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A BRIEF GUIDE TO GETTING THE MOST FROM THIS BOOK

1. Features to make reading more interesting

FEATURE	DESCRIPTION	BENEFIT
Opening vignettes	Each chapter begins with a short description of a marketing research company's features or an organization's services such how firms deal with survey data quality.	Previews the material in the textbook by showing you how it is used in marketing research
Current insights from industry professionals	"War stories" and recommendations from seasoned practitioners of marketing research	Illustrates how the technique or theory should be applied or gives some hints on ways to use it effectively
Global Applications	Examples of global marketing research in action	Fosters awareness that over one-half of marketing research is performed in international markets
Ethical Considerations	Situations that show how ethical marketing researchers behave using the actual code of marketing research standards adopted by the Marketing Research Association	Reveals that marketing researchers are aware of ethical dilemmas and seek to act honorably
Practical Applications	"Nuts and bolts" examples of how marketing research is performed and features new techniques such as neuromarketing	Gives a "learning by seeing" perspective on real-world marketing research practice
Digital Marketing Research Applications	Information is provided on how technology is impacting marketing research both as a source of information and the creation of new products designed to cultivate the information	You will see how new innovations create opportunities for marketing research firms to add new services designed to provide information created by the new information sources

2. Features to help you study for exams

FEATURE	DESCRIPTION	BENEFIT
Chapter objectives	Bulleted items listing the major topics and issues addressed in the chapter	Alerts you to the major topics that you should recall after reading the chapter
Marginal notes	One-sentence summaries of key concepts	Reminds you of the central point of the material in that section
Chapter summaries	Summaries of the key points in the chapter	Reminds you of the chapter highlights
Key terms	Important terms defined within the chapter and listed at the end of the chapter.	Helps you assess your knowledge of the chapter material and review key topics
Review questions	Assessment questions to challenge your understanding of the theories and topics covered within the chapter	Assists you in learning whether you know what you need to know about the major topics presented in the chapter
Companion website	The student resources on this website include chapter outlines, case study hints, online tests, and PowerPoint slides	Offers online pre- and post-tests, PowerPoint files, case study hints, and SPSS tutorials and datasets

3. Elements that help you apply the knowledge you've gained

FEATURE	DESCRIPTION	BENEFIT
End-of-chapter cases	Case studies that ask you to apply the material you've learned in the chapter	Helps you learn how to use the material that sometimes must be customized for a particular marketing research case
Synthesize Your Learning	Exercises that ask you to apply and integrate material from across three to four chapters	<ul style="list-style-type: none">• Overcomes the "silo effect" of studying chapters in isolation• Enhances learning by showing you how topics and concepts are related across chapters
Integrated Case	A case study running throughout the book which you study through end-of-chapter exercises	<ul style="list-style-type: none">• Simulates a real-world marketing research project running across most of the steps in the marketing research process• Shows you the execution of an entire marketing research project
Integration of IBM SPSS Statistics Version 23	The most widely adopted statistical analysis program in the world, with annotated screenshots and output, plus step-by-step "how to do it" instructions	Teaches you the statistical analysis program that is the standard of the marketing research industry.
Online SPSS datasets	SPSS data sets for cases in the textbook, including the integrated case at www.pearsonhighered.com/burns	<ul style="list-style-type: none">• Offers easy access to SPSS datasets that you can use without worrying about set-up or clean-up• Provides good models for SPSS datasets
SPSS student assistant	Stand-alone modules with animation and annotated screen shots to show you how to use many SPSS features at www.pearsonhighered.com/burns	Handy reference for many SPSS functions and features, including statistical analyses

EIGHTH EDITION

MARKETING RESEARCH



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EIGHTH EDITION

MARKETING RESEARCH



Alvin C. Burns

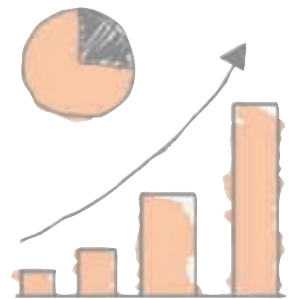
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Only we know how much our spouses, Jeanne, Greg, and Libbo, have sacrificed during the times we have devoted to this book. We are fortunate in that, for all of us, our spouses are our best friends and smiling supporters.

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Louisiana State University

Ann Veeck,
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Ron Bush,
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Preface to *Marketing Research*, Eighth Edition

What's New and What's Tried and True in the Eighth Edition?

- **New! Ann Veeck, Co-author.** The eighth edition of *Marketing Research* heralds a significant change in authors. For the past seven editions, this textbook has been authored by Al Burns and Ron Bush. Ron shifted into retirement soon after the seventh edition was published, and Ann Veeck came aboard. Ann has impeccable credentials, including a Master of Marketing Research degree from the Terry College of Business at the University of Georgia. Ann has taught marketing research and used Burns and Bush textbook editions for a number of years. Ann's contributions appear throughout the eighth edition and especially in coverage of the marketing research industry, the marketing research process and problem definition, research design, secondary and packaged information, and qualitative research techniques. Ann is also on top of digital marketing research and big data analytics. Those adopters who have used previous editions of *Marketing Research* will nevertheless recognize coverage and contributions by Ron Bush and, while Ron is not an active writer of the eighth edition, we have retained his name as co-author for this reason. So the eighth edition of *Marketing Research* marks the transition of Burns and Bush to Burns, Veeck, and Bush, with the expectation that the ninth edition will be Burns and Veeck.

Benefit: As a longtime user of *Marketing Research* and an accomplished teacher of countless marketing research students, Ann's contributions continue the tradition of intuitive and immediately understandable coverage of this subject matter.

