

# MARK2052: Marketing Research

<b>Lecture 1 – Research Process</b>	<b>3</b>
<i>Evolution of Marketing and Marketing Research</i>	3
<i>Marketing Research Roles</i>	3
<i>The Role of Marketing Research and the Research Process (Chapter 1)</i>	4
<i>Defining the Problem (Chapter 2)</i>	5
<b>Lecture 2 - Survey Research</b>	<b>7</b>
<i>Nature of Surveys</i>	7
<i>Errors in Survey Research</i>	7
<i>Classifying Survey Research Methods</i>	8
<i>Selecting Survey Design</i>	9
<i>Pretesting</i>	9
<i>Ethical Issues</i>	9
<b>Lecture 3 – Qualitative Research</b>	<b>10</b>
<i>Qualitative Research Orientations</i>	10
<i>Common Techniques Used in Qualitative Research</i>	11
<i>Issues with Qualitative Research</i>	13
<i>Research Design Classification</i>	13
<i>Probing and Projective Techniques</i>	14
<i>Projective Interview Techniques</i>	14
<i>Analysing Qualitative Data</i>	15
<b>Lecture 4 – Survey Research Design</b>	<b>16</b>
<i>Chapter 9: Questionnaire Design</i>	16
<i>Chapter 10: Sampling – Sample Design and Sample Size</i>	18
<b>Lecture 5 – Data Preparation and Initial Exploration</b>	<b>22</b>
<i>Value of models:</i>	22
<i>Stages of Data Analysis</i>	22
<i>Questionnaire Inspection</i>	22
<i>Knowing Your Data</i>	22
<i>Chapter 11: Editing and Coding: Transforming Raw Data into Information</i>	22
<i>Chapter 12: Univariate Statistical Analysis</i>	25
<b>Lecture 6 – Understanding the Nature of Variables</b>	<b>29</b>
<i>Sample to Population – What is the Link?</i>	29
<i>Comparing Variables – “Do Different People Think Alike?”</i>	29
<i>Chapter 15: Multivariate Statistical Analysis</i>	30
<b>Lecture 7 – Exploring Relationships (I)</b>	<b>35</b>
<i>Types of relationships</i>	35
<i>Describing Relationships</i>	35
<i>Testing for Associations</i>	35
<i>Ch. 14: Bivariate Statistical Analysis: Tests of Association</i>	36
<b>Lecture 8 – Exploring Relationships (2)</b>	<b>38</b>
<i>Types of Analysis</i>	38
<i>Multiple Regression</i>	38
<b>Lecture 9 – Results Communication</b>	<b>41</b>

<i>Contents in Report</i>	41
<i>Oral Presentations</i>	42
<i>Marketing Decision Support System (MDSS)</i>	42
<i>Data Visualization</i>	42
<b>Lecture 11 – Measurement and Experiment</b>	<b>44</b>
<i>Measurement</i>	44
<i>Experiment</i>	44
<i>Validity in Experiments – Internal Validity</i>	45
<i>Validity in Experiments – External Validity</i>	46
<i>Experimental Design to Control Extraneous Variables</i>	46
<i>Selecting and Implementing an Experimental Design</i>	46
<i>Test Marketing</i>	48

## Lecture 1 – Research Process

**Marketing research:** Systematic and objective process of generating information to aid in making marketing decisions

- Systematic: not intuitive or haphazard
- Objective: be scientific, evidence based
- Info to aid decision making: provide actionable insights, but it does not substitute decision making

## Evolution of Marketing and Marketing Research

Core of marketing: Value

Why market research?

