

## Chapter 9 Marketing Research

MKTG10  
Lamb, Hair, and McDaniel



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## LEARNING OUTCOMES

- 9-1 Define marketing research and explain its importance to marketing decision making
- 9-2 Describe the steps involved in conducting a marketing research project
- 9-3 Discuss the profound impact of the Internet on marketing research

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## LEARNING OUTCOMES

- 9-4 Describe the growing importance of mobile research
- 9-5 Discuss the growing importance of scanner-based research
- 9-6 Explain when marketing research should be conducted
- 9-7 Explain the concept of competitive intelligence

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9-1

## The Role of Marketing Research

**Define marketing research  
and explain its importance  
to marketing decision  
making**

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## The Role of Marketing Research

Marketing research is the process of planning, collecting, and analyzing data relevant to a marketing decision.

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## The Role of Marketing Research

**Descriptive**

**Gathering and presenting  
factual statements**

**Diagnostic**

**Explaining data**

**Predictive**

**Addressing “what if”  
questions**

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## Management Uses of Marketing Research

Marketing research can help managers in several ways:

- It improves the quality of decision making
- It helps managers trace problems
- It can help managers understand detailed and complicated relationships
- It helps managers serve customers accurately and efficiently

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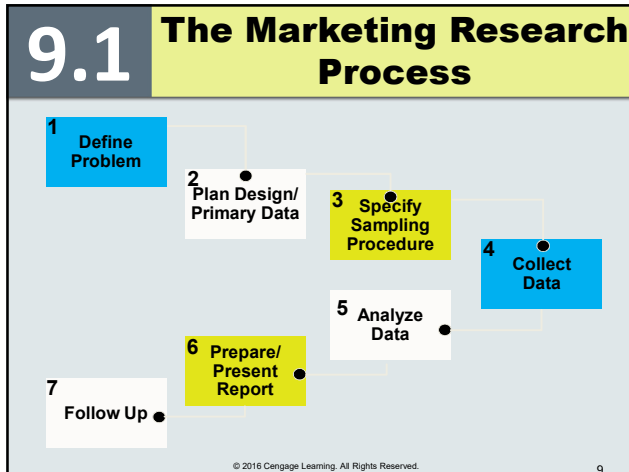
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9-2

## Steps in a Marketing Research Project

**Describe the  
steps involved  
in conducting  
a marketing  
research project**

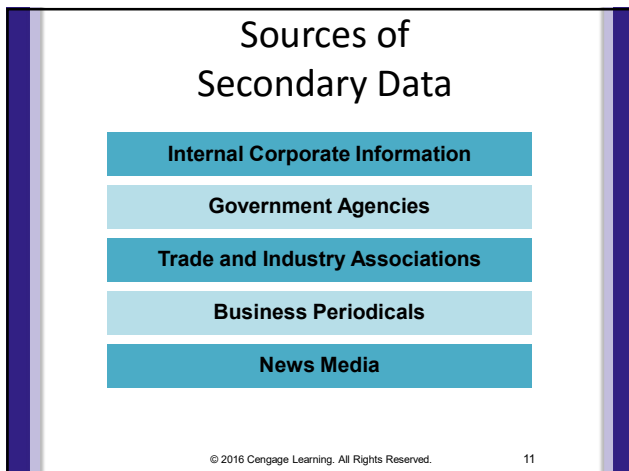
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## The Marketing Research Project

<b>Marketing Research Problem</b>	Determining what information is needed and how that information can be obtained efficiently and effectively.
<b>Marketing Research Objective</b>	The specific information needed to solve a marketing research problem; the objective should be to provide insightful decision-making information.
<b>Management Decision Problem</b>	A broad-based problem that uses marketing research in order for managers to take proper actions.

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- ## Advantages of Secondary Data
- ◆ Saves time and money if on target
  - ◆ Aids in determining direction for primary data collection
  - ◆ Pinpoints the kinds of people to approach
  - ◆ Serves as a basis of comparison for other data
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### Disadvantages of Secondary Data

- ◆ May not give adequate detailed information
- ◆ May not be on target with the research problem
- ◆ Quality and accuracy of data may pose a problem

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### Social Media and Big Data

Through social media monitoring, a researcher can learn what is being said about the brand and the competition.

Monitoring social media and tracking shopping behavior online are only two inputs into the new era of big data.

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### Planning the Research Design



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### Primary Data

Information collected for the first time.  
Used for solving the particular problem under investigation.

