

Pondicherry University
Directorate of Distance Education

MBA 1ST SEMESTER
Research Methodology

Chapter 1:
The Role of Business Research

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Business Research Defined

Business research is defined as the systematic and objective process of generating information for aid in making business decisions.

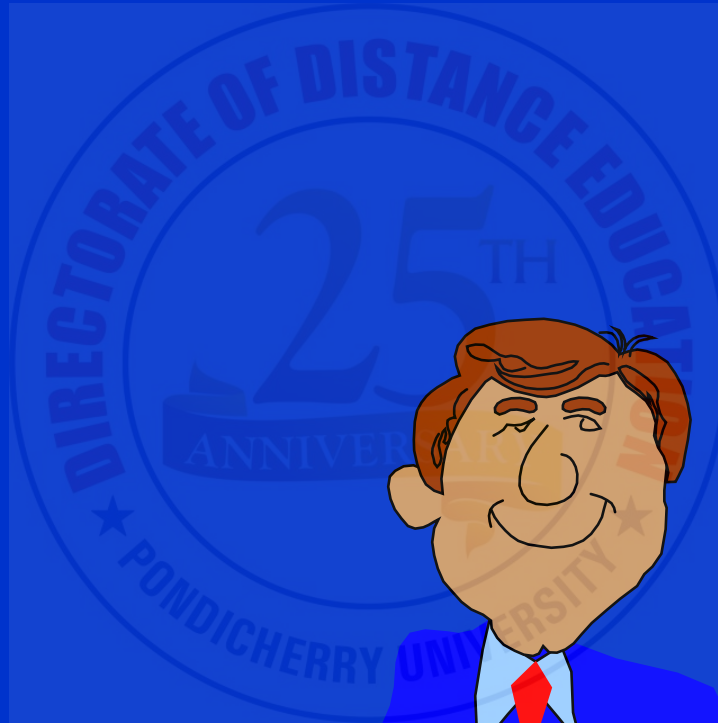
Business Research

- Research information is neither intuitive nor haphazardly gathered.
- Literally, research (re-search) -“search again”
- Business research must be objective
- Detached and impersonal rather than biased
- It facilitates the managerial decision process for all aspects of a business.

Information

Reduces

Uncertainty



I don't know
if we
should
offer on-site
child care?

“It ain’t the things we don’t know
that gets us in trouble. It’s the
things we know that ain’t so.”

Artemus Ward

Business Research Types

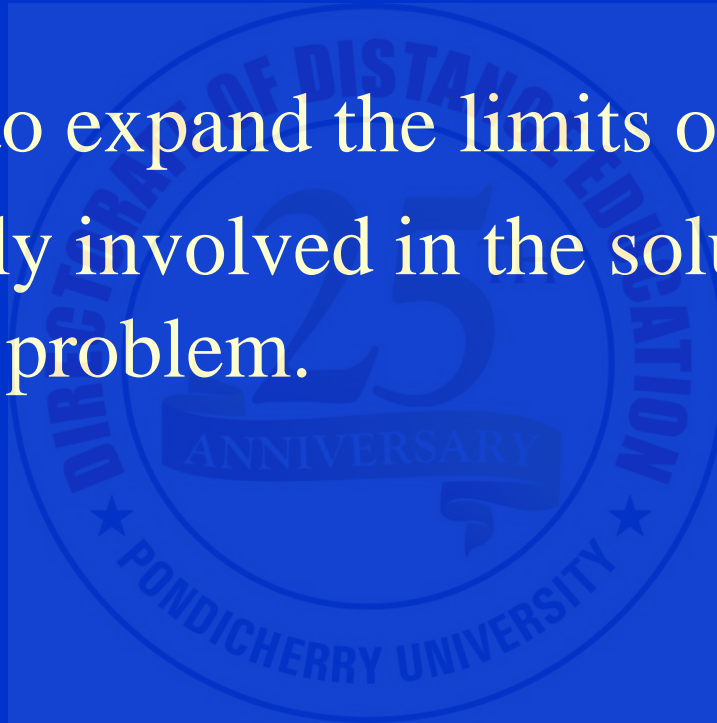
Basic research

Applied research



Basic Research

- Attempts to expand the limits of knowledge.
- Not directly involved in the solution to a pragmatic problem.

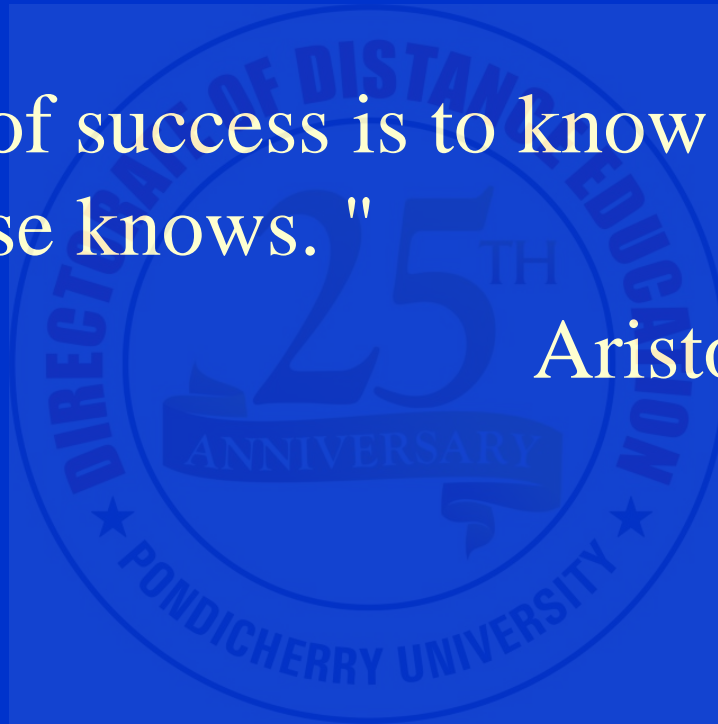


Basic Research Example

- Is executive success correlated with high need for achievement?
- Are members of highly cohesive work groups more satisfied than members of less cohesive work groups?
- Do consumers experience cognitive dissonance in low-involvement situations?

