

THIRD EDITION

# CONTEMPORARY MARKETING RESEARCH



Carl McDaniel, Jr.  
Roger Gates

T H I R D E D I T I O N

# Contemporary Marketing Research

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W E S T P U B L I S H I N G C O M P A N Y

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# Preface

Successful contemporary marketing practices focus on quality and customer satisfaction. We have used these tenets to create every edition of *Contemporary Marketing Research*. The tremendous increase in sales from one edition to the next has been extremely gratifying. Our task is to continue to listen to both of you, the professor and the student, to create the finest marketing research text in the world. We will continue to do everything in our power to make certain that your trust and confidence in *Contemporary Marketing Research, 3rd Edition* is well placed.

The third edition is indeed a new text. We have made changes in every chapter and well over 100 significant changes in all. Many of these new features are based on feedback from our customer-satisfaction research. We have tried very hard to respond to *every* significant comment that was made. Perhaps you will notice how a certain point was changed or elaborated on based on your comments.

Roger Gates is the president of a major marketing research firm that is on the cutting edge of technology. Being active in the industry every day, he sees changes as they occur and trends as they develop. These are fully incorporated in the text. Thus, this text has not only the most current academic research in marketing, but unmatched industry perspective straight from the marketing research firing line. The third edition truly is *contemporary marketing research*.

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## We Have Retained the Features that Made the Second Edition a Best-Seller

There is probably no greater hindrance to learning than a dull textbook. With this in mind, we've strived to make *Contemporary Marketing Research, 3rd Edition* a truly pleasurable and captivating reading experience. This has been accomplished by:

- *Using a full color format throughout the text.* Ours was the first marketing research textbook ever produced in full color. Its purpose is to assist the student in understanding important concepts as well as being pleasurable to read. Color not only makes the text more interesting, it highlights key points by setting off certain sections of a chapter. An example of a color setoff is the "Global Marketing Research" features. Color also enhances the text photographs and makes them more lifelike.
- *Opening each chapter with a real-world marketing research example.* At the conclusion of each opening vignette, we post a few teaser questions designed to pique the students' interest in the material about to be covered.

- *Writing in a lively, informal style developed over the years by two highly experienced and successful authors.* Careful attention to language and sentence structure and the use of hundreds of “real-world” examples make *Contemporary Marketing Research, 3rd Edition* engrossing while at the same time rigorous.
- *Implementing a research user’s orientation.* A number of features have been incorporated into the text to aid future managers in effectively utilizing marketing research. In Chapter 1, we offer an extensive discussion on when to conduct marketing research and when not to. Chapter 2 discusses not only the research process but also where and how managers get involved—i.e., the research request. Chapter 3 will help the future managers understand “the players” in the research industry. Chapter 19 tells the reader what to look for in a marketing research report and how to get managers to use marketing research data.

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## I | A Professional Learning Tool

Creating a book that’s a pleasure to read is an important step in developing an effective learning tool. Still, pedagogical devices are necessary to complete the task. *Contemporary Marketing Research, 3rd Edition* offers:

- Chapter learning objectives that challenge the student to explain, discuss, understand, and clarify the concepts to be presented.
- An opening vignette, full-color photos and illustrations, and special in-text sections to amplify and clarify text material. See Mediamark Research, Inc. (Chapter 7) and Gold ‘n’ Plump chicken (Chapter 10)
- A comprehensive chapter summary.
- Key terms—bold faced in the text and listed at the end of the chapter, as well as defined in the margins.
- Review questions, recalling key points in the chapter.
- Discussion questions—probing, thought-provoking questions designed to stimulate class discussion.
- Two case studies per chapter—short, real-world, and written in a lively style to enhance student learning and enjoyment. See American Express (Case 3.2) and Black and Decker power tools (Case 8.1).
- Five comprehensive, real-world cases with accompanying data sets for student analysis. See Appendix A (Heritage Restaurants, Grocery Shopping Habits, and Rockingham National Banks).
- Ethics cases at the end of each part pose real-world ethical dilemmas faced by marketing researchers and managers.

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## I | A Model for the Text

The model for chapter sequence and topical coverage embodies a contemporary design to focus on understanding marketing research from a user’s perspective. Part One begins with a short review of where marketing research fits into the marketing management process and when to conduct research. Next, the marketing research process is explained. The stage is then set for an overview of the research industry. Part One concludes with marketing research ethics, which explores ethical decision making in all phases of the research process.

