

Chapter 1: Marketing Research Introduction

Definition of Marketing Research

The American Marketing Association (AMA) defines marketing research as the function that connects consumers and the public to marketers through information. It aims to:

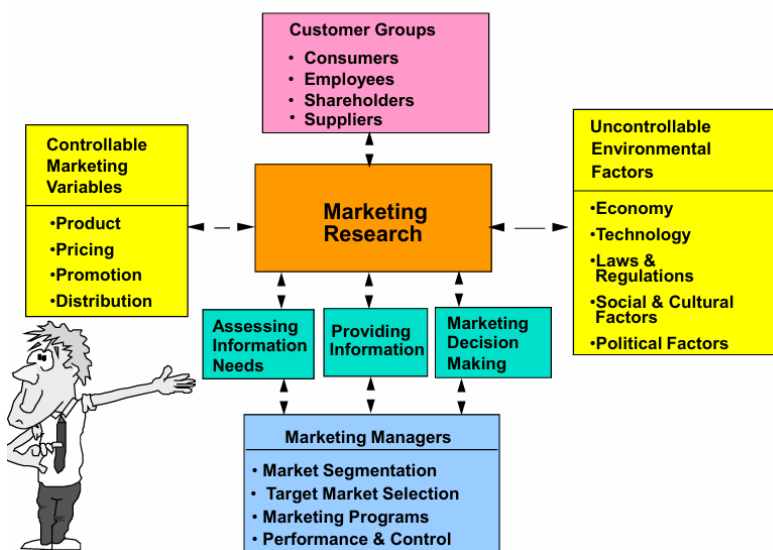
- Identify and define market opportunities and problems.
- Generate, refine, and evaluate marketing performance.
- Monitor marketing activities.
- Improve understanding of marketing processes.

Classification of Marketing Research

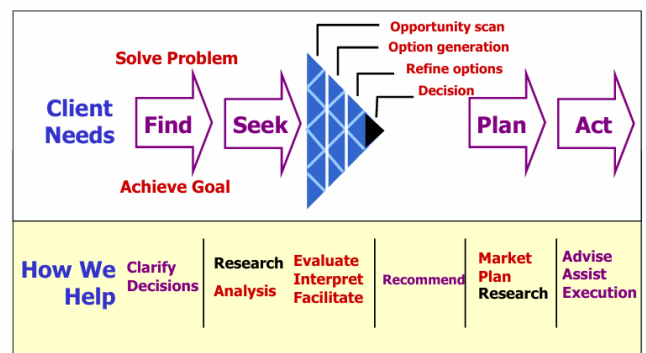
1. Problem **Identification** Research: Focuses on uncovering underlying problems such as market potential, market share, image and trends.
2. Problem **Solving** Research: Aimed at addressing specific marketing issues, including **segmentation**, product testing, pricing, and promotion strategies.
 - Segmentation Research
 - Product Research (concept/package/marketing/control test)
 - Promotional Research
 - Pricing Research
 - Distribution Research (Types of distribution/wholesale and resale coverage)

Marketing Research Process

1. Problem Definition: Defining the Problem.
2. Development of an Approach: Formulating a strategy to tackle the problem.
3. Research Design Formulation: Creating a structured plan for the research.
4. Fieldwork/Data Collection: Gathering data from relevant sources.
5. Data Preparation and Analysis: Processing and interpreting the collected data.
6. Report Preparation and Presentation: Summarizing findings and disseminating results to stakeholders.

