

Chapter One

Introduction to Marketing Research





Chapter Outline

- 1) Overview
- 2) Definition of Marketing Research
- 3) A Classification of Marketing Research
- 4) Marketing Research Process
- 5) The Nature of Marketing Research
- 6) Marketing Research Suppliers and Services
- 7) Selecting a Research Supplier
- 8) Careers in Marketing Research

Chapter Outline

- 9) The Role of Marketing Research in MIS and DSS
- 10) The Department Store Project
- 11) Marketing Research Associations Online
- 12) Summary





Redefining Marketing Research

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

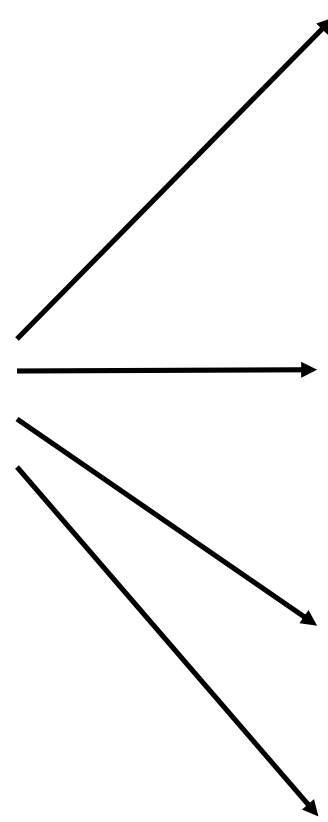


The function which links the consumer, the customer, and public to the marketer through **INFORMATION**



Redefining Marketing Research

Information



Used to identify and define market opportunities and problems

Generate, refine, and evaluate marketing performance

Monitor marketing performance

Improve understanding of marketing as a process



Definition of Marketing Research

Marketing research is the systematic and objective

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

for the purpose of improving decision making related to the

- identification and
- solution of problems and opportunities in marketing.



Market Research

- Specifies the information necessary to address these issues
- Manages and implements the data collection process
- Analyzes the results
- Communicates the findings and their implications



