**CHAPTER 1**

**INTRODUCTION TO MARKETING RESEARCH**

**LEARNING OBJECTIVES**

1. Define marketing research and distinguish between problem identification and problem-solving research.

2. Describe a framework for conducting marketing research as well as the six steps of the marketing research process.

3. Understand the nature and scope of marketing research and its role in designing and implementing successful marketing programs.

4. Explain how the decision to conduct marketing research is made.

5. Discuss the marketing research industry and the types of research suppliers, including internal, external, full-service, and limited-service suppliers.

6. Describe careers available in marketing research and the backgrounds and skills needed to succeed in them.

7. Explain the role of marketing research in decision support systems.

8. Acquire an appreciation of the international dimension and the complexity involved in international marketing research.

9. Describe the use of social media as a domain to conduct marketing research.

10. Gain an understanding of the ethical aspects of marketing research and the responsibilities each of the marketing research stakeholders have to themselves, one another, and the research project.

**AUTHOR'S NOTES: CHAPTER FOCUS**

 This introductory chapter provides an overview of the nature and scope of marketing research. It gives a definition and classification of marketing research. An overview of the marketing research process is presented. Marketing research suppliers and services and careers in marketing research are covered. The role of MIS and DSS is described and international marketing research is introduced. The role of social media and ethical considerations, topics of current relevance, are discussed.

While similar in many ways to the material in competing texts, this chapter is different in that it presents a classification of marketing research (Figure 1.2). The classification of marketing research suppliers and services is also unique (Figure 1.5). Furthermore, the concepts of MIS, DSS, international marketing research, social media, and ethics are introduced in the first chapter, rather than later in the text. Internet applications are emphasized.

 This chapter could be taught by focusing on the Learning Objectives, sequentially. Greater emphasis could be placed on the definition and classification (Learning Objective 1), the marketing research process (Learning Objective 2), and the nature and scope of marketing research (Learning Objective 3). The types and roles of research suppliers (Learning Objective 5) should also be emphasized. The use of the Internet and relevant software could be demonstrated in the class.

**CHAPTER OUTLINE**

 1. Overview

 2. Definition of Marketing Research

 3. A Classification of Marketing Research

 4. Marketing Research Process

 5. The Role of Marketing Research in Marketing Decision Making

 6. The Decision to Conduct Marketing Research

 7. An Overview of the Marketing Research Industry

 8. Selecting a Research Supplier

 9. Careers in Marketing Research

10. The Role of Marketing Research in MIS and DSS

11. International Marketing Research

12. Social Media and Marketing Research

13. Ethics in Marketing Research

14. Summary

15. Key Terms and Concepts

16. Acronyms

**TEACHING SUGGESTIONS**

**Learning Objective 1**

\* Give a definition of marketing research and illustrate it with an example.

 Define marketing research as the systematic and objective identification, collection,

analysis, and dissemination of information for the purpose of assisting management in decision

making related to the identification and solution of problems (and opportunities) in marketing.

1. **Identification**: involves defining the marketing research problem (or opportunity) and determining the information that is needed to address it.

2. **Collection**: data must be obtained from relevant sources.

3. **Analysis**: data are analyzed, interpreted, and inferences are drawn.

4. **Dissemination of information**: the findings, implications, and recommendations are provided in a format that makes this information actionable.

4. **Use of information**: the findings, implications, and recommendations are used as an input into decision making.

Any of the examples in the book may be expanded on and used to illustrate the components of the definition.

\* Explain and illustrate the classifications of marketing research.

1. Problem identification research - the goal is to identify existing or potential problems not apparent on the surface. Examples include market potential, market share, market characteristics, sales analysis, short-range forecasting, long range forecasting, and business trends research.

2. Problem solution research - the goal is to solve specific marketing problems such as segmentation, product, pricing promotion, and distribution research.

 *Figure 1.2 displays this classification scheme.*

# **Learning Objective 2**

\* Describe the rationale for the steps involved in the marketing research process.

Emphasize the importance of these steps since the entire research project will be conducted within this framework. Each step will be discussed more fully throughout the course and this is simply an introduction to the general research process.

1. **Problem definition**: defining the marketing research problem to be addressed is the most important step because all other steps will be based on this definition.

2. **Developing an approach to the problem**: development of a broad specification of how the problem will be addressed allows the researcher to break the problem into salient issues and manageable pieces.

