Essentials of Marketing Research

A Hands-On Orientation

Naresh K. Malhotra

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Global Edition

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To my precious and beloved children, Ruth and Paul, with love.

"And all thy children shall be taught of the LORD;
and great shall be the peace of thy children."

I SAIAH 54:13

"For ye are all the children of God by faith in Christ Jesus."

G ALATIANS 3:26

The Holy Bible

Brief Contents

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Foreword

I am very pleased to write this foreword. Dr. Naresh K. Malhotra is an extremely well-known and highly regarded author, researcher, and teacher whom I have known for over 33 years. This first edition of *Essentials of Marketing Research: A Hands-On Orientation* is yet another outstanding textbook written by him. His other two marketing research books, *Basic Marketing Research: Integration of Social Media*, fourth edition and *Marketing Research: An Applied Orientation*, now in its sixth edition, have been very successful and have been translated into several languages and have been published in several English editions. Both those books are global leaders and I am confident that his new book, *Essentials of Marketing Research*, will also join their rank.

Essentials of Marketing Research: A Hands-On Orientation presents the essential marketing research concepts in a clear, concise, and elementary way without getting bogged down with technical details, statistics, and formulas. It carries Dr. Malhotra's expertise in marketing research and pedagogical skills even further with a simple yet forceful presentation. With its focus on contemporary issues like international marketing research, social media and new technologies, and ethics, the book is very relevant to the current environment. The application of Internet-based marketing research is integrated in a pervasive way throughout the book with ample opportunities for students to experience these concepts. Just one of the ways in which this book is leading the field of marketing research is the innovative emphasis on social media, both as a domain in which to conduct marketing research and as an application of marketing research.

This book is rich in meaningful and illustrative examples that show how researchers are capturing the realities of the marketplace and how managers are making decisions based on them. The iResearch, Applied Problems, and Internet Exercises provide rich hands-on experience. The Research in Practice examples, cases, and Online Video Cases are great learning tools that further reinforce the highly-applied and managerial orientation of the text. Particularly noteworthy are the Running Case, Comprehensive Critical Thinking Case, and other cases that include questionnaires and real-life data. The book has an abundance of diagrams, figures, and tables that truly enhance learning. Dr. Malhotra has succeeded in presenting the elementary research concepts with simplicity and clarity while yet upholding the technical accuracy for which he is most famous. The book is strong in qualitative concepts and imparts the necessary quantitative knowledge and skills with the use of SPSS and Excel. The SPSS and Excel demonstration movies, screen captures, step-by-step instructions, and online Student Resource Manual provide the greatest resources available anywhere for students to learn these programs.

Essentials of Marketing Research: A Hands-On Orientation provides an exceptionally solid foundation that students and practitioners need in order to understand and manage the marketing research function.

William D. Neal

Senior Partner

SDR Consulting

Former Chairman of the Board,
American Marketing Association

Recipient of the Charles Coolidge Parlin
Marketing Research Award (2001)

Preface

Enabling the Learning of Marketing Research

Teaching marketing research can be a challenging task for instructors and learning the subject can be equally daunting for the students, especially for those taking an introductory course in marketing research. We enable learning by giving a simple, easy to understand exposition of the basic concepts and by adopting a hands-on, do-it-yourself orientation. This first edition is current, contemporary, illustrative, and sensitive to the needs of undergraduate students, integrating the Internet, social media and new technologies, international marketing research, and ethics in a pervasive way.

Thanks to your feedback and encouragement, *Essentials of Marketing Research: A Hands-On Orientation,* first edition, builds on the success of my first four editions of *Basic Marketing Research: Integration of Social Media* and on the success of the six editions of my book *Marketing Research: An Applied Orientation.* The latter is the most widely used graduate marketing research title, with more than 150 universities adopting the book in the United States. It has been translated into Chinese, Spanish, Portuguese, Russian, French, Hungarian, Indonesian, and Japanese. In addition to these eight translations, there are several English-language editions, including North American, International, European, Indian, Arabian, and Australian editions. The book is being used in more than 100 countries. Please accept my personal gratitude and thanks for your support of my marketing research books. Truly, I owe you a lot!

Audience

Essentials of Marketing Research: A Hands-On Orientation is suitable for use in the introductory marketing research course at the undergraduate level in two- or four-year colleges and in schools that do not want to emphasize the technical and statistical methodology, but teach marketing research with a managerial orientation. With plenty of self-help for students, it not only facilitates classroom learning, but is also very suitable for online marketing research courses. I have presented the marketing research concepts and principles at an elementary level, in a manner that is easy to read and understand. There is an abundance of diagrams, pictures, illustrations, and examples that help to explain the elementary concepts. The relative positioning of my three books is as follows.

Textbook	Number of Chapters	Depth of Coverage. Statistics and Formulas.	Positioning
Essentials of Marketing Research, First Edition	13	Covers concepts at an elementary level. Deemphasizes statistics and formulas.	Two-year, four-year, and schools emphasizing a nontechnical and nonstatistical orientation to marketing research. Online marketing research courses.
Basic Marketing Research, Fourth Edition	19	Covers concepts at a medium level. Moderate emphasis on statistics and formulas; only basic statistical techniques are covered.	Upper level undergraduate textbook.
Marketing Research, Sixth Edition	24	Covers concepts at a deep level. Heavy emphasis on statistics and formulas; all the advanced statistical techniques are covered including SEM.	Mainstream MBA level textbook.

