

# Market Research

## OVERVIEW

Students will participate in market research as they gain an understanding of its role in the success of any product or service.

## OBJECTIVES

Students will

- name the stages in the product life cycle.
- give two or more examples of methods of market research.
- participate in a national market research project.
- develop a market research tool.

## PREPARATION

To be successful with this lesson, students should have a basic understanding of business, types of businesses, and how businesses operate. They should know the difference between goods and services.

Optional: Bring examples of different types of advertisements to class for illustrative use during your discussions.

Make enough copies of the Markets and Media game sheets so that all students can participate in the activity.

Be sure your classroom has a computer linked to the Internet so that students can participate in the *JA Interprise Poll* online. Log onto the site, and become familiar with what students will need to do. Be ready to explain this particular *JA Interprise Poll* to the students.

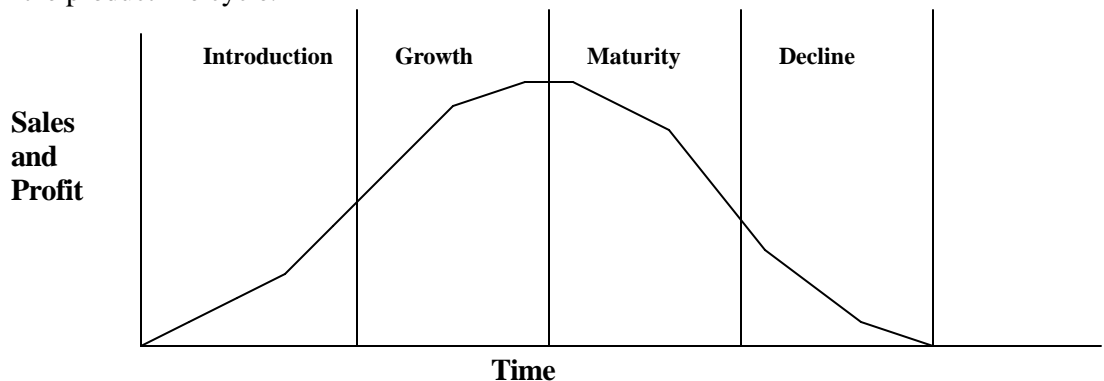
## MATERIALS

- Markets and Media game sheets
- Pencils or pens
- Blank paper, lined
- Advertisements (optional)

## PRESENTATION

### Introduction

Draw a bell curve on the board like the one below. Add the labels as you introduce each stage or phase of the product life cycle.



## Concepts

Consumers  
Demographics  
Focus groups  
Market research  
Media  
Poll  
Product life cycle  
Survey  
Target markets

## Skills

Classifying  
Critical thinking  
Decision making  
Gathering data  
Making observations

Explain to the students that the progression of a product from its introduction into the market, through its growth, maturity, and decline is known as the **product life cycle**. Explain that the height or length of the bell curve will vary depending on the sales and profit of a product over time. Emphasize that sales and profit and time are the two measurements shown on a graph of product life cycle.

Ask the students if they remember Beanie Babies™, then draw a new bell curve on the same graph with a sharper curve upward and a slower curve downward. Explain that Beanie Babies™ were wildly popular for a while, but they have gradually lost much of their appeal over time. Then on the same chart draw a bell curve for Legos™ in which there is a lengthy maturity but no definitive decline. Explain that Legos™ have been highly successful for many years.

Then, ask the students if they can think of a product that had very steep upward sloping AND downward sloping curves. If they can't think of one, suggest the virtual pets that were popular for about two years or less in the early 1990s.

Finally, emphasize that one could draw a bell curve for just about any good or service on the market and discuss where that it falls within the product life cycle.

Ask the students to name one way business people ensure the success of a product during its introduction. Most students will answer "advertise," but a few may also answer "research." Both of these answers are accurate, and others may work too, if students can justify them.

Explain that before most businesspeople create a good or service, they determine a market for it and how to reach that market. Businesspeople often define the characteristics of the consumers who they think will buy their product. Consumer characteristics like age, gender, geographic area, career, race, etc., are called **demographics**. Each consumer group a business wants to reach is called a **target market**.

Further, businesspeople reach their target markets through an advertising medium. Students would be most familiar with the term **media**. Have the students identify various media: TV, newspapers, radio, magazines, Internet, benches, busses, blimps, and many more. See how many different media they can name.

Ask the students if they are familiar with the game Clue™. Explain the matching game they are now going to play.

### **Match the Market**

Explain to the students that they are going to play a matching game called Markets and Media. Tell the students,

- Your game sheet has a column of products. Products can be goods or services.
- Two blank columns beside the product column are labeled target market and media.
- As I name a target market or medium, you must write it on a blank beside one of the products listed. I will call the market or medium at random.
- The first row is completed as an example for you.

Distribute the Markets and Media game sheets. Have the students look at the example. Explain that many boat cruises are advertised on TV, and one of the target markets for cruise companies is

newlyweds. Begin the game. Remember to call out target markets and media at random. Do not worry if students' answers are different than those shown here. These are sample answers.

