NARESH K. MALHOTRA
DAVID F. BIRKS
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Preface

Our 4th European edition of *Marketing Research: An Applied Approach* (2012) presents a comprehensive view of the thinking and practice of marketing research. However, we recognise that the aims and design of many marketing and research based degrees does not enable a full evaluation and use of this text. Many colleges and universities deliver excellent marketing research modules where advanced quantitative data analyses chapters are not addressed. It is for such marketing research modules, primarily at an introductory level, that this book was written. The aim in writing this book was to distil the essence and best examples from our 4th Edition of *Marketing Research: An Applied Approach*. This book was written in a manner that is easy to read, understand and apply. It includes an array of European and international examples, practices and illustrations. It portrays a balance of qualitative and quantitative research approaches and how these approaches work together. These approaches demonstrate the nature and value of marketing research in delivering creative support to decision makers. Marketing researchers must also be able to cope with the mass of digital developments that are changing the manner in which established research methods are conducted and are creating new research methods. Digital developments are fundamentally shaping how researchers plan, gather, analyse and interpret information. This book addresses the impact of digital developments upon the thinking and practice of marketing research. It includes a chapter that addresses the nature and use of social media in marketing research. *The Essentials of Marketing Research* will guide the reader through the challenges faced in conducting marketing research of the highest quality. This is achieved through an appropriate blend of scholarship with a highly applied and managerial orientation.

Pedagogical features

The book is written for use in introductory marketing research modules at both the undergraduate and postgraduate levels. The coverage is comprehensive and the depth and breadth of topics are well suited to both levels. There are numerous diagrams, tables and examples to help explain and illustrate basic concepts. If a chapter does not cover a particular topic in sufficient depth, there are numerous references to follow a line of enquiry. The web addresses presented throughout allow for further illustration of ideas and, in many instances, demonstration versions of software. The companion website presents a thorough evaluation of important marketing research organisations, web and software links.

The Essentials of Marketing Research delivers the following features:

1. *Balanced orientation.* We have blended scholarship with a highly applied and managerial orientation showing how researchers apply concepts and techniques and how managers use their findings to improve marketing practice. In each chapter, we discuss real marketing research challenges to support a great breadth of marketing decisions.
2. *Real-life examples.* Real-life examples ('Real research') describe the kind of marketing research that organisations use to address specific managerial problems and how they implement research to great effect.
3. *Hands-on approach.* We present real-life scenarios and exercises in every chapter. The end of chapter exercises set online research challenges, role play as a researcher and a marketing manager. Real-life marketing situations can be tackled in which the role of a consultant can be assumed whose role it is to recommend research and marketing management decisions.
4. *International focus.* Every chapter has a section entitled 'International marketing research' (except for the two quantitative data analysis chapters). As digital developments are breaking down many cultural and communication barriers, many of the examples used throughout each chapter address international research challenges.

5 *Ethics focus*. Ethical issues are pervasive in marketing research. The development and implementation of research codes of practice gives integrity to the marketing research profession and distinguishes the practice from many other forms of data gathering. Every chapter has a section entitled 'Ethics in marketing research' (except for the two quantitative data analysis chapters). Additional examples that address ethical issues are presented throughout the text.

6 *Digital development focus*. This book has a chapter entitled 'Social media research methods'. This brings together much of the thinking and practice of new and developing research methods. Throughout the book we will show how online research activities have impacted upon the thinking, planning and practice of marketing research. Technological and digital developments are continually shaping the nature and value of research practice. Every chapter has a section entitled 'Digital developments in marketing research' (except for the two quantitative data analysis chapters).

7 *Contemporary focus*. We apply marketing research to current challenges such as customer value, experiential marketing, satisfaction, loyalty, customer equity, brand equity and management, innovation, entrepreneurship, relationship marketing, creativity and design, and socially responsible marketing throughout the text.

8 *Statistical software*. We illustrate data analysis procedures with emphasis upon a student edition of SNAP FMS. Seven of the fourteen chapters present guidance to use SNAP FMS. This will enable students to plan, design, deliver, analyse and report the findings of their own surveys with a sound theoretical basis. Any number of questions can be tackled with SNAP FMS, with responses from up to 100 participants. The guidance presented will enable students to search for and use the functions of many other survey design and data analysis packages, such as SPSS and SAS.

9 *Companion website*. The companion website has a comprehensive list of:

- Marketing Research Associations worldwide
- Statistical bodies throughout Europe and beyond
- The largest marketing research companies in the world
- A selection of inspiring marketing research companies
- Marketing research magazines and journals
- A selection of excellent marketing research blogs
- A selection of excellent marketing research apps
- More general sources of support for marketing researchers.

10 *Instructor's manual*. The instructor's manual is very closely tied to the text, but is not prescriptive in how the material should be handled in the classroom. The manual offers teaching suggestions, answers to all end-of-chapter questions, Professional perspective discussion points, and case study exercises. Also included are PowerPoint slides, incorporating all the figures and tables.

11 *Photography*. With the growth of social media, consumers are expressing characteristics of their behaviour, attitudes and emotions through the use of photographs. Marketing research students benefit enormously from a development of visual awareness, both in engaging with research participants and with research users, especially in the visualisation of data. To support a visual awareness, we see the photographs in this text as a means to encapsulate the essence of marketing research and its challenges. Some of the images in this edition have a serious intent, linking a particular image to concepts and aiding the recall of a concept. Others are there to lighten the sometimes difficult technical passages. In their own right, each image has many technical and artistic merits.

Acknowledgements

Many people have been most generous in helping to write *The Essentials of Marketing Research*.

In developing the critical approach I take in marketing research practice and writing, I must thank my Consumer Behaviour teacher and PhD supervisor John Southan of the University of Salford. My friend and former work colleague, the late Kevin Fogarty, retains a special distinction for his humour, creativity and for shaping many of the values I hold dear.

In working through the 'Digital developments in marketing research', colleagues and associates of the Association for Survey Computing (ASC) have been of great help. In particular, I have had excellent support and advice from ASC member Tim Macer, Honorary Research Fellow at the University of Winchester. In evaluating the emergent skills and development of future researchers I have had excellent support from Danny Wain, Honorary Knowledge Exchange Fellow at the University of Winchester.

I am most grateful to Peter Wills in joining Naresh Malhotra and myself as co-author for this edition. Peter is the Chair of the Association for Survey Computing. His support has come in helping to articulate the relevance and importance of technological, digital and social media research developments for marketing research. Peter is also the Chair of Snap Surveys Ltd, and along with Managing Director Dr Stephen Jenkins, has made possible the development and integration of a student learning

edition of SNAP for this book. Thank you so much, Pete and Steve, for your inspiring and generous support.

My students and colleagues at Winchester Business School have helped enormously in the development of this text. The values and culture of the University of Winchester and Winchester Business School help enormously to engage, reflect upon and apply research ideas. In particular, many of the ideas and approaches in this text were developed in the MSc Marketing modules of Marketing Research and Analysis, and Research Methods in Business. I must thank my students for their patience and kindness in responding to my ideas.

To Rachel Gear at Pearson Education, I have so much to thank you for. I have really enjoyed our working relationship and your totally positive outlook. Also, David Cox, formerly at Pearson Education, my thanks to you; you gave me so much encouragement to get started on this book. My thanks too, to Rufus Curnow for his hard work in conjunction with the Marketing and Sales teams.

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Last, but by no means least, to be able to find the time and space to write, the love, support and understanding of your family is vital. To my partner Helen, enormous thanks and love for all that you give to me and to my beautiful son Jesse, who with Helen brings me so much laughter, inspiration and light.

David F. Birks

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Dr Naresh K. Malhotra is Regents' Professor, DuPree College of Management, Georgia Institute of Technology. He is listed in *Marquis Who's Who in America*, 51st Edition (1997), 52nd Edition (1998), 53rd Edition (1999), and in the *National Registry of Who's Who* (1999).

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* from 1980 to 1985. He also holds the all-time record for the most 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) from its inception through volume 23, 1995. He is also number one based on publications in JAMS from 1986 to 1995. He is listed as one of the best researchers in marketing in John Fraedrich, 'The best researchers in marketing', Marketing Educator (Summer 1997), p. 5.

He has published more than 75 papers in major refereed journals including the *Journal of Marketing Research, Journal of Consumer Research, Marketing 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 and psychology. In addition, he has also published numerous refereed articles in the proceedings of major national and international conferences. Several articles have received research awards.

He was Chairman, Academy of Marketing Science Foundation, 1996–1998, and was President, Academy of Marketing Science, 1994–1996, and Chairman of the Board of Governors from 1990 to 1992. He is a Distinguished Fellow of the Academy and Fellow of the Decision Sciences Institute. He serves as an Associate Editor of *Decision Sciences Journal* and has served as Section Editor, Health Care Marketing Abstracts, *Journal of Health Care Marketing*. Also, he serves on the Editorial Boards of eight journals.

His book entitled *Marketing Research: An Applied Orientation*, Sixth Edition, was published by Prentice Hall, Inc in 2010. An International Edition and an Australian Edition of his book have also been published, along with a Spanish translation. The book has received widespread adoption at both the graduate and undergraduate levels with more than 100 schools using it in the USA.

Dr Malhotra has consulted for business, non-profit and government organisations in the USA and abroad and has served as an expert witness in legal and regulatory proceedings. He is the winner of numerous awards and honours for research, teaching and service to the profession.

Dr Malhotra is a member and Deacon, First Baptist Church of Atlanta. He lives in the Atlanta area with his wife, Veena, and children, Ruth and Paul.

Dr David Frederick Birks is a Professor of Marketing at Winchester Business School, the University of Winchester, England. He teaches quantitative and qualitative marketing research and is leading developments across the University in digital marketing research. David moved to Winchester Business School after a period of four years working at Winchester School of Art, the University of Southampton. With the growth and impact of social media research upon marketing research thinking and practice, the School of Art played a major role in his thoughts on emerging data capture, analysis and presentation techniques in marketing research. David has lectured at the School of Management at the University of Southampton where he designed and was Programme Director for their MSc in Marketing Analytics. He has also lectured at the Universities of Bath, Strathclyde and Salford. In the School of Management at the University of Bath he was the Director of Studies for their Executive MBAs in Malaysia and China, and their Postgraduate Research Programme. David's publications have covered the fields of Housing, Statistics, Marketing and Information Systems. In the field of Information Systems he has co-edited a 2012 special edition on the use of Grounded Theory in Information Systems Research, for the European Journal of Information Systems. In 2011 David co-chaired and edited the Association of Survey Computing's (ASC) 6th International Conference, 'Shifting the Boundaries of Research', at the University of Bristol. He is an active committee member of the ASC, being committed to their agenda of sharing best thinking and practice in the use of technology in research.

Peter A. Wills is the Chairman of Snap Surveys and Honorary Knowledge Exchange Fellow at the University of Winchester. He brings his distinguished expert knowledge of technology within the marketing research industry to this new edition. Peter founded Snap Surveys in 1981 to develop software products for desktop computers. Snap Surveys were the first company to create a desktopbased system for analysing surveys. From this point he led the expansion of their product line into areas such as web based surveys, scanning, and multimode data capture, along with additional services to provide outsourced data processing services, consultancy and training. Peter set up a US operation in 1995 to support North and South American Snap Survey users. He now oversees a staff of 70 in the UK and the US, with a client base of 30,000 users in both the public and private sector across the globe. Peter was responsible in 1992 for proposing an industry standard for the interchange of survey information between competing software products. This initiative has flourished and continues to operate as triple-s www.triple-s.org. He is the Chairman of the Association for Survey Computing, the world's leading society for the advancement of knowledge in software and technology for research surveys and statistics.

