Using Marketing Research for Effectively Reaching and Managing Customers – Adidas’s FIFA World Cup Marketing Research Project in France

As a major sponsor of the 2006 FIFA World Cup, Adidas was embarking on an aggressive marketing research project a year before the kick off. The objective of this project was to measure the effectiveness of an integrated marketing campaign for Adidas in the French market. Through a better understanding of the contributions of different elements of the campaign, a better...
customer relationship management strategy could be devised. The integrated marketing campaign was aimed at matching the events around the French football team.

The project was a complicated one as it needed to measure twenty different channels of media contact. In order to incorporate all these different media channels in one questionnaire, the number of measurement metrics had to be small and manageable.

To measure the effectiveness of each media channel, the following simple set of metrics was used:

- Prompted brand recall in the past seven days;
- Promoted recall of the different points of media contact on which consumers were exposed to the brand in the past seven days;
- Appreciation of the campaign using a 6-point hedonic scale.

On the other hand, to measure the impact of the different media channels on the brand, the following metrics were used:

- Top of mind and spontaneous awareness of the brand;
- Preferred brand in football;
- Key image items;
- Claimed purchase of different types of Adidas products;
- Intention to recommend the brand;
- Intention to purchase products of the brand.

Respondents to the questionnaire were identified as young males aged 15 to 25 years. Completed questionnaires were collected from 120 to 150 targeted respondents every week within the 11-month period of the project. To communicate the ongoing results within Adidas’s management and to help the company to be even more customer-centric than before, a management dashboard was created (see the Figure 1.1).
Definition and Usefulness of Marketing Research

The chapter opening example above illustrates how marketing research can operate to help businesses in various sectors. The example highlights the desirable linkage between marketing research and marketing. A sound marketing research project should be customer-centric throughout the whole research process, and should feed the results it generates from the process to the marketing programme, in order to increase customer satisfaction, customer trust and customer loyalty, which are important factors in the customer decision on which company and brand to choose.

The European Society for Opinion and Marketing Research (ESOMAR) formally defines marketing research as follows:

Marketing research is a key element within the total field of marketing information. It links the consumer, customer and public to the marketer through information which is used to identify and define marketing opportunities and problems; generate, refine and evaluate marketing actions; improve understanding of marketing as a process and of the ways in which specific marketing activities can be made more effective. 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.

A number of insightful findings came with the final stage analysis of the questionnaire data. These findings demonstrate some innovative ideas for developing and implementing a more effective integrated marketing communication campaign, which in turn inform the desirable directions of the management of customer relationship in the future. For example, three major findings that can help managers for marketing communication and customer relationship management purposes are:

- Do your best to better know the best customers in your market. The best customers are those with the highest value and/or the most influential. You should know how they get information about their favourite brands, the types of media channels they use, and how they want to be connected with the brand.
- Create an integrated marketing campaign through which these target customers will have a maximum of opportunities to connect with the brand, preferably whenever and wherever they want.
- In light of the above two findings, increase the number of different media channel contacts to create a global brand experience. This can help to maximize the opportunity to consumers to be able to connect with the brand whenever and wherever they want.

Adapted from a business case written for ESOMAR by Laurent Flores (CEO and Founder of crmmetrix, France), Guillaume Weill (Managing Director of crmmetrix, France), Oliver Heck (Consumer Insight Manager of Adidas, France).

Applying this definition to the chapter opening example, we can see that Adidas collected and used marketing research information in order to identify areas for improvement of customer relationship, as well as for development of an effective marketing campaign for their current and potential customers.
Marketing research is a systematic process. The tasks in this process include designing methods for collecting information, managing the information collection process, analysing and interpreting results and communicating findings to decision makers. This chapter provides an overview of marketing research as well as a fundamental understanding of its relationship to marketing practices. We first explain why firms use marketing research and give some examples of how marketing research can help companies make sound marketing decisions. Next we discuss who should use marketing research and when.

The chapter also provides a general description of the activities companies use to collect marketing research information. We present an overview of the marketing research industry in order to clarify the relationship between the providers and the users of marketing information. The chapter closes with a description of the role of ethics and good conduct in marketing research. It also includes an appendix on careers in marketing research (Appendix 1, page 691) as well as one on how to use the statistical analysis software package SPSS (Appendix 2, page 693).

**Marketing Research and Marketing**

As can be implied from the definition in the previous section, marketing research is concerned with research from the perspective of marketing. Then what is marketing exactly? **Marketing** is about the planning and execution of the pricing, promotion, and distribution of products and services in order to create exchanges that satisfy both the firm and its customers. The process of creating this exchange is the responsibility of the firm’s marketing manager. Marketing managers attempt to facilitate the marketing process by following various decision criteria. More specifically, they focus on (1) getting the right goods and services (2) to the right people, (3) at the right place and time, (4) with the right price, and (5) through the use of the right blend of promotional techniques. Adhering to these criteria ultimately leads to the success of the marketing effort. However, the common denominator associated with each criterion is uncertainty. Uncertainty mainly lies in the fact that consumer behaviour is unpredictable. In order to reduce this uncertainty, marketing managers must have accurate, relevant, and timely information. Marketing research is the mechanism for generating that information.

**Marketing**  The process of planning and executing the pricing, promotion, and distribution of products and services in order to create exchanges that satisfy both the firm and its customers.

Marketing can be espoused from either a short-term or a long-term perspective. Companies adopting a short-term perspective of marketing focus on maximizing their short-term benefits, usually in the form of sales, market share and/or profit, through a series of marketing activities. However, companies taking a long-term perspective to market their products or services will usually be more successful and sustainable. They often follow a business strategy known as **relationship marketing**, which aims at building long-term relationships with customers by

**Relationship marketing**  The name of a strategy that entails forging long-term relationships with customers.
offering value and providing customer satisfaction. In return, these companies are rewarded with repeat sales, as well as continual increases in sales, market share and/or profits. Dell Computers, which serves the global computer market, focuses highly on relationship marketing. Dell sees its customers as individuals with unique desires. Its marketing research programme is directed towards measuring these aspects of the customer, then developing its entire marketing programme around such measures to build long-term relationships with customers.

The success of any relationship marketing programme depends on knowledge of the market, effective training programmes, and employee empowerment and teamwork:

- **Knowledge of the market.** For an organization focusing on building relationships with customers, it must know all relevant information pertaining to those customers. This implies that the company must have an obsession with understanding customer needs and behaviour and using that information to deliver satisfaction to the customer. Nowhere is this more important than in the marketing research responsibilities of the company.

- **Effective training programmes.** Building excellence in relationships begins with the employee. In the eyes of many consumers, the employee is the company. Therefore, it is critical, not only in a marketing research capacity, but throughout the entire company, that the actions and behaviours of employees be market-oriented. Many organizations such as McDonald’s and Toyota have corporate universities designed to train employees in customer relations. Furthermore, many of these universities train employees in the proper techniques of gathering data from customers. Emphasizing informal customer comments, discussing issues on competing products and encouraging customers to use comment cards are some ways in which employees can be trained for enriching their data-gathering practices.

- **Employee empowerment and teamwork.** Many successful companies encourage their employees to be more proactive in solving customer problems. On-the-spot problem solving is known as empowerment. Additionally, organizations are now developing cross-functional teams dedicated to developing and delivering customer solutions. For example, in the Jeep Division of Daimler-Chrysler, employees within the marketing research and the engineering functions work together to better understand the requirements of their customers.

Empowerment and teamwork facilitate relationship building with customers. These two dimensions, along with training and knowledge of the market, form the catalyst for implementing a successful relationship-marketing strategy.

Companies espousing the spirit of relationship marketing should gather market-driven data to learn more about customers’ needs and behaviours for the purpose of delivering added value and satisfaction to the customer. The data, in conjunction with information technology, is then used to develop stronger relationships with customers. Fundamentally, relationship marketing is based on a number of concepts focusing on the marketplace and the consumer. Specifically, these concepts address:

- **Customer/market knowledge:** This is the starting point of any relationship marketing strategy. Marketing researchers gather information from multiple sources as it pertains to the customer. Key data to be captured include demographics, psychographics, buying and service history, preferences, complaints and all other communications the customer has with the company. Data can be internal, through customers’ interaction with the company, or external, through surveys or other data collection methods.
Data integration: This process develops a data warehouse to integrate information from multiple sources into a single shared data source depository. The data, which are used to understand and predict customer behaviours, are then made available to all functional areas of the company so that anyone who interacts with the customer will have a complete history of the customer.

Information technology: The process of data integration can be facilitated by the use of marketing research techniques that are driven by information technology. These techniques perform functions such as basic reporting on customers, data mining, statistical analysis procedures, and data visualization.

Creating customer profiles: Collected and integrated data are used to develop customer profiles. These profiles are then made available to all functional areas of the company utilizing the appropriate information technology.

These concepts are embodied in a variety of outcomes based on the planning and decision making objectives of the company (e.g. introducing new products, developing new market segments, evaluating advertising campaigns). The overriding goal is to provide the necessary data and technology to monitor customer changes while building and maintaining long-term customer relationships.

Framework of Marketing Planning and Research Activities

To succeed in its relationship marketing strategy, a company must set up a sound framework for its marketing planning activities and make many appropriate decisions within the framework. Each marketing planning activity within the framework must be supported by corresponding marketing research activities. Execution of these marketing planning and research activities can then guarantee the generation of information and decisions as essential inputs for the implementation of the relationship marketing strategy.