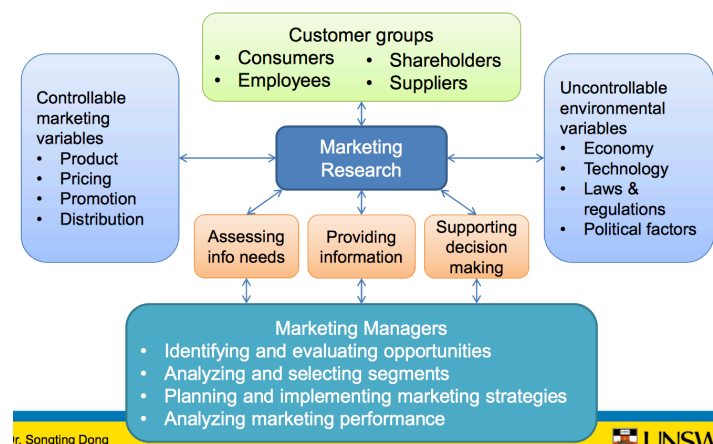
- Understand customer needs deeper
- Understand customers at individual level
- Understand customers in a dynamic nature
- Understand customers in his/her networks
- Make decisions scientifically

Orientation	Profit driver	Timeframe	Research
Production	Production methods	until the 1950s	Minimal
Product	Quality of the product	until the 1960s	Advertising
Selling	Selling methods	1950s and 1960s	Marketing mix
Customer	Needs and wants of customers (value)	1970s to the present day	Customers
Relationship (engagement)	Keep a long term relationship	1990s to the present day	Customers+
	Rely more on data to manage relationship	2000s to the present day	Customers++

## Strategies

- Segmenting, Targeting, Positioning (STP)
- Product, Price, Promotion and Place (4p's marketing mix)
- Customer relationship management (CRM)

## Marketing Research Roles



- Specifies the information required to address these issues,
- Designs the method for collecting information,
- Manages and implements the data collection process,
- Analyses the results, and

- Communicates the findings and their implications.

## The Role of Marketing Research and the Research Process (Chapter 1)

The task of marketing research is to help specify and supply accurate information to reduce the uncertainty in decision making → fulfils the marketing manager's need for knowledge of the market

Developing and implementing a marketing strategy involves four stages:

1. Identifying and evaluating opportunities
2. Analysing market segments and selecting target markets
3. Planning and implementing a marketing mix that will satisfy customers' needs and meet the objectives of the organisation
4. Analysing marketing performance

### Step 1: identifying and evaluating opportunities

Before developing a marketing strategy, an organisation must ask where it wants to go and how to get there

- Marketing research may provide diagnostic information about what is occurring in the environment

### Step 2: Analysing and Selecting Target Markets

Marketing research is a major source of information for determining which characteristics of market segments distinguish them from the overall market

### Step 3: Planning and Implementing a Marketing Mix

Using info from the previous 2 stages, managers plan and execute a marketing mix strategy

- Marketing research may be used to support specific decisions about any aspect of the marketing mix
- Types of research conducted for each element of the marketing mix:
  - **Product research** → used to evaluate and develop new products and to learn how to adapt existing product lines
  - **Pricing research** → may be a competitive pricing study, uncovering consumers' WTP, when discounts or coupons should be offered etc.
  - **Distribution research**
  - **Promotion research** → investigates the effectiveness of premiums, coupons, and other sales promotions

### Step 4: Analysing Marketing Performance

Marketing research may serve to inform managers whether planned activities were properly executed and are accomplishing what they were expected to achieve

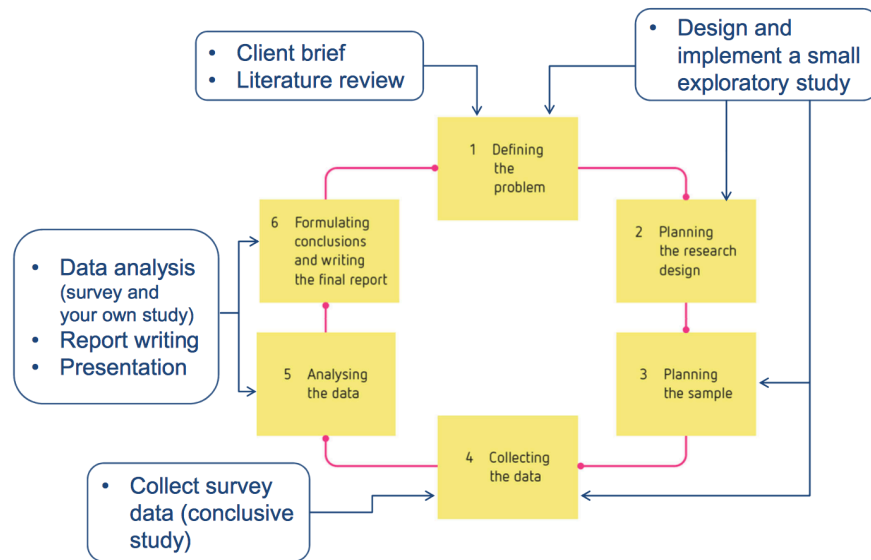
- **Performance monitoring research:** research that regularly provides feedback for evaluation and control of marketing activity

