

Contents

PREFACE vii

1 The Role of Marketing Research in Management Decision Making 1

Nature of Marketing 1

- The Marketing Concept 2
- Opportunistic Nature of Marketing Research 2
- External Marketing Environment 2

Marketing Research and Decision Making 3

- Marketing Research Defined 3
- Importance of Marketing Research to Management 4
- Understanding the Ever-Changing Marketplace 6
- Social Media and User-Generated Content 6
- Proactive Role of Marketing Research 6
- Applied Research versus Basic Research 7
- Nature of Applied Research 7
- Decision to Conduct Marketing Research 8

Development of Marketing Research 11

- Inception: Pre-1900 11
- Early Growth: 1900–1920 11
- Adolescent Years: 1920–1950 11
- Mature Years: 1950–2000 12
- The Connected World: 2000–2010 13
- ERA of Big Data: 2010–Present 14

Summary 15

Key Terms 16

Questions For Review & Critical Thinking 16

- REAL-LIFE RESEARCH 1.1: Give Me a Coupon That I Can Use Online! 17
- REAL-LIFE RESEARCH 1.2: Can Anyone Be a Market Researcher? 18

2 The Marketing Research Industry and Research Ethics 19

Evolving Structure of the Marketing Research Industry 20

Organizations Involved in Marketing Research 20

- Consumer and Industrial Goods and Services Producers 20
- Governments and Universities 22
- Media Companies 22
- Custom Research Firms 22
- Syndicated Service Firms 22
- Limited-Function Research Firms 23
- Online and Mobile Tracking Firms 23

Big Data Analytic Firms 24

Specialized Service Suppliers 24

Consumer and Industrial Corporate Marketing Research Departments 25

Research Suppliers 26

- Consumer Watch 26
- Consumer Buy 27

Using Marketing Research—A Corporate Perspective 28

- External Clients 28
- Internal Clients 29

The State of the Marketing Research Industry 31

Marketing Research Ethics 32

- Ethical Theories 32
- Research Supplier Ethics 33
- Client Ethics 36
- Field Service Ethics 38
- Respondents' Rights 38
- Ethics and Professionalism 40

Summary 42

Key Terms 42

Questions For Review & Critical Thinking 42

Working the Net 43

REAL-LIFE RESEARCH 2.1: Respondent Recruiters—Clean Up Your Act 43

REAL-LIFE RESEARCH 2.2: Coke Juices up a Market Test 44

3. Problem Definition, Exploratory Research, and the Research Process 46

Critical Importance of Correctly Defining the Problem 46

- Recognize the Problem or Opportunity 47
- Find Out Why the Information Is Being Sought 48
- Understand the Decision-Making Environment with Exploratory Research 48
- Use the Symptoms to Clarify the Problem 50
- Translate the Management Problem into a Marketing Research Problem 51
- Determine Whether the Information Already Exists 51
- Determine Whether the Question Can Be Answered 52
- State the Research Objectives 52

Research Objectives As Hypotheses 52

Marketing Research Process 53

Creating the Research Design	54
Choosing a Basic Method of Research	55
Selecting the Sampling Procedure	56
Collecting the Data	56
Analyzing the Data	57
Writing and Presenting the Report	57
Following Up	58
Managing the Research Process	58
The Research Request	58
Request for Proposal	59
The Marketing Research Proposal	59
What to Look for in a Marketing Research Supplier	61
What Motivates Decision Makers to Use Research Information?	61
Summary	62
Key Terms	63
Questions For Review & Critical Thinking	63
Working the Net	64
REAL-LIFE RESEARCH 3.1: Let's Go Out to Eat!	64
APPENDIX 3A: A Marketing Research Proposal	69
Background	70
Objectives	70
Study Design	70
Areas of Questioning	70
Data Analysis	71
Personnel Involved	71
Specifications/Assumptions	71
Services	71
Cost	72
Timing	72
4. Secondary Data and Big Data Analytics	73
Nature of Secondary Data	73
Advantages of Secondary Data	74
Limitations of Secondary Data	75
Internal Databases	77
Creating an Internal Database	77
Data Mining	77
Behavioral Targeting	78
Big Data Analytics	79
Defining Relationships	79
The Big Data Breakthrough	79
Making Big Data Actionable	81
Data Visualization	81
Battle over Privacy	81
Geographic Information Systems	86
Decision Support Systems	87
Summary	88
Key Terms & Definitions	89
Questions For Review & Critical Thinking	89
Working the Net	89
REAL-LIFE RESEARCH 4.1: The Interesting and Curious World of Nate Silver	90
5. Qualitative Research	92
Nature of Qualitative Research	92
Qualitative Research versus Quantitative Research	93
Popularity of Qualitative Research	93
Limitations of Qualitative Research	94
Focus Groups	95
Popularity of Focus Groups	95
Conducting Focus Groups	96
Focus Group Trends	102
Benefits and Drawbacks of Focus Groups	104
Other Qualitative Methodologies	106
Individual Depth Interviews	106
Projective Tests	110
Future of Qualitative Research	115
Summary	116
Key Terms	116
Questions for Review & Critical Thinking	117
Working the Net	117
REAL-LIFE RESEARCH 5.1: McDonald's Listening Tour	117
6 Traditional Survey Research	119
Popularity of Survey Research	119
Types of Errors in Survey Research	120
Sampling Error	120
Systematic Error	121
Types of Surveys	125
Door-to-Door Interviews	125
Executive Interviews	125
Mall-Intercept Interviews	125
Telephone Interviews	126
Self-Administered Questionnaires	128
Mail Surveys	129
Determination of the Survey Method	131
Sampling Precision	131
Budget	133
Requirements for Respondent Reactions	133
Quality of Data	133
Length of the Questionnaire	134
Incidence Rate	134
Structure of the Questionnaire	135
Time Available to Complete the Survey	135
Summary	135
Key Terms	136
Questions for Review & Critical Thinking	136
REAL-LIFE RESEARCH 6.1: Pitney Bowes Places a Premium on Satisfaction	137