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Tables

Table on page 19 adapted from *From consumer connection to consumer insight: a Nestlé case study,* ESOMAR Consumer Insights Conference, Milan, May 2007 (Blachowska, M.); Table 4.2 adapted from 'Online audio group discussions: a comparison with face-to-face methods', *International Journal of Market Research,* Vol. 51 (2), pp. 219–241 (Cheng, C.C., Krumwiede, D. and Sheu, C. 2009); Table on page 204 adapted from www.fifa.com; Table on page 389 from 'The incidence of unethical practices in marketing research: An empirical investigation', *Journal of the Academy of Marketing Science,* Vol. 18, pp. 143–152 (Akaah, I.P. and Riordon, E.A. 1990), Table 3, p. 148, Copyright © Springer 1990, with kind permission from Springer Science + Business Media.

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1

Management decisions and the marketing research problem

Stage 1
Problem definition

Stage 2
Research approach developed

Stage 3
Research design developed

Stage 4
Fieldwork or data collection

Stage 5
Data integrity and analysis

Stage 6
Report preparation and presentation

Researchers support decision makers by bringing creativity, integrity and a scientific approach to the resolution of marketing problems.

Objectives

After reading this chapter, you should be able to:

1. understand the nature and scope of marketing research and its role in supporting successful marketing decisions;
2. describe a conceptual framework for conducting marketing research;
3. understand why some decision makers may be sceptical of the value of marketing research;
4. describe how marketing research may be applied to problem identification and problem solving;
5. describe the types and roles of research suppliers;
6. describe the steps of the marketing research process;
7. understand the nature and value of the research brief and research proposal in planning research projects;
8. appreciate the complexities involved in conducting international marketing research;
9. appreciate the basis of ethical challenges in conducting marketing research;
10. appreciate how digital developments and social media research techniques are shaping marketing research.

Overview

Marketing research comprises one of the most important and fascinating facets of marketing. In this chapter, we describe the nature and scope of marketing research, emphasising its role of supporting successful marketing decision making. We set out a conceptual framework that helps to encapsulate the value of marketing research support. There are many successful marketing decisions that have been founded upon sound marketing research: however, marketing research does not replace decision making. We set out why some decision makers may be sceptical of the value of marketing research. Marketing research can be applied to many forms of marketing decision, and we present a classification to demonstrate how research can help to identify and/or solve problems. The marketing research industry encompasses a vast range of skill sets and qualities. We set out a framework to classify marketing research organisations and describe the types of services they offer.

The six steps involved in the marketing research process are described. The most important step of this process is problem definition. This forms the foundation upon which creative and effective marketing research is planned and implemented. Defining the marketing research problem sets the course of an entire research project. We set out the means by which decision makers may articulate the research support they need in the form of a research brief. This is followed by the means by which the researcher may respond to a brief in the form of a research proposal.

A final section of the chapter is devoted to contemporary issues in marketing research. The topic of international marketing research is introduced. The role of researchers in addressing the challenges and opportunities of the globalisation of markets is introduced. The ethical challenges of marketing research and the responsibilities that marketing research stakeholders have to themselves, to each other and to the research project are introduced. A general introduction to the impact of digital applications in marketing practices upon marketing research thinking and practice is made.

What is marketing research?

The term 'marketing research' is broad in meaning and application. This breadth will be explored and illustrated throughout this book. What will become apparent is that it is related to supporting marketing decision making in many traditional and new digital manners. The following examples illustrate the use and decision support offered by conventional quantitative and qualitative marketing research methods.

Real research

Online market research at the International Data Group[1]

The International Data Group (IDG) (**www.idg.com**) was one of the world's leading providers of IT media, IT research and specialist conferences and exhibitions for the IT industry. The publishing group had more than 300 newspaper and magazine titles in 85 countries with more than 100 million readers. The trend towards declining circulations for print titles has had an impact on IDG's business. Besides magazine titles, the group offered its customers wide ranging Internet publications, including a number of titles that were only available online. IDG's marketing research team changed from paper and telephone-based surveys to online survey methods. Their surveys were used for an ever wider range of applications. For example, readers were questioned on an ongoing basis about their satisfaction with editorial content, their preferences and their requirements. The surveys delivered vital insights into the demographic structure of their readership, which was fundamentally important to advertising customers. IDG also offered its advertising customers online surveys into the impact of advertisements. In these surveys, readers indicated which advertisements they remembered and what they thought of them. This enabled the success of individual advertisements and advertising campaigns to be measured and assessed.

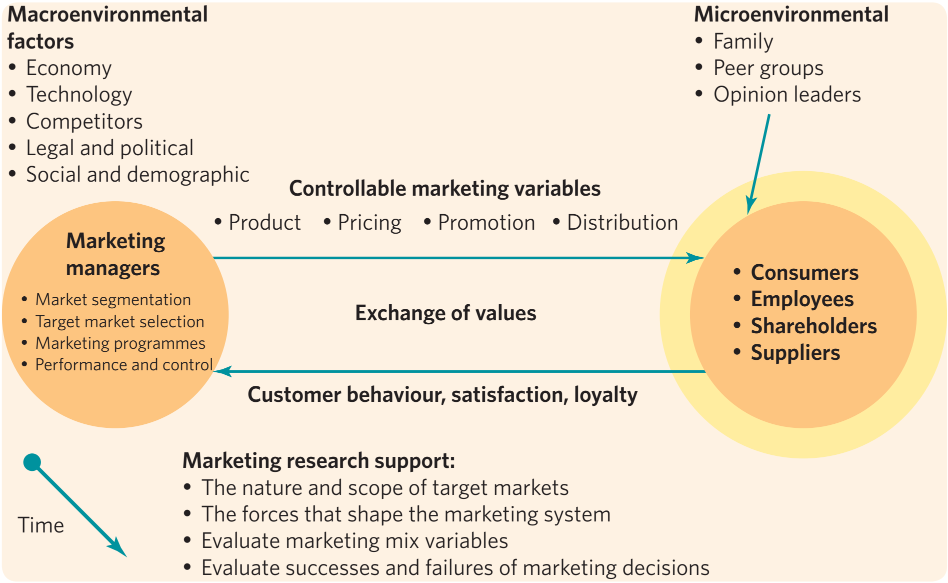
Real research

Using qualitative research to design better phones for the elderly[2]

BT Freestyle was a range of fixed line telephones sold with/without an answering machine, and in bundles of 1/2/3 phones together. The range was targeted at elderly users or those who had physical impairments, but was also widely used by people who wish to own an easy to use home telephone. The design company TheAlloy (**http://thealloy.com**) had worked with BT teams for over 15 years to design hundreds of consumer devices. The design team was made aware that the Freestyle range needed to be improved into a new Freestyle 700 range and an outline brief was provided of key attributes and market segments. The core elements of the design brief were: **Key product attributes:** clear controls, clear display, simple operation and comfort. **Consumer types (or potential markets):** partiality sighted, dexterity problems, technophobes, older segment of the population, less design conscious, comfort orientated, ease of use oriented. The design solution was driven by TheAlloy's proprietary *Experience Mapping* process that sought to create better user experiences. Their understanding of user experiences were based upon 15 individual in-depth interviews with elderly users. These interviews played a major part in helping the designers to create and launch a new range of Freestyle phones. Within two years of its launch, the Freestyle 700 range gained a value market share of 6 per cent, in a market with around 500 individual products from global brands such as Panasonic, Siemens, Motorola and Philips and with no single product commanding a value market share greater than 8 per cent; this was seen as an excellent return. Within a year of launch, the Freestyle 700 family had gained 42 per cent more market share than the previous Freestyle 600 range.

Figure 1.1

The role of marketing research within the marketing system


Macroenvironmental factors
• Economy
• Technology
• Competitors
• Legal and political
• Social and demographic
Microenvironmental
• Family
• Peer groups
• Opinion leaders
Controllable marketing variables
• Product • Pricing • Promotion • Distribution
Marketing managers
• Market segmentation
• Target market selection
• Marketing programmes
• Performance and control
Exchange of values
• Consumers
• Employees
• Shareholders
• Suppliers
Customer behaviour, satisfaction, loyalty
Time
Marketing research support:
• The nature and scope of target markets
• The forces that shape the marketing system
• Evaluate marketing mix variables
• Evaluate successes and failures of marketing decisions

These examples illustrate just a few of the many methods used to conduct marketing research, which may range from highly structured surveys with large samples to open-ended in-depth interviews with small samples; from the collection and analysis of readily available data to the generation of 'new' quantitative and qualitative data; from personal face-to-face interactions to remote observations and interactions with consumers online; from small local studies to large global studies. This book will introduce you to the full complement of marketing research techniques and challenges. These examples also illustrate the crucial role played by marketing research in designing and implementing successful marketing plans.[3]

The role of marketing research can be better understood in light of a basic marketing paradigm depicted in Figure 1.1. The emphasis in marketing, as illustrated in the BT telephone example above, is on understanding customer experiences and the delivery of satisfaction. To understand customer experiences and to implement marketing strategies and plans aimed at delivering satisfying experiences, marketing managers need information about customers, competitors and other forces in the marketplace. In recent years, many factors have increased the need for more accurate and timely information. As firms have become national and international in scope, the need for information on larger and more distant markets has increased. As consumers have become more affluent, discerning and sophisticated, marketing managers need better information on how they will respond with new products and other new experiences. As competition has become more intense, managers need information on the effectiveness of their marketing tools. As the environment is changing more rapidly, marketing managers need more timely information to cope with the impact of changes.[4]

Marketers make decisions about what they see as potential opportunities and problems, i.e. a process of identifying issues. They go on to devise the most effective ways to realise these opportunities and overcome problems they have identified. They do this based on a 'vision' of the distinct characteristics of the target markets and customer groups. From this 'vision' they develop, implement and control marketing programmes. This 'vision' of markets and subsequent marketing decisions may be complicated by the interactive effects of an array of environmental forces that shape the nature and scope of target markets. These forces also affect the marketers' ability to deliver experiences that will satisfy their chosen target markets. Within this framework of decision making, marketing research helps the marketing manager link the marketing variables with their environment and customer groups. It helps remove some of the uncertainty by providing relevant information about marketing variables, environment and consumers.

The role of the researcher in supporting the marketing decision maker can therefore be summarised as helping to:

- describe the nature and scope of customer groups;
- understand the nature of forces that shape customer groups;
- understand the nature of forces that shape the marketer's ability to satisfy targeted customer groups;
- test individual and interactive variables that shape consumer experiences;
- monitor and reflect upon past successes and failures in marketing decisions.

Definition of marketing research

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 understanding of marketing as a process. Marketing research specifies the information required to address these issues, designs the method for collecting information, manages and implements the data collection process, analyses the results, and communicates the findings and their implications.

Marketing research process

A set of six steps which define the tasks to be accomplished in conducting a marketing research study. These include problem definition, developing an approach to the problem, research design formulation, fieldwork, data integrity and analysis, and report generation and presentation.

The European Society for Opinion and Marketing Research (ESOMAR) (**www.esomar.org**) base their view of marketing research on the definition approved by the American Marketing Association. For the purpose of this book, which emphasises the need for information of the highest integrity in the support of decision making, **marketing research** is defined as:

> *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 understanding of marketing as a process. Marketing research specifies the information required to address these issues, designs the method for collecting information, manages and implements the data collection process, analyses the results, and communicates the findings and their implications.*

Several aspects of this definition are noteworthy. It stresses the role of 'linking' the marketer to the consumer, customer and public to help improve the whole process of marketing decision making. It also sets out the challenges faced by marketing decision makers and thus where research support can help them make better decisions and/or decisions with lower risks.

One of the major qualities of the American Marketing Association's definition of marketing research is its encapsulation of the **marketing research process**. The process is founded upon an understanding of the marketing decision(s) needing support. From this understanding, research aims and objectives are defined. To fulfil defined aims and objectives, an approach to conducting the research is established. Next, relevant information sources are identified and a range of data collection methods are evaluated for their appropriateness, forming a research design. The data are collected using the most appropriate method; they are analysed and interpreted, and inferences are drawn. Finally, the findings, implications and recommendations are provided in a format that allows the information to be used for marketing decision making and to be acted upon directly.

