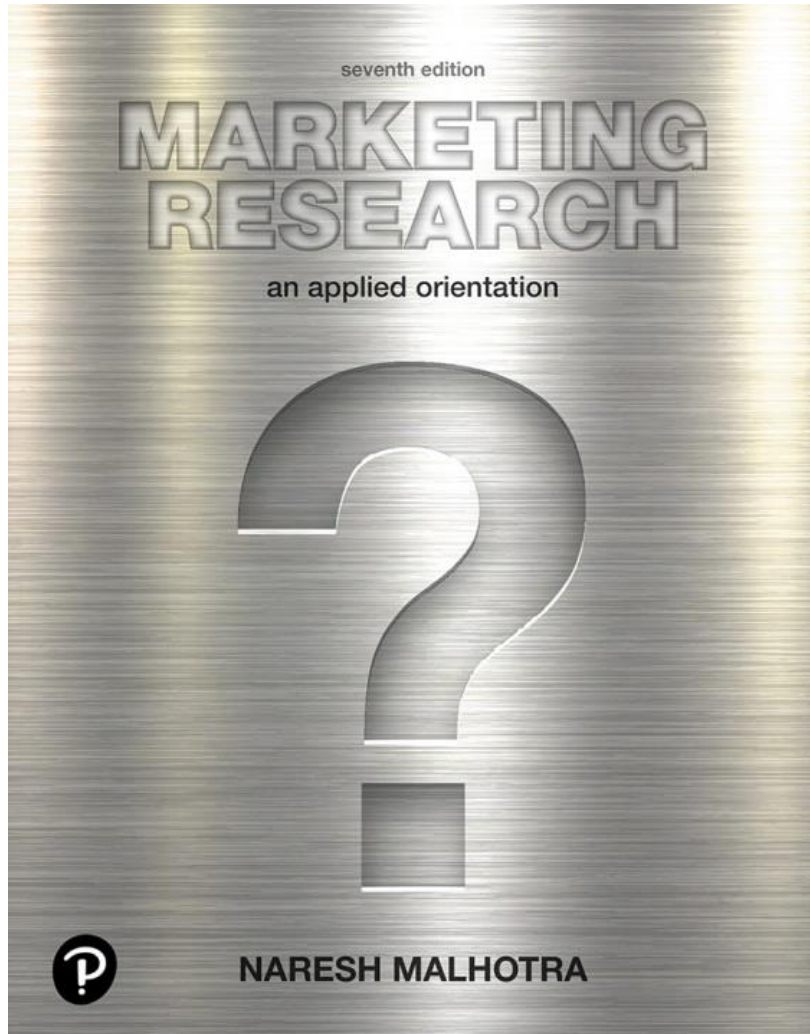


Marketing Research: An Applied Orientation

Seventh Edition



Chapter 1

Introduction to Marketing Research

Chapter Outline

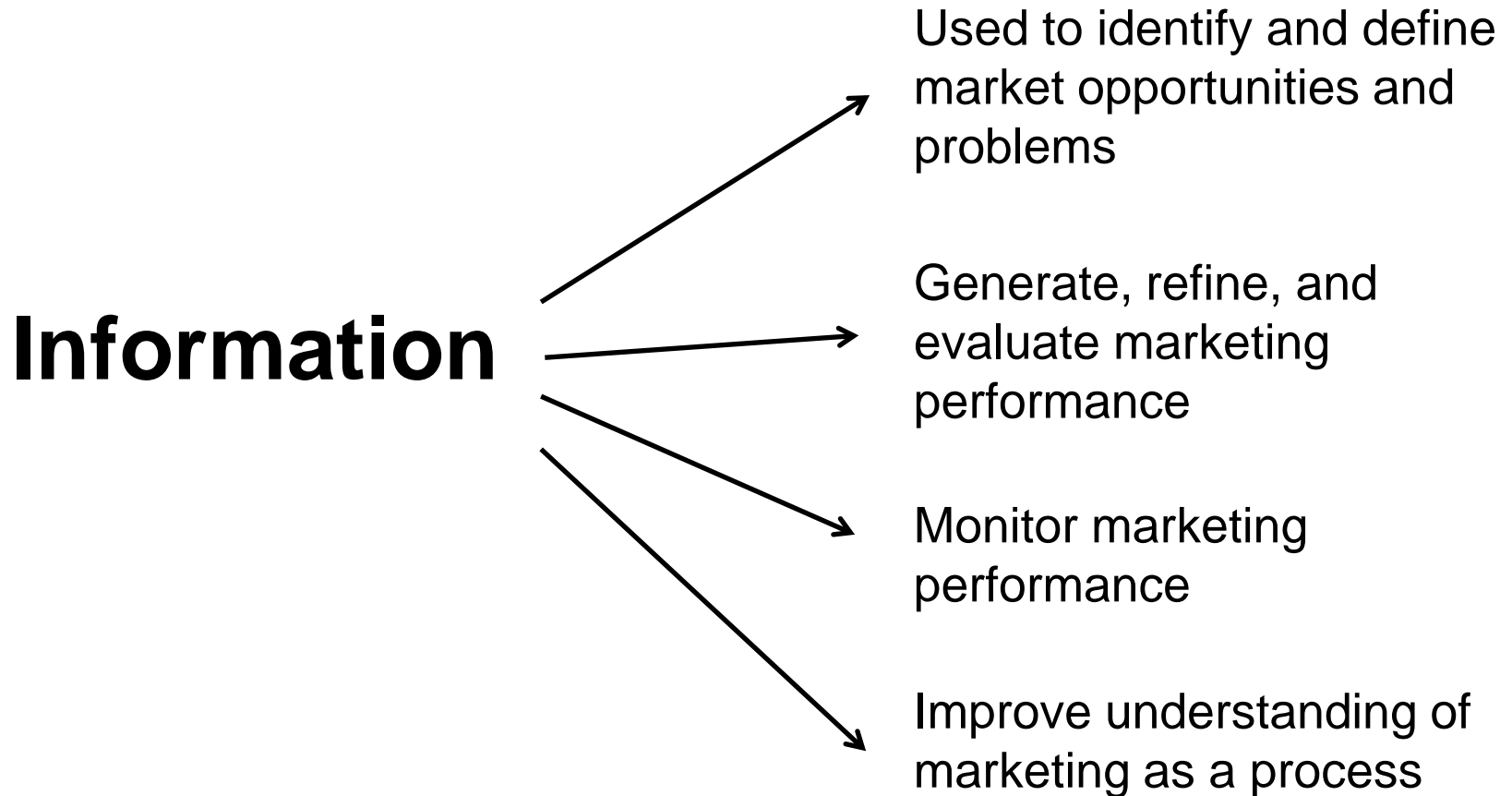
- 1) Definition of Marketing Research
- 2) A Classification of Marketing Research
- 3) Marketing Research Process
- 4) Marketing Research Suppliers and Services
- 5) Careers in Marketing Research
- 6) Marketing Research & Social Media

Redefining Marketing Research (1 of 2)

The American Marketing Association (AMA) redefined **Marketing Research** as:

The function that links the consumer, customer,
and public to the marketer through
INFORMATION

Redefining Marketing Research (2 of 2)



Definition of Marketing Research

Marketing research is the systematic and objective

- identification
- collection
- analysis
- dissemination
- and use of information

Marketing Research

- Specifies the information necessary to address the issues at hand
- Manages and implements the data collection process
- Analyzes the results
- Communicates the findings and their implications
- Helps managers use this information to make decisions

Classification of Marketing Research

Problem-Identification Research

- Research undertaken to help identify problems which are not necessarily apparent on the surface and yet exist or are likely to arise in the future. Examples: market potential, market share, sales analysis, forecasting, and trends research.

Problem-Solving Research

- Research undertaken to help solve specific marketing problems. Examples: segmentation, product, pricing, promotion, and distribution research.