- 7 Online Marketing Research—The Growth of Mobile and Social Media Research 139**
- The Online World 140**
- Using the Internet for Secondary Data 140**
- Sites of Interest to Marketing Researchers 140
 - Newsgroups 140
 - Blogs 143
- Online Qualitative Research 144**
- Webcam Online Focus Groups 144
 - Improving Virtual Focus Groups with Telepresence 144
 - Using Channel M2 to Conduct Online Focus Groups 145
 - Using the Web to Find Focus Group Participants 146
 - Online Individual Depth Interviews (IDI) 146
 - Marketing Research Online Communities (MROC) 147
- Online Survey Research 149**
- Advantages of Online Surveys 149
 - Disadvantages of Online Surveys 150
 - Methods of Conducting Online Surveys 152
- Commercial Online Panels 154**
- Panel Recruitment 154
 - Respondent Participation 156
 - Panel Management 156
- Mobile Internet Research—The Future Is Now 157**
- Advantages of Mobile 157
 - A Few Bumps at the Beginning 158
 - Designing a Mobile Survey 158
- Social Media Marketing Research 159**
- Conduction a Facebook Focus Group 160
 - Conducting Surveys 161
- Summary 161**
- Key Terms 162**
- Questions For Review & Critical Thinking 162**
- Working the Net 163**
- REAL-LIFE RESEARCH 7.1: Procter & Gamble Uses Its Online Community to Help Develop Scents for a New Product Line 163**
- 8 Primary Data Collection: Observation 165**
- Nature of Observation Research 165**
- Conditions for Using Observation 166
 - Approaches to Observation Research 166
 - Advantages of Observation Research 168
 - Disadvantages of Observation Research 168
- Human Observation 169**
- Ethnographic Research 169
 - Mystery Shoppers 174
 - One-Way Mirror Observations 175
- Machine Observation 176**
- Neuromarketing 176
 - Facial Action Coding Services (FACS) 179
 - Gender and Age Recognition Systems 180
 - In-Store Tracking 180
 - Television Audience Measurement and Tracking 181
 - TiVo Targeting 182
 - Cablevision Targeting 182
 - Symphony IRI Consumer Network 182
- Tracking 183**
- Your E-Reader Is Reading You 184
 - Social Media Tracking 184
- Observation Research and Virtual Shopping 187**
- Summary 188**
- Key Terms 189**
- Questions for Review & Critical Thinking 189**
- Working the Net 190**
- REAL-LIFE RESEARCH 8.1: Eating Well and Doing Good 190**
- 9 Primary Data Collection: Experimentation and Test Markets 193**
- What Is an Experiment? 194**
- Demonstrating Causation 194**
- Concomitant Variation 194
 - Appropriate Time Order of Occurrence 195
 - Elimination of Other Possible Causal Factors 195
- Experimental Setting 195**
- Laboratory Experiments 195
 - Field Experiments 196
- Experimental Validity 196**
- Experimental Notation 196**
- Extraneous Variables 197**
- Examples of Extraneous Variables 197
 - Controlling Extraneous Variables 199
- Experimental Design, Treatment, and Effects 200**
- Limitations of Experimental Research 201**
- High Cost of Experiments 201
 - Security Issues 201
 - Implementation Problems 202
- Selected Experimental Designs 202**
- Pre-Experimental Designs 202
 - True Experimental Designs 204
 - Quasi-Experiments 205
- Test Markets 207**
- Types of Test Markets 210
 - Costs of Test Marketing 212
 - Decision to Conduct Test Marketing 212
 - Steps in a Test Market Study 213