3. **Research design formulation**: a framework for conducting the marketing research project that specifies the procedures necessary for obtaining the required information. It details the statistical methodology needed to solve the problem and thus the data requirements needed from data collection.

4. **Field work or data collection**: a field force (personal interviewing, phone, mail or electronic surveys) gathers project data. While seemingly trivial in nature, to obtain meaningful results field workers must be accurate and thorough in data collection.

5. **Data preparation and analysis**: the editing, coding, transcription, verification, and analysis of data allow researchers to derive meaning from the data.

6. **Report preparation and presentation**: the findings are communicated to the client. The report should address the specific research questions identified in the problem definition, describe the approach, the research design, data collection and the data analysis procedures adopted, and present the results and the major findings.

# **Learning Objective 3**

\* Describe the nature of marketing research and illustrate its components with examples.

Emphasize that marketing research provides the information for decision makers at each step of the marketing decision process. It is the goal of marketing research to provide relevant, accurate, reliable, valid and current information to management in order to facilitate managerial decisions. Each of these characteristics can be defined for students as:

 Information that is relevant addresses the problem or issue being investigated.

 Information that is accurate, correct and precise.

 Information that is reliable, and originates from competent, trustworthy sources.

 Information that is valid is applicable to the problem at hand.

Information that is current is timely and up-to-date for both the industry and issue under consideration.

## **Learning Objective 4**

\* Discuss the considerations that guide the decision to conduct marketing research.

This decision should be guided by a number of considerations, including the costs versus the benefits, the resources available to conduct the research, the resources available to implement the research findings, and management's attitude toward research. Marketing research should be undertaken when the expected value of information it generates exceeds the costs of conducting the marketing research project.

## **Learning Objective 5**

\* Describe the two types of marketing research suppliers.

Categorize the two types of suppliers by their relationship to the client. Thus, they may be internal or external.

Internal supplier - a marketing research department located within the firm where all the marketing research staff members are employees of the firm. Most major corporations have their own marketing research departments.

External supplier - research suppliers that are not a part of the firm. The external supplier may offer the entire range of marketing services including problem definition, developing an approach, questionnaire design, sampling, data collection, data analysis, interpretation, and report preparation and presentation.

 *Figure 1.5 shows this classification.*

\* List the services offered by a full service marketing research supplier.

1. **Syndicated services**: offered by research organizations that provide information from a common database to different firms that subscribe to their services.

2. **Customized services**: offer a wide variety of marketing research services customized or tailor-made to suit the specific needs of a particular client.

3. **Internet/Social media services**: offer a wide variety of Internet based marketing research services that can be customized to suit the needs of a particular client.

\* Distinguish the full service suppliers from limited-service suppliers by listing the services offered by limited-service suppliers including.

1. **Field services**: these suppliers’ primary service offering is their expertise in collecting data for research projects.

2. **Qualitative services**: These suppliers provide facilities and recruit respondents for focus groups and other forms of qualitative research, such as one-on-one depth interviews.

3. **Technical and analytical services**: these services include questionnaire design and pretesting, determining the best means of collecting data, sampling plans, and sophisticated data analysis using multivariate techniques.

4. **Other services**: include branded products and services and analysis procedures developed to address specific types of marketing research problems.

*Figure 1.5 graphically depicts these services and can be used to help structure the discussion*.

\* Explain the criteria that should be considered when selecting an external supplier to help in conducting a marketing research project.

 Allow the class to discuss how a manager would assess each of these criteria.

1. The firm selected should be capable of working on the project that includes the employees of the supplier, facilities for field work, and the data analysis.

2. The firm should possess a high degree of technical competence.

3. There should not be any personality clashes between the client and the supplier.

4. Good communication between the client and the supplier is essential to the success of a project.

5. The supplier should provide supervision and control of the field work and other phases of the project and offer acceptable validation procedures.

6. The supplier should be flexible to meet the unique needs of the client and the project.

7. The supplier should be able to complete the work on time.

8. The supplier should have experience in order to use sound judgment when conducting certain marketing research tasks.

9. The supplier should understand the role of research in developing marketing strategies and making marketing decisions.

10. The supplier should maintain high ethical standards.

11. The approach adopted should be influenced by the research ideology of the supplier.

12. The supplier should have a good reputation.

13. How much the supplier is charging for conducting the project should be a factor.

14. A location close to the client is desirable but not necessary.

## **Learning Objective 6**

\* List the skills required for a successful career in marketing research.