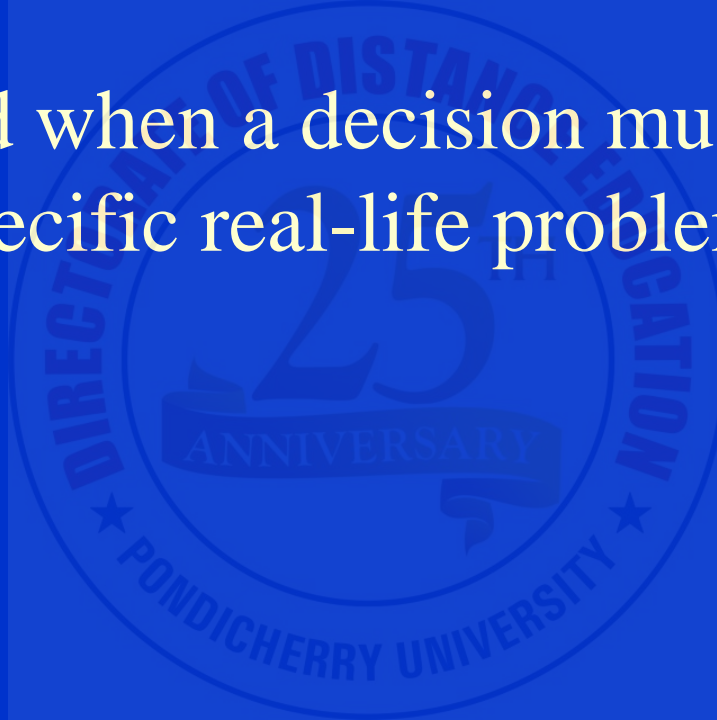
"The secret of success is to know something nobody else knows."

Aristotle Onassis



Applied Research

- Conducted when a decision must be made about a specific real-life problem



Applied Research Examples

- Should McDonalds add Italian pasta dinners to its menu?
- Business research told McDonald's it should not?
- Should Procter & Gamble add a high-priced home teeth bleaching kit to its product line?
- Research showed Crest Whitestrips would sell well at a retail price of \$44

Scientific Method

- The analysis and interpretation of empirical evidence (facts from observation or experimentation) to confirm or disprove prior conceptions.



The Decision-making Process Associated with the Development and Implementation of a Strategy

- Identifying problems and opportunities
- Diagnosis and assessment
- Selecting and implementing a course of action
- Evaluating the course of action

Evaluation Research

- Evaluation research is the formal, objective measurement and appraisal of the extent to which a given activity, project, or program has achieved its objectives.



Performance-monitoring Research

- Research that regularly provides feedback for evaluation and control
- Indicates things are or are not going as planned
- Research may be required to explain why something “went wrong”

Total Quality Management (TQM)

- A business philosophy that embodies the belief that the management process must focus on integrating customer-driven quality throughout the organization.

TQM

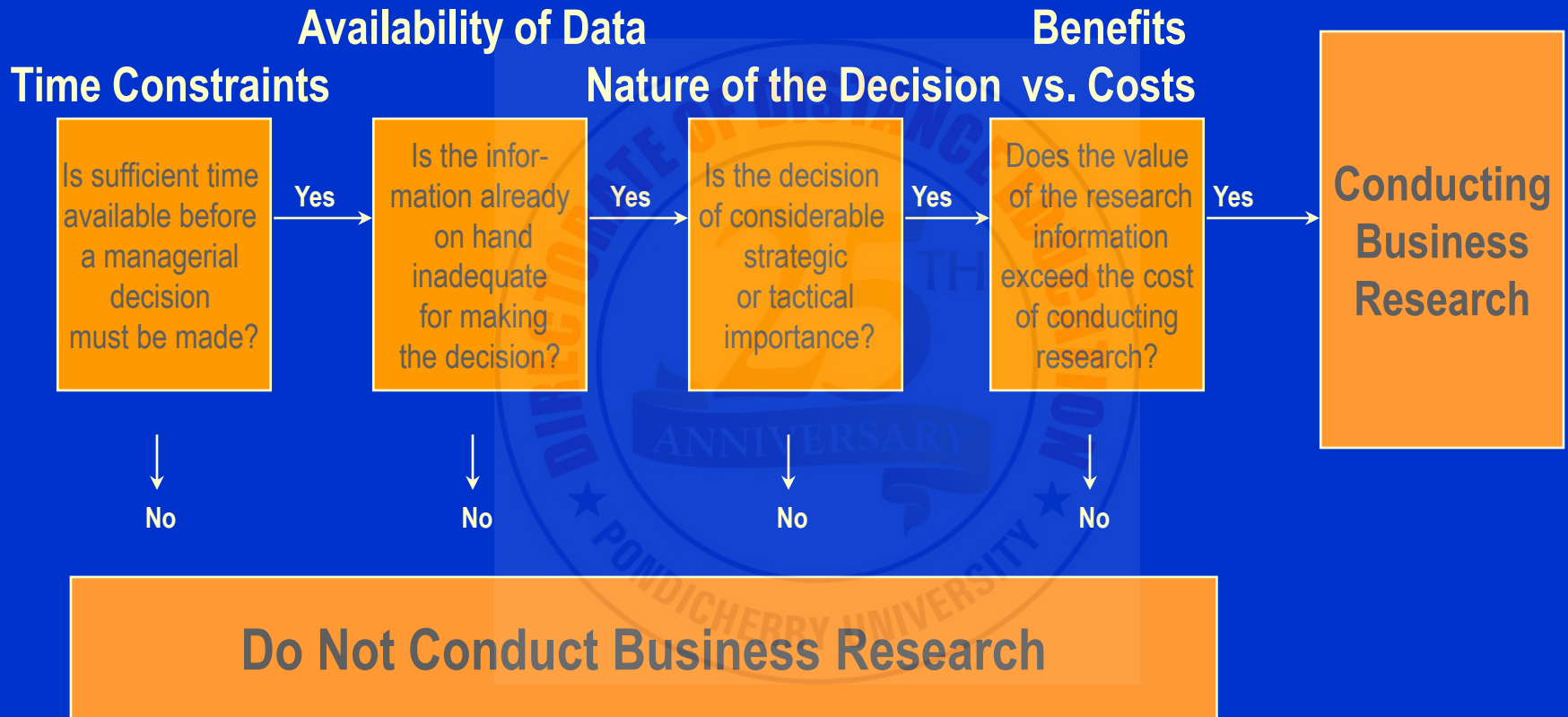
- Stresses continuous improvement of product quality and service.
- Managers improve durability and enhance features as the product ages.
- Managers strive to improve delivery and other services to keep their companies competitive

