

- **CH 29 MARKETING RESEARCH**

The Marketing Research Process

LEARNING GOALS:

- Explain the steps in designing and conducting marketing research
- Understand the purpose of marketing research
- Compare primary and secondary data
- Collect and interpret marketing information
- Identify the elements in a marketing research report

Defining Marketing Research

marketing research



The process and methods used to gather information, analyze it, and report findings related to marketing goods and services.

Marketing research ◀ involves the process and methods used to gather information, analyze it, and report findings related to marketing goods and services. Marketing research is used by companies to:

- Determine consumers' attitudes and preferences
- Test product features

Defining Marketing Research

- Determine market size and growth potential
- Learn about competitive products
- Determine buying cycles
- Understand how the company is perceived by the public

Why Is Marketing Research Important?

Information obtained from research helps businesses increase sales and profits. Research:

- What products to produce
- At what price to sell them
- Who will buy the products
- How the products will be promoted

- Think of two specific situations when a company might use Market Research.

Who Uses Marketing Research?

Small businesses usually rely on their owners, managers, employees, or hired assistants to do their research. Larger companies have in-house research departments to plan and conduct studies. Trade associations conduct and use research. Nonprofit organizations use customer surveys to get feedback.

Types of Marketing Research

quantitative research



A type of research that answers questions that start with “how many” or “how much.”

qualitative research



A type of research that focuses on smaller numbers of people (usually fewer than 100) and tries to answer “why” or “how” questions.

Quantitative research ◀ answers questions that start with “how many” or “how much.”

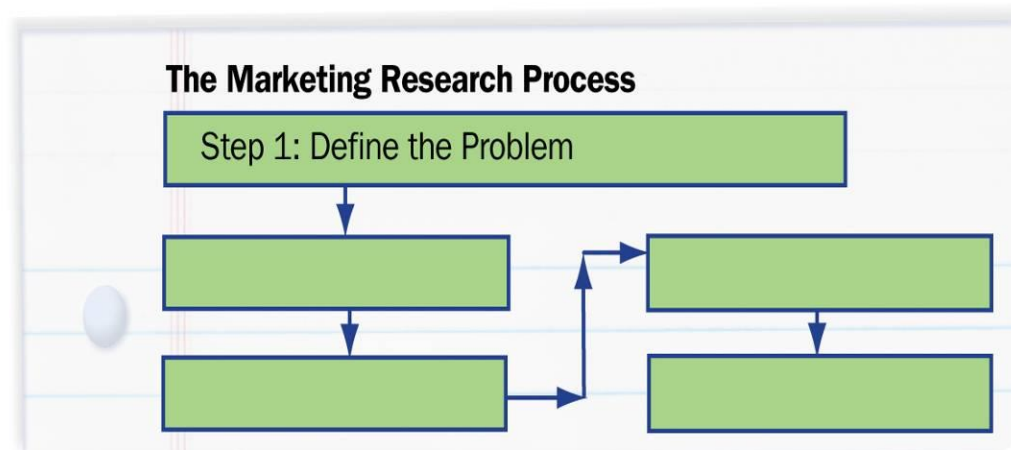
Qualitative research ◀ focuses on smaller numbers of people and focuses on trying to answer questions about “why” or “how.”

- Create 1 quantitative research question and 1 qualitative research question.

The Marketing Research Process

Graphic Organizer

Construct a flow chart to record the steps in conducting marketing research.



The Marketing Research Process

The five steps that a business follows when conducting marketing research are:

- Defining the problem
- Obtaining and analyzing data
- Recommending solutions
- Applying the results

Step 1: Defining the Problem

problem definition

The process by which a business clearly identifies a problem and what is needed to solve it.

Problem definition ◀ occurs when a business clearly identifies a problem and what is needed to solve it. Because money and time are limited, businesses must identify which problems and issues are the most important to address at a given time.

Step 2: Obtaining Data

primary data

Data obtained for the first time and used specifically for the particular problem or issue under study.

