MKT 631
Introduction to Marketing Research

Definition of Marketing Research (Figure 1.2)

Marketing research is the systematic and objective
• identification, (1)
• collection, (2-4)
• analysis, (5)
• dissemination, (6) and
• use of information
for the purpose of improving decision making related to the
• identification and
• solution of problems and opportunities in marketing.

Group Project

Step 1: Defining the Problem (Decision problem: what should I do? Research problem: what info is needed?) [Chapter 2]

Step 2: Developing an Approach to the Problem
(Analytical framework, research qtns, hypotheses) [Chapter 2]

Step 3: Formulating a Research Design (procedure needed to obtain required info; conducting prelim research and defining variables and designing appropriate scales)

Step 4: Doing Field Work or Collecting Data

Step 5: Preparing and Analyzing Data

Step 6: Preparing and Presenting the Report
Uncontrollable Environmental Factors
- Economy
- Technology
- Competition
- Laws and Regulation
- Social and Cultural Factors
- Political Factors

Marketing Research
- Assessing Information Needs
- Marketing Decision Making
- Providing Information

Marketing Managers
- Market Segmentation
- Marketing Programs
- Target Market Selection
- Performance and Control

Marketing Research
- Customer Groups
  - Consumers
  - Employees
  - Channel Members
  - Suppliers

Controllable Marketing Variables
- Product
- Pricing
- Promotion
- Distribution

Customer Groups
- Consumers
- Employees
- Channel Members
- Suppliers

Controllable Marketing Variables
- Product
- Pricing
- Promotion
- Distribution

Assessing Information Needs
- Provide relevant, accurate, reliable, valid and current info to aid mgt decision

Marketing Managers
- Market Segmentation
- Marketing Programs
- Target Market Selection
- Performance and Control

Marketing Decision Making
- Marketing Research Industry: Supplier and Services
- Research Suppliers
- Internal
- Full Service
- External
- Limited Service
- Field Services
- Other Services
- Internet Services
- Customized Services
- Syndicated Services

Marketing Information Systems
- Structured problems
- Use of reports
- Information displaying restricted
- Can improve decision making by clarifying new data

Decision Support Systems (DSS)
- Unstructured problems
- Use of models
- Adaptability
- Can improve decision making by using “what if” analysis

Product Research
- Concept testing
- Product testing
- Brand name evaluation
- Package testing
- Product positioning research

Stakeholders in Marketing Research: An Ethical Perspective
- Client
- Marketing Researcher
- Respondents
- Public
Pricing Research

- Indicates whether coupons or discounts are effective
- Price differences
- Does higher price mean higher quality?

Distribution Research

- Supermarket space management
- Interactive media and home delivery
- Warehouse locations
- Retail sites

Promotion Research

- Premiums (prizes, give-aways)
- Coupons
- Sampling deals
- Sales promotions
- Advertising research
- Media Research: television, newspapers, magazines, radio, etc.

Classification of Marketing Research

**Example**

A: marketing manager of Proctor & Gamble (P&G)
B: marketing researcher at NSU Consulting

A: The sales of our “AAA” shampoo[Shampoo & conditioner in one] has been declining in recent 3 years. What is the problem? I think the quality of our “AAA” is very high. Then why is our sales still declining?

Is it due to the competitors? Do we lose our market share, then?

**Example (cont’d)**

Market share of “shampoo & conditioner in one” market

<table>
<thead>
<tr>
<th></th>
<th>P&amp;G</th>
<th>Firm A</th>
<th>B</th>
<th>C</th>
<th>Total Sales(mil.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>25%</td>
<td>20%</td>
<td>15%</td>
<td>10%</td>
<td>70% $400</td>
</tr>
<tr>
<td>1999</td>
<td>27%</td>
<td>20%</td>
<td>15%</td>
<td>8%</td>
<td>70% $300</td>
</tr>
<tr>
<td>2000</td>
<td>28%</td>
<td>20%</td>
<td>15%</td>
<td>7%</td>
<td>70% $150</td>
</tr>
<tr>
<td>2001</td>
<td>32%</td>
<td>20%</td>
<td>13%</td>
<td>6%</td>
<td>72% $100</td>
</tr>
</tbody>
</table>

**Example (cont’d)**

Market share of “shampoo-ONLY” market

<table>
<thead>
<tr>
<th></th>
<th>P&amp;G</th>
<th>Firm A</th>
<th>B</th>
<th>C</th>
<th>Total Sales(mil.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>30%</td>
<td>16%</td>
<td>14%</td>
<td>10%</td>
<td>70% $200</td>
</tr>
<tr>
<td>1999</td>
<td>20%</td>
<td>15%</td>
<td>15%</td>
<td>20%</td>
<td>70% $250</td>
</tr>
<tr>
<td>2000</td>
<td>10%</td>
<td>17%</td>
<td>18%</td>
<td>25%</td>
<td>70% $400</td>
</tr>
<tr>
<td>2001</td>
<td>5%</td>
<td>17%</td>
<td>13%</td>
<td>30%</td>
<td>70% $500</td>
</tr>
</tbody>
</table>
Example (cont'd)

Problem identification research

Problem solving research

• Sales research
• Market share research
• Market potential research

Example (cont'd)

B: We found that you did not seriously consider the re-growth of the “shampoo-only” market. You are also losing your market share in the shampoo-only market. You may want to change your strategic focus from “shampoo & conditioner in one” to “shampoo-only” market. You may consider changing the price of your “shampoo-only” brand and advertising format for that brand in order to attract consumers to your brand.

A: How much do I need to change the price and what would be an appropriate advertising format?

B: OK, let’s see.

Example (cont’d)

B: Following our analysis of consumers’ price sensitivity and the influence of advertising on their brand choice, we found that you need to decrease your price of your rand “shampoo-only” product) to $3.99 and create a more image-oriented advertising format.

Problem identification research

Problem solving research

Pricing research
Advertising research

Final Thoughts

• M.R. is NOT about Information, Knowledge per se
  – it is not about research
• M. R. is about Decisions
  – it is about Searching for Correct Decisions