



CONFIDENTIAL

August 31, 1978

Mr. J. R. Moore

Re: LINKING OF CONSUMER WANTS STUDY
AND MARKET STRUCTURE STUDY

Thank you for your memo on the subject of linking the consumer wants study and the market structure study. I have read through the questions you listed and would like to comment on a few of them.

- What terminology is being used with each study and is it consistent?

It seems that this is a critical area that must be addressed in linking up the two studies. As you know, we tend to use terms like prime prospect, target market, market structure, segments, categories, etc., quite often in working in these areas. It could become quite confusing to brand researchers and brand managers if these terms do not refer to specific pieces of work that we are doing in the Marketing Research Department. I would agree that if both our studies were to use a logical, consistent terminology which could be easily defined it would help understanding of our work among the Marketing Department and the Marketing Research Department.

- In what areas do interpretations of Consumer Wants results appropriately apply?

After working with the Marketing Department for a number of weeks now on the interpretations of the segments, it has become clear that it is most important that we establish what the segments can and should be used for and what they shouldn't be used for. Grouping consumers based on similarity of wants has given us insight into corporate strategy. The segments have also provided an overall basis against which our brand strategies can be checked. Even though I have not yet seen the new work you are doing on the market structure, I would imagine this could play much the same role.

Our groups can get into these areas in much more detail when we start our meetings. However, I believe that a good starting place might be the consumer decision process model and the marketing process model

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which our department has been using. It appears that both the consumer wants and market structure studies can flow directly from these models. This would start us off with a common terminology and framework from which we could evaluate the interpretations, results, applications, similarities, and uses of the two studies.

I look forward to our next meeting. In the meantime, however, I would be glad to discuss any of these points.



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GN:gj

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