Desk Market Research: Relevant Now and Always

Eshmamatova Madina
Bachelor student of
Tashkent state university of economics
Email: eshmamatovamadina@gmail.com

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Abstract: One of the most popular criteria for dividing marketing research is based on the nature of the work and the collection of initial information. There are two basic types—field and desk research. Usually they talk and write about the desired sequence—first, a desk study is conducted, in which hypotheses are formed and pre-tested using information that is less specific and relevant, but more capacious and accessible, covering all possible areas and areas of the company's current and potential activities.

Key words: Desk marketing, business strategy, cabinet marketing

Desk marketing research is the foundation of a successful business strategy for years to come. Then, based on the selection of the most interesting areas that can become the birthplace of business growth points or the development of existing potential, field research programs are formed. Within their framework, information is accumulated that has a high degree of relevance, relevance to the tasks set and verifiability. In the context of the new economic reality of social and economic constraints, when work in the fields is partially, sometimes significantly, difficult, and the price of choosing incorrect hypotheses for conducting the "field" is especially high, it is worth talking in detail about desk research. Why should you focus your efforts on this particular area of the company's marketing activities?

"Cabinet marketing" allows you to increase the effectiveness of the marketing budget. Cost savings are an enduring value for any company. However, unfavorable economic conditions and falling markets push management to work more effectively with "costs". In Russian practice, the position of management and owners is still widespread, that the first (one of the first) to be reduced in terms of financing is the marketing budget. And here there is a reasonable question—which of its articles should be cut first, and which-later.

At the same time, articles for conducting market research are always significantly inferior to advertising costs, for example. And it is rare when these articles are in principle different from zero. If a large business has the understanding (and the ability, too) to form a budget for research and execute it in one volume or another, then a small business often spends significant (5% or more of the total budget) money on advertising activities, the effectiveness of which is either not considered, or is justified in a way that suits everyone (an advertising specialist shows that he is useful, and the manager convinces himself,
looking at the figures of reports, that he, as a professional, was able to find a good performer, often vaguely understanding the meaning of all these calculations and justifications).

Of course, advertising is extremely important, especially in conditions when the market situation is not the best, at the same time, before spending money on promoting a product, it is desirable to have a clear understanding that we promote exactly those products, in that market, to those consumers and in those parameters (quality, price, options, and so on) that can find the maximum response. This understanding is formed precisely within the framework of market research, as they are the basis for making key commercial decisions. Good advertising that doesn't meet market expectations is as effective as shooting a high-quality weapon blindly.

Moreover, practical experience shows that a competent and responsible specialist, especially a manager in the direction of promotion or advertising, will ask for the widest possible list of information about the market, competitors, and promising trends. Such data, especially prepared and systematized, significantly improves the quality of advertising companies, allows you to use more effective communication channels.

But it's not just about advertising. Desk research is the first step to building an effective business strategy for a company. Having the necessary information to make strategic decisions on the market does not guarantee that they will be agreed, much less implemented, but it creates the necessary basis for this.

A well-prepared and conducted desk marketing research allows you to form a balanced position of the company on the choice of optimal product and geographical markets, adapt products to these markets, prepare a popular price offer, work out promising sales channels and find partners who can adequately represent the interests of the business. Then, of course, this information will be used in the preparation of the advertising campaign, as it will be clear where, to whom and with what we go, what conditions we offer.

Thus, desk research is a tool that works in business as the well-known "Occam's razor", cutting off all unnecessary things that distract time, employees, and money. Prioritization of tasks, including market tasks, is one of the most resource-intensive, but at the same time the key functions of owners and top management. Its implementation should be provided with information that can only be collected from the outside through marketing tools.

A simple example. One of the manufacturing companies set the task of entering the EU market with products aimed at the end user and the DIY channel and marketplaces (this was the hypothesis, in these channels it achieved success in the Russian market). And at this stage, she stopped, because she simply did not have the resources to study all the EU countries in these channels, and the company's management did not understand how to choose priorities.

What made it possible to do desk marketing research in this case? First, choose a country for optimal entry into the EU market, taking into account both the internal market and trade relations with other EU states. In our example, the Netherlands was chosen as such a country.

Then they began to work out the channels for entry, which made it possible to establish the impossibility of direct entry to the priority (within the initial hypothesis) sales channels. The task has been
adjusted to look for entry points that were found in the direction of wholesale companies with a certain profile.

Thus, through a marketing desk study (which included online communication with potential partners), the initial hypothesis – to work out a DIY channel in the EU was concretized to work out a channel of wholesale companies with a certain profile in the Netherlands. As you understand, the costs of implementing these tasks are in principle incomparable, not to mention the effectiveness of the first "firing a cannon at sparrows".

The moral is very simple – in most cases, conducting desk marketing research reduces the cost of subsequent commercial activities while improving its effectiveness.

Desk marketing research is necessary to enter export markets

The example given in the previous part of the text confirms the thesis made in the title of the current part of the article – export should always start with "cabinet marketing".

