

Problem Recognition and Definition



Angela D'Auria Stanton, Ph.D.

The Value of Determining the Research Problem

▶ May I have fries with that? The case of New Coke

▶ “The passion for original Coke was something that just caught us by surprise. The simple fact is that all of the time and money and skill poured into marketing research on the new Coca-Cola could not measure or reveal the depth and emotional attachment to the original Coca-Cola felt by so many people.” -- Donald R. Keogh, President, Coca-Cola

Determining When to Undertake Marketing Research



Responsibility of the Decision Maker

- ▶ Additionally, decision makers should consider a set of evaluative questions

1. What is the perceived importance and complexity of the problem?
2. Is the problem realistically researchable?
3. Will the research findings be implemented?
4. Will the research design and data represent reality?
5. Will the research results and findings be used as legal evidence?
6. Is the proposed research politically motivated?

Responsibility of the Decision Maker

- ▶ Why should a decision maker conduct research?

Research should be considered if the information:

1. will clarify the problem or identify marketplace changes that directly influence the company's product/service
2. helps the company acquire meaningful competitive advantages within its marketing environment
3. leads to marketing actions that will achieve marketing objectives
4. provides proactive understanding of future market conditions

Determining the Research Problem: The Process

1. Identify and Clarify Information Needs

- A. Meet with client to understand what decision makers perceive as the problem, the purpose for conducting the research study, and to ask questions to better understand the decision maker's perspective.

When Dealing with Clients Be Sure to Avoid Misunderstandings

▶ Nine questions for marketing researchers:

1. What are the capabilities and limitations of the research being considered?
2. What is the history of the operations, policies, and procedures of the client?
3. What problems or issues appear to be the focus of the research, and what is uncertain or unknown about them?
4. What decisions, choices, or actions are to be based on the results of the proposed research?

When Dealing with Clients Be Sure to Avoid Misunderstandings

▶ Nine Questions for Researchers:

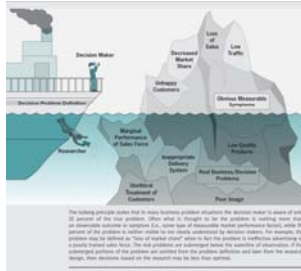
5. What is a preliminary assessment of the worth of the research information to the client?
6. What are the time requirements for the research and what resources can be devoted to it?
7. What degrees of cooperation and participation will be expected of the clients?
8. What ethical issues are associated with the research?
9. How can I gain the client's confidence and trust in a professional and ethical manner?

Determining the Research Problem: The Process

- B. Understand the complete problem by conducting a situation analysis
- Customer/market analysis
 - Competitive analysis
 - External & Internal environments analysis

Determining the Research Problem: The Process

- c. Identify and separate out measurable symptoms – defining the marketing decision problem



- o The Iceberg Principle

Symptoms Can Be Confusing

- ▶ Examples:
 - o A neighborhood pool association
 - o Brewery

Determining the Research Problem: The Process

- D. Determine the unit of analysis
 - o This is the basis for what you will be studying
 - Individual, Household, Organization, Geographic Region, etc.
- E. Determine the variables relevant to the situation
 - o What type of information and/or what constructs need to be measured

Examples of Constructs* Commonly Investigated in Marketing

Constructs	Operational Description
Brand awareness	Percentage of respondents having heard of a designated brand; awareness could be either unaided or aided.
Attitudes toward a brand	The number of respondents and their intensity of feeling positive or negative toward a specific brand.
Purchase intentions	The number of people planning to buy the specified object (e.g., product or service) within a designated time period.
Importance of factors	To what extent do specific factors influence a person's purchase choice?
Demographics	The age, gender, occupation, income level, and other characteristics of individuals providing the information.
Psychographics	The attitudes, opinions, interests, and lifestyle characteristics of individuals providing the information.
Satisfaction	How people evaluate their postpurchase consumption experience with a particular product, service, or company.

* A construct is a marketing term or concept that is somehow involved in the marketing management problem to be researched.

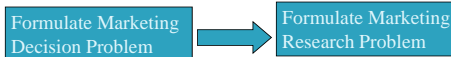
Determining the Research Problem: The Process

2. Define the research problem and associated research questions
 - This is a critical step as how you define the problem influences how they study will be conducted

Problem Definition

Distinction between the marketing management problem and marketing research problem

- ▶ **Marketing decision/management problem:**
 - The basic problem/opportunity facing the manager for which marketing research is intended to provide answers
- ▶ **Research problem:**
 - A restatement of the decision problem in research terms - states specifically what research can be done to provide answers to the decision problem



Translating Management's Problem into a Research Problem

Management (Decision) Problems	Research Problems
How should we allocate the advertising budget among media	Estimate awareness generated by each media type
Decide whether to keep office open on Saturday	Evaluate use of services on Saturday and determine if customers can do these on weekday
Should we introduce a new service for our customers	Design a concept "test" through which likely acceptance and use can be assessed
Does the marketing program need to be changed	Design a test-marketing situation such that the effect of the new program can be established
Why are store sales so low	Measure the current image of the product

An Example

Situation: A coffee shop was concerned about low traffic and sales. Management did not know customers perceptions of the coffee shop nor did they have a feel for awareness of the coffee shop among residents.