### When is Marketing Research Needed?

Determination of the need for marketing research centres on:

1. Time constraints – eg. Some decisions may need to be made quickly
2. Availability of data
3. Nature of the decision to be made
4. Value of the research information in relation to costs

**Global marketing research** → important to note that companies in foreign markets must understand the nature of those markets and judge whether they require customized marketing strategies



1. **Discovering and defining the problem** → the research task may be to clarify a problem, define an opportunity or monitor and evaluate current operations
  - Major aspects of defining a problem are:
    - **Certainty**: complete certainty means that all information needed is available
    - **Uncertainty**: the manager grasps the general nature of desired objectives but the information about alternatives is incomplete
    - **Ambiguity**: the nature of the problem to be solved is unclear
2. **Planning the research design** → a research design is a master plan that specifies the methods and procedures for collecting and analysing the needed information; it is a framework for the research plan of action
  - **Pilot study**: a collective term for any small-scale exploratory research technique that uses sampling but does not apply rigorous standards
  - **Descriptive research**: major purpose is to describe characteristics of a population
  - **Causal research**: used to identify cause-and-effect relationships among variables
3. **Planning the sample**
  - **Sampling stage**: the stage in which the researcher determines who is to be sampled, how large a sample is needed and how sampling units will be selected
4. **Gathering data**
5. **Analysing and processing data** → after the fieldwork has been completed, the data must be converted into a format that will answer the marketing manager's questions
6. **Formulating conclusions and writing the report**

**Program strategy:** overall plan to conduct a series of marketing research projects; a planning activity that places each marketing project in the context of the company's marketing plan

## Defining the Problem (Chapter 2)

**Problem Definition:** crucial first stage in research process – determining the problem to be solved and the objectives of the research

**Iceberg Principle:** idea that the dangerous part of many marketing problems is neither visible to nor understood by marketing managers

**Process:**

- a) Ascertain the decision-makers' objectives
- b) Understand the background of the problem

1. Undertake situational analysis – a preliminary investigation or informal gathering of background info to familiarize researchers with decision area
- c) Isolate and identify the problem, not the symptoms  
d) Determine the unit of analysis  
e) Determine the relevant variables
7. Dependent variable: variable to be predicted or explained
  8. Independent Variable: variable that is expected to influence the dependent variable
  9. Categorical (Classificatory) Variable: variable that has a limited number of distinct values. E.g. gender.
  10. Continuous variable: variable that has an infinite number of possible values. E.g. sales volume.
- f) State the research questions (hypotheses) and research objectives
- Research Question: the researcher's translation of the marketing problem into a specific inquiry (interrogative).
    - Importance: pushes researchers to think through the problem very carefully. Guides research activities with clear expectations. Reaches consensus with the managers and among the research team
    - Hypothesis: an unproven proposition or possible solution to the problem (declarative)
      - Hypothesis and RQ are used in different places, but generally have very similar meanings, sometimes being identical.
  - Research Objective: States what a research project plans to achieve, in measurable terms and defines standards for what the research should accomplish
    - is useful if it is a managerial action standard – a performance objective that expresses specific actions that will be taken if the criterion is achieved. E.g. if sales are higher than X, we will do steps ABC. If sales are lower than X, we will do steps XYZ. Helps create understanding of what to do after research completed.

### Issues Managers Encounter when Defining the Problem

11. it is impractical to consider every conceivable option or issue
12. budget constraints and time inhibit our research abilities
13. Research Proposals – written statement of research design, including purpose of the study, and a detailed systematic outline of the procedures to be followed, and the research methodology. Forces critical, logical thinking by managers to help put words to action.