

Part I: Introduction and Early Phases of Marketing Research

Chapter 1

INTRODUCTION TO MARKETING RESEARCH

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CHAPTER OBJECTIVES

- 1.1. Define marketing research and distinguish between problem identification and problem-solving research.
- 1.2. Describe a framework for conducting marketing research as well as the six steps of the marketing research process.
- 1.3. Understand the nature and scope of marketing research and its role in designing and implementing successful marketing programs.
- 1.4. Explain how the decision to conduct marketing research is made.
- 1.5. Discuss the marketing research industry and types and roles of research suppliers, including internal and external, full-service, and limited-service suppliers.
- 1.6. Describe careers available in marketing research and the backgrounds and skills needed to succeed in them.

- 1.7. Acquire an appreciation of the international dimension and the complexity involved in international marketing research.
- 1.8. Describe the use of social media as a domain to conduct marketing research.
- 1.9. Discuss the developing field of mobile marketing research and its advantages and disadvantages
- 1.10. Gain an understanding of the ethical aspects of marketing research and the responsibilities each of the marketing research stakeholders have to themselves, each other, and the research project.

AUTHOR'S NOTES: CHAPTER FOCUS

This introductory chapter provides an overview of the nature and scope of marketing research. A definition and classification of marketing research is provided. An overview of the marketing research process is presented. Marketing research suppliers, services and careers in marketing research are covered. International marketing research is introduced and ethical considerations are discussed. We also explain how the Internet and computers can be used to facilitate the marketing research process

While similar in many ways to the material in competing texts, this chapter is different in that it presents a classification of marketing research (Figure 1.1). The classification of marketing research suppliers and services is also unique (Figure 1.3).

This chapter could be taught by focusing on the chapter objectives, sequentially. Relatively greater emphasis could be placed on the types and roles of research suppliers (Chapter Objective 5), international marketing research (Chapter Objective 7), marketing research and social media (Chapter Objective 8), mobile marketing research (Chapter Objective 9) and ethical behavior (Chapter Objective 10). Graduate students should be encouraged to try software such as the programs described in the book, or any similar programs, in the computer lab during non-class hours.

CHAPTER OUTLINE

1. Objectives
2. Overview
3. Definition of Marketing Research
4. A Classification of Marketing Research
5. The Marketing Research Process
 - (i) Step 1: Problem Definition
 - (ii) Step 2: Development of an Approach to the Problem
 - (iii) Step 3: Research Design Formulation
 - (iv) Step 4: Fieldwork or Data Collection
 - (v) Step 5: Data Preparation and Analysis
 - (vi) Step 6: Report Preparation and Presentation
5. The Role of Marketing Research in Marketing Decision Making
6. Marketing Research and Competitive Intelligence
7. The Decision to Conduct Marketing Research
8. The Marketing Research Industry
9. Selecting a Research Supplier
10. Careers in Marketing Research
11. The Role of Marketing Research in MIS and DSS
12. The Department Store Patronage Project
13. International Marketing Research
14. Marketing Research and Social Media
15. Mobile Marketing Research
16. Ethics in Marketing Research
17. Summary
18. Key Terms and Concepts
19. Suggested Cases, Video Cases, and HBS Cases
20. Live Research: Conducting a Marketing Research Project
21. Acronyms
22. Exercises

- 23. Internet and Computer Exercises
- 24. Activities

TEACHING SUGGESTIONS

Chapter Objective 1

- Give a definition of marketing research and illustrate it with an example.

Define marketing research as the systematic and objective identification, collection, analysis, and dissemination of information for the purpose of assisting management in decision making related to the identification and solution of problems (and opportunities) in marketing. We also list the AMA's definition of marketing research, which is worded slightly differently from the definition offered in the text.

1. **Identification:** involves defining the marketing research problem (or opportunity) and determining the information that is needed to address it.
2. **Collection:** data must be obtained from relevant sources.
3. **Analysis:** data are analyzed, interpreted, and inferences are drawn.
4. **Dissemination of information:** the findings, implications, and recommendations are provided in a format that makes this information actionable and directly useful as an input into decision making.