Possible Management Problems & Research Questions

Management's Problems/Questions:

- ▶ Why are store sales so low?
- ▶ How does the coffee shop increase customer traffic?
- ▶ What is the optimal product mix that would best satisfy customers?
- ▶ What is the awareness of the coffee shop?
- ▶ What needs do our customers have that are currently not being met?

Redefined as Research Questions

- ▶ What is the satisfaction among current coffee shop customers?
- ▶ What are perceptions of the coffee shop and its competitors?
- ▶ What is overall awareness of the coffee shop in the town?
- ▶ What is the consumer preference between two new store layouts?
- ▶ Would product sampling lead to an increased purchase rate?

Determining the Research Problem: The Process

3. Define the research objectives and assess the value of the information

- The research objectives are based on the research problem/questions
- Expected value should be assessed by asking:
 - Can the information be collected?
 - Can the information tell the decision-maker something he/she does not already know?
 - Will the information provide significant insights?
 - What benefits will be delivered by the information?

Redefined as Research Objectives

- ▶ To identify current customer satisfaction.
- ▶ To assess perceptions of the coffee shop and its competitors.
- ▶ To determine awareness of the coffee shop in the town.
- ▶ To measure consumer preferences for two new store layouts.
- ▶ To determine if product sampling would lead to an increased purchase rate.

▶ Whatever University's director of recruitment for the MBA program recently extended offers to 20 promising students. Only five offers were accepted. In the past acceptance rates averaged 90%.

- What is the symptom of a problem?
- What is a possible marketing decision/management problem?
- What is a possible research problem?

After the Problem is Defined: The Research Proposal

EXHIBIT 2.19 General Outline of a Research Proposal

TITLE OF THE RESEARCH PROPOSAL

- I. Purpose of the Proposed Research Project**
Includes a description of the decision problem and specific research objectives.
- II. Type of Study**
Includes discussion of the type of research design (i.e., exploratory, descriptive, causal), and secondary versus primary data requirements, with some justification of choice.
- III. Definition of the Target Population and Sample Size**
Describes the overall target population to be studied and determination of the appropriate sample size, including a justification of the size.
- IV. Sample Design and Data Collection Method**
Includes a substantial discussion regarding the sampling technique used, the actual method for collecting the data (e.g., observation or survey), incentive plans, and justifications.
- V. Specific Research Instruments**
Discusses the method used to collect the needed data, including the various types of scales.
- VI. Potential Managerial Benefits of the Proposed Study**
Discusses the expected value of the information to management and how the initial problem might be resolved, including the study's limitations.
- VII. Proposed Cost for the Total Project**
Assesses the expected costs associated with conducting the research project, including a total cost figure and anticipated completion time frames.
- VIII. Profile of the Research Company Capabilities**
Briefly describes the main researchers and their qualifications as well as a general overview of the company.
- IX. Optional Summary Tables of the Projected Results**
Offers examples of how the data might be presented in the final report.

Research Design

- ▶ A research design is the game plan or blue print and specifications for conducting a research investigation.

As stated by Julian Simon*:

There is never a single, standard, correct method of carrying out a piece of research. Do not wait to start your research until you find out the proper approach, because there are many ways to tackle a problem—some good, some bad, but probably several good ways. There is no single perfect design. A research method for a given problem is not like the solution to a problem in algebra. It is more like a recipe for beef stroganoff; there is no one best recipe.

*Source: *Basic Research Methods in Social Science: The Art of Empirical Investigation*, by Julian L. Simon.

Example of Problems with Inattention to Research

- ▶ Testing a new packaging concept – plastic catsup bottles
- ▶ An advertising pre/post study – advertising a new cereal
- ▶ Reducing the fare on a mode of public transportation – rapid transit
- ▶ Ignoring possible interaction effects – cough syrup

Basic Research Designs

- ▶ Exploratory → Qualitative Research
- ▶ Descriptive → Quantitative Research
- ▶ Causal → Quantitative Research

Types of Research			
Degree of Problem Definition	Exploratory Research (Unaware of Problem)	Descriptive Research (Aware of Problem)	Causal Research (Problem Defined)
Possible Situation	"Our sales are declining and we don't know why." "Would people be interested in our new product idea?"	"What kind of people buy our product? Who buys our competitor's product?" "What features do buyers prefer in our product?"	"Will buyers purchase more of our product in a new package?" "Which advertising campaign is more effective?"

Qualitative versus Quantitative Research

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| <p>▶ Qualitative</p> <ul style="list-style-type: none"> • Discovery, identification, preliminary insights into ideas, thoughts, feelings, objects • Typically exploratory research • Open-ended, semistructured • In-depth probing • Small sample sizes typically not generalizable • Data analyzed using subjective, content, interpretative and semiotic analyses | <p>▶ Quantitative</p> <ul style="list-style-type: none"> • Validation of facts, estimates, relationships, predictions • Descriptive and causal research • Mostly structured • Places heavy emphasis on formalized questions and pre-determined response options • Large sample sizes with high degree of generalizability • Data analyzed primarily using statistical procedures |
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