Classification of Marketing Research

Problem Identification Research

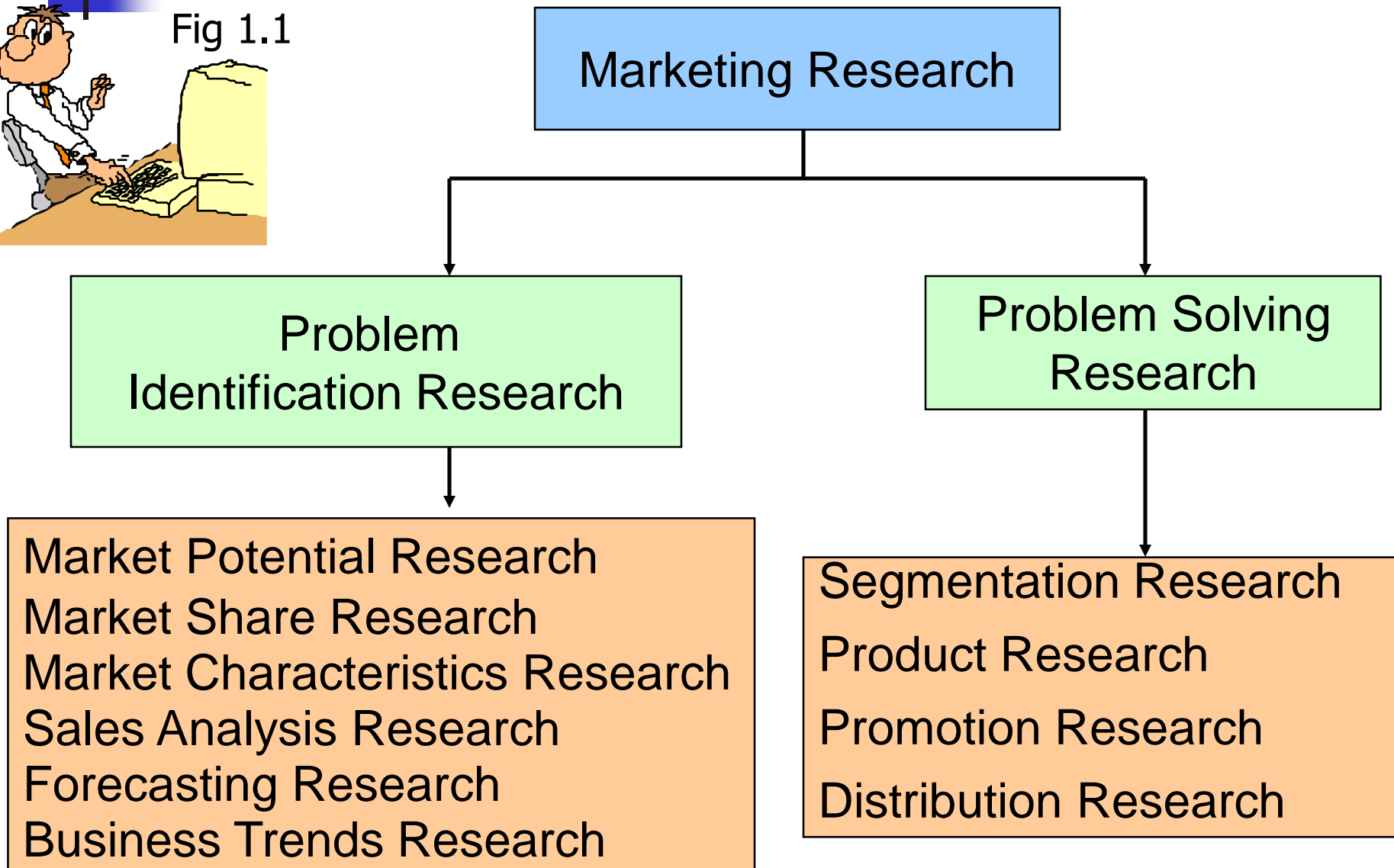
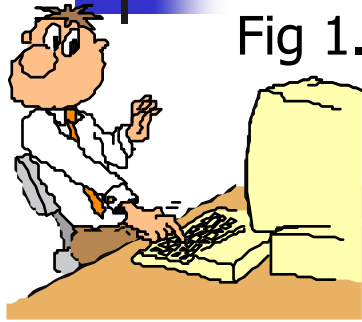
- Research undertaken to help identify problems which are not necessarily apparent on the surface and yet exist or are likely to arise in the future. Examples: market potential, market share, image, market characteristics, sales analysis, forecasting, and trends research.

Problem Solving Research

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

A Classification of Marketing Research

Fig 1.1



Problem Solving Research

Table 1.1

SEGMENTATION RESEARCH

- Determine the basis of segmentation
- Establish market potential and responsiveness for various segments
- Select target markets
- Create lifestyle profiles: demography, media, and product image characteristics



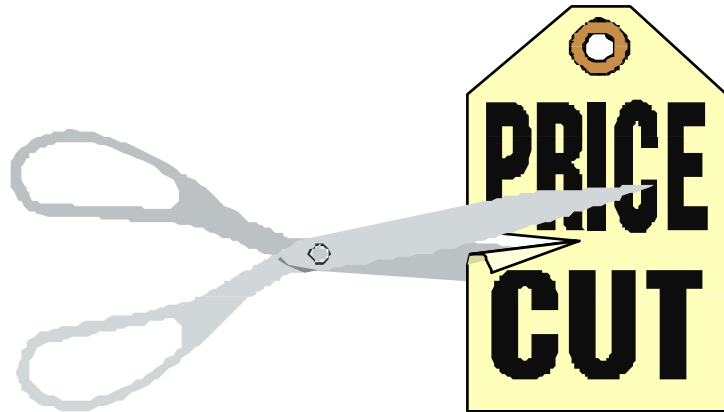
PRODUCT RESEARCH

- Test concept
- Determine optimal product design
- Package tests
- Product modification
- Brand positioning and repositioning
- Test marketing
- Control score tests

Problem Solving Research

Table 1.1 cont.