In order to attain the highest integrity, marketing research should aim to be objective. It should attempt to provide accurate information in an impartial manner. Although research is always influenced by the researcher's social, cultural and educational background, it should be free from personal or political biases of the researcher or decision makers. Research motivated by personal or political gain involves a breach of professional standards. Such research is deliberately biased to result in predetermined findings. The motto of every researcher should be 'find it and tell it like it is'. Second, it is worth noting the term 'total field of information'. This recognises that marketing decisions are not exclusively supported by marketing research. There are other means of information support for marketers from management consultants, raw data providers such as call centres, direct marketing, database marketing telebusinesses and social media.[5] These alternative forms of support are now competing with a 'traditional' view of marketing research. The methods of these competitors may not be administered with the same scientific rigour and/or ethical standards applied in the marketing research industry. Nonetheless, many marketing decision makers are increasingly using these other sources which collectively are changing the demands placed upon researchers.

Justifying the value of marketing research

It must be recognised that if decision makers use researchers, even if the best theories and practice of the marketing research process are followed 'to the letter', there is no guarantee that a marketing decision supported by research will be successful. The act of decision making and conducting marketing research are distinctive activities and there are examples where the vital link between these activities has resulted in failure. If decision makers have gaps in their knowledge, if they perceive risk and uncertainty in their decision making and cannot find support at hand within their organisation, they can gain support from marketing research. However, many decision makers can recount cases where the use of marketing research has resulted in failure or where decisions based upon gut feeling or intuition have proved to be successful. Such cases present a challenge to researchers, especially in light of the competition faced by the industry from alternative data sources.[6] Reflecting upon such cases should remind researchers to maintain a focus of offering real and valuable support to decision makers. Understanding what real and valuable support means should underpin the whole array of creative data collection and analysis procedures available to the researcher. The following example starts this reflection process with a case that was very close to home!

Real research

What's this marketing research then, Dave?

James Birks founded and successfully ran a kiln construction company for over 40 years. He designed, built and maintained kilns for some of the most demanding porcelain and ceramics manufacturers worldwide, including Wedgwood, Royal Doulton and Spode. At retirement age he sold his company as a going concern – a very wealthy man. James was presented with a copy of *Marketing Research: An Applied Approach* by his nephew, David Birks. He was very pleased with the present but was intrigued by the title and asked, 'What's this marketing research then, Dave?' He certainly had a clear idea of what marketing meant to his business and what was involved in being a successful marketer in his industry, but the notion of researching marketing activities and spending money on research was alien to him.

The intriguing aspect of this question is that James Birks had run a successful business on an international basis for over 40 years without the need to be aware of or to use marketing research. Had he used marketing research, could he have been even more successful, or would it have been a wasted investment? Could he have been practising marketing research 'activities' in a very informal manner to support marketing decisions? In his business-to-business marketing situation, he knew his customers and competitors well, and knew what shaped their demands. He understood the networks and relationships within those networks that were vital to the running and development of his business. This knowledge he acquired on a day-to-day basis, nurturing a curiosity about opportunities and how to realise them – without resorting to support from formal ad hoc marketing research. The example of James Birks shows that decision makers do not rely solely upon marketing research and in certain circumstances can survive and perform well without it.

In defending the nature and value of marketing research, there are two key misconceptions that should be clarified:[7]

> *Marketing research does not make decisions.* The role of marketing research is not to make decisions. Rather, research replaces hunches, impressions or a total lack of knowledge with information that can be trusted.
>
> *Marketing research does not guarantee success.* Research, at best, can improve the odds of making a correct decision. Anyone who expects to eliminate the possibility of failure by doing research is both unrealistic and likely to be disappointed. The real value of research can be seen over a long period where increasing the percentage of good decisions should be manifested in improved bottom-line performance and in the occasional revelation that arises from research.

The latter point shows the long-term benefits of conducting marketing research, i.e. that the results of a study may help decision makers with an immediate problem, but by building their knowledge they can also have long-term benefits. Researchers and decision makers must be aware that out of the array of research and information support approaches, there is no one guaranteed approach, research design or technique that can create the perfect means to support a decision. If decision makers complain that research is misleading or is only telling them what they already know, the researcher may argue that the fault lies with managers who pose the wrong questions or problem in the first place. If one takes the narrow view that the decision maker poses the questions and the researcher finds the answers, there may be some validity in such an argument. It does not hold if one considers that the decision maker and the researcher have a joint commitment to solve problems. In this joint commitment they have quite distinct but complementary creative skills that they can bring together to understand what problem they should be researching, how they conduct the research and how they interpret their findings.

Can researchers survive in an age of increasing competition from other information providers? Can they cope with the threats of growth of in-house research, new entrants to the industry that adopt new technologies and techniques, especially in the use of social media? Can the industry fend off the challenge from the armies of consultants and avoid research being seen as a commodity?[8] To achieve this, the industry has to offer marketers insights that have integrity and can be trusted rather than just 'robust' data collection and analysis. Such insights should lead to fresh perspectives to business problems and/or a competitively advantaged solution.[9] The researcher's input must be seen to benefit the bottom line.

A classification of marketing research

The ESOMAR definition encapsulates two key reasons for undertaking marketing research: (1) to identify opportunities and problems, and (2) to generate and refine marketing actions. This distinction serves as a basis for classifying marketing research into problem identification research and problem-solving research, as shown in Figure 1.2. Linking this classification to the basic marketing paradigm in Figure 1.1, problem identification research can be linked to: the description of the nature and scope of customer groups, understanding the nature of forces that shape customer groups, and understanding the nature of forces that shape the marketer's ability to satisfy targeted customer groups. Problem-solving research can be

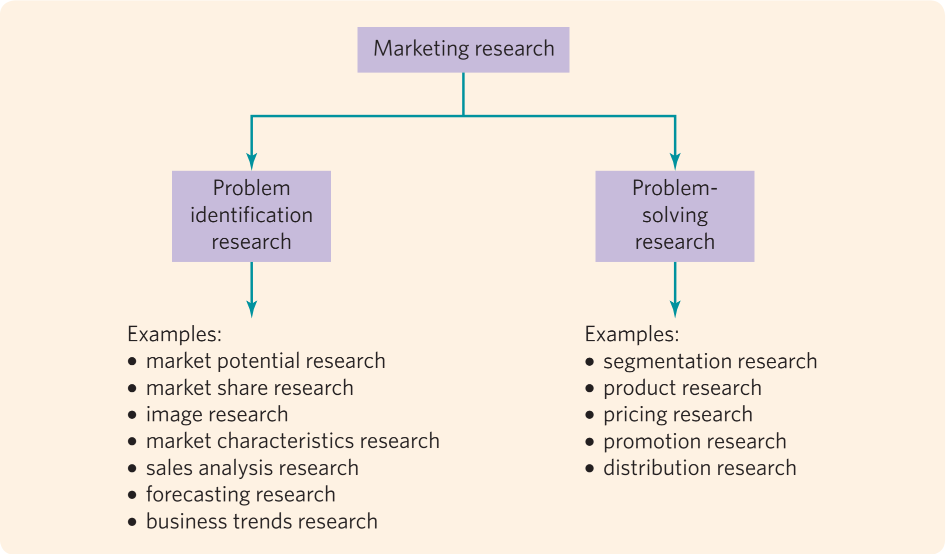

Marketing research
Problem identification research
Problem-solving research
Examples:
• market potential research
• market share research
• image research
• market characteristics research
• sales analysis research
• forecasting research
• business trends research
Examples:
• segmentation research
• product research
• pricing research
• promotion research
• distribution research

Figure 1.2

A classification of marketing research

linked: to test individual and interactive marketing mix variables that create consumer experiences, and to monitor and reflect upon past successes and failures in marketing decisions.

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

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. Research of this type provides information about the marketing environment and helps diagnose a problem. For example, a declining market potential indicates that the firm is likely to have a problem achieving its growth targets. Similarly, a problem exists if the market potential is increasing but the firm is losing market share. The recognition of economic, social or cultural trends, such as changes in consumer behaviour, may 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** may be undertaken to help develop a solution. The findings of problem-solving research are used to support decisions that tackle specific marketing problems. Problem-solving research linked to problem identification research is illustrated by the following example of developing a new cereal at Kellogg's.

Real research

Crunchy Nut Red adds colour to Kellogg's sales[10]

Kellogg's (**www.kelloggs.com**), 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. Kellogg's performed several tasks to identify the problem. Researchers spoke to decision makers within the company, interviewed industry experts, conducted analysis of available data, performed some qualitative research, and surveyed consumers about their perceptions and preferences for cereals. Several important issues or problems were identified by this research. Current products were being targeted to children, bagels and muffins were winning for favoured breakfast foods, and high prices were turning consumers to generic brands. Other information also came to light during the research. Adults wanted quick foods that required very little or no preparation.

Collectively, these issues helped Kellogg's identify the problem. The company were not being creative in introducing new products to meet the needs of the adult market. After defining the problem, Kellogg's went to work on solutions. The company developed and tested several new flavours of cereals based upon the results of survey interviews with adult consumers. Based on the results, Kellogg's introduced new flavours that were more suited to the adult palate but were not the tasteless varieties of the past. For example, it introduced Kellogg's Nutri-Grain Cereal Bar Blackberry. The new cereal bar was supported by an advertising campaign and major in-store promotions. Through creative problem identification research followed by problem-solving research, Kellogg's not only saw an increase in sales, but also increased consumption of cereal at times other than breakfast.

This example illustrates how the careful crafting of problem identification research can help to develop a clear focus to problem-solving research. The outcome was research that supported marketing decisions in many ways. A problem-solving perspective enabled Kellogg's decision makers to focus on issues of product development and an integrated communications campaign. Table 1.1 shows the different types of issue that can be addressed using problem-solving research.

Problem identification research and problem-solving research can go hand in hand as seen in the Kellogg's case, and a given marketing research project may combine both types of research.

Table 1.1 **Examples of problem-solving research**

Segmentation research	Determine basis of segmentation Establish market potential and responsiveness for various segments Select target markets and create lifestyle profiles: demography, media, and product image characteristics
Experiential design research	Determine the process of consuming products and services Online consumption experiences Social media engagement Sensory tests
Product research	Determine optimal product design Test concept Package tests Product modification Brand positioning and repositioning Test marketing
Pricing research	Importance of price in brand selection Pricing policies Product line pricing Price elasticity of demand Initiating and responding to price changes
Promotions research	Optimal promotional budget Optimal promotion mix Copy decisions Creative advertising testing Evaluation of advertising effectiveness
Distribution research	Attitudes of channel members Intensity of wholesale and retail coverage Channel margins Retail and wholesale locations

An overview of the marketing research industry

External suppliers
Outside marketing research companies hired to supply marketing research services.

Full-service suppliers
Companies that offer the full range of marketing research activities.

The marketing research industry consists of suppliers that provide marketing research services. Figure 1.3 broadly categorises research suppliers as either external or internal. **External suppliers** range from small (one or a few persons) operations to very large global corporations. We now examine the nature of services that may be supplied by external suppliers. External suppliers can be classified as full-service or limited-service suppliers.

Full-service suppliers offer the entire range of marketing research services: for example, defining a problem, developing a research design, conducting focus group interviews, designing questionnaires, sampling, collecting, analysing and interpreting data, and presenting reports. They may also address the marketing implications of the information they present, i.e. have the management skills to interpret and communicate the impact of their research findings at the highest levels. They may also manage customer database analyses, being able to integrate the management and analyses databases with the management and analyses of conventional marketing research techniques.

Syndicated services
Companies that collect and sell common pools of data designed to serve information needs shared by a number of clients.

Customised services
Companies that tailor research procedures to best meet the needs of each client.

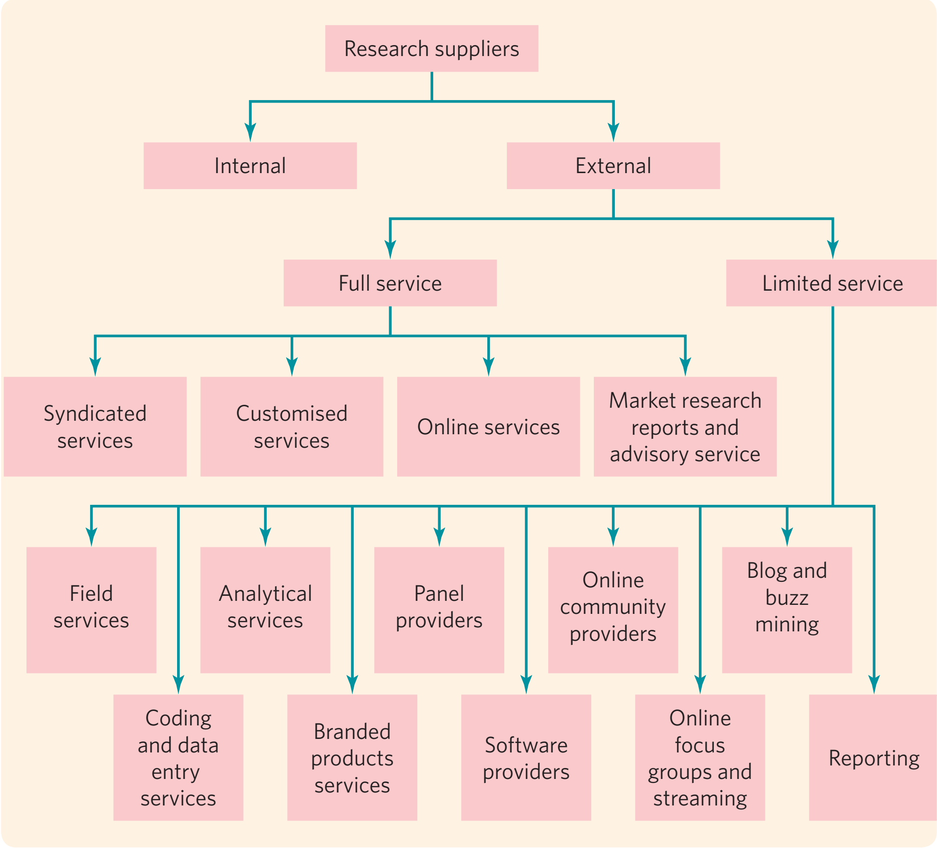
The services provided by these suppliers can be further broken down into syndicated services, customised services, online services and market research reports and advisory service (see Figure 1.3). Examples of these companies include Kantar (**www.kantar.com**) and Synovate (**www.synovate.com**).

Syndicated services collect information of known commercial value that they provide to multiple clients on a subscription basis. Surveys, diary panels, scanners and audits are the main means by which these data are collected. Examples of these companies include Nielsen (**www.nielsen.com**) and GfK (**www.gfk.com**).

Customised services offer a variety of marketing research services specifically designed to suit a client's particular needs. Each marketing research project is treated uniquely.

Figure 1.3

Marketing research suppliers


Research suppliers
Internal
External
Full service
Limited service
Syndicated services
Customised services
Online services
Market research reports and advisory service
Field services
Analytical services
Panel providers
Online community providers
Blog and buzz mining
Coding and data entry services
Branded products services
Software providers
Online focus groups and streaming
Reporting

Examples of these companies include TNS (**www.tnsglobal.com**) and Ipsos MORI (**www.ipsos-mori.com**).

Online services
Companies that specialise in the use of the Internet to collect, analyse and distribute marketing research information.

Online services offer a combination or variety of secondary data and intelligence gathering, survey or qualitative interviewing, social media engagement and the analysis and publication of research findings, exclusively online. Examples of these companies include YouGov (**www.yougov.com**) and OnePoll (**www.onepoll.com**).

Market research reports and advisory services
Companies that provide off-the-shelf reports as well as data and briefs on a range of markets, consumer types and issues.

Market research reports and advisory services provide off-the-shelf reports as well as data and briefs on a range of markets, consumer types and issues; as such they are thought of as part of the broader information market and not necessarily part of the traditional marketing research industry. Examples of these companies include Euromonitor (**www.euromonitor.com**) and Mintel (**www.mintel.com**).

Limited-service suppliers
Companies that specialise in one or a few phases of a marketing research project.

Limited-service suppliers specialise in one or a few phases of a marketing research project. Services offered by such suppliers are classified as field services, coding and data entry, analytical services, branded products, viewing facilities, panel providers, software providers, web analytics, online community providers, online focus groups and streaming, blog and buzz mining, and reporting.[11]

Field services
Companies whose primary service offering is their expertise in collecting data for research projects.

Field services collect data through postal, face-to-face interviews, telephone interviews and the Internet. Firms that specialise in interviewing are called field service organisations. These organisations may range from small proprietary companies that operate locally to large multinationals. Some organisations maintain extensive interviewing facilities across the country for interviewing shoppers. Many offer qualitative data collection services such as focus group interviewing. Examples of these companies include GMI (Global Market Insite) (**www.gmi-mr.com**) and Indiefield (**www.indiefield.co.uk**).

Coding and data entry services
Companies whose primary service offering is their expertise in converting completed surveys or interviews into a usable database for conducting statistical analysis.

Coding and data entry services include editing completed questionnaires, developing a coding scheme and transcribing the data for input into a computer. Examples of these companies include Eurodata Computer Services Limited (**www.data-entry-service.co.uk**) and The Analysis Solution (**www.plus4.co.uk/analysis_solution**).

Analytical services
Companies that provide guidance in the development of research design.

Analytical services include designing and pretesting questionnaires, determining the best means of collecting data, and designing sampling plans, as well as other aspects of the research design. Some complex marketing research projects require knowledge of sophisticated procedures, including specialised experimental designs and analytical techniques such as conjoint analysis and multidimensional scaling. This kind of expertise can be obtained from firms and consultants specialising in analytical services. Examples of these companies include Cobalt Sky Ltd (**www.cobalt-sky.com**) and Digitab (**www.digitab.uk.com**).

Branded marketing research products
Specialised data collection and analysis procedures developed to address specific types of marketing research problems.

Branded marketing research products and services are specialised data collection and analysis procedures developed to address specific types of marketing research problems. These procedures may be patented, given brand names, and marketed like any other branded product. Examples of these companies include Comparisat® at FDS (**www.fds.co.uk/about_comparisat.asp**) and Millward Brown's Optimor (**www.millwardbrown.com/mboptimor**).

Panel providers
Provide access to consumer, B2B and specialist panels of participants alongside scripting and hosting surveys.

Panel providers offer researchers the opportunity to access consumer, B2B and specialist panels of participants alongside scripting and hosting surveys. Examples of these companies include e-Rewards (**www.e-rewards.co.uk**) and Toluna (**www.toluna.com**).

Software providers
Provide software packages that create platforms to script, host and analyse surveys, or Software as a Service (SaaS) options.

Software providers offer software packages that create platforms to script, host and analyse surveys, or Software as a Service (SaaS) options. Examples of these companies include Confirmit (**www.confirmit.com**) and SNAP (**www.snapsurveys.com**).

Online community providers
Build online research communities where researchers can employ a wide variety of quantitative and qualitative techniques to connect to consumers.

Online community providers build online research communities where researchers can employ a wide variety of quantitative and qualitative techniques to connect to consumers. Examples of these companies include Communispace (**www.communispace.com**) and FreshMinds (**www.freshminds.co.uk**).

Online focus groups and streaming
Provide platforms for running online focus groups and streaming the results.

Online focus groups and streaming provide platforms for running online focus groups and streaming the results. Examples of these companies include ActiveGroup (**www.activegroup.net**) and FocusVision (**www.focusvision.com**).

Blog and buzz mining
Provide the means to observe, track or initiate views in research communities, social networks and anywhere else that people post comments, visuals, music and other forms of art on the Internet.

Blog and buzz mining provide the means to observe, track or initiate views in research communities, social networks and anywhere else that people post comments, visuals, music and other forms of art on the Internet. Examples of these companies include Nielsen's Buzzmetrics (**http://en-us.nielsen.com/content/nielsen/en_us/product_families/nielsen_buzzmetrics.html**) and SimplyZesty (**www.simplyzesty.com**).

Reporting
Offers research companies reporting solutions that seek to engage clients in oral and electronic presentations beyond conventional reporting methods such as hard copy reports and PowerPoint.

Reporting offers research companies reporting solutions that seek to engage clients in oral and electronic presentations beyond conventional reporting methods such as hard copy reports and PowerPoint. They utilise specialist art and graphic design services to create static data presentation formats and data dashboards that can be interrogated. Examples of these companies include E-Tabs (**www.e-tabs.org**) and Wordle (**www.wordle.net**).

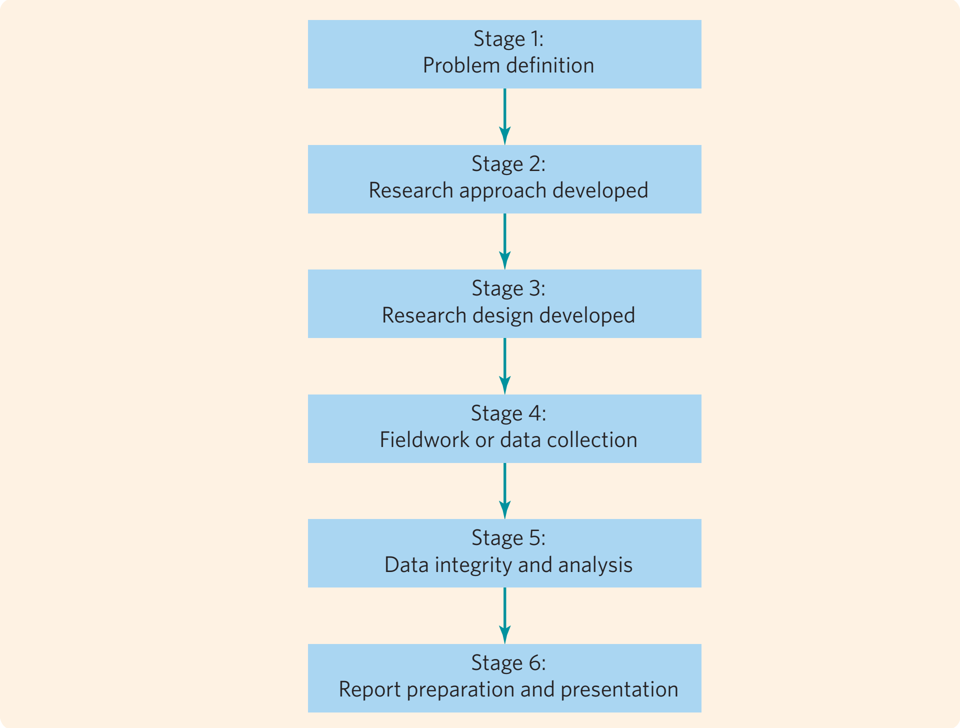
The marketing research process

The marketing research process consists of six broad stages as illustrated in Figure 1.4. Each of these stages is developed in more detail in subsequent chapters; thus, the discussion here is brief.

Step 1: Problem definition The logical starting point in wishing to support the decision maker is trying to understand the nature of the marketing problem that requires research support. The process of writing a research brief and research proposal will be shortly outlined. The process of writing a brief and a proposal should demonstrate that marketing decision problems are not simple 'givens', much work may be needed to properly diagnose a problem. The symptoms and causes of a problem may emerge from discussions with decision makers, in-depth interviews with industry experts, and the collection and analysis of readily available published information (from both inside and outside an organisation commission-

Figure 1.4

The marketing research process


Stage 1:
Problem definition
Stage 2:
Research approach developed
Stage 3:
Research design developed
Stage 4:
Fieldwork or data collection
Stage 5:
Data integrity and analysis
Stage 6:
Report preparation and presentation

ing research). Once the problem has been precisely defined, the researcher can move on to designing and conducting the research process with confidence.

Step 2: Development of an approach to the problem The development of an approach to the problem involves identifying factors that influence research design. A key element of this step involves the selection, adaptation and development of an appropriate theoretical framework to underpin a research design. Understanding the interrelated characteristics of the nature of target participants, the issues to be elicited from them and the context in which this will happen rely upon 'sound' theory. 'Sound' theory helps the researcher to decide 'what should be measured or understood' and 'how best to encapsulate and communicate the measurements or understandings'. In deciding what should be either measured or encapsulated, the researcher also develops a broad appreciation of how the data collected will be analysed.