- **New! Big Changes in the Industry, Subtle Shifts in the Textbook.** Those of us in the marketing research business cannot help but notice the huge changes taking place. Big data and marketing analytics have arrived; social media marketing research practices are on the scene; qualitative research has become much more common; technological innovations happen daily; panels have become the way of surveys; data visualization, infographics, and dashboards are the preferred presentation vehicles. As seasoned marketing educators and perceptive textbook authors, we are well aware that instructors intensely dislike dramatic changes in new editions of textbooks they have used for some time. So, we have addressed the big changes in marketing research not with a major rewriting of the tried-and-true coverage in prior editions but with a more evolutionary approach by adding new sections, composing Marketing Research Insights as illustrations, and recasting some chapter sections to be consistent with current practice. We advise the adopters of the eighth edition to do as we do. When teaching marketing research to our own students, we use the textbook coverage as a springboard to current practices and examples that we glean by keeping up with *Quirk's Marketing Research Review*, *GreenBook*, and other marketing research industry news sources.

Benefit: Adopters of the eighth edition will notice the modernization of coverage, but they will not be shocked or inconvenienced by huge changes in organization, topic coverage, and flow of material in the textbook.

- **New! Digital Marketing Research.** We firmly believe that new technologies, principally computer-based innovations, are profoundly changing the practice of marketing research, and while we termed it *social media marketing research* and *mobile marketing research* in our previous edition, those terms do not completely capture what is happening. So, we have opted to use *digital marketing research* as our catchphrase, which we

believe subsumes social media marketing and mobile marketing research, all technological shifts such as the huge popularity of online panels, the growth of Internet-based qualitative techniques, infographics, and so on. Thus, many of these are highlighted by Digital Marketing Research Applications in Marketing Research Insights throughout the book. Under the umbrella of digital media, many references will pertain exclusively to the subcategory of social media data (as in the section in Chapter 5 on social media as a form of secondary research) and will be labeled as such.

Benefit: Students have the latest information on industry practices regarding technology’s impacts on marketing research. Students will be able to appreciate how rapidly changing and evolutionary is the contemporary practice of marketing research.

- **New! Big Data.** In the era of “big data,” students need to be aware of traditional sources of data as well as exciting new sources. Chapter 5, Secondary Data and Packaged Information, now begins with an introductory section on big data that defines the phrase and explains why the multiplying types and volume of data are met with both anticipation and apprehension by marketing research professionals. One of these increasingly important sources of data is the user-generated data (UGD) that can be mined from social media websites; an extensive section on the use, as well as the strengths and weaknesses, of social media data has been added to Chapter 5. Another form of secondary digital data that is becoming increasingly useful is the Internet of Things (IoT), and a section on the future potential of these sources of “passive data” now concludes Chapter 5.

Benefit: Students will have a better understanding of the current and potential use of emerging sources of data and how they can develop skills to be well equipped for careers in the marketing research industry.

- **New! Updated Marketing Research Practical and Global Insights.** Marketing Research Insights—short illustrations and descriptions of marketing research practices—have been an integral part of *Marketing Research* from the first edition. In addition to the new Digital Marketing Research Insight element, we have retained those that have evolved over previous editions. Namely, Practical Marketing Research Insights and Global Marketing Research Insights appear in every chapter with fresh examples. These inserts help to illustrate concepts we discuss in the text or to introduce students to some unique application being used in practice. All of these are new and reflect current issues and practices in the industry.

Benefit: Students are introduced to real-world applications in the marketing research industry. By focusing on four categories, students see how current issues that are important to the industry are being addressed by today’s practitioners.

- **New! Marketing Research Company Vignettes.** In past editions of *Marketing Research*, we leveraged the relationships we have developed in the industry by inviting key players to contribute a thumbnail company description or comment on a particular marketing research topic at the beginning of each chapter. With the eighth edition, all company vignettes are fresh. However, we opted, for the most part, to invite only the most innovative marketing research companies to contribute. Thus, we issued an invitation to companies identified in the *Top 50 Most Innovative Supplier Companies in Marketing Research* in the 2015 GreenBook Research Industry Trends Report. Several responded with thumbnail descriptions, photos of the CEO or other company principal, and company logo. With each one, curious students are encouraged to visit the company’s website. Because most of these companies are innovative and cutting edge, they do not fit the “mold” of chapter coverage as did companies in past editions. Instead, instructors should treat these company vignettes as interesting success stories about contemporary marketing research practices.

Benefit: Students get more than an academic perspective of marketing research.

They benefit from reading about (and seeing, if they visit the websites) innovative marketing research practitioners solving real problems.

- **New! New End-of-Chapter Cases.** In many chapters, we provide new cases to reflect much of the current material in this eighth edition. We strive to make the cases interesting to the students and illustrate real-world applications. We have developed new short cases that are fictitious but written with a goal of stimulating students' interest and curiosity.

Benefit: Students can apply concepts they have just learned in the chapter to a real-world setting. This allows students to see how valuable the information they have learned is in a practical example.

- **Tried and True! Retained Organization and Shorter Length.** With the previous edition, we responded to adopters' desires for a more concise approach. We reduced the number of chapters to 16 instead of the 20 or more chapters you'll see in many texts. We accomplished this aim by combining some chapters and streamlining the material. For example, we combined the chapters on steps in the research process and determining the problem into one chapter. This streamlined approach keeps the focus on the core lessons to be learned. Because this organization and shorter list of chapters proved successful both in terms of sales and adopters' comments, we have retained this format in the eighth edition.

Benefit: The book is better synchronized with a 15- or 16-week semester. Students now have a comprehensive learning experience in a more manageable package.

- **Tried and True! Annotated Integration IBM® SPSS® Statistics software ("SPSS") 23.0.** This eighth edition is fully integrated with SPSS 23.0. We started this integration in 1995, and we enhance the integration of SPSS by offering your students step-by-step screen captures that help them learn the keystrokes in SPSS. This allows you to spend more time teaching what the analysis technique is, when to use it, and how to interpret it. Illustrated keystrokes for the latest edition of SPSS are presented in this text with clear, easy-to-follow instructions.