- Other Types of Product Tests 217
- Summary 218
- Key Terms 218
- Questions For Review & Critical Thinking 219
- Working the Net 220
- REAL-LIFE RESEARCH 9.1: Texas Red Soft Drinks 220
- REAL-LIFE RESEARCH 9.2: Alcon 221

- 10 The Concept of Measurement 222**
- Measurement Process 222
- Step One: Identify the Concept of Interest 223
- Step Two: Develop a Construct 224
- Step Three: Define the Concept Constitutively 224
- Step Four: Define the Concept Operationally 224
- Step Five: Develop a Measurement Scale 226
 - Nominal Level of Measurement 226
 - Ordinal Level of Measurement 227
 - Interval Level of Measurement 228
 - Ratio Level of Measurement 228
- Step Six: Evaluate the Reliability and Validity of the Measurement 229
 - Reliability 232
 - Validity 234
 - Reliability and Validity—A Concluding Comment 238
- Summary 238
- Key Terms 239
- Questions for Review & Critical Thinking 239
- Working the Net 240
- REAL-LIFE RESEARCH 10.1: Profiles on Women Shoppers 240

- 11 Using Measurement Scales to Build Marketing Effectiveness 241**
- Attitudes, Behavior, and Marketing Effectiveness 241
 - Link between Attitudes and Behavior 242
 - Enhancing Marketing Effectiveness 243
- Scaling Defined 243
- Attitude Measurement Scales 244
 - Graphic Rating Scales 244
 - Itemized Rating Scales 245
 - Traditional One-Stage Format 248
 - Two-Stage Format 248
 - Rank-Order Scales 248
 - Paired Comparisons 250
 - Constant Sum Scales 250
 - Semantic Differential Scales 250
 - Stapel Scales 252
 - Likert Scales 253
 - Purchase-Intent Scales 254
 - Scale Conversions 257
 - Net Promoter Score (NPS) 258
- Considerations in Selecting a Scale 259
 - The Nature of the Construct Being Measured 259
 - Type of Scale 259
 - Balanced versus Nonbalanced Scale 260
 - Number of Scale Categories 260
 - Forced versus Nonforced Choice 260
- Attitude Measures and Management Decision Making 261
 - Direct Questioning 261
 - Indirect Questioning 262
 - Observation 262
 - Choosing a Method for Identifying Determinant Attitudes 262
- Summary 264
- Key Terms 264
- Questions For Review & Critical Thinking 265
- Working the Net 265
- REAL-LIFE RESEARCH 11.1: Improving the Long-Term Prognosis of Pharmaceutical Brands 266

- 12 Questionnaire Design 271**
- Role of a Questionnaire 271
- Criteria for a Good Questionnaire 272
 - Does It Provide the Necessary Decision-Making Information? 272
 - Does It Consider the Respondent? 273
 - Does It Meet Editing and Coding Requirements? 273
- Does It Solicit Information In An Unbiased Manner: Questionnaire Design Process 275
 - Step One: Determine Survey Objectives, Resources, and Constraints 275
 - Step Two: Determine the Data-Collection Method 276
 - Step Three: Determine the Question Response Format 281
 - Step Four: Decide on the Question Wording 287
 - Step Five: Establish Questionnaire Flow and Layout 290
 - Model Introduction/Opening 292
 - Model Closing 292
 - Step Six: Evaluate the Questionnaire 293
 - Step Seven: Obtain Approval of All Relevant Parties 293
 - Step Eight: Pretest and Revise 294
 - Step Nine: Prepare Final Questionnaire Copy 294
 - Step Ten: Implement the Survey 295
 - Field Management Companies 296
- Impact of the Internet on Questionnaire Development 297
- Adapting to Mobile Device Questionnaires 300
- Costs, Profitability, and Questionnaires 302

- Summary 304**
- Key Terms 304**
- Questions for Review & Critical Thinking 304**
- Working the Net 305**
- REAL-LIFE RESEARCH 12.1: Understanding Buyer Behavior **305**
- REAL-LIFE RESEARCH 12.2: Sonic Goes Mobile **307**