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PRICING RESEARCH

- Pricing policies
- Importance of price in brand selection
- Product line pricing
- Price elasticity of demand
- Initiating and responding to price changes

PROMOTIONAL RESEARCH

- Optimal promotional budget
- Sales promotion relationship
- Optimal promotional mix
- Copy decisions
- Media decisions
- Creative advertising testing
- Evaluation of advertising effectiveness
- Claim substantiation



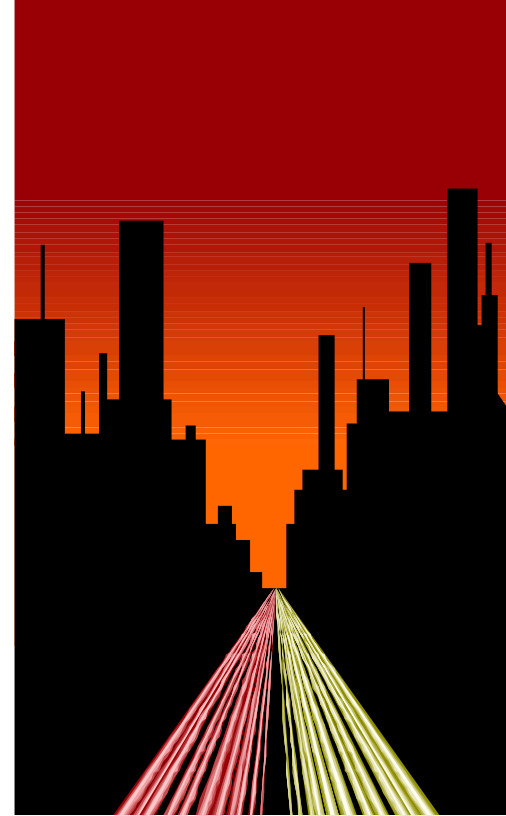
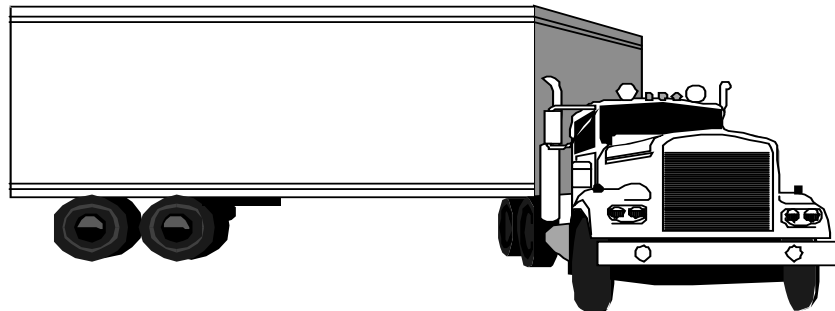
Problem Solving Research

Table 1.1 cont.

DISTRIBUTION RESEARCH

Determine...

- Types of distribution
- Attitudes of channel members
- Intensity of wholesale & resale coverage
- Channel margins
- Location of retail and wholesale outlets