Begin by listing the skills, then explaining the benefit of each skill in marketing research.

1. Good understanding of marketing principles.

2. Strong background in statistics and quantitative methods.

3. Ability to use mainframe and microcomputers, Internet and social media skills.

4. Solid understanding of the behavioral sciences.

5. Effective verbal and written communication skills.

6. Creativity and common sense.

## **Learning Objective 7**

\* Describe the relationship between marketing research and MIS.

Explain to the students that information obtained by marketing research and other sources such as internal record keeping and marketing intelligence becomes an integral part of the firm's marketing information system (MIS). The MIS consists of a formalized set of procedures for generating, analyzing, storing, and distributing pertinent information to marketing decision makers on an ongoing basis. Once obtained, this information can be used in marketing research to analyze problems.

\* Describe the relationship between marketing research and decision support systems (DSS).

 In relating MIS to DSS, portray DSS as an extension of MIS. Decision support systems (DSS) have been developed to overcome the limitations of MIS and to enable decision makers to interact directly with the databases and analysis models. Mention that marketing research contributes to both MIS and DSS by providing the marketing information. For the database it provides the research data, for the model base it develops marketing models and analytical techniques, and for the software base it develops specialized programs for analyzing marketing data.

 *Figure 1.6 explains the development of MIS and DSS. It may be helpful here.*

## **Learning Objective 8**

\* Introduce the importance and difficulties of international marketing research.

Advise students that about 40% of all marketing research is conducted in Western Europe and an additional 10% is conducted in Japan. Only 40% of worldwide marketing research expenditures are spent in the United States.

International marketing research is expected to grow at a faster rate than domestic research. A major contributing factor is that many markets are approaching saturation in the United States. Hence, international markets provide the largest potential for growth.

Some of the primary difficulties in conducting international marketing research include cultural differences, a population that is not as used to responding to surveys as Americans, translating surveys into various languages, and marketing research personnel that may not be well trained.

## **Learning Objective 9**

\* Discuss the use of social media as a domain to conduct marketing research.

All social media share certain common characteristics that make them very relevant as a domain for conducting marketing research. Social media are marked by user-generated content that is blurring the distinction between professional and amateur content. Key social interactions develop around the user-generated content. Users are able to rate, rank, comment on, review, and respond to the new world of media, a factor that is driving the success of social media. People form online communities by combining one-to-one (e.g., e-mail and instant messaging), one-to-many (Web pages and blogs), and many-to-many (wikis) communication modes.

Marketing researchers can make use of these new social networks, and the open-source social computing tools from which they are built, to extend the boundaries of our research offerings. These social communities open new avenues for understanding, explaining, influencing, and predicting the behaviors of consumers in the marketplace. Thus, they can be used in a variety of marketing research applications including segmentation, idea generation, concept testing, product development, brand launches, pricing, and integrated marketing communications.

Social media are not without limitations. The objectivity among bloggers and other social media users are lower. Social media users may not be representative of the target population in many marketing research applications. Social media as a source of samples suffers from at least two biases: first from self-selection in that the respondents can self-select themselves into the sample, and second from advocacy. Yet, as long as these limitations are understood, insights from social media analysis can uncover useful information that can inform marketing decisions.

A handful of marketing research firms have emerged that specialize in social media conversation mining services including Nielsen (www.nielsen.com), Cymfony (www.cymfony.com), Attensity (www.attensity.com), and BrandsEye (www.brandseye.com).

## **Learning Objective 10**

\* List the ethical considerations relevant to the four stakeholders in marketing research.

There is the potential to abuse or misuse marketing research by taking advantage of the respondents and the general public, for example by misrepresenting the research findings in advertising. The profit motive may occasionally cause researchers or clients to compromise the objectivity or professionalism associated with the marketing research process.

 Marketing research has often been described as having four stakeholders. These stakeholders are (1) the marketing researcher, (2) the client, (3) the respondent, and (4) the public. Ethical issues can be understood in terms of the responsibilities these stakeholders have to each other and to the research project. When conflict occurs, it becomes the responsibility of the stakeholders involved to behave honorably. Sometimes accepted codes of conduct help guide this behavior. Often decisions rely solely on the character of the stakeholder (Figure 1.8).