Determining When to Conduct Business Research

- Time constraints
- Availability of data
- Nature of the decision
- Benefits versus costs

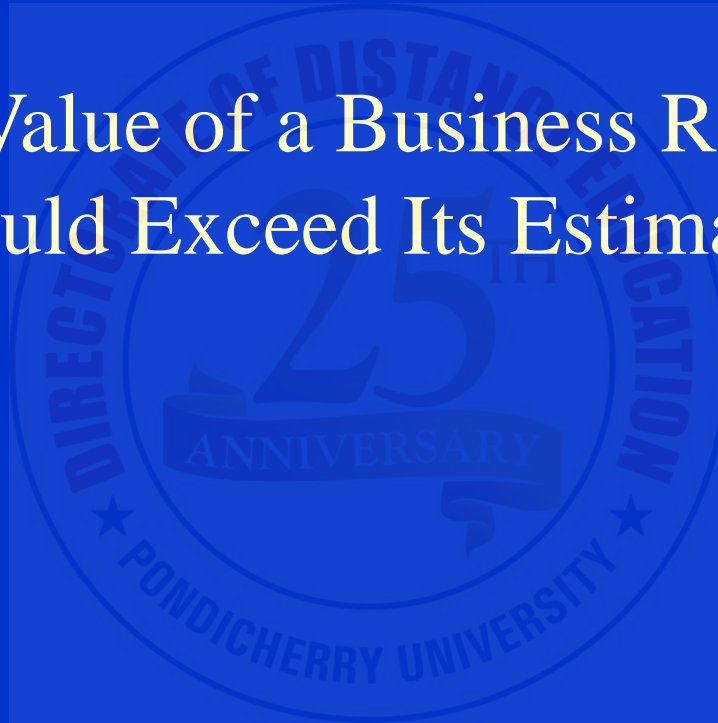


Determining When to Conduct Business Research

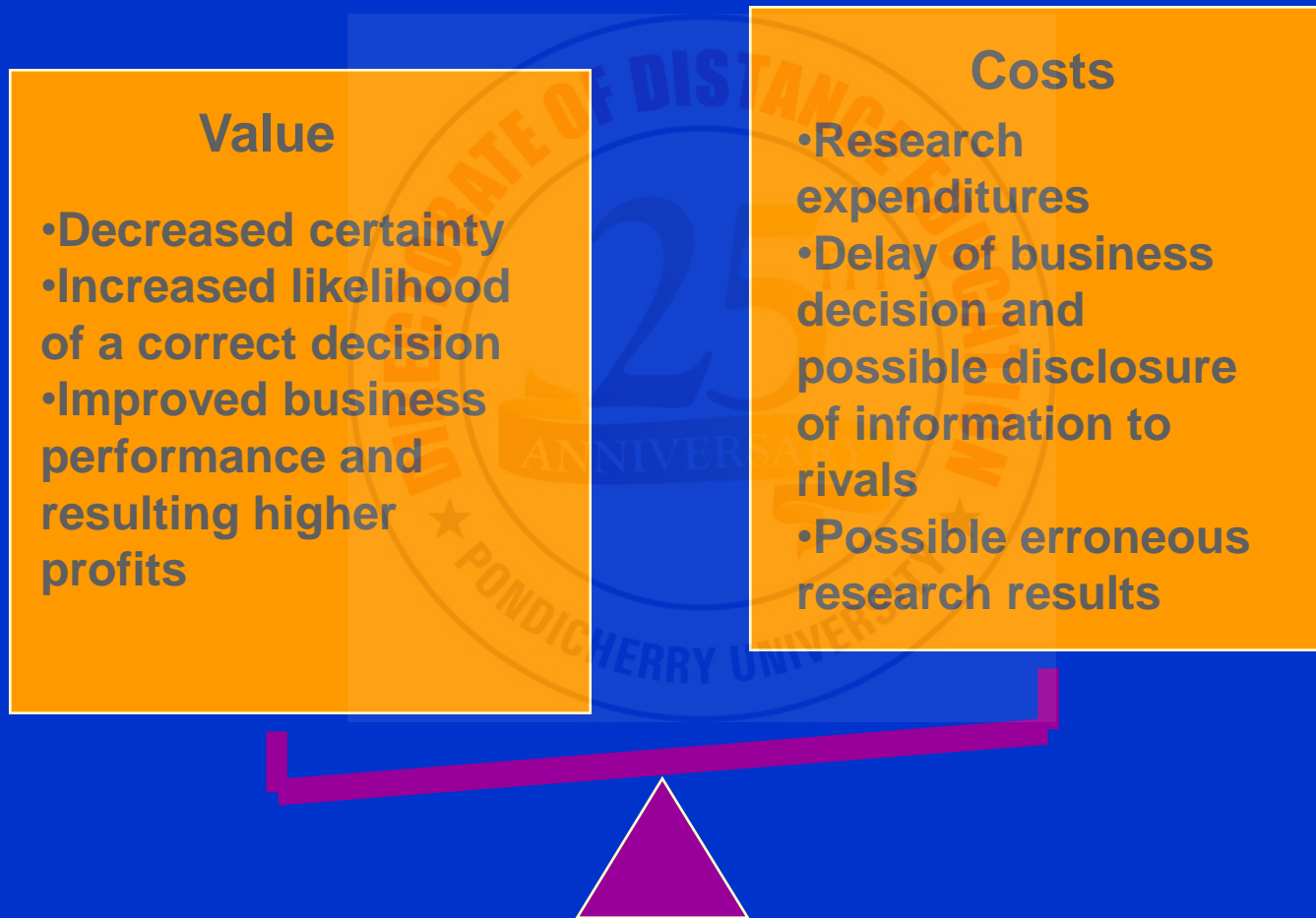


Value versus Costs

- Potential Value of a Business Research Effort Should Exceed Its Estimated Costs



Value Should Exceed Estimated Costs



Major Topics for Research in Business

- General Business Conditions and Corporate Research
- Financial and Accounting Research
- Management and Organizational Behavior Research
- Sales and Marketing Research
- Information Systems Research
- Corporate Responsibility Research

Cross-functional Teams

- **Cross-functional teams** are composed of individuals from various organizational departments such as engineering, production, finance, and marketing who share a common purpose.