Marketing Research Process

Step 1: Problem Definition

Step 2: Development of an Approach to
the Problem

Step 3: Research Design Formulation

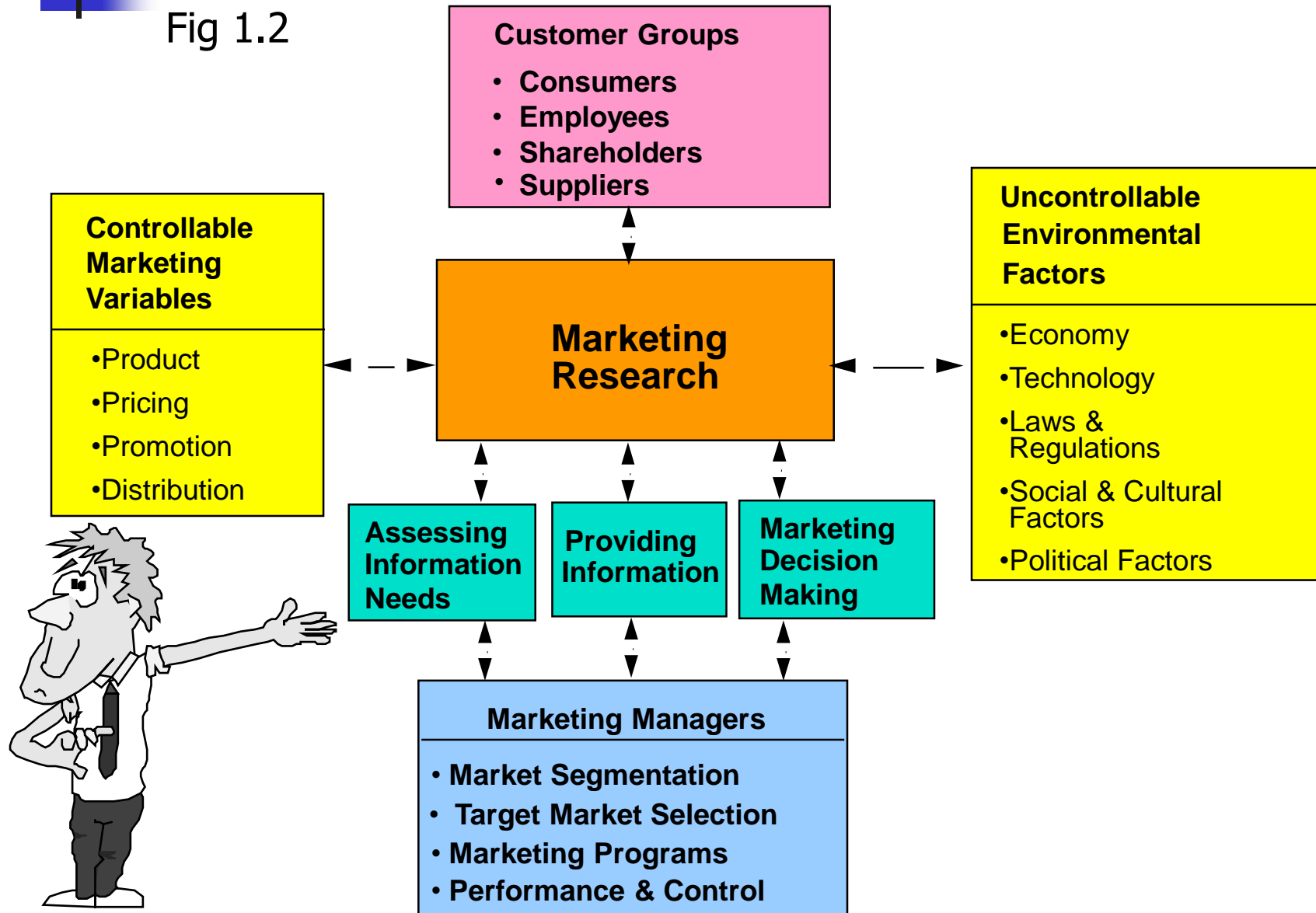
Step 4: Fieldwork or Data Collection

Step 5: Data Preparation and Analysis

Step 6: Report Preparation and
Presentation

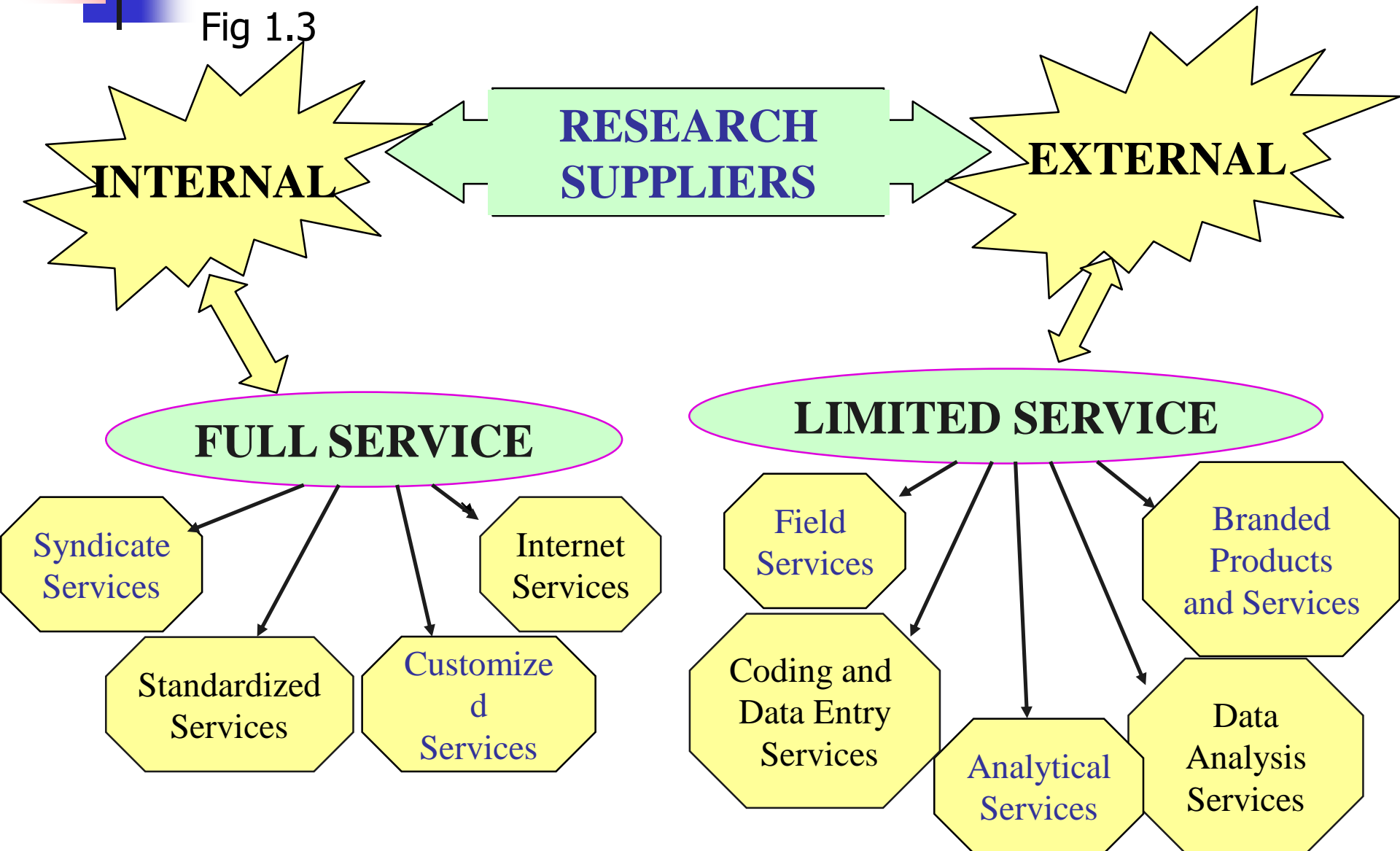
The Role of Marketing Research

Fig 1.2



Marketing Research Suppliers & Services

Fig 1.3





Top 50 U.S. Marketing Research Firms

U.S. rank 2001 2000	Organization	Headquarters	Web site	Worldwide research	Non-U.S. research	Percent
				revenues* (\$, in millions)	revenues* (\$, in millions)	non-U.S. revenues
1 2	VNU, Inc.	New York	vnu.com	\$2,400.00	\$1,100.00	45.80%
2 3	IMS Health, Inc.	Fairfield, Conn.	imshealth.com	1,171.00	702	60
3 4	Information Resources, Inc.	Chicago	infores.com	555.9	135.6	24.4
4 6	The Kantar Group	Fairfield, Conn.	kantargroup.com	962.3	663.2	68.9
5 5	Westat, Inc.	Rockville, Md.	westat.com	285.8	—	—
6 7	Arbitron, Inc.	New York	arbitron.com	227.5	7.9	3.5
7 —	NOP World US	New York	nopworld.com	224.1	17.5	7.8
8 8	NFO WorldGroup	Greenwich, Conn.	nfow.com	452.9	289.9	64