Benefit: Students learn the latest version of SPSS, considered to be the "gold standard" among marketing researchers. By following our step-by-step screen captures, students will see the necessary menu operations and learn how to read SPSS output. Just by reading this book, they can learn a great deal about SPSS by "seeing" it operate before they get to a computer to practice.

- **Tried and True! Guidelines on Reporting Statistical Analyses to Clients.** We have noticed that after teaching our students to properly conduct a statistical analysis using SPSS, they have trouble when it comes to writing down what they have done. In our sixth edition, we added an element that would address this problem. We believe it is a significant improvement, and we have retained and streamlined it in the eighth edition. In our data analysis chapters, we include information on how to write up the findings for the client. We offer easy-to-follow guidelines and examples.

Benefit: Most books teach data analysis. Students reading this book will benefit by not only knowing how to perform data analysis but also how to report what they find. This should make students better research report writers.

- **Tried and True (but tweaked)! Integrated Case.** Through our own teaching, we have found that an integrated case is an excellent teaching tool. One case example that develops over the semester allows students to see the linkages that exist in the real world all the way from formulating the problem through data analysis. Our integrated case follows a marketing research company project from start to finish. To freshen the integrated case, we changed the client company from Global Motors to Auto Concepts and modernized the automobile models being researched. The case focuses on a manager who must determine the type of automobiles the auto market will demand in the future. Students using this case will learn how to examine attitudes and opinions (for example, attitudes about global warming) that may influence consumer choice, how to determine the most preferred models, and how to identify market segment differences between the

different models. Students are shown how SPSS tools can aid them in analyzing case data to make important decisions. The dataset is streamlined with fewer variables, and the “integrated” aspect has been cut back to nine end-of-chapter cases rather than one in every chapter. Of course, the dataset is used extensively in analysis chapters so students can replicate the examples and practice.

Benefit: The Auto Concepts integrated case offers the benefit of allowing students to examine the critical steps in a marketing research project and to more easily see how data are used to help managers choose from among decision alternatives.

- ***Tried and True! Inclusion of Code of Ethics Passages as Ethical Marketing Research Insights.*** A fourth Marketing Research Insight is entitled Ethical Consideration, which also harkens back to our text book’s inception. In our previous edition, we decided to treat the topic of ethics the way it is treated in the industry, so we included excerpts from the *Code of Marketing Research Standards* as presented by the Marketing Research Association (MRA). We have long had a good relationship with the MRA, which has given us permission to present excerpts from the current standards. We continue this approach with the eighth edition. We understand that a textbook cannot teach someone to be ethical. Rather, we tie together issues of ethical sensitivity in the conduct of marketing research practices described in each chapter by specific reference to ethical code passages.

Benefit: Students are introduced to areas of ethical sensitivity in the practice of marketing research using the actual codes/standards that practitioners use. As a result, students should have knowledge of potential “ethical dangers,” whether as a future buyer or supplier of research.

- ***Tried and True! YouTube Examples.*** Current thinking on how millennial students approach their education emphasizes the importance of social media and Internet-based learning. With the previous edition, we experimented by searching for and including YouTube video references, and we have continued this learning resource in the eighth edition. YouTube references in the text provide useful insights ranging from problem definition to statistical analysis to report writing.

Benefit: For students who like video learning, our YouTube references provide different perspectives and how-to insights on topics covered in the text.

- ***Tried and True! Active Learning Challenges.*** We innovated in the sixth edition with the inclusion of short exercises embedded at strategic points in each chapter where students are tasked with using the concept(s) they have just learned to experiment with or apply to some illustrative situation. We believe these exercises serve to solidify learning on the relevant concepts, and we have retained these Active Learning features in the eighth edition.

Benefit: Active learning allows students to practice or apply some concept or technique they have just read about. Learning is facilitated by reading and then “doing.”

- ***Tried and True! Synthesize Your Learning.*** We have also retained this feature from the sixth edition to help students synthesize the knowledge they have gained across several chapters. The exercises require students to go back to previous chapters and integrate material into answers for the exercise. The Synthesize Your Learning exercises are found at the end of sets of three or so chapters with the goal of showing how topics covered in these chapters work together to solve a marketing research case exercise.

Benefit: This feature allows students to integrate material that is learned in “chunks” to see how the material is related. Students benefit by learning how integrated the marketing research process really is.

The Intended Market for This Book

When we first conceptualized this textbook in the early 1990s, we wanted to write it for undergraduate students who were taking marketing research for the first time. We saw other texts that were trying to be “all things to all people.” Even though they were positioned as research texts for undergraduates, much of the material was advanced, and instructors either never used them or endured struggling students when covering these topics. This eighth edition, like its seven predecessors, was written specifically for undergraduate students who need a solid, basic understanding of marketing research. With so many marketing research tools that are easily accessible today, it is better to foster savvy do-it-yourself (DIY) generalists than to spawn marginally prepared technique specialists.

However, as is the case with all things marketing, our customers, both students and instructor-adopters, have changed. As we ourselves strive for perfection in our own educational pedagogies, so have we constantly sought to revise *Marketing Research* toward satisfying the requirements for success with (now) millennial student learners. With every edition, we have conscientiously tried to think about how to improve the presentations in the text so as to be intuitively understandable to the mainstream undergraduate student. Early editions of this textbook sought to equip marketing students with tools to be effective clients of marketing research services providers. Today the need is to provide marketing students with a basic knowledge of good marketing research practice that they will probably attempt to execute themselves. That is, we are now teaching the DIY generation of marketing research students.