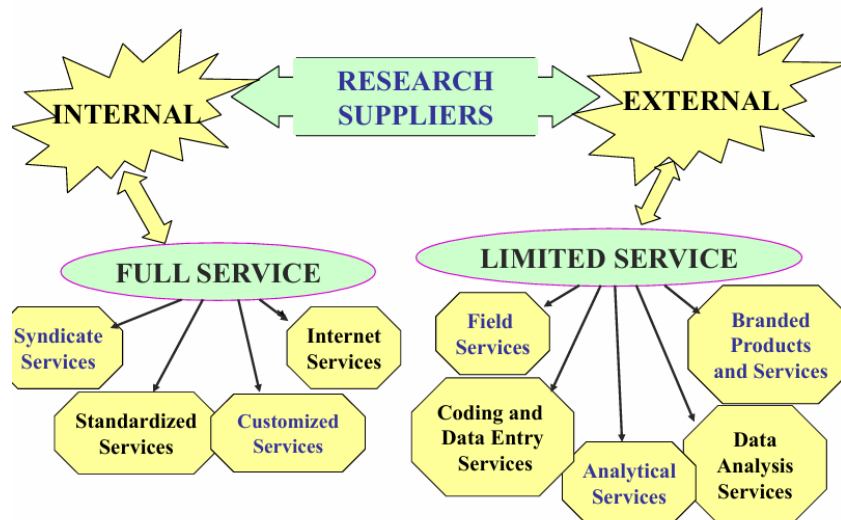


Power Decisions' Methodology



Types of Suppliers:

- Internal Suppliers: In-house research teams.
- External Suppliers: Third-party research firms.
- Full-Service Suppliers: Offer comprehensive solutions, including syndicate, standardized, and customized services.
- Limited-Service Suppliers: Focus on specific tasks like data analysis or coding.



Criteria for Selecting Research Suppliers

Key considerations include the supplier's reputation, project completion timeliness, ethical standards, flexibility, quality of research, relevant experience, and communication skills.

Careers in Marketing Research

Executive roles in marketing research often include:

- Vice-President of Marketing Research: Oversees the entire research operation.
- Research Director: Manages project development and execution.
- Project Manager: Responsible for individual research projects.
- Analysts: Handle various data analysis tasks.

Ethics in Marketing Research

- Problem Definition: Ensuring research is not a guise for selling.
- Research Design: Maintaining respondent anonymity and truthfulness.
- Field Work: Adhering to proper procedures during data collection.
- Report Preparation: Providing accurate and unbiased reporting.
- Using appropriate sampling procedures and sample size

Chapter 2: Defining the Marketing Research Problem and Developing an Approach

Importance of Defining a Marketing Research Problem

Defining the marketing research problem is critical for effective data analysis. A clear understanding of the problem aids in formulating a relevant research strategy, preventing wasted resources. the goal of data analysis is to PROVIDE INFORMATION RELATED TO THE PROBLEM COMPONENTS.

Study: He did not have a clear understanding of the marketing research problem and that a written definition did not exist. So before going any further, I had to define the marketing research problem. The data collected was not relevant to the problem. In this sense, the whole study was a waste of resources. A new study had to be designed and implemented to address the problem defined.

The problem definition process

Audit of the Problem A comprehensive audit identifies the origins of marketing issues and potential solutions. Evaluating decision-making processes and established criteria can reveal areas for improvement

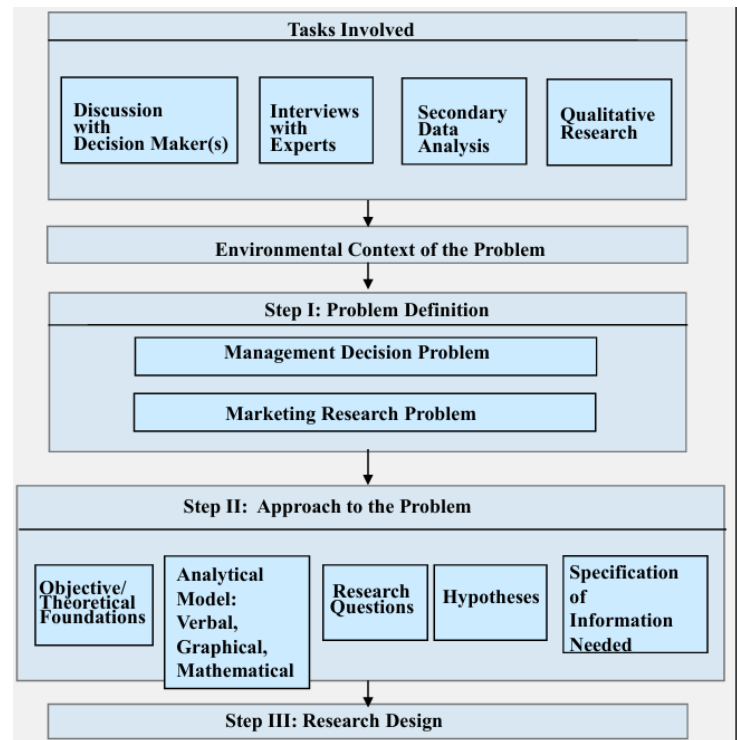
Tasks involved in Problem Definition: ->