Organization

I have organized this book into three main parts, based on a six-step framework for conducting marketing research. Part 1 provides an introduction to marketing research (Chapter 1). It also discusses problem definition—the first and the most important step—and developing an approach to the problem—the second step in the marketing research process (Chapter 2).

Part 2 covers research design—the third step—describing the following research designs in detail: exploratory (secondary and syndicated data, qualitative research, Chapters 3 and 4); descriptive (survey and observation, Chapter 5); and causal (experiment, Chapter 6). The types of information commonly obtained in marketing research, as well as the appropriate scales for obtaining such information, are described (Chapter 7). Guidelines for designing questionnaires are given (Chapter 8) and sampling design and procedures are explained (Chapter 9).

Part 3 presents a practical and managerially oriented discussion of field work—the fourth step in the marketing research process. It also covers data preparation and analysis—the fifth step (Chapter 10). Basic statistical techniques are discussed in detail, with emphasis on explaining the procedures, interpreting the results, and understanding managerial implications (Chapters 11 and 12). Two statistical packages, SPSS and Excel, are featured. Here, I provide detailed, step-by-step instructions for running SPSS, including illustrations, demonstration movies, and screen captures. Detailed instructions, data files, demonstration movies, and screen captures are also provided for Excel. Communicating the research by preparing and presenting a formal report constitutes the sixth step in the marketing research process, which I also discuss in Part 3 (Chapter 13).

Distinctive Features of the Text

This book has several salient or distinctive features that set it apart from competing books.

1. *A Hands-On Orientation.* It emphasizes a hands-on, do-it-yourself approach, affording students several opportunities to experience marketing research. iResearch scenarios require students to actually do research and make marketing research and marketing management decisions through a hands-on orientation. This hands-on orientation is further reinforced by cases, Online Video Cases, Review Questions, Applied Problems, and Internet Exercises.
2. *Extensive Self-Help for Students.* As compared to competing texts, this book provides extensive self-help for students that is posted on the open access (no password required) Companion website. This includes a comprehensive Student Resource Manual, SPSS and Excel Demonstration Movies, SPSS and Excel Screen Captures with Notes, and other resources mentioned later. This makes the book very suitable for use in the classroom and for use in online marketing research courses.
3. *Interaction between Marketing Research Decisions and Marketing Management Decisions.* This book is unique in the way it illustrates the interaction between marketing research decisions and marketing management decisions. Each chapter shows how marketing research decisions influence marketing management decisions and vice versa. This interaction is illustrated through several pedagogical tools mentioned earlier. Thus, the book has a highly applied and managerial orientation. In it, I illustrate how marketing researchers apply the various marketing concepts and techniques, and how managers implement the marketing research findings in order to improve marketing practice.
4. *Extensive and Pervasive Social Media Coverage.* There is an innovative and extensive integration of social media and new technologies. Here I focus on social media as an application of marketing research and as a domain through which to conduct marketing research. Each and every chapter, excluding the data analysis in Chapters 11 and 12, has a separate section entitled "Marketing Research and Social Media." However, the use of social media is not limited to this section but is discussed in several other sections of the chapter, including end of chapter questions, Dell Running Case, and all the cases and video cases. The major occurrences of social media are highlighted with an icon in the margin.

5. *International Focus.* Apart from the data analysis in Chapters 11 and 12, every chapter has a section titled International Marketing Research and an example illustrating the concepts in an international setting.

6. *Ethics Focus.* Ethical issues are prevalent in marketing research. Every chapter has a section titled Ethics in Marketing Research and an example that illustrates marketing research ethical issues. I'll talk about ethics from the perspectives of the four stakeholders: the client, the marketing research firm, the respondents, and the general public.

7. *Contemporary Focus.* A contemporary focus has been achieved by applying marketing research to current topics such as customer value, satisfaction, loyalty, customer equity, brand equity and management, innovation, entrepreneurship, return on marketing, relationship marketing, sustainability, and socially responsible marketing throughout the text.

8. *Six-Step Marketing Research Process.* This book is organized around the well-accepted six-step framework for conducting marketing research. A six-step process diagram appears in each chapter, showing how the chapter content relates to this framework. Thus, the six-step marketing research process serves as a unifying framework that imparts structure. There is ample evidence suggesting undergraduate students learn structured material more easily.

9. *Extensive and Pervasive Internet Coverage.* The text discusses how the Internet can be integrated in each step of the marketing research process and how it can be used to implement the concepts discussed in each chapter. The coverage of the Internet is so extensive that it has not been singled out. Internet applications are ubiquitous. For example, all the iResearch exercises require the students to do Internet research including social media. In addition, a section entitled Internet Exercises is featured in each chapter.

10. *Stimulating Critical Thinking.* The principles for critical thinking (including Socratic questioning, critical reading and writing, higher order thinking, and assessment) have been embodied in a Comprehensive Critical Thinking Case (Case 2.1 American Idol), end of chapter Review Questions, Applied Problems, and Internet Exercises. These materials have been designed based on the guidelines provided by the Foundation for Critical Thinking.

