
  - a) Less
  - b) Good
  - c) Very good
  - d) none (your own proposal)
4. At what time do you conduct marketing research in your company?
  - a) once a year
  - b) quarterly
  - c) reserve
  - d) new product
  - e) I do not
5. What marketing methods do you use?
  - a) research (survey questionnaire)
  - b) focus group
  - c) face - to - face opinion

d) statistical data

e) observation

f) other

6. How much is your annual marketing budget?

a) 0-1000 AZN

b) 1000-5000 AZN

c) 5000-20000 AZN

d) 20000-50000 AZN

e) More than 50,000

7. Which of your social networks do you use as a company? (Do you have an official website?)

a) Facebook

b) Twitter

c) Instagram

d) Youtube

e) linkedin

f) other

8. Number of members on your social pages?

a) Facebook\_\_\_\_\_

b) Twitter\_\_\_\_\_

c) Instagram\_\_\_\_\_

d) Youtube\_\_\_\_\_

e) linkedin\_\_\_\_\_

f) other\_\_\_\_\_

9. Which of the advertising tools you use most often?

a) Billboard

b) social networks

c) TV

d) brochure distribution

e) other



10. How do you identify your products?

- a) advertising
- b) official opinion
- c) via the Internet
- d) making a discount company
- d) other

11. How does marketing research affect management decisions?

- a) less
- b) very little
- c) many
- d) has no role

12. Does your company face problems with marketing research programs?

- a) yes
- b) no

13. What problems do you face?

- a) political
- b) economic
- c) technological
- ç) social
- d) other

14. What are your ways to overcome these problems? Please list.

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THANKS FOR YOUR COOPERATION

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