Any of the examples in the overview may be expanded on and used to illustrate the components of the definition.

- Explain and illustrate the classifications of marketing research.
 1. **Problem identification research.** The goal is to identify existing or potential problems not apparent on the surface. Examples include market potential, market share, market characteristics, sales analysis, short-range forecasting, long-range forecasting, and business trends research.

2. ***Problem solution research.*** The goal is to solve specific marketing problems such as segmentation, product, pricing promotion, and distribution research.

Figure 1.1 displays this classification scheme.

- See Questions 3 and 4.

Chapter Objective 2

- Describe the rationale for the steps involved in the marketing research process.

Emphasize the importance of these steps since the entire research project will be conducted within this framework. Each step will be discussed more fully throughout the course and this is simply an introduction to the general research process.

1. ***Problem definition:*** defining the marketing research problem to be addressed is the most important step because all other steps will be based on this definition.
2. ***Developing an approach to the problem:*** development of a broad specification of how the problem will be addressed allows the researcher to break the problem into salient issues and manageable pieces.
3. ***Research design formulation:*** a framework for conducting the marketing research project that specifies the procedures necessary for obtaining the required information. It details the statistical methodology needed to solve the problem and thus the data requirements needed from data collection.
4. ***Fieldwork or data collection:*** a field force (personal interviewing, phone, mail, or electronic surveys) gathers project data. While seemingly trivial in nature, to obtain meaningful results field workers must be accurate and thorough in data collection.
5. ***Data preparation and analysis:*** the editing, coding, transcription, and verification of data allow researchers to derive meaning from the data.

6. ***Report preparation and presentation:*** the findings are communicated to the client. The report should address the specific research questions identified in the problem definition, describe the approach, the research design, data collection and the data analysis procedures adopted, and present the results and the major findings.

- See Question 14.

Chapter Objective 3

- Describe the nature of marketing research and illustrate its components with examples.

Emphasize that marketing research provides the information for decision makers at each step of the marketing decision process. It is the goal of marketing research to provide relevant, accurate, reliable, valid, and current information to management in order to facilitate managerial decisions. Each of these characteristics can be defined for students as:

- Information that is relevant and addresses the problem or issue being investigated.
- Information that is accurate, correct, and precise.
- Information that is reliable and originates from competent, trustworthy sources.
- Information that is valid and applicable to the problem at hand.
- Information that is current, timely and up-to-date for both the industry and issue under consideration.

- See Questions 1 and 2.

Chapter Objective 4

- Discuss the decision to conduct marketing research.

The decision should be guided by a number of considerations including the costs versus the benefits, the resources available to conduct the research, the resources available to implement the research findings, and management's attitude toward research. Marketing

research should be undertaken when the expected value of information it generates exceeds the costs of conducting the marketing research project. In general, the more important the decision confronting management and the greater the uncertainty or risk facing them, the greater the value of information obtained.

Chapter Objective 5

- Describe the two types of marketing research suppliers.

Categorize the two types of suppliers by their relationship to the client, internal or external.

Internal supplier—a marketing research department located within the firm where all the marketing research staff members are employees of the firm. Most major corporations have their own marketing research departments.

External supplier—research suppliers that are not a part of the firm. The external supplier may offer the entire range of marketing services including problem definition, developing an approach, questionnaire design, sampling, data collection, data analysis, interpretation, and report preparation and presentation.

Figure 1.3 shows this classification. A list of the top 50 external suppliers is given in Table 1.2. Not only does this indicate the top companies in the field, but also the size of the market, \$8.88 billion in 2001.

- List the services offered by a full-service marketing research supplier.
 1. ***Syndicated services***—offered by research organizations that provide information from a common database to different firms that subscribe to their services.
 2. ***Standardized services***—research studies conducted for different client firms but always in the same way.
 3. ***Customized services***—offer a wide variety of marketing research services customized or tailor-made to suit the specific needs of a particular client.
 4. ***Internet services***—offered by firms that specialize in conducting marketing research on the Internet.