The word *data* means facts. There are two types of data used in marketing research:

- **Primary data** ◀ are facts obtained for the first time and used specifically for the particular problem or issue under study.

How Primary Data Are Obtained

Primary research data can be collected using three methods:

- The survey method
- The observation method
- The experimental method

How Primary Data Are Obtained

survey method

A research technique in which information is gathered from people through the use of surveys or questionnaires.

sample

A part of the target population that is assumed to represent the entire population.

The **survey method** ◀ is a research technique in which information is gathered from people through the use of surveys or questionnaires. It is the most frequently used method of collecting primary data.

A **sample** ◀ is a part of the target population that represents it accurately.

- **DAILY JEOPARDY**

How Primary Data Are Obtained

Survey research can be conducted in person, by phone, by mail, or by using the Internet. Questions are written according to the specific needs of that survey.

Personal interviews can be done in focus groups, door-to-door, or randomly in central locations.

How Primary Data Are Obtained

A focus group interview involves eight to twelve people who are brought together to evaluate advertising, a product, design, or marketing strategy under a skilled moderator.



How Primary Data Are Obtained

A major advantage of personal interviews is that they get a much better and easier response than mail, phone, or Internet surveys.

Telephone interviews are quick, efficient, and relatively inexpensive.

How Primary Data Are Obtained

While mailed surveys have low response rates — a successful survey may get a ten percent response — offering some type of incentive to complete them can help to convince more people to respond.

How Primary Data Are Obtained

Internet-based surveys are quick and eliminate the need for data entry. A drawback is that Internet surveys are limited to individuals who have access to the Web. Also, many people dislike receiving uninvited e-mail surveys.

How Primary Data Are Obtained

observation method



A research technique in which the actions of people are watched and recorded either by cameras or by observers.

The **observation method** is a research technique in which the actions of people are watched and recorded either by cameras or by observers.

A mystery shopper is a researcher who poses as a customer. The mystery shopper observes the interactions between customers and salespeople.

How Primary Data Are Obtained

One disadvantage of the observation method is that it cannot measure attitudes or motivation. Two advantages of the observation method are that it is faster than personal interviews, and people are unaware that they are being observed.

How Primary Data Are Obtained

point-of-sale research



A form of research that combines natural observation with personal interviews to get people to explain buying behavior.

Point-of-sale research ◀ involves observing shoppers to decide which ones to choose as research subjects. After observation, researchers approach the selected shoppers and ask them questions.

This method provides fresh and accurate information from the consumer.

How Primary Data Are Obtained

experimental method

A research technique in which a researcher observes the results of changing one or more marketing variables while keeping certain other variables constant under controlled conditions.

The **experimental method** ◀ is a technique in which a researcher observes the results of changing one or more marketing variables while keeping others constant under controlled conditions. It is not used frequently because of cost and inaccuracy.

Step 2: Obtaining Data

secondary data



Data that has already been collected for some purpose other than the current study.

- **Secondary data** ◀ have already been collected for some purpose other than the current study. They are less expensive to collect than primary data.

There are many ways secondary data can be obtained from both internal sources (within the company) and external sources.

How Secondary Data Are Obtained

Secondary data are most often collected in the following ways:

- The Internet
- U.S. and state government sources
- Specialized research companies
- Business publications and trade organizations

Step 3: Analyzing the Data

data analysis

The process of compiling, analyzing, and interpreting the results of primary and secondary data collection.

Data analysis ◀ is the process of compiling, analyzing, and interpreting the results of primary and secondary data collection.

Data mining is a computer process that uses statistical methods to extract new information from large amounts of data.

Step 4: Recommending Solutions to the Problem

Solution recommendations must be clear and well-supported by the research data. A typical research report includes the following:

- Title page and table of contents
- Acknowledgments of people who assisted
- List of tables, figures, charts, and graphs

Step 4: Recommending Solutions to the Problem

- Introduction
- Review of the research information
- Procedures used
- Findings and recommendations
- Summary and conclusions
- Appendixes and bibliography

Step 5: Applying the Results

Managers use the research report to make decisions about marketing strategies to address the researched problem or issue.

