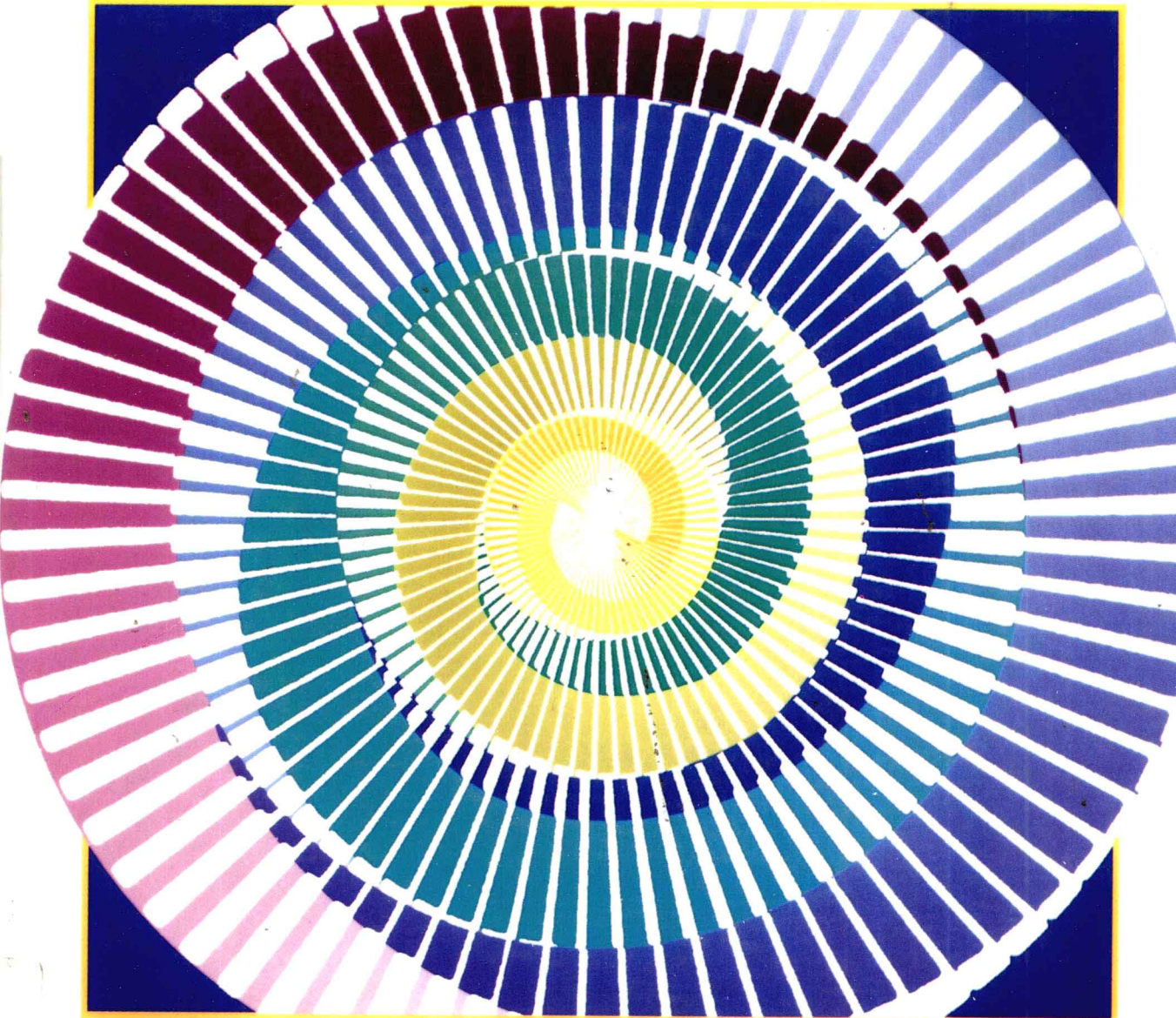


# MARKETING RESEARCH

A N A P P L I E D A P P R O A C H



THOMAS C. KINNEAR

JAMES R. TAYLOR

FOURTH EDITION

# MARKETING RESEARCH

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AN APPLIED APPROACH

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FOURTH EDITION

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School of Business Administration  
The University of Michigan

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### An Applied Approach

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AN APPLIED APPROACH

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He is coauthor of *Principles of Marketing* (3rd edition, Scott Foresman, 1990), *Marketing Research: An Applied Approach* (4th edition, McGraw-Hill, 1991), *Promotional Strategy* (7th edition, Irwin, 1991), and *Cases in Marketing Management* (5th edition, Irwin, 1991).