Distinguish the full-service suppliers from limited-service suppliers by listing the services offered by limited-service suppliers.

1. **Field services.** The supplier will administer questionnaires, edit them, develop a coding scheme, and transcribe the data onto diskettes or magnetic tapes for input into the computer.
2. **Focus Groups and Qualitative Services.** These suppliers provide facilities, recruitment, and other services related to focus groups and other forms of qualitative research such as depth interviews and projective techniques.
3. **Technical and Analytical services.** These services include questionnaire design and pretesting, determining the best means of collecting data, sampling plans, and other aspects of the research design. These services also offer sophisticated data analysis using multivariate techniques.
4. **Other services.** These include branded products and services and services developed to address specific types of marketing research problems.

Figure 1.3 graphically depicts these services and can be used to help structure the discussion.

- Explain the criteria that should be considered when selecting an external supplier to help in conducting a marketing research project. Allow the class to discuss how a manager would assess each of these criteria.
 1. The firm selected should be capable of working on the project which includes the employees of the supplier, facilities for fieldwork, and the data analysis.
 2. The firm should possess a high degree of technical competence.
 3. There should not be any personality clashes between the client and the supplier.
 4. Good communication between the client and the supplier is essential to the success of a project.
 5. The supplier should provide supervision and control of the fieldwork and other phases of the project and offer acceptable validation procedures.
 6. The supplier should be flexible to meet the unique needs of the client and the project.

7. The supplier should be able to complete the work on time.
8. The supplier should have experience in order to use sound judgment when conducting certain marketing research tasks.
9. The supplier should understand the role of research in developing marketing strategies and making marketing decisions.
10. The supplier should maintain high ethical standards.
11. The approach adopted would be influenced by the research ideology of the supplier.
12. The supplier should have a good reputation.
13. How much the supplier is charging for conducting the project should be a factor.
14. A location close to the client is desirable but not necessary.

- See Questions 7, 8, 9, 10, and 11.

Chapter Objective 6

- List the skills required for a successful career in marketing research.

Begin by writing the skills on the board then explaining the benefit of each skill in marketing research.

1. Good understanding of marketing principles.
2. Strong background in statistics and quantitative methods.
3. Ability to use mainframe, microcomputers, and the Internet.
4. Solid understanding of the behavioral sciences.
5. Effective verbal and written communication skills.
6. Creativity and common sense.

- See Question 12.

Chapter Objective 7

- Introduce the importance and difficulties of international marketing research.

Advise students that about 40% of all marketing research is conducted in Western Europe and an additional 9% is conducted in Japan. Only 39% of worldwide marketing research expenditures are spent in the United States.

International marketing research is expected to grow at a faster rate than domestic research. A major contributing factor is that many markets are approaching saturation in the United States. Hence, international markets provide the largest potential for growth.

Some of the primary difficulties in conducting international marketing research include cultural differences, a population that is not as used to responding to surveys as Americans, translating surveys into various languages, and marketing research personnel that may not be well trained.

Chapter Objective 8

- Introduce social media and marketing research.

Examples of social media include social-networking sites (e.g., Facebook), video sharing (e.g., YouTube), photo sharing (e.g., Flickr), music sharing (e.g., Last FM), bookmarking (e.g., Delicious), voice networking (e.g., Skype), wikis (e.g., Wikipedia), product and service reviews (e.g., TripAdvisor), virtual worlds (e.g., Second Life), multiplayer games (e.g., Farmville), web-based communities (e.g., Homeschool.com), blogs (e.g., Direct2Dell), and microblogs (e.g., Twitter).

All social media share certain common characteristics that make them very relevant as a domain for conducting marketing research. Social media are marked by user-generated content that is blurring the distinction between professional and amateur content

Social media are not without limitations. While the standard for objectivity is high for journalists, expectations about objectivity among bloggers and other social media users are lower. Social media users may not be representative of the target population in many marketing research applications.