The remainder of *Contemporary Marketing Research, 3rd Edition* follows in logical sequence:

- PART TWO** Creating a Research Design
- PART THREE** Data Acquisition
- PART FOUR** Data Analysis
- PART FIVE** Marketing Research Action

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## New for the Third Edition

*Chapter 18 on multivariate data analysis has been completely rewritten.* The Federal Communications Commission earned over \$1 billion when it auctioned off previously restricted frequencies. This new “space” will be used by leading-edge companies to offer personal communication service (PCS), a much-advanced and cheaper form of cellular telephone service. In effect, your home will no longer be hardwired and all your telephones will be portable. The cutting-edge example for Chapter 18 is PCS. It begins with the chapter opening vignette and carries through multiple regression, discriminant analysis, cluster analysis, and factor analysis. The material on conjoint analysis is new as well. This chapter provides the clearest and most interesting explanation of multivariate data analysis on the market.

*More emphasis on global marketing research.* The coverage of international survey research in Chapter 7 has been further expanded from the second edition. Also, we doubled the number of “Global Marketing Research” in-chapter features. These stories offer tips on conducting research in the global marketplace and offer examples of how international marketing research is done. For example, in Chapter 3 we present a feature on how the North American Free Trade Agreement (NAFTA) is impacting marketing research. In Chapter 12 we offer tips on conducting marketing research in Asia.

*We maintain the contemporary edge by replacing virtually all the chapter opening vignettes.* Some examples of new opening vignettes include the stunning failure of Beech Aircraft’s Starship, customer satisfaction research for Princess Cruise Line, and a new promotional theme for Keep America Beautiful.

*You will read the latest about what today’s marketing researchers are thinking and saying.* Students and professors have told us how informative and interesting they find our in-chapter vignettes titled “A Professional Researcher’s Perspective.” These features allow researchers to “tell it like it is” in the real world of marketing research. We offer 17 new “Professional Researcher’s Perspectives” in the third edition. Topics range from a discussion on respondent satisfaction to how to moderate focus groups.

*The latest in marketing research techniques and practices are covered in the in-chapter stories called “Marketing Research in Practice.”* These were another popular feature of the second edition, and we present 12 new “Marketing Research in Practice” features in this edition. Examples include how Brawny Paper Towels’ package was redesigned using marketing research to what multivariate statistics software packages researchers are using and how they rate them.

*All the hottest topics in marketing research are covered:*

- The role of marketing research in delivering quality and customer satisfaction.
- The future of marketing research.

- Strategic alliances.
- Certification of marketing researchers.
- The proactive role of the Council for Marketing and Public Opinion Research (CMOR).
- New database technologies.
- Low-incidence targeted samples.
- Using the Internet in marketing research.
- The importance of shifting demographics on survey research.
- Oversurveying key target groups.
- Latest scanner-based software.
- Using virtual reality in experimentation.
- The latest alternatives to test marketing.
- The trend toward field management companies.
- The latest on presentation software.

*The most extensive appendices of any marketing research text on published secondary databases and databases of interest to marketers have been thoroughly revised by a professional business librarian.* For example, we now include the American Marketing Association's *International Membership Directory and Marketing Services Guide* and up-to-date publications such as *Marketing Information: A Professional Reference Guide*, 1995.

The *third edition of Contemporary Marketing Research* contains 12 new end-of-chapter cases and all new end-of-text comprehensive cases with databases. The new end-of-chapter cases include Toyota, Hitachi, Panasonic, Blockbuster Video, Black and Decker, American Airlines, and more. The comprehensive database cases cover such topics as restaurant patronage and design; supermarket preferences, shopping habits, and perceptions; and credit card preferences of teachers. Comprehensive Case A, Heritage Restaurants, is short, with a limited number of variables, and serves as an excellent introduction to simple data analysis. The questionnaire is a screener for a much larger study. We recommend that this case be used after Chapter 15 to illustrate one-dimensional analysis and cross-tabulations. Comprehensive Case B continues the research on Heritage Restaurants with a large quantitative study. This data set lends itself to extensive analysis and is recommended to be used after Chapters 16 and 17. Comprehensive Case C is the final extension of Heritage Restaurants. The short questionnaire can be used for perceptual mapping and conjoint analysis. We recommend that this case be used after Chapter 18. Comprehensive Case D, grocery shopping habits survey, lends itself to both bivariate and multivariate statistical analyses. The case is rich in patronage data and demographics. Comprehensive Case E, the Visa card, deals with teachers' perceptions of new credit card features. The data set is amenable to a variety of statistical tests including multivariate statistics such as discriminant analysis.