## **Internet Emphasis**

\* Introduce the Internet as a marketing research tool.

Explain that the Internet is very efficient for identifying marketing research firms that supply specific services. Have the students use a search engine, such as Yahoo, to identify several research firms.

Explain that throughout this book we will see how the six steps of the marketing research process are facilitated by Internet research.

**iRESEARCH**

It should be noted that a variety of answers are appropriate. The ones given here are merely illustrative.

**iResearch: Coca-Cola**

You need to register to the site to access many features of the site. During this process MR information is collected. The site also has fun ways of collecting MR information through games and competitions.

One way to improve is to make the initial registration more descriptive to more personal details. Incentives such as lucky draws can be introduced to promote registrations.

As brand manager, how will you use the information collected at Coke website to effectively market the brand? This information can be used to:

-Find out customer likes or dislikes.

-Demographics of customer. However it is going to be skewed given that information collected is restricted to net savvy customers.

-What type of customer prefers which flavor of Coke.

-Beliefs, attitudes and preferences ( from the games and activities each user engages in)

**iResearch: NFL**

Marketing Strategies for NFL to target female fans:

-NFL Stars speaking out for women’s causes and issues.

-NFL charity events and fund raisers for issues and organizations concerning women.

-Advertisements for major NFL games in women’s magazines and TV programs mostly watched by Women.

-Advertisements featuring women fans during football games.

-Showing high profile women audience during TV telecasts real games.

Women’s attitude towards NFL:

Fan base is predominantly male.

Around 54 Million women watch NFL each year as per NFL.COM

Average mail fan exhibits more passion for the game as per the featured article in <http://www.femmefan.com/site/featuredarticles/femalemale.htm>

Female fans themselves admit that they are a minority among the larger fan base and identify themselves as different from other women.

Marketing research I will recommend:

The market research should be directed towards answering the following questions:

1) What is the demographic distribution of the existing female fan base.

2) What got them interested in the sport.

3) What segment among women generally watches other sports.

4) What are the ideal avenues to advertise NFL to women (like TV programs watched by the target market segment)

**iResearch: Google**

Students should identify some local market research firms that conduct Internet-based surveys. These can be located using the Green Book at http://www.greenbook.org/.

For Google, the marketing research firms specializing on customers shopping on net can be located using the Green Book at http://www.greenbook.org/.

The guidelines for selecting a supplier are given in Chapter 1 and should be followed.

The following are some of the ways the Google Site can be redesigned:

Make consumer search more convenient and user friendly.

Make the site more fun and entertaining.

Position the right advertisements for the right audience.

Reduce inconvenience to the customers from ads.

Personalized ads depending on tastes or probability of buying a product based on age group, ethnicity, education etc.

**iResearch: Levi’s**

Consumer preference for jeans:

 Several sources of information are available on the Web and should be identified.

 The following information is from study and survey of consumer preferences for jeans from journal of family ecology and consumer sciences: <http://www.up.ac.za/academic/acadorgs/saafecs/vol30/herbst.pdf>

Average Importance of product attributes from survey:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Average** | **Standard Deviation** |
| Brand | 32.2 | 13.082 |
| Style (cut/fit) | 31.5 | 14.575 |
| Place of purchase (store) | 19.7 | 8.393 |
| Price | 10.4 | 13.592 |

Average Utility Values:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Brand** | **Utility Value** | **Style** | **Utility Value** | **Place of Purchase** | **Utility Value** | **Price** | **Utility Value** |
| OK | 25 | Hipster | 26 | LA Company | 15 | R 100 | 25 |
| LA Comp | 19 | Regular | 25 | Edgars | 14 | R 150 | 20 |
| Lee | 22 | Bell Bottom | 15 | Jet | 11 | R 200 | 16 |
| Diesel | 39 | Baggy | 29 | Foschini | 16 | R 300 | 12 |
| Levi | 25 | Baggy | 29 | Specialty | 19 | R 400 | 8 |
| JOE | 18 | Baggy | 29 | Specialty | 19 | R 600 | 0 |

Significance Testing Regarding the Relative Importance of Product at Tributes:

|  |  |  |
| --- | --- | --- |
| **Product Attributes** | **Average Per Group** | **P-Value** |
| Male (Boys) | Female (Girls) |
| Brand | 30.3 | 34.1 | 0.040 |
| Style (Outfit) | 34.7 | 28.3 | 0.067 |
| Place of Purchase (Store) | 19.6 | 19.8 | 0.908 |
| Price | 15.2 | 17.7 | 0.197 |

 It should be realized that in India, a majority of the population lives in villages where the literacy levels are low. Differences in culture should also be taken into account. The marketing research design in India should be simpler and rely on personal contact with the respondents.