Chapter Objective 9

- Introduce the advantages and limitations of mobile marketing research.

There are many advantages to conducting marketing research (MMR) by reaching consumers via their mobile device. MMR has the potential to reach a broader audience, get results faster, lower costs, and elicit higher quality responses. Respondents can answer at their convenience. They are more engaged since surveys are shorter and the interface is easier to use. Global Positioning System (GPS) and other location technologies can deliver surveys to the target audience based on their current or past locations.

MMR also has several disadvantages. Surveys must be kept short, succinct and simple. Many surveys are mobile-unfriendly and not suitable for distribution or viewing on mobile devices. There can be issues with the survey design itself, and the ability to keep the respondent engaged on the mobile screen. Sample representativeness may be another serious issue. MMR is also faced with other difficulties. On one hand, there are high costs for incentives and an intensive recruitment of respondents. On the other hand, the respondents have to pay the costs for the internet usage via mobile phone or device.

Chapter Objective 10

- List the ethical considerations relevant to the four stakeholders in marketing research.

There is the potential to abuse or misuse marketing research by taking advantage of the respondents and the general public, for example, by misrepresenting the research findings in advertising. The profit motive may occasionally cause researchers or clients to compromise the objectivity or professionalism associated with the marketing research process.

Marketing research has often been described as having four stakeholders. These stakeholders are (1) the marketing researcher, (2) the client, (3) the respondent, and (4) the public. Ethical issues can be understood in terms of the responsibilities these stakeholders have to each other and to the research project. When conflict occurs, it becomes the responsibility of the stakeholders involved to behave honorably. Sometimes accepted codes of conduct help guide this behavior. Often decisions rely solely on the character of the stakeholder.

- See Question 13.

The Internet and Marketing Research

- Introduce the Internet as a marketing research tool.

Explain that the Internet is very efficient for identifying marketing research firms that supply specific services. Have the students use a search engine, such as Yahoo, to identify several research firms. For an example, www.greenbook.org lists thousands of marketing research companies and specific firms can be conveniently located using their search procedures. They should also visit Burke Marketing Research at www.burke.com, as well as several of the marketing research associations whose URLs are given in the book.

Demonstrate how the Internet can be used to help find a job in marketing research. Research Info at www.researchinfo.com offers a research employment board where job postings and jobs wanted ads are placed.

Explain that throughout this book we will see how the six steps of the marketing research process are facilitated by Internet research.

- See Internet and Computer Exercises.

ACTIVE RESEARCH

It should be noted that a variety of answers are appropriate. The ones given here are merely illustrative. DM denotes decision maker and MR denotes marketing researcher.

DM: NFL

Marketing Strategies for NFL to target female fans:

- NFL Stars speaking out for women's causes and issues.
- NFL charity events and fundraisers for issues and organizations concerning women.
- Advertisements for major NFL games in women's magazines and TV programs mostly watched by women.
- Advertisements featuring women fans during football games.
- Showing high-profile women in the audience during TV telecasts real games.

MR: NFL

Women's attitude towards NFL:

- Fan base is predominantly male.
- Around 54 Million women watch NFL each year as per NFL.COM
- Average mail fan exhibits more passion for the game as per the featured article in <http://www.femmefan.com/site/featuredarticles/femalemale.htm>
- Female fans themselves admit that they are a minority among the larger fan base and identify themselves as different from other women.

The marketing research I will recommend should be directed towards answering the following questions:

- What is the demographic distribution of the existing female fan base?
- What got them interested in the sport?

- What segment among women generally watches other sports?
- What are the ideal avenues to advertise NFL to women (like TV programs watched by the target market segment)?

MR: Yahoo!

