CONTENTS IN BRIEF

Preface xvii

- 1 The Role of Marketing Research in Management Decision Making 2
- 2 Problem Definition, Exploratory Research, and the Research Process 40
- 3 Secondary Data and Databases 70
- 4 Qualitative Research 90
- 5 Traditional Survey Research 122
- 6 Online Marketing Research 148
- 7 Primary Data Collection: Observation 184
- 8 Primary Data Collection: Experimentation and Test Markets 214
- 9 The Concept of Measurement and Attitude Scales 244
- 10 Questionnaire Design 286
- 11 Basic Sampling Issues 324
- 12 Sample Size Determination 352
- 13 Data Processing, Fundamental Data Analysis, and the Statistical Testing of Differences 380
- 14 Bivariate Correlation and Regression 434
- 15 Communicating Research Results and Managing Marketing Research 460

Endnotes 491

Index 499

CONTENTS

Preface xvii

1	The Role of Marketing Research in Management Decision Making
	Nature of Marketing 3
	The Marketing Concept 3
	Opportunistic Nature of Marketing Research 4
	External Marketing Environment 5
	Marketing Research and Decision Making 5
	Marketing Research Defined 5
	Importance of Marketing Research to Management 6
	Proactive Role of Marketing Research 8
	Applied Research versus Basic Research 9
	Nature of Applied Research 9
	Decision to Conduct Marketing Research 10
	Profound Impact of the Internet on Marketing Research 12
	➤ Practicing Marketing Research: What Is Good about Marketing
	Research Today 14
	■ Summary 15
	Key Terms & Definitions 15
	Questions for Review & Critical Thinking 16
	Real-Life Research 1.1: Young Consumers Searching for a Bank Still
	Want the Personal Touch 17
	Appendix 1-A: Careers in Marketing Research 19
	Positions within Supplier Organizations 21
	Positions within Research Departments and Advertising Agencies 22
	Research Directors and Others in Limited-Function
	Research Departments 23
	A Career in Marketing Research at 3M 23
	Appendix 1-B: Marketing Research Ethics 26
	Ethical Theories 27
	Deontology 27
	Utilitarianism 27
	Casuist 28
	Research Supplier Ethics 28
	Low-Ball Pricing 28
	Allowing Subjectivity into the Research 29
	Abusing Respondents 29
	Selling Unnecessary Research 30
	Violating Client Confidentiality 31
	Black Box Branding 31
	Client Ethics 32
	Requesting Bids When a Supplier Has Been Predetermined 32
	Requesting Bids to Obtain Free Advice and Methodology 32

Making False Promises 32 Requesting Proposals without Authorization 32 Field Service Ethics 33 Using Professional Respondents 33 Data Collection Code of Ethics 33 Respondents' Rights 35 Right to Choose 35 Right to Safety 35 Right to Be Informed 35 Right to Privacy 36 Ethics and Professionalism 37 Fostering Professionalism 37 Researcher Certification 38

2 Problem Definition, Exploratory Research, and the Research Process 40

Critical Importance of Correctly Defining the Problem 41 Recognize the Problem or Opportunity 42 Find Out Why the Information Is Being Sought 43 Understand the Decision-Making Environment with Exploratory Research 43 Use the Symptoms to Clarify the Problem 46 Translate the Management Problem into a Marketing Research Problem 46 Determine Whether the Information Already Exists 46 ▶ Practicing Marketing Research: Driving Action-Producing Research 47 Determine Whether the Question Can Be Answered 48 State the Research Objectives Marketing Research Process 49 Creating the Research Design Choosing a Basic Method of Research 51 Selecting the Sampling Procedure 52 Collecting the Data 53 Analyzing the Data 53 Writing and Presenting the Report 53 Following Up 54 Managing the Research Process 54 The Research Request 54 Request for Proposal 55 The Marketing Research Proposal 55 What to Look for in a Marketing Research Supplier GLOBAL RESEARCH: TAPPING THE CHINA MARKET 59 MARKET SIZE AND SECTORS 59 ACTIVE MARKET COMPANIES 60 What Motivates Decision Makers to Use Research Information? 60 Summary 61 Key Terms & Definitions 62

Questions for Review & Critical Thinking 63

Real-Life Research 2.1: The Food and Drug Administration

Finds Consumers Aren't up to Speed on Nutritional Matters 64

Working the Net 64

Appendix 2-A: A Marketing Research Proposal 66 Background 67 Objectives 67 Study Design 67 Areas of Questioning 67 Data Analysis 68 Personnel Involved 68 Specifications/Assumptions 68 Services 69 Cost 69 Timing 69