Step 3: Research design developed A research design is a framework or plan for conducting a marketing research project. It details the procedures necessary for obtaining the required information. Its purpose is to establish a study design that will either test the hypotheses of interest or determine possible answers to set research questions, and ultimately provide the information needed for decision making. Conducting any exploratory techniques, precisely defining variables to be measured, and designing appropriate scales to measure variables can also be part of the research design. The issue of how the data should be obtained from the participants (e.g. by conducting a survey or an experiment) must be addressed. These steps are discussed in detail in the text.

Step 4: Fieldwork or data collection Data collection is accomplished using a staff that operates in the field. Fieldwork involves the planning and administration of research techniques for online, telephone, face-to-face and postal studies.

Step 5: Data integrity and analysis Data integrity focuses upon ensuring the quality of data and includes editing, coding, transcription and verification. The process of data integrity and analysis is essentially the same for both quantitative and qualitative techniques, for data collected from both secondary and primary sources. Considerations of data analysis do not occur after data have been collected; such considerations are an integral part of the development of an approach, the development of a research design, and the implementation of individual quantitative or qualitative methods.

Step 6: Report preparation and presentation The entire project should be documented in a written report that addresses the specific research questions identified, describes the approach, research design, data collection and data analysis procedures adopted, and presents the results and major findings. Research findings should be presented in a comprehensible format so that they can be readily used in the decision making process. In addition, an oral presentation to decision makers should be made using tables, figures and graphs to enhance clarity and impact.

Defining the marketing research problem

Problem definition

A broad statement of the general problem and identification of the specific components of the marketing research problem.

Although each step in a marketing research project is important, the first step of problem definition is the most important. **Problem definition** involves stating the general problem and identifying the specific components of the marketing research problem. Only when the marketing research problem has been clearly defined can research be designed and conducted properly:

> *Of all the tasks in a marketing research project, none is more vital to the ultimate fulfilment of a client's needs than an accurate and adequate definition of the research problem. All the effort, time, and money spent from this point on will be wasted if the problem is misunderstood and ill-defined.*[12]

An analogy to this is the medical doctor prescribing treatment after a cursory examination of a patient; the medicine may be even more dangerous than the condition it is supposed to cure! The truly serious mistakes are made not as a result of wrong answers but because of asking the wrong questions. This point is worth remembering because inadequate problem definition is a leading cause of failure of marketing research projects. Further, better communication and more involvement in problem definition are the most frequently mentioned ways of improving the usefulness of research. The following example illustrates how the iconic American motorbike brand Harley-Davidson has achieved a remarkable turnaround in their performance and brand positioning. Marketing research played a major role in supporting the decisions that achieved this turnaround. The example further illustrates how they established focus for their marketing research and developed a clear set of research questions.

Real research

Marketing an American icon[13]

The motorcycle manufacturer Harley-Davidson (**www.harleydavidson.com**) made such an important comeback in the early 2000s that there was a long waiting list to get a bike. Although distributors urged Harley-Davidson to build more motorcycles, the company was sceptical about investing in new production facilities. Many years of declining sales taught top management to be more risk averse than risk prone. Harley-Davidson was performing well again, and investing in new facilities meant taking risks. Would the demand follow in the long term or would customers stop wanting Harleys when the next fashion came along? The decrease in motorcycles' quality linked to Harley's fast growth had cost the company all its bad years. Top management was afraid that the decision to invest was too early. On the other hand, investing would help Harley-Davidson expand and possibly become the clear market leader in the heavyweight bike segment. Discussions with industry experts indicated that brand loyalty was a major factor influencing the sales and repeat sales of motorcycles. Secondary data revealed that the vast majority of motorcycle owners also owned other vehicles. Forecasts predicted an increase in consumer spending on entertainment and recreation up to the year 2015. Focus groups with motorcycle owners further indicated that motorcycles were not used primarily as a means of basic transportation but as a means of recreation.

This process and the findings that emerged define the management decision problem and the marketing research problem. The management decision problem was: Should Harley-Davidson invest to produce more motorcycles? The marketing research problem was to determine if customers would be loyal buyers of Harley-Davidson in the long term. Specifically, the research had to address the following questions:

1 Who are the customers? What are their demographic and psychographic characteristics?
2 Can different types of customers be distinguished? Is it possible to segment the market in a meaningful way?
3 How do customers feel about their Harleys? Are all customers motivated by the same appeal?
4 Are customers loyal to Harley-Davidson? What is the extent of brand loyalty?

One of the research questions (RQs) was examined and its associated hypotheses were:

RQ: Can the motorcycle buyers be segmented based on psychographic characteristics?
H1: There are distinct segments of motorcycle buyers
H2: Each segment is motivated to own a Harley for a different reason
H3: Brand loyalty is high among Harley-Davidson customers in all segments.

This research was guided by the theory that brand loyalty is the result of brand beliefs, attitudes, affect and experience with the brand. Both qualitative and quantitative research were subsequently conducted. First, focus groups of current owners, would-be owners, and owners of other brands were conducted to understand their feelings about Harley-Davidson. Then 16,000 questionnaires were posted to customers to determine their psychological, sociological and demographic profiles and their perceptions of Harley-Davidson.

Key findings included the following.

Seven categories of customers could be distinguished: (1) the adventure-loving traditionalist (2) the sensitive pragmatist (3) the stylish status seeker (4) the laid-back camper (5) the classy capitalist (6) the cool-headed loner (7) the cocky misfit. Thus H1 was supported.

All customers, however, had the same desire to own a Harley: it was a symbol of independence, freedom and power. This uniformity across segments was suprising, contradicting H2.

All customers were long-term loyal customers of Harley-Davidson, supporting H3.

Based on these findings, the decision was taken to invest and in this way to increase the number of Harley's built in the future.

The importance of clearly identifying and defining the research problem cannot be overstated. The foundation of defining a research problem is the communication that develops between marketing decision makers and researchers. In some form or another, marketing decision makers must communicate what they see as being the problems they face and what research support they need. This communication usually comes in the form of a research brief. The researcher responds to the research brief with a research proposal, which encapsulates the researcher's vision of a practical solution to the set research problem.

The marketing research brief

Research brief
A document produced by the users of research findings or the buyers of a piece of marketing research. The brief is used to communicate the perceived requirements of a marketing research study.

The marketing **research brief** is a document produced by the users of research findings or the buyers of a marketing research study. The brief may be used to communicate the perceived requirements of a marketing research study to external agencies or internally within an organisation to research professionals. It should act as the first step for decision makers to express the nature of a marketing and research problem as they see it. This first step is vital in developing an agreement of an appropriate research approach. As a first step of problem diagnosis and negotiation, *the marketing research brief should not be carved in tablets of stone!*

It has been contended that the greatest form of potential error in marketing research lies in the initial relationship between marketing decision makers and researchers.[14] In developing a sound initial relationship, the research brief plays a vital role. Without some formal method of communicating the nature of a marketing problem, there is great potential for ambiguities, illogical actions (by both parties), misunderstandings and even forgetfulness.

The purpose of a written marketing research brief may be summarised as:

- It makes the initiator of the brief more certain of how the information to be collected will support decision making.
- It ensures an amount of agreement or cohesion among all parties who may benefit from the research findings.
- It helps both the marketer and the researcher to plan and implement the research design.
- It helps to reduce disputes that can occur when the gaps in decision makers' knowledge are not 'filled' as intended.
- It can form the basis for negotiation with a variety of research organisations.

In all, the research brief saves resources in time and money by helping to ensure that the nature of the problem or opportunity under investigation has been thought through.

Components of the marketing research brief

The rationale for a marketing research brief may seem logical, but actually generating a brief from marketing decision makers can be extremely difficult. If a decision maker has a very clear idea of the nature of decision support needed *and* can define the research objectives that will create such support *and* define the research design that will fulfil the research objectives, the decision maker could write a research brief that is highly structured. A structured brief created in these conditions would basically be a tender document, allowing a number of research suppliers to pitch for business on a like-for-like basis. Not all marketing decision makers have such clarity of the marketing research support they need. Even if they do, by sticking to highly structured and prescriptive marketing research briefs, they can under utilise the experience and creativity of researchers. This is illustrated by the following quote, based upon the experiences of a researcher who has seen many research problems misdiagnosed:

> *When a client calls for a meeting on a research brief, quite often the tendency is for a methodology meeting: 'I'd like to have a product test done on three new flavours that we have developed.' Off goes the researcher, conducts the test, identifies the winning flavour, the client launches it and finds to their dismay that it fails dismally. Why? It turns out the flavours were developed to try and revitalise an ageing product category and brand. In the product test, the familiar flavours orange and lemon won over the more exotic flavour to boost the category image. Had the researcher been allowed to look beyond the brief and ask one simple question on why the flavours were being made, it may have led to a clearer brief which in turn would have led to a research design which was more appropriately designed to cull out the real insight, which was that the consumers were bored and something rather more than flavour extensions were needed to revitalise the category.*[15]

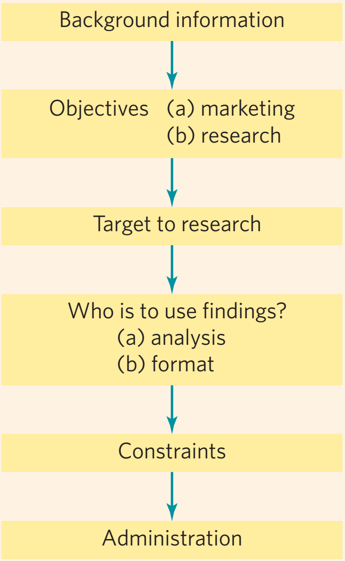
The following format for a research brief helps to make the most of the experience and creativity of both the marketing decision maker and the researcher and has clear advantages for both parties. First, it does not demand that decision makers have a great deal of technical knowledge about research. Their focus can remain upon the gaps in their knowledge, the nature of support they need, not the technicalities of how data are to be collected and analysed. Second, it allows the researchers the opportunity to demonstrate their creative abilities and awareness of the latest research and analysis techniques. Using their experiences from problems faced by other decision makers, perhaps from a great variety of contexts and industries, researchers have the possibility of examining the marketing and research problem from many different perspectives. They can create, develop and adapt a research design to the research problem that supports the marketing decision maker within clear time and cost parameters (Figure 1.5):

1. *Background information.* The background serves to put research objectives into context, helping the researcher to understand why certain decisions and research objectives are being pursued. Decision makers would detail what they see as being the main events that have caused or contributed to the problem under study. Such a background gives a framework for the researcher to investigate other potential events, contributory factors or causes.

2. *Objectives.* The first part of this section would detail which marketing decisions are to be completed once the research has been undertaken. This requires decision makers to explain what they see as the focus of the decisions they plan to make. They then go on to explain what gap(s) they see in their knowledge. Those gaps create the focus to planned research activities and set the research objectives. The formulation of the marketing objectives can encompass two areas: organisational objectives and personal objectives of the decision

Figure 1.5

Components of the marketing research brief



maker. For a research project to be successful, it must serve the objectives of the organisation and of the decision maker. For the researcher, this may not be explicit or obvious to discern. It may take some time working with a decision maker or a particular organisation to see potential conflicts in organisational and personal objectives. The problem faced by researchers is that decision makers may not formulate marketing objectives clearly. Rather, it is likely that objectives tend to be stated in terms that have no operational significance, such as ‘to improve corporate image’. Ultimately this does not matter, as this ‘first-step’ brief offers the opportunity for the researcher to draw out and develop a much clearer vision of marketing and research objectives. Drawing out and developing decision makers’ perspectives of objectives, even if they have no operational significance, helps the process of developing a common understanding of what the decision maker is trying to achieve.

3 *Target to research.* Any marketing research project will measure, understand or observe a target group of individuals. These may be distinct groups of consumers, channel members such as retailers or competitors, or company employees. In this section, details of the characteristics of the target group(s) can help in many research design decisions. These cover areas of identification, gaining access to potential participants, understanding which techniques are appropriate to measure or understand these individuals, and the best environment or context in which to conduct research.

4 *Who is to use the findings?* This section would outline brief details of the decision makers who will use the research findings. For example, certain decision makers may be entrepreneurial and introspective, looking for short-term tactical advantages. Presenting research findings that make tactical advantages apparent would be the best way to communicate to such managers. Managers with a background and training in statistics may expect results to be analysed and presented in a particular manner to have any credibility. Other managers, e.g. those responsible for many product and/or communications design decisions, may not have such training or may even be distrustful of statistical analyses and seek a more qualitative interpretation. These issues have an impact upon the nature and extent of analysis conducted upon the data collected and the style and format in which research findings will be presented.

5 *Constraints.* The main limitation to researchers carrying out what they may perceive as being the correct way to research a problem is the time and money that decision makers

can afford. Proposing a large-scale project that would cost €200,000 when only €50,000 has been budgeted obviously will not meet management approval. In many instances, the scope of the marketing research problem may have to be reduced to accommodate budget constraints. With knowledge of time and cost constraints, the researcher can develop a research design to suit these needs. The researcher may also demonstrate other courses of action that could demand greater amounts of money or time, but could have clear benefits that the marketer may be unaware of. Other constraints, such as those imposed by the client firm's personnel, organisational structure and culture, or decision making styles, should be identified to determine the scope of the research project. Yet, constraints should not be allowed to diminish the value of the research to the decision maker or to compromise the integrity of the research process. In instances where the resources are too limited to allow a project of sufficient quality, the firm should be advised not to undertake formal marketing research. In the following example, researcher Malgorzata Blachowska of Nestlé in Poland describes how she helped to develop a research brief that facilitated creative input from researchers, marketers and their communications agency.

6 *Administrative considerations.* These would lay out administrative details in completing the research project. Examples could be the expected delivery of interim reports, contacts in an organisation that may be able to help supply further information, or reference to sources of materials and individuals that are needed to complete the research successfully.

Real research

Can marketing research support effective communication ideas for children?[16]

The marketing team of the ice cream division of Nestlé in Poland wished to brief their creative agency. They turned to their marketing research team to see what support they could give to develop strong communications with their target market of children. The researchers seized the opportunity to be part of the process of advertising development, rather than simply delivering data or consumer test results. They decided to try a new way of cross-functional team cooperation to the challenge, which started with the preparation of a research brief. Their short brief described:

1 Clear and straightforward project objectives, including details of the target group they would be addressing. In this particular case the research objective was to '*reconstruct consumer insights, which help to build the most relevant and effective communication for children in the ice cream category in Poland*'. The core target group was children aged 6 to 11 years old.

2 Details of participant characteristics.

3 A detailed plan of the project:

What?	Who is responsible?
a Short brief with the objective	Marketing team
b Prepare and conduct the training from Consumer Insight Process at Nestlé and how to talk with consumers	Marketing research team
c Preparation and conduct of the training for 'consumer connection' – what this is, how to talk to your consumer and how to obtain knowledge in the connection process	Marketing research team and agency
d Meeting with consumers at their homes	Marketing research agency and everyone
e Preparation of guide (how to talk to the consumers)	Marketing research team and marketing research agency
f Affinity groups – just before their workshop – to put everyone in the 'mood of consumers'	Everyone
g Final workshop	Marketing research team and agency
h Analyses: information about the product and consumer habits	Marketing team
i Analyses: communications for children	Creative team
j Knowledge from the meetings with the consumers (pictures, toys, verbatims)	Everyone
k Reports; required at distinct stages throughout the whole project	Marketing research team

Three of the best ideas were tested in the research study, one was chosen, filmed and aired. The outcome was a success for the new business in Poland (Nestlé was a relatively new brand which did not really exist in consumers' minds as they had taken over the Scholler brand). They increased awareness of the Nestlé brand and the BluMis brand (hero of the Nestlé children's ice creams in Poland); they sold much more than their operational plan and they began building the image of their brand.

With a formal marketing research brief and perhaps preliminary discussion with the organisation that is to commission the research, the researcher has the necessary material to develop a research proposal. In many instances, however, the researcher does not enjoy the luxury of a written research brief.[17] The marketing decision maker may outline ideas in an oral manner, perhaps on an informal basis. This can happen if the decision maker is not aware of the personal benefits of producing a written research brief detailed above. Decision makers may see the brief as a time-consuming process that really is the job of the researcher. If researchers are faced with an oral brief, they can use the proposed brief outline above as a guideline to the issues they should elicit in informal discussions in order to develop an effective proposal.

The marketing research proposal

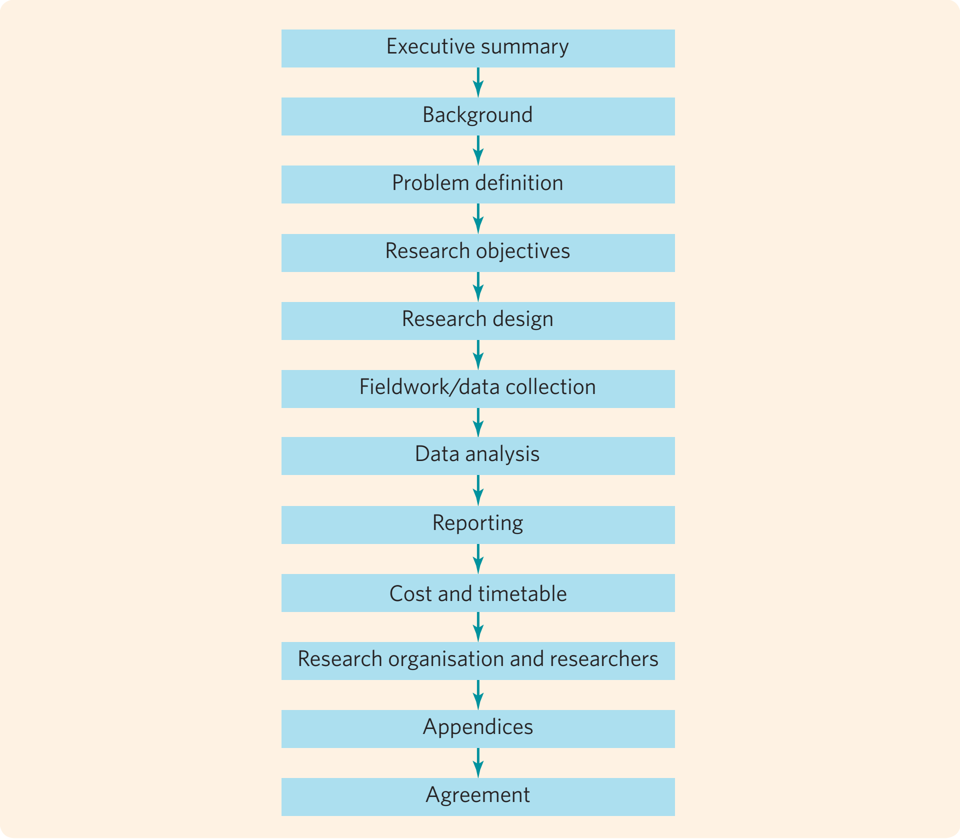
Research proposal
The official layout of the planned marketing research activity.

In response to a research brief, the researcher will develop a research plan and will develop a **research proposal** to communicate this plan. The marketing research proposal contains the essence of the project and, in its final format, can serve as a contract between the researcher and decision makers.[18] The research proposal covers all phases of the marketing research process. It allows the researcher to present an interpretation of the problems faced by management and to be creative in developing a research solution that will effectively support decision makers. Although the format of a research proposal may vary considerably, most proposals address all the steps of the marketing research process and contain the elements shown in Figure 1.6:

1 *Executive summary*. The proposal should begin with a summary of the major points from each of the other sections, presenting an overview of the entire proposal.

Figure 1.6

The marketing research proposal



2 *Background*. The researcher would be expected to have researched and developed ideas beyond those presented in the brief 'background'. Other potential causes of the problems faced or alternative interpretations of the factors that shape the background in an environmental context should be presented. The extent of developmental work on the background to a research project will depend mostly upon how much past work researchers have done for the decision makers. In projects where researchers and decision makers are working together for the first time, much exploratory work may be undertaken by the researcher to understand an industry, organisation, decision makers, and planned campaigns. After working together on a number of projects, much of this may be understood and not need restating.

3 *Problem definition*. Again, if necessary, the researcher may go beyond the problem definition presented in the brief. If the researcher sees potential to add value for the marketer through alternative diagnoses of the problem presented in the brief, then these should be shown. If the researcher sees a problem in the brief that is ambiguous or unattainable, other alternative diagnoses should be presented. From this section, the marketer's gaps in knowledge should be apparent.

4 *Research objectives*. These may be presented in the form of clear hypotheses that may be tested. They may also cover broader areas in terms of 'research questions' that are to be explored rather than formally measured in a conclusive manner.

5 *Research design*. The research design to be adopted, classified in broad terms as exploratory, descriptive or causal, should be specified. Beyond such a broad classification should be details of the individual techniques that will be adopted and how they will unfold and connect to each other. This means that the reader will clearly see methods of collecting the desired data, justification for these methods, and a sampling plan to include details of sample size(s). This applies to both quantitative and qualitative approaches.

6 *Fieldwork/data collection.* The proposal should discuss how the data will be collected and who will collect them. If the fieldwork is to be subcontracted to another supplier, this should be stated. Control mechanisms to ensure the quality of data collected should be described.

7 *Data analysis.* This should describe the kind of data analysis that will be conducted, e.g. content analysis, simple cross-tabulations, univariate analysis or multivariate analysis. If software packages are to be used in these analyses, they should be specified, as they will be indicative of the potential analyses that can be conducted. There should be further description of the extent to which the results will be interpreted in light of the set marketing objectives, beyond the specified analysis techniques.

8 *Reporting.* The proposal should specify the nature of any intermediate reports to be presented, what will be the form of the final report, and whether an oral presentation of the results will be made.

9 *Cost and timetable.* The cost of the project and a time schedule, broken down by phases, should be presented. A critical path method chart might be included. In large projects, a payment schedule is also worked out in advance.

10 *Research organisation* The qualities and value of the research organisation and key researchers that will work on a project should be presented. When an organisation is working with researchers for the first time, some idea of past research projects and clients should be displayed. This can help the marketer to trust the researcher in problem diagnosis, research design and implementation (e.g. how credible the researchers may be seen by the individuals they are to research and how this may affect participant openness and honesty), and interpretation of the findings.

11 *Appendices.* Any statistical or other information of interest to perhaps only a few people should be contained in appendices.

12 *Agreement.* All parties concerned with fulfilling the research plan should sign and date their agreement to the proposal.

Preparing a research proposal has several advantages. It ensures that the researcher and management agree about the nature of the project, and it helps sell the project to a wider array of decision makers who may contribute to and benefit from the research findings. As preparation of the proposal entails planning; it helps the researcher conceptualise and execute the marketing research project.

Chapter 2 will further develop the challenges of defining a research problem. It will set out a structure and process that could underpin the writing of well-crafted research proposals.

International marketing research

With the globalisation of markets and forms of communication, marketing research has assumed a truly international character. The international nature of marketing research can mean reaching out to decision makers, researchers and participants in distant lands with many communication and logistical challenges. International marketing research tends to be more complex and demanding when compared to domestic marketing research. However, with the growth of many multicultural societies, domestic marketing research can demand that researchers

appreciate the cultural and language challenges of participants within their own country.

The marketing, government, legal, economic, structural, socio-cultural and informational environments prevailing in target international markets, and the characteristics of target participants that are being studied, influence the manner in which marketing research problems should be addressed. Most decision makers and researchers are aware that there are different and equally legitimate ways to approach research problems and that no one school of thought has absolute authority for all types of problem. This greater flexibility has made multi-country coordinated projects much more feasible though not easier, as they represent intellectually, logistically and diplomatically the most demanding of problems. The following example illustrates some of the research design and operational challenges faced by researchers working in international markets.