#### Advantages:

- ◆ Answers a specific research question
- ◆ Data are current
- ◆ Source of data is known
- ◆ Secrecy can be maintained

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### Disadvantages of Primary Data

- ◆ Primary data can be very expensive.
- ◆ Disadvantages are usually offset by the advantages of primary data.

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### Survey Research

The most popular technique for gathering primary data, in which a researcher interacts with people to obtain facts, opinions, and attitudes.

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### Forms of Survey Research

- In-Home Interviews**
- Mail Intercept Interviews**
- Telephone Interviews**
- Mail Surveys**
- Executive Interviews**
- Focus Groups**

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### Questionnaire Design

<b>Open-Ended Question</b>	An interview question that encourages an answer phrased in the respondent's own words.
<b>Closed-Ended Question</b>	An interview question that asks the respondent to make a selection from a limited list of responses.
<b>Scaled-Response Question</b>	A closed-ended question designed to measure the intensity of a respondent's answer.

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## Questionnaire Design

**Clear and concise**

**No ambiguous language**

**Avoid leading questions**

**Avoid two questions in one**

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## Observation Research

A research method that relies on four types of observation:

- *People watching people*
- *People watching an activity*
- *Machines watching people*
- *Machines watching an activity*

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## 9.5

### Observational Situations

Situation	Example
People watching people	Observers stationed in supermarkets watch consumers select frozen Mexican dinners; the purpose is to see how much comparison shopping people do at the point of purchase.
People watching an activity	Observer stationed at an intersection counts traffic moving in various directions.
Machines watching people	Movie or videotape cameras record behavior as in the people-watching-people example above.
Machines watching an activity	Traffic counting machines monitor traffic flow.

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## Observation Research

### Mystery Shoppers

Researchers posing as customers who gather observational data about a store.

### Behavioral Targeting (BT)

A form of observation marketing research that uses data mining coupled with identifying Web surfers by the IP addresses.

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## Ethnographic Research

The study of human behavior in its natural context; involves observation of behavior and physical setting.

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## Virtual Shopping

Advantages of virtual shopping:

- Creates an environment with a realistic level of complexity and variety.
- Allows quick set up and altering of tests.
- Low production costs.
- High flexibility.

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## Experiments

Experiments are used by researchers to gather primary data.

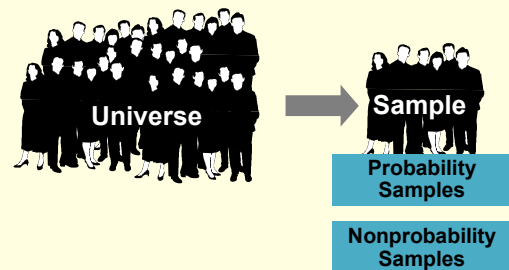
### Experiment Variables

Price  
Package design  
Shelf space  
Advertising theme  
Advertising expenditures

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## Sampling Procedure



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## Types of Samples

Probability Samples	Non-Probability Samples
Simple Random Sample	Convenience Sample
Stratified Sample	Judgment Sample
Cluster Sample	Quota Sample
Systematic Sample	Snowball Sample

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## Probability Samples

### Probability Sample

A sample in which every element in the population has a known statistical likelihood of being selected.

### Random Sample

A sample arranged so that every element of the population has an equal chance of being selected.

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## Nonprobability Samples

### Nonprobability Sample

Any sample in which little or no attempt is made to get a representative cross-section of the population.

### Convenience Sample

A form of nonprobability sample using respondents who are convenient or readily accessible to the researcher.

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## Types of Errors

### Measurement Error

Error when there is a difference between the information desired and the information provided by the process.

### Sampling Error

Error when a sample somehow does not represent the target population.

### Frame Error

Error when a sample drawn from a population differs from the target population.

### Random Error

Error because the selected sample is an imperfect representation of the overall population.

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## Collecting the Data

Field service firms provide:

- ◆ Focus group facilities
- ◆ Mall intercept locations
- ◆ Test product storage
- ◆ Kitchen facilities

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## Analyzing the Data

### *Cross-tabulation:*

A method of analyzing data that lets the analyst look at the responses to one question in relation to the responses to one or more other questions.

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## Preparing and Presenting the Report

- 1) Concise statement of the research objectives
- 2) Explanation of research design
- 3) Summary of major findings
- 4) Conclusion with recommendations

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## Following Up

- Were the recommendations followed?
- Was sufficient decision-making information included in the report?
- What could have been done to make the report more useful to management?