Exhibit 1.1 lists the major marketing planning activities and their corresponding marketing research activities. One can see that some of these marketing planning activities are strategic in nature, while others are more tactical. The two can vary significantly in complexity and focus. As a rule of thumb, the more strategic the activities are, the more complex they become; the tactical activities, on the other hand, are more focused. Examples of the strategic marketing planning activities are to decide which new markets to penetrate, which products to introduce, and which new business opportunities to pursue. Such broad strategic decisions usually require decision makers to consider a variety of alternative approaches. Conversely, tactical decisions regarding advertising effectiveness, product positioning, and sales tracking, while still complex, are somewhat narrower in focus. Such decisions usually concentrate on a specific advertising campaign, a particular brand or a specific market segment. Such decisions often centre on monitoring performance or anticipating and initiating changes in a company’s marketing practices.

Regardless of the complexity or focus of the marketing planning activities, managers must have accurate information to make the right decisions for the activities concerned. The entire marketing planning process is a series of decisions that must be made with high levels of confidence about the outcome. It is therefore not surprising to realize that a sound marketing research process is the nucleus for confident decisions made on marketing planning activities.

Although the list of activities listed in Exhibit 1.1 is by no means exhaustive, it does provide a general illustration of the relationship between marketing planning and marketing research. The following sections describe this relationship in more detail.
The purpose of situation analysis is to monitor the appropriateness of a firm’s marketing strategy and to determine whether changes to the strategy are necessary. A situation analysis includes three decision areas: market analysis, market segmentation and competition analysis. Within the context of the analysis, the purposes of marketing research are to

1. Locate and identify new market opportunities for a company (opportunity assessment).
2. Identify groups of customers in a product or service market who possess similar needs, characteristics and preferences (benefit and lifestyle studies, descriptive studies).
3. Identify existing and potential competitors’ strengths and weaknesses (importance-performance analysis).

**Situation analysis** To monitor the appropriateness of a firm’s marketing strategy and to determine whether changes to the strategy are necessary.
Situation Analysis Will Help Guinness Maintain Their Position at the Top of the World

Arthur Guinness began brewing at the famous St James’ Gate in Dublin in 1759, signing a lease for 9000 years at €45 per annum. Initially he brewed ale, but in 1799 the decision was made to focus solely on brewing stout porter. During the nineteenth century St James’ Gate Brewery became the largest brewery in Ireland and the Guinness trademark was introduced. By 1886 Guinness had become the largest brewery in the world, with an annual production of 1.2 million barrels. It appointed international quality controllers in the 1890s to ensure the Guinness sold outside Ireland was the same high quality as that found at home. Now owned by Diageo, Guinness continues to be the best selling stout in the world.

Ideally a pint of Guinness should be served in a slightly tulip shaped pint glass as opposed to the taller European tulip glass or ‘Nonic’ glass which contains a ridge approximately three quarters of the way up the glass. On the way to the tap, the beer is passed through a chiller and is forced through a five-hole disc restrictor plate in the end of the tap, which increases the fluid pressure and friction, forcing the creation of small bubbles which form a creamy head. Due to the forming action of the nitrogen, a ‘double pour’ is required, where the pint is three-quarters filled, allowed to settle and then topped up to the full pint. According to the company this ‘double pour’ should take 119.5 seconds. Guinness has promoted this wait with advertising campaigns such as ‘good things come to those who wait’.

In Ireland, this ‘double pour’ of ‘the perfect pint’ is the norm, where all customers are familiar with the action and are prepared and even expect to wait the extra time while their pint of Guinness ‘settles’. Outside of Ireland however, this ‘double pour’ action is often not the norm and instead the pint glass is quickly filled to the top and immediately given to the customer; essentially a ‘fast-poured’ Guinness. This is an issue of concern to Diageo who believe that ‘the perfect pint’ is a slow poured one.

Anecdotal evidence suggests that a lot of customers just want a fast beer and so bartenders in many situations will not do a ‘double pour’. Other factors can also be seen to be at play here:

- Customers outside of Ireland may be unaware that a pint of Guinness should be poured in a ‘double pour’ action
- Contrary to the anecdotal evidence, customers outside of Ireland may be prepared to wait for a slow poured pint if they knew that it was considered ‘the perfect pint’.
- Bartenders may be uneducated about the ‘double pour’ and/or may be unwilling to pull a slow pint of Guinness.

In examining this issue, Diageo believe that European-wide research among customers and bartenders is essential to inform their marketing strategy for Europe. While currently the best selling stout in the world, Diageo are conscious of changing trends in alcohol consumption and the growing popularity of lagers and wines across Europe which threatens sales of stout. To maintain Guinness at the top, Diageo believe that researching bartenders and customers thoughts on the ‘double pour’ in Europe is essential.

Written and kindly supplied by Rose Leahy and Nollaig O’Sullivan, Cork Institute of Technology, Ireland.
Market Analysis

The research task related to market analysis is **opportunity assessment**. It involves collecting information on product or service markets for the purpose of forecasting how they would change. Companies gather information relevant to macroenvironmental trends (political and regulatory, economic and social, and cultural and technological) and assess how those trends would affect the product or service market.

**Opportunity assessment** Involves collecting information on product or service markets for the purpose of forecasting how they would change.

The role of marketing research is to gather and categorize information relating to macroenvironmental variables, and then interpret the information in the context of strategic consequences to the firm. Marketing researchers use three common approaches in the collection of macroenvironmental information:

1. **Content analysis**, in which researchers analyse various information sources such as trade publications, newspaper articles, computer databases and academic literature for information on trends in a given industry.
2. **In-depth interviews**, in which researchers conduct formal and systematic in-depth interviews with experts in a given field.
3. **Questionnaires**, in which researchers use structured questionnaires to gather information on environmental occurrences.

These procedures will be discussed further in Chapters 11, 12, and 13.

**A Closer Look at Research (In the field)**

**Nokia Embraces a New Approach to Conduct Opportunity Assessment**

Nokia, arguably the most notable Finnish company, is the world’s largest mobile phone maker. It has a database containing information about its one billion customers – one-sixth of humanity.

One key strength of Nokia is its pursuit of new product opportunity that could continue to keep the company in the driving seat in the industry. Opportunity assessment becomes a crucial marketing research activity of the Finnish giant. This opportunity-chasing behaviour could be partly explained by Nokia’s genes. Founded in 1865 as a timber company, its brand – now ranked fifth globally – was stamped on paper goods, wellington boots and television sets before the company focused on the mobile market 16 years ago.

In recent years, they have developed a new approach to collect valuable data for helping them in assessing new product opportunities. They have decided to make more intensive use of their vast customer database, by inviting their customers to consult on what works, what wows, and what doesn’t.

‘We realized in early 2005 that if we only focused on innovation from within, we were limiting our scope for real breakthroughs’, Nokia’s Chief Technology Officer Bob Iannucci said. ‘We want more wild ideas.’
With this new concept in mind, Nokia has also invited bloggers and tech-savvy media specialists to brainstorm on future mobile products, some of which could be great product opportunities for the company. ‘The ability to include larger numbers of users into the development cycle means you can have a much more collaborative approach to development and you can try ideas out, refine them and move forward – or fail fast and get out’, said Bob Iannucci.

*Source: European CEO, May/June 2008.*

**Market Segmentation**

The research tasks useful for market segmentation are descriptive studies as well as benefit and lifestyle studies. The former involves collecting descriptive information about consumers, such as product purchase, gender, age, education, occupation, income and family size. The latter focuses on consumer lifestyle and the benefits consumers expect to attain from the product they purchase. Marketing researchers use the data collected from both types of study in order to identify segments within the market for the product or service in question.

**Descriptive studies and Benefit and lifestyle studies**  Collection of data of product purchase, consumer demographics, consumer lifestyle and expected product benefits.

Determining the significant consumer characteristics that can differentiate between heavy and light purchasers serves as the critical interaction between marketing research and marketing programme development. Chapter 9 will focus on this issue and examine, in detail, customer-driven marketing research approaches.

**Competitive Analysis**

A research task used in competitive analysis is importance-performance analysis, which is an approach for evaluating competitors’ strategies, strengths and limitations. Importance-performance analysis asks consumers to identify key attributes that drive their purchase behaviour within a given industry. These attributes might include price, product performance, product quality, accuracy of shipping and delivery, and convenience of store location. Consumers are then asked to rank the importance of the attributes. They are also requested to score the performance of each of the key attributes for each competing firm, and these scores are then adjusted by considering the relative importance of each of the key attributes concerned.

**Importance-performance analysis**  A research approach for evaluating competitors’ strategies, strengths, and limitations.

Following this data collection and adjustment process, researchers can objectively evaluate the competitors. Highly rated attributes are viewed as strengths, and lower ranked attributes are viewed as weaknesses. When the competing firms are analysed in aggregate, a company can see where its competitors are concentrating their marketing efforts and where they are falling below customer expectations.
Programme Design

Information collected during a marketing situation analysis is subsequently used to design a marketing strategy. At this stage of the planning and decision-making process, companies identify target markets, develop positioning strategies for products and brands, test new products and assess market potential.

Target Marketing

Target market analysis provides useful information for identifying those people (or companies) that an organization wishes to serve. In addition, it helps management determine the most efficient way of serving the targeted group. Target market analysis attempts to provide information on the following issues:

- Demographic and psychographic characteristics
- Cognition and affection
- Purchase decision process
- Product usage pattern

In order to provide such information, the marketing researcher must measure certain key variables as outlined in Exhibit 1.2.

Positioning

Positioning is a process in which a company seeks to establish a meaning or definition of its product offering that is consistent with customers’ needs and preferences. Companies accomplish this task by combining elements of the marketing mix in a manner that meets or exceeds the expectations of targeted customers.

The task of the marketing researcher is to provide an overview of the comparison between competitive product offerings based on judgments of a sample of respondents who are familiar with the product category being investigated. Consumers are asked to indicate how they view the similarities and dissimilarities among relevant product attributes for a set of competing brands. For example, positioning among beers may indicate that customers decide between ‘popular versus premium’ and ‘regional versus national’ brands.

