
Marketing Research in a Marketing Environment

D I L L O N ■ M A D D E N ■ F I R T L E



MARKETING RESEARCH IN A MARKETING ENVIRONMENT

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**MARKETING RESEARCH IN A
MARKETING ENVIRONMENT**

To Jennifer

the most enjoyable bundle of end benefits
a father could experience

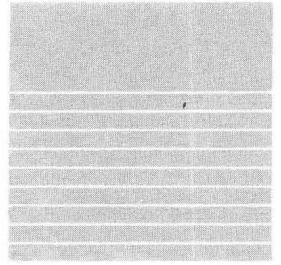
To my parents

Thomas J. Madden and Winifred K. Madden

To Maureen

a friend, colleague, and wife

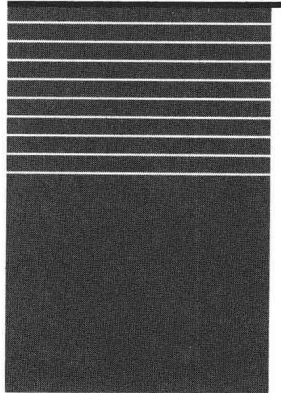
Preface



In the past few years there has been a proliferation in the number of marketing research textbooks. This proliferation, in large part, is due to the fact that marketing research has become an integral part of undergraduate and graduate business curriculums. However, though teachers now have an increased number of texts from which to choose, the available books, in the opinion of these authors, are usually of the same genre. With few exceptions the primary emphasis is on the “scientific method” and general social science methodology with less emphasis on how marketing research is actually practiced.

In *Marketing Research in a Marketing Environment* we have attempted to bridge the gap between the theory and practice of marketing research. The danger in doing so is to give birth to a book that is too different and may not do justice to traditional content areas. Although we admit that this book is significantly different in its motivation, orientation, and presentation, it nevertheless preserves the integrity of all traditional marketing research content areas. We have tried to present the material in a way that is exciting and relevant as well as understandable. For the most part we do this by emphasizing the problem-oriented nature of marketing research and by discussing how marketing research is actually conducted in a realistic setting. Key features in *Marketing Research in a Marketing Environment* designed to achieve these goals include:

- *Introducing the reader to the world of commercial marketing research by discussing a job search scenario.* In the course of the interviewing process the student is exposed to some of the day-to-day activities that are routinely undertaken by marketing research departments.
- *Involving the reader in the marketing research community.* This community is discussed in terms of its principal parties and primary activities. The reader gains an appreciation for the primary players who conduct marketing research and their respective responsibilities.
- *Developing a framework that places marketing research within the*



well-known product life-cycle. Cross-classifying specific marketing research activities according to the marketing research stage and the focus of the research helps the student understand the problem-oriented nature of marketing research.

- *Introducing the reader to traditional content areas by discussing prototypical marketing research proposals.* Real-world marketing research proposals provide much of the motivation for the material presented in this book. The project proposals used throughout the book have been derived from actual marketing research projects. Though brand and research supplier names have been changed to ensure confidentiality, the illustrative proposals convey the essence of how marketing research is conducted in the real world.
- *Building on the secondary sources of information available.* In recent years the ability to locate and obtain secondary sources of market research information has been revolutionized by on-line computer-assisted data search technology. Scanner services are changing the face of commercial marketing research.
- *Introducing the reader to current sources of purchase and media data.* Syndicated sources of purchase and media data continue to be an important source of information that can be used to solve many marketing-related problems.
- *Involving the reader in a variety of marketing research studies.* The tools and techniques of marketing research take on greater meaning when discussed and illustrated in the context of real-world applications. The Case Studies at the end of each of the seven Parts in this text use real-world vignettes to demonstrate the important role that marketing research plays in providing relevant answers to marketing-related problems.
- *Reinforcing the major concepts introduced throughout the book.* Throughout each chapter marginal definitions are used to highlight key principles, and case studies and end-of-chapter questions ask the student to apply them. Further reinforcement is provided by learning objectives at the beginning of each chapter and by key concepts at the close.

We earnestly feel that these features represent a major step toward conveying the essence of marketing research.

Marketing Research in a Marketing Environment is divided into seven major parts. The book introduces the practice of marketing research through a scenario that describes the job search activities of a recent undergraduate marketing major and her discussions with the members of a marketing research department. This material sets the stage for the ensuing discussion in Part I and will interest the many students who are looking forward to a business-related career.

Part I, Marketing Research Environments, consists of two chapters. In Chapter 1, we describe what we mean by *realistic* marketing research environments and discuss the role and activities of marketing research-

ers. Chapter 2 discusses the necessary steps in designing a marketing research project.

Part II, *Acquiring Data*, considers tools and techniques that can be used to obtain the market information necessary to answer marketing-related questions. In Chapter 3, we describe secondary information from the perspectives of both traditional and newer on-line computer-assisted technologies. This material is up to date and is not covered in many current textbooks. Syndicated sources of information on purchase and media behavior are described in Chapter 4. The major suppliers of this sort of information are discussed and attention is focused on the new technology (i.e., scanner services) that is changing the face of marketing research. In Chapter 5, we provide a comprehensive treatment of survey interviewing methods, including the increasingly popular method of mall intercepts. Chapter 6 follows with a discussion of the issue of causality and, in particular, experimental research methods. All the experimental designs presented are discussed in the context of real-world marketing research studies to increase the relevance and understanding of this subject matter.

Part III, *Sampling Theory and Practice*, consists of two chapters. Chapter 7 presents the fundamentals of sampling. Further details on drawing probability samples are provided in Chapter 8. (For the reader not needing technical details on the procedures for drawing probability samples, Chapter 7 will suffice.)