The Seven Cs of Interaction The interaction between the Decision Makers and the researcher should be characterized by the seven Cs:

1. Communication
2. Cooperation
3. Confidence
4. Candor: no hidden ideas and openness in ideas
5. Closeness:
6. Continuity
7. Creativity: Creative interaction

Environmental Context of the Problem: Past Information and Forecasts, Resources and Constraints, Objectives, Buyer Behavior, Legal Environment, Economic Environment, Marketing and Technological Skills

Management Decision Problem Vs. Marketing Research Problem Example:



Management Decision Problem: Should the advertising campaign be changed? / Should the price of the brand be increased? Marketing Research Problem: To determine the effectiveness of the current advertising campaign/ To determine the price elasticity of demand and the impact on sales and profits of various levels of price changes.

Components of an Approach:

-The Role of Theory in Applied Marketing Research

1. Help in conceptualizing and identifying key variables.
2. Aid in operationalizing these variables into measurable constructs.
3. Guide the selection of research design (causal vs. descriptive).
4. Inform the sample selection and criteria for respondents.
5. Assist in analyzing and interpreting data.
6. Provide a basis for integrating research findings with existing knowledge.

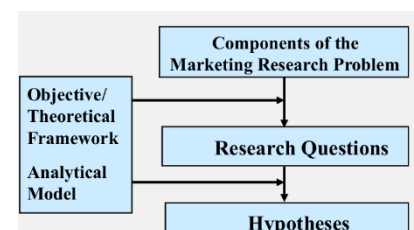
-Analytical Models

A set of variables and their interrelationships designed to represent some real system or process.

- Verbal Models: describe these relationships in words, offering an accessible overview.
- Graphical Models: visualize variable connections but do not provide numerical results.
- Mathematical Models use equations to explicitly define relationships among variables, enabling precise analysis and predictions.

-Development of Research Questions and Hypotheses

- Objective/Theoretical Framework: Provides the foundation for research questions.
- Analytical Model: Helps structure the approach to analysis.



-Research Questions and Hypotheses

-Specification of Information Needed (the components: what should be asked, competitors, consumer behavior)

Summary: the need for a clear problem definition before conducting research. Define the marketing research problem in terms of domestic environmental and cultural factors. Define the marketing research problem in terms of foreign environmental and cultural factors. Make no judgments. Isolate the self-reference criterion (SRC) influence on the problem and examine it carefully to see how it complicates the problem. Redefine the problem without the SRC influence and address it for the foreign market situation.

Case study: management decision problem: how to attract more and more loyal passengers). The broad marketing research problem was to identify the factors that influence loyalty of airline travelers. The basic answer is to improve service. Exploratory research, theoretical framework, and empirical evidence revealed that the consumers' choice of an airline is influenced by: safety, price of the ticket, frequent-flyer program, convenience of scheduling, and brand name. A graphical model stipulated that consumers evaluate competing airlines based on factors of the choice criteria to select a preferred airline. The problem was that major airlines were quite similar on these factors. Indeed, "airlines offer the same schedules, the same service, and the same fares." Consequently, United Airlines had to find a way to differentiate itself. Food turned out to be the solution. Secondary data collected from different surveys on "current and future trends in airline food industry," indicated that "food service is a major contributor to customers' loyalty." This survey also emphasized the importance of food brands. The airline's survey told United Airlines that "customers wanted more varied and up-to-date food." The following research questions and hypotheses may be posed. RQ1 How important is food for airline customers? H1: Food is an important factor for airline travelers. H2: Travelers value branded food. H3: Travelers prefer larger food portions, but with consistent quality. H4: Travelers prefer exotic food. Characteristics which influence the research design included the identification of competing airlines (Delta, American, etc.), factors of the choice criteria (already identified), measurement of airline travel, and loyalty. This kind of research helped United Airlines to define their marketing research problem, and develop the approach. Focus groups and surveys were conducted to check customers' perceptions of food in United Airlines' aircraft. The results provided support for all the hypotheses (H1 to H4). United Airlines then made a few changes: new "menus," larger portions of food, new coffee, and branded products (e.g., Godiva chocolates). This resulted in better service, increasing customer satisfaction and fostering loyalty.