Problem-Solving Research

Table 1.1 Problem-Solving Research

Segmentation Research Determine basis of segmentation Establish market potential and responsiveness for various segments Select target markets and create lifestyle profiles, demography, media, and product image characteristics	
Product Research	Promotional Research
Test concept	Optimal promotional budget
Optimal product design	Sales promotion relationship
Package tests	Optimal promotional mix
Product modification	Copy decisions
Brand positioning and repositioning	Media decisions
Test marketing	Creative advertising testing
Control store tests	Claim substantiation
	Evaluation of advertising effectiveness
Pricing Research	Distribution Research
Importance of price in brand selection	Type of distribution
Pricing policies	Attitudes of channel members
Product line pricing	Intensity of wholesale and retail coverage
Price elasticity of demand	Channel margins
Response to price changes	Location of retail and wholesale outlets

Boeing Problem Identification and Solving Research (Feb 2014)

- Boeing commercial segment continuously monitors the dynamic market place and customer needs
 - Customer surveys identified potential demand for smaller planes (problem identification)
 - Subsequent product research led to the introduction of the new versions of the Boeing 737 MAX (problem solving)

Kellogg's Sales

- Kellogg's experienced a slump in its sales in 2016
 - The challenge of reviving low cereal sales
- Problem identification research
 - Discussion with managers, industry experts, secondary data analysis, surveyed customers about their perceptions and preferences for cereals
 - Current products were targeted to kids
 - Bagels and muffins were favored breakfast foods
 - High prices were leading to buy generic brands
 - Adults wanted quick food that required almost no preparation

Kellogg's Sales

- Problems-solving Research
 - Developed and tested several new flavors of cereals using mall intercept
 - Introduced new flavors that were suited to the adult palate
 - Special K Nourish
 - The new cereal and nut bar were supported by ad campaigns and promotions

Marketing Research Process

- Step 1 : Problem Definition ([Ch. 2](#))
- Step 2 : Development of an Approach to the Problem ([Ch. 2](#))
- Step 3 : Research Design Formulation ([Ch. 3-12](#))
- Step 4 : Fieldwork or Data Collection ([Ch. 13](#))
- Step 5 : Data Preparation and Analysis ([Ch. 14-22](#))
- Step 6 : Report Preparation and Presentation ([Ch. 23](#))



The Role of Marketing Research

Figure 1.2 The Role of Marketing Research



Marketing Research Suppliers & Services

(1 of 2)