Students should identify some local market research firms that conduct Internet-based surveys. For the Atlanta area, the following firms may be considered:

- Fieldwork Atlanta, Inc., Atlanta, GA (770) 988-0330
- Jackson Associates, Inc., Atlanta, GA (770) 394-8700
- John Stolzberg Market Research, Atlanta, GA (404) 329-0954
- Joyner Hutcheson Research, Inc., Atlanta, GA (404) 321-0953
- Pioneer Marketing Research, Inc, Atlanta, GA (770) 455-0114
- Polaris Marketing Research Inc., Atlanta, GA (888) 816-8700
- Consulting, Atlanta, GA (770) 451-5100

For Yahoo!, the marketing research firms specializing on customers shopping on net include:

- Peryam and Kroll Research Corporation, Chicago, IL (773) 774-3100
- Bernett Research Services, Inc., Boston, MA (617) 746-2600
- Greenfield Consulting Group, Westport, CT (203) 221-0411
- Greenleaf Associates, Inc., Weston, MA (781) 899-0003
- Consumer Surveys Company, Arlington Heights, IL (847) 394-9411

I will select Peryam and Kroll Research Corporation because of their wide experience in handling large-scale projects involving online consumers. Their existing databases from prior work done by the company will also be an invaluable asset.

DM: Yahoo!

The following are some of the ways the Yahoo! Site can be redesigned:

- Make consumer search more convenient and user friendly.
- Make the site more fun and entertaining.

- Position the right advertisements for the right audience.
- Reduce inconvenience to the customers from ads.
- Personalize ads depending on tastes or probability of buying a product based on age group, ethnicity, education etc.

DM: Sony

Information from DSS that would be useful includes:

- Who are the traditional photographers?
- What are the attributes that they value in a camera?
- What is the price they would be willing to pay for a new camera?
- What are their attitudes toward digital cameras and digital technology?
- Where do they look for new trends in photography?

MR: Sony

Market for digital cameras:

Several sources of information are available on the Web and should be identified.

According to InfoTrends Research Group, Boston, six digital camera makers command approximately 69% of the market. The six companies—Sony Electronics, Olympus, Fuji, Canon USA, Kodak and Hewlett-Packard—are expected to generate more than \$6 billion in revenues from their digital cameras in 2004. They are expected to spend a combined \$45 million on advertising on those products in 2004. Sony Electronics, New York, is the market leader with 15% of the market or \$1.29 billion in annual sales. Digital cameras are an important portion of Sony’s electronics business, accounting for 2.3% of the company’s \$56.9 billion annual revenues.

We can depend on secondary research and reports for generic information such as market analysis. Focus groups, surveys etc can reveal specific information about interests, tastes, preferences etc.

EXPERIENTIAL LEARNING

Ethical Guidelines

1. ESOMAR has the most stringent guidelines.
2. ESOMAR has the most complete guidelines. You can download the following ESOMAR's Codes and Guidelines on conducting international market research:
 - ICC/ESOMAR International Code of Marketing and Social Research Practice
 - ESOMAR/WAPOR Guide to Opinion Polls
 - ESOMAR Guidelines on Maintaining the Distinctions between Market Research and Direct Marketing
 - ESOMAR Guidelines on Customer Satisfaction Studies
 - ESOMAR Guidelines on How to Commission Research
 - ESOMAR Guidelines on Interviewing Children and Young People
 - ESOMAR Guidelines on Mystery Shopping
 - ESOMAR Guidelines on Tape and Video-recording and Client Observation of Interviews and Group Discussions
 - ESOMAR Guidelines on Pharmaceutical Market Research.
 - ESOMAR Guidelines on Conducting Marketing and Opinion Research Using the Internet
 - ESOMAR Arbitration Service
 - ESOMAR Disciplinary Procedures (PDF file)
3. Missing from the guidelines of all three organizations are procedures for enforcing these guidelines.

PROJECT ACTIVITIES

Varieties of answers are appropriate. The students should base their answers on the concepts discussed in this chapter and justify their recommendations.