As Levi’s marketing chief, information required to increase market share includes:

Who are the users of competitor and substitute products and what product features they prefer?.

Why they prefer those products over Levi’s?

Which advertising channels are appropriate to target those customers?

What promotional programs will appeal to these customers?

What are the price sensitivities existing in the market place?

**Ethical Guidelines**

1 ESOMAR has the most stringent guidelines.

2. ESOMAR has the most stringent guidelines. You can download the following ESOMAR's Codes and Guidelines on conducting international market research:

|  |  |
| --- | --- |
| 135730_7024_1089300248946-bulletLarge | [ICC/ESOMAR International Code of Marketing and Social Research Practice](http://www.esomar.nl/esomar/show/id%3D103585#top#top) |
| 135730_7024_1089300248946-bulletLarge | [ESOMAR/WAPOR Guide to Opinion Polls](http://www.esomar.nl/esomar/show/id%3D103585#top#top) |
| 135730_7024_1089300248946-bulletLarge | [ESOMAR Guidelines on Maintaining the Distinctions between Market Research and Direct Marketing](http://www.esomar.nl/esomar/show/id%3D103585#top#top) |
| 135730_7024_1089300248946-bulletLarge | [ESOMAR Guidelines on Customer Satisfaction Studies](http://www.esomar.nl/esomar/show/id%3D103585#top#top) |
| 135730_7024_1089300248946-bulletLarge | [ESOMAR Guidelines on How to Commission Research](http://www.esomar.nl/esomar/show/id%3D103585#top#top) |
| 135730_7024_1089300248946-bulletLarge | [ESOMAR Guidelines on Interviewing Children and Young People](http://www.esomar.nl/esomar/show/id%3D103585#top#top) |
| 135730_7024_1089300248946-bulletLarge | [ESOMAR Guidelines on Mystery Shopping](http://www.esomar.nl/esomar/show/id%3D103585#top#top) |
| 135730_7024_1089300248946-bulletLarge | [ESOMAR Guidelines on Tape and Video-recording and Client Observation of Interviews and Group Discussions](http://www.esomar.nl/esomar/show/id%3D103585#top#top) |
| 135730_7024_1089300248946-bulletLarge | [ESOMAR Guidelines on Pharmaceutical Market Research.](http://www.esomar.nl/esomar/show/id%3D103585#top#top) |
| 135730_7024_1089300248946-bulletLarge | [ESOMAR Guidelines on Conducting Marketing and Opinion Research Using the Internet](http://www.esomar.nl/esomar/show/id%3D103585#top#top) |
| 135730_7024_1089300248946-bulletLarge | [ESOMAR Arbitration Service](http://www.esomar.nl/esomar/show/id%3D103585#top#top) |
| 135730_7024_1089300248946-bulletLarge | [ESOMAR Disciplinary Procedures (PDF file)](http://www.esomar.nl/esomar/show/id%3D103585#top#top) |

3. Missing from the guidelines of all the three organizations are procedures for enforcing these guidelines.

**DECISION RESEARCH SCENARIO:**

**Samsonite. Life’s a Journey**

**The Situation**

Samsonite is one of the world’s largest designers, manufacturers, and distributors of luggage. It sells its products using a number of quality brand names, including Samsonite® and American Tourister®. Samsonite’s tagline— “Ready for Anywhere.™”— embodies the brand, signifying the role Samsonite continues to play in the multifaceted lives of the global traveler. With net sales of $1.565 billion for 2011, it is the leader in the highly fragmented global luggage industry. As of 2012, Samsonite products were sold in over 100 countries. Through aggressive product development and marketing, president and chief executive officer Tim Parker hoped to increase the company’s market share. Parker recognizes the importance of new product development and acknowledges that Samsonite must continually introduce successful new products in the marketplace.

**The Marketing Research Decision**

 1. What type of marketing research should Samsonite undertake? (Check as many as are applicable.)

 a. Product research

 b. Pricing research

 c. Promotion research

 d. Distribution research

 e. All of the above

 2. Discuss the role of the type of research you recommend in enabling Tim Parker to increase the market share of Samsonite.

