Overview of the research process: planning, executing, analysing & reporting

Marketing research is the function that 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. Marketing research 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

Marketing concept central idea: customers have needs and wants that can be collectively unique (can be grouped into different target markets and segments based on needs, wants trade-offs and choices) and needs change (future needs have to be identified and predicted to maintain customer relationships).

Organisations need to be insight-driven because:
- Insight: an instance of apprehending the true nature of a thing, especially through intuitive understanding
- Increasingly competitive/dynamic environments/markets.
- We are living in and through a disruptive/sharing era → disruption changes the way industries work
  - The taxi industry has changed since Uber (changes how traditional industry works)
  - Netflix vs. Foxtel (changes the way we watch TV and movies)
- Technology advancement
- Staying in touch with their customers and attracting new customers.
- Developing consumer insights-led marketing strategy is seen as crucial.

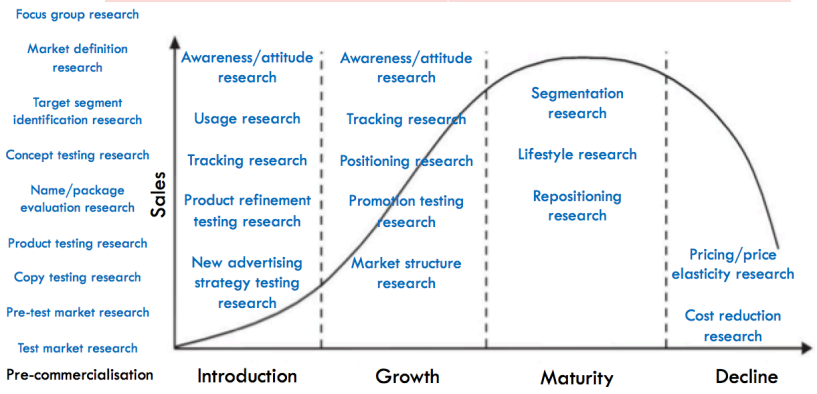
Raw data → information → meaning/knowledge → insight
- Data can be retrieved from web search data, e-commerce transactions, social media posts and apps
- Marketing research reduces the uncertainty of marketing strategies and tactics implemented to achieve an organisation's strategic goals.

The MR industry's response to the disruptive era
- Challenges how and where we search, collect, store and analyse vast amounts of data
- Hence, there is a continuing role/demand for researchers using traditional/new MR tools to deal with big data to create insights.
- Traditional MR tools: observation, interviews, focus groups, surveys
- New MR tools: social media, survey money, data analysis

Pure research – theory oriented	Applied research – practice oriented
Expand the limits of knowledge and to learn more about a certain concept.	Conducted when a decision must be made about a specific real-life problem.
Not aimed at solving a particular problem.	Undertaken to make decisions about particular courses of action or policies e.g. why is this strategy/tactic not working?

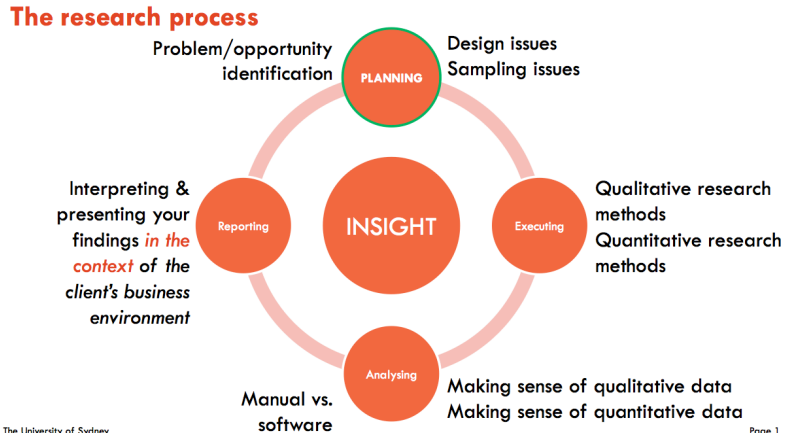
Role of MR
- Opportunities in the market
- TM selection and identification
- Marketing mix decisions
- Performance-monitoring