3 Secondary Data and Databases 70

Nature of Secondary Data 72

Advantages of Secondary Data 72

Limitations of Secondary Data 74

Internal Databases 75

Creating an Internal Database 75

Growing Importance of Internal Database Marketing 76

Data Mining 76

Battle over Privacy 78

Marketing Research Aggregators 81

PRACTICING MARKETING RESEARCH 82

Information Management 82

Geographic Information Systems 83

Decision Support Systems 85

Summary 86

Key Terms & Definitions 87

Questions for Review & Critical Thinking 87

Working the Net 88

Real-Life Research 3.1: Sanitized to Perfection 88

4 Qualitative Research 90

Nature of Qualitative Research 91

Qualitative Research versus Quantitative Research 92

Popularity of Qualitative Research 92

Limitations of Qualitative Research 93

The Importance of Focus Groups 94

Popularity of Focus Groups 94

Conducting Focus Groups 95

PRACTICING MARKETING RESEARCH: RECRUITING TRICKS OF THE TRADE 98

■ GLOBAL RESEARCH: PLANNING GLOBAL FOCUS GROUPS 104

TIPS FOR SOME MAJOR COUNTRIES 104

Benefits and Drawbacks of Focus Groups 105

Other Qualitative Methodologies 107

Individual Depth Interviews 107

Projective Tests 110

Future of Qualitative Research 115

Summary 115

Key Terms & Definitions 116

5

6

BEST PRACTICES 162

Survey Research on the Internet 164 Advantages of Online Surveys 164

 Questions for Review & Critical Thinking 117 Working the Net 118 Real-Life Research 4.1: Repositioning Scotland 118 The Process 118 Unmet Needs 119 The Rebrand 119 Well Received 120 	
Traditional Survey Research 122 Popularity of Survey Research 123 Types of Errors in Survey Research 124 Sampling Error 124 Systematic Error 125 Types of Surveys 129 Door-to-Door Interviews 129 Executive Interviews 129 Science Interviews 129 Global Research: Conducting Marketing Research in China Mall-Intercept Interviews 131 Telephone Interviews 131 Self-Administered Questionnaires 134 Mail Surveys 135 Determination of the Survey Method 138 Sampling Precision 138 Budget 139 Requirements for Respondent Reactions 140 Quality of Data 140 Length of the Questionnaire 140 Incidence Rate 141 Structure of the Questionnaire 142 Time Available to Complete the Survey 142 Marketing Research Interviewer 142 Summary 143 Key Terms & Definitions 144 Questions for Review & Critical Thinking 145 Real-Life Research 5.1: Dairy Management Inc. 145	130
Online Marketing Research 148 The Online World 149 Using the Internet for Secondary Data 149 Sites of Interest to Marketing Researchers 150 Newsgroups 150 Blogs 150	
Internet Search Strategies 153 Creating a Database from a Website—A Marketer's Dream Online Qualitative Research 158 The Popularity of Online Focus Groups 158 PRACTICING MARKETING RESEARCH: ONLINE FOCUS GROUP	155

Disadvantages of Online Surveys 165 Methods of Conducting Online Surveys 166

Commercial Online Panels 168

- PRACTICING MARKETING RESEARCH: FORMATTING A SURVEY FOR SUCCESS 169 Panel Management 171
- Global Research: Timing Is Everything in Survey Invitations 171 Open versus Closed Recruitment 173
- PRACTICING MARKETING RESEARCH: PREVENTING PROFESSIONAL

SURVEY TAKERS 173

Respondent Cooperation 174

Controlling the Panel 175

Mobile Internet Research—The Next Step 176 Interactive Marketing Research Organization 178

- Summary 178
- Key Terms & Definitions 180
- Questions for Review & Critical Thinking 180
- Working the Net 180
- Real-Life Research 6.1: Grocery Shoppers Just Want to Save Money 181 Still Clipping Coupons 181

You Say Deli, I Say Bakery 182

7 Primary Data Collection: Observation 184

Nature of Observation Research 186

Conditions for Using Observation 186

Approaches to Observation Research 186

Advantages of Observation Research 188

Disadvantages of Observation Research 188

Human Observation 189

Ethnographic Research 189

Mystery Shoppers 191

- GLOBAL RESEARCH: ETHNOGRAPHICS ARE AN ENRICHING PROCESS 192
- ► PRACTICING MARKETING RESEARCH: TAKING ETHNOGRAPHY ONLINE 193