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9-3

### The Profound Impact of the Internet On Marketing Research

**Discuss the profound impact of the Internet on marketing research**

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### Impact of the Internet

- ◆ More than 90 percent of America's marketing research companies conduct some form of online research.
- ◆ Online survey research has replaced computer-assisted telephone interviewing as the most popular mode of data collection.
- ◆ Internet data collection is rated as having the greatest potential for further growth.

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### Advantages of Internet Surveys

**Rapid development,  
Real-time reporting**

**Reduced costs**

**Personalized questions  
and data**

**Improved respondent  
participation**

**Contact with the  
hard-to-reach**

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### Uses of the Internet by Marketing Researchers

**Administer surveys**

**Conduct focus groups**

**Other types of marketing research**

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### Methods of Conducting Online Surveys

- Web Survey Systems
- Google Consumer Surveys
- Online Panel Providers

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### Advantages of Online Focus Groups

- ◆ Better participation rates
- ◆ Cost-effectiveness
- ◆ Broad geographic scope
- ◆ Accessibility

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### Web Community Research

- A carefully selected group of consumers who agree to participate in an ongoing dialogue with a particular corporation. Web communities:
  - Engage customers
  - Achieve customer-derived innovations
  - Establish brand advocates
  - Offer real-time results

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9-4

### The Growing Importance of Mobile Research

**Discuss the growing  
importance of  
mobile research**

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### Mobile Research

Designed to fit into brief cracks of time, mobile surveys account for thirty percent of interview responses. As new and better apps make the survey experience easier and more intuitive, the use of mobile surveys will continue to rise.

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9-5

### Scanner-Based Research

**Discuss the growing importance of scanner-based research**

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### Scanner-Based Research

A system for gathering information from a single group of respondents by continuously monitoring the advertising, promotion, and pricing they are exposed to and the things they buy.

#### **BehaviorScan**



Research program that tracks the purchases of 3,000 households through store scanners in each research market

#### **InfoScan**



Sales-tracking service for the consumer packaged-goods industry

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### Scanner-Based Research

#### **BehaviorScan**

With such a measure of household purchasing, it is possible to manipulate marketing variables, such as television advertising or consumer promotions, or to introduce a new product and analyze real changes in consumer buying behavior.

#### **InfoScan**

Retail sales, detailed consumer purchasing information (including measurement of store loyalty and total grocery basket expenditures), and promotional activity by manufacturers and retailers are monitored and evaluated for all bar-coded products.

Data are collected weekly from more than 70,000 supermarkets, drugstores, and mass merchandisers.

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### When Should Marketing Research Be Conducted?

Explain when marketing research should be conducted

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### When Should Marketing Research Be Conducted?

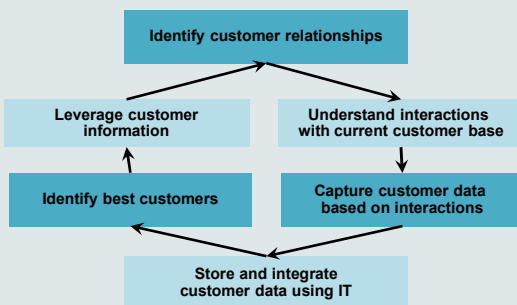
- ◆ Depends on managers' perceptions of its quality, price, and timing
- ◆ When the expected value of research information exceeds the cost of generating the information

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9.8

### A Simple Flow Model of the Customer Relationship Management System



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9-7

### Competitive Intelligence

Explain the concept of competitive intelligence

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## Competitive Intelligence (CI)

An intelligence system that helps managers assess their competition and vendors in order to become more efficient and effective competitors.

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## Sources of Competitive Intelligence

Internet	UCC Filings
Company Salespeople	Suppliers
Industry Experts	Periodicals
CI Consultants	Yellow Pages
Government Agencies	Trade Shows

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## Chapter 9 Video

### The Nederlander Organization

The Nederlander Organization is at the forefront of using technology to understand its customers and the ways that those theatregoers purchase tickets. This video clip discusses specific ways the Nederlander Organization collects data and then leverages that information to the benefit of the customer.

[CLICK TO PLAY](#)

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## Part 2 Video

### Scripps Networks Interactive

### Target Market Solutions

Scripps Networks Interactive discusses how social media allows them to very specifically understand who their target markets and demographics are for their various channels. Based on the information provided by customers on social media, Scripps is able to develop targeted marketing messages and programming that is highly tailored to its customers.

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