

**Marketing Research**

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Introduction

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**Marketing Research**

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~~Anybody  
Can Do It~~

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**Marketing Research  
History & Background**

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Marketing research is not something new--it goes a long way back.

- The children of Israel sent interviewers to sample the market and the produce of Canaan.
- 1308 the Johann Fugger family used marketing research in their international sale of textiles.
- 1720 Daniel Defoe's "A Tour Through the Whole Island Of Great Britain" presented a careful inventory of the business and economic resources of England and Scotland.
- July 24, 1824 The Harrisburg Pennsylvania reported a straw vote at Wilmington, Delaware. Andrew Jackson received 335, John Quincy Adams 169, Henry Clay 19, and William H. Crawford 9.
- 1879 N. W. Ayer and Son applied marketing research to advertising problems.
- 1895 Professor Barlow Gale of the University of Minnesota is credited with the first mail questionnaire to advertising practitioners.
- Curtis Publishing Company established the first marketing research department at the turn of the century -- the Campbell's Soup story.
- 1911 R. O. Eastman working for the Kellogg Company conducted a postcard survey to determine which magazines were read by different classification of people.
- 1917 Eastman conducted a survey to determine the market value for the trade name MAZDA for General Electric.
- Etc., etc.

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## The Marketing Concept

- What is it?
- Where/How does Marketing Research fit in?
- The case of the quarter inch drill bit...did they follow the marketing concept?

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## Marketing Research Defined

- The difference between **market research** and **marketing research**
- Definition from the American Marketing Association:  
*Marketing research is the function which links the consumer, customer, and public to the marketer through information-- information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve understanding of marketing as a process.*
- A simpler definition:  
*Marketing research is the process of gathering data and transforming it into information for the purpose of marketing management decision making.*

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## Aspects of the Definition

- It is a logical, systematic, empirical and replicatable process
  - Designing methods for collecting information
  - Managing the information collection process
  - Analyzing and interpreting results
  - Communicating findings to decision
- It aids in decision-making – BUT it does NOT make decisions!
- It is a large importer of methodologies

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## Information & Decision-Making

- From a practical point of view, information must possess certain characteristics if it is to be useful for decision making. This information must be:
  - Current
  - Sufficient
  - Available
  - Relevant
  - Accurate
  - Reliable

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## Why Do Marketing Research?

- To learn something new
- Tradition
- To gain agreement
- Legal Cases
- Evaluate elements of the marketing mix

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### STRATEGIC DECISION AREAS FOR MARKETING RESEARCH

| PRODUCT                                                                                                                  | PLACE                                                                                                                                                         | PROMOTION                                                                                                                                                                                                                         | PRICE                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| Features<br>Accessories<br>Installation<br>Instructions<br>Service<br>Warranty<br>Product Lines<br>Packaging<br>Branding | Objectives<br>Channels<br>Market Exposure<br>Kinds of Middlemen<br>Kinds and Locations of Stores<br>Who Handles<br>Transporting and Storing<br>Service Levels | Objectives<br>Market Exposure<br>Sales People<br>Kind<br>Number<br>Selection<br>Training<br>Motivation<br>Advertising<br>Targets<br>Kinds of Ads<br>Media Type<br>Copy Thrust<br>Prepared by Whom<br>Sales Promotion<br>Publicity | Objectives<br>Flexibility<br>Level<br>Changes Over<br>Product Life Cycle<br>Geographic Terms<br>Discounts<br>Allowances |

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## Another Way of Looking at This




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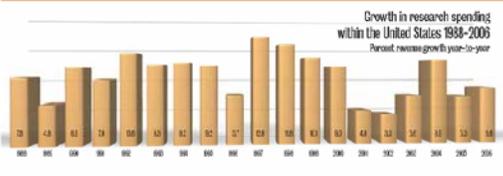
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## Marketing Research Industry

- There's still growth  
<http://www.marketingpower.com/ResourceLibrary/publications/MarketingNews/2008/42/11/Hono50-US.pdf>
- Revenue Increases attributed:
  - To post sale customer satisfaction studies
  - To retail driven product scanning systems
  - To database development for long-term brand management
  - To international research studies




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## Types of Firms

- Types of Marketing Research Firms
  - Internal
  - External ([the Honomichl 50](#))
    - Full Service Research Firms
    - Customized – provides highly specialized services
    - Standardized – provides syndicated business services which include purchase diary panel audits and advertising recall data made or developed from a common data pool or database
    - Facilitating Agencies
      - Field services
      - Independent consultants
      - Advertising agencies

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## Changing Skills For A Changing Industry

- Fundamental Business skills
  - Communication skills
  - Interpersonal skills
  - Statistical skills
- +
- Marketing Research skills
  - Ability to understand and interpret secondary data
  - Presentation skills
  - Foreign-language competency
  - Negotiation skills
  - Computer proficiency
  - Critical thinking

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## Unethical Activities by the Client/Research User

- Soliciting bids with no intentions of hiring
- Using the information from the proposals yourself
- Promising a prospective research provider a long-term relationship or additional projects to get a low price

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## Ethical Issues

- Unethical Activities by the Research Provider or Research Company
  - Unethical pricing practices
  - Do not provide the promised incentive
  - Create respondent abuse
  - Selling unnecessary research service
  - Falsifying data
  - Duplicating actual response data
  - Manipulating the data inappropriately
- Unethical Activities by the Respondent
  - Providing dishonest answers or faking behavior

[http://www.mra-net.org/pdf/expanded\\_code.pdf](http://www.mra-net.org/pdf/expanded_code.pdf) [http://www.mra-net.org/pdf/internet\\_ethics\\_guidelines.PDF](http://www.mra-net.org/pdf/internet_ethics_guidelines.PDF)  
<http://www.casro.org/codeofstandards.cfm>  
[http://www.esomar.org/en/boards/pdf/ESOMAR\\_Code&Guidelines\\_OpinionPolling\\_v5.pdf](http://www.esomar.org/en/boards/pdf/ESOMAR_Code&Guidelines_OpinionPolling_v5.pdf)

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## Ethical or Unethical?

- A food warehouse club advertises “savings up to 30% after a survey showed a range of savings from 2 to 30% below average prices for selected items.
- A researcher tells a potential respondent that an interview will last 10 minutes rather than the 30 minutes he or she actually anticipates?
- A radio station broadcasts the following message during a syndicated rating service’s rating period: “Please fill out your diary” (which lists what media the consumer has been watching or listening to).

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## Ethical or Unethical?

- A respondent tells an interviewer that she wishes to cooperate with the survey, but her time is valuable and, therefore, she expects to be paid for the interview.
- When you visit your favorite sports team’s home page on the web, you are asked to complete a registration questionnaire before you enter the site. The team then sells your information (team allegiance, age, address, etc.) to a company that markets sports memorabilia via catalogs and direct mail.

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## Five Major Trends

- Increased emphasis on secondary data collection methods
- Movement toward technology-related data management
- Increased use of digital technology for information acquisition and retrieval
- Broader international client base
- Movement away from pure data analysis and toward data interpretation/information management

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**The Marketing Research Process**

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