EXERCISES

Questions

1. An increased emphasis is being placed on the importance of sound managerial decision making. It is the task of marketing research to provide relevant, accurate, reliable, valid, and current information in order to make sound decisions.
2. Marketing managers make strategic and tactical decisions in the process of identifying and satisfying customer needs. They make decisions about potential opportunities, target market selection, market segmentation, planning and implementing marketing programs, marketing performance, and control. Marketing research helps the marketing manager link the marketing variables with the environment and the customer groups. It helps remove some of the uncertainty by providing relevant information about the marketing variables, environment, and consumers. (See Figure 1.2)
3. Marketing research is the systematic and objective identification, collection, analysis, and dissemination of information for the purpose of assisting management in decision making related to the identification and solution of problems (and opportunities) in marketing.
4. Marketing research can be classified as either problem identification research or problem solution research. Problem identification research is undertaken to help identify problems that are not apparent on the surface and yet exist or are likely to arise in the future. Examples of problem identification research include market potential, market share, market characteristics, sales analysis, short-range forecasting, long-range forecasting, and business trends research.

Problem solution research solves specific marketing problems such as segmentation, product, pricing promotion, and distribution research (see Figure 1.1).

5. The steps involved in the marketing research process are:
 - (a) **Problem definition:** define the marketing research problem to be addressed in terms of: discussion with the decision maker(s), interviews with industry experts, analysis of secondary data, and perhaps some qualitative research.

- (b) ***Developing an approach to the problem:*** development of a broad specification of how the problem would be addressed, which involves the formulation of an objective or theoretical approach, analytical models, research questions, hypotheses, and an identification of characteristics or factors which influence the research design.
 - (c) ***Research design formulation:*** this is a framework for conducting the marketing research project that specifies the details of the procedures necessary for obtaining the required information.
 - (d) ***Fieldwork or data collection:*** data collection involves the use of some kind of field force where the field force could operate either in the field, as in the case of personal interviewing, or from an office, as in the case of phone or mail surveys.
 - (e) ***Data preparation and analysis:*** data preparation involves the editing, coding, transcription, and verification of data, and the purpose of data analysis is to derive meaning from the data that have been collected.
 - (f) ***Report preparation and presentation:*** the report should address the specific research questions identified in the problem definition, describe the approach, the research design, data collection, and the data analysis procedures adopted, and present the results and the major findings.
6. The decision should be guided by a number of considerations including the costs versus the benefits, the resources available to conduct the research, the resources available to implement the research findings, and management's attitude toward research. Marketing research should be undertaken when the expected value of information it generates exceeds the costs of conducting the marketing research project.
7. Marketing research suppliers can be classified into internal suppliers and external suppliers. An internal supplier is a marketing research department located within the firm where the research staff members are employees of the firm. External suppliers can be further classified into full-service and limited-service suppliers. Full-service suppliers can be classified as syndicated services, standardized services, customized services, and Internet services. Limited-service suppliers can be classified as field services, coding and data entry, data analysis, analytical services, and branded products (see Figure 1.3).

8. Syndicated services are offered by research organizations that provide information from a common database to different firms that subscribe to their services. Surveys, diary panels, scanners, and audits are the main means by which such Data are collected.
9. The difference between limited-service and full-service suppliers is that limited-service suppliers specialize in one or a few phases of the marketing research process and offer services only in the area of their specialization, whereas full-service suppliers offer the entire range of marketing research services.
10. Technical and analytical services are offered by firms that specialize in design issues and computer analysis of quantitative data, such as those obtained in large surveys. Firms such as SDR of Atlanta (www.sdr-consulting.com) offer sophisticated data analysis using advanced statistical techniques. Sawtooth Technologies (www.sawtooth.com) provides software for research data collection and analysis.
11. The guidelines for selecting an external marketing research supplier are:
 - (a) The firm selected should be capable of working on the project. This means that the firm should have the appropriate resources, such as well-trained employees, facilities for fieldwork, and good data analysis capabilities.
 - (b) The firm should possess a high degree of technical competence.
 - (c) The client and the supplier should cooperate with one another and maintain a professional relationship.
 - (d) Good communication between the client and the supplier is essential to the success of a project.
 - (e) The supplier should provide supervision and control of the fieldwork and other phases of the project and offer acceptable validation procedures.
12. Career opportunities that are available in marketing research include Vice President of Research, Research Director, Assistant Director of Research, Project Director, Fieldwork Director, Statistician/Data Processing Specialist, Senior Analyst, Analyst, and Junior Analyst.
13. Social media do have some limitations. While the standard for objectivity is high for journalists, expectations about objectivity among bloggers and other social media users are lower. Social media users may not be representative of the target population in many marketing research applications. Social media as a source of samples suffers from at least