Part IV, *Measurement, Scaling, and Questionnaire Design*, covers both theoretical and practical issues related to what to ask and how to ask it. In Chapter 9, the basic concepts of measurement are discussed, and the next two chapters expand on this material. Chapter 10 provides a discussion of the primary measurement scales used in marketing research. Because of the central role that attitudes play in answering many marketing-related questions, in Chapter 11 we have provided a treatment of attitude scales and measurement models. The final chapter in this part, Chapter 12, presents a comprehensive treatment of the issues that should be considered when designing a questionnaire and fielding a study. Because of the nature of this material all of the chapters are replete with examples.

Part V, *Data Processing and Analysis*, considers the tools and techniques of analysis. In Chapter 13, we discuss issues related to processing the data; in essence these procedures prepare the data for analysis. This is followed in Chapter 14 by a discussion of techniques that can be used to give the researcher an initial glimpse of the data. The next two chapters describe techniques that can be used to uncover and test hypotheses concerning a single variable or the relationships between two or more variables. Chapter 15 discusses hypothesis testing and is followed by two appendices that deal with Analysis of Variance. Chapter 16 discusses measures of association and regression analysis. A brief treatment of some popular multivariate data analysis procedures is presented in the appendices to this chapter. In all instances the discussion includes many examples and is directed to the unsophisticated reader.

Part VI, Applications, presents details on how several different types of marketing research studies are typically conducted. Specifically, Chapter 17 considers what are commonly referred to as *market studies*, Chapter 18 considers *concept and product studies*, Chapter 19 considers *package and name studies*, Chapter 20 considers *advertising testing studies*, and Chapter 21 considers *test market studies*, including *simulated test markets*. These applications are discussed in separate chapters for three reasons. First, these studies typify the practice of marketing research. Second, they provide a vehicle for illustrating how the concepts, tools, and techniques from the first five parts of the book can be used to solve real-world, marketing-related problems. Third, they provide exemplary material on which to build class projects. The final chapter in this part of the book, Chapter 22, discusses *marketing decision support systems*. With the recent advances in computer PC-based technology, marketing professionals are beginning to rely on marketing decision support systems with greater regularity and frequency. Although this trend is likely to increase in the future, marketing decision support systems receive only minimal coverage in many current textbooks. As part of our coverage of marketing decision support systems, an appendix to Chapter 22 discusses forecasting techniques.

Part VII, Report Preparation, consists of a single chapter, Chapter 23, in which we present suggestions for writing and orally presenting the results of a research project. The material in this chapter relies on the suggestions of practicing marketing researchers.

Supplements

We have prepared all of the supplements that accompany this textbook. In doing so, we have attempted to provide elements and features of value to the inexperienced as well as experienced instructor.

Instructor's Manual

- *Conversion notes*. A section labeled "What's Different and Why" begins each section of the manual. This material indicates where our coverage and terminology differ from other marketing research textbooks.
- *Learning objectives*. The learning objectives that appear at the beginning of each chapter are reproduced.
- *Key terms and concepts*. The key terms and concepts that appear throughout the textbook are reproduced.
- *Lecture notes*. A detailed outline of each chapter is provided.
- *Transparency masters*. Key exhibits, tables, and figures appearing in the textbook are reproduced as $8\frac{1}{2} \times 11$ transparency masters. Transparency masters are also provided for supplemental material not appearing in the textbook. The suggested spot for use of each of these is designed within the teaching suggestions.

- *Teaching suggestions.* These hints and ideas indicate how the authors would organize and present the material appearing in each chapter. Suggestions for where to integrate the transparency masters are also provided.
- *Author comments.* These describe the author's rationale for the major topics presented in each chapter.
- *Answers to end-of-chapter problems.* Detailed answers to every question are provided.
- *Case notes.* For instructors who decide to use any or all of the case studies appearing in the text, a detailed set of case notes is provided.

Test Bank

The test bank contains an extensive array of questions, categorized by chapter. In addition, correct answers are provided.

Test-Generation System

All questions appearing in the test bank are reproduced in a computerized test-generation system, for use with the IBM PC and compatible computers. The test-generation system provides the following features:

1. Individual test items can be added or deleted.
2. Individual test items can be edited.
3. A shuffle option is provided that allows different versions of the same examination.
4. Ample documentation.

Software

A unique set of contemporary interactive software programs are available to adopters. The software is pedagogical in nature and designed to enhance students' understanding of the concepts and techniques discussed throughout the textbook. Six individual modules are available:

1. The SAMPLE module demonstrates selected concepts related to drawing simple and stratified samples.
2. The SCALE module takes students through various types of monadic and comparative rating scales. Asking students to rate a set of brands on different types of scales enables them to gain an appreciation for the issues involved in selecting a rating instrument.
3. The QUESTION module is a computer-assisted interviewing program. Through this module students learn firsthand what it is like to use this form of collection. In addition, the question module generates a data file based upon students' responses that can be used to illustrate the tools and techniques of data analysis discussed in Part V of the text.

4. The ACA module illustrates how conjoint analysis works in an interactive PC environment. The module utilizes the Adaptive Conjoint Analysis (ACA) system developed by Richard Johnson of Sawtooth Software, Inc.
5. The ASCID module is a marketing decision support system for perceptual mapping. A unique feature of this system is the ability to position new objects in an existing perceptual space.
6. The FORCAST module is designed to demonstrate how the more popular forecasting techniques work.

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William R. Dillon
Thomas J. Madden
Neil H. Firtle

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