This information is then used to construct perceptual maps, which transform the positioning data into ‘perceptual space’. Perceptual mapping reflects the dimensions on which brands are evaluated, typically representing product features, functions or benefits judged as important in the consumer selection process.
Chapter 1: Defining Marketing Research

Target Market Characteristics and Associated Variables Measured in Target Market Analysis

<table>
<thead>
<tr>
<th>Target Market Characteristics</th>
<th>Key Variables to Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demographics</td>
<td>Gender, age, race, religion, income, occupation, family size and geographic location</td>
</tr>
<tr>
<td>Psychographics</td>
<td>Consumer activities, interests and opinions</td>
</tr>
<tr>
<td>Cognition and affection</td>
<td>Product/brand awareness, salient product attributes and level of brand loyalty</td>
</tr>
<tr>
<td>Purchase decision process</td>
<td>Product involvement, perceived risk of purchase, propensity to purchase, size and frequency of purchase</td>
</tr>
<tr>
<td>Product usage pattern</td>
<td>Occasion (e.g. special use, gift); situation (e.g. climate, time of day, place); and usage context (heavy, medium, or light)</td>
</tr>
</tbody>
</table>

New Product Planning

The research tasks related to new product planning are concept and product testing and test marketing, which give management the necessary information for decisions on product improvements and new product introductions. Concept and product testing attempts to answer two fundamental questions: ‘How does a concept or product perform for the prospective customer?’ and ‘How can a concept or product be improved to meet or even exceed customer expectations?’ Specifically, concept and product tests

1. Determine whether the prospective new product should replace the current product.
2. Identify new product concepts that are most preferred or actively sought.
3. Assess the appeal of the new concept or product for different target segments.
4. Provide necessary information for designing and redesigning new products.

Test marketing, on the other hand, is concerned with testing of a finished new product on an actual market. It differs from concept and product testing in three aspects. First, in concept and product testing, the object under scrutiny is either just a new product concept or an unfinished product. Second, in test marketing, the people being tested are real consumers on the market spot, whilst in concept and product testing, they are only respondents recruited by the company. Third, the number of people being tested is much higher in test marketing than in concept and product testing.

Programme Development

The information requirements for programme development concentrate on all the components of the marketing mix: product, price, promotion, and distribution. Managers combine these components to form the total marketing effort for each market targeted. While at first sight this
may appear to be an easy task, decision makers must remember that the success of the total marketing effort relies heavily on synergy. It is critical that the marketing mix not only contains the right elements but does so in the right amounts, at the right time, and in the proper sequence. Ensuring that this synergy occurs is the responsibility of market researchers.

Product Portfolio Analysis

Within product portfolio analysis, the total product line typically is the focal point of investigation. Market researchers design studies that help product managers make decisions about reducing costs, altering marketing mixes, and changing or deleting product lines. Two types of study are customer satisfaction studies and service quality studies.

Customer satisfaction studies assess the strengths and weaknesses customers perceive in a firm's marketing mix. While these studies are usually designed to analyze the marketing mix collectively, many firms elect to focus on customer responses to one element at a time (e.g. degree of satisfaction to the price). Regardless of their scope, customer satisfaction studies concentrate on measuring customer attitudes. Research indicates that customer attitudes are linked to perception of company image, purchase intentions, brand switching and brand loyalty. Attitude information allows management to make intelligent decisions regarding product or brand repositioning, new product introduction, pruning of ineffective products and new market segments. Chapters 11 and 12 discuss the design and development of attitudinal research studies.

Service quality studies are designed to measure the degree to which an organization conforms to the quality level customers expect. Service quality studies concentrate on physical facilities and equipment, appearance and behaviour of company personnel, and dependability of the company and its products. For example, employees will usually be rated on their general willingness to help customers and provide them with prompt and friendly treatment.

A popular service quality study is the mystery shopper study, in which trained professional shoppers visit, for example, retail stores and/or financial institutions, and 'shop' for various goods and services. Atmosphere, friendliness and customer appreciation are just a few of the dimensions evaluated by mystery shoppers. Some firms also patronize their competitors to see how their own performance compares. Data from service quality studies have been invaluable for decision making related to products or services. For example, firms can anticipate problems in product or service offerings before they get out of hand. Also, the data enable firms to assess themselves relative to competitors on key strengths and weaknesses.
Distribution Decisions

Distribution decisions take into account the distributors and retailers that link producers with end users. The distribution channel used by a producer can strongly influence a buyer’s perception of the brand. For example, Rolex watches are distributed through a limited number of retailers that project a prestigious image consistent with the Rolex brand name. Three common types of distribution-related research methods are cycle time research, retailing research, and logistic assessment.

With many businesses moving to control inventory costs, automatic replenishment systems and electronic data interchange are becoming widely used. Closely associated with such inventory systems is cycle time research, which centres on reducing the time between the initial contact with a customer and the final delivery (or installation) of the product. This research is most often conducted for large distribution networks that consist of manufacturers, wholesalers, and retailers. Cycle time research does not ignore shorter channels of distribution (direct to retailer or end user), for in many cases, such as direct marketing, it becomes critical in exploring ways to increase customer satisfaction and fulfilment. Here marketing research makes contributions by collecting information that will help reduce costs in the total cycle time, as well as exploring alternative methods of distribution to reduce the time frame in the delivery and installation of goods.

**Cycle time research** A research method that focuses on reducing the time between the initial contact and final delivery (or installation) of the product.

Two common research practices in this area are delivery expense studies and alternative delivery systems studies. The former seeks to obtain expense information for each delivery system being currently used, while the latter attempts to explore the viability of alternative delivery systems (e.g. post office, DHL). Both aim at providing a high degree of customer satisfaction in a cost-effective manner. Such studies rely heavily on internal company records or databases. Usually referred to as secondary research, these studies are becoming more common. Chapter 3 is devoted to information-gathering procedures at a secondary level.

**Retailing research** includes studies on a variety of topics. Because retailers are viewed as independent businesses, many of the studies we have discussed are applicable to the retail environment. Yet, at the same time, the information needs of retailers are unique. Market research studies peculiar to retailers include trade area analysis, store image/perception studies, in-store traffic pattern studies, and location analysis.

**Retailing research** Studies on topics such as trade area analysis, store image/perception, in-store traffic patterns, and location analysis.

Because retailing is a high-customer-contact activity, much retailing research focuses on database development through optical scanning procedures. As illustrated in Exhibit 1.3, every time a salesperson records a transaction using an optical scanner, the scanner notes the type of product, its manufacturer and vendor and its size and price. Marketing research then
categorizes the data and combines it with other relevant information to form a database. As a result, retailers can find out what television programmes their customers watch, the kinds of neighbourhoods they live in, and the types of stores they prefer to patronize. Such information helps retailers determine what kind of merchandise to stock and what factors may influence purchase decisions.

Marketing research related to logistic assessment is an often overlooked area in distribution decisions. One reason for this is that it traditionally has been driven by secondary data, that is, information not gathered for the study at hand but for some other purpose. This type of information in logistics enables market researchers to conduct total cost analysis and service sensitivity analysis.

Total cost analysis explores the alternative logistic system designs a firm can use to achieve its performance objective at the lowest total cost. The role of marketing research is to develop an activity-based cost information system by identifying key factors that affect transportation, inventory, and warehousing costs.

Service sensitivity analysis helps organizations design basic customer service programmes by evaluating cost-to-service trade-offs. In conducting this type of analysis, market researchers look for ways to increase various basic services by making adjustments in transportation activities, inventory levels, or location planning. Each adjustment is analysed relative to its impact on corresponding total costs.
Pricing Decisions

Pricing decisions involve pricing new products, establishing price levels in test-market situations, and modifying prices for existing products. Marketing research must provide answers to such fundamental questions as the following:

1. How large is the demand potential within the target market?
2. How sensitive is demand to changes in price levels?
3. What nonprice factors are important to customers?
4. What are the sales forecasts at various price levels?

Pricing research can take a variety of forms. Two common approaches are demand analysis and sales forecasting.

When a company evaluates a new product idea, develops a test market, or plans changes for existing products, a critical research challenge is estimating how customers will respond to different price levels. Demand analysis seeks to estimate the level of customer demand for a given product and the underlying reasons for that demand. For example, research indicates that customers often buy more of certain products at higher prices, which suggests that price may be an indication of quality. The influence of price on perceptions of quality seems to occur most often when customers are unable to evaluate the product themselves. The chemical firm DuPont, using demand analysis, also obtains measures of nonprice factors for its products. Among those factors are delivery, service, innovation, brand name and quality.

Demand analysis is a research method that seeks to estimate the level of customer demand for a given product and the underlying reasons for that demand.

Demand analysis often incorporates a test marketing procedure. This involves the actual marketing of a product in one of several cities with the intent of measuring customer sensitivity to changes in a firm’s marketing mix. Test marketing is discussed in detail in Chapter 8. Demand analysis can also incorporate end-user research studies and analysis of historical price and quality data for specific products.

Closely associated with demand analysis is sales forecasting. After demand analysis identifies the variables that affect customer demand, sales forecasting uses those variables to provide estimates of financial outcomes for different price strategies.

Sales forecasting is a technique that uses variables affecting customer demand to provide estimates of financial outcomes for different price strategies.

Although a variety of sales forecasting techniques exist, most can be placed in one of two categories: qualitative or quantitative. Qualitative techniques include user expectation studies, sales-force composites, juries of executive opinion and Delphi techniques. Quantitative forecasting techniques include market testing, time series analysis, and statistical demand analysis.
Integrated Marketing Communication Decisions
Promotional decisions, many times viewed as integrated marketing communications, are important influences on any company’s sales. Companies spend billions of dollars yearly on various promotional activities. Given the heavy level of expenditures devoted to promotional activities, it is essential that companies design studies that will generate optimum returns from the promotional investment.