**The Marketing Management Decision**

 1. Tim Parker’s aggressive marketing strategy should be built around (check as many as are applicable):

 a. New product development

 b. Price discounts

 c. International marketing

 d. Distribution through flagship stores

 e. All of the above

 2. Discuss how the marketing management decision action that you recommend to Tim Parker is influenced by the research that you suggested earlier and by the findings of that research.

**What Tim Parker Did**

Tim Parker unveiled a directional luggage collection by world-renowned designer Alexander McQueen. The collaboration brought together inspiration and ideas from McQueen’s own life experience and travels. The design ethos contrasts fragility and strength, tradition and modernity, resulting in a collection of key travel pieces to appeal to the world’s most discerning globetrotters. Underpinning the design features are Samsonite Black Label’s contemporary style and luxury, and its values of ultimate performance, function, and durability .

 The world of travel is constantly changing, and so is Samsonite. As the brand is taken beyond luggage, Samsonite is constantly seeking opportunities to expand internationally and become present in new distribution channels, leading to the opening of flagship Samsonite Black Label stores in high-end locations in New York, London, Moscow, Berlin, Seoul, Tokyo, Hong Kong, Singapore, Taipei, and Shanghai. Samsonite’s latest introduction, the Cosmolite, is made of CURV material featuring a collection of luggage that is amazingly light and incredibly strong.

**DECISION RESEARCH ANSWERS**

It should be noted that a variety of answers are appropriate. The ones given here are merely illustrative.

### The Marketing Research Decision

1. E
2. Product research will help Tim Parker to revitalize the Samsonite luggage line by possibly introducing new products. It will also help identify other products such as casual bags to which the Samsonite brand name may be extended.

**The Marketing Management Decision**

1. A
2. Product research findings will provide the foundation for identifying new product opportunities and developing and marketing new products.

### REVIEW QUESTIONS

* 1. An increased emphasis is being placed on the importance of sound managerial decision making. It is the task of marketing research to provide relevant, accurate, reliable, valid, and current information in order to make sound decisions.
	2. Marketing managers make strategic and tactical decisions in the process of identifying and satisfying customer needs. They make decisions about potential opportunities, target market selection, market segmentation, planning and implementing marketing programs, marketing performance, and control. Marketing research helps the marketing manager link the marketing variables with the environment and the customer groups. It helps remove some of the uncertainty by providing relevant information about the marketing variables, environment, and consumers (see Figure 1.4).
	3. Marketing research is the systematic and objective identification, collection, analysis, dissemination, and use of information for the purpose of assisting management in decision making related to the identification and solution of problems (and opportunities) in marketing. Several aspects of this definition are noteworthy. Problems often lead to opportunities in business, so from a research perspective, the two words are used interchangeably. An investigation of both problems and opportunities follows the same research process. Marketing research is systematic, which means it follows a predictable path. It has a scientific basis in that data are collected and analyzed to draw conclusions. Marketing research obtains its value from its objectivity. It should be conducted impartially, free from the influence of personal or political biases.

1-4. Marketing research can be classified as either problem identification research or problem solution research. Problem identification research is undertaken to help identify problems that are not apparent on the surface and yet exist or are likely to arise in the future. Examples of problem identification research include market potential, market share, market characteristics, sales analysis, short-range forecasting, long-range forecasting, and business trends research. Problem solution research solves specific marketing problems such as segmentation, product, pricing promotion, and distribution research.

1-5. The steps involved in the marketing research process are:

1. Problem definition: define the marketing research problem to be addressed in terms of: discussion with the decision maker(s), interviews with industry experts, analysis of secondary data, and perhaps some qualitative research.
2. Developing an approach to the problem: development of a broad specification of how the problem would be addressed, which involves the formulation of an objective or theoretical approach, analytical models, research questions, hypotheses, and an identification of characteristics or factors which influence the research design.
3. Research design formulation: this is a framework for conducting the marketing research project that specifies the details of the procedures necessary for obtaining the required information.
4. Field work or data collection: data collection involves the use of some kind of field force where the field force could operate either in the field, as in the case of personal interviewing, or from an office, as in the case of phone or mail surveys.
5. Data preparation and analysis: data preparation involves the editing, coding, transcription, and verification of data, and the purpose of data analysis is to derive meaning from the data which has been collected.
6. Report preparation and presentation: the report should address the specific research questions identified in the problem definition, describe the approach, the research design, data collection and the data analysis procedures adopted, and present the results and the major findings.