9 9	Market Facts, Inc.	Arlington Heights, Ill.	marketfacts.com	189.7	33.5	17.7
10 11	Taylor Nelson Sofres USA	London	tnsofres.com	166.9	16.4	9.8
11 11	Maritz Research	Fenton, MO.	maritzresearch.com	181.7	54.6	30
12 23	Ipsos	New York	ipsos.com	204.3	91.4	44.7
13 15	J.D. Power and Associates	Westlake Village, Calif.	jdpa.com	128	18.7	14.6
14 14	Opinion Research Corp.	Princeton, N.J.	opinionresearch.com	133.6	42.2	31.6
15 10	The NPD Group, Inc.	Port Washington, N.Y.	npd.com	101.7	13	12.8
16 17	Jupiter Media Metrix, Inc.	New York	jmm.com	85.8	17.2	20
17 18	Harris Interactive, Inc.	Rochester, N.Y.	harrisinteractive.com	75.4	10.5	13.9
18 20	Abt Associates, Inc.	Cambridge, Mass.	abtassociates.com	62.8	9.4	15
19 19	C&R Research Services, Inc.	Chicago	crresearch.com	43.6	—	—
20 22	Wirthlin Worldwide	McLean, Va.	wirthlin.com	46.8	7.2	15.4
21 24	Lieberman Research Worldwide	Los Angeles	lrwonline.com	43.1	4.3	10
22 25	Burke, Inc.	Cincinnati	burke.com	45.5	11.2	24.6
23 21	MORPACE International, Inc.	Farmington Hills, Mich.	morpace.com	48.3	15.9	32.9
24 26	Market Strategies, Inc.	Livonia, Mich.	marketstrategies.com	31.7	1.5	4.7
25 30	GfK Custom Research, Inc.	Minneapolis	customresearch.com	29.8	0.9	3.9