Marketing research methods used to acquire information about the performance of a promotional programme must consider the entire programme. Employing the appropriate methodology, estimating adequate sample sizes, and developing the proper scaling techniques are just three key areas of promotional research. Each of these areas is used when considering the three most common research tasks of integrated marketing communications: advertising effectiveness studies, attitudinal research and sales tracking.

Because advertising serves so many purposes and covers so many objectives, advertising effectiveness studies often vary across situations. Advertising effectiveness studies may be qualitative, quantitative, or both. They may take place in laboratory-type settings or in real-life settings. Measures of the effectiveness of an advertisement may be taken before or at various times after media placement. Regardless, the key elements of advertising effectiveness studies are what is being measured, when the measurement is made, and which medium is being used.

**Advertising effectiveness studies** Focus on what is being measured, when the measurement is made and which medium is being used.

Most advertising effectiveness studies focus on measuring a particular advertisement’s ability to generate awareness, communicate product benefits, or create a favourable predisposition about a product. In attempting to accomplish such measurement objectives, market researchers usually include attitudinal research within the advertising effectiveness study.

**Attitudinal research** can be categorized into three types. First is the *cognitive approach*, which attempts to measure consumers’ knowledge and opinions about a given product or brand. Second, *affect approaches* measure consumers’ overall impressions of a product or brand. These impressions are usually associated with dimensions like good/bad, pleasant/unpleasant, or positive/negative. Third, *behavioural approaches* seek to measure consumers’ specific behaviours (brand loyalty, brand switching, etc.) with regard to a given product or brand. Because many promotional strategies are designed to affect consumers’ attitudes, the results of attitudinal research play an important role in the design and implementation of promotional programmes.

**Attitudinal research** Can take a cognitive approach, affect approach or behavioural approach to measure consumer attitudes.

Personal selling also plays a major role in a firm’s promotional mix. The objectives assigned to salespeople frequently involve expected sales results such as sales quotas. Nonsales objectives are also important and may include increasing new accounts, evaluating middlemen, or achieving set levels of customer service. Both forms of objectives are commonly tied to the evaluation of a
salesperson’s overall performance. Several variables must be considered in this evaluation process, which uses a technique commonly called sales tracking. From the standpoint of marketing research, key information must be gathered on salespeople and placed into the proper units of analysis in order to provide adjustments for factors beyond the control of individual salespeople. Sales-tracking procedures allow for this adjustment by assessing a combination of objective and subjective performance dimensions.

**Sales tracking** Gather information on salespeople in order to provide adjustments for factors beyond the control of individual salespeople.

A sales-tracking form can be devised in order to capture the key information provided by salespeople. Typically the form includes standard industrial classification (SIC) codes, annual sales, and number of employees. The form also illustrates the effectiveness of the selling function by documenting who sold the product, the number of sales calls required to close the sale, and the profit generated. A well-designed sales tracking system such as this helps managers diagnose performance-related problems and determine corrective actions that may be necessary.

**Programme Tracking**

After the programme has been implemented, it needs systematic tracking in order to monitor the performance of the programme continuously, and if necessary, take appropriate action to adjust the contents of the programme for improving its performance. The role of marketing research here is to conduct a series of analyses of the performance of the programme concerned.

**Programme Control**

Two key areas of focus are product analysis and environmental forecasting. **Product analysis** attempts to identify the relative importance of product selection criteria to buyers and rate brands against these criteria. Such analysis is conducted throughout the life cycle of the product or brand. It is particularly useful when developing the strengths-and-weaknesses section of a marketing plan. Many of the standardized information services provided by marketing research firms, such as Information Resources and AC Nielsen, monitor the performance of competing brands across a wide variety of products.

**Product analysis** Identifies the relative importance of product selection criteria to buyers and rates brands against these criteria.

**Environmental forecasting** is used to predict external occurrences that can affect the long-term strategy of a firm. This technique usually involves a three-phase process that begins with a survey of customers and industry experts. This is followed by a market test to measure customer response to a particular marketing programme and, finally, an analysis of internal company records to determine past buying behaviours. The net result is an accumulation of data.
pertaining to industry trends, customer profiles, and environmental changes that allows a company to adapt its strategy to anticipated future events.

**Critical Information Analysis**

Critical information is concerned with the type of information that has the potential to help companies to develop a competitive advantage. For many companies, the task of critical information analysis is achieved through the development of a sophisticated marketing decision support system (MDSS), a company-developed database used to analyse company performance and control marketing activities.

The MDSS includes standardized marketing research reports, sales and cost data, product-line sales, advertising data, and price information. This information is organized to correspond to specific units of analysis (market segments, geographic locations, particular vendors), and is used for various decisions from reordering inventory to launching new products. The value of the MDSS becomes most apparent when the system focuses on decision making at the strategic level.

One industry in which the MDSS has been popularly used is the airline industry. The MDSS adopted in this industry can usually provide the facility for the determination of mileage awards for frequent flyers and a reservation support database which is organized according to different market segments. Through the effective use of the system, airline companies would be able to locate the most important market segments so that they can put more emphasis on the needs of these segments. For example, an airline company may discover that the top 5 per cent of the customers account for almost 50 per cent of its sales. These key customers are highlighted on all service screens and reports. Ticket agents are alerted when one of these customers phones in or arrives, so they can offer a variety of special services, such as first-class upgrades.

New technologies for collecting, processing, and analysing market research data are rapidly changing organizations in a variety of ways. Many experts predict that technologies associated with the MDSS will reduce the need for primary data-collection methods in the future. The impact of the MDSS on marketing research will be discussed in Chapter 3.

**The Marketing Research Industry**

The marketing research industry has experienced healthy growth in recent years. According to ESOMAR, the industry’s worldwide turnover in 2007 was €20.61 billion, which represented 3.8% inflation-adjusted growth over the previous year. Europe occupied the largest share (45%)
of the market, followed by North America (34%), Asia Pacific (14%), Central and Latin America (5%), and the Middle East and S Africa (2%).

The fact that Europe occupied nearly half of the global market research turnover is no surprise, as the fierce competition in various sectors and the cultural diversity among European countries force companies interested in the European market to conduct market research in order to have an accurate and comprehensive understanding of the competition they face and the consumers they target. Exhibit 1.4 shows that among the top 20 countries with highest market research spend per capita, 15 are European countries.

As shown in Exhibit 1.4, Sweden has the highest market research spend per capita, while the UK is the second highest. In comparison to all its neighbouring European countries, the UK generates the largest market research turnover. As of 2005, the top 20 marketing research companies in the UK are, in descending order, TNS, Ipsos MORI, GfK (including NOP), Information Resources, Luminas, ORC International, Flamingo International, Lorien Research, Marketing Sciences, Quaestor, ESA Market Research, Nunwood, BDRC Group, RONIN Corporation, Conquest Research, RDSi (including Field Initiatives), mruk, Accent, Maven Management and Perspective.
According to Boddy’s (2001) study, perceived reasons for the success of the UK market research industry are specialization and niche positioning, commercial orientation, well-organized selling, marketing orientation, corporate credibility, increasing need for market intelligence, international research coordination, branded market research products, individual researcher credibility and adherence to objective quality control measures.

In the long term, the global marketing research industry is expected to continue to grow steadily in mature markets such as the old EU countries and the US, and more rapidly in developing countries. The more rapid economic growth of an increasing number of developing countries, such as China and India, necessitates greater understanding of these previously less known markets and therefore presents numerous business opportunities to the marketing research industry.

In order to compete more successfully in the increasingly lucrative yet competitive market, marketing research companies have been engaged in mergers and acquisitions among themselves in recent years. As of 2007, the top 25 global marketing research companies are all from the US, the UK, Germany, France, Japan and Brazil, and the top 1000 clients now account for approximately 80 per cent of the global marketing research expenditure.