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To Connie, Maggie, and Jamie  
Linda, Pam, and Sandy



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# PREFACE

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The quality of marketing decisions depends to a great extent on the information available to the marketing decision maker. It is the function of marketing research to provide information for this decision making. A marketing manager who does not know how to use or evaluate marketing research is much like a general manager who does not understand the income statement for the company. Both individuals are severely limited in their ability to perform their jobs effectively.

## OBJECTIVES

The main purpose of this book is to provide the prospective marketing manager with an understanding of marketing research. It may also serve as a first book for people with career objectives in the field of marketing research. The book is designed for use in either a junior or a senior undergraduate course in marketing research or in a first graduate course in marketing research.

## UNIQUE FEATURES

There are certain attributes of this book that define its competitive positioning. These are:

- 1 It is designed to be easily read and understood. Great care has been taken to explain the basic technical issues in a step-by-step fashion.
- 2 It presents marketing research as a managerially and decision-making-oriented subject.
- 3 It presents marketing research in a pragmatic, “here’s how to do it” fashion.
- 4 Advanced quantitative procedures are not dealt with in detail. It is not a text on quantitative techniques in marketing research.

5 It contains 33 real cases that are designed to allow students to apply material presented in the chapters.

6 Three marketing research data bases on a PC disk are provided to accompany the book; they contain real results from actual marketing research studies. Thus, students' ability to analyze and interpret marketing research data is reinforced by doing these tasks. These data bases are all keyed to the major PC-based analysis packages: SPSS-PC, SAS-PC, SYSTAT-PC, and MYSTAT-PC.

7 It contains one whole chapter that presents an actual research project from beginning stages to completion. Managerial interactions are described along with study objectives and some results.

8 It contains "application" chapters in the major areas of demand measurement and forecasting, product research and test marketing, and advertising research.

9 It has been designed for flexibility of use; the more complex chapters and appendixes may be skipped without disrupting the flow of the book.

10 It contains a glossary of important marketing research terms.

11 Each chapter concludes with a point-by-point summary.

12 Each chapter has questions and/or problems for student discussion.

13 The book contains many extended real-world illustrations labeled Marketing Research in Action. These inserts add life to the chapter materials and present the real world of marketing research to the reader.

14 Throughout the book, exclusive results of a survey of marketing research practice are presented to indicate to the reader the extent to which various marketing research procedures are actually used by practitioners.

The use of the term "applied" in the subtitle of this text signals three important aspects of the book:

1 It is highly concerned with the managerial use of marketing research and with the role of managers and researchers in this process.

2 It deals with the technical aspects of marketing research in a manner that allows the reader to apply these procedures to real applications.

3 It presents materials on major application areas within marketing research such as demand measurement and forecasting, product research and test marketing, pricing research, distribution research, and advertising research, plus extensive applications in the Marketing Research in Action inserts.

## ORGANIZATION OF THE BOOK

This book is organized around the steps one would actually take in conducting a marketing research project. Part 1 presents an introduction to marketing research as it relates to marketing decision making. Chapter 1 defines marketing research and positions it within marketing management. Chapter 2 describes many aspects of the business of marketing research, including types of institutions, jobs, use of outside suppliers, and ethics. Chapter 3 presents an overview of the steps in doing marketing research—the marketing research process—and presents a

detailed example of a real marketing research project that illustrates this process. Chapter 4 discusses when marketing research should be undertaken and includes a discussion of problem definition and a nonquantitative discussion of the cost and value of marketing research information. (A quantitative discussion of the latter topic appears in the appendix to Chapter 4.)

Part 2 consists of two chapters on research design and data sources. Chapter 5 discusses issues related to the appropriateness of alternative research designs and the appropriateness of data sources as they relate to these designs. The appendix to the chapter provides an extensive listing of syndicated sources of marketing data. Chapter 6 presents a detailed review of available secondary data, including census and library data. The appendix to the chapter provides an extensive listing of library sources of marketing data.

Part 3 examines issues related to the development of data collection procedures in marketing research. Chapter 7 discusses how numbers can be assigned to the types of variables one attempts to measure in marketing research. This is a necessary step in the quantitative analysis of marketing data. Chapter 8 covers in detail an area of measurement that is extremely important in marketing research: attitude measurement. Different scaling techniques are examined. Chapter 9 discusses the use of experimental procedures in marketing research by outlining the preconditions that enable one to infer causality in marketing situations. Chapter 10 reviews the different procedures for collecting information from respondents, including mail, phone, and in-person interviews, and examines focus-group interviews and other qualitative procedures. Chapter 11 discusses ways to design effective data collection forms, including questionnaires.

Part 4 describes how to find appropriate respondents and how to collect data from them. It does this by examining sampling procedures in marketing research and by examining the field operations involved in the collection of data from respondents. Chapter 12 presents an overview of sampling issues in marketing research and a discussion of nonprobability sampling procedures. Chapter 13 discusses the most straightforward type of probability sampling: simple random sampling. This is done from an applied point of view in which it is assumed that the reader understands certain basics of statistical sampling theory. For the reader who does not know or remember the appropriate statistical theory, the appendix to the chapter provides this background. Also, various aspects of determining sample size are presented. In Chapter 14 more complex and useful sampling procedures are discussed, including stratified sampling and cluster sampling. An appendix to the chapter describes the appropriate statistical concepts for those who need a review. The section concludes with a presentation of field operations procedures in Chapter 15. This involves the planning and controlling of the selection of respondents and the control of actual interviews in the field.

Part 5 presents a discussion of the issues related to the analysis of marketing research data once the data have been collected and discusses issues of the presentation of the information derived from these data to appropriate audiences within and without the organization. Chapter 16 describes how data on data collection instruments can be converted into computer readable form. Chapter 17

presents data analysis techniques of the simplest type—those used for analyzing only one variable at a time. Data analysis involving two variables at a time is discussed in Chapter 18. The emphasis is on the pragmatics of data analysis. More advanced topics in the analysis of data are presented in Chapters 19 and 20. They are not examined in the detail in which other material in the book is presented, however. Our objective is to acquaint readers with this material so that they are familiar with the terms and concepts and have some understanding of how these procedures might be used. Chapters 19 and 20 offer an overview of data analysis procedures that analyze more than two variables at a time. Specifically, Chapter 19 discusses factor analysis, cluster analysis, and multidimensional scaling, while Chapter 20 examines such procedures as multiple regression, discriminant analysis, analysis of variance, conjoint measurement, and AID. Chapter 21 covers the reporting of research findings both orally and in written form.

Part 6 presents selected important applications areas within marketing research. We have presented numerous real-world applications of concepts throughout the text. Part 6 adds depth to these illustrations. Chapter 22 discusses demand measurement and forecasting terminology and procedures. The emphasis is on the conceptual foundation of various procedures, not on their mathematical complexities. Chapter 23 examines various marketing research procedures used in product development and presents a detailed look at the field-testing tool of test marketing and its laboratory-based alternative, simulated test marketing. Chapter 24 discusses the marketing research procedures and issues that arise in the measurement of media audiences and the copy testing of advertising messages. Chapter 25 discusses marketing research applications and procedures in distribution and pricing research.

## CASES

Throughout the book, the thrust is pragmatic in terms of showing what it is like to actually do a marketing research project in the context of providing the decision maker with relevant information. This approach is aided by 33 real cases. These cases allow the student to actually do the things presented in the chapters.

## ALTERNATIVE USAGE PATTERNS

The book is designed for flexibility of use. We have opted for a large number of relatively short chapters and appendixes to accomplish this. More complex material can easily be skipped without disrupting the flow of the book. We have employed this approach in order to use this text at the undergraduate and graduate levels. Some possible usage patterns might be:

- 1 A course designed to provide a managerial overview with little quantitative material (Chapters 1–12, 16–18, 21–25).

2 A course designed to provide both a managerial overview and a good understanding of the basic quantitative concepts (Chapters 1–18, 21–25).

3 A course designed to provide a managerial overview and a more detailed understanding of quantitative material (Chapters 1–25).

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Thomas C. Kinnear

James R. Taylor

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