Top 50 U.S. Marketing Research Firms

U.S. rank 2001 2000	Organization	Headquarters	Web site	Worldwide research revenues*	Non-U.S. research revenues*	Percent non-U.S. revenues
				(\$, in millions)	(\$, in millions)	
26 32	ICR/Int'l Communications Research	Media, Pa.	icsurvey.com	28.8	0.3	1
27 29	M/A/R/C Research	Irving, Texas	marcresearch.com	24.5	0.5	2
28 31	Elrick & Lavidge Marketing Research	Tucker, Ga.	elrickandlavidge.com	22.9	—	—
29 36	RDA Group, Inc.	Bloomfield Hills, Mich.	rdagroup.com	26	3.6	13.8
30 33	Lieberman Research Group	Great Neck, N.Y.	liebermanresearch.com	22.3	0.5	2.2
31 —	Knowledge Networks, Inc.	Menlo Park, Calif.	knowledgenetworks.com	21.4	—	—
32 34	Walker Information	Indianapolis	walkerinfo.com	26.8	5.5	20.5
33 37	National Research Corp.	Lincoln, Neb.	nationalresearch.com	17.7	—	—
34 38	Directions Research, Inc.	Cincinnati	directionrsch.com	16.7	—	—
35 48	Marketing and Planning Systems, Inc.	Waltham, Mass.	mapsnet.com	19.7	3.2	16.2
36 —	Alliance Research, Inc.	Crestview Hills, Ky.	allianceresearch.com	15.4	—	—
37 40	Data Development Corp.	New York	datadc.com	15.6	0.3	1.9
38 46	Marketing Analysts, Inc.	Charleston, S.C.	marketinganalysts.com	15.1	0.4	2.6
39 —	Marketing Research Services, Inc.	Cincinnati	mrsi.com	14.3	—	—
40 43	Greenfield Online, Inc.	Wilton, Conn.	greenfield.com	14.2	—	—
41 42	Greenfield Consulting Group, Inc.	Westport, Conn.	greenfieldgroup.com	14	0.1	1
42 45	Savitz Research Companies	Dallas	savitzresearch.com	13.2	—	—
43 44	The PreTesting Co., Inc.	Tenafly, N.J.	pretesting.com	13.1	0.7	5.3
44 39	Schulman, Ronca, & Bucuvalas, Inc.	New York	srbi.com	12.1	0.7	5.8
45 49	Cheskin	Redwood Shores, Calif.	cheskin.com	14.3	3.1	22
46 —	The Marketing Workshop, Inc.	Norcross, Ga.	mwshop.com	10.6	—	—
47 —	Symmetrical Holdings, Inc.	Deerfield Beach, Fla.	symmetrical.com	10.4	—	—
48 —	comScore Networks, Inc.	Reston, Va.	comscore.com	10	—	—
48 —	MarketVision Research, Inc.	Cincinnati	marketvisionresearch.com	10	—	—
50 47	The B/R/S Group, Inc.	San Rafael, Calif.	brsgroup.com	10.9	2.2	20



Selected Marketing Research Career Descriptions

Fig 1.4

Vice-President of Marketing Research: The senior position in marketing research. The vice president (VP) is responsible for the entire marketing research operation of the company and serves on the top management team. This person sets the objectives and goals of the marketing research department.