### EXHIBIT 1.5 Top 25 Global Marketing Research Companies

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>Headquarters</th>
<th>Parent Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The Nielsen Company</td>
<td>Haarlem, New York, NY</td>
<td>USA</td>
</tr>
<tr>
<td>2</td>
<td>IMS Health Inc.</td>
<td>Norwalk, CT</td>
<td>USA</td>
</tr>
<tr>
<td>3</td>
<td>Taylor Nelson Sofres Plc.</td>
<td>London</td>
<td>UK</td>
</tr>
<tr>
<td>4</td>
<td>GfK AG</td>
<td>Nuremberg</td>
<td>Germany</td>
</tr>
<tr>
<td>5</td>
<td>The Kantar Group</td>
<td>Fairfield, CT, London</td>
<td>UK</td>
</tr>
<tr>
<td>6</td>
<td>Ipsos Group S.A.</td>
<td>Paris</td>
<td>France</td>
</tr>
<tr>
<td>7</td>
<td>Synovate</td>
<td>Chicago</td>
<td>USA</td>
</tr>
<tr>
<td>8</td>
<td>Information Resources Inc.</td>
<td>London</td>
<td>UK</td>
</tr>
<tr>
<td>9</td>
<td>Westat Inc.</td>
<td>Rockville, MD</td>
<td>USA</td>
</tr>
<tr>
<td>10</td>
<td>Arbitron Inc.</td>
<td>New York, NY</td>
<td>USA</td>
</tr>
<tr>
<td>11</td>
<td>INTAGE Inc.</td>
<td>Tokyo</td>
<td>Japan</td>
</tr>
<tr>
<td>12</td>
<td>J.D. Power and Associates</td>
<td>Fenton, NJ, Westlake Village, CA</td>
<td>USA</td>
</tr>
<tr>
<td>13</td>
<td>Harris Interactive Inc.</td>
<td>Westlake Village, CA, Rochester, NY</td>
<td>USA</td>
</tr>
<tr>
<td>14</td>
<td>Maritz Research</td>
<td>Rochester, NY, Fenton, NJ</td>
<td>USA</td>
</tr>
<tr>
<td>15</td>
<td>The NPD Group Inc.</td>
<td>Omaha, Nebraska, Port Washington, NY</td>
<td>USA</td>
</tr>
<tr>
<td>16</td>
<td>Opinion Research/Guideline Corp.</td>
<td>Tokyo, Princeton, NJ</td>
<td>USA</td>
</tr>
<tr>
<td>17</td>
<td>Video Research Ltd.</td>
<td>Tokyo, Port Washington, NY</td>
<td>Japan</td>
</tr>
<tr>
<td>18</td>
<td>IBOPE Group</td>
<td>São Paulo</td>
<td>Brazil</td>
</tr>
<tr>
<td>19</td>
<td>Lieberman Research Worldwide</td>
<td>Los Angeles, CA</td>
<td>USA</td>
</tr>
<tr>
<td>20</td>
<td>comScore Inc.</td>
<td>Reston, VA</td>
<td>USA</td>
</tr>
<tr>
<td>21</td>
<td>Cello Research &amp; Consulting</td>
<td>London</td>
<td>UK</td>
</tr>
<tr>
<td>22</td>
<td>Market Strategies International</td>
<td>Los Angeles, CA</td>
<td>USA</td>
</tr>
<tr>
<td>23</td>
<td>BVA Group.</td>
<td>Paris</td>
<td>France</td>
</tr>
<tr>
<td>24</td>
<td>OTX</td>
<td>Los Angeles, CA</td>
<td>USA</td>
</tr>
<tr>
<td>25</td>
<td>Dentsu Research Inc.</td>
<td>Tokyo</td>
<td>Japan</td>
</tr>
</tbody>
</table>
Types of Marketing Research Firms

Marketing research providers can be classified as either internal or external, or custom or standardized. Internal research providers are normally organizational units that reside within a company. There are a number of benefits to keeping the marketing research function internal; these benefits include research method consistency, shared information across the company, minimized spending on research, and ability to produce actionable research results.

Other firms choose to use external sources for marketing research. External sources, usually referred to as marketing research suppliers, perform all aspects of the research, including study design, questionnaire production, interviewing, data analysis and report preparation. These firms operate on a fee basis and commonly submit a research proposal to be used by a client for evaluation and decision purposes. An actual example of a proposal is provided in the Marketing Research in Action at the end of Chapter 2.

Many companies use external research suppliers because, first, the suppliers can be more objective and less subject to company politics and regulations than internal suppliers. Second, many external suppliers provide specialized talents that, for the same cost, internal suppliers could not provide. And finally, companies can choose external suppliers on a study-by-study basis and thus gain greater flexibility in scheduling studies as well as matching specific project requirements to the talents of specific research firms.

Marketing research firms also can be considered customized or standardized. Customized research firms provide specialized, highly tailored services to the client. Many firms in this line of business concentrate their research activities in one specific area such as brand name testing, test marketing, or new product development. For example, Namestormers assists companies in brand name selection and recognition, Survey Sampling International concentrates on sampling development for client companies, and Uniscore conducts studies designed around retail scanning data. In contrast, standardized research firms provide more general services. These firms also follow a more common approach in research design so that the results of a study conducted for one client can be compared to norms established by studies done for other clients. Examples of these firms are Burke Market Research, which conducts day-after advertising recall; AC Nielsen (separate from Nielsen Media Research), which conducts store audits for a variety of retail firms; and Arbitron Ratings, which provides primary data collection regarding commercial television.

Many standardized research firms also provide syndicated business services, which include audits, purchase diary panels, and advertising recall data made or developed from a common data pool or database. A prime example of a syndicated business service is a database established through the retail optical scanner method. One such database, available from AC Nielsen and operated through the Scantrack system, tracks the retail sales of thousands of grocery brand-name products. This data can be customized for a variety of industries (confectionery, beverage, etc.) to indicate volume sales by channel, region or period of time in a given industry. The Closer Look at Research box illustrates further the Scantrack system and an example of results that it produces.

A Closer Look at Research (In the field)

Scantrack: Scanning and Tracking UK Grocery Brands

Scantrack uses the retail optical scanner method to monitor weekly sales from a nationwide network of EPoS checkout scanners. Coverage includes grocery multiples, co-ops, multiple off-licences, independents, symbol groups and multiple forecourts, who will be sent back the Scantrack data for their category planning and marketing strategy purposes. Scantrack accounts
In addition, some firms act as either brokers or facilitators to provide marketing research services for their clients. **Brokers** provide the ancillary tasks that complement many marketing

<table>
<thead>
<tr>
<th>Brand</th>
<th>2006 Sales (£'000)</th>
<th>Year on Year Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Coca Cola</td>
<td>942,391</td>
<td>5.0</td>
</tr>
<tr>
<td>2. Warburtons</td>
<td>514,341</td>
<td>17.7</td>
</tr>
<tr>
<td>3. Walkers</td>
<td>424,002</td>
<td>4.0</td>
</tr>
<tr>
<td>4. Hovis</td>
<td>403,126</td>
<td>16.1</td>
</tr>
<tr>
<td>5. Cadbury Dairy Milk</td>
<td>361,503</td>
<td>-2.5</td>
</tr>
<tr>
<td>6. Nescafe</td>
<td>331,265</td>
<td>-0.8</td>
</tr>
<tr>
<td>7. Andrex</td>
<td>326,646</td>
<td>5.2</td>
</tr>
<tr>
<td>8. Lucozade</td>
<td>296,216</td>
<td>16.5</td>
</tr>
<tr>
<td>9. Kingsmill</td>
<td>282,318</td>
<td>-4.9</td>
</tr>
<tr>
<td>10. Robinsons</td>
<td>277,285</td>
<td>4.6</td>
</tr>
<tr>
<td>11. Tropicana</td>
<td>222,471</td>
<td>27.4</td>
</tr>
<tr>
<td>12. Persil Laundry</td>
<td>217,010</td>
<td>-0.4</td>
</tr>
<tr>
<td>13. Pepsi</td>
<td>216,343</td>
<td>-4.8</td>
</tr>
<tr>
<td>14. Whiskas</td>
<td>216,126</td>
<td>9.8</td>
</tr>
<tr>
<td>15. Pedigree</td>
<td>191,990</td>
<td>2.5</td>
</tr>
<tr>
<td>16. Flora Spreads</td>
<td>185,237</td>
<td>3.4</td>
</tr>
<tr>
<td>17. Müller Corner</td>
<td>183,161</td>
<td>3.0</td>
</tr>
<tr>
<td>18. McCann Frozen Chips</td>
<td>182,249</td>
<td>7.3</td>
</tr>
<tr>
<td>19. Lurpak Spreads</td>
<td>175,838</td>
<td>6.8</td>
</tr>
<tr>
<td>20. Heinz Baked Beans</td>
<td>175,222</td>
<td>3.3</td>
</tr>
<tr>
<td>21. Ariel</td>
<td>174,211</td>
<td>-5.9</td>
</tr>
<tr>
<td>22. Bernard Matthews Cooked Meat</td>
<td>173,598</td>
<td>-6.5</td>
</tr>
<tr>
<td>23. Wrigley's Extra</td>
<td>169,397</td>
<td>2.0</td>
</tr>
<tr>
<td>24. Bold</td>
<td>166,915</td>
<td>10.2</td>
</tr>
<tr>
<td>25. Felix</td>
<td>161,476</td>
<td>-5.3</td>
</tr>
<tr>
<td>26. Galaxy</td>
<td>159,157</td>
<td>11.7</td>
</tr>
<tr>
<td>27. Birds Eye Frozen Fish</td>
<td>158,755</td>
<td>14.1</td>
</tr>
<tr>
<td>28. Heinz Soups</td>
<td>156,535</td>
<td>-2.4</td>
</tr>
<tr>
<td>29. Ribena</td>
<td>153,046</td>
<td>0.3</td>
</tr>
<tr>
<td>30. Volvic</td>
<td>148,214</td>
<td>13.1</td>
</tr>
</tbody>
</table>

*Source: Adapted with permission from Nielsen, which owns Scantrack.*
research studies. For example, marketing research suppliers and clients who do not have the resources for data entry, tabulation, or analysis will typically use a broker service to facilitate the data management process. Brokers usually offer specialized programming, canned statistical packages, and other data management tools at low cost.

**Facilitators** are businesses that perform marketing research functions as a supplement to a broader marketing research project. Advertising agencies, field service providers and independent consultants are usually classified as facilitators because they help companies complete broader marketing projects.

**Facilitators** Businesses that perform marketing research functions as a supplement to a broader marketing research project.

**Advertising agencies** are in the business of designing, implementing, and evaluating advertising campaigns for individual clients. Many agencies use their own research services to guide the development of the campaign and test for effectiveness. In this instance, the advertising agency provides marketing research to facilitate the advertising campaign process.

**Advertising agencies** Businesses that design, implement and evaluate advertising campaigns for individual clients; many of them use their own marketing research services to accomplish the advertising tasks assigned by clients.

The primary responsibilities of **field service providers** are to schedule, supervise, and complete a field work study by executing chosen methods such as focus groups, depth interviews and questionnaire survey. In essence, they perform primary data collection services required for a specific marketing research project.

**Field service providers** Businesses that schedule, supervise and complete field work studies assigned by individual clients.

**Independent consultants**, the third kind of facilitators, are usually hired ad hoc by client companies to complement strategic planning activities for clients. Many consultants, offering unique and specialized research skills, are assigned the tasks to facilitate a total quality management programme, develop a marketing information system, or train employees in the procedures of marketing research.

