



Basic Marketing Research

*Customer Insights and
Managerial Action*





Three Types of Primary Data Research

Exploratory Research

(explore)

Descriptive Research

(describe)

Causal Research


(establish cause and effect)





EXPLORATORY RESEARCH


Research conducted to gain ideas and insights to better define the problem or opportunity confronting a manager.





DESCRIPTIVE RESEARCH

Research in which the major emphasis is on describing characteristics of a group or the extent to which variables are related.





CAUSAL RESEARCH

Type of research in which the major emphasis is on determining cause-and-effect relationships.


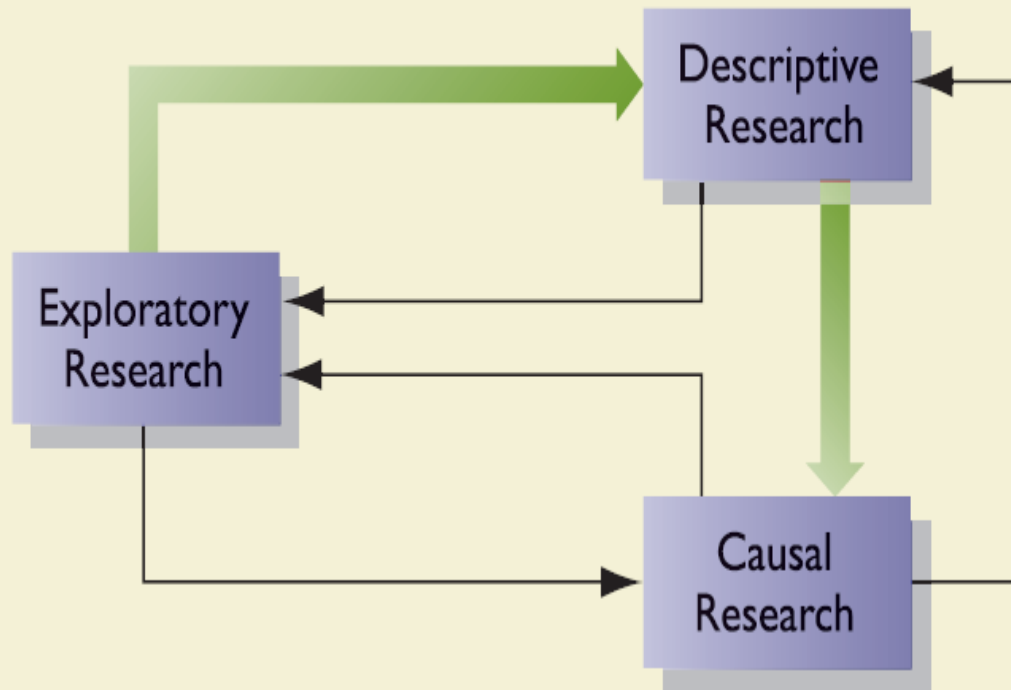


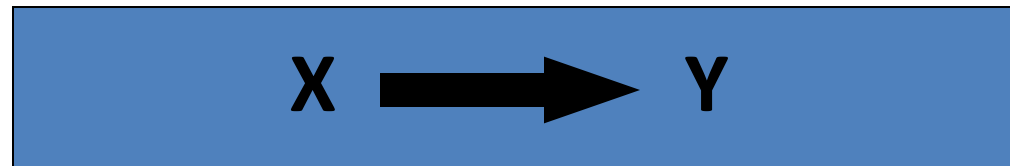
Exhibit 8.1

Relationships Among Types of Primary Data Research



Causal Research

The purpose of causal research is to test cause and effect relationships:



condition X causes event Y

EXPERIMENT

Scientific investigation in which an investigator manipulates one or more independent variables and observes the degree to which the dependent variables change.

The basic point of an experiment is to change the levels of one or more X variables and examine the resulting impact on Y while at the same time controlling (holding constant) other variables that might impact Y .




EXPERIMENTS

LABORATORY EXPERIMENT

Research investigation in which investigators create a situation with exact conditions in order to control some variables and manipulate others.

FIELD EXPERIMENT

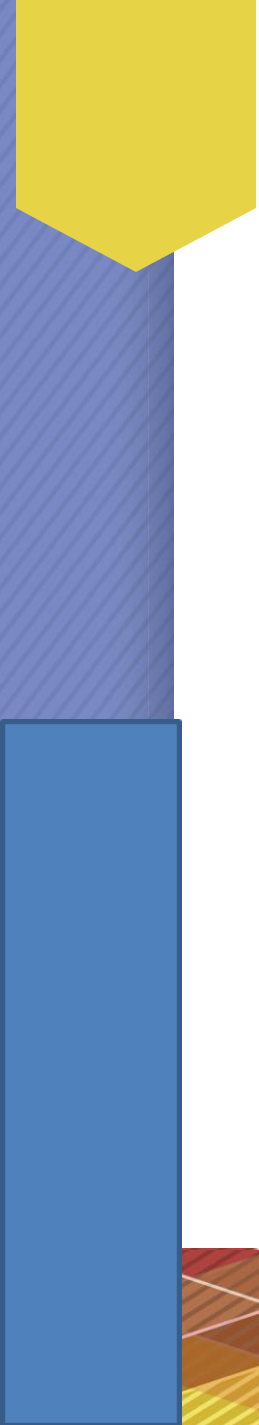
Research study in a realistic situation in which one or more independent variables are manipulated by the experimenter under as carefully controlled conditions as the situation will permit




Internal Validity vs. External Validity

Internal Validity The degree to which an outcome can be attributed to an experimental variable and not to other factors. *Lab experiments tend to have higher levels of internal validity.*

External Validity The degree to which the results of an experiment can be generalized, or extended, to other situations. *Field experiments tend to have higher levels of external validity.*




Online retailers are in an ideal position for conducting field experiments by testing different types or levels of marketing variables simultaneously and examining actual customer response.





MARKET TESTING

A controlled experiment done in a limited but carefully selected sector of the marketplace.



Types of Test Markets

Standard Test Market A test market in which the company sells the product through its normal distribution channels.

Controlled Test Market An entire test program conducted by an outside service in a market in which it can guarantee distribution.

Simulated Test Market A study in which consumer ratings are obtained along with likely or actual purchase data often obtained in a simulated store environment; the data are fed into computer models to produce sales and market share predictions.

Virtual Test Markets



Courtesy, Heinz™

Source: Peter Breen, "Shaping Retail: The Use of Virtual Store Simulations in Marketing Research and Beyond," undated, the In-Store Marketing Institute, p. 5 (photo credited to Decision Insight).



**Simulated
Test Market**

**Controlled
Test Market**

**Standard
Test Market**

Speed

fastest



slowest

Cost

least



most

Security

most



least

Accuracy

least



most