Example of an Online Ethnography Project 193

PRACTICING MARKETING RESEARCH: ADVANCES IN MYSTERY SHOPPING 195

One-Way Mirror Observations 196

Audits 196

Machine Observation 197

Traffic Counters 197

Physiological Measurement Devices 197

Opinion and Behavior Measurement Devices 199

The Portable People Meter and Project Apollo 200

Scanner-Based Research 201

Observation Research on the Internet 204

Predictive Customer Intelligence 205

Observation Research and Virtual Shopping 207

- Summary 208
- Key Terms & Definitions 209
- Questions for Review & Critical Thinking 210
- Working the Net 211
- Real-Life Research 7.1: A Glad Trash Bag Breakthrough 211

8 Primary Data Collection: Experimentation and Test Markets 214

What Is an Experiment? 215

Demonstrating Causation 216

Concomitant Variation 216

Appropriate Time Order of Occurrence 217

Elimination of Other Possible Causal Factors 217

Experimental Setting 217

Laboratory Experiments

Field Experiments 218

Experimental Validity 218

PRACTICING MARKETING RESEARCH: KNOW YOUR POTENTIAL CUSTOMERS, Psychologically Speaking 218

Experimental Notation 219

Extraneous Variables 220

Examples of Extraneous Variables 220

Controlling Extraneous Variables 221

Experimental Design, Treatment, and Effects 222

Limitations of Experimental Research 223

High Cost of Experiments 223

Security Issues 223

Implementation Problems 223

Selected Experimental Designs 224

Pre-Experimental Designs 224

■ GLOBAL RESEARCH: WHAT HAPPENS WHEN YOUR SELECTION BIAS IS THE INTERVIEWER'S GENDER? 225

True Experimental Designs 226

Quasi-Experiments 228

Test Markets 229

Types of Test Markets 230

Costs of Test Marketing 231

Decision to Conduct Test Marketing 231

Steps in a Test Market Study 232

GLOBAL RESEARCH: BEST GLOBAL TEST MARKETS? DANES ARE QUICK, KOREANS LOVE TECH 234

PRACTICING MARKETING RESEARCH: QUICK SCANS OF PRODUCT-SPECIFIC TEST MARKETS 237

Other Types of Product Tests 238

Summary 238

Key Terms & Definitions 239

Questions for Review & Critical Thinking 241

Working the Net 242

Real-Life Research 8.1: Millennium Marketing Research Simulated Test Market 242

9 The Concept of Measurement and Attitude Scales 244

The Measurement Process 246

Nominal Level of Measurement 246

Ordinal Level of Measurement 247

Interval Level of Measurement 248

Ratio Level of Measurement 249

Evaluating the Reliability and Validity of the Measurement 249 Reliability 251 Validity 253 Reliability and Validity—A Concluding Comment 256 Scaling Defined 257 Attitude Measurement Scales 257 Practicing Marketing Research: What Makes a Good Scale? 258 Graphic Rating Scales 258 Itemized Rating Scales 259 Traditional One-Stage Format 262 Two-Stage Format 262 Rank-Order Scales 262 Q-Sorting 262 Paired Comparisons 264 Constant Sum Scales 265 Semantic Differential Scales 265 Stapel Scales 267 Likert Scales 267 Purchase Intent Scales 270 The Net Promoter Score (NPS) 272 Scale Conversions 272 Considerations in Selecting a Scale 274 The Nature of the Construct Being Measured 274 Type of Scale 274 Balanced versus Nonbalanced Scales 274 Number of Scale Categories 275 Forced versus Nonforced Choice 275 Attitude Measures and Management Decision Making 275 Direct Questioning 276 Indirect Questioning 278 Observation 278 Choosing a Method for Identifying Determinant Attitudes 278 Summary 279 Key Terms & Definitions 280 Questions for Review & Critical Thinking 282 Working the Net 282 Real-Life Research 9.1: Coffee Culture as a Global Phenomenon 283 10 Questionnaire Design 286 Role of a Questionnaire 287 Criteria for a Good Questionnaire 288 Does It Provide the Necessary Decision-Making Information? 288 Does It Consider the Respondent? 289 Does It Meet Editing and Coding Requirements? 289 PRACTICING MARKETING RESEARCH: ARE HEAVY RESPONDERS TAKING ALL THE MARKET RESEARCH SURVEYS? 291 Questionnaire Design Process 292 Step One: Determine Survey Objectives, Resources, and Constraints 293 Step Two: Determine the Data-Collection Method 293

Step Three: Determine the Question Response Format 293

PRACTICING MARKETING RESEARCH: USEFUL OPEN-ENDED QUESTIONS	298
Step Four: Decide on the Question Wording 300	