**Independent consultants** Businesses that are usually hired ad hoc by client companies to complement strategy planning activities for their clients.
As this discussion shows, marketing research is a diverse industry. Diversity, coupled with increased revenue growth in the industry, has created job opportunities for people with a variety of skills. Furthermore, as more and more marketing research projects take on an international flavour, these opportunities will continue to expand. The following section addresses what skills will be needed in the industry.

**Changing Skills for a Changing Industry**

Marketing research employees represent a vast diversity of cultures, technology and personalities. As marketing research companies, notably from Europe and USA, expand their geographic scope overseas, the requirements for successfully executing marketing research projects will change dramatically. Many fundamental skill requirements will remain in place, but new and innovative practices will require a totally unique skill base that is more comprehensive than ever before.

In a survey of 100 marketing research companies, basic fundamental business skills were rated high for potential employees. Communication skills (verbal and written), interpersonal skills (ability to work with others), and statistical skills were the leading attributes in basic job aptitude. More specifically, the top five skills these marketing research companies hope to find in candidates for marketing research positions are (1) the ability to understand and interpret secondary data, (2) presentation skills, (3) foreign language competency, (4) negotiation skills, and (5) computer proficiency. Results of this survey indicate there has been a shift from analytical to execution skill requirements in the marketing research industry. In the future, analysing existing databases, multicultural interaction, and negotiation are likely to be important characteristics of marketing researchers. Marketing research jobs are discussed further in Appendix 1 at page 691.

**Ethics in Marketing Research Practices**

There are many opportunities for both ethical and unethical behaviours to occur in the research process. The major sources of ethical dilemmas in marketing research are the interactions among the three key groups: (1) the research provider (e.g. researcher, research organization, or its representatives); (2) the research user (e.g. client company, decision maker); and (3) the respondents (e.g. subjects under investigation).

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### A Closer Look at Research (In the field)

**Hotels in Britain and Ireland May Have Breached Ethics in Marketing Research Practices**

Hotels could be breaking data protection laws by storing personal information about guests on computer files – ranging from details about home life to whether they misbehaved during their stay.

'This is potentially problematic,' a spokeswoman for the Information Commissioner’s office said.

Information stored includes marital status, number of children, age, nationality, home town, pastimes and occupation. Some hotels store names of guests’ overnight companions and dining
companions, whether they are heavy drinkers, have been rude or polite, whether they have paid for ‘adult films’, and whether they have used drugs or taken part in ‘immoral activities’ such as using prostitutes.

Less sensitive records are kept of interests such as favourite sports, films, plays, books, and newspapers. Hotels use Internet searches and information gleaned by staff to form files that are distributed to doormen, receptionists, waiters and chambermaids – usually with downloaded pictures.

Employees at Jumeirah Hotels are shown guest dossiers that are pinned to noticeboards in staff areas. ‘We believe in a systematic approach to customer service’, said David Picot, Jumeirah Hotels’ regional general manager for Europe. ‘Doormen don’t just know guests’ names, they have their resumes. We Google it. We build a profile for all guests: their job, family, how many days they usually stay.’ He said that ‘if a customer has misbehaved or done something that’s immoral or illegal, like drugs, we’d store that.’ Other hotel chains including Fairmount, Four Seasons, Inter-Continental, the Eton Collection, and Starwood keep guest histories.

A spokesman for the Dylan Hotel in Dublin said: ‘a profile is kept on every guest’, including who corporate clients have stayed overnight with and ‘certain drinks they like’. The Inter-Continental Carlton Cannes has a database including details of favourite television channels. The Lace Market Hotel in Nottingham says that it uses Google to find images of guests.


Unethical Activities by the Research User

Decisions and practices of the research users present opportunities for unethical behaviour. One such behaviour is when they request a detailed research proposal from several competing research providers with no intention of selecting a firm to conduct the research. In this situation, they solicit the proposals for the purpose of learning how to conduct the necessary marketing research themselves. Research users can obtain first drafts of questionnaires, sampling frames and sampling procedures, and knowledge on data collection procedures. Then, unethically, they can use the information either to perform the research project themselves or bargain for a better price among interested research companies.

Unfortunately, another common behaviour of unethical clients or decision makers is promising a prospective research provider a long-term relationship or additional projects in order to obtain a very low price on the initial research project. Then, after the researcher completes the initial project, the research user forgets about the long-term promises.

Unethical Activities by the Research Provider

While there might be numerous opportunities for the researcher provider (the researcher, the research organization, or its representatives) to act unethically in the process of conducting a study, there are five major sources of unethical activities that can originate within the research organization. First, a policy of unethical pricing practices is a common source of conflict. For example, after quoting a set overall price for a proposed research project, the researcher may tell the decision maker that variable cost items such as travel expenses, monetary response incentives, or fees charged for computer time are extra, over and above the quoted price. Such ‘soft’ costs can be easily used to manipulate the total project cost.

Second, all too often research firms just simply do not provide the promised incentive (e.g. contest awards, gifts, even money) to respondents for completing the interviews or
questionnaires. Also, many firms will delay indefinitely the fees owed to field workers (e.g. interviewers, data tabulators, data entry personnel). Usually, these parties are paid at the project’s completion and thus lose any leverage they have with the research provider to collect on services rendered.

Third, it is not uncommon for the researcher or the organization to create respondent abuse. Research organizations have a tendency to state that interviews are very short when in reality they may last up to one hour. Other situations of known respondent abuse include selling the respondents’ names and demographic data to other companies without their approval, using infrared dye on questionnaires to trace selective respondents for the purpose of making a sales call, or using hidden tape recorders in a personal interviewing situation without the respondent’s permission.

Fourth, an unethical practice found all too often in marketing research is the selling of unnecessary or unwarranted research services. While it is perfectly acceptable to sell follow-up research that can aid the client’s or decision maker’s company, selling bogus services is completely unethical.

Lastly, there are several researcher-related unethical practices within the execution of the research design such as (1) falsifying data, (2) duplicating actual response data, and (3) consciously manipulating the data structures inappropriately.

A practice of data falsification known to many researchers and field interviewers is called curbstoning (or rocking-chair) interviewing. This occurs when the researcher’s trained interviewers or observers, rather than conducting interviews or observing respondents’ actions as directed in the study, will complete the interviews themselves or make up ‘observed’ respondents’ behaviours. Other falsification practices include having friends and relatives fill out surveys, not using the designated sample of sample respondents but rather anyone who is conveniently available to complete the survey, or not following up on the established callback procedures indicated in the research procedure.

Another variation of data falsification is duplication of responses or the creation of ‘phantom’ respondents. This is a process whereby a researcher or field personnel (e.g. interviewer, field observer, or data entry personnel) will take an actual respondent’s data and duplicate it to represent a second set of responses. This practice artificially creates data responses from people who were scheduled to be in the study but who for some reason were not actually interviewed. To minimize the likelihood of data falsification, research organizations typically randomly verify 10 to 15 per cent of the interviews. Finally, researchers act unethically when they consciously manipulate data structures from data analysis procedures for the purpose of reporting a biased picture to the decision maker, or do not report selected findings at all.

Unethical Activities by the Respondent
The primary unethical practice of respondents or subjects in any research endeavour is that of providing dishonest answers or of faking behaviour. The general expectation is that when a subject has freely consented to participate, they will provide truthful responses, but truthfulness might be more difficult to achieve than one thinks. Some procedures are available to researchers to help evaluate the honesty of respondents’ answers or actions. For example, bipolar questioning is used as a consistency check in surveys. Here the first question is framed in a positive way and the second question is framed in a negative way. The respondent’s answers, if consistent, would be inversely related.

Other areas of possible ethical dilemmas within a researcher–respondent relationship are (1) the respondent’s right to privacy; (2) the need to disguise the true purpose of the research; and (3) the respondent’s right to be informed about certain aspects of the research process, including the sponsorship of the research.
Marketing Research Codes of Ethics

Of increasing importance to today’s ethical business decision-making processes is the establishment of company ethics programmes. These programmes offer perhaps a decent chance of minimizing unethical behaviour within the company concerned. Many marketing research companies have established internal company codes of ethics derived from the ethical codes formulated by larger institutions (ESOMAR as a main example) that govern today’s marketing research industry. Exhibit 1.6 displays the rules of the International Code of Marketing and Social Research Practice developed by ICC (International Chamber of Commerce) and ESOMAR. This Code and its accompanying rules provide a framework for identifying ethical issues and arriving at ethical decisions in situations researchers sometimes face.

EXHIBIT 1.6 Rules of ICC/ESOMAR International Code of Marketing and Social Research Practice

A. General
1. Marketing research must be carried out objectively and in accordance with established scientific principles.
2. Marketing research must always conform to the national and international legislation which applies in those countries involved in a given research project.

B. The rights of respondents
3. Respondents’ cooperation in a marketing research project is entirely voluntary at all stages. They must not be misled when being asked for their cooperation.
4. Respondents’ anonymity must be strictly preserved. If the respondent on request from the researcher has given permission for data to be passed on in a form which allows that respondent to be personally identified:
   (a) the respondent must first have been told to whom the information would be supplied and the purposes for which it will be used, and also
   (b) the researcher must ensure that the information will not be used for any non-research purpose and that the recipient of the information has agreed to conform to the requirements of this Code.
5. The researcher must take all reasonable precautions to ensure that respondents are in no way directly harmed or adversely affected as a result of their participation in a marketing research project.
6. The researcher must take special care when interviewing children and young people. The informed consent of the parent or responsible adult must first be obtained for interviews with children.
7. Respondents must be told (normally at the beginning of the interview) if observation techniques or recording equipment are being used, except where these are used in a public place. If a respondent so wishes, the record or relevant section of it must be destroyed or deleted. Respondents’ anonymity must not be infringed by the use of such methods.
8. Respondents must be enabled to check without difficulty the identity and bona fides of the researcher.
C. The professional responsibilities of researchers

9 Researchers must not, whether knowingly or negligently, act in any way which could bring discredit on the marketing research profession or lead to a loss of public confidence in it.