After the research is completed and changes are made, a business should carefully monitor the results to know if the actions are successful.

The Marketing Survey

Key Terms

validity

reliability

open-ended
questions

forced-choice
questions

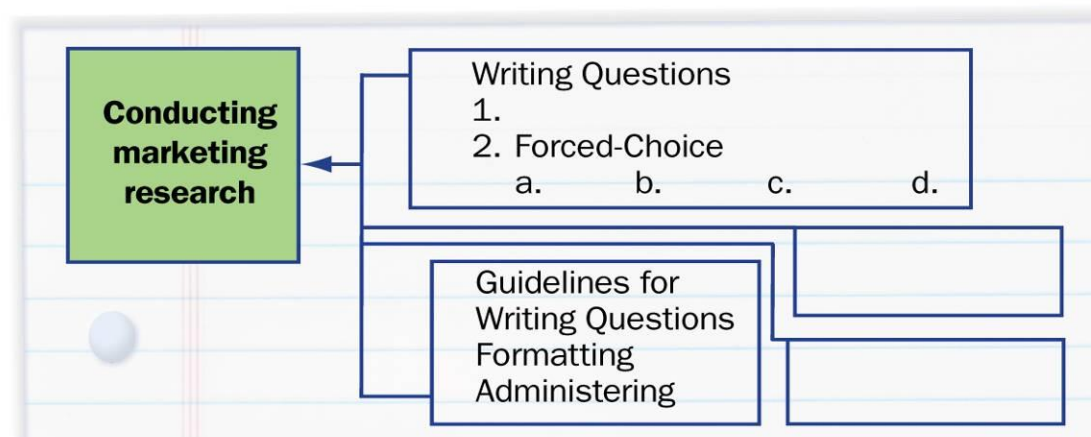
LEARNING GOALS:

- Design a marketing research survey
- Administer a marketing research survey

The Marketing Survey

Graphic Organizer

Complete an outline of this section by listing headlines, subheadings, and key concepts.



Constructing the Questionnaire

validity



When questions asked on a questionnaire measure what was intended to be asked.

reliability



When a research technique produces nearly identical results in repeated trials.

A questionnaire has **validity** ◀ when the questions asked measure what was intended to be measured.

Reliability ◀ exists when a research technique produces nearly identical results in repeated trials. It requires that the questions ask for the same type of information from all respondents.

Constructing the Questionnaire

To be valid and reliable, a questionnaire must be properly:

- Written
- Formatted
- Administered

Writing Questions

open-ended questions



Questions that require respondents to construct their own answers.

forced-choice questions



Questions that ask respondents to choose answers from possibilities given on a questionnaire.

Open-ended questions ◀ ask respondents to construct their own response to a question.

Forced-choice questions ◀ ask respondents to choose answers from a questionnaire.

Yes/No questions should be used only when asking for a response on one issue.

- Create a two question survey.

Writing Questions

Multiple-choice questions give the respondent several choices. When constructing these, it is important to make the options mutually exclusive and comprehensive.

Offering the choice of “other” increases reliability.

Writing Questions

Other forced-choice questions may ask respondents to rate a product or service.

Level of agreement questions make statements and ask respondents for their level of agreement. Commonly used options include *strongly agree*, *agree*, *neutral*, *disagree*, and *strongly disagree*.

Basic Guidelines for Writing Questions

- Each question should be clearly written and as brief as possible.
- Use consistent ranking scales.
- Avoid leading questions and introducing biases.
- Do not use questions that make your respondent guess.

Formatting

You should use dark ink on light paper and type that is easy to read. The questionnaire should be short enough that the respondent does not grow frustrated or tired while answering.

Be sure to put section headings or numbers on all individual survey sections.