11. *Real-life Examples and Illustrations.* Several real-life examples are presented in each chapter, entitled Research in Practice. These examples describe in detail the kind of marketing research conducted to address specific managerial problems and the decisions that were based on the findings. Where appropriate, the sources cited have been supplemented by additional marketing research information to enhance the usefulness of these examples. In addition, there are several other examples and illustrations that are blended in the text.

12. *Research Recipe.* Every major section in each chapter ends with an active summary entitled Research Recipe. This feature not only summarizes the main concepts in that section but also provides guidelines on how those concepts should be implemented in actual practice.

13. *Comprehensive Cases with Actual Questionnaires and Real Data.* Each chapter contains the Dell Running Case (Case 1.1) featuring an actual questionnaire and real-life data. While the questions for Dell appear in each chapter, the case itself appears toward the end of the book. There I have included additional comprehensive cases with actual questionnaires and real-life data (Case 3.1 JP Morgan Chase, Case 3.2 Wendy's).

14. *Online Video Cases.* Each chapter of this book contains an Online Video Case. The video cases have been drawn from the Pearson video library, and have been written from a marketing research perspective. The questions at the end of each video case are all marketing research questions. The questions are cumulative and cover the contents of that chapter as well as the previous chapters. The cases and videos are available online to instructors and students.

15. *Learning Objectives and Opening Research in Practice Examples.* Each chapter opens with a set of objectives to arouse curiosity and to impart structure. Each chapter also contains an Opening Research in Practice feature that I use as a running example throughout the chapter.

16. *SPSS and Excel.* Data analysis procedures are illustrated with respect to SPSS and Excel. SPSS and Excel files are provided for all datasets.

17. ***SPSS and Excel Computerized Demonstration Movies.*** I have created computerized demonstration movies illustrating step-by-step instructions for each data analysis procedure using SPSS and Excel that can be downloaded or viewed on the website for this book (see Exhibit 10.1). Students can watch these movies on their own to promote self-learning and/or they can be shown in class.
18. ***SPSS and Excel Screen Captures with Notes.*** In addition to the demonstration movies, I have also provided screen captures with notes illustrating step-by-step instructions for running each data analysis procedure presented in the book using SPSS as well as Excel. These are available on the text website for downloading.
19. ***SPSS and Excel Step-by-Step Instructions.*** Each chapter contains separate step-by-step instructions for SPSS and Excel for conducting the data analysis presented in that chapter.
20. ***Conducting a Live Marketing Research Project.*** Toward the end of each chapter there is a section entitled, "Live Research: Conducting a Marketing Research Project." These sections show how to implement one or more live marketing research projects in the course. The approach is flexible and can handle a variety of organizations and formats. The entire class could be working on the same project with each team working on all aspects of the project, or each team could be assigned a specific responsibility (e.g., a specific component of the problem or a specific aspect of the project like collection and analysis of secondary data). Alternatively, the class could be working on multiple projects with specific teams assigned to a specific project.
21. ***Acronyms.*** Each chapter contains one or more helpful acronyms that summarize the salient concepts. Acronyms are the most popular mnemonic technique college students use. Theoretical and empirical evidence supporting the effectiveness of mnemonic techniques and their usefulness as a pedagogical tool has been discussed in a paper I published in the *Journal of the Academy of Marketing Science,* (spring 1991): 141–150.
22. ***AACSB Learning Standards.*** All the pedagogical tools, end of chapter exercises, and the test item file have been designed to incorporate the AACSB learning standards with respect to: Written and oral communication, ethical understanding and reasoning, information technology, analytical thinking, diverse and multicultural work environments, reflective thinking, application of knowledge, and interpersonal relations and teamwork.

Students Can Learn SPSS® and Excel on Their Own!

SPSS and Excel files are provided for all chapter datasets; outputs and screen captures are posted on the Companion website (www.pearsonglobaleditions.com/malhotra). Help for running the SPSS and Excel programs used in each data analysis chapter is provided in four ways:

1. Detailed step-by-step instructions are given in the chapter.
2. Download or view online computerized demonstration movies illustrating these step-by-step instructions from www.pearsonglobaleditions.com/malhotra. For each data analysis procedure I have provided a movie illustrating SPSS and another illustrating Excel.
3. Download screen captures with notes illustrating these step-by-step instructions.
4. Extensive instructions for SPSS and Excel are given in the Student Resource Manual that is also posted on the Companion website and can be accessed without a password.

Thus, we provide **the most extensive help** available anywhere to learn SPSS and Excel!

Teaching Aids for Instructors

The password-protected Instructor Resource Center offers several teaching aids that can be accessed only by instructors. These include:

PowerPoint Presentations

A comprehensive set of PowerPoint slides can be used by instructors for class presentations or by students for lecture preview or review. These slides contain extensive materials including the major concepts, all the figures, and all the tables for each chapter of the book. The

instructor slides are distinct in that: (1) some slides contain notes that are identified with a scarlet border, (2) some slides contain images, and (3) there are additional slides containing material not covered in the book. These extra slides have been identified with "Review Comments," a feature of PowerPoint.

Instructor's Manual

A complete instructor's manual (IM), prepared by me, can be used to prepare lectures or class presentations, find answers, and even to design the course syllabus. I personally wrote the entire instructor's manual so that it is very closely tied to the text. Each chapter contains Learning Objectives; Author's Notes; Chapter Outline; Teaching Suggestions organized by Leraning Objectives; and answers to all end-of-chapter Review Questions, Applied Problems, and Internet Exercises. Answers are also provided to the iResearch scenarios. In addition, solutions are provided for all the cases, including those that involve data analysis. Solutions are also provided for all the Online Video Cases. Each chapter in the IM contains an additional feature (not contained in the book) entitled Decision Research that describes a real-life scenario with specific questions that require students to make marketing research and marketing management decisions and the answers are given. Additional exercises and answers entitled Role Playing, Field Work, and Group Discussions are also provided.

Test Item File

The test bank contains multiple-choice, true/false, and essay questions for every chapter. I personally wrote the test item file. This valuable resource contains a wide variety of questions for each chapter that allows you to create your own exams.

This Test Item File supports Association to Advance Collegiate Schools of Business (AACSB) International Accreditation. Each chapter of the Test Item File was prepared with the AACSB learning standards in mind. Where appropriate, the answer line of each question indicates a category within which the question falls. This AACSB reference helps instructors identify those test questions that support that organization's learning goals.

The eight categories of AACSB Learning Standards were identified earlier. Questions that test skills relevant to these standards are tagged with the appropriate standard. For example, a question testing the moral issues associated with externalities would receive the ethical understanding and reasoning abilities tag.

How can I use these tags? Tagged questions help you measure whether students are grasping the course content that aligns with AACSB guidelines. In addition, the tagged questions may help to identify potential applications of these skills. This, in turn, may suggest enrichment activities or other educational experiences to help students achieve these goals.

Online Video Cases

A set of cases and videos accompanying these cases is available online. The viewing time for many of these videos is less than 10 minutes so that they can be conveniently shown in class. These video cases are posted online and the solutions to these cases are provided in the instructor's manual.

Other Teaching Aids

The password-protected Instructor Resource Center also contains the following:

- Data files for Cases 1.1 Dell, 3.1 JP Morgan Chase, and 3.2 Wendy's, given in the book (SPSS and Excel)
- Data files for all the Applied Problems (SPSS and Excel)
- Data file for the data set(s) used in each data analysis chapter (SPSS and Excel)
- SPSS and Excel Computerized Demonstration Movies
- SPSS and Excel Screen Captures with Notes
- SPSS and Excel output files for data analyses presented in Chapters 10 to 12, and for solutions to all Applied Problems and Cases (1.1 Dell, 3.1 JPMorgan Chase, and 3.2 Wendy's)
- Additional materials that supplement the topics discussed in the book.

Student Resource Manual

It enables students to study more effectively. This online resource manual contains chapter outlines, learning tips organized by objectives, practice true and false and multiple choice questions, additional figures and tables, and hints for selected Applied Problems. It also gives detailed instructions for running the data analysis procedures using SPSS and Excel along with an additional practice dataset.

CourseSmart eTextbooks*

Developed for students looking to save on required or recommended textbooks, CourseSmart eTextbooks Online shaves money off the suggested list prices of the print text. Students simply select their eText by title or author and purchase immediate access to the content for the duration of the course using any major credit card. With a CourseSmart eText, students can search for specific keywords or page numbers, make notes online, print out reading assignments that incorporate lecture notes, and bookmark important passages for later review.

Learning Aids for Students

Companion Website

Housed at www.pearsonglobaleditions.com/malhotra, the Companion website offers valuable additional resources for *Essentials of Marketing Research*, First Edition, for instructors as well as students. This site is not password protected so that these materials can be accessed freely. Video cases are located on this companion website and include the accompanying streaming video. This site also offers downloads of data files and additional material for use in conjunction with the textbook. Specifically, the Companion website contains the following materials:

- Student Resource Manual
- Data files for Cases 1.1 Dell, 3.1 JP Morgan Chase, and 3.2 Wendy's, given in the book (SPSS and Excel)
- Online Video Cases, including streaming video
- Data files for all the Applied Problems (SPSS and Excel)
- Data files for the data set(s) used in each data analysis chapter (SPSS and Excel)
- Output files for the analysis in each data analysis chapter (SPSS and Excel)
- SPSS and Excel Computerized Demonstration Movies
- SPSS and Excel Screen Captures with Notes
- Additional materials that supplement the topic discussed in the book

Tips to Students on How to Use This Textbook

I want to offer you a few tips on how to use this book and suggestions on how to master the material presented.

- Read the Chapter. Start by reading the chapter. Be sure to look at the Overview, Learning Objectives and opening Research in Practice examples, and reread the Overview so you will know what is in the chapter. Often this is skipped because students don't believe it is important. Read the Research Recipe feature twice. Each recipe is very short but effectively summarizes that section and provides guidelines on how to implement the concepts in practice.
- Review the Key Terms. It is important to read through these new terms to be sure you understand each one. Key Terms are often targets of quiz and exam questions.
- Answer the Review Questions. Go through the Review Questions and see if you can answer them without looking in the chapter. When you are finished, go back and check to see if you got each one correct. For the ones you couldn't answer, go back and locate the correct information in the chapter.
- Do the Applied Problems. Pick several problems you believe would be interesting. Spend some time thinking about the question and the concepts being explored. You can make these problems fun to do as you analyze the concepts at a deeper level.

* This product may not be available in all markets. For more details, please visit www.coursesmart.co.uk or contact your local Pearson representative.

- Have Some Fun with Critical Thinking. Go to the Critical Thinking Case (2.1 American Idol). This case is comprehensive and contains questions on all the chapters except the data analysis chapters. Based on the knowledge you have learned in the chapter and the case information, answer the critical thinking questions as well as the technical questions. Doing this case will help you understand and apply the concepts in real-life situations from a critical thinking perspective.
- Hone your Internet skills. Select a few iResearch and Internet Exercises that you find interesting and complete them. This will sharpen your Internet marketing research skills.
- Experience case analysis and problem solving. Pick one of the Comprehensive Cases with Real Data and Questionnaires that interests you the most. Answer the marketing research questions that have been posed for each chapter, including the data analysis chapters. These will help you apply the marketing research concepts to real-life situations and also give you a taste of case analysis and problem solving.

Suggestions to Students for Preparing for Exams

If you have followed the tips provided in the previous section, you will almost be ready for the exam. A brief review of the Key Terms, Research Recipes, and a scan of the chapter will be all that you need. But, if you have not followed all of the tips, here is a sequence of activities you can follow that will aid in learning the material.

- Read the chapter.
- Review the Research Recipes.
- Review the Key Terms.
- Read the chapter Overview.
- Read the chapter Summary.
- Answer the Review Questions.
- Go through the chapter and locate all of the bold and italic words. Read the context of each term to make sure you understand that term.
- Start at the beginning of the chapter and read the topic sentence of each paragraph. These sentences should provide a good summary of that paragraph. Reread the Research Recipes.
- Reread the chapter Summary.

Congratulations! You are now ready for the exam. Relax—you will do well.

Reviewers for the First Edition

The reviewers have provided many constructive and valuable suggestions. Among others, the help of the following reviewers is gratefully acknowledged.

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I want to acknowledge, with great respect, my parents, the late Mr. H. N. Malhotra, and Mrs. S. Malhotra. Their love, encouragement, support, and the sacrificial giving of themselves have been exemplary. My heartfelt love and gratitude go to my wife Veena, and my children Ruth and Paul, for their faith, hope, and love.

Most of all, I want to acknowledge and thank my Savior and Lord, Jesus Christ, for the abundant grace and favor He has bestowed upon me. This book is, truly, the result of His grace and mercy—"Grace, mercy, and peace, from God our Father and Jesus Christ our Lord" (I Timothy 1:2). I praise God and give Him all the glory. Undoubtedly, the most significant event in my life was when I accepted the Lord Jesus Christ as my personal Savior and Lord. "For whosoever shall call upon the name of the Lord shall be saved" (Romans 10:13).

Naresh K. Malhotra

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About the Author

Dr. Naresh K. Malhotra is Senior Fellow, Georgia Tech CIBER and Regents' Professor Emeritus, Scheller College of Business, Georgia Institute of Technology, USA. He has been listed in Marquis *Who's Who in America* continuously since the 51st Edition in 1997 and in *Who's Who in the World* since 2000. He received the prestigious Academy of Marketing Science CUTCO/Vector Distinguished Marketing Educator Award in 2005. In 2010, he was selected as a Marketing Legend, and his refereed journal articles were published in nine volumes by Sage with tributes by other leading scholars in the field. In 2011, he received the Best Professor in Marketing Management, Asia Best B-School Award.

In an article by Wheatley and Wilson (1987 AMA Educators' Proceedings), Professor Malhotra was ranked number one in the country based on articles published in the *Journal of*

Marketing Research (JMR) during 1980–1985. He also holds the all-time record for the maximum number of publications in the *Journal of Health Care Marketing*. He is ranked number one based on publications in the *Journal of the Academy of Marketing Science* (JAMS) since its inception through Volume 23, 1995. He is also number one based on publications in JAMS during the 10-year period 1986–1995. (See Tables 6 and 7 of JAMS, Vol. 24, No. 4, Fall 1996, p. 297). In an editorial by Schlegelmilch (JIM, 11(1), 2003), Malhotra was ranked number one based on publications in the *International Marketing Review* (IMR) from 1992–2002. He is also ranked number one based on publications in the *International Marketing Review* since its inception (1983) to 2003 (Table V, IMR, 22(4) (2005), p. 396), and from 1983 to 2011 (Table VI, IMR, 30(1) (2013), p. 14.) He is also ranked number one based on publications in the *International Marketing Review* from 1996–2006 based on a study by Xu et al., published in the *Asia Pacific Journal of Management* (2008) 25: 189–207. In a landmark study by Ford et al. (2010) examining publications in the top four marketing journals (JMR, JM, JAMS, and JCR) over a 25-year period from 1977–2002, Professor Malhotra has three top-three rankings: ranked number three based on publications in all the four journals combined, ranked number three based on publications in JMR, and ranked number one based on publications in JAMS. He has published 10 papers in JMR.

He has published more than 130 papers in major refereed journals, including the *Journal of Marketing Research*, *Journal of Consumer Research*, *Marketing Science*, *Management Science*, *Journal of Marketing*, *Journal of Academy of Marketing Science*, *Journal of Retailing*, *Journal of Health Care Marketing*, and leading journals in statistics, management science, information systems, and psychology. In addition, he has also published numerous refereed articles in the proceedings of major national and international conferences. Several articles have received best paper research awards.

He was Chairman, Academy of Marketing Science Foundation, 1996–1998; President, Academy of Marketing Science, 1994–1996; and Chairman, Board of Governors, 1990–1992. He is a Distinguished Fellow of the Academy and Fellow, Decision Sciences Institute. He is the founding editor of *Review of Marketing Research* (published by the Emerald Group); served as an associate editor of *Decision Sciences* for 18 years; and has served as section editor, Health Care Marketing Abstracts, *Journal of Health Care Marketing*. Also, he serves on the editorial board of eight journals.

He has traveled and taught in 33 countries. His book titled *Marketing Research: An Applied Orientation*, Sixth Edition, was published by Prentice Hall, Inc., in 2010. This book has been translated into Chinese, Spanish, Russian, Portuguese, Hungarian, French, Bahasa Indonesia, and Japanese. In addition to the eight translations, this book also has several English editions, including North America, International, Europe, India, Arab, and Australia and New Zealand. The book has received widespread adoption at both the graduate and undergraduate levels with more than 150 schools using it in the United States and is being studied in over 100 countries. His book, *Basic Marketing Research: Integration of Social Media,* Fourth Edition, was published by Prentice Hall in 2011 and is likewise a global leader in the field.

Dr. Malhotra has consulted for business, nonprofit, and government organizations in the United States and abroad and has served as an expert witness in legal and regulatory proceedings. He has special expertise in data analysis and statistical methods. He is the winner of numerous awards and honors for research, teaching, and service to the profession, including the Academy of Marketing Science, Outstanding Marketing Teaching Excellence Award, 2003.

Dr. Malhotra is an ordained minister of the Gospel, a member and Deacon of the First Baptist Church, Atlanta, and President of Global Evangelistic Ministries, Inc. He has been married to Veena for more than 33 years, and they have two children, Ruth and Paul.

Introduction to Marketing Research

⌄ Overview

Marketing research is one of the most important and fascinating aspects of marketing. In this chapter, we give a formal definition of marketing research and classify marketing research into two areas: problem-identification and problem-solving research. We describe the marketing research process and the six steps that are involved in conducting research, and discuss the nature of marketing research, emphasizing its role of providing information for marketing decision making. Next we provide an overview of marketing research suppliers who collectively make up the marketing research industry, along with guidelines for selecting a supplier. The demand for well-executed marketing research leads to many exciting career opportunities that are described. We show the relationship of marketing research to marketing information systems and decision support systems.

Information on the use of the Internet in marketing research is interwoven into each chapter. The topic of international marketing research is introduced and discussed systematically in the subsequent chapters, as is the subject of marketing research and social media. The major occurrences of social media research are highlighted throughout the book with the use of an icon in the margin. This book is on the leading edge in terms of integrating social media as an additional domain to conduct marketing research. The ethical aspects of marketing research and the responsibilities each of the marketing research stakeholders have to themselves, one another, and the research process are presented and developed in more detail throughout the text. The major takeaways from key sections are summarized by way of "Research Recipe" boxes. This and all subsequent chapters include several Internet and hands-on applications of marketing research in the form of "Research in Practice," "iResearch," cases, online video cases, review questions, applied problems and Internet exercises. To further reinforce student learning, we present a running case on Dell toward the end of each chapter. For instructors wishing to implement a real-life marketing research project, we include a section entitled "Live Research: Conducting a Marketing Research Project." Perhaps there is no better way to present an overview than to give an example that provides a flavor of the nature of marketing research.

The role of a marketing researcher must include consulting skills, technical proficiency and sound management. The focus of the role is to provide information to identify marketing problems and solutions in such a way that action can be taken."

> **Jeff Miller, President and CEO, Burke, Inc., Cincinnati, Ohio**

∨ Learning Objectives

After reading this chapter, the student should be able to:

1. Define marketing research and distinguish between problem-identification and problem-solving research.

2. Describe a framework for conducting marketing research as well as the six steps of the marketing research process.

3. Understand the nature and scope of marketing research and its role in designing and implementing successful marketing programs.

4. Explain how the decision to conduct marketing research is made.

5. Discuss the marketing research industry and the types of research suppliers, including internal, external, full-service, and limited-service suppliers.

6. Describe careers available in marketing research and the background and skills needed to succeed in them.

7. Explain the role of marketing research in decision support systems.

8. Acquire an appreciation of the international dimension and the complexity involved in international marketing research.

9. Describe the use of social media as a domain to conduct marketing research.

10. Gain an understanding of the ethical aspects of marketing research and the responsibilities each of the marketing research stakeholders have to themselves, one another, and the research project.

r Research in Practice
Apple: Combining Marketing Research and Technological Innovation

Apple launched the iPad in 2010 and sold 300,000 of the tablets on the first day, 1 million iPads in twenty-eight days—less than half of the seventy-four days it took to sell 1 million iPhones. Consumers watched more than 30 billion videos online in one month. As in the case of other innovative products it had introduced in the past (iPod, iTunes Music Store, iPhone), marketing research played a significant role in the design and successful introduction of the iPad. Marketing research in the form of focus groups (interviews with a small group of consumers), analysis of social media, and surveys indicated that in this electronic age of multitasking, consumers were looking for electronic devices that integrate numerous functions on one platform. Consumers were also looking for a device that filled the gap between smartphones and laptops. The iPad was designed to meet this need and succeeded in creating a new mobile device category on its own. With over 15 million iPads sold in its first nine months of availability, the late Apple CEO Steve Jobs said 2010 was "The Year of the iPad." Capitalizing on this great success, Apple launched the iPad2 in March 2011. The company launched a new version of the iPad on March 16, 2012, and sold more than 3 million units in four days, making this the most successful launch yet for Apple's tablet. On September 12, 2012, Apple unveiled a new thinner iPhone 5 and pre-orders sold out in less than an hour. The iPhone 5 set a new sales record as customers placed more than 2 million pre-orders for the iPhone 5 on the first day it was available, doubling previous results and exceeding initial supply of the smartphone.

Apple undertakes extensive research to identify marketing opportunities and also to develop products and marketing programs to exploit those opportunities. While, it maintains an in-house staff of

Source: Jeff Miller, President and CEO, Burke, Inc.

marketing researchers, the company relies heavily on external marketing research suppliers. All the information generated by marketing research becomes a part of Apple's decision support system.

Despite the passing away of Steve Jobs on October 5, 2011, consumers can expect the stream of innovative new products from Apple to continue given the company's continued reliance on marketing research and technological innovation. In fact, during 2013 and 2014, Apple was expected to launch many new innovative products including the highly anticipated Apple television that has been developed based on extensive marketing research.[1] ‹

This example illustrates the crucial role played by marketing research in designing and implementing successful marketing programs. It illustrates only a few of the methods used to conduct marketing research: focus groups, analysis of social media, and surveys. This book will introduce you to all types of marketing research techniques and illustrate their applications in designing effective marketing strategies. The role of marketing research can be better understood through its definition.

DEFINITION OF MARKETING RESEARCH

In this book, we emphasize the need for information for decision making and therefore define marketing research as follows:

marketing research

The systematic and objective identification, collection, analysis, dissemination, and use of information for the purpose of assisting management in decision making related to the identification and solution of problems and opportunities in marketing.

Marketing research is the systematic and objective identification, collection, analysis, dissemination, and use of information for the purpose of improving decision making related to the identification and solution of problems and opportunities in marketing.

Several aspects of this definition are noteworthy. First, marketing research is systematic. Thus, systematic planning is required at all stages of the marketing research process. The procedures followed at each stage are methodologically sound; well documented; and, as much as possible, planned in advance. Marketing research uses the scientific method in that data are collected and analyzed to test prior thinking that may be formulated into specific hypotheses.

Marketing research attempts to provide accurate information that reflects a true state of affairs. It is objective and should be conducted impartially. Although research is always influenced by the researcher's philosophy, it should be free from the personal or political biases of the researcher or management. The motto of every researcher should be, "Find it and tell it like it is."

Marketing research involves the identification, collection, analysis, dissemination, and use of information, as described in Figure 1.1.

Each phase of this process is important. We identify or define the marketing research problem or opportunity and then determine what information is needed to investigate it. Because every marketing opportunity translates into a research problem to be investigated, we use the terms *problem* and *opportunity* interchangeably. Next, the relevant information sources are identified and a range of data collection methods varying in sophistication and complexity are evaluated for their usefulness. The data are collected using the most appropriate method; they are analyzed and interpreted, and inferences are drawn. Finally, the findings, implications, and recommendations are provided in a format that enables the managers to use the information for marketing decision making and to take appropriate actions.

R e s e a r c h   R e c i p e

Conduct marketing research in an objective and systematic way. It should be free from the personal and political biases of the researcher and management. The procedures used should be methodologically sound; well documented; and, as much as possible, planned in advance.

The Internet is quickly becoming a useful tool in the identification, collection, analysis, and dissemination of information related to marketing research. The Marketing Research Association (**www.marketingresearch.org**) is a worldwide association of researchers dedicated to providing
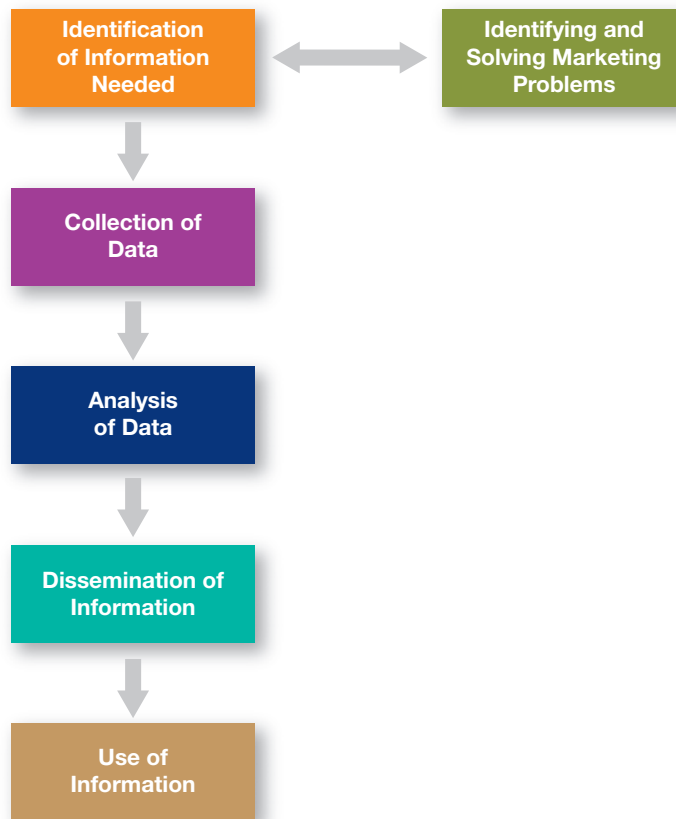
FIGURE 1.1
DEFINING MARKETING
RESEARCH

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┌─────────────────┐              ┌─────────────────┐
│ Identification  │              │ Identifying and │
│ of Information  │ ◄──────────► │ Solving Marketing│
│     Needed      │              │    Problems     │
└─────────────────┘              └─────────────────┘
         │
         ▼
┌─────────────────┐
│  Collection of  │
│      Data       │
└─────────────────┘
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┌─────────────────┐
│    Analysis     │
│    of Data      │
└─────────────────┘
         │
         ▼
┌─────────────────┐
│ Dissemination of│
│   Information   │
└─────────────────┘
         │
         ▼
┌─────────────────┐
│     Use of      │
│   Information   │
└─────────────────┘
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an open forum for the discussion of best practices and ethical approaches to research being conducted via the Internet, social media, and traditional methodologies. The next section further clarifies this definition by classifying different types of marketing research.

iResearch
Coca-Cola on the Web

Visit Coca-Cola's website at **www.coca-cola.com**. How does this site collect marketing research information? How would you improve the website in order to collect more or better marketing research information?

As the brand manager for Coca-Cola, how would you use information collected on the website to market your brand more effectively? ‹

A CLASSIFICATION OF MARKETING RESEARCH

Our definition states that organizations engage in marketing research for two reasons: (1) to identify and (2) to solve marketing problems. This distinction serves as a basis for classifying marketing research into problem-identification research and problem-solving research, as shown in Figure 1.2.

Problem-identification research is undertaken to help identify problems that are, perhaps, not apparent on the surface and yet exist or are likely to arise in the future. Examples of problem-identification research include market potential, market share, brand or company image, market characteristics, sales analysis, short-range forecasting, long-range forecasting, and business trends research. A survey of companies conducting marketing research indicated that 97 percent of those who responded were conducting market potential, market share, and market characteristics research. About 90 percent also reported that they were using other types of problem-identification research. Research of this type provides information about the marketing environment and helps

problem-identification research
Research undertaken to help identify problems that are not necessarily apparent on the surface and yet exist or are likely to arise in the future.

FIGURE 1.2

A CLASSIFICATION OF
MARKETING RESEARCH

Marketing Research

Problem-Identification Research

Problem-Solving Research

Identify Underlying Problems
- **Market Potential Research**
- **Market Share Research**
- **Image Research**
- **Market Characteristics Research**
- **Forecasting Research**
- **Business Trends Research**

Address Identified Problems
- **Segmentation Research**
- **Product Research**
- **Pricing Research**
- **Promotion Research**
- **Distribution Research**

diagnose a problem. For example, a declining market potential indicates that the firm is likely to have a problem achieving its growth targets. It is very difficult to grow in a declining market. Similarly, a problem exists if the market potential is increasing but the firm is losing market share. That was indeed the situation confronting Scott Products, a brand of the Kimberly-Clark Corporation (**www.kimberly-clark.com**). Sales of Scott products were increasing but the brand was losing market share. While the brand's sales were increasing, they were not increasing as fast as its competitors. Upon further analysis, the problem was identified as price competition from lower-priced regional brands. Similarly, the recognition of economic, social, or cultural trends, such as changes in consumer behavior, may also point to underlying problems or opportunities.

problem-solving research
Research undertaken to help solve specific marketing problems.

Once a problem or opportunity has been identified, **problem-solving research** is undertaken to arrive at a solution. Thus, problem-identification research is generally followed by problem-solving research. The findings of problem-solving research are used in making decisions that will solve specific marketing problems. Most companies conduct problem-solving research. The different types of issues that are addressed by problem-solving research include segmentation, product, pricing, promotion, and distribution research.

Classifying marketing research into two main types is useful from a conceptual as well as a practical viewpoint. However, problem-identification research and problem-solving research go hand in hand, and a given marketing research project may combine both types of research. Once it identified the problem as priced competition from regional brands, Kimberly-Clark undertook problem-solving research, specifically product research. Based on the findings of product research, the company introduced a lower-priced line of paper products, under a new brand name, in markets where it was facing stiff competition from regional brands. As mentioned in the first Research in Practice feature, Apple undertakes both problem-identification and problem-solving research. Another illustration is provided by Kellogg's.

r Research in Practice
Nutri-Grain Cereal Bars Add Nutrition to Kellogg's Sales

Kellogg's (**www.kelloggs.com**) marketed its products in more than 180 countries as of 2014. During the economic slowdown of 2009-2012, it had experienced a slump in the market and faced the challenge of reviving low cereal sales. Through problem-identification research, Kellogg's was able to identify the problem and, through problem-solving research, develop several solutions to increase cereal sales.