

MARKETING RESEARCH

SIXTH EDITION

CARL McDANIEL | ROGER GATES



Marketing Research

Sixth Edition

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DSS Research




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*Dedicated to
the market research instructors and students
who make this book a part of their
professional lives*

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P R E F A C E

The Most Widely Used Marketing Research Text

Congratulations. You are holding a book that is read by thousands of students around the world! The text has been translated into many languages and is found in universities from Beijing to Barcelona. Of course, it is also the most widely used text in the United States as well. We are both humbled and proud of the popularity of our text. We also realize the enormous responsibility it places upon us to give you, our readers, a marketing research text of the utmost quality. Being “insiders” in the marketing research industry enables us to deliver the latest in marketing research concepts and the freshest examples throughout the text. We have gone through every chapter for this 6th edition, checking for the utmost in clarity, and adding the latest developments in the field of marketing research. *Perfection in a marketing research text may not be possible, but we do everything in our power to achieve it.*

Written by Two Marketing Research Insiders

Every marketing research author talks about having the latest material available. Yet, there is only one author team that is not simply looking at marketing research as an outsider, and that team is Carl McDaniel and Roger Gates. It's like sitting in the stands versus being on the playing field. When you are on the field, you see changes as they occur—up close and personal. We can tell you that marketing research is much more than computing sample size or conducting a focus group. It is also about getting managers to use your findings, managing people, controlling costs, and a host of other things. Sure, like other texts, *Marketing Research* covers research design, data acquisition, and data analysis, but it does so with a dose of reality unmatched by our competitors.

Giving Readers a Dose of Marketing Research Reality Like No Other Text

Our “real world” view of marketing research comes from being on the firing line. The 6th edition is written from the unique perspective of two authors with over 40 years of marketing research experience. Roger Gates is president of a marketing research firm with over 100 full-time employees. His company offers cutting-edge technology to hundreds of large clients throughout North America. Carl McDaniel, a former partner in a successful marketing research company, is chairman of the marketing department at The University of Texas at Arlington. As chairman, he has ultimate responsibility for the department's Master of Science in Marketing Research program. A unique aspect of the program is its intentionally renowned advisory board, which consists of leaders and top executives from the field of marketing research. Carl's ongoing interaction with the

leaders in the field enables him to keep his fingers on the pulse of change in marketing research. You can view the membership list of this extraordinary advisory board at <http://www2.ut.edu/msmr>.

You Asked for SPSS Student Version Software with Every Text—You Have It! Plus SPSS Exercises and Data Sets

Many market researchers use SPSS on a daily basis. We offer you *fully classroom-tested* SPSS exercises and data sets. Chapters 14 through 17 each conclude with a series of SPSS exercises. You will find a total of twelve real-world, user-oriented exercises that provide great hands-on experience for your students. Of course, you can customize the exercises or use your own as you choose. Our coverage of SPSS is thorough yet balanced. Unlike other texts, we realize that you are teaching a course in marketing research, not SPSS. Our focus is on a balanced approach to contemporary marketing research.

The Internet Is Now a Major Factor in the Marketing Research Industry—We Cover It Like No Other Text

It may not be an exaggeration to say that the Internet has turned the world of marketing research upside down. By 2005, Internet marketing research is expected to account for half of all marketing research revenue in the United States. This statistic alone illustrates the new world of marketing research. More than simply offering a new way to conduct research, the Internet changes the speed, flow, and usage of information. For example, the Internet enables managers to use research information to make decisions faster than ever before. And it allows decision makers across the globe to view and comment on research findings instantaneously. The Internet also makes follow-up studies and longitudinal research easier to conduct. It slashes the costs associated with labor- and time-intensive research activities. You will find all of these topics, and much more about the Internet, discussed in every chapter.