Research Director: Also a senior position. The research director has the general responsibility for the development and execution of all the marketing research projects.

Assistant Director of Research: Serves as an administrative assistant to the director and supervises some of the other marketing research staff members.

(Senior) Project Manager: Has overall responsibility for design, implementation, and management of research projects.

Statistician/Data Processing Specialist: Serves as an expert on theory and application of statistical techniques. Responsibilities include experimental design, data processing, and analysis.

Selected Marketing Research Career Descriptions

Fig 1.4 cont.

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

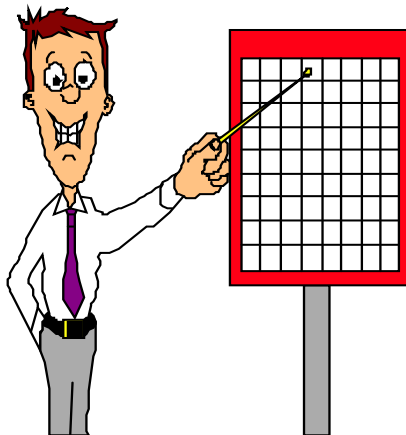


Research Director

- 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

Fig 1.4 cont.

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



Marketing Research Suppliers & Services

- **Internal suppliers**
- **External suppliers**
 - **Full-service suppliers**
 - Syndicated services
 - Standardized services
 - Customized services
 - Internet services
 - **Limited-service suppliers**
 - Field services
 - Coding and data entry services
 - Analytical services
 - Data analysis services
 - Branded marketing research products



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?
- Are they flexible?
- Are their research projects of high quality?
- What kind and how much experience does the supplier have? Has the firm had experience with projects similar to this one?
- Do the supplier's personnel have both technical and non-technical expertise?
- Can they communicate well with the client?

Competitive bids should be obtained and compared on the basis of quality as well as



Careers in Marketing Research

- Career opportunities are available with marketing research firms (e.g., AC Nielsen, Burke, Inc., M/A/R/C)
- Careers in business and non-business firms and agencies with in-house marketing research departments (e.g., Procter & Gamble, Coca-Cola, AT & T, the Federal Trade Commission, United States Census Bureau)
- Advertising agencies (e.g., BBDO International, Ogilvy & Mather, J. Walter Thompson, Young & Rubicam)
- Positions: vice president of marketing research, research director, assistant director of research, project manager, field work director,

A Sample of Marketing Research Jobs



Marketing

Apple Computer has created an environment of progressive and breakthrough as the products we bring to market. Here, your ideas are heard. And your ability to shape the industry is as valued as your ambition. Join us, and we'll give you the freedom to inspire the kind of change that can impact our future—and yours.

Senior Customer Research Analyst

Using custom market research, you'll be responsible for answering a wide range of complex marketing and strategic questions, and for advocating the customer's perspective in key Apple decisions. Working with product marketing and corporate decision-makers, you'll assist in setting priorities, and in defining/refining corporate objectives. You'll also design and manage research projects, including studies of positioning, new product benefits, concept testing, etc. Then, you'll present results and make recommendations.

The ideal candidate will have a relevant advanced degree and 5+ years' experience, a BA and 8 years' experience, or an equivalent combination of training and experience, including the management of projects using the full range of research methodology. Superior verbal and written communication skills, and the ability to synthesize research results into persuasive recommendations, are absolutely essential. Fluency in a foreign language and direct experience with PC customers in a non-research capacity are also desirable assets.

Send your resume to: Apple Computer, Inc., 1 Infinite Loop, MS 75-2CE, Dept. YCMN01313, Cupertino, CA 95014. Or fax to: (408) 974-5691. Principals only, no phone calls, please.