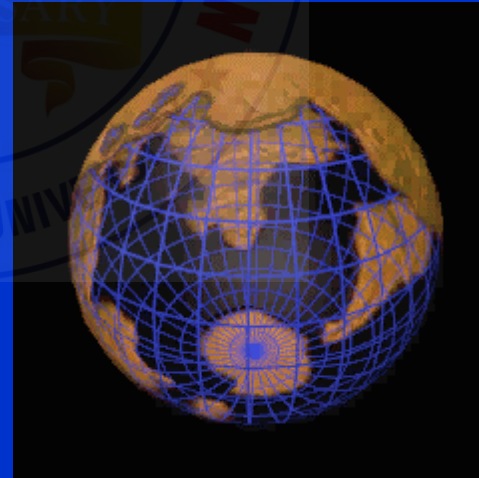
Business Research in the 21st Century

- Increased globalization
- Growth of the Internet and other information technologies



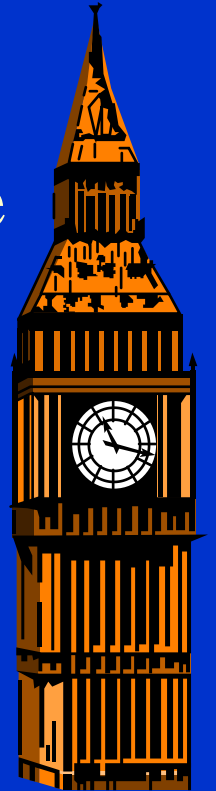
Global Research

- Business Research is increasingly global
- Market knowledge is essential
- A.C. Nielsen - more that 67% international business



Global Business Research

- General information about country - economic conditions and political climate
- Cultural and consumer factors
- Market and competitive conditions - demand estimation



The Internet Is Transforming Society

- Time is collapsing.
- Distance is no longer an obstacle.
- Crossing oceans is only a mouse click away.
- People are connected 24 hours a day, seven days a week.
- "Instantaneous" has a new meaning.

