



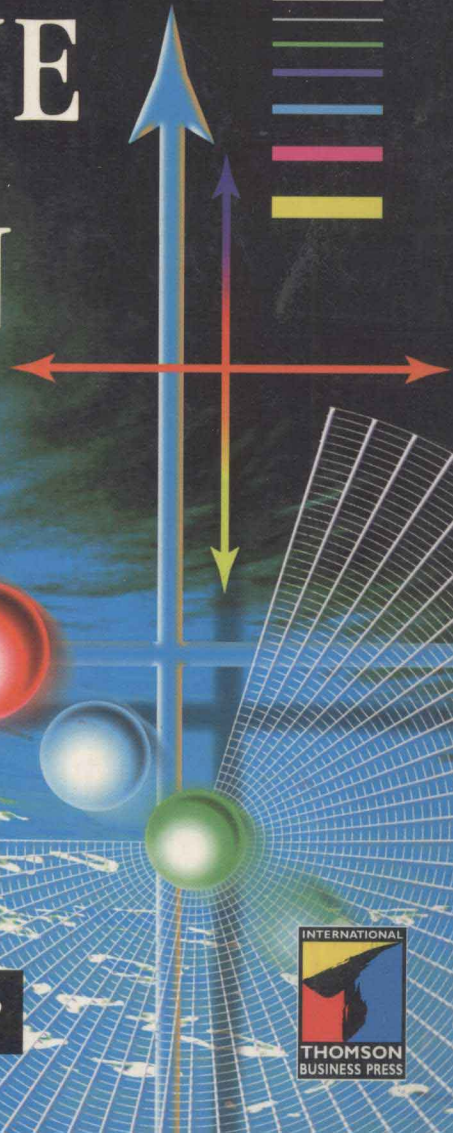
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QUANTITATIVE METHODS IN MARKETING

SECOND EDITION

Graham J Hooley & Michael K Hussey

Foreword by Professor Michael J Baker





Quantitative Methods in Marketing

Second Edition

Graham J. Hooley
and
Michael K. Hussey

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Quantitative Methods in Marketing

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Foreword

I am delighted to have been invited to write a foreword to this the second edition of Graham Hooley and Michael Hussey's *Quantitative Methods in Marketing*.

Some readers may recall that the first edition of this book was originally published as a Special Issue of the *Journal of Marketing Management* (Volume 10, Jan/Feb/April 1994). The Special Issue marked an increase in the frequency of publication of *Journal of Marketing Management* from four to eight issues per year. It was also the first specially invited triple issue addressing a specific theme and sub-field within marketing. This innovation has since been continued and in 1999 the sixth in the series addressed the theme of Brand Reality and was edited by Chris Macrae.

As noted in the Foreword to the first edition the decision to adopt a thematic, monograph approach covering three issues of the journal was prompted by a number of considerations. First, by identifying the specific sub-field of marketing one can achieve a degree of focus atypical for a journal positioned to attract contributions from the whole spectrum of marketing management. Second, the selected focus can concentrate upon a topic which may have received only limited exposure and discussion by generalists due to the perception that it is the exclusive domain of 'experts'. Third, by introducing a degree of focus and specialization one can promote the exchange between theory and practice which is the *Journal of Marketing Management's* primary aim. Finally, the special issue is capable of being reprinted as a book and so made available to students or others who may have a particular interest in the topic and want a copy but are not regular subscribers to the journal itself.

The success of this formula is clearly reflected in the appearance of this second edition. Many of the original contributions have been retained,

updated where necessary to take into account recent developments, and have been complemented by a number of new chapters which are described by the Editors in their Introduction. These new chapters reinforce and extend the original objective of making *Quantitative Methods in Marketing* accessible and understandable to anyone willing to put in a little effort to read them. They clearly demonstrate that quantitative analysis is an essential tool of the professional marketer and that one does not need an advanced degree in mathematics to be able to understand and apply these techniques.

Michael J. Baker

Editor

Journal of Marketing Management



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Steve Baron obtained graduate and postgraduate qualifications in mathematics and statistics. Since working on a year's secondment for P & O Shopping Centres Ltd. he has been actively involved in marketing research for shopping centre owners and managers over the past seven years. He has specialized in the development of models of pedestrian flow and the monitoring of customer attitudes. He is associate editor of *OR Insight*, co-author of textbooks on retailing and services marketing and the joint editor of the Macmillan *Dictionary of Retailing*.

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Introduction to the Second Edition

Welcome to the Second Edition of *Quantitative Methods in Marketing*. Since the publication of the first edition, the speed, power and capacity of PCs have increased many times with a resulting increase in the availability of sophisticated data analysis software.

In Lewis Carroll's book, *Through the Looking-Glass*, the nineteenth century mathematician has the Red Queen remark:

Now, here you see, it takes all the running you can, to keep in the same place. If you want to get somewhere else, you must run at least twice as fast as that.

The Red Queen's words are certainly true of recent developments in quantitative methods but the proposition behind the second, revised edition of this book is that it is not just a question of how fast you run but, perhaps even more importantly, the direction in which you are heading.

Since the publication of the first edition, the authors have carried out extensive research across Europe to determine the most up-to-date types of quantitative techniques being used by companies, service industries and business. A summary of this research is presented in Chapter 2 but its principal findings are also reflected in the choice of new material for this expanded edition.

Of course, this does not mean that all of our original material has been discarded. Much has been retained, and basic techniques remain valid. After all, we are still using Pythagoras' theorem to calculate Euclidean distances in brand map construction – and both Pythagoras and Euclid have not been around for at least a couple of millennia.

Table 0.1 sets out some information on the uses of quantitative methods in marketing. One of the top application areas is sales forecasting and we have