GLOBAL RESEARCH: SURVEY BIAS FROM ETHNICITY AND GENDER OF INTERVIEWERS AND RESPONDENTS 302

Step Five: Establish Questionnaire Flow and Layout 304

PRACTICING MARKETING RESEARCH: SOME PROBLEMS AND POTENTIAL

SOLUTIONS WITH SCREENING QUESTIONS 306 Step Six: Evaluate the Questionnaire 309

Step Seven: Obtain Approval of All Relevant Parties 310

Step Eight: Pretest and Revise 310

Step Nine: Prepare Final Questionnaire Copy 310

Step Ten: Implement the Survey 311 Field Management Companies 311

Impact of the Internet on Questionnaire Development 312

Software for Questionnaire Development 313

GLOBAL RESEARCH: SURVEY CONTAMINATION FROM NATIONAL DIFFERENCES IN RESPONSE STYLES 316

Costs, Profitability, and Questionnaires 317

Summary 318

Key Terms & Definitions 319

Questions for Review & Critical Thinking 320

Working the Net 321

Real-Life Research 10.1: Singles Dinner Club 321

11 Basic Sampling Issues 324

Concept of Sampling 326

Population 326

Sample versus Census 326

PRACTICING MARKETING RESEARCH: CELL PHONE ONLY HOUSEHOLDS—THE NEED TO BROADEN THE POLLING SAMPLE 327

Developing a Sampling Plan 328

Step One: Define the Population of Interest 328

PRACTICING MARKETING RESEARCH: DRIVER'S LICENSES AND VOTER

REGISTRATION LISTS AS SAMPLING FRAMES 329 Step Two: Choose a Data-Collection Method 330

Step Three: Identify a Sampling Frame 330

Step Four: Select a Sampling Method 332

PRACTICING MARKETING RESEARCH: WHY THIS ONLINE SAMPLE

Was Not a Probability Sample 334 Step Five: Determine Sample Size 335

Step Six: Develop Operational Procedures for Selecting

Sample Elements 335

Step Seven: Execute the Operational Sampling Plan 336

Sampling and Nonsampling Errors 336 Probability Sampling Methods 337

Simple Random Sampling 337 Systematic Sampling 338

Stratified Sampling 339 Cluster Sampling 341

➤ GLOBAL RESEARCH: AREA SAMPLING FRAME USED TO TALLY LIVESTOCK POPULATION FOR DISEASE CONTROL 342

Nonprobability Sampling Methods 343

Convenience Samples 344

Judgment Samples 344

Quota Samples 344

Snowball Samples 345

≥ Practicing Marketing Research: E-Mail Surveys of WebSite Usage—When SNOWBALLING FAILS TO SNOWBALL 346

Internet Sampling 346

- Summary 348
- Key Terms & Definitions 348
- Questions for Review & Critical Thinking 349
- Working the Net 350
- Real-Life Research 11.1: Texas Field Research 350

12 Sample Size Determination 352

Determining Sample Size for Probability Samples 353

Budget Available 353

Rule of Thumb 354

Number of Subgroups Analyzed 354

Traditional Statistical Methods 354

PRACTICING MARKETING RESEARCH: FACTORS TO CONSIDER IN DETERMINING OPTIMAL SAMPLE SIZE 355

Normal Distribution 356

General Properties 356

Standard Normal Distribution 357

Population and Sample Distributions 358

Sampling Distribution of the Mean 358

Basic Concepts 359

GLOBAL RESEARCH: NONRESPONSE BIAS IN A DUTCH ALCOHOL

CONSUMPTION STUDY 362

Making Inferences on the Basis of a Single Sample 363

Point and Interval Estimates 363

Sampling Distribution of the Proportion 364

Determining Sample Size 365

Problems Involving Means 365

PRACTICING MARKETING RESEARCH: HARRIS POLL ON "MARGIN OF ERROR" FINDS

It Is Widely Misunderstood 367

Problems Involving Proportions 368

Determining Sample Size for Stratified and Cluster Samples 369

Population Size and Sample Size 369

Determining How Many Sample Units Are Needed 370

PRACTICING MARKETING RESEARCH: ESTIMATING WITH PRECISION HOW MANY PHONE NUMBERS ARE NEEDED 371

Statistical Power 372

- Summary 373
- Key Terms & Definitions 374
- Questions for Review & Critical Thinking 375