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Market Research Manager

Hilti, a worldwide leader in the manufacturing and marketing of construction tools and fasteners for nearly half a century, is presently seeking a Marketing Research Manager for our Tulsa, Oklahoma corporate facility.

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Qualified candidates must possess:

- Bachelor's degree plus five years of industrial market research
- Specific experience writing and conducting both phone and written surveys including analysis and presentation of the results.
- Complete competency conducting focus groups with customers with responsibility for the entire process.
- Experience utilizing secondary sources such as supplier databases i.e. Dodge and D&B.
- Absolute wizardry with database programs such as D-base and Access.
- Experience gathering intelligence on competitors from traditional and non-traditional sources.
- Highly developed business writing and presentation skills.

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Smith Hanley Associates is the premier resource for the market research professional nationwide. Below is a sample of current openings:

- **Consumer Research**—Financial services, publishing and packaged goods companies seek Master's/MBA with 3-8 yrs. quantitative research experience: Multivariate statistics & project management skills desired. Many locations: NY, CA, D.C., MA, IL, MI, TX, NE, KS, UT, KY, IN, NC. Salary \$45-75K.
- **Directors, Market Analysis**—Interactive media, entertainment software or telecommunication ind. exp. desired for high profile opportunities. Stellar MBA w/3-4 yrs. exp. in bus. modeling & sales forecasting E. Coast Salary \$60-80K + Bonus.
- **Management Consulting**—Top tier consulting firms seek PhD/Master's in quantitative discipline for strategic mkt research groups. Survey research and statistical modeling exp. required. Projects include product positioning, market entry, sales force strategy. Boston and New York. Salary \$50-100K.
- **Direct Marketing**—Red hot field for researchers with a strong technical bent. Positions in publishing, catalogues, ad agencies, financial services, and consulting firms. Segmentation modeling and experience with neural nets desired. Dozens of positions nationwide! Salary \$40-90K + Bonus.

SMITH HANLEY Associates, Inc.

Please call or write:
Linda Burch
312-629-2400
200 W. Madison, Chicago, IL 60606

Sandra Rupp
212-687-9696
99 Park Ave., New York, NY 10018

EXECUTIVE RECRUITERS



Preparation for a Career in Mktg. Research

- Take all the marketing courses you can.
- Take courses in statistics and quantitative methods.
- Acquire Internet and computer skills.
Knowledge of programming languages is an added asset.
- Take courses in psychology and consumer behavior.
- Acquire effective written and verbal communication skills.

Management Information Systems vs. Decision Support Systems

MIS



DSS

- **Structured Problems**
- **Use of Reports**
- **Rigid Structure**
- **Information Displaying**
Restricted
- **Can Improve Decision Making**
by Clarifying Data

- **Unstructured Problems**
- **Use of Models**
- **User Friendly Interaction**
- **Adaptability**
- **Can Improve Decision**
Making by Using “What if”
Analysis



The Dept. Store Project

The following information was solicited:

1. Familiarity with the ten department stores.
2. Frequency with which household members shopped at each of the ten stores.
3. Relative importance attached to each of the eight factors of the choice criteria.
4. Evaluation of the ten stores on each of the eight factors of the choice criteria.
5. Preference ratings for each store.
6. Rankings of the ten stores (from most preferred to least preferred).
7. Degree of agreement with 21 lifestyle statements.
8. Standard demographic characteristics (age, education, etc.)
9. Name, address, and telephone number.



Marketing Research Associations Online

Domestic

AAPOR: American Association for Public Opinion Research
(www.aapor.org)

AMA: American Marketing Association (www.ama.org)

ARF: The Advertising Research Foundation (www.amic.com/arf)

CASRO: The Council of American Survey Research Organizations
(www.casro.org)

MRA: Marketing Research Association (www.mra-net.org)

QRCA: Qualitative Research Consultants Association
(www.qrca.org)

RIC: Research Industry Coalition (www.researchindustry.org)

Marketing Research Associations Online

International

ESOMAR: European Society for Opinion and Marketing Research (www.esomar.nl)

MRS: The Market Research Society (UK)
(www.marketresearch.org.uk)

MRSA: The Market Research Society of Australia
(www.mrsa.com.au)

PMRS: The Professional Marketing Research Society (Canada)
(www.pmrs-aprm.com)