Chapter 3: Research Design, Secondary and Syndicated Data

Definition: Research design is a structured framework or blueprint for conducting marketing research projects and includes detailed procedures necessary to address marketing research problems.

Data Types

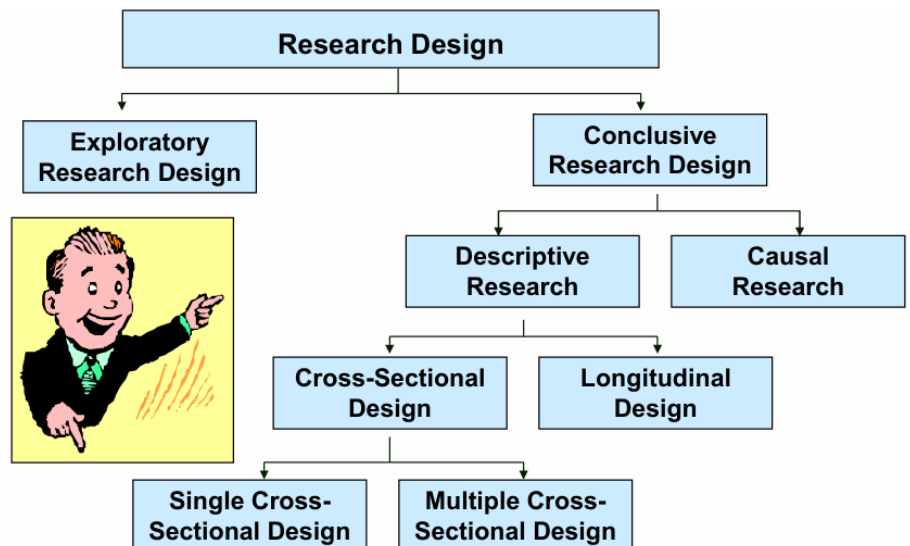
- **Primary Data:** Data specifically collected for the research problem. Involves all six steps of the marketing research process. High cost
- **Secondary Data:** Pre-existing data that was collected for other purposes, which can be accessed more quickly and at a lower cost. Better define the problem. Formulate an appropriate research design. Criteria for Evaluating Secondary Data. Specifications: Methodology Used to Collect the Data. Error: Accuracy of the Data. Currency: When the Data Were Collected v Objective(s): The Purpose for Which the Data Were Collected. Nature: The Content of the Data. Dependability: Overall, How Dependable Are the Data
- **Syndicated Data:** Data collected and sold by research firms offering insights into market trends and consumer behavior.

Classification: Research designs can be categorized into three main types:

- **Exploratory Research:**
Used to discover ideas and gain insights into problems. It is flexible and often involves qualitative analysis. Sample is small and non-representative. Analysis of primary data is qualitative.

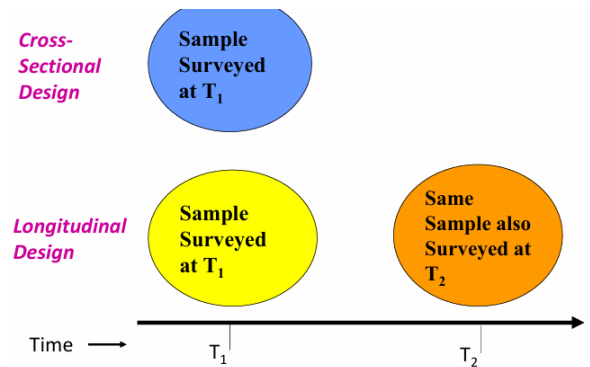
Conclusive Research Design:

- **Descriptive Research:** To test specific hypotheses and examine relationships. Aims to describe characteristics of market groups and behaviors using structured methodologies, such as surveys and observational studies. Information needed is clearly defined. Research process is formal and structured. Sample is large and representative. Data analysis is quantitative.
- **Causal Research:** Focuses on determining cause-effect relationships by manipulating independent variables and involves controlled experiments.