Our Approach

Given our intended market, throughout all eight editions we strived to provide instructors with a book designed for undergraduates who wanted to know the “nuts and bolts” of marketing research. For example, our chapter on measurement teaches students the basic question formats, the scales of measurement, the primary uses of each type of scale, and the common methods used to measure popular constructs. It does not dwell on different forms of reliability and validity or the method used to develop valid and reliable multi-item scales. In our analysis chapters, we cover the basic “bread-and-butter” statistical procedures used to analyze data, but we do not cover multivariate techniques or nonparametric statistics in the book itself.

Our approach and writing style have probably been the two main reasons the book has been the market leader for well over two decades. Student evaluations indicate that we deliver on our intent to write at the level that people studying marketing research for the first time understand. We hope your teaching evaluations regarding the text will arrive at the same appraisal.

Recommended Prerequisites

To prepare for this course, we feel students should have taken an introductory course in marketing. We assume students know what we mean when we talk about marketing strategy and the elements of the marketing mix. Students having had an introduction to marketing course will better appreciate the role that marketing research plays in helping managers make better marketing decisions. We also recommend that students take an introductory statistics course prior to taking this course. It helps for them to know concepts such as the area under the normal curve, z scores, and the basics of statistical testing, including interpretation of p values. However, since we both have taught for many years, we are well aware that many students will not recall many of these concepts and, where necessary, we provide some review of these basics.

AACSB Guidelines

The Association to Advance Collegiate Schools of Business–International (AACSB), our accreditation society, influences us a great deal. We strive to keep current with AACSB’s recommendations and guidelines, such as including material that will aid in your course assessment efforts, covering ethical issues, and pointing out global applications.

We include a number of items that should help in assessing your students’ understanding of the course content. Each chapter begins with learning objectives. Embedded in each chapter are Active Learning exercises that allow students to apply the knowledge just acquired to some real-world resource. Synthesize Your Learning exercises in this edition require that students revisit chapters to integrate their knowledge from those chapters. For our test bank, Pearson has adopted guidelines established by AACSB. We discuss this in a following section.

Other Features in the Eighth Edition

- **Online Link to Careers in Marketing Research.** Some students will be interested in marketing research as a career. Beginning with the sixth edition and continued for the eighth, we provide an online Careers link. This gives us the opportunity to post new happenings in the industry as they occur. Students will find descriptions of positions, salary information, educational requirements, and links to actual position openings.

There are some excellent master’s programs in marketing research. Our Careers link also provides information on these programs. Go to <http://www.pearsonhighered.com/burns> and click on the link for the Companion Website for *Marketing Research*, eighth edition. When you open any chapter, you will see the list of links in the left margin. Click on “Careers.”

Benefit: Students have the most up-to-date information about careers.

- **Advanced Data Analysis Modules.** Even undergraduate students taking their first course in marketing research may need some knowledge of statistical analyses other than those we have provided in the text. Many times these issues arise as a result of a particular need associated with a real-world class project. We wanted to make some of these techniques available to you online, so we have written several additional data analysis modules. The emphasis in these modules is on explaining the basics of the analysis and when it is appropriate. We also provide an example. Topics covered are the following:

- When to Use Nonparametric Tests
- Nonparametric: Chi-square Goodness-of-Fit Test
- Nonparametric: Mann-Whitney *U* Test
- Nonparametric: Wilcoxon Test
- Nonparametric: Kruskal-Wallis *H* Test
- When to Use Multivariate Techniques
- Factor Analysis
- Cluster Analysis
- Conjoint Analysis

Students can access the modules by going to the textbook website and opening up any chapter. They will see a link to “Online Data Analysis Modules.”

- **Datasets.** We offer datasets associated with our cases that can be downloaded. Of course, we provide the dataset for our integrated case, Auto Concepts. We also offer the L’Experience Félicité (formerly Hobbit’s Choice) dataset for professors who wish to use this case. These datasets and the chapter locations of the relevant data analysis cases are as follows:

- *Auto Concepts* (Auto Concepts.sav)—integrated case dataset used in Chapters 12–16

- *Auto Concepts Recoded* (Auto Concepts.Recoded.sav)—integrated case dataset with ordinal demographic variables recoded using midpoints of ranges to convert these variables to scales to be used as independent variables in multiple regression analysis
- *L'Experience Félicité Restaurant* (L'Experience.sav)— dataset for end-of-chapter cases used in Chapters 12–15.

To access these datasets, go to <http://www.pearsonhighered.com/burns> and click on the link for the Companion Website for *Marketing Research*, eighth edition. When you open any chapter, see the list of links in the left margin and click on “SPSS Student Downloads.”

Instructor Resources

At the Instructor Resource Center, www.pearsonhighered.com/irc, instructors can easily register to gain access to a variety of instructor resources available with this text in downloadable format. If assistance is needed, our dedicated technical support team is ready to help with the media supplements that accompany this text. Visit <http://247.pearsoned.com> for answers to frequently asked questions and toll-free user support phone numbers.

The following supplements are available with this text:

- Instructor’s Resource Manual
- Test Bank
- TestGen® Computerized Test Bank
- PowerPoint Presentation
- Student Companion Website
- Student Study Guide

Student Supplements

SPSS Student Assistant. With previous editions, we created the SPSS Student Assistant, a stand-alone tutorial that teaches students how to use and interpret SPSS. The SPSS Student Assistant may be downloaded from the Companion Website. Installation on a personal computer is simple, and the SPSS Student Assistant will reside there for easy, immediate access. The videos show cursor movements and resulting SPSS operations and output. There is a test for each Student Assistant session so that students may assess how well they have learned the material.

Go to <http://www.pearsonhighered.com/burns> and click on the link for the Companion Website for *Marketing Research*, eighth edition. When you open any chapter, see the list of links in the left margin and click on “SPSS Student Downloads” for more information.

Student Study Guide. A student study guide is available to help students master the material in the textbook.