Of course, there may be an objection – we were approached by buyers from abroad and now we export without any research. Yes, this situation is rare, but possible. However, it does not exclude the need for marketing research, even increases its relevance for one simple reason – if an external contact has already been concluded and has begun to be executed, then all the more so you need to have a complete "alignment" of the situation on the market of a foreign country where your product is in demand. To understand, at least, whether you are working with the right partner, and whether the profit remains to you as a result of this cooperation. In practice, there are many examples of how even large businesses trusted foreign partners, and as a result, they lost millions of dollars in lost profits.

Now the topic of export is more relevant than ever. First, the situation in many Russian markets is unfavorable, which is due to the epidemiological situation and the exchange rate. It is logical that companies try to hedge their risks by operating in different geographical markets. There has already been information about the gradual recovery of the economy in China and the lifting of restrictions. Also, other countries will enter the phase of economic growth at different times.

The second reason is that in 2020, measures of state support for exporters are still being maintained, including co-financing services (20% of the costs are borne by businesses) for conducting market research on export markets. Therefore, if the company does not have sufficient in-house competencies to organize and conduct research, it can use this service, saving significant funds.

In addition, in the process of providing such a service, it is possible to interact with the contractor (export support centers attract agencies specializing in marketing research of foreign markets for this purpose), which means that you can not only get the result of a specific study, but also to some extent master the principles and content of such work, so that you can independently try to conduct similar research in a simpler and more understandable foreign market.

Why is desk research especially important for working in foreign markets? The main thing is that business is often quite poorly oriented in the specifics of their functioning, does not represent the barriers that need to be overcome in order to deliver their products to a particular country. If there is an understanding in any country or region, it can play both in a positive way and to the detriment.
The positive is clear – there is information for making decisions. The negative is that the priority market is not the optimal one from the business point of view, but the one that was "remembered at the right time". Hence such cases, when a company tries to enter the market because the owner has a friend living there or a son who studied at a good university, and now wants to stay and run a business.

Of course, sometimes this also works, but it is much better to go step by step and identify priorities objectively. To do this, within an economically justified area of supply (not all goods can be cost-effectively supplied worldwide), it is necessary to consider all markets in order to rank them for further in-depth study of the most promising (not only by cabinet, but also by field methods).

For the first steps, in fact, the desk marketing research is responsible. Not every company, especially those belonging to the category of small and medium-sized businesses, has the human resources to solve this problem. But there is outsourcing for this purpose. If the marketing team is ready for such challenges, then it is all the more sinful not to take advantage of the available opportunities to find new growth points for your company.

They look both at the potential of the market – how much and at what margin you can sell, and at the barriers – what costs will be required at the entrance, at what volume of sales they become economically justified. Sometimes the barriers are also directly prohibitive, and not only for distant markets, but also within the Customs Union (many oil products to Kazakhstan, for example, a Russian company will not be able to sell under a direct ban).

So exporting now is a reasonable and reasonable step, but it must be prepared. A desk study will help in this, answering the question where and with what we will go. At the same time, we will know for sure that we will be allowed there.

"Cabinet marketing" - a local trend in spring 2020

As we are told and written by psychologists, we need to look for positivity and opportunities in everything. April 2020 teaches many Russian companies to work remotely, employees are at home, sometimes-isolated from colleagues in the workplace. Now many methods of field research are not feasible, but for "cabinet marketing" the situation has not changed at all. Access to the main sources of information does not depend on the restrictions imposed, therefore, technically, such work can be carried out in full.

From the point of view of communication with information carriers located both in Russia and abroad, the situation is rather favorable, since many people stay at home and spend a lot of time on the Internet, some people are bored without work in the usual load mode, so they are ready to contact more willingly. Now it is even easier to start a conversation and get acquainted, as there is a certain unity of people around the world, and there are less barrier biases in communication. Relaxed and businesslike communication helps to resist stress and see a positive perspective on the development of the situation.

The burden on full-time marketers has also decreased, budgets are being held, but it is not recommended to lay off employees and sharply reduce their wages, so it is time to test their competence in the field of marketing analysis and market research. A quieter mode of operation can help in the implementation of such functions, even if they are not specialized.
However, the most important of the current trends is the change in the socio-economic situation in Russia and the world. Already, many experts say that the world will come out of the current crisis in a different way, changing the priorities of consumer behavior, the motives for choosing goods and services. In addition, significant changes are predicted in the structure of the world economy — in different countries with different depth and dynamics, but the industry structure will change. Some markets will fall more, some—less, and some will be able to increase their influence, become more significant. And we are not even talking about a lot of local changes — in individual geographical and product markets, in sales channels, methods of competition and promotion, and so on.

In the cycle of recent events, it is difficult to focus on long-term goals and objectives, but right now it is extremely useful and meaningful for business. A good desk marketing research will help you make a clear plan for overcoming the crisis and restoring the economic potential of the enterprise. This may require significant changes in development priorities that cannot be found in current operating activities.

References: