PARASURAMAN | GREWAL | KRISHNAN

MARKETING RESEARCH

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A. Parasuraman
University of Miami

Dhruv Grewal
Babson College

R. Krishnan
California Polytechnic and State University

To my wife Ranga, sons Rohith and Vishnu, and daughter Roopa–A.P.

To my parents, wife Diana, and children Lauren and Alex–D.G.

To my parents, wife Bala, son Ram, and daughter Vidhya–R.K.

About the Authors

A. Parasuraman

A. Parasuraman (Parsu) is a professor and holder of the James W. McLamore Chair in Marketing (endowed by the Burger King Corporation) at the University of Miami. He obtained his Bachelor of Technology degree in 1970 and Master of Business Administration degree in 1972 from leading universities in India. His Doctor of Business Administration degree, which he obtained in 1975, is from Indiana University, Bloomington, Indiana.

Dr. Parasuraman teaches and does research in the areas of services marketing, service-quality measurement and improvement, and the role of technology in marketing to and serving customers. In 1988 Dr. Parasuraman was selected as one of the "Ten Most Influential Figures in Quality" by the editorial board of *The Quality Review,* co-published by the American Quality Foundation and the American Society for Quality Control. He has received many distinguished teaching and research awards, including the Best Professor Award given by Executive MBA Classes in 1996, 1998 and 2000, and the Provost's Award for Scholarly Research in 1998. In 1998 he also received the American Marketing Association's "Career Contributions to the Services Discipline Award" (an annual award bestowed upon one individual who has had a sustained and far-reaching impact on the field). In 2001, he received the Academy of Marketing Science's "Outstanding Marketing Educator Award."

Dr. Parasuraman has written numerous articles in journals such as the *Journal of Marketing, Journal of Marketing Research, Journal of Retailing,* and *Sloan Management Review.* He has served as editor of the *Journal of the Academy of Marketing Science* for a 3-year term (1997–2000). He also serves on the editorial review boards of seven journals. In addition to co-authoring *Marketing Research,* Dr. Parasuraman has co-authored three other business books written for practitioners: *Delivering Quality Service: Balancing Customer Perceptions and Expectations, Marketing Services: Competing Through Quality,* and *Techno-Ready Marketing: How and Why Your Customers Adopt Technology.* He is an active consultant and has conducted dozens of executive seminars on service quality,customer satisfaction and the role of technology in service delivery in many countries.

Dhruv Grewal

Dhruv Grewal (Ph.D., Virginia Tech) is the Toyota Chair in Commerce and Electronic Business and a professor of marketing at Babson College. He is currently co-editor of *Journal of Retailing* (oldest marketing journal). His research and teaching interests focus on marketing research, e-business, retailing, pricing, and value-based marketing strategies. He was recently ranked 1st in the marketing field in terms of publications in the top-six marketing journals during the 1991–1998 period. He is a Distinguished Fellow of the Academy of Marketing Science.

Professor Grewal has served as VP of Research and Conferences for the American Marketing Association Academic Council (1999–2001) and VP of Development for the Academy of Marketing Science (2000–2002). He co-chaired the 1993 Academy of Marketing Science Conference, the 1998 Winter American Marketing Association Conference, the December 1998 Marketing Science Institute Conference, and the 2001 AMA doctoral consortium. He has published over fifty-five articles in publications including *Journal of Marketing, Journal of Consumer Research, Journal of Marketing Research, Journal of Retailing,* and *Journal of the Academy of*

Marketing Science. He currently serves on the editorial review boards of *Journal of Public Policy & Marketing,* and *Journal of Product and Brand Management.*

Professor Grewal has won awards for both his teaching and research. His teaching awards include: the Academy of Marketing Science Great Teachers in Marketing Award (1999), Executive MBA Teaching Excellence Award (1998), School of Business Teaching Excellence Awards (1993, 1999), and Virginia Tech Certificate of Recognition for Outstanding Teaching (1989). His research awards include the School of Business Research Excellence Award for years 1991, 1995, 1996, 1998 and best paper awards for AMS Conference 2002, Retailing Track AMS 2002, Pricing Track Winter AMA 2001, and Technology Track Summer AMA 2000. He has taught executive seminars and courses and has worked on research projects with numerous firms.

R. Krishnan (Ph.D., Virginia Tech) is a professor of marketing at California Polytechnic and State University in San Luis Obispo, CA. He previously taught at University of Miami, Virginia Tech, and City University of New York. He has a Master's degree in Industrial and Production Engineering as well as a Bachelor's degree in Mechanical Engineering. In addition, he worked for two years in a firm where he handled operations management responsibilities.