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We devote a major effort toward developing and maintaining relationships with our colleagues who practice marketing research. Their knowledge and insights are interwoven throughout these pages. Many of these people have been our friends for many years, and we appreciate their contributions. Professionals who contributed significantly to one or more of our eight editions include the following:

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Michael Pepe, Siena College	
Feng Shen, St. Joseph University	

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- | | |
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Ronald F. Bush is Distinguished University Professor of Marketing, Emeritus, at the University of West Florida. He received his B.S. and M.A. from the University of Alabama and his Ph.D. from Arizona State University. With over 40 years of experience in marketing research, Professor Bush worked on research projects with firms ranging from small businesses to the world's largest multinationals. He served as an expert witness in trials involving research methods, often testifying on the appropriateness of research reports. His research is published in leading journals, including the *Journal of Marketing*, *Journal of Marketing Research*, *Journal of Advertising Research*, *Journal of Retailing*, and *Journal of Business*, among others. In 1993, he was named a Fellow by the Society for Marketing Advances. Ron retired in 2013, and he and his wife, Libbo, live on the Gulf of Mexico, although they may be anywhere in North America on an Air Stream trip.



1

Introduction to Marketing Research

LEARNING OBJECTIVES

In this chapter you will learn:

- 1-1** What the relationship of marketing research to marketing, the marketing concept, and marketing strategy is
- 1-2** How to define marketing research
- 1-3** The function and uses of marketing research
- 1-4** How to describe a marketing information system (MIS) and understand why marketing research occupies a place in an MIS

Quirk's Marketing Research Media: Welcome to the World of Marketing Research!



Joe Rydholm is editor of Quirk's Marketing Research Media.

I started at Quirk's just about the time the Internet started changing all of our lives forever and it has been fascinating to see the marketing research industry react and adapt to all things online. Once traditional in-person focus groups and telephone and mail-based surveys were the gold standards. At first, the hue and cry was all about the Web-based methods' lack of statistical validity. While wrestling with that issue, the industry also struggled mightily to adopt old-style paper-and-pencil-based approaches to the digital age.

But one look at the array of tools available to researchers today will show you that the struggle was worth it. Thanks to the smartphone, myriad forms of in-the-moment research are now possible, from mobile ethnography to location-based surveys, giving marketers and researchers access to new and different types of insights.

Despite the outside impression of researchers as rule-following introverts, obsessed with getting the numbers to line up just so, the industry is full of smart, creative, and innovative people. So while big data and do-it-yourself research tools loom as two formidable threats to the traditional marketing researcher's job, the same adaptable, entrepreneurial spirit that enabled the transition from the pre-Internet days to the smartphone era will help current and future research professionals to keep delivering the insights to drive their organizations' strategic decisions.

About Quirk's

In the decades before he founded and began publishing *Quirk's Marketing Research Review* in 1986, Tom Quirk worked on all sides of the marketing research process as a corporate or client-side researcher and later as a research company executive. A firm believer in the merits of marketing research, he found himself regularly having to educate potential users of marketing research services on the value of investigating consumer wants, needs, and opinions and the various techniques that could be used to do so. Ever the entrepreneur, and seeing the need for a publication that would promote the use, understanding, and value of marketing research across all industries, he created *Quirk's Marketing Research Review*, a monthly trade magazine for marketing research clients and the vendors that partner with them.

Armed with a newly minted B.A. in journalism from the University of Minnesota, I interviewed with Tom in the summer of 1988 to become the magazine's second-ever editor-in-chief. I was impressed by his enthusiasm for marketing research and, perhaps more importantly, by his insistence that the articles in *Quirk's*, while generally aiming to promote the value of research, should be as objective, informative, and practical as possible. His aim was to show the many ways marketing research could be used and to give readers real-world, concrete examples of how the methods could be applied.

In the nearly 30 years since then, the staff and I have used Tom's words as a guide. From its beginnings as a monthly magazine, Quirk's Media now offers a feature-packed website and curates and produces marketing research-related content in a variety of forms, from e-newsletters to blogs and Webinars—all free of charge to qualified marketing research and insights professionals.

—Joe Rydholm

Source: Text and photos courtesy of Joe Rydholm and Quirk's Marketing Research Media.



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Events in recent years have brought many changes to the world of business. As Joe Rydholm points out, these changes have profoundly influenced the marketing research industry. These are exciting times in marketing research! Globalization has added real meaning to the phrase “the business world.” Digital and other technological innovations have allowed us to realize the promises of the “information age” in a few short years. New technologies continue to change the competitive landscape with much greater frequency than ever before. Digital media have expanded at unprecedented rates. Widespread adoption of mobile devices and apps provides consumers with information 24 hours a day. Many objects used by people collect and send information on an ongoing basis, creating the Internet of Things (IoT). Significantly, consumers have the power, through these online innovations, to create their own information, developing consumer-generated feedback in real time.

Marketing research provides managers with new information to help them make decisions.



The marketing research industry is changing rapidly.

The American Marketing Association defines marketing as the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

Modern marketing thought holds that firms should *collaborate with* and *learn from* consumers.

Crowdsourcing is the practice of obtaining services or ideas by asking for assistance from large groups of people, generally online communities.

This new era of big data and digital media not only challenges managers to keep pace but also to understand and respond to a changing world economy. Entire countries grapple with solvency. Political revolution has changed much of the world, and continued unrest threatens more change.¹ Businesses must anticipate what these changes will mean for their markets and capitalize on economic growth where it is occurring. Managers must determine what products to make or what services to offer, which methods of advertising are most effective, which prices will help their firm realize its target return on investment (ROI), and which distribution system will add the greatest value to the supply chain.

This is where marketing research becomes important. Marketing research is the process of gathering information to make better decisions. This book will help you learn the process of marketing research so that you will better understand how to use marketing research to develop actionable insights as you aim to manage in a world of unprecedented change.