Limitations of research
- Lack of understanding of the problem
- Poor or inappropriate research design
- Inherent limitations of the methods used
- Poor execution of the research



Nature of research
- Theory and jargon-laden
- Action-oriented

- Systematic process of gathering data
- Process of testing an assertion (hypothesis) to find out if it is supported (or not)
- Process of engaging with the real world; in planned or unplanned interactions
- Reporting/creating insights with evidence

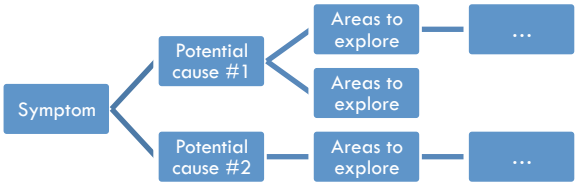


Planning your research: design issues

- The **iceberg principle** is the idea that the dangerous part of many marketing problems is neither visible to nor understood by marketing managers.
- Before moving forward, you need to clearly define what you want to find out

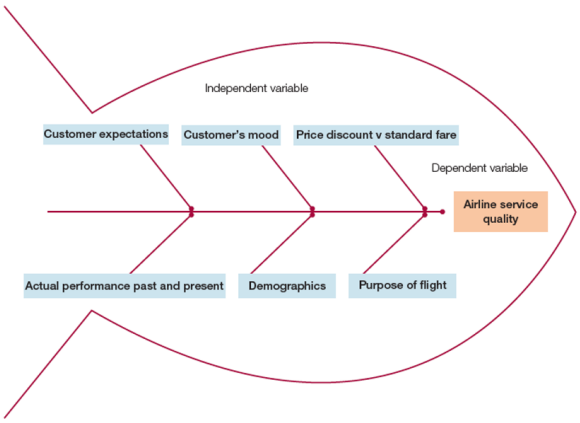
The research process: planning

- Problem/opportunity/issue definition: exactly what am I researching about?
  - Indicates a specific marketing decision/issue to be clarified or problem to be solved.
  - Specifies research questions to be answered, and related research objectives.
  - Goal is to separate the symptom/s from the likely causes.
- Understanding the background of the problem/issue: what do I already know?
  - Based on information from previous related events, why did they occur?
  - Conduct situation analysis & literature review.
- Identify the problem, not just the symptoms. Create a symptom-cause diagram:



- Specify the unit of analysis: *whom am I collecting data from?*
  - Will the investigation collect data about individuals, households or organisations?
  - May be investigated across multiple levels.
- What variables are relevant: *what am I measuring?*
  - A variable is anything that varies in value.
    - For example, [overall satisfaction] toward an airline's service may be a variable ranging from [1 = poor to 10 = excellent].
  - Categorical/classificatory: also known as non-metric variable.
    - Limited number of distinct values e.g. 0 = unhappy vs. 1 = happy
  - Continuous: also known as metric variable.
    - Infinite number of values e.g. on a scale of 0 to 100%.

  - Dependent (effect):
    - Variable that is to be predicted or explained (outcome variable).
  - Independent (cause):
    - Variable that is expected to influence the dependent variable (predictor/response variable).
- A fishbone diagram that illustrates the most important independent variables ('ribs') influencing dependent variable ('head').