We Appreciate Your Comments

YOUR ACCOMMODATIONS

10. How would you rate your accommodations?

	Excellent	Very Good	Average	Below Average	Poor
Decor/Furnishings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Room Lighting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Room Cleanliness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Daily Room Service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Telephone Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Soundproofing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Temperature Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of Towels	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comfort of Bed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comfort of Pillows	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jacuzzi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bathroom Amenities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bathroom Cleanliness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bathroom Lighting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bathroom Overall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Overall</u> Accommodations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Value for Price/Paid	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

11. What changes or additions to your room would you suggest?



We Appreciate Your Comments

PRIOR TO YOUR ARRIVAL

1. How important was each of the following in your choice of this Resort this visit?

	Extremely Important	Very Important	Somewhat Important	Not Very Important	Not At All Important
Prior Visit Experience	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Travel Agent	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Family/Friend Referral	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Brochure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Internet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Children's Programs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Location	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Golf	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Meeting/Conference	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Price/Package	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Crystal Mtn. Prop. Owner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Advertisement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Where? _____					
Other (Please specify) _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

What is the primary Radio Station you listen to? _____

RESERVATION

2. How would you rate the Reservation Staff on:

	Excellent	Very Good	Average	Below Average	Poor	No Contact
Friendly/Helpful	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Product Knowledge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Use of Your Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. Was your reservation in order upon arrival?

Yes (Skip to #4) No

3a. If "No", please indicate which information was not correct:

- Name Incorrect Address Incorrect
- Arrival Date Incorrect Departure Date Incorrect
- Room Type Incorrect Rate Incorrect
- No. in Party Incorrect No Record of Reservation
- Other (Please specify) _____

4. Overall, how would you rate the handling of your reservation?

- Excellent Very Good Average
- Below Average Poor Did Not Experience

YOUR RECEPTION UPON ARRIVAL

5. Were your accommodations ready at 5 p.m. or upon arrival (if later than 5 p.m.)?

Yes No

6. How would you rate your reception at the Front Desk upon arrival:

	Excellent	Very Good	Average	Below Average	Poor
Friendly/Helpful	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Check-in Speed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Info. About Resort	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Use of Your Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall Reception	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7. Do you have any suggestions for improving our Front Desk reception?

YOUR ACCOMMODATIONS

8. What type of accommodations?

- The Inn at the Mountain
- Hamlet Hotel Rooms
- Colony Hotel Rooms
- Pinehurst Studios or 1 Bedroom Condominiums
- WinterGreen Condominiums
- Pinehurst Green 3-4 Bedroom Townhomes
- MountainSide Townhomes
- Village/Club Homes
- MountainTop Condominiums

9. What was your room number? _____

10. How would you rate your accommodations?

	Excellent	Very Good	Average	Below Average	Poor
Decor/Furnishings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Room Lighting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Room Cleanliness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Daily Room Service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Telephone Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Soundproofing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Temperature Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of Towels	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comfort of Bed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comfort of Pillows	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jacuzzi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bathroom Amenities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bathroom Cleanliness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bathroom Lighting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bathroom Overall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall Accommodations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Value for Price/Paid	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

11. What changes or additions to your room would you suggest?

Formatting

Page numbers are essential to make sure your respondent does not get lost within the survey.

Formatting

General demographic questions about gender, age, ethnicity, and education are typically grouped together at the end of the survey. That is because respondents are more likely to answer personal questions after completing the other questions.

Administering the Questionnaire

A plan must be established for selecting participants in an unbiased way. Be sure to explain the survey's purpose either in person or on the questionnaire.

Many questionnaires offer incentives to encourage people to participate.

- **DAILY JEOPARDY**

FOCUS on KEY POINTS

Section 29.1

- The five steps that a business follows when conducting marketing research are defining the problem, obtaining data, analyzing the data, recommending solutions, and applying the results. The steps are performed sequentially to arrive at solutions to a problem or research an issue.

continued

FOCUS on KEY POINTS

Section 29.2

- Questionnaires should provide data that are valid and reliable. Marketing surveys may include open-ended and forced-choice questions. Forced-choice questions include yes/no, multiple-choice, rating scale, and level of agreement questions.

continued