1-1 Marketing Research Is Part of Marketing

To fully appreciate the role of marketing research, it is helpful to understand its role in and relationship to marketing. What is **marketing**? A short definition is “meeting needs profitably.”² When Apple designed the iPad, it met a growing need among those seeking greater computer portability in a tablet format. Amazon has been successful in creating the first generation of online book readers with its Kindle tablets.³

The American Marketing Association offers a more detailed definition:

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.⁴

Over recent years marketing thought has evolved to a service-centered view that (a) identifies core competencies, (b) identifies potential customers who can benefit from these core competencies, (c) cultivates relationships with these customers by creating value that meets their specific needs, and (d) collects feedback from the market, learns from the feedback, and improves the values offered to the public. Note that this view of marketing implies that firms must be *more* than customer oriented (making and selling what firms think customers want and need). In addition, they must *collaborate with* and *learn from* customers, adapting to their changing needs. A second implication is that firms do not view products as separate from services. “Is General Motors really marketing a service, which just happens to include a by-product called a *car*?”⁵

Our objective here is not to discuss how marketing thought is evolving but to emphasize a crucial point: To practice marketing, marketing decision makers need to make decisions. What are our core competencies? How can we use these core competencies to create value for our consumers? Who are our consumers and how can we collaborate with them? Managers have always needed information to make better decisions. In our opinion, to practice marketing well in today’s environment requires access to more and better information. As you will learn, marketing research provides information to decision makers.

The diffusion of digital media has created a culture that nurtures consumer collaboration. One important collaboration method is crowdsourcing. **Crowdsourcing** is the practice of obtaining services or ideas by asking for assistance from a large group of people, generally online



MARKETING RESEARCH INSIGHT 1.1

Digital Marketing Research

Lego Crowdsources to Develop New Concepts

Lego is known throughout the world for the passion it inspires in consumers of all ages for its sets of building blocks. The Danish toymaker does not have official statistics of the demographics of its users, but the company estimates that up to half of the revenue at its stores may come from adult users, or AFoLs (Adult Fans of Lego).

To capitalize on the enthusiasm of its fans, Lego has created a web platform called “Lego Ideas,” where consumers can post ideas for new concepts (see <https://ideas.lego.com/>). On this site, users post photos and descriptions of Lego projects they have built. If the concept receives 10,000 supporters within 365 days, it automatically qualifies for a review by the company’s Lego Review Board. The website’s clear and detailed rules for submitting a project ensure that only the best ideas are posted. For example, concepts involving torture, smoking, racism, or politics are prohibited.

If a concept makes it all the way through to production, the creator receives 1% of profits, five copies of the Lego set, and credit for being the creator. Consumer-inspired Lego sets that have made it all the way to store shelves include the Mini-Big Bang Theory and the Lego Bird Project. Lego Minecraft is one of the Lego Ideas that has been particularly successful,



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Lego uses crowdsourcing to develop new product concepts.

leading to the production of multiple versions of Minecraft sets.

Lego Ideas is part of a broader social media strategy the company pursues that includes Facebook, Instagram, Twitter, LinkedIn, and other platforms. Lego’s strategy is clearly working. Based on revenue and profits, Lego became the biggest toymaker in the world in 2014, surpassing Mattel.

Source: Grauel, T. (2014, November 28). Lego build adult fan base. *USA Today*. Retrieved from <http://www.usatoday.com/story/news/nation/2014/11/28/lego-builds-adult-fan-base/19637025/>, accessed August 24, 2015. Hansegard, J. (2015, February 25). Lego’s plan to find the next big hit: Crowdfund it. *Wall Street Journal*. Retrieved from <http://blogs.wsj.com/digits/2015/02/25/legos-plan-to-find-the-next-big-hit-crowdfund-it/tab/print/>, accessed August 25, 2015. Dann, K., and Jenkin M. (2015, July 23). Back from the brink: Five successful rebrands and why they worked. *The Guardian*. Retrieved from <http://www.theguardian.com/small-business-network/2015/jul/23/five-successful-rebrands-why-worked>, accessed August 25, 2015. Petroff, A. (2014, September 4). Lego becomes world’s biggest toymaker. *CNNMoney*. Retrieved from <http://money.cnn.com/2014/09/04/news/companies/lego-biggest-toymaker/>, accessed August 24, 2015.

communities. Crowdsourcing via digital media is one of many new tools for marketing research. Marketing Research Insight 1.1 explains how the Danish toy company Lego uses crowdsourcing.

When firms make the right decisions, they produce products and services that their target markets perceive as having value. That value translates into sales, profits, and a positive ROI. However, we see many failures in the marketplace. Consultants Joan Schneider and Julie Hall state that they regularly hear from entrepreneurs and brand managers who believe they have come up with a revolutionary product. But Schneider and Hall state that these entrepreneurs almost never have done the research to confirm their grand expectations.⁶ As an example, the firm Cell Zones thought it had the answer to cell phone privacy in libraries, restaurants, and so on by creating soundproof booths for private cell phone use. Had the company done the right research and noticed that people were using their new smartphones to text rather than talk, managers may have realized that talking in private was not a pressing need for consumers.

In many examples of failed products and services, managers could have avoided the associated losses if they had conducted proper marketing research. Many product extensions—taking a successful brand and attaching it to a different product—have also failed. Examples include McPizza, Colgate food entrees, BIC underwear, Coors spring water, and Harley-Davidson perfume. Negative reactions from consumers were responsible for removing the Ken doll’s earring and taking Burger King Satisfries off the market.^{7,8} Could these failures have been avoided with better research information?

Marketing Research on YouTube™ Learn how Lego products go from the idea phase to the shelves with help from consumers. Search “Lego Ideas Third Product Review 2014 Results” on www.youtube.com.

Marketing Research on YouTube™ See “10 Worst Product Flops” at www.youtube.com. Consider how these mistakes might have been prevented through improved marketing research methods.



See consultants Schneider and Hall at www.youtube.com.