Distinctions in Research Designs

- **Cross-Sectional Design:** Captures a specific moment in time across different subjects. Involve the collection of information from any given sample of population elements only once. In single cross-sectional designs, there is only one sample of respondents and information is obtained from this sample only once. In multiple cross-sectional designs, there are two or more samples of respondents, and information from each sample is obtained only once. Often, information from different samples is obtained at different times. Cross-Sectional Data May Not Show Change



Brand Purchased	Time Period		Brand Purchased in Period 1	Brand Purchased in Period 2			Total
	Period 1 Survey	Period 2 Survey		Brand A	Brand B	Brand C	
Brand A	200	200	Brand A	100	50	50	200
Brand B	300	300	Brand B	25	100	175	300
Brand C	500	500	Brand C	75	150	275	500
Total	1000	1000	Total	200	300	500	1000

- **Longitudinal Design:** Involves repeated observations of the same variables over time, providing insights into trends and long-term changes. A fixed sample (or samples) of population elements is measured repeatedly on the same variables. A longitudinal design differs from a cross-sectional design in that the sample or samples remain the same over time

Evaluation Criteria	Cross-Sectional Design	Longitudinal Design
Detecting Change	-	+
Large amount of data collection	-	+
Accuracy	-	+
Representative Sampling	+	-
Response bias	+	-

Methods in Research:

- **Exploratory:** Utilizes qualitative methods such as interviews, expert surveys, and secondary data. Formulate a problem or define a problem more precisely. Identify alternative courses of action. Develop hypotheses. Isolate key variables and relationships for further examination. Gain insights for developing an approach to the problem. Establish priorities for further research
- **Descriptive:** Secondary data analyzed in a quantitative as opposed to a qualitative manner. Involves preplanned and structured methods like surveys and observations. To describe the characteristics of relevant groups, such as consumers, salespeople, organizations, or market areas. To estimate the percentage of units in a specified population exhibiting a certain behavior. v To determine the perceptions of product characteristics. To determine the degree to which marketing variables are associated. To make specific predictions. Focuses on in-depth exploration of design processes and user experiences. Employs methods such as interviews and observations to gather rich, contextual data.

Uses of Descriptive Research Descriptive Research aims to answer the 6 W's:

Who? Are the respondents to be selected?

What? Information should be collected?

When? Should information be obtained?

Where? Should information be collected?

Why? Is information obtained? Why to conduct this marketing research?

Way? What is the proper way of obtaining information from respondents? Direct or indirect way?

- **Causal:** Implements experiments and questionnaires to assess relationships between variables. To determine cause-and-effect relationships.

Potential Sources of Error

-Sampling Errors:

Random Sampling Error: Variability due to selecting a sample from a population.

Non-Sampling Errors: Include non-response and response errors, which can affect the overall quality and reliability of the data collected.

Budgeting and Scheduling

Effective budgeting and scheduling are critical for planning; they ensure that research activities stay within financial and time constraints. Proposal writing is important for outlining research objectives and designs in order to obtain approval and funding.

Marketing Research Proposal

Demographic Data:

Identification (name, address, telephone)

Sex

Marital status

Names of family members

Age (including ages of family members)

Income

Occupation

Number of children present

Homeownership

Length of residence

Number and make of cars owned

Chapter 4: Qualitative Research

Overview of Qualitative Research

Qualitative research aims to gain insights into the underlying reasons and motivations behind consumer behaviors. It typically involves smaller, non-representative samples and employs non-statistical methods.

Key Distinctions: Qualitative vs. Quantitative Research

Qualitative Research:

- Objective: To develop an initial understanding of motivations.
- Sample Size: Small, non-representative cases.
- Structure: Unstructured and non-statistical.
- Outcome: Provides an understanding of qualitative data.

Quantitative Research:

- Objective: To quantify data and generalize results.
- Sample Size: Large, representative cases.
- Structure: Structured and statistical.
- Outcome: Recommends a final course of action.

Rationale for Using Qualitative Research

Qualitative methods are employed when the research aims to explore complex phenomena, gain deeper insights, or develop hypotheses grounded in real-world experiences and perceptions.