two biases: first from self-selection in that the respondents can self-select themselves into the sample and second from advocacy. Yet, as long as these limitations are understood, insights from social media analysis can uncover useful information that can inform marketing decisions. In this book, we advocate the use of social media as an additional domain in which to conduct marketing research to supplement and complement, but not to replace, the traditional ways in which research is conducted.

14. With mobile claiming eight of every 10 minutes people spend on social media, MMR holds great promise. The mobile user base is huge and is only expected to continue growing.

There are many advantages to conducting marketing research by reaching consumers via their mobile device. MMR has the potential to reach a broader audience, get results faster, lower costs, and elicit higher quality responses. Respondents can answer at their convenience. Global Positioning System (GPS) and other location technologies can deliver surveys to the target audience based on their current or past locations.

MMR also has several disadvantages. Surveys must be kept short, succinct and simple. Many surveys are mobile-unfriendly and not suitable for distribution or viewing on mobile devices. The questions that can be asked are definitely more limited than those suitable on web site accessed by PC or other modes of survey administration. Another serious limitation is the use of video in mobile research due to bad streaming and rendering. Sample representativeness may be another serious issue. MMR is unlikely to replace traditional marketing research methods but in many projects could be used to complement and enhance the findings obtained by the traditional techniques.

15. Some of the ethical issues in marketing research that pertain to the client include protecting the public from misrepresentation. Full and accurate information should be provided to the supplier regarding the true purpose of the research, nature of the problem being addressed, time, cost, and resource constraints. Also, clients should not knowingly disseminate conclusions from a project that are inconsistent with or not warranted by the data. Additionally, they should not solicit specialized research designs or techniques from one supplier and deliver them to another for execution without the approval of the design or technique originator.

Some of the ethical issues in marketing research which pertain to the supplier include adherence to the basic and commonly accepted standards of scientific investigation: research should be conducted in an objective manner free of personal biases and motivations, the accuracy and validity of the procedures or findings should not be misrepresented, details about the procedures and techniques used should be made available to the client upon request, and the confidentiality of the client and the subjects should be maintained.

Some of the ethical issues in marketing research that pertain to the respondent include assurance of anonymity, respondents' privacy, and the respondents' right to be informed about the various aspects of the research.

Problems

1. Problem identification research may include:

- market potential
- market share
- market characteristics
- sales analysis
- short-range forecasting
- long-range forecasting
- business trends analysis

Problem solution research may include:

- segmentation research
- product research
- pricing research
- promotion research
- distribution research

2. For each organization, many types of marketing research are appropriate. Some of the more likely candidates are given here.
 - (a) CAMPUS BOOKSTORE—product research; sales analysis; short-range forecasting; business trends analysis; pricing research; promotion research
 - (b) PUBLICATION TRANSPORTATION—market potential; market characteristics; long-range forecasting; pricing research; promotion research; distribution research
 - (c) DEPARTMENT STORE—market potential; market share; sales analysis; short-range forecasting; long-range forecasting; business trends analysis
 - (d) RESTAURANT—market characteristics; short-range forecasting; product research; pricing research; promotion research
 - (e) ZOO—sales analysis; segmentation research; long-range forecasting; pricing research; product research; promotion research; distribution research

Internet and Computer Exercises

1. For Exercise 1, the URLs of the marketing research firms can be obtained from the Internet.
2. The relevant URL is already given in Exercise 2. The report should focus on the retailing and marketing activities of Wal-Mart.
3. For Exercise 3, the market potential for the marketing researchers should be strong. The employment for the marketing researchers is expected to grow over the next decade. According to a recent salary survey by National Association of Colleges and Employers, persons with bachelor's degrees in marketing received an average salary of \$49,900.00. Masters degree holders earned a median salary of \$89,000. The highest salary drawn was that by PhDs with a median of \$105,000.
4. For Exercise 4, examples are readily available in the listed publications.