Professor Krishnan's research has appeared in a number of professional and scholarly journals, including the *Journal of Marketing, Journal of Retailing, Sloan Management Review, California Management Review, The Academy of Management Executives, Total Quality Management, Journal of Business Research, Journal of Marketing Management, Industrial Marketing Management, Journal of Advertising, Journal of Advertising Research, The Journal of Business Logistics, European Journal of Marketing, Journal of Consumer Psychology,* and *The International Journal of Physical Distribution.*

He has received many distinguished teaching awards, including the University of Miami-EMBA Excellence in Teaching Award, Δ Σ Π Teacher Award, College of Business Teacher Award, and Alumni Award for Best Teaching. Professor Krishnan specializes in business strategy marketing for technology-based companies, e-commerce, new product and brand strategies, and pricing strategies, and conducts marketing education programs for industries around the globe.

R. Krishnan

Preface

S tudying marketing research can and should be an interesting, enlightening, and rewarding experience. We have designed *Marketing Research* for this purpose, even for those students who may approach the subject apprehensively and reluctantly. Based on our collective teaching experience of over five decades we believe that the best way to engage students and reinforce the importance and relevance of marketing research is to continually remind them of its applications in the real world. Therefore, we present the various marketing research terms, tools, and concepts in an understandable, lively fashion by using numerous examples in every chapter. In addition, we have incorporated the impact of the latest advances in computer and information technologies on marketing research.

This book is intended for students who are taking their first course in marketing research. The breadth and the depth of topics included in the book are carefully chosen to benefit those students who will primarily be potential research users as well as those who wish to consider marketing research as a career. To cater to this dual audience, we stress the importance of effective communication between research users and researchers and highlight their respective roles and responsibilities at various stages of a research project.

▶ Content and Organization

The textbook contains sixteen chapters, organized into five parts. Part One, consisting of three chapters, provides an overview of the nature and scope of marketing research, the various parties and steps involved in conducting marketing research, and the different types of marketing research. Part Two, consisting of five chapters, discusses the various types of data available to marketers, the increasing sophistication and capabilities of research-based systems to aid decision making, and the basic research approaches and designs available for conducting marketing research. Part Three, containing three chapters, focuses on the measurement instruments and sampling approaches used in data collection. Part Four highlights data analysis, with chapters on quality control and initial analysis, hypothesis testing, correlation and regression analyses, and other multivariate techniques. Part Five includes the final chapter, which highlights the importance of accurately and clearly presenting marketing research findings to decision makers.

▶ Text Highlights

We stated earlier that this book has been designed to make the study of marketing research interesting, enlightening, and rewarding. Here are some of the ways that the text makes the subject accessible and relevant:

- Every chapter in the book has numerous, carefully chosen examples that are well integrated with the textual material. Every key concept, principle, or technique is illustrated with one or more examples. Many of these examples are from international contexts, involve technology-based products and services, and focus on contemporary issues.

- The book has a readable and accessible writing style. The key ideas in each chapter are logically developed and organized to enable students to grasp them clearly and quickly.

- An attractive, colorful, and engaging design presents the information in an accessible and appealing way. Charts, diagrams, and other graphical illustrations are used liberally to supplement the textual discussion.

- The text provides extensive coverage of marketing research procedures that are frequently used in practice but are treated only superficially in many textbooks. For example, this book has a separate chapter on Geographic Information Systems (Chapter 5) and Qualitative Research (Chapter 7).

- The text also offers useful frameworks and illustrations for understanding and applying effectively the more technical aspects of marketing research (e.g., the probability-sampling techniques covered in Chapter 11 and the hypothesis-testing procedures covered in Chapter 13).

- For those instructors who wish to familiarize students with statistical analysis software, a student version of SPSS is available for packaging with the text. In addition, in-text tutorials and screen captures provide step-by-step instructions on how to use the software to perform statistical analysis.

- The analysis chapters share a data set—the "National Insurance Company" data set—to illustrate the use of the most appropriate technique (including how to use SPSS to perform the analysis) based on the nature of the research question and the type of data. This common data set, obtained from a real-life survey of 285 customers of an insurance company, provides continuity across the chapters and brings to life the application of multiple analytical techniques within the same research study.

- The National Insurance Company data set, along with data sets for four other cases in the book, are included in the SPSS CD-ROM that is available with the text. The same data sets are also available on the student website (for Excel users and those already having access to SPSS).

- Guidelines for using Microsoft Excel are also provided for those instructors who prefer to use this tool.

▶ Pedagogical Features

To help highlight the most important concepts and issues in marketing research, we have incorporated a number of pedagogical features.

- Chapter opening vignettes provide interesting and up-to-date anecdotes from the world of business, providing immediate application of chapter concepts and setting the stage for further learning.

- Chapter objectives identify key chapter concepts, mapping chapter content and giving students clear direction about what they need to study most closely.

- In addition to the many in-text examples, "Case in Point" sections provide more in-depth examples and short case scenarios to illustrate major points.

- "Research in Use" boxes illustrate real-world applications of concepts or techniques covered in the chapter. Some of these have been researched firsthand and often include offbeat and unique themes.

- Key terms in each chapter are highlighted in the text and defined in the margins. The text also includes a comprehensive glossary containing an alphabetical listing of all key terms with their definitions.

- Questions for Review and Discussion, Application Exercises, and Internet Exercises in every chapter provide a variety of tasks to help students retain the information they've learned and apply concepts in meaningful ways.