Internet Research

- Seeking facts and figures about an issue
- Surveys on Web sites



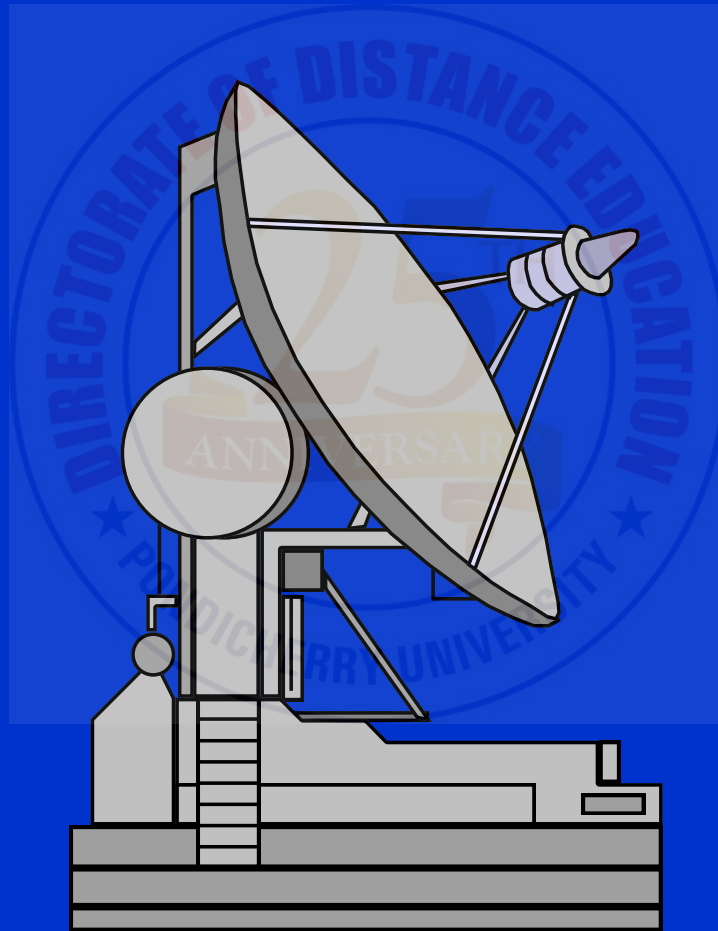
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Chapter 2:
Information Systems and
Knowledge Management

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Global Information System

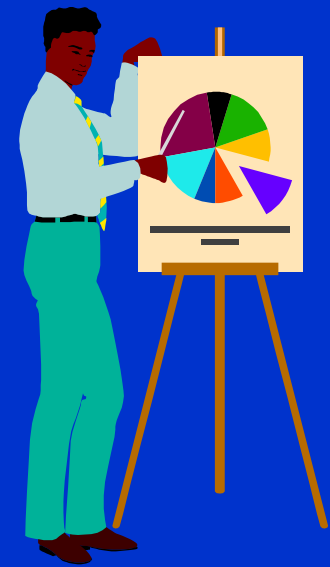


Global Information System

- An organized collection of computer hardware, communication equipment, software, data, and personnel designed to capture, store, update, manipulate, analyze, and immediately display information about worldwide business activities.

Data versus Information

- **Data**—the raw facts—record measures of certain phenomena which are necessary to provide
- **Information**—facts in a form suitable for managers to base decisions on.



Characteristics of Valuable Information

- Relevance
- Quality
- Timeliness
- Completeness



Decision Support System

- A computer-based system that helps decision makers confront problems through direct interaction with databases and analytical software programs.
- The purpose of a decision support system is to store data and transform them into organized information that is easily accessible to marketing managers.

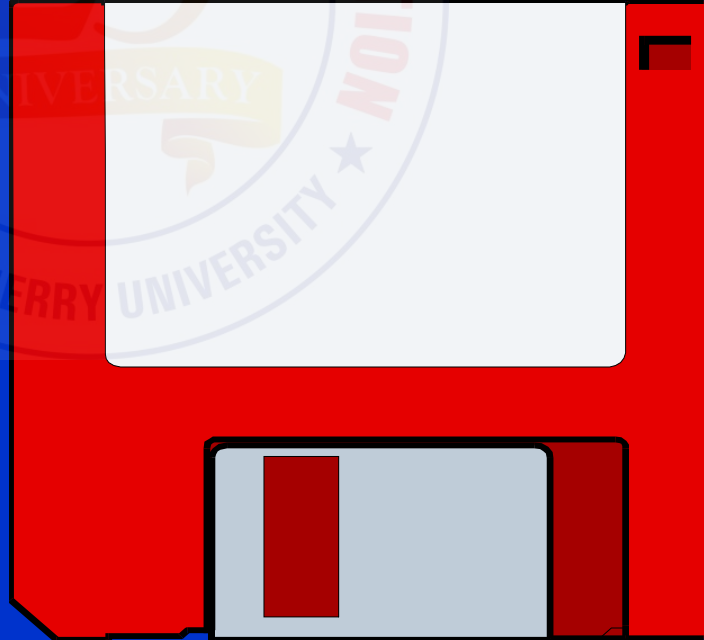
A Decision Support System Has Two Components

Database
Software



Database

- A database is a collection of raw data arranged logically and organized in a form that can be stored and processed by a computer



Data Warehousing

- Information management term
- The process that allows information from operational systems to be stored and organized into separate systems designed for simple access

Customer Relationship Management (CRM)

- Bring together lots of pieces of information
 - customer profiles
 - sales
 - marketing effectiveness/responsiveness
 - market trends
- Provides the enterprise with a complete, dependable, and integrated view of its customer base.

Customer Relationship Management (CRM)

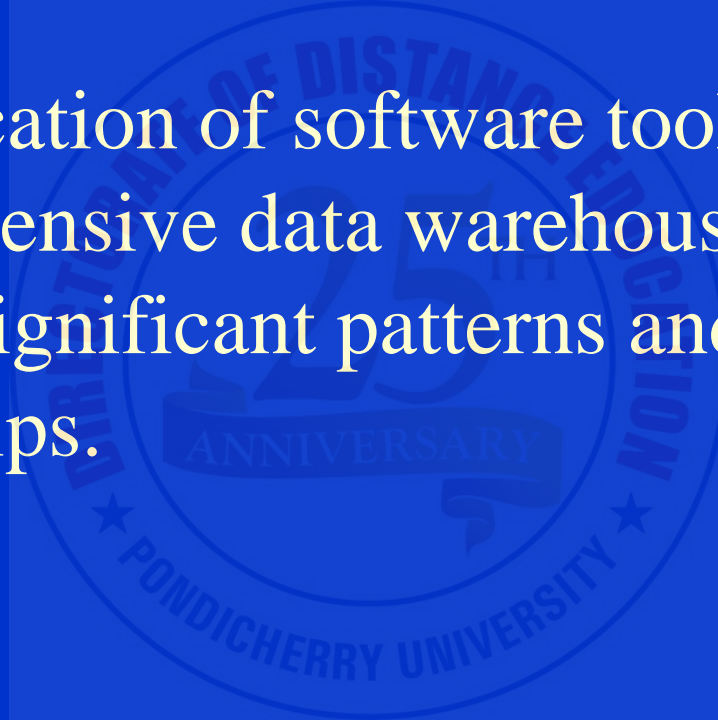
- Management, salespeople, customer service, and perhaps the customer can directly
 - access information e.g. other products a customer has purchased
 - match customer needs with satisfying product offerings
 - remind customers of service requirements