ACTIVITIES: QUESTIONS and ANSWERS

Role Playing

Q1. You are the research director for a major bank. You are to recruit a junior analyst who would be responsible for collecting and analyzing secondary data (data already collected by other agencies that are relevant to your operations). With a fellow student playing the role of an applicant for this position, conduct the interview. Does this applicant have the necessary background and skills? Reverse the roles and repeat the exercise.

A1. As the research director, you would be concerned with the applicant's qualifications for the position. Hence, you would want to ask about his/her education and experience in the following areas: marketing, statistics, quantitative methods, computer programming, behavioral sciences, and oral and written communication.

In addition, you would also like to gauge his/her creativity and common sense.

Q2. You are a project director working for a major research supplier. You have just received a telephone call from an irate respondent who believes that an interviewer has violated her privacy by calling at an inconvenient time. The respondent expresses several ethical concerns. Ask a fellow student to play the role of this respondent. Address the respondent's concerns and pacify her.

A2. Tactics for the project director:

- (a) Apologize for the inconvenience.
- (b) Explain the value of marketing research to consumers.
- (c) Describe the ethical procedures you employ and the nature of the study.

Fieldwork

Q1. Using your local newspaper and national newspapers such as *USA Today*, the *Wall Street Journal*, or the *New York Times*, compile a list of career opportunities in marketing research.

A1. This exercise is intended to show the students that a variety of marketing research jobs exist for qualified people.

- Q2. Interview someone who works for a marketing research supplier. What is this person's opinion about career opportunities in marketing research? Write a report of your interview.
- A2. The objective is for the students to gain a first hand report of a marketing research career as an external supplier. They can learn how research is actually conducted in practice, the challenges and rewards of the profession and the future outlook for new entrants into the industry.
- Q3. Interview someone who works in the marketing research department of a major corporation. What is this person's opinion about career opportunities available in marketing research? Write a report of your interview.
- A3. The objective is for the students to gain a first hand report of a marketing research career within a corporation. They can learn how research is actually conducted in practice, the importance the company gives to marketing research, the challenges, rewards, and outlook for new entrants into the industry.

Group Discussion

As a small group of four or five, discuss the following issues.

- Q1. What type of institutional structure is best for a marketing research department in a large business firm?
- A1. The ideal structure will vary by industry, but factors to consider are:
- ***Product life cycle***—if it is fast, research may be curtailed.
 - ***Competitiveness of the industry***—the more competition, the more costly a marketing mistake.
 - ***Structured versus unstructured organizational hierarchy***—structured hierarchies provide quality checks, but are more bureaucratic.
 - ***Affiliation with the information systems department***—the data analysis and coding requirements of research require access to computers.
 - ***Number of markets the company participates in***—the more spread out a company is (in geography and products), the more difficult it is to adequately manage all markets.

Q2. What is the ideal educational background for someone seeking a career in marketing research? Is it possible to acquire such a background?

A2. The ideal educational background consists of:

- (a) Good understanding of marketing principles.
- (b) Strong background in statistics and quantitative methods.
- (c) Ability to use mainframe and microcomputers.
- (d) Solid understanding of the behavioral sciences.
- (e) Effective verbal and written communication skills.
- (f) Creativity and common sense.

Q3. Can ethical standards be enforced in marketing research? If so, how?

A3. Enforcing ethical standards will be difficult at best. Many sources of unethical behavior can be easily covered up or are hard to detect. Some enforcement is possible, such as validating data collection at the field and the home office, monitoring and training field workers, checking data analysis for accuracy, and editing reports for accuracy.

Note: Answers to the Running Case on HP are provided in the case solutions