Search “Lessons from New Product Launches—Cell Zone to iPad.”

The marketing concept is a business philosophy that holds that the key to achieving organizational goals consists of the company being more effective than competitors in creating, delivering, and communicating customer value to its chosen target markets.¹¹

A marketing strategy consists of selecting a segment of the market as the company’s target market and designing the proper “mix” of product/service, price, promotion, and distribution system to meet the wants and needs of the consumers within the target market.

THE PHILOSOPHY OF THE MARKETING CONCEPT GUIDES MANAGERS’ DECISIONS

A *philosophy* may be thought of as a system of values or principles by which you live. Your values or principles are important because they dictate what you do each day. This is why philosophies are so important; your philosophy affects your day-to-day decisions. For example, you may have a philosophy similar to this: “I believe that higher education is important because it will provide the knowledge and understanding I will need in the world to enable me to enjoy the standard of living I desire.” Assuming this does reflect your philosophy regarding higher education, consider what you do from day to day. You are going to class, listening to your professors, taking notes, reading this book, and preparing for tests. If you did not share the philosophy we just described, you would likely be doing something entirely different.

The same connection between philosophy and action holds true for business managers. One of the most important philosophies managers have is that which determines how they view their company’s role in terms of what it provides the market. Some managers have a philosophy that “we make and sell product X.” A quick review of marketing history will tell us this philosophy is known as a *product orientation*. Another philosophy, known as *sales orientation*, is illustrated by the following statement: “To be successful we must set high sales quotas and sell, sell, sell!”⁹ Managers who guide their companies by either of these philosophies may guide them right out of business. A much more effective philosophy—the marketing concept—is defined here by prominent marketing professor Philip Kotler:

The **marketing concept** is a business philosophy that holds that the key to achieving organizational goals consists of the company being more effective than competitors in creating, delivering, and communicating customer value to its chosen target markets.¹⁰

For many years, business leaders have recognized that this is the “right” philosophy. Although the term *marketing concept* is often used interchangeably with other terms, such as “*customer orientation*” or “*market-driven*,” the key point is that this philosophy puts the consumer first.¹²

What does all this mean? It means that having the right philosophy is an important first step in being successful. However, appreciating the importance of satisfying consumer wants and needs is not enough. Firms must also put together the “right” strategy.

THE “RIGHT” MARKETING STRATEGY

Strategy is another name for planning. Firms have strategies in many areas other than marketing. Financial strategy, production strategy, and technology strategy, for example, may be key components of a firm’s overall strategic plan. Here, we focus on marketing strategy. How do we define marketing strategy?

A **marketing strategy** consists of selecting a segment of the market as the company’s target market and designing the proper “mix” of product/service, price, promotion, and distribution system to meet the wants and needs of the consumers within the target market.

Because we have adopted the marketing concept, we cannot come up with just any strategy. We have to develop the “right” strategy—the strategy that allows our firm to truly meet the wants and needs of the consumers within the market segment we have chosen. Think of the many questions we now must answer: What is the market, and how do we segment it? What are the wants and needs of each segment, and what is the size of each segment? Who are our competitors, and how are they already meeting the wants and needs of consumers? Which segment(s) should we target? Which product or service will best suit the target market? What is the best price? Which promotional method will be the most efficient? How should we distribute the product/service? All these questions must be answered to develop the “right” strategy. To make the right decisions, managers must have objective, accurate, and timely *information*.

It is equally important to understand that today's strategy may not work tomorrow because, as we noted at the beginning of this chapter, there is unprecedented change going on in the business environment. What new strategies will be needed in tomorrow's world? As environments change, business decisions must be revised on an ongoing basis to produce the right strategy for the new environment.

To practice marketing, to implement the marketing concept, and to make the decisions necessary to create the right marketing strategy, managers need information. Now you should see how marketing research is part of marketing; marketing research supplies managers with the information to help them make better decisions.

1-2 What Is Marketing Research?

Now that we have established that managers need information to carry out the marketing process, we need to define marketing research.

Marketing research is the process of designing, gathering, analyzing, and reporting information that may be used to solve a specific marketing problem.

Thus, marketing research is defined as a *process* that reports information that can be used to solve a marketing problem, such as determining price or identifying the most effective advertising media. The focus then is on a process that results in information that will be used to make decisions. Notice also that our definition refers to information that may be used to solve a *specific* marketing problem. We will underscore the importance of specificity later in this chapter. Ours is not the only definition of marketing research. The American Marketing Association (AMA) formed a committee several years ago to establish a definition of marketing research:

Marketing research is the function that links the consumer, customer, and public to the marketer through information—information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve the understanding of marketing as a process.¹³

Each of these definitions is correct. Our definition is shorter and illustrates the *process* of marketing research. The AMA's definition is longer because it elaborates on the function as well as the *uses* of marketing research. In following sections, we will talk more about the function and uses of marketing research.

IS IT MARKETING RESEARCH OR MARKET RESEARCH?

Some people differentiate between *marketing* research and *market* research. Marketing research is defined the way we and the AMA have defined it in previous paragraphs. In fact, the Marketing Research Association (MRA) defines this term similarly as a process used by businesses to collect, analyze, and interpret information used to make sound business decisions and successfully manage the business. In comparison, some define *market* research as a subset of *marketing* research, using this term to refer to applying marketing research to a specific market area. The MRA defines **market research** as a process used to define the size, location, and/or makeup of the market for a product or service.¹⁴ Having made this distinction, we recognize that many practitioners, publications, organizations serving the industry, and academics use the two terms interchangeably.

THE FUNCTION OF MARKETING RESEARCH

The AMA definition states that the **function of marketing research** is to link the consumer to the marketer by providing information that can be used in making marketing decisions. Note that the AMA definition distinguishes between *consumers* and *customers*. The committee intended this differentiation between retail (or B2C) consumers and business (or B2B)

Marketing research is the process of designing, gathering, analyzing, and reporting information that may be used to solve a specific marketing problem.