Software

- Various types of programs that tell computers, printers, and other hardware what to do
- Software allows managers to combine and restructure databases, diagnose relationships, build analytical models, estimate variables, and otherwise analyze the various databases

Business Intelligence

- The application of software tools to analyze data in extensive data warehouses to discover significant patterns and relationships.



Four Major Sources of Input For a Decision Support System

- Internal records
- Proprietary business research
- Business intelligence
- Outside vendors and external distributors

Internal Records

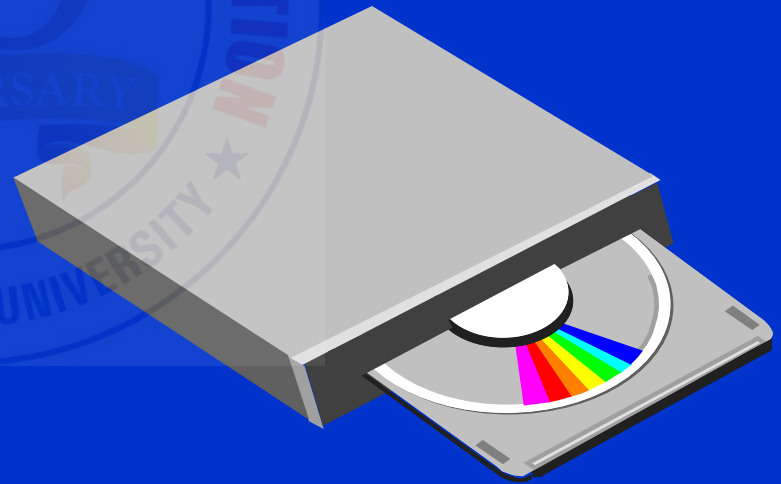
- Internal records that may become useful information for managers.
- Accounting reports of sales and inventory figures, provide considerable data.
- Data about costs, shipments, inventory, sales, and other aspects of regular operations are routinely collected and entered into the computer.

Outside Vendors And External Distributors

- Distributors of market information as their products.
- Many organizations specialize in the collection and publication of high-quality information.
- e.g. A. C. Nielsen Company provides television program ratings, audience counts.

Computerized Data Archives

- Organized and retrievable
- DVD and CD-ROM
- Internet



On-line Database Searching Systems

- DIALOG
 - ABI/INFORM
 - PROMT (The Predicast Overview of Markets & Technologies)
- DOW-JONES NEWS RETREVIAl
 - Business Newsstand
 - Historical Market Data Center
- LEXIS-NEXIS

Types Of Databases

- Bibliographic/text
- Statistical/geographic
- Scanner
- Financial
- Image and video



Proprietary Research

- Emphasizes the company's gathering of new data.
- Not conducted regularly or continuously.
- Projects conducted to study specific company problems.

Business Intelligence

- A business intelligence system consists of a network of sources and regular procedures by which executives obtain everyday information about nonrecurring developments in the external business environment.

Input Management

- Inputs - all numerical, text, voice, and image data entered into the decision support system



Electronic Data Interchange

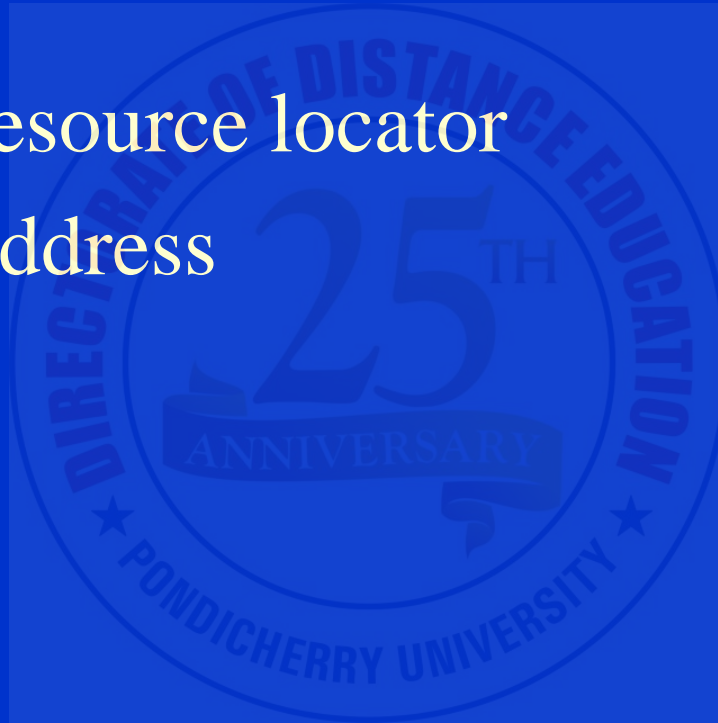
- Electronic Data Interchange (EDI) is the term used when one company's computer systems is integrated directly with another company's proprietary computer system.