- 13 Basic Sampling Issues 308**
- Concept of Sampling 308**
 - Population **309**
 - Sample versus Census **309**
- Developing a Sampling Plan 309**
 - Step One: Define the Population of Interest **310**
 - Step Two: Choose a Data-Collection Method **312**
 - Step Three: Identify a Sampling Frame **313**
 - Step Four: Select a Sampling Method **314**
 - Step Five: Determine Sample Size **316**
 - Step Six: Develop Operational Procedures for Selecting Sample Elements **316**
 - Step Seven: Execute the Operational Sampling Plan **317**
- Sampling and Nonsampling Errors 318**
- Probability Sampling Methods 318**
 - Simple Random Sampling **319**
 - Systematic Sampling **320**
 - Stratified Sampling **321**
 - Cluster Sampling **323**
- Nonprobability Sampling Methods 325**
 - Convenience Samples **325**
 - Judgment Samples **325**
 - Quota Samples **326**
 - Snowball Samples **326**
- Internet Sampling 326**
- Summary 328**
- Key Terms 328**
- Questions for Review & Critical Thinking 328**
- Working the Net 329**
- REAL-LIFE RESEARCH 13.1: The Research Group **329**
- REAL-LIFE RESEARCH 13.2: Community Bank **330**

- 14 Sample Size Determination 331**
- Determining Sample Size for Probability Samples 331**
 - Budget Available **334**
 - Rule of Thumb **334**
 - Number of Subgroups Analyzed **334**
 - Traditional Statistical Methods **335**
- Normal Distribution 335**
 - General Properties **335**
 - Standard Normal Distribution **336**
- Population and Sample Distributions 337**
- Sampling Distribution of the Mean 337**
 - Basic Concepts **338**
 - Making Inferences on the Basis of a Single Sample **341**
 - Point and Interval Estimates **341**
 - Sampling Distribution of the Proportion **343**
- Determining Sample Size 343**
 - Problems Involving Means **343**
 - Problems Involving Proportions **345**
 - Determining Sample Size for Stratified and Cluster Samples **346**
 - Sample Size for Qualitative Research **346**
 - Population Size and Sample Size **346**
 - Determining How Many Sample Units Are Needed **350**
- Statistical Power 350**
- Summary 351**
- Key Terms 352**
- Questions For Review & Critical Thinking 352**
- Working the Net 353**
- REAL-LIFE RESEARCH 14.1: Concomm **353**
- REAL-LIFE RESEARCH 14.2: Building a Village **354**
- SPSS Jump Start For Chi-Square Text **355**

- 15 Data Processing and Fundamental Data Analysis 358**
- Overview of the Data Analysis Procedure 358**
- Step One: Validation and Editing 359**
 - Validation **359**
 - Editing **362**
- Step Two: Coding 366**
 - Coding Process **367**
 - Automated Coding Systems and Text Processing **368**
- Step Three: Data Entry 372**
 - Intelligent Entry Systems **373**
 - The Data Entry Process **373**
 - Scanning **374**
- Step Four: Logical Cleaning of Data 374**
- Step Five: Tabulation and Statistical Analysis 375**
 - One-Way Frequency Tables **375**
 - Cross Tabulations **377**
- Graphic Representations of Data 379**
 - Line Charts **380**
 - Pie Charts **381**
 - Bar Charts **381**
- Descriptive Statistics 383**
 - Measures of Central Tendency **383**
 - Measures of Dispersion **384**
 - Percentages and Statistical Tests **386**