Classification of Qualitative Research Procedures:

1. **Focus Groups:** Small group discussions led by a moderator to gather diverse insights. Highlights include group dynamics, synergy, and qualitative depth in feedback.
2. **In-Depth Interviews:** One-on-one interviews that delve deeper into individual perspectives. Allows for continuous probing to explore subjects thoroughly.
3. **Projective Techniques:** Indirect methods where respondents project their feelings onto a stimulus (e.g., sentence completion, story completion). These techniques elicit responses that may not be accessible through direct questioning, useful for uncovering subconscious beliefs and attitudes. However, they require skilled interpreters and can be costly.

Characteristics of Focus Groups

- **Group Size:** Typically, 8-12 participants.
- **Physical Setting:** Informal atmosphere, often observed through a one-way mirror.
- **Duration:** Lasts between 1-3 hours.
- **Moderator Skills:** Essential attributes include empathy, flexibility, and the ability to stimulate participation.

Advantages and Disadvantages of Focus Groups

- **Advantages:** Synergy among participants can lead to richer insights. Quick results and the ability to gather diverse opinions.
- **Disadvantages:** Potential for misrepresentation and bias due to group dynamics. Skill-dependent on the moderator.

Online vs Traditional Focus Groups

Summary: Qualitative research methods are foundational in understanding consumer motivations and behaviors, allowing researchers to gather rich insights that inform marketing strategies.

Chapter 5: Descriptive Research Design: Survey and Observation

Survey Methods

Surveys are classified based on various modes of administration. Here are the main types:

- In-Home Interviews
- Mall Intercept Interviews
- Computer-Assisted Personal Interviews (CAPI)
- E-Mail Surveys
- Internet Surveys
- Traditional Telephone Surveys
- Computer-Assisted Telephone Interviewing (CATI)
- Mail Surveys
- Mail Panels

3. Comparative Evaluation of Survey Methods

Each survey method has its unique advantages and disadvantages based on criteria such as flexibility, response rates, control over the environment, and cost. For instance:

- Flexibility: In-home and mall-intercept interviews offer high flexibility, while mail surveys provide low flexibility.
- Response Rate: In-home and mall-intercept methods generally yield higher response rates compared to mail surveys.
- Cost: Mail surveys are often more economical than in-home interviews.

4. Selection of Survey Methods

Choosing the appropriate survey method depends on factors like the target audience, budget, and desired data depth. Key considerations include:

- Outgoing Envelope Characteristics: Size, color, return address.
- Cover Letter Content: Appeal type, sponsorship, and personalization.
- Questionnaire Design: Length, layout, content, and return envelope features.

5. Observation Methods

Observational research can be classified into various types:

- Structured vs. Unstructured Observation: Structured follows a predefined protocol, while unstructured allows for a more open-ended approach.
- Disguised vs. Undisguised Observation: Disguised is when subjects are unaware that they are being observed, while undisguised means they know.
- Natural vs. Contrived Observation: Natural takes place in real-life settings, whereas contrived is in artificial settings.

6. Key Criteria for Evaluating Observation Methods

Factors such as degree of structure, ability to observe in natural settings, and potential for bias are essential to consider when choosing an observational method.

7. Advantages and Disadvantages of Observation

- Advantages: Observational methods allow for the measurement of actual behavior, eliminating reporting bias and sometimes being quicker and cheaper than surveys.
- Disadvantages: They can be time-consuming, expensive, and may not clarify the reasons behind behaviors. Ethical concerns can also arise from covert observation.

Conclusion

This chapter emphasizes the complementary role of surveys and observational methods in descriptive research. While surveys provide structured responses, observational methods offer insights into actual behavior, thus enhancing the overall understanding of research subjects.

Chapter 6: Experimentation and Causal Research

1. Overview: This chapter discusses the role of experimentation in marketing research, specifically how it helps establish cause-and-effect relationships between variables.

2. Concept of Causality

Understanding causality is crucial in marketing research. Key distinctions:

- Ordinary Meaning: Implies a direct cause (X causes Y).
- Scientific Meaning: Acknowledges that X is one of many possible causes of Y and may only increase the probability of Y occurring.