- End-of-Chapter Cases, written by Jeanne Munger of the University of Southern Maine, in association with the text authors, are original to the text and include pertinent and compelling facts and company data to illustrate real-world use of marketing research.

▶ Flexibility for Instructors

The content and the organization of this book are designed to offer maximum flexibility for instructors in terms of the teaching approaches they want to use and the relative emphases they wish to place on different topics. The simple writing style and the liberal use of examples should minimize the amount of class time necessary to merely clarify concepts covered in the book. Instructors will therefore have more time for further developing key topics they wish to emphasize and for experiential activities such as case discussions, computer-assisted exercises, and student projects.

Each text includes a free passkey to SurveyTime.com—a website housing a professional online survey creation tool—so that students will be able to conduct actual Internet surveys as part of their course work. In addition, a student version of SPSS software, containing a special tutorial program, is available for packaging with the text. For those instructors who prefer to work with Microsoft Excel, however, the text is available as a stand-alone product.

▶ A Complete Package of Support Materials

Accompanying the text is a support package that focuses on generating enthusiasm in the classroom and inspiring student success. The following items are provided to help instructors plan, present, and assess more effectively:

Instructor's Resource Manual. Created by Jeanne Munger of the University of Southern Maine in association with the text authors, the *Instructor's Resource Manual* contains a variety of chapter support materials. These include chapter summaries, lists of key terms, detailed lecture notes, answers to review and discussion questions, comments and guidelines for the application exercises and Internet exercises, extensive case teaching notes, and sources for further reading.

Instructor Website. This password-protected site provides up-to-date research, useful web links, downloadable PowerPoint slides and Instructor Resource Manual files.

Test Bank. Also developed by Jeanne Munger in association with the text authors, the *Test Bank* contains about 1400 true/false and multiple-choice questions, several short-answer and essay questions for each chapter, and computational/problem-solving questions for the data analysis chapters.

HMTesting. This electronic version of the printed *Test Bank* allows instructors to generate and change tests easily. The program includes an online testing feature by which instructors can administer tests via their local area network or over the Web. It also has a grade book feature that lets users set up classes, record and track grades from tests or assignments, analyze grades, and produce class and individual statistics.

Call-in Test Service. This service lets instructors select items from the *Test Bank* and call our toll-free faculty services number (800-733-1717) to order printed tests.

PowerPoint Slides. This program, developed by the text authors, presents key concepts and illustrations from the text as well as from outside the text to enhance classroom presentations. The slides are downloadable from the Instructor Website.

Video Package. The video package provides compelling footage of real companies and situations to help bring the textbook concepts to life. Teaching notes and suggestions are also provided.

The following package items are available for students to enhance their knowledge and application skills:

Passkey to SurveyTime.com. A passkey for a free, six-month subscription to this website allows students to create and distribute online surveys using a professional survey construction tool created by SurveyPro.com. Downloading survey data is quick and efficient—and is compatible with SPSS software.

Student Website. Content for the student website has been developed by the text authors and includes student tutorials, data sets relating to text exercises that can be used with either Excel or SPSS, ACE practice tests, additional marketing research information supporting text content, career search links, summaries of latest marketing research articles with links as appropriate, as well as hyperlinks to research sites pertaining to technology, service, and global issues.

SPSS Software. This professional software program is available for packaging with each textbook through a special arrangement with SPSS. Step-by-step instructions, explanations, and screen shots are provided in the textbook to familiarize students with this popular statistical analysis program. In addition, a student tutorial is included with each CD-ROM. Data sets relating to exercises in the textbook are also provided.

▶ Acknowledgments

Many individuals and organizations contributed significantly to the development of this textbook. Our sincere appreciation goes to the numerous organizations and executives who generously provided material for the cases, exercises, and illustrations in this book. Special thanks goes to Dennis Malamatinas (former CEO of Burger King), Douglas Riggan of Burger King, David Moxley of Customer Knowledge Consultants, Charles Colby of Rockbridge Associates, Carey Watson of Burdines, Paul Abbate of Quicktake, Christian Sager of Pankey, Michael G. Rider of Polaroid, Mark Eisner of MSR Research, Caroline Anawati of Taco Bell, and John Tietjen, John Watkins, Kathy Thornhill, and Jim Figura of Colgate-Palmolive. We extend our deep appreciation to Jeanne Munger for her contribution to the case studies, *Instructor's Resource Manual,* and *Test Bank,* and to Cornelia Perchmann for her authorship of Chapter 5, "Using Geographic Information Systems for Marketing Research." We also thank Deborah C. Nester for her meticulous review of the early drafts of the book chapters; and we wish to acknowledge the staff at Srivats Software Solutions, who worked tirelessly with us to produce the PowerPoint slides and website content accompanying the text. Other colleagues who pro-

A.P.
D.G.
R.K.

Brief Contents

Contents

8 Experimentation in Marketing Research 227

9 Measurement and Scaling 264