You Can Bring Internet Research Alive with Perseus WebResearcher

Your students can use the same marketing research Web application as professional marketing researchers. You will have the capability of assigning multiple class projects and conducting real Internet marketing research surveys. You can create, implement, and manage surveys using only a Web browser. There is nothing to download or install. Perseus question logic capabilities such as branching, linking, and piping make creating simple or complex questionnaires easy. You can even set quotas for your surveys to reach your target demographics. *In short, you can make Internet marketing research come alive for your students!*

Most Readers Will Be Users of Research Information, Not Marketing Researchers—We Focus on Research Users

Your feedback from previous editions instructed us to maintain the “user of research” focus of the text. You said that most of your students, at some point in their careers, will have to use marketing research to make critical decisions, but few students will become marketing researchers. Accordingly, we continue to present marketing research through the eyes of a manager using, and perhaps purchasing, marketing research information. For talented students who might wish to pursue a career in marketing research, we suggest considering a specialized master’s degree in the field.

Our research user focus begins in Chapter 1, where the exciting and ever-changing world of marketing research is introduced. We offer students insight into the situations in which when managers should and should not fund or use marketing research. Chapter 2 helps future managers understand the players in the research industry. Chapter 3 discussed not only the research process but also where and how managers get involved—that is, through the research request. Chapter 18 tells the reader what to look for in a marketing research report and how to get managers to use marketing research data. Chapter 19 discusses management of the marketing research function and concludes with another important topic for future managers—research ethics.

So We’ve Now Got SPSS and Perseus for You—Anything Else New? Plenty!

You will find that new and rewritten material abounds in the 6th edition.

- **All New Opening Vignettes.** Every chapter-opening vignette has been either updated or replaced. The companies/products featured include Long John Silver’s; the Chrysler PT Cruiser® Turbo; Procter and Gamble; *O, The Oprah Magazine*; and Starwood Hotels and Resorts, to name a few.
- **New Ethical Dilemmas.** Ethics education has become increasingly important in all phases of business education. We feel that it is particularly important in marketing research training. We have retained those dilemmas that you said were “the best.” In addition, we have new dilemmas on: filling out a survey to join a discount club, J.D. Powers Quality Scores, and branding the black box in marketing research.
- **New and Updated Internet Focus.** We have updated and added material on the ever-changing role of the Internet in marketing research. We begin with how the Internet is affecting marketing research in Chapter 1 and continue the discussion throughout the text. Our Internet coverage is thorough, yet balanced with traditional material.
- **New “Global Research” Vignettes.** You will find new Global Research vignettes throughout the text. Our observations of the research industry indicate that more and more companies are “going global.” Multinational clients are demanding multi-country research. Examples of key insights in global research include: *understanding what global clients want*, *doing marketing research in China*, *tips on conducting global focus groups*, and the *EU Directive on Data Protection*, to name a few.

- **New In “Practice Boxes” in Every Chapter.** The 6th edition continues our emphasis on the “real world” of marketing research. You will find new In Practice boxes in every chapter, and we have retained the best of these vignettes from the previous edition. This text addition is equivalent to having a marketing researcher offer his or her comments about various topics in each chapter. We have received excellent feedback from both professors and students about this timely feature. Examples of new topics include: *Doing Qualitative Research Right*, *Understanding the Difference between Internal and External Validity*, *Putting Measurement Theory to Work*, *What Is Good about Marketing Research Today*, *What Makes a Good Scale*, *How to Develop a National Probability Sample*, *Data Entry Made Easy*, *Beware of False Relationships*, and *Doing High Quality Work—On Time*, to name a few.
- **New “Real-Life Research” Cases.** You will find new end-of-chapter real-world case problems at the end of each chapter. Examples include: Satellite Radio, Fossil Watch, Frigidaire, Millennium Telecom, Pfizer, Road Runner, The United Way and many more. In several cases we have been asked to disguise the names of the organizations, but the data and circumstances are real!
- **New “From the Field.”** Students readily recall material that is unusual or funny. In selected chapters, we have added many new, short, amusing anecdotes about the trials and tribulations of conducting marketing research. This feature is designed not only to entertain, but also to help students recall important concepts in the text.

New to this Edition

We know that to remain the world’s number one marketing research textbook, we can’t rest on our laurels. We have reworked each chapter to make it cutting edge. Here is what’s new.

