

Marketing Research

Introduction

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Marketing Research

~~Anybody
Can Do It~~

**Marketing Research
History & Background**

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.

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?

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.

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

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

Why Do Marketing Research?

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

STRATEGIC DECISION AREAS FOR MARKETING RESEARCH

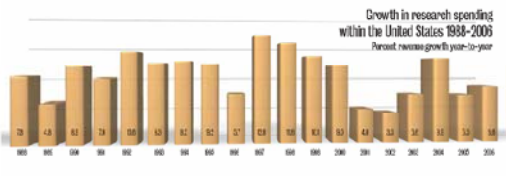
PRODUCT	PLACE	PROMOTION	PRICE
Features Accessories Installation Instructions Service Warranty Product Lines Packaging Branding	Objectives Channels Market Exposure Kinds of Middlemen Kinds and Locations of Stores Who Handles Transporting and Storing Service Levels	Objectives Market Exposure Sales People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

Another Way of Looking at This



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



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

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

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

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/internet_ethics_guidelines.PDF
<http://www.casro.org/codeofstandards.cfm>
http://www.esomar.org/ueh/ueh%20b%20b%20FCOMAR_Code%20and%20Guidelines_OpinionPolling_v5.pdf

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).

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.

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

The Marketing Research Process