10 Researchers must not make false claims about their skills and experience or about those of their organization.

11 Researchers must not unjustifiably criticize or disparage other researchers.

12 Researchers must always strive to design research which is cost efficient and of adequate quality, and then to carry this out to the specifications agreed with the client.

13 Researchers must ensure the security of all research records in their possession.

14 Researchers must not knowingly allow the dissemination of conclusions from a marketing research project which are not adequately supported by the data. They must always be prepared to make available the technical information necessary to assess the validity of any published findings.

15 When acting in their capacity as researchers the latter must not undertake any non-research activities, for example database marketing involving data about individuals which will be used for direct marketing and promotional activities. Any such non-research activities must always, in the way they are organized and carried out, be clearly differentiated from marketing research activities.

D. The mutual rights and responsibilities of researchers and clients

16 These rights and responsibilities will normally be governed by a written contract between the researcher and the client. The parties may amend the provisions of Rules 19–23 below if they have agreed to this in writing beforehand, but the other requirements of his Code may not be altered in this way. Marketing research must also always be conducted according to the principles of fair competition, as generally understood and accepted.

17 The researcher must inform the client if the work to be carried out for that client is to be combined or syndicated in the same project with work for other clients but must not disclose the identity of such clients.

18 The researcher must inform the client as soon as possible in advance when any part of the work for that client is to be subcontracted outside the researcher’s own organization (including the use of any outside consultants). On request the client must be told the identity of any such sub-contractor.

19 The client does not have the right, without prior agreement between parties involved, to exclusive use of the researcher’s services or those of his organization, whether in whole or in part. In carrying out work for different clients, however, the researcher must endeavour to avoid possible clashes of interest between the services provided to those clients.

20 The following records remain the property of the client and must not be disclosed by the researcher to any third party without the client’s permission:

(a) marketing research briefs, specifications and other information provided by the client

(b) the research data and findings from a marketing research project (except in the case of syndicated or multi-client projects or services where the same data are available to more than one client).

The client has however no right to know the names and addresses of respondents unless the latter’s explicit permission for this has first been obtained by the researcher (this particular requirement cannot be altered under Rule 16).
 Unless it is specifically agreed to the contrary, the following records remain the property of the researcher:

(a) marketing research proposals and cost quotations (unless these have been paid for by the client). They must not be disclosed by the client to any third party, other than to a consultant working for the client on that project (with the exception of any consultant working also for a competitor of the researcher). In particular, they must not be used by the client to influence research proposals or cost quotations from other researchers.

(b) the contents of a report in the case of syndicated and/or multi-client projects or services where the same data are available to more than one client and where it is clearly understood that the resulting reports are available for general purchase or subscription. The client may not disclose the findings of such research to any third party (other than to his own consultants and advisors for use in connection with his business) without the permission of the researcher.

(c) all other research records prepared by the researcher (with the exception in the case of non-syndicated projects of the report to the client, and also the research design and questionnaire where the costs of developing these are covered by the charges paid by the client).

The researcher must conform to currently agreed professional practice relating to the keeping of such records for an appropriate period of time after the end of the project. On request the researcher must supply the client with duplicate copies of such records provided that such duplicates do not breach anonymity and confidentiality requirements (Rule 4); that the request is made within the agreed time limit for keeping the records; and that the client pays the reasonable costs of providing the duplicates.

The researcher must not disclose the identity of the client (provided there is no legal obligation to do so), or any confidential information about the latter’s business, to any third party without the client’s permission.

The researcher must on request allow the client to arrange for checks on the quality of fieldwork and data preparation provided that the client pays any additional costs involved in this. Any such checks must conform to the requirements of Rule 4.

The researcher must provide the client with all appropriate technical details of any research project carried out for that client.

When reporting on the results of a marketing research project the researcher must make a clear distinction between the findings as such, the researcher’s interpretation of these and any recommendations based on them.

Where any of the findings of a research project are published by the client the latter has a responsibility to ensure that these are not misleading. The researcher must be consulted and agree in advance the form and content of publication, and must take action to correct any misleading statements about the research and its findings.

Researchers must not allow their names to be used in connection with any research project as an assurance that the latter has been carried out in conformity with this Code unless they are confident that the project has in all respects met the Code’s requirements.

Researchers must ensure that clients are aware of the existence of this Code and of the need to comply with its requirements.

Besides ESOMAR, the Market Research Society (MRS), which is based in London and has the largest number of members worldwide, has established its Code of Conduct. This will not be fully listed in the book because the Code is essentially based upon and fully compatible with the Code of ESOMAR. Instead the fundamental principles that govern the design of the MRS Code of Conduct are listed in Exhibit 1.7.
Both ESOMAR and MRS believe that adherence to their Codes implies that research is conducted in accordance with the principles of data protection legislations, which are available in all those countries where protection of personal data is viewed as important and should be legally enforced. The first European country to have a law of data protection is Sweden, which was passed in 1973. It predated by one year the passage of similar legislation in the US – the Privacy Act of 1974. The Swedish law had, and continues to have, far-reaching effects on record keeping and records management in Europe. Since then, many European countries, including Austria, Denmark, Germany, Norway, Belgium, Luxembourg, the Netherlands and the UK, have also passed their data protection laws. France has a very stringent data protection law. In Spain and Portugal, data protections are incorporated into their constitutions. Most of these laws reflect, to varying extents, the provisions of the Council of Europe’s Data Protection Convention of 1981.

The data protection legislations in different European countries share largely the same spirit and have similar contents. The corresponding legislation in the UK is the Data Protection Act 1998. According to Data Protection Act 1998, personal data is referred to as data which relates to a living individual who can be identified from the data, or from the data and other information in the possession of, or likely to come into the possession of, the data controller. There are eight Principles in the Act which are described in Exhibit 1.8.

Research ethics is increasingly becoming an essential issue and all decent marketing researchers are expected to adhere to the relevant code and conduct when conducting their marketing research projects. Although the codes of ethics or conduct advocated by marketing research associations cannot guarantee continuous ethical behaviour in marketing research, they represent a big step forward by giving proactive guidance and the appearance of integrity to the marketing research industry.

**Emerging Trends**

Parallel with the recent and expected growth of the industry, a number of evolving trends have emerged, which present new opportunities and challenges to the professionals in the industry.
First, with the ever increasing volume of available secondary data – notably over the Internet – and the escalating cost of marketing research projects charged by reputable marketing research companies, there has been an increased emphasis on secondary data collection methods. Second, the continuous development of new technologies has given marketing researchers new tools to enable them to work more effectively and efficiently, and as a result, there has been a movement towards the adoption of technology-related data management, such as optical scanning data and database technology. Third, the continual development of new technologies also provides an opportunity for marketing research to make increased use of digital technology for information acquisition and retrieval. Fourth, the rapid economic growth of an increasing number of developing countries and the resulting need for marketing research information means that marketing research companies would be more likely than ever to have a broader international client base. Fifth, there has been an increasing emphasis on the provision of business intelligence and insight necessitated by integrated management and use of business information instead of pure data collection and analysis.

**EXHIBIT 1.8 The Eight Principles of the UK Data Protection Act 1998**

**The First Principle**
Personal data shall be processed fairly and lawfully.

**The Second Principle**
Personal data shall be obtained only for one or more specified and lawful purposes, and shall not be further processed in any manner incompatible with that purpose or those purposes.

Exemption: where personal data are not processed to support decisions affecting particular individuals, or in such a way as likely to cause substantial damage or distress to any data subject, such processing will not breach the Second Principle.

**The Third Principle**
Personal data shall be adequate, relevant and not excessive in relation to the purpose or purposes for which they are processed.

**The Fourth Principle**
Personal data shall be accurate and, where necessary, kept up to date.

**The Fifth Principle**
Personal data processed for any purpose or purposes shall not be kept longer than is necessary for that purpose or those purposes.

Exemption: under the circumstances described in Exemption of The Second Principle above, the data may be retained indefinitely despite the Fifth Principle.

**The Sixth Principle**
Personal data shall be processed in accordance with the rights of data subjects under this Act.

**The Seventh Principle**
Appropriate technical and organizational measures shall be taken against unauthorized or unlawful processing of personal data and against accidental loss or destruction of, or damage to, personal data.

**The Eighth Principle**
Personal data shall not be transferred to a country or territory outside the European Economic Area, unless that country or territory ensures an adequate level of protection for the rights and freedoms of data subjects in relation to the processing of personal data.
Case 1: Red Bull

Dietrich Mateschitz founded the company, Red Bull, in Austria, his native country. As the son of humble primary school teachers, Mateschitz got his trade degree from the University of Vienna and worked at Unilever, Germany’s Jacobs Coffee and Blendax for some time. His performance was noticeable such that within seven years of service, he became the director of the International Marketing function at Blendax, which was later acquired by Procter & Gamble. His responsibility at Blendax took him to far-off countries, including Thailand, where he discovered a Japanese syrup tonic drink that sold in pharmacies as a revitalizing agent. After trying the tonic drink himself, he found a way to fight his jetlag. This is when Mateschitz decided to study the tonic market. ‘I realized that these little syrups developed in Japan did extremely well all over Asia,’ he recalls. Mateschitz smelled the potential of the business in the unspoiled Western markets.