- Summary 386**
Key Terms 387
Questions For Review & Critical Thinking 387
Working the Net 389
 REAL-LIFE RESEARCH 15.1: Waffle World 389
 REAL-LIFE RESEARCH 15.2: Tico Taco 390
SPSS Exercises for Chapter 15 391
- 16 Statistical Testing of Differences and Relationships 395**
Evaluating Differences and Changes 395
Statistical Significance 396
Hypothesis Testing 398
 Steps in Hypothesis Testing 399
 Types of Errors in Hypothesis Testing 402
 Accepting H_0 versus Failing to Reject (FTR) H_0 403
 One-Tailed versus Two-Tailed Test 403
 Example of Performing a Statistical Test 404
Commonly Used Statistical Hypothesis Tests 408
 Independent versus Related Samples 408
 Degrees of Freedom 409
Goodness of Fit 409
 Chi-Square Test 409
Hypotheses about One Mean 416
 Z Test 416
 t Test 417
Hypotheses about Two Means 421
Hypotheses about Proportions 422
 Proportion in One Sample 422
 Two Proportions in Independent Samples 423
Analysis of Variance (ANOVA) 425
P Values and Significance Testing 428
Summary 429
Key Terms 430
Questions For Review & Critical Thinking 430
Working the Net 432
 REAL-LIFE RESEARCH 16.1: Analyzing Global Bazaar
 Segmentation Results 432
 REAL-LIFE RESEARCH 16.2: AT & T Wireless 433
SPSS Exercises For Chapter 16 434
- 17 Bivariate Correlation and Regression 438**
Bivariate Analysis of Association 438
Bivariate Regression 439
 Nature of the Relationship 439
 Example of Bivariate Regression 441
**Correlation for Metric Data: Pearson's Product-Moment
 Correlation 452**
Summary 458
Key Terms 458
Questions For Review & Critical Thinking 458
Working the Net 460
 REAL-LIFE RESEARCH 17.1: Axcis Athletic Shoes 460
 REAL-LIFE RESEARCH 17.2: Lambda Social Hotspot 461
SPSS Exercises For Chapter 17 462
- 18 Multivariate Data Analysis 464**
Multivariate Analysis Procedures 464
Multivariate Software 466
Multiple Regression Analysis 468
 Applications of Multiple Regression Analysis 469
 Multiple Regression Analysis Measures 470
 Dummy Variables 470
 Potential Use and Interpretation Problems 471
Multiple Discriminant Analysis 472
 Applications of Multiple Discriminant Analysis 473
Cluster Analysis 473
 Procedures for Clustering 473
Factor Analysis 476
 Factor Scores 477
 Factor Loadings 478
 Naming Factors 479
 Number of Factors to Retain 479
Conjoint Analysis 479
 Example of Conjoint Analysis 479
 Considering Features Conjointly 480
 Estimating Utilities 481
 Simulating Buyer Choice 482
 Limitations of Conjoint Analysis 484
Big Data and Hadoop 484
Predictive Analytics 484
 Using Predictive Analytics 485
 Privacy Concerns and Ethics 487
 Commercial Predictive Modeling Software
 and Applications 487
Summary 488
Key Terms 488
Questions for Review & Critical Thinking 489
Working the Net 490
 REAL-LIFE RESEARCH 18.1: Satisfaction Research for Pizza
 Quik 491
 REAL-LIFE RESEARCH 18.2: Gibson's Uses Predictive
 Analytics 492
**APPENDIX: Role of Marketing Research in the Organiza-
 tion and Ethical Issues 494**
SPSS Exercises For Chapter 18 496
- 19 Communicating the Research Results 499**
The Research Report 499
Organizing the Report 501
Interpreting the Findings 502
 Format of the Report 504
 Formulating Recommendations 504
 The Presentation 505

Making a Presentation	508	Measuring Marketing Research's Return on Investment (ROI)	546
Presentations by Internet	513	Summary	549
Summary	514	Key Terms	549
Key Terms	514	Questions for Review & Critical Thinking	550
Questions For Review & Critical Thinking	514	Working the Net	550
Working the Net	514	REAL-LIFE RESEARCH 20.1: Walther Research Deals with Managing Project Managers	550
REAL-LIFE RESEARCH 19.1: The United Way	515	REAL-LIFE RESEARCH 20.2: Johnny Jets Drive-Ins	551
REAL-LIFE RESEARCH 19.2: TouchWell Storefront Concept and Naming Research	516		
20 Managing Marketing Research	522		
Marketing Research Supplier Management	523	APPENDIX ONE: Statistical Tables	A-1
What Do Clients Want?	523	APPENDIX TWO: Considerations in Creating a Marketing Plan (Online)	
Consolidating the Number of Acceptable Suppliers	525	APPENDIX THREE: Comprehensive Cases (Online)	
Communication	525	A Biff Targets an Online Dating Service for College Students	A-14
The Key Role of the Project Manager	526	B Freddy Favors Fast Food and Convenience for College Students	A-17
Managing the Research Process	527	C Superior Online Student Travel—A Cut Above	A-21
Organizing the Supplier Firm	527	D Rockingham National Bank Visa Card Survey	A-25
Data Quality Management	529	ENDNOTES	E-1
Time Management	530	GLOSSARY	G-1
Cost Management	531	QSR SURVEY	QSR-1
Client Profitability Management	532	INDEX	I-1
Staff Management and Development	533		
Managing a Marketing Research Department	535		
Allocating the Research Department Budget	535		
Prioritizing Projects	536		
Retaining Skilled Staff	537		
Selecting the Right Marketing Research Suppliers	538		
Moving Marketing Research into a Decision-Making Role	540		