1-6. Marketing research suppliers can be classified into internal suppliers and external suppliers. An internal supplier is a marketing research department located within the firm where the research staff members are employees of the firm. External suppliers can be further classified into full service and limited service suppliers. Full service suppliers can be classified as syndicated services, Internet/social media services, and customized services. Limited service suppliers can be classified as field services, qualitative services, technical and analytical services, and other services (*see Figure 1.5*).

1-7. Syndicated services are offered by research organizations that provide information from a common database to different firms that subscribe to their services. Surveys, diary panels, scanners, and audits are the main means by which such data is collected.

1-8. The difference between limited-service and full-service suppliers is that limited-service suppliers specialize in one or a few phases of the marketing research process and offer services only in the area of their specialization, whereas full-service suppliers offer the entire range of marketing research services.

1-9. Branded marketing research products and services are developed to address specific types of marketing research problems. For example, Survey Sampling International (www.surveysampling.com) specializes in sampling design and distribution.

1-10. The guidelines for selecting an external marketing research supplier are:

1. The firm selected should be capable of working on the project. This means that the firm should have the appropriate resources, such as well-trained employees, facilities for field work, and good data analysis capabilities.
2. The firm should possess a high degree of technical competence.
3. The client and the supplier should cooperate with one another and maintain a professional relationship.
4. Good communication between the client and the supplier is essential to the success of a project.
5. The supplier should provide supervision and control of the field work and other phases of the project and offer acceptable validation procedures.

1-11. Career opportunities that are available in marketing research include Vice President of Research, Research Director, Assistant Director of Research, Project Director, Field Work Director, Statistician/Data Processing Specialist, Senior Analyst, Analyst, and Junior Analyst.

1-12. A marketing information system consists of a formalized set of procedures for generating, analyzing, storing, and distributing pertinent information to marketing decision makers on an ongoing basis.

1-13. DSS differ from MIS in that they are aimed at solving less structured problems. They combine the use of models or analytical techniques with the traditional access and retrieval functions.

1-14. All social media are marked by user-generated content that make them very relevant as a domain for conducting marketing research. Key social interactions develop around the user-generated content. Users are able to rate, rank, comment on, review, and respond to the new world of media, a factor that is driving the success of social media. Marketing researchers can make use of these new social networks, and the open-source social computing tools from which they are built, to extend the boundaries of our research offerings. These social communities open new avenues for understanding, explaining, influencing, and predicting the behaviors of consumers in the marketplace. Thus, they can be used in a variety of marketing research applications including segmentation, idea generation, concept testing, product development, brand launches, pricing, and integrated marketing communications.

 However, social media are not without limitations. Although the standard for objectivity is high for journalists, expectations about objectivity among bloggers and other social media users are lower. Social media users may not be representative of the target population in many marketing research applications. Social media as a source of samples suffers from at least two biases: from self-selection (the respondents can self-select themselves into the sample) and from advocacy.

1-15. Marketing research activities affect four stakeholders: the marketing researcher, the client, the respondent, and the public. An ethical issue that relates to the client is the personal agendas of the client. An ethical issue that relates to the research supplier is conducting unnecessary research. An ethical issue that relates to the respondent is disrespecting privacy of respondents

#### APPLIED PROBLEMS

1-16. Problem identification research may include:

 market potential

 market share

 market characteristics

 sales analysis

 short range forecasting

 long range forecasting

 business trends analysis

 Problem solution research may include:

 segmentation research

 product research

 pricing research

 promotion research

 distribution research

1-17. For each organization, many types of marketing research are appropriate. Some of the more likely candidates are given here.

 a. CAMPUS BOOK STORE b. PUBLIC TRANSPORTATION

 product research market potential

 sales analysis market characteristics

 short range forecasting long range forecasting

 business trends analysis pricing research

 pricing research promotion research

 promotion research distribution research

 c. DEPARTMENT STORE d. RESTAURANT

 market potential market characteristics

 market share short range forecasting

 market characteristics product research

 sales analysis pricing research

 short range forecasting promotion research

 long range forecasting

 business trends analysis

 e. ZOO

 sales analysis

 segmentation research

 long range forecasting

 pricing research

 product research

 promotion research

 distribution research

**INTERNET AND COMPUTER EXERCISES**

1-18. For this exercise, the URLs of the marketing research firms are given in Table 1.1.