Internet

- A worldwide network of computers that allows users access to information and documents from distant sources.
- A combination of a worldwide communication system and the world's largest library.

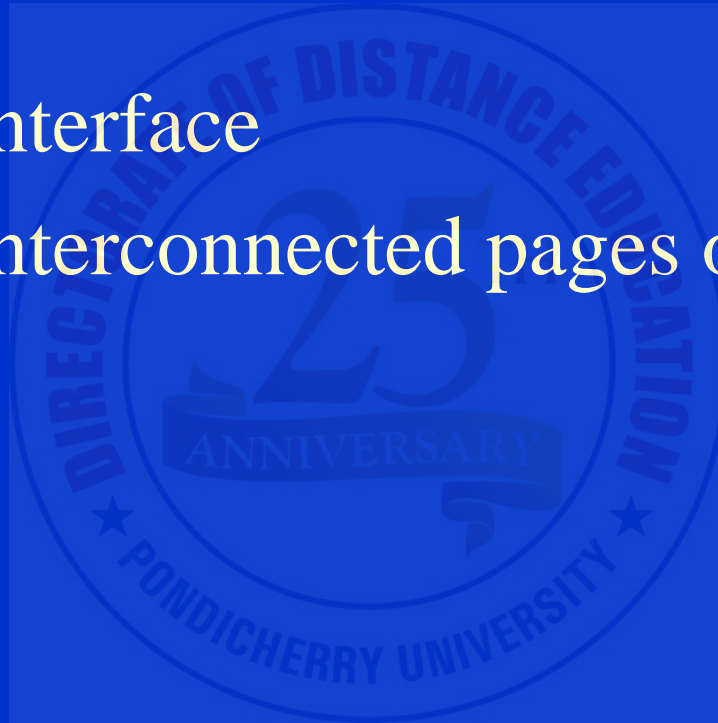
URL

- Uniform resource locator
- Web site address



World Wide Web (WWW)

- Graphic interface
- 1000s of interconnected pages or documents



Selected Web Sites

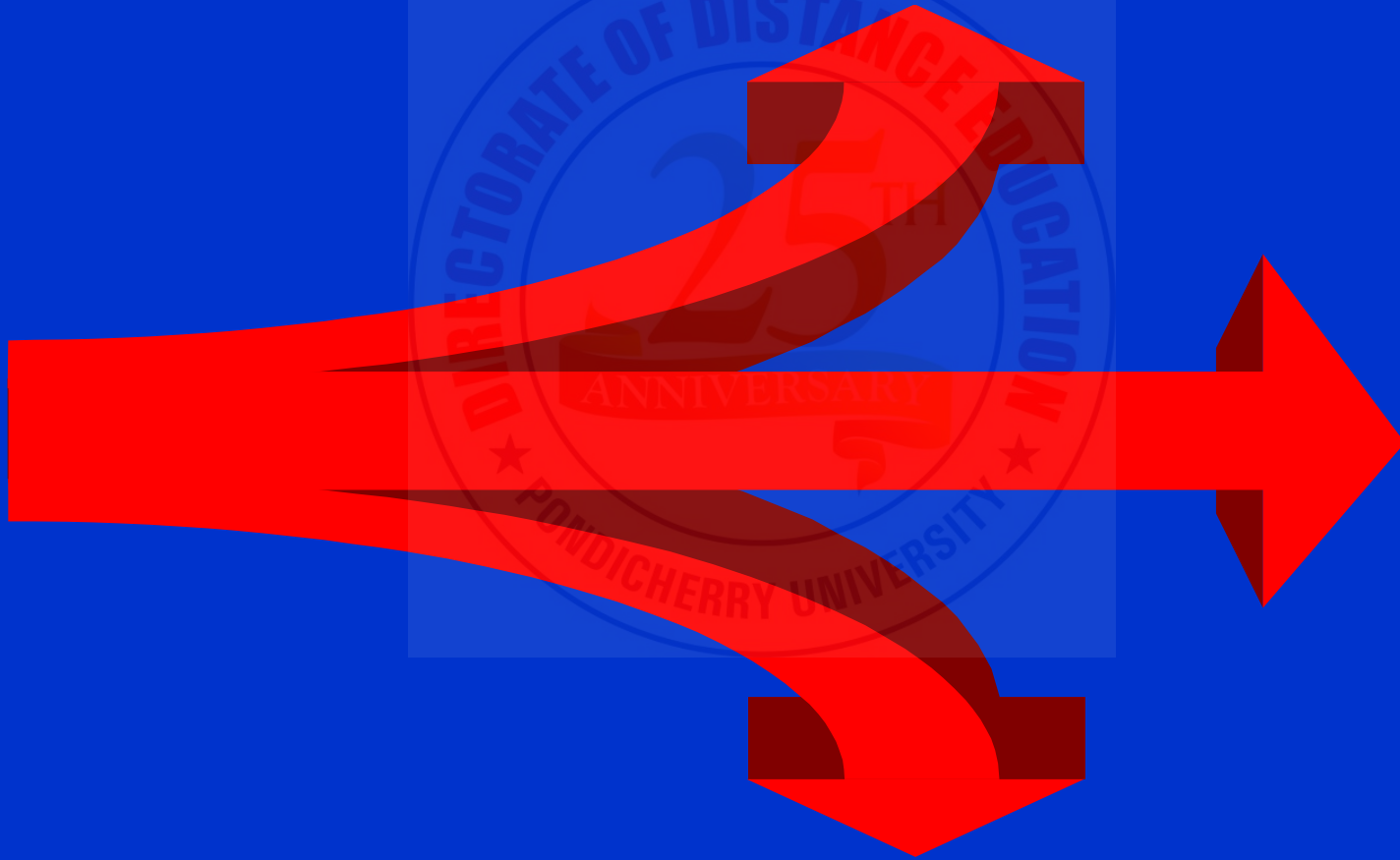
- <http://www.usatoday.com>
- <http://www.businessweek.com>
- <http://www.adcritic.com>
- <http://www.ceoexpress.com>
- <http://www.census.gov>