<u>Product</u>	<u>Target Market</u>	<u>Advertising Medium</u>
<i>Example: Cruise</i>	<i>newlyweds</i>	<i>TV</i>
1. PlayStation II	young boys	newspaper flier
2. Toothpaste	singles	TV
3. Bowling	middle-aged women	city bus bench or park bench
4. Aiwa stereo	teenage girls	magazine
5. New home	young couples	billboard
6. Airline travel	businesspeople	Internet
7. High-performance car	commuters	radio
8. Dishwashing liquid	women	grocery cart

As students finish, they will quickly discover that their answers are all very different. Explain that businesspeople use various media to reach different target markets for a particular good or service. So, many answers may apply. Ask students to give examples of their answers. As a class, discuss why each target market and media might or might not be appropriate. Take about two or three minutes to review some of their answers.

Next, form several small groups of students. Ask each group to choose one of the products from the list on their game sheet or another product of their choice. Have them brainstorm as many target markets and media as they can for their product. Give the students three or four minutes to brainstorm ideas, then ask for one student from each group to report his or her group's results.

When all the groups have reported, reconvene the class. Ask the students how most businesses determine their target markets and how to reach them. After a few responses, emphasize that businesses must conduct **market research**. Ask the following series of questions:

- When should businesses conduct market research during a product life cycle?  
*Anytime. It's especially critical before or during introduction to reach the right market to gain sales; it's important during growth to maintain momentum; and it may be needed during maturity to determine why your market is changing and how you might change your product or approach to prolong the life of the product. It may even be important during decline to determine a whole new product or ways to reintroduce an old product to a new market.*
- Who conducts research?  
*Businesses conduct market research, as do schools, politicians, hospitals, and libraries. In fact, any type of organization may conduct research for different purposes.*
- What do organizations research?  
*Generally, research is conducted about consumer opinions regarding goods, services, and people's attitudes and beliefs.*
- How is market research conducted?  
***Focus groups** are one common method. Businesses will gather people together to discuss their opinions. Another method is polling. Perhaps the students have seen people taking political opinion **polls** outside of a grocery or discount store. **Mail-in surveys** and **telemarketing calls** are other techniques of market research. **Online surveys** are a fairly new form of market research.*

As time allows, ask the students how a marketer might best reach them to discuss their interest in a fictional, innovative product like a Holo-Generator. Explain that a Holo-Generator fits in the size of your hand and plays three-dimensional music videos through sound and holographic images.

Either in small groups or as a class, have the students brainstorm questions they might ask students their age about their interest in a Holo-Generator. Then have them think about the best way to reach such a target market.

After about five minutes, have the students report their findings to the class. Explain that Junior Achievement has developed an online business simulation about the Holo-Generator called JA Titan. Encourage the students to check it out at <http://titan.ja.org>.

### **The *JA Interprise Poll***

Ask the students what target markets Junior Achievement might want to research. Help students to see that JA would be interested in opinions from teachers, volunteers, donors, and students.

Explain that today the students have the opportunity to participate in an actual nationwide poll being conducted by Junior Achievement. JA conducts market research periodically on a variety of business and economic issues, and JA wants to understand students' opinions or beliefs. Explain that the students now have the opportunity to take the Internet-based, *JA Interprise Poll*. Other students nationwide will also participate in the poll. Explain that JA's survey is being conducted via its Web site. As time allows during or after class, have the students take the *JA Interprise Poll*, accessible right from the front page of [www.ja.org](http://www.ja.org) as well as its online Student Center.

### **Summary and Review**

Emphasize that for-profit businesses, nonprofits, government organizations, schools, and more offer various consumer groups a wide variety of goods and services. Understanding what consumers need and want is critical to any organization's success. Consequently, they often conduct market research before or during the life of a product to ensure its success. Give some examples of ways your school or organization has gathered data from its target markets. For instance, if you are a teacher, your school has probably surveyed parents, and you most likely hold parent-teacher conferences, which are a form of focus group.

If you completed the activity, thank the students for their participation in the *JA Interprise Poll*. Explain that results of the poll will be posted to the Web site and most likely will appear in newspapers nationwide. Encourage them to check the JA Web site periodically over the next few weeks to learn the results.

Take a final moment to explain to the students that the *JA Interprise Poll* is just one of several features on [www.ja.org](http://www.ja.org) designed especially for them. The *JA Interprise Poll* is part of a new online **Student Center**, which offers helpful information on starting a business, business planning software, an instant poll for students and their parents, scholarship opportunities, and opportunities to compete in a student entrepreneur of the year contest. More features are being added all the time specifically to benefit students. All of the information is free and available to the general public.

# Markets and Media

## STUDENT ACTIVITY

Directions: As your teacher calls out a market or medium, match it as appropriately as you can to a good or service. The first one has been done for you.

<u>Product</u>	<u>Target Market</u>	<u>Advertising Medium</u>
<i>Example: Cruise</i>	<i>newlyweds</i>	<i>TV</i>
1. PlayStation II	_____	_____
2. Toothpaste	_____	_____
3. Bowling	_____	_____
4. Aiwa stereo	_____	_____
5. New home	_____	_____
6. Airline travel	_____	_____
7. High-performance car	_____	_____
8. Dishwashing liquid	_____	_____

*If you participated in the nationwide JA Interprise Poll<sup>®</sup>, be sure to visit [www.ja.org](http://www.ja.org) in the near future to learn the results.*