- From marketing problem/issue into research questions and objectives
  - A written statement of research questions and research objectives that clarifies any ambiguity about what the research hopes to achieve.
  - Importance of clarity in research questions (and hypotheses):
    - Research questions and hypotheses add clarity to the statement of the marketing problem/issue.
    - A hypothesis is an unproven proposition or a possible solution to a problem to be tested
    - Allows researchers to be clear about what they expect (anticipate) to find through the study and provides information that will be useful in decision-making.
- What are your research aims/objectives?
  - Your choice of approach should be guided by your research aims/objectives
  - How you state your research aims/objectives influences the likely path that you will take
  - The research objective is the researcher's version of the marketing problem
  - Explains the purpose of the research in measurable terms
  - Defines standards for what the research should achieve
  - Influences decisions about the research design

Research designs: the researcher must determine the sources of information, the design technique, the sampling methodology, the schedule and the cost of the research

- **Exploratory** (qualitative orientation)
  - Initial research conducted to clarify and define a problem, gain insights and discover new ideas. Purpose is to:
    - Progressively narrow the scope of the research topic.
    - Transform ambiguous problems into well-defined research objectives.
  - Expectation that subsequent research will be required to provide conclusive evidence.
  - Narrowing of the research scope happens: by investigating any existing studies on the subject matter, by talking with knowledgeable individuals and experts or by informally investigating the situation.
  - Exploratory research techniques: secondary data analysis, pilot studies (small samples) – *note: also used in descriptive and causal studies too,* case studies e.g. with specific organisations, experience surveys e.g. interviews with knowledgeable people and observation (gathering field notes).
  - Secondary data
    - Data previously collected and assembled for some project other than the one at hand.
    - Can be sourced from: the company (online & print), library, Internet incl. social media postings, firms specialising in providing data (e.g. Australian Bureau of Statistics) or literature reviews of journals and books.
    - Pro: can be gathered more quickly and inexpensively than primary data.
    - Con: data may be out-dated or may not exactly meet the research needs.
  - Pilot studies

        - Collection of data from actual research subjects to serve as a guide for a larger e.g. quantitative study.
        - Data collection methods are informal and findings may lack precision.
        - Help refine actual research study.
        - Conducting focus group interviews to obtain qualitative information.

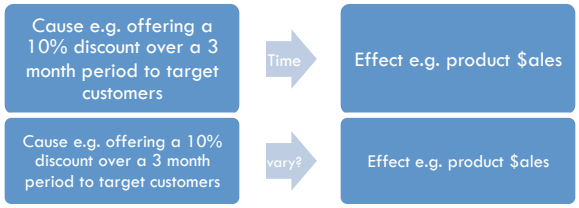
- **Descriptive**
    - Purpose is to describe characteristics of a population.
        - Example: Determining who purchases a product, portraying the size of the market, identifying competitors' actions etc.
    - Seeks to determine the answers to *who*, *what*, *when*, *where* and *how* questions.
        - Segmentation and target marketing.
        - Revealing the nature of consumer behaviour.
        - Can also address *why* questions to a limited extent.
    - Descriptive studies are based on some previous understanding of the nature of the research problem.
        - E.g. Through initial insights gathered from secondary and/or exploratory research.
    - Secondary data:
        - An example of descriptive research using secondary data includes a mathematical model (e.g. regression) to predict sales on the basis of past sales.
        - Generally, the quantitative analysis of secondary data is more sophisticated than that of exploratory studies.
    - Observation methods:
        - Observation methods involve recording behaviour without relying on reports from respondents. Example: counting store traffic across different time periods.
    - Surveys:
        - Most common method in descriptive research; data is gathered from a (larger) sample of people.
        - Researcher may choose to contact respondents by telephone or mail, online or in person.
- **Causal** (quantitative orientation)
    - Main goal is to identify cause-and-effect relationships among variables.
        - Researchers seek certain types of evidence to help them understand and predict relationships.
            - No causal relationship exists if there is no association between two variables under investigation.
        - Experimental control provides a basis for isolating causal factors by eliminating outside or exogenous influences.
        - Many companies in the fast-moving consumer goods (FMCG) industry conduct experiments that simply determine consumer reactions to different types of product packaging.
        - Marketing experiments, such as test marketing, hold the greatest potential for causal studies.
        - [Pilot study] often used to help improve experimental design prior to actual execution.