Real research

A world of chicken flavours[19]

A study was conducted to support the development of 'new chicken flavours', sponsored by flavour consultants Givaudan (**www.givaudan.com**) and delivered by QualiData (**www.qualidataresearch.com**). With the cooperation of local research agencies, the study was conducted within multiple regions in eight countries: United States, Mexico, Colombia, Brazil, France, Spain, China and Indonesia. A critical idea underlying the study was that the experience of flavour was more than just sensory; it was also deeply cultural. To fulfil the study's objectives, the researchers devised a research design based on ethnographic methods, across the regions explored. In each case, they accompanied shoppers as they purchased chickens and other ingredients used in the creation of various dishes. This took them to local markets, shops and supermarkets where they often discussed chicken production methods with vendors. They then went home with the consumers to observe in painstaking detail how dishes were prepared and then served to their households. At mealtimes, they paid attention to other foods and beverages prepared alongside chicken, how dishes were served with respect to household hierarchies and how leftovers were saved and stored for future usage. At every step, they considered the impact of the process upon flavour creation and discussed flavour with all household members. A critical element in the study was the selection of appropriate participants. The key family cook they were seeking was someone who regularly prepared meals consistent with local cooking styles and used fresh ingredients. Their participants were typically, but not exclusively, female. These cooks did not need to use cookbooks but confidently relied instead upon sensory cues, memory and intuition while preparing meals. The most challenging aspects of this project were the large scale logistics involved in an eight-country project and the emerging knowledge integration and use of that knowledge. The global presentation of the study's findings was a major feat of logistics. They had sites in Singapore, China, Mexico, Brazil, USA and several European cities scheduled on a six-hour conference call and web-based slide presentation. The first hour was a summary presentation starting at 7.00 a.m., the best time to obtain attendance from every country. This was followed by more detailed presentations of countries rolling from Indonesia, to China, European countries, and finally Mexico, Colombia, Brazil and the United States. Part of knowledge integration was creating insight and innovation by weaving the ethnography results into the other sources of consumer insight that were ongoing and related to chicken flavour. This would include the use of consumer surveys, product testing and other forms of insight generation which varied by country and by the key issues in the local markets. As a consequence, the process of extracting, integrating and utilising the information from this project fell out over a period of about a year, as other related projects were completed.

Ethics in marketing research

Marketing research often involves contact with the participants, usually by way of data collection, dissemination of the research findings and marketing activities such as advertising campaigns based on these findings. There is the potential to abuse or misuse marketing research by taking advantage of these people. If participants feel that they or their views are being abused or misrepresented, they either will not take part in future studies or may do so without honesty or full engagement in the issues being researched. They may also lobby politicians to protect them from what they see as intrusions into their privacy and liberties. In short, unethical research practices can severely impair the quality of the research process, undermine the validity of research findings and ultimately inflict serious damage upon the body of professional researchers. If participants cannot distinguish between genuine marketing research and unethical telemarketing or direct marketing where surveys are used to gain access to participants to deliver a sales pitch or to generate sales, there can be severe repercussions for the marketing research industry through legislation designed to protect the privacy of citizens.

ESOMAR distinguishes marketing research from other competitive forms of data gathering, primarily through the issue of the anonymity of participants. It stresses that in marketing research the identity of the provider of information is not disclosed. It makes a clear distinction between marketing research and other forms of data gathering where the names and addresses of the people contacted are to be used for individual selling, promotional, fundraising or other non-research purposes. ESOMAR has eight principles that encapsulate the scientific aim and character of marketing research as well as its special responsibility towards participants, clients and the public.

The eight principles incorporated into the ESOMAR code of conduct are:[20]

1. Researchers will conform to all relevant national and international laws.
2. Researchers will behave ethically and will not do anything which might damage the reputation of marketing research.
3. Researchers will take special care when carrying out research among children and other vulnerable groups of the population.
4. Participants' cooperation is voluntary and must be based on adequate, and not misleading, information about the general purpose and nature of the project when their agreement to participate is being obtained and all such statements must be honoured.
5. The rights of participants as private individuals will be respected by researchers and they will not be harmed or disadvantaged as the result of cooperating in a marketing research project.
6. Researchers will never allow personal data they collect in a marketing research project to be used for any purpose other than marketing research.
7. Researchers will ensure that projects and activities are designed, carried out, reported and documented accurately, transparently, objectively and to appropriate quality.
8. Researchers will conform to the accepted principles of fair competition.

The basic principles of the ESOMAR code of conduct and the full array of ESOMAR codes of conduct can be viewed at: (**http://www.esomar.org/index.php/codes-guidelines.html**).

Digital developments in marketing research

Millions of people across the globe are actively engaging in online discussions, giving their opinions, meeting new people, showing their activities, preferences, uses and attitudes, talking about brands, services, music and films. Social media developments are creating opportunities to reach and observe participants in novel ways, changing the dynamics of the research process. These changes are resulting in the emergence of new research methods and the adaptation of more traditional approaches. The rise in social media has shown researchers how open participants can be with their thoughts, opinions and data. There are a number of pioneering individuals and 'new wave' research agencies that are inspiring advances in thinking and application in marketing research. These newer agencies are creating a healthy competitive environment,

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stimulating the development of innovative products and services.[21] The following example illustrates how the European research company Insites Consulting is developing new marketing research techniques. It illustrates how social media is being used to supplement and integrate with techniques that have been described as 'traditional marketing research'. This example illustrates the use of emerging research techniques that can dovetail with traditional marketing research techniques or in some cases be a replacement.

Real research

Stop asking questions and start listening[22]

RTL Netherlands and its innovative research agency Insites Consulting (**www.insites.eu**) illustrated the power of buzz mining in the Dutch version of the *X Factor*. Because the *X Factor* lasts for several weeks, from auditions, to boot camp, to the knockout rounds, the show was particularly suitable for an iterative research process. In this case, the iterative research used searching and web scraping online conversations during the show. During the project, over 70,000 comments were captured from a variety of Dutch language online communities. In a version of online ethnography or discourse analysis, Insites Consulting analysed what people were saying about the show, its contestants, the songs, and the way the show was shaping. RTL Netherlands was able to use this information to make week-by-week alterations to the show and the acccompanying website to make the show 'sharper' and increase the interest of the audience. The show was broadcast on Fridays, so the agency did its web scraping on Mondays, reporting back to RTL on Wednesdays, which allowed the information to impact the show on Friday.

Summary

Marketing research provides support to marketing decision makers by helping to describe the nature and scope of customer groups, understand the nature of forces that shape the needs of customer groups and the marketer's ability to satisfy those groups, test individual and interactive controllable marketing variables, and monitor and reflect upon past successes and failures in marketing decisions. The overall purpose of marketing research is to assess information needs and provide the relevant information in a systematic and objective manner to improve marketing decision making. Conducting marketing research does not guarantee the success of decision making. However, well-crafted research should support decision makers to reduce the risks inherent in decision making.

Marketing research may be classified into problem identification research and problem-solving research. In general terms, problem identification uncovers the potential that may be exploited in markets, and problem-solving uncovers the means to realise that potential. Marketing research may be conducted internally (by internal suppliers) or may be purchased from external suppliers. Full-service suppliers provide the entire range of marketing research services, from problem definition to report preparation and presentation. They may also manage customer database analyses and social media research, being able to integrate the management and analyses databases with the management and analyses of conventional marketing research techniques. Limited-service suppliers specialise in one or a few phases of the marketing research project.

The marketing research process consists of six broad steps that must be followed creatively and systematically. The process involves problem definition, research approach development, research design formulation, fieldwork or data collection, data preparation and analysis, and report preparation and presentation. Defining the marketing research problem is the most important step in a research project. Problem definition is a difficult step because frequently decision makers have not determined the actual problem or only have a vague notion about it. The researcher's role is to help decision makers identify and define their marketing research problem. The formal ways in which decision makers and researchers communicate their perspectives on a research problem and how to solve it are through the development of a research brief and a research proposal.

International marketing research can be much more complex than domestic research because the researcher must consider the environments prevailing in the international markets being researched. Research is founded upon the willing co-operation, of the public and of business organisations. Ethical marketing research practices nurture that cooperation, allowing a more professional approach and more accurate research information. There are many competitive threats to the marketing research industry that have been exacerbated by the development of social media interactions. However, there are many great opportunities for researchers are afforded by social media interactions and digital developments. New types of participant can be reached across global markets, with new forms of engagement that may be integrated with more traditional forms of marketing research.

Questions

1. Describe the purpose of marketing research.
2. What decisions are made by marketing decision makers? How does marketing research help in supporting these decisions?
3. Why is it not possible to guarantee the success of marketing decisions supported by marketing research?
4. What arguments would you use to defend investment in marketing research?
5. How may the sound practice of problem identification research enhance the sound practice of problem-solving research?
6. What is the main difference between a full-service and a limited-service research supplier?
7. Describe the steps in the marketing research process.
8. Why is it vital to define the marketing research problem correctly?
9. What is the role of the researcher in the problem definition process?
10. Describe the components of a marketing research brief?
11. Describe the components of a marketing research proposal?
12. How may a researcher be creative in interpreting a research brief and developing a research proposal?

Exercises

1. Examine the business sections of newspapers and magazines to identify and compile five examples of problem identification research and five examples of problem-solving research.

2 Describe how marketing research could support decision makers in:
   (a) Your university or college
   (b) A shoe brand
   (c) An advertising agency commissioned by a toy manufaturer
   (d) A designer of a fashion store, responsible for creating the right 'atmosphere' for a store.

3 Visit the website of the Market Research Society, **www.mrs.org.uk**. Work through the array of publications and support it gives to its members. Specifically examine and register for **www.research-live.com/** and examine the published code of conduct. Compare the MRS code of conduct with that available on the ESOMAR website, **www.esomar.org**. Are there any differences in their respective approaches to maintaining professional standards in the marketing research industry?

4 Imagine that you are the Marketing Director of easyJet.
   (a) Make a list of potential marketing objectives whose fulfilment could improve the performance of easyJet.
   (b) Select what you feel would be the most important marketing objective. Develop a set of marketing research objectives that you consider would support the decisions needed to fulfil that marketing objective.

5 In a small group discuss the following issues:
   (a) What is the ideal educational background for someone seeking a career in marketing research?
   (b) Is it possible to enforce ethical standards within the marketing research industry?
   (c) Is it feasible that marketing decision makers may not conceive of or be able to express the nature of decision support they need? What are the implications of such a possibility in the development of research proposals?

Notes

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2

Research objectives and research design

Stage 1

Problem definition

Stage 2

Research approach developed

Stage 3

Research design developed

Stage 4

Fieldwork or data collection

Stage 5

Data integrity and analysis

Stage 6

Report preparation and presentation

Defining the research problem correctly is fundamental in crafting a research design and delivering information of value to decision makers

Objectives

After reading this chapter, you should be able to:

1 understand the importance of, and the process used, in defining marketing research problems;
2 discuss the environmental factors affecting the definition of the research problem;
3 explain the structure of a well-defined marketing research problem, including the broad statement and the specific components;
4 understand the nature and significance of a research approach;
5 compare and contrast the basic research designs: exploratory, descriptive and causal;
6 understand how participants or the subjects of research design affect research design choices;
7 describe the major sources of errors in a research design, including random sampling error and the various sources of non-sampling error;
8 appreciate the challenges involved in developing a research design in international marketing research;
9 appreciate ethical issues and conflicts that arise in defining research problems and a research approach;
10 appreciate ways in which digital applications can support the development of a research design.

Overview

This chapter covers the first three of the six steps of the marketing research process as described in Chapter 1: problem definition, developing an approach to the problem and developing a research design. In Chapter 1 we set out how researchers and decision makers may communicate their views of these three steps through the presentation of a research brief and research proposal. In this chapter we evaluate the process of these three steps in detail. Problem definition is the most important step, since only when a problem has been clearly evaluated can a research project be properly conducted. Defining the marketing research problem sets the course of the entire project. Regardless of how well a research plan is designed and subsequent stages are carried out, if the problem is not correctly diagnosed, research findings could be misleading or even dangerous. We discuss the factors that influencing a research approach to resolve a diagnosed problem. The nature of a research approach is evaluated as are the components that shape an approach in terms of theoretical frameworks, analytical models, research questions and hypotheses.