It took him three years to finalize the tonic drink formula. The top brand of tonic drink in the Thai market was called Krating Daeng, meaning ‘Red Water Buffalo’ in Thai. Mateschitz borrowed this brand idea and decided to use the name ‘Red Bull’, which he believed was more promising for the Western markets. The drink was carbonated for Western palates and was packaged in a slim blue-silver can instead of a bottle. The three key ingredients of the Thai drink – an amino acid called taurine, caffeine, and glucuronolactone, a carbohydrate – were retained.

Before launching, marketing research with consumers was conducted. Results were less than promising. Red Bull was neither very appealing nor did it have a good taste. Some consumers commented that the berry-flavoured beverage tasted medicinal. Further, an 8.3-ounce can of Red Bull comes at a price that is double the price of a 12-ounce can of Coke.

However, Mateschitz decided to ignore the marketing research results and set up offices in Fuschl, a town just outside Salzburg, Austria. Since then sales have been spectacular. Mateschitz recalls, ‘When we first started, we said there is no existing market for Red Bull, but Red Bull will
create it. And this is what finally became true’. He also commented ‘There are times to listen to focus groups and times not to. There’s a time to ‘hear’ and there’s a time to go for it’. In retrospect, Mateschitz may be correct but taking such an emotional decision is a hard one to legitimize.

Questions
1 Mateschitz ignored the negative research results and went ahead with the launch of Red Bull, which subsequently became a big success in the highly competitive beverage market. Does it imply that marketing research is useless? Justify your answer.
2 In view of the increasingly fierce competition in the energy drink market, Red Bull is contemplating recruiting a marketing research talent who will take full charge of the company’s marketing research activities. What necessary and desirable characteristics do you expect that an ideal candidate for the post should possess?

Case 2 (Continuing Case Study): Jimmy Spice’s Restaurant

Jimmy Spice’s restaurant was first established in Birmingham, UK in 2004. The restaurant serves foods of different ethnic origins, in particular Indian, Thai, Chinese and Italian foods. It is well located on Broad Street, the most popular street for dining, drinking and entertainment. Customer traffic is high, but competition is intense.

The restaurant concept is based on the provision of a wide array of popular ethnic foods, and customers can eat as much as they like at a fixed price. The owner emphasizes the food’s exotic appeal by displaying maps, pictures and ingredients from the countries of origin throughout the setting. The restaurant also aims at instilling a fun, festive atmosphere, which is brightly lit and bustling with activity. Fast and friendly service is also part of the restaurant’s appear. The target customers are mainly young professionals, university students and families who are looking for an enjoyable meal at an affordable price.

As the competition for dining customers in the city is increasingly intense, the owner of Jimmy Spice’s restaurant needs to continuously improve restaurant operations. He needs information in order to better understand what aspects of the restaurant drive customer satisfaction and where it can improve. He has raised a few questions to be researched. Are the customers satisfied and if not, why not? Are there problems with the food, the atmosphere, or some other aspect of restaurant operations (e.g. employees or service)? Is the target market correctly defined or does it need to focus on a different niche? What are the common characteristics of satisfied customers? Answering these and other similar questions will help the owner focus the restaurant’s marketing efforts, improve operations, and be in a clearer position to consider expanding the restaurant concept from the UK to other cities in Europe.

Accordingly, Jimmy Spice’s restaurant has recruited a local marketing research company to organize for the implementation of a questionnaire survey on 400 customers, and the data
**EXHIBIT 1.9 The Use of Jimmy Spice’s Restaurant Case Study in This Text**

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Collect data have been put into an SPSS enabled database. For the sake of business confidentiality, the data given here are fictitious. However, the database will serve our learning and teaching purposes, and will be referred to throughout the book.

Exhibit 1.9 shows how Jimmy Spice’s restaurant case will be used in different chapters to help readers build up their understanding of marketing research concepts as well as SPSS applications.
Questions

1. Based on your understanding of Chapter 1, and specifically using Exhibit 1.1, what type(s) of marketing research activities should the owner of Jimmy Spice’s restaurant consider?

2. Given the general questions that the owner has cited above, are there additional information/questions that you would suggest to the owner when designing for their marketing research activities?

Summary of Learning Objectives

- **Describe and explain the impact marketing research has on marketing decision making.**
  Marketing research is the set of activities central to all marketing-related decisions regardless of the complexity or focus of the decision. Marketing research is responsible for providing managers with accurate, relevant, and timely information so that they can make marketing decisions with a high degree of confidence. Within the context of strategic planning, marketing research is responsible for the tasks, methods, and procedures a firm will use to implement and direct its strategic plan.

- **Demonstrate how marketing research fits into the marketing planning process.**
  Marketing research is the backbone of any relationship marketing strategy. Specifically, marketing research facilitates the implementation of the process through the generation of customer/market knowledge, data integration, information technology, and the creation of customer profiles. The key to successful marketing planning is accurate information. Information related to product performance, distribution efficiency, pricing policies, and promotional efforts is crucial for developing the strategic plan. The primary responsibility of any marketing research endeavour is to design a project that yields the most accurate information possible in aiding the development of a marketing plan.

- **Provide examples of marketing research activities.**
  The scope of marketing research activities extends far beyond examination of customer characteristics. The major categories of marketing research activities include, but are not limited to, (1) situation research efforts (which include opportunity assessment, descriptive studies, benefit and lifestyle studies, and importance-performance analysis); (2) programme design-driven research efforts (which include target market analysis, positioning, concept and product testing, and test marketing); (3) programme development research (which includes customer satisfaction studies, service quality studies, cycle time research, retailing research, logistic assessment, demand analysis, sales forecasting, advertising effectiveness studies, attitudinal research, and sales tracking); and (4) performance tracking analysis (which includes product analysis, environmental forecasting, and marketing decision support systems).

- **Understand the scope and focus of the marketing research industry.**
  Generally, marketing research projects can be conducted either internally by an in-house marketing research staff or externally by independent or facilitating marketing research firms. External research suppliers are normally classified as custom or standardized, or as brokers or facilitators.
- **Demonstrate ethical dimensions associated with marketing research.**
  Ethical decision making affects all industries, including marketing research. Ethical dilemmas in marketing research are likely to occur among the research provider, the research user, and the respondents. Specific unethical practices of research providers include unethical pricing practices, failure to meet obligations to respondents, respondent abuse, selling unnecessary services. Unethical behaviour by research users includes requesting research proposals with no intent to follow through and unethical practices to secure low-cost research services. The falsification of data and duplication of actual responses are unethical practices associated with the respondents.

- **Understand emerging trends and skills associated with marketing research.**
  Just as the dynamic business environment causes firms to modify and change practices, so does this environment dictate change to the marketing research industry. Specifically, technological changes have already shaped how marketing research is conducted, and will continue to affect marketing research practices in future. Necessary skills required to adapt to these changes include (1) the ability to understand and interpret secondary data, (2) presentation skills, (3) foreign-language competency, (4) negotiation skills, and (5) computer proficiency.

### Key Terms and Concepts

- Advertising agencies 26
- Advertising effectiveness studies 19
- Attitudinal research 19
- Benefit and lifestyle studies 12
- Brokers 25
- Concept and product testing and test marketing 14
- Customer satisfaction studies 15
- Cycle time research 16
- Demand analysis 18
- Descriptive studies 12
- Environmental forecasting 21
- Field service providers 26
- Facilitators 26
- Importance-performance analysis 12
- Independent consultants 26
- Logistic assessment 17
- Marketing 6
- Marketing decision support system (MDSS) 21
- Marketing research 5
- Opportunity assessment 11
- Positioning 13
- Product analysis 20
- Relationship marketing 6
- Retailing research 16
- Sales forecasting 18
- Sales tracking 19
- Service quality studies 15
- Situation analysis 9
- Target market analysis 13
1 Provide three examples of how marketing research helps marketing personnel make sound managerial decisions.

2 What improvements in market planning can be attributed to the results obtained from customer satisfaction studies?

3 List the three basic approaches used in the collection of marketing research information. Briefly describe each method and comment on its application.

4 Discuss the importance of target market analysis. How does it affect the development of market planning for a particular company?

5 What are the advantages and disadvantages for companies maintaining an internal marketing research department? What advantages and disadvantages can be attributed to the hiring of an external marketing research supplier?

6 As the marketing research industry expands in the new century, what skills will future executives need to possess? How do these skills differ from those currently needed to function successfully in the marketing research field?

7 Identify and explain four potential unethical practices within the marketing research process and their contribution to ‘deceptive research results.’

Experience the Internet. 1 Go online to one of your favourite search engines (Yahoo!, Google, etc.) and enter the following search term: marketing research. From the results, access a directory of marketing research firms. Select a particular firm and comment on the types of marketing research studies it performs.

Experience the Internet. 2 Using the Yahoo! search engine, specifically the Get Local section, select the closest major city in your area and search for the number of marketing research firms there. Select a company, email that company, and ask to have any job descriptions for positions in that company emailed back to you. Once you obtain the descriptions, discuss the particular qualities needed to perform each job.

You have been hired by McDonald’s to lead a mystery shopper team. The goal of your research is to improve the service quality at the McDonald’s restaurant in your area. What attributes of service quality will you attempt to measure? What customer or employee behaviours will you closely monitor?

Contact a local business and interview the owner/manager about the types of marketing research performed for that business. Determine whether the business has its own marketing research department, or if it hires an outside agency. Also, determine whether the company takes a one-shot approach to particular problems or is systematic over a long period of time.

Experience the Internet. As the Internet continues to grow as a medium for conducting various types of marketing research studies, there is growing concern about ethical issues. Identify and discuss three ethical issues pertinent to research conducted using the Internet.

Identify and describe at least two situations in which marketing research should not be undertaken.

How is the Internet changing the field of marketing research?

Discuss how recent ethical developments are impacting the marketing research industry.