    - Causal research techniques
        - Experiments (lab – controlled vs. field – natural).
            - Allows investigation of changes in one variable (such as sales: DV), while manipulating one or two other variables (perhaps in price/packaging: IVs) under controlled conditions in order to test a hypothesis.
        - Evidence of causality:
            - Temporal sequence – the appropriate causal order of events i.e. the effect follows closely to the hypothesised cause.

- Concomitant variation – two phenomena (cause – effect) vary together.
- Non-spurious association – an absence of alternative plausible explanations.

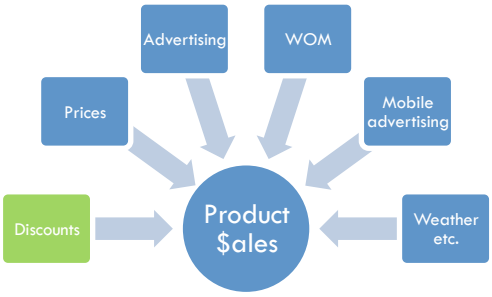
▪ Be wary of concomitant variation and spurious association.

- Temporal sequence example:



- Concomitant variation example:

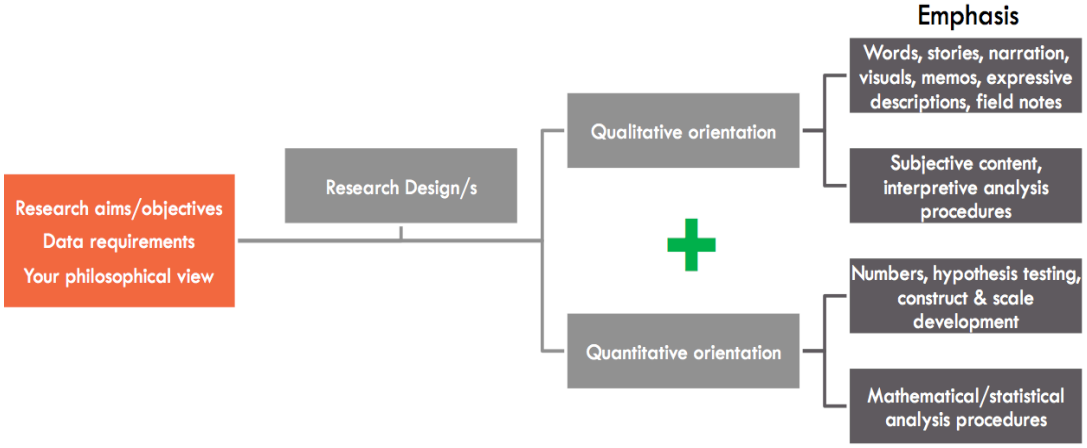
- Spurious associations example:
  - Discounts is ideal
  - But it is prices and weather in reality



What is the 'best' research design?

- Researcher's preference and expertise.
- There are no hard-and-fast rules for good marketing research.
  - This does not mean that the researcher faces chaos and confusion.
  - Maintain good practice to ensure quality data.
- Researchers can choose among many alternative techniques for solving a problem:
  - Content analysis, observation, interviews, surveys, case studies, experiments etc.
- Select those that are "fit" the research problem.
  - If possible/appropriate, use multi-methods to help negate inherent limitations of individual methods.
- What research design/s and method/s would you recommend for each of the following situations?
  - Establishing the relationship between a product's packaging and sales → causal approach
  - Investigating why people donate/don't donate to charities → exploratory approach
  - Understanding people's knowledge and perceptions of different smartphone brands → exploratory approach

Qualitative vs quantitative research orientations



<u>Planning your research: sampling issues</u>

- Sampling - the selection of a fraction (subset) of the total amount of units of interest for the purposes of being able to draw general conclusions about the entire population.
- Data quality and sampling method are more important than sample size.
  - Census: An investigation of ALL the individual elements that make up a population.
  - Population: Any complete group of entities that share some common set of characteristics.
  - Population element: An individual member of a population