Chapter 1, The Role of Marketing Research in Management Decision Making—New material on customer satisfaction research; new section on what is good about marketing research today.

Chapter 2, The Marketing Research Industry—New material on America’s largest research firms; new discussion of Chinese marketing research; new section on how top management uses strategic marketing research; new discussion of how to evaluate marketing research.

Chapter 3, Problem Definition and the Research Process—New discussion on initiation phase of the research project; new discussion on quality control; new section on internal clients.

Chapter 4, Secondary Data and Databases—New section on data mining; new material on Internet privacy; new section on marketing research aggregators.

Chapter 5, Qualitative Research—New discussion on doing qualitative research right; new material on recruiting focus group participants; new discussion on recruiting incentives; new discussion on building rapport in focus groups; new section on virtual focus groups and online focus groups; new material on depth interviews.

Chapter 6, Survey Research: The Profound Impact of the Internet—New section on cell phone surveys; new material on Internet surveys; new section on renting Internet panels; detailed examples of Decision Analysts’ Internet research offerings (a leader in the field).

Chapter 7, Primary Data Collection: Observation—New section on ethnographic research; new mystery shopping material; new section on global mystery

shopping; new material on eye-tracking research; new section on using GPS technology to track motorist exposure to outdoor advertising; updated section of InfoScan; new section on using clickstream data for predictive customer intelligence; new section on conversation trackers in chat rooms and online discussion groups.

Chapter 8, Primary Data Collection: Experimentation—New material on costs of experiments; new section on success of new products; new section on selecting test markets; new material on simulated test markets; new discussion of BASES simulated test marketing.

Chapter 9, Concept of Measurement—New discussion on putting measurement theory into practice.

Chapter 10, Using Measurement Scales to Build Marketing Effectiveness—New discussion on properties of a good scale; new discussion on scale values; new section on the nature of constructs; new discussion on borrowing scales; new section on the prepositional descriptive scale.

Chapter 11, Questionnaire Design—New section on objectives in survey research; new discussion on questionnaire branching and piping; new material on leading questions; new examples of model openers and closings for questionnaires.

Chapter 12, Basic Sampling Issues—New material on census versus a sample.

Chapter 13, Sample Size Determination—New discussion on how large of a sample is needed.

Chapter 14, Data Processing and Fundamental Data Analysis—New material on preparing for data processing.

Chapter 15, Statistical Testing of Differences—New material on interpreting statistical tests.

Chapter 16, Bivariate Correlation and Regression—New examples of correlation.

Chapter 17, Multivariate Data Analysis—New material on cluster systems.

Chapter 18, Communicating the Research Results—New material on report organization; new examples of research presentations; new example of a research report.

Chapter 19, Managing Marketing Research and Research Ethics—New material on managing a research firm for profitability; new section on managing a marketing research department; new section on moving marketing research into a decision-making role; new section on fixing respondent cooperation; new section on privacy laws.

A Pedagogy That Grabs Students' Attention and Reinforces Learning

The pedagogy for the 6th edition has been developed in response to what you told us delivers the most value to you and your students. The following learning tools have been refined to help strengthen student learning while making the book more enjoyable and easier to read.

Learning Objectives These objectives challenge the student to explain, discuss, understand, and clarify the concept presented.

Opening Vignettes Each chapter opens with a case-type synopsis of a marketing research situation. Your students will recognize many of the companies profiles,

such as Starwood Hotels and Procter and Gamble, and may be surprised by some of the successes, failures, and challenges described.

In-Chapter Boxed Features Typically, boxed items interrupt the flow of a text and impede student understanding by creating a disjointed reading experience. For that reason, we have been conscientious not only in the placement of boxed material, but also in the design elements used to differentiate them from the body of the text. Two types of boxed features are included in this edition: *In Practice* and *Global Research*.

From the Field Interesting and often amusing anecdotes of marketing research gone awry demonstrate to students that designing questionnaires, selecting respondents, gathering data, and producing results are not always cut-and-dried tasks. These short extracts come from *Quirk's Marketing Research Review*.