Figure 1.3 Marketing Research Suppliers and Services

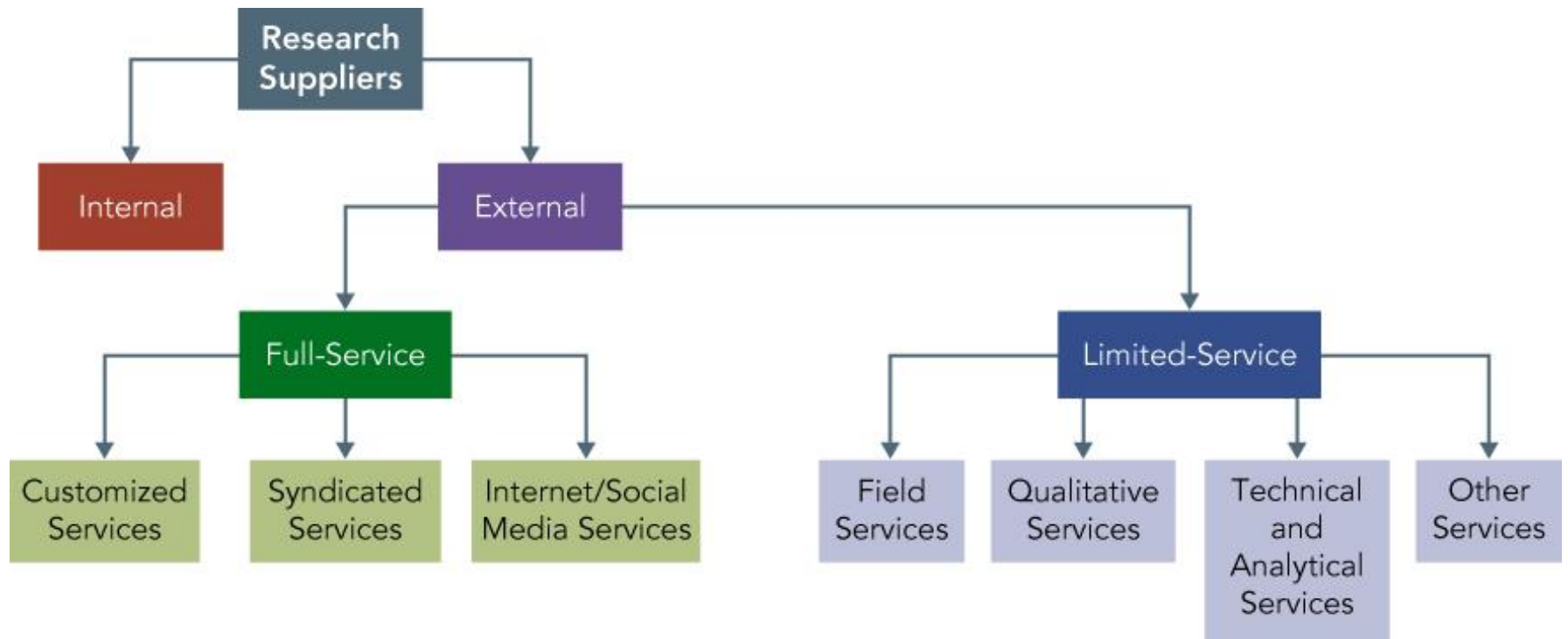


Table 1.2 Top 25 Global Market Research Firms (1 of 2)

Global Rank					2015	
2016	2015	Organization	Parent Country	Total Number of Countries with Offices and Wholly-owned subsidiaries	Global Research Revenue (Millions of U.S. dollars)	Percent of Global Revenue from Outside Home Country
1	1	Nielsen Holdings N.V.	U.S.	106	\$6,172.0	41.6%
2	2	Kantar*	United Kingdom	100	\$3,710.0	79.7%
3	3	IMS Health Inc.	U.S.	105	\$2,921.0	61.4%
4	4	Ipsos SA***	France	87	\$1,980.9	93.1%
5	5	GfK SE***	Germany	74	\$1,712.6	75.3%
6	6	IRI	U.S.	9	\$981.0	38.3%
7	8	dunnhumby*	United Kingdom	29	\$970.5	61.7%
8	7	Westat	U.S.	6	\$509.6	3.6%
9	9	INTAGE Holdings Inc.**	Japan	8	\$375.7	8.2%
10	11	comScore	U.S.	24	\$368.8	27.3%
11	10	Wood MacKenzie* ***	United Kingdom	20	\$364.7	58.1%
12	12	The NPD Group	U.S.	15	\$307.7	24.9%
13	13	MACROMILL Inc.	Japan	13	\$296.0	30.7%
14	14	J.D. Power*	U.S.	9	\$273.5	33.8%
15	16	ICF International	U.S.	7	\$219.4	29.5%



Selected Marketing Research Career Descriptions (1 of 2)

Vice President of Marketing Research

- Part of company's top management team
- Directs company's entire market research operation
- Sets the goals & objectives of the marketing research department

Research Director

- Also part of senior management
- Heads the development and execution of all research projects

Assistant Director of Research

- Administrative assistant to director
- Supervises research staff members

Senior Project Manager

- Responsible for design, implementation, & research projects

Selected Marketing Research Career Descriptions (2 of 2)

Senior Analyst

- Participates in the development of projects
- Carries out execution of assigned projects
- Coordinates the efforts of analyst, junior analyst, & other personnel in the development of research design and data collection
- Prepares final report

Analyst

- Handles details in execution of project
- Designs & pretests questionnaires
- Conducts preliminary analysis of data

Statistician/Data Processing

- Serves as expert on theory and application on statistical techniques
- Oversees experimental design, data processing, and analysis

Junior Analyst

- Secondary data analysis
- Edits and codes questionnaires
- Conducts preliminary analysis of data

Fieldwork Director

- Handles selection, training, supervision, and evaluation of interviewers and field workers

Criteria for Selecting a Research Supplier

- What is the reputation of the supplier?
- Do they complete projects on schedule?
- Are they known for maintaining ethical standards?
- What kind and how much experience does the supplier have? Has the firm had experience with projects similar to this one?
- Can they communicate well with the client?