While the terms *marketing research* and *market research* are sometimes used interchangeably, *market research* refers to applying marketing research to a specific market.

The function of marketing research is to link the consumer to the marketer.



Marketers use research to determine the value that consumers perceive in products.

customers. Some believe that having the link to the consumer by marketing research is more important today than ever. Having that link with consumers is crucial if firms are to provide them with the value they expect in the marketplace. Thanks to globalization, online shopping, and social media, consumers today have more choices, more information, and more power to speak to others in the market than ever before.

1-3 What Are the Uses of Marketing Research?

The AMA definition also spells out the different uses of marketing research. The three uses are (1) identifying market opportunities and problems, (2) generating, refining, and evaluating potential market actions, and (3) monitoring marketing performance. We explain each of these further in the following sections.

IDENTIFYING MARKET OPPORTUNITIES AND PROBLEMS

The first of these uses is the *identification of market opportunities and problems*. It is not easy to determine what opportunities are in the market. Although we can think of new product or service ideas, which ones are actually feasible? Which ideas can we accomplish, and which will mostly likely generate a good ROI? Often, after someone has found an opportunity by creating a highly successful product or service, managers ask, “Why didn’t we see that opportunity?” Some marketing research studies are designed to find out what consumers’ problems are and to assess the suitability of different proposed methods of resolving those problems. High gasoline prices and concerns about fossil emissions bothered consumers, so Toyota developed the Prius. Consumers wanted increasingly large TV screens to hang on their walls, so Samsung developed an ultra-thin, LED, large-screen TV. Consumers who did not have cable wanted to be able to buy HBO, so HBO developed HBO Now.

You would think that managers would always know what their problems are. Why would problem identification be a use of marketing research? Problems are not always easy to identify. Managers are more likely to always know the symptoms (sales are down, market share is falling), but determining the cause of the symptoms sometimes requires research. The identification of opportunities and problems is discussed in Chapter 3.

GENERATING, REFINING, AND EVALUATING POTENTIAL MARKETING ACTIONS

Marketing research can also be used to generate, refine, and evaluate a potential marketing action. Here “actions” may be thought of as strategies, campaigns, programs, or tactics. General Mills acquired Annie’s Homegrown, an organic food company, in 2014 to meet a growing demand by consumers to have access to organic and natural foods. “Actions” of General Mills included *generating* the basic strategy to meet consumers’ growing desire for organic foods, *refining* the Annie’s brand by identifying ways to promote Annie’s established products and develop new products that are consistent with the brand culture, and *evaluating* plans to market and grow the Annie’s brand. Management can use marketing research to make better decisions for any and all of these actions.

We can think of “actions” as strategies, and strategies involve selecting a target market and designing a marketing mix to satisfy the wants and needs of that target market.

Marketing research is conducted in a variety of areas, including determining target markets and conducting product research, pricing research, promotion research, and distribution research.

Selecting Target Markets A great deal of marketing research is conducted to determine the size of various market segments. Not only are managers interested in knowing the size of the market segment that wants an all-electric vehicle but also they want to know if that segment is growing or shrinking and how well competitors are fulfilling the wants and needs of that segment. If research shows that a significantly large segment of the market has identifiable needs, the segment is growing; if its needs are either not being met or being met poorly by competition, this segment becomes an ideal candidate for a target market. Now the company must determine how well its core competencies will allow it to satisfy that segment's demand. Nissan very likely looked at the automobile market segments in terms of the number of miles driven in a day (we will consider this factor in Chapter 5 on secondary data). The company must have found a sizable segment that drives under 90 miles a day, because that is the range of its all-electric car, the Leaf.

Product Research Successful companies are constantly looking for new products and services. They know the lesson of the product life cycle: Products will eventually die. As a result, they must have a process in place to identify and test new products. Testing may begin with idea generation and continues with concept tests that allow firms to quickly and inexpensively get consumers' reactions to the concept of a proposed new product. Research studies are conducted on the proposed brand names and package designs of products before commercialization. Maritz Research conducts a *New Vehicle Customer Study*. The company has collected data over several years, and in recent years it has studied hybrids. Its market analysts know why drivers purchase hybrids, what makes them satisfied, what their expectations are for gas mileage and preferences for alternative fuels.¹⁵

Pricing Research When a revolutionary new product is created, marketers use research to determine the “value” consumers perceive in the new product. When cable TV was introduced, research was conducted to give the early cable providers some clue as to what people would be willing to pay for clear reception and a few additional channels. When cellular phones were introduced, much research was conducted to see what people would be willing to pay for (what was then) a revolutionary “portable” telephone. Marketing research is also conducted to determine how consumers will react to different types of pricing tactics such as “buy one, get one free” versus a “one-half-off” price offer. Using qualitative research in the form of asking potential buyers a series of open-ended questions—a qualitative research technique called “purchase story research”—a researcher found that the way a firm categorized its products negatively affected how B2B buyers had to use their purchase accounts. When items were recategorized, sales went up.¹⁶

Promotion Research As firms spend dollars on promotion, they want to know how effective those expenditures are for the advertising, sales force, publicity/PR, and promotional offers. Firms also conduct research on the effectiveness of different media. Is online advertising more cost-effective than traditional media such as TV, radio, newspaper, and magazine advertising? As an example of promotion research, Chobani launched a campaign, called “The Break You Make,” in 2015 to increase awareness of the Chobani Flip, an afternoon snack yogurt. Research determined that the promotion was very successful, with sales of Chobani Flip up 300% over the previous year. As a result Chobani extended and expanded the campaign.¹⁷

Distribution Research What are the best channels to get our product to consumers? Where are the best dealers for our product, and how can we evaluate the service they provide? How satisfied are our dealers? Are our dealers motivated? Should we use multichannel distribution?