3. Conditions for Causality

Three primary conditions must be met to assert a causal relationship:

- Variation: X and Y must vary together as hypothesized.
- Time Order of Occurrence: X must occur before Y.
- Absence of Other Possible Causal Factors: X must be the primary reason for observing Y, without interference from other variables.

4. Definitions and Concepts

- Independent Variables: These are manipulated to observe their effect on dependent variables (e.g., price levels).
- Dependent Variables: Measure the effect of independent variables (e.g., sales).
- Extraneous Variables: Other variables that can influence the results (e.g., store location).

5. Experimental Design

An effective experimental design details how test units will be divided, which independent variables will be manipulated, which dependent variables will be measured, and how to control extraneous variables.

6. Validity in Experimentation

- Internal Validity: Refers to whether the manipulation of independent variables caused the observed effects on dependent variables. Control of extraneous variables is critical here.
- External Validity: Concerns the generalizability of the results to broader populations, settings, and contexts.

7. Statistical Designs

Statistical designs facilitate the measurement of multiple independent variables and control for external factors. They allow researchers to understand more complex relationships efficiently.

Limitations of Experimentation

- Time-Consuming: Longitudinal studies can take significant time.
- Cost-Intensive: The need for experimental and control groups can increase costs.
- Difficult to Administer: Managing field experiments can be complex and subject to external influences.
- Competitor Interference: Competitors may manipulate the market situation during field experiments.

Criteria for Selection of Test Markets

When choosing test markets, consider:

1. **Size: Must represent at least 2% of the target population.**
2. **Demographic Representation: Should reflect the target population's demographics.**
3. **Consumption Behavior: Must represent purchasing behavior relevant to the product.**
4. **Media Usage: Should mirror media consumption habits.**
5. **Competitive Environment: Need to consider existing competition.**
6. **Isolation: Must be relatively isolated concerning market influences.**
7. **Historical Development: Should have normal developmental patterns for the product category.**
8. **Research Resources: Availability of marketing research and auditing services.**

9. Over-Testing: Should not have been overly tested previously.

The importance of experimentation in establishing causal relationships in marketing. Understanding causality, valid methodologies, and the careful selection of test parameters and markets are critical for successful implementation and interpretation of experimental research in marketing contexts.

Chapter 7: Measurement and Scaling

1. Overview: Measurement involves assigning numbers or symbols to characteristics of objects based on specific rules. Scaling refers to creating a continuum to represent the measured variables.

2. Measurement and Scaling: Measurements should have one-to-one correspondence with the characteristics being measured, and the rules must remain consistent over time and across objects.

3. Primary Scales of Measurement

There are four basic types of scales used in marketing research:

- **Nominal Scale:** Used for categorizing objects with labels (e.g., brands). Operations: counting and calculation of mode.
- **Ordinal Scale:** Represents rankings without establishing the magnitude of differences (e.g., preferences ranked from first to last). Operations: median and rank-order correlations.
- **Interval Scale:** Measures variables where distances between scale points are equal (e.g., temperature). Operations: mean, standard deviation, and advanced statistical techniques.
- **Ratio Scale:** Includes all previous scale properties and has a true zero point (e.g., weight, income). Operations: all statistical techniques apply.

4. A Comparison of Scaling Techniques

- **Comparative Scales** involve the direct comparison of multiple objects.
- **Non-Comparative Scales** evaluate objects independently, often resulting in interval or ratio data.

5. Comparative Scaling Techniques

- **Paired Comparison:** Respondents choose between pairs of items, generating ordinal data.
- **Rank Order Scaling:** Respondents rank items simultaneously, resulting in ordering without precise spacing.
- **Constant Sum Scaling:** Respondents distribute a fixed number of points among different attributes, reflecting their relative importance.

6. Non-Comparative Scaling Techniques

- **Continuous Rating Scale:** Respondents mark their evaluation on a continuous line.
- **Itemized Rating Scale:** Respondents select from a fixed list with descriptors associated with each category.

7. Itemized Rating Scales

- **Likert Scale:** Measures attitudes by asking respondents to indicate their agreement with statements.
- **Semantic Differential Scale:** Uses bipolar adjectives (e.g., good-bad) on a scale to gauge respondent attitudes.
- **Stapel Scale:** Unipolar scale that provides ratings from negative to positive without a neutral point.