Clear, Concise Chapter Summaries Concise summaries present the core concepts that underpin each chapter. Although the summary is located at the end of the chapter, students can read it along with the opening vignette as a pre-reading exercise before diving into the chapter.

Key Terms and Definitions Key terms appear in boldface in the text, with definitions in the margins, making it easy for students to check their understanding of marketing research terminology. A complete list of key terms and definitions appears at the end of each chapter as a study checklist. Students will find a full glossary of all key terms at the end of the text.

Questions for Review and Critical Thinking Our society's ability to use data to make good decisions has lagged behind its enormous capacity for generating data. In the hope of better preparing the next generation of business leaders, many educators are beginning to place greater emphasis on developing critical-thinking skills. Accordingly, we have added a number of critical-thinking questions at the end of each chapter. Review questions also direct students' attention to the core concepts of the chapter.

Working the Net Working the Net exercises send student to Web sites containing materials that amplify and update concepts discussed within the text. These exercises help students use the Internet as an actual marketing research would. Links to the URLs are available on our Web site at www.wiley.com/college/mcdaniel.

Real-Life Marketing Research Minicases Over half of the real-life situations presented in the minicases are new to this edition. These cases help students to synthesize chapter concepts by focusing on real marketing research problems.

Great Teaching Supplements

Instructor's Manual

The Instructor's Manual for this edition has been designed to facilitate convenient lesson planning. Each chapter includes the following:

- **Suggested Lesson Plans.** Suggestions are given on dividing up the chapter material, based on the frequency and duration of your class period.

- ❑ **Chapter Scan.** A quick synopsis highlights the core material in each chapter.
- ❑ **Learning Objectives.** The list of learning objectives found in the text is repeated here.
- ❑ **General Chapter Outline.** The main headers provide a quick snapshot of all the content areas within the chapter.
- ❑ **List of Key Terms.** The key terms introduced to the students in the text are repeated here.
- ❑ **Detailed Chapter Outline.** This outline fleshes out the general outline given previously. It also indicates where ancillary materials fit into the discussion: PowerPoint slides, exhibits from the text, learning objectives, and review questions. Opening vignettes and boxed features are also included in this outline.
- ❑ **Summary Explaining Learning Objectives.** An explanation of how the learning objectives are satisfied by chapter material is the basis of the IM summary.
- ❑ **Answers to Pedagogy.** Suggested answers and approaches to the critical thinking questions, the Internet activities, the cases, the cross-functional questions, and the ethical dilemmas are offered at the end of each chapter or part.

PowerPoint Slides

For this edition, we have created a comprehensive, fully integrated PowerPoint presentation with roughly 400 slides in the package. You can tailor your visual presentation to include the material you choose to cover in class. This PowerPoint presentation gives you the ability to completely integrate your classroom lecture with a powerful visual statement of chapter material. The entire collection of slides will be available for downloading from our Web site at www.wiley.com/college/mcdaniel.

Newly created interactive PowerPoints consisting of a robust set of PowerPoint slides that incorporate related Web links and other outside resources to help the instructor engage students and encourage further classroom discussion.

All New Test Bank

Our test bank is completely new and classroom-tested. The questions range from definitions of key terms, to basic problem-solving questions, to creative-thinking problems. Regardless of the type and level of knowledge you wish to test, we have the right questions for your students. A computerized version of this newly created test bank is also available so that you can customize your quizzes and exams.

Innovative Internet Supplements for You and Your Students

www.wiley.com/college/mcdaniel

New Internet coverage is not limited to the features within the textbook. *Marketing Research, Sixth Edition*, also has its own Web site. Links are provided for all URLs mentioned in the text and are organized by chapter and feature. The URLs will be updated throughout the life of the text. Complete materials on competitive intelligence and marketing research in practice are now available on the Web site for your teaching convenience.

The full PowerPoint presentation is also available on our site for you to download as lecture support for yourself and as a study aid for your students. Our site includes additional exercises for your students, and additional comprehensive cases and solutions as well as teaching strategies for you! This material expands on the core coverage in the textbook and is easily accessible. Regular updates make this a dynamic site.

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