1-19. The relevant URL is already given. The report should focus on the retailing and marketing activities of Sears.

1-20. The students should discuss the three Web sites, MRA (www.marketingresearch.org), ESOMAR (www.esomar.nl), and AMSRS ([www.amsrs.com.au](http://www.amsrs.com.au)) in terms of the usefulness of the information to marketing research suppliers in conducting marketing research and usefulness to marketing managers in using marketing research.

1-21. For this exercise, the market potential for the marketing researchers should be strong. The employment for the marketing researchers is expected to grow at a rate between 10 to 20 percent over the next decade.

1-22. For this exercise, examples are readily available in the listed publications.

**ROLE PLAYING**

Q1. You are the research director for a major bank. You are to recruit a junior analyst who would be responsible for collecting and analyzing secondary data (data already collected by other agencies that are relevant to your operations). With a fellow student playing the role of an applicant for this position, conduct the interview. Does this applicant have the necessary background and skills? Reverse the roles and repeat the exercise.

A1. As the research director you would be concerned with the applicant’s qualifications for the position. Hence, you would want to ask about his/her education and experience in the following areas: marketing, statistics, quantitative methods, computer programming, behavioral sciences, and oral and written communication.

 In addition, you would also like to gauge his/her creativity and common sense.

Q2. You are a project director working for a major research supplier. You have just received a telephone call from an irate respondent who believes that an interviewer has violated her privacy by calling at an inconvenient time. The respondent expresses several ethical concerns. Ask a fellow student to play the role of this respondent. Address the respondent’s concerns and alleviate her anger.

A2. Tactics for the project director:

 (a) Apologize for the inconvenience.

 (b) Explain the value of marketing research to consumers.

 (c) Describe the ethical procedures you employ and the nature of the study.

**FIELD WORK**

Q1. Using your local newspaper and national newspapers such as USA Today, the Wall Street Journal, or the New York Times, compile a list of career opportunities in marketing research.

A1. This exercise is intended to show the students that a variety of marketing research jobs exist for qualified people.

Q2. Interview someone who works for a marketing research supplier. What is this person’s opinion about career opportunities in marketing research? Write a report of your interview.

A2. The objective is for the students to gain a firsthand report of a marketing research career as an external supplier. They can learn how research is actually conducted in practice, the challenges and rewards of the profession and the future outlook for new entrants into the industry.

Q3. Interview someone who works in the marketing research department of a major corporation. What is this person’s opinion about career opportunities available in marketing research? Write a report of your interview.

A3. The objective is for the students to gain a firsthand report of a marketing research career within a corporation. They can learn how research is actually conducted in practice, the importance the company gives to marketing research, the challenges, rewards, and outlook for new entrants into the industry.

**GROUP DISCUSSIONS**

As a small group of four or five, discuss the following issues:

Q1. What type of institutional structure is best for a marketing research department in a large business firm?

A1. The ideal structure will vary by industry, but factors to consider are:

\**product life cycle* - if it is fast, research may be curtailed.

 \**competitiveness of the industry* - the more competition, the more costly a marketing mistake.

 \**structured versus unstructured organizational hierarchy* - structured hierarchies provide quality checks, but are more bureaucratic.

 \**affiliation with the information systems department* - the data analysis and coding requirements of research require access to computers.

 \**number of markets the company participates in* - the more spread out a company is (in geography and products), the more difficult it is to adequately manage all markets.

Q2. What is the ideal educational background for someone seeking a career in marketing research? Is it possible to acquire such a background?

A2. The ideal educational background consists of:

1. Good understanding of marketing principles.
2. Strong background in statistics and quantitative methods.
3. Ability to use the Internet, social media, and microcomputers.
4. Solid understanding of the behavioral sciences.
5. Effective verbal and written communication skills.
6. Creativity and common sense.

Q3. Can ethical standards be enforced in marketing research? If so, how?

A3. Enforcing ethical standards will be difficult at best. Many sources of unethical behavior can be easily covered up or are hard to detect. Some enforcement is possible, such as validating data collection at the field and the home office, monitoring and training field workers, checking data analysis for accuracy, and editing reports for accuracy.