We examine the nature of research design from the perspectives of decision makers and participants. Two major types of research design are then discussed: exploratory and conclusive. We further classify conclusive research designs as descriptive or causal and discuss both types. The differences between the two types of descriptive designs are considered (cross-sectional and longitudinal) and sources of errors are identified.

The special considerations involved in defining research problems and the development of a research design in international marketing research are discussed. Several ethical issues that arise at this stage of the marketing research process are considered. The chapter concludes by examining how digital developments can help in the crafting of creative research design. A better appreciation of the concepts presented in this chapter can be gained by first considering the following example.

Real research

Understand women's health issues through consumer and cultural insights[1]

The pharmaceutical company Pfizer (**www.pfizer.com**) worked with the research company Truth (**www.truth.ms**) on a project to innovate within the subject of 'women's health'. With many of Pfizer's product patents coming to an end, it was critical for them to understand how they could develop existing brands as well creating and/or buying new products and services. There were three key questions they needed to answer: (1) How could Pfizer make their existing products/brands more successful? (2) How could Pfizer successfully launch pharmaceutical products/brands into the areas of women's health? (3) How could Pfizer create new growth opportunities, adjacent to the core Pfizer business, to meet the unmet needs of women in relation to health? In addressing these questions, their biggest challenge was how to develop a research approach that would not only allow them to understand the needs of women and healthcare professionals now and, in the broader area of women's health, how such needs would evolve in the future. Their research approach integrated two critical perspectives: (1) **Cultural perspective:** Drawing insight, inspiration and direction from immediate and adjacent categories in health, as well as wider popular culture. (2) **Consumer perspective:** Grounding and informing the study in women's attitudes towards health and well-being in general, and women's conditions specifically. As a result, the project involved an integration of cultural and semiotic analysis of both women and health contexts, as well as ethnographic observations, interviews and group discussions with consumers and healthcare professionals across Europe: in France, Germany, Italy, Spain, Sweden and the United Kingdom.

In this example Pfizer broadly set out marketing problems and opportunities for which they need marketing research support. They set out a research approach that brings together two critical perspectives. Examining these perspectives enabled them to work through a research design based upon a series of qualitative research methods conducted in a number of European countries.

The process of defining the problem and developing a research approach

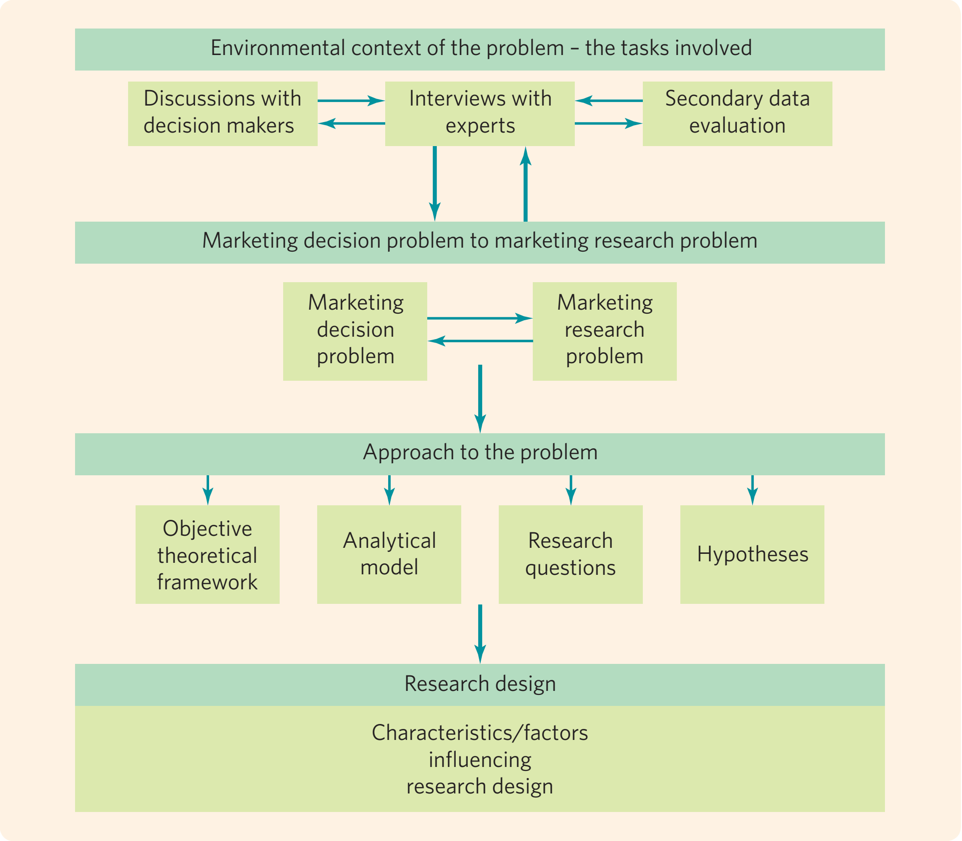
By formally developing and exchanging a marketing research brief and research proposal, the marketing decision maker and the researcher utilise their distinctive skills. They ensure that the marketing problem and research problems have been correctly defined and an appropriate research approach is developed. The research brief and the research proposal are the formal documents that ensure each party is clear about the nature and scope of the research task. These documents allow decision makers and researchers formally to present their perspective of the task in hand. The detail of defining the nature of problems and developing an appropriate research approach to the point of creating a research design is shown in Figure 2.1.

The tasks involved in problem definition consist of discussions with decision makers, qualitative interviews with industry experts and other knowledgeable individuals, and analysis of readily available **secondary data**. These tasks help the researcher to understand the background of the problem by analysing the environmental context. An understanding of the environmental context facilitates the identification of the marketing decision problem. Then, the marketing decision problem is translated into a marketing research problem. Based on

Secondary data
Data collected for some purpose other than the problem at hand.

Figure 2.1

The process of defining the problem and developing an approach


Environmental context of the problem – the tasks involved
Discussions with decision makers
Interviews with experts
Secondary data evaluation
Marketing decision problem to marketing research problem
Marketing decision problem
Marketing research problem
Approach to the problem
Objective theoretical framework
Analytical model
Research questions
Hypotheses
Research design
Characteristics/factors influencing research design

the definition of the marketing research problem, an approach to the problem is established and an appropriate research design is developed. Further explanation of the problem definition process begins with a discussion of the tasks involved.

Environmental context of the problem

The tasks involved in understanding the environmental context of the marketing and research problem can include discussions with decision makers, qualitative interviews with industry experts, and secondary data collection and analysis. The purposes of these tasks are to develop an understanding of forces that may affect the nature of decision makers' problems and related research problems.

Discussions with decision makers

Discussions with the decision makers beyond the formal presentation of a research brief and research proposal can be of enormous value. The decision maker needs to understand the capabilities and limitations of research.[2] Research provides information relevant to management decisions, but it cannot provide solutions because solutions require managerial creativity and judgement. Conversely, the researcher needs to understand the nature of the decision that managers face, and what they hope to learn from research. In these discussions the researcher attempts to elicit further explanations of what may have been presented in a research brief. In the case where no formal or written research brief has been presented, the researcher would use a research brief structure as a means to elicit why decision makers are seeking research support. In this process it is essential that the researcher gets a clear sense of why research is to be conducted and what its value is to decision makers.

To identify the marketing problem, the researcher must possess considerable skill in interacting with the decision maker. Several factors may complicate this interaction. Access to certain decision makers may be difficult. The organisational status of the researcher or the research department may make it difficult to reach the key decision maker in the early stages of the project. Finally, there may be more than one key decision maker, and meeting collectively or individually may be difficult. These problems can make it difficult to develop decision makers' perspective of an environmental context. Despite these problems, it is necessary that the researcher attempts to interact directly with key decision makers.[3]

Interviews with industry experts

In addition to discussions with decision makers, qualitative interviews with industry experts can help enormously in understanding an environmental context. These experts are individuals with knowledge about an organisation that is seeking research support and the industry they compete in.[4] These experts may be found both inside and outside a client organisation. Typically, expert information is obtained by unstructured face-to-face interviews or using online methods. The order in which these topics are covered and the questions to ask should not be predetermined. The list of topics to cover and the type of expert sought should evolve as the researcher becomes more attuned to the nature of the marketing problem.

The purpose of interviewing experts is to explore ideas, make new connections between ideas, and create new perspectives in exploring an environmental context and defining the marketing research problem. If the technique works well by identifying an appropriate individual with the qualities to give insight upon a particular topic, and an amount of trust and rapport is developed, the potential to generate and test ideas can be immense. Experts may have other contacts that the researcher may not be aware of or may not be able to get access to. They may also have secondary data which, again, the researcher may not be aware of or have access to.

Initial secondary data analyses

Secondary data collection and analysis will be addressed in detail subsequently (Chapter 3). Here it can be seen in a broad context to include data generated within organisations, externally generated data and business intelligence. A brief introduction here will demonstrate the worth of secondary data at the stage of problem diagnosis. Secondary data are data collected for some purpose other than the problem at hand. **Primary data**, on the other hand, are originated by the researcher for the specific purpose of addressing the research problem. Secondary data include data generated within an organisation, including customer databases, information made available by business and government sources, commercial marketing research firms, and the vast resources available online. Secondary data are an economical and quick source of background information. Past information, forecasts and commentary on trends with respect to sales, market share, profitability, technology, population, demographics and lifestyle can help the researcher to understand the environmental

Primary data
Data originated by the researcher specifically to address the research problem.

context and marketing research problem. Where appropriate, this kind of analysis should be carried out at the industry and organisation levels. For example, if a organisation's sales have decreased but industry sales have increased, the problems will be very different than if the industry sales have also decreased. In the former case, the problems are likely to be specific to the firm.

Marketing decision problem and marketing research problem

Marketing decision problem
The problem confronting the marketing decision maker, which asks what the decision maker needs to do.

Marketing research problem
A problem that entails determining what information is needed and how it can be obtained in the most feasible way.

The **marketing decision problem** asks what the decision maker needs to do, whereas the **marketing research problem** asks what information is needed and how it can best be obtained.[5] The marketing decision problem is action oriented. It is concerned with the possible actions the decision maker can take. How should the loss of market share be arrested? Should the market be segmented differently? Should a new product be introduced? Should the promotional budget be increased?

In contrast, the marketing research problem is information oriented. It involves determining what information is needed and how that information can be obtained effectively and efficiently. Consider, for example, the loss of market share for a particular product line. The decision maker's problem is how to recover this loss. Alternative courses of action can include modifying existing products, introducing new products, changing other elements in the marketing mix, and segmenting the market. Suppose that the decision maker and the researcher believe that the problem is caused by inappropriate segmentation of the market and want research to provide information on this issue; the research problem would then become the identification and evaluation of an alternative basis for segmenting the market. Note that this process requires much interaction, in the sense that both parties critically evaluate, develop and defend each other's ideas to clarify the nature of decision and research problems, and to ensure there is a clear and logical connection between them. The following example further illustrates the distinction between the marketing decision problem and the marketing research problem. It also illustrates the interactive nature of identifying the marketing decision problem and the research problem, each one unfolding and informing the understanding of the other.

Real research

Defining the problem

Shoe retailer X: We are experiencing a loss of market share in our French stores.
Researcher: Is it just France?
Shoe retailer X: No, but as we conduct the majority of our business there, the loss is causing us the greatest amount of concern.
Researcher: Why do you think you are losing market share?
Shoe retailer X: We wish we knew!
Researcher: How are your competitors coping?
Shoe retailer X: We suspect that other French stores are also suffering, and that online shoe stores are capturing market share.
Researcher: How do your customers feel about the quality of services you deliver?
Shoe retailer X: We recently attained our ISO 9001 for service quality, which we are proud of!
Researcher: But how does your service delivery and customer experience compare with your competitors?