	■ Working the Net 376■ Real-Life Research 12.1: Sky Meals 376■ SPSS Exercises for Chapter 12 377
	and 31 33 Exercises for Chapter 12 377
13	Data Processing, Fundamental Data Analysis, and the Statistical Testing of Differences 380
	Overview of the Data Analysis Procedure 382 Step One: Validation and Editing 382 Validation 382
	PRACTICING MARKETING RESEARCH: TIPS TO AVOID INTERVIEW FRAUD AT THE LEVEL OF THE DATA-COLLECTION COMPANY 383 Editing 384
	Step Two: Coding 388 Coding Process 389 Automated Coding Systems 390
	PRACTICING MARKETING RESEARCH: TEXT ANALYTICS SOFTWARE STREAMLINES CODING OPEN-ENDED RESPONSES 391 Step Three: Data Entry 391
	Intelligent Entry Systems 391 The Data Entry Process 392 Scanning 392
	Step Four: Logical Cleaning of Data 393 Step Five: Tabulation and Statistical Analysis 394 One-Way Frequency Tables 396
	Cross Tabulations 398 PRACTICING MARKETING RESEARCH: SIX PRACTICAL TIPS FOR EASIER CROSS TABULATIONS 400
	Graphic Representations of Data 401 Line Charts 401 Pie Charts 401
	Bar Charts 403 ▶ PRACTICING MARKETING RESEARCH: EXPERT TIPS ON MAKING BAD GRAPHICS EVERY TIME 404
	Descriptive Statistics 406 Measures of Central Tendency 406 Measures of Dispersion 407
	Percentages and Statistical Tests 408 Evaluating Differences and Changes 409 Statistical Significance 409 Hypothesis Testing 410
	Hypothesis Testing 410 Steps in Hypothesis Testing 411 ▶ PRACTICING MARKETING RESEARCH: WHY WE NEED STATISTICAL TESTS OF DIFFERENCES 411
	Types of Errors in Hypothesis Testing 412 Accepting H_0 versus Failing to Reject (FTR) H_0 415 One-Tailed versus Two-Tailed Test 415
	PRACTICING MARKETING RESEARCH: WHY IN MEDICINE A TWO-TAILED TEST IS PREFERABLE TO A ONE-TAILED TEST 416 Example of Performing a Statistical Test 417
	Commonly Used Statistical Hypothesis Tests 419 Independent versus Related Samples 419

PRACTICING MARKETING RESEARCH: A SIMPLE FIELD APPLICATION OF CHI-SQUARE GOODNESS OF FIT 420

Degrees of Freedom 421

p Values and Significance Testing 421

Summary 421

Key Terms & Definitions 423

Questions for Review & Critical Thinking 423

Working the Net 424

Real-Life Research 13.1: California Fitness, Inc. 424

SPSS Exercises for Chapter 13 425

14 Bivariate Correlation and Regression 434

Bivariate Analysis of Association 435

Bivariate Regression 436

Nature of the Relationship 436

Example of Bivariate Regression 436

PRACTICING MARKETING RESEARCH: BIVARIATE REGRESSION ANALYSIS SHOWS HIGHER CANCER RATES AMONG CALIFORNIA FARM WORKERS 439

Correlation Analysis 448

Correlation for Metric Data: Pearson's Product-Moment

Correlation 448

■ GLOBAL RESEARCH: RETHINKING THE APPLICABILITY OF PEARSON'S PRODUCT-MOMENT CORRELATION 449

GLOBAL RESEARCH: PEARSON'S PRODUCT—MOMENT CORRELATION FINE-TUNES. MEDICAL STATISTICS 451

Summary 452

Key Terms & Definitions 453

Questions for Review & Critical Thinking 453

Working the Net 455

Real-Life Research 14.1: Axcis Athletic Shoes 455

SPSS Exercises for Chapter 14 456

15 Communicating Research Results and Managing Marketing Research 460

The Research Report 461

Organizing the Report 462

Interpreting the Findings 463

Format of the Report 464

Formulating Recommendations 464

The Presentation 469

Making a Presentation 469

Presentations on the Internet 470

Marketing Research Supplier Management 470

What Do Clients Want? 470

Communication 471

Managing the Research Process 471

Managing a Marketing Research Department 478

Allocating the Research Department Budget 478

Prioritize Projects 479

Retaining Skilled Staff 479

xvi | Contents

Selecting the Right Marketing Research Suppliers 480
Moving Marketing Research into a Decision-Making Role 481
Measuring Marketing Research's Return on Investment (ROI) 482

Summary 486

Key Terms & Definitions 487

Questions for Review & Critical Thinking 487

Working the Net 488

Real-Life Research 15.1: Maxwell Research Considers Outsourcing to Cross-Tab in India 488

Endnotes 491

Index 499