Competitive bids should be compared on the basis of quality as well as price.

Preparation for a Career in Marketing Research

- Marketing courses
- Statistics and quantitative methods.
- Take courses in psychology and consumer behavior.
- Acquire effective written and verbal communication skills.
- Think creatively

Marketing Research & Social Media (1 of 2)

- Social media are marked by user-generated content.
- Users are able to rate, rank, comment on, review and respond to the new world of media.
- People form online communities by combining one-to-one (e.g., email and instant messaging), one-to-many (web pages and blogs) and many-to-many (wikis) communication modes.
- Social communities open up new avenues for understanding, explaining, influencing, and predicting the behaviors of consumers in the marketplace.

Marketing Research & Social Media (1 of 2)

Limitations of Social Media

- While 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 and from advocacy.
- Use of social media as an additional domain in which to conduct marketing research to supplement and complement, but not to replace, the traditional ways in which research is conducted.

Mobile Marketing Research

- Marketing research, such as a survey, that is conducted or administered to potential respondents on their mobile devices.
- The mobile user base is huge and is only expected to continue growing.
- MMR can be conducted via the international survey platforms such as Confinity (www.confirmit.com)



Advantages of Mobile Marketing Research

- MMR has the potential to reach a broader audience, get results faster, lower costs, and elicit higher quality responses.
- Global Positioning System (GPS) and other location technologies can deliver surveys to the target audience based on their current or past locations.
- MMR is appealing in many developing economies, where the mobile phone is often the most frequently used information gathering, computing, and communication device for consumers and businesses.

Disadvantages of Mobile Marketing Research

- Surveys must be kept short, succinct, and simple.
- The questions that can be asked are definitely more limited than those suitable on web sites accessed by PC or other modes of survey administration.
- Sample representativeness may be another serious issue.

Overview of Ethical Issues in Marketing Research (1 of 3)

Table 1.3 An Overview of Ethical Issues in Marketing Research

I. Problem Definition
<ul style="list-style-type: none">• Using surveys as a guise for selling or fundraising• Personal agendas of the researcher or client• Conducting unnecessary research
II. Developing an Approach
<ul style="list-style-type: none">• Using findings and models developed for specific clients or projects for other projects• Soliciting proposals to gain research expertise without pay
III. Research Design
<ul style="list-style-type: none">• Formulating a research design more suited to the researcher's rather than the client's needs• Using secondary data that are not applicable or have been gathered through questionable means

Overview of Ethical Issues in Marketing Research (2 of 3)

[Table 1.3 Continued]

III. Research Design [Continued]
<ul style="list-style-type: none">• Disguising the purpose of the research• Soliciting unfair concessions from the researcher• Not maintaining anonymity of respondents• Disrespecting privacy of respondents• Misleading respondents• Disguising observation of respondents• Embarrassing or putting stress on respondents• Using measurement scales of questionable reliability and validity• Using inappropriate sampling procedures and sample size
IV. Fieldwork
<ul style="list-style-type: none">• Increasing (dis)comfort level of respondents• Following (un)acceptable fieldwork procedures

Overview of Ethical Issues in Marketing Research (3 of 3)

[Table 1.3 Continued]

V. Data Preparation and Analysis
<ul style="list-style-type: none">• Identifying and discarding unsatisfactory respondents• Using statistical techniques when the underlying assumptions are violated• Interpreting the results and making incorrect conclusions and recommendations
VI. Report Preparation and Presentation
<ul style="list-style-type: none">• Incomplete reporting• Biased reporting• Inaccurate reporting

Marketing Research Associations Online

Domestic

AMA : American Marketing Association (www.ama.org)
[codes of conduct](#)

QRCA : Qualitative Research Consultants Association
(www.qrca.org)
[professional guide](#)

MRSI : The Market Research Society of India
(<https://mrsi.co.in/index.html>)