8. A multi-item scale consists of several items designed to measure a single construct, improving the reliability and validity of the measurement.

9. Scale Evaluation. Evaluation criteria include:

- **Measurement Accuracy:** Ensures that the scale accurately measures the constructs.

- **Reliability:** Refers to the consistency of the measurement over time and across samples.
- **Validity:** The extent to which the scale measures what it is intended to measure.
- **Generalizability:** The extent to which the results can be applied to other settings or populations.

10. Choosing a Scaling Technique

When selecting scaling techniques, researchers must consider factors such as reliability, validity, and generalizability to ensure that measurements accurately reflect the market phenomena being studied.

The foundational role of measurement and scaling in marketing research. Understanding various scales and proper measurement techniques is crucial for accurately capturing consumer attitudes, preferences, and behaviors, ultimately guiding marketing strategies and decisions.

Chapter 8: Questionnaire & Form Design

1. Overview: This chapter discusses the importance of well-designed questionnaires in marketing research. A questionnaire serves as a formalized set of questions aimed at gathering specific information from respondents.

2. Questionnaire Definition: A questionnaire is a tool that translates the required information into specific questions that respondents can effectively answer. Its design aims to maximize engagement and minimize response errors.

The primary objectives include gathering accurate data, engaging respondents, ensuring questions are relevant and understandable

Questionnaire Design Process includes several steps:

- Specify the information needed: Identifying what information is necessary for your research is critical. This involves reviewing problem components, hypotheses, and ensuring the data collected will address the research questions.
- Decide on the type of interviewing method: The method of interviewing (e.g., face-to-face, telephone, online) impacts how questions are framed and delivered. Each method has its unique considerations, such as interaction level and response bias.
- Develop individual questions: Considerations for each question include: **Necessity**: If a question doesn't yield useful data, it should be eliminated. **Clarity**: Avoid double-barreled questions; ask single, clear questions. **Relevance**: Ensure questions are essential for the objectives.
- Overcome potential respondent issues: **Overcoming Inability to Answer**: Techniques to assist respondents include: **Inform**: Use filter questions to gauge familiarity before asking main questions. **Reminders**: Offer "don't know" options to reduce uninformed responses. **Aids**: Use visuals or examples to help articulate responses. **Overcoming Unwillingness to Answer**: **Methods to encourage participation**: **Reduce effort**: Simplify questions to minimize cognitive load. **Build context**: Explain why the information is necessary, making it feel legitimate. **Position sensitive questions carefully**, placing them at the end of the questionnaire.

- **Structure the questionnaire effectively:**

10. Choosing Question Structure

Options include:

- Unstructured Questions: Open-ended for qualitative insights.
- Structured Questions: Closed-ended for quantitative analysis. Types include multiple-choice, dichotomous, and scaled responses.

11. Choosing Question Wording

The wording should be:

- Clear and simple, using everyday language.
- Unambiguous to minimize interpretation differences.
- Neutral, avoiding bias that could lead respondents toward a particular response.

12. Determining the Order of Questions

- Start with interesting and non-threatening questions to engage respondents.
- Place sensitive or difficult questions later on.
- Ensure a logical flow from general to specific to avoid confusion.

13. Form and Layout

Effective layouts include:

- Dividing the questionnaire into sections for clarity.
- Numbering questions for easier reference.
- Creating a visually appealing format to promote engagement.

Reproduction of the Questionnaire The final questionnaire should look professional, with clear instructions. Considerations include format, readability, and ease of response recording.

- **Pre-test to identify issues before full deployment:** Pre-testing involves trialing the questionnaire with a small group resembling your target population to identify and resolve issues in question clarity, relevance, and layout before full deployment.

16. Observation Forms

Observation forms are used for collecting data through observation, complementing questionnaire data by providing insights on actual behaviors versus self-reported information.

Conclusion: The critical role of questionnaire design in marketing research. A carefully crafted questionnaire increases the reliability and validity of data collected, ultimately leading to more informed decisions and better understanding of consumer behavior. Effective design entails thorough planning, considerate wording, logical ordering, and continuous improvement through pre-testing.