Home Page -Basic Information Plus Menu

- <http://www2.bus.okstate.edu/zikmund/>



Links Or Hyperlinks
Lead To Other Pages

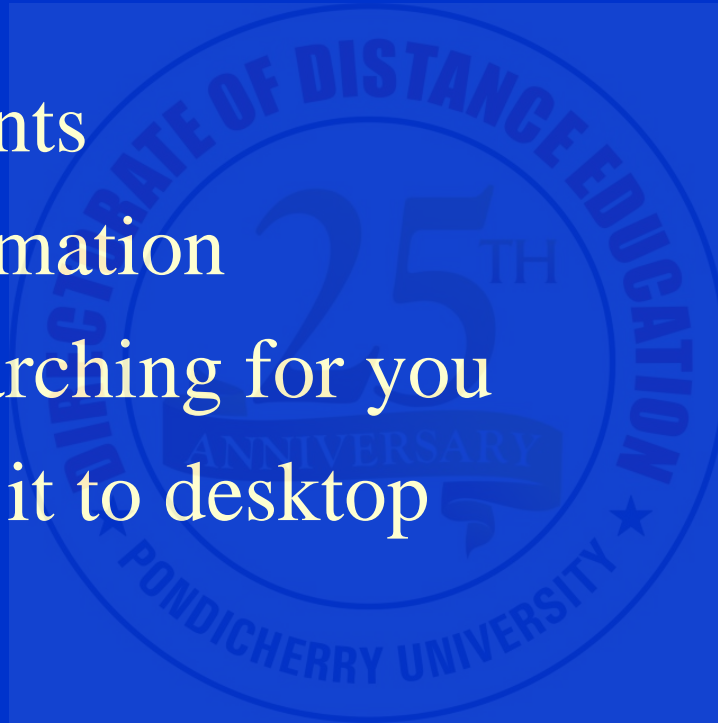


Search Engine

- A computerized directory to search the WWW
- YAHOO - www.yahoo.com
- HOTBOT - www.hotbot.com
- GOOGLE - www.google.com
- DOGPILE - www.dogpile.com

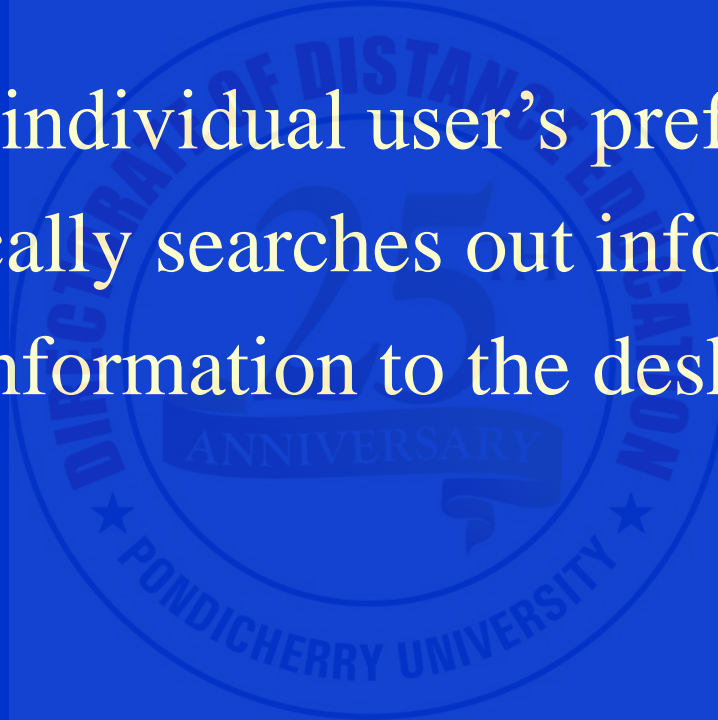
Push Technology

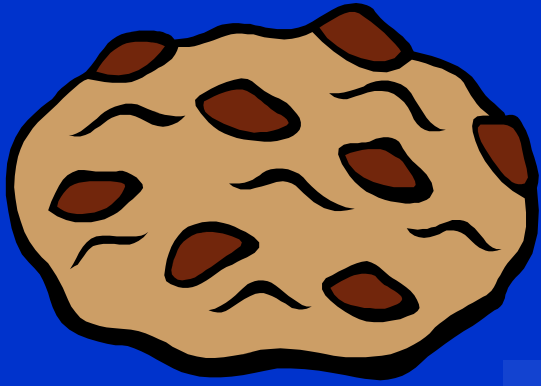
- Smart agents
- Find information
- Do the searching for you
- Distribute it to desktop



Smart Agent

- Learns an individual user's preferences
- Automatically searches out information
- Delivers information to the desktop





Cookies

- “Magic cookies”
- Small computer files
- Provides saves onto the computer of someone who visits
- Tracks websites and files visited

Intranet

- Private data network
- Uses internet standards and technology
- Firewalls for security