Selected specific changes on a part-by-part basis are as follows:

#### **PART ONE** An Introduction to Marketing Research

- Heavier emphasis on the role of marketing research on quality and customer satisfaction—i.e., return on quality.
- The importance of keeping existing customers.
- The pros and cons of a career in marketing research.

- Extended example that carries throughout Chapter 2 on the Chrysler Minivan.
- Clearer presentation on temporal sequence and concomitant variation.
- Global marketing research expenditures.
- How NAFTA is impacting marketing research.
- Global marketing research trends.

**PART TWO** Creating a Research Design

- Database creation using Vons Supermarkets and Blockbuster as extended examples.
- Database technologies.
- How to search a database.
- Demographic databases offered by CompuServe and other on-line vendors.
- The Internet and how it can be used by marketing researchers.
- Geographic information systems.
- Why people participate in focus groups.
- Qualities of a well-trained focus group moderator.
- New excerpts from focus group discussions with college students on credit card usage.
- Nominal group sessions.
- Photo sorts.
- The importance of shifting demo-

**PART THREE** Data Acquisition

- Administering scales to Asian Americans.
- The necessity of rotating items to control for position bias.

**PART FOUR** Data Analysis

- Optical scanning of questionnaires.
- New material on evaluating differences and changes.
- New example of the Kolmogorov-Smirnov test.
- New example of computer output

- Marketing research practices around the world.
- Respondent satisfaction.
- The right to privacy.
- European protection of consumer rights.
- The Council for Marketing and Public Opinion Research (CMOR).
- The certification of marketing researchers.

graphics on survey research.

- New table describing emerging survey research techniques.
- Interactive voice response telephone surveys.
- Conducting surveys via CompuServe.
- Kiosk-based research.
- Interviewing children.
- Japanese marketing research.
- Shopper tracking devices.
- "Laskerville," a town where researchers go and "blend in" to the community to observe consumer behavior.
- Portable, passive people meter.
- Scanner-based software.
- The Info Scan Census.
- Virtual reality in experimentation.
- Alternatives to test marketing.

- Tips on questionnaire design.
- Field management companies.
- Perils of sample frame error.
- Low-incidence targeted samples.

showing *P*-value calculation.

- New examples on bivariate regression.
- Multivariate statistics software packages.
- New examples on multiple regression, discriminant analysis, cluster



analysis, factor analysis, and conjoint analysis extended from the Chapter 18 opening vignette.

- Simulating buyer choice using conjoint analysis.

#### **PART FIVE** Marketing Research in Action

- Presentation software.
- Presentation software graphics.
- Problems with research reports.
- Key factors in the effective use of marketing research.
- The use of customer satisfaction research by marketing researchers
- Simulating buyer choice using conjoint analysis.
- New material on product positioning research.
- New material on forms of segmentation research.

## I | **New Supplements for the Third Edition**

*The Lipton Noodles Alfredo Case*, by John F. Tanner, Jr., Baylor University. This extensive case is for those instructors who want students to spend less time doing fieldwork and more time learning about marketing research. Students perform limited fieldwork (just enough to get a feel for it) and conduct a focus group and an experiment. The case can be used in a quarter or a semester term.

*The Marketing Research Workbook*, by Chip Miller of Pacific Lutheran University. This workbook includes hands-on activities for most chapters of the text. The activities help students improve their research skills and managerial decision making, such as which market to target, when to make decisions, and what type of research to use.

*ASTOUND Presentation Software*. ASTOUND is a state-of-the-art presentation graphics program for Microsoft Windows or the Macintosh. This integrated program allows instructors to retrieve and work with any of the transparencies that accompany the book. Images can easily be edited, added, or deleted. The program includes over 500 pre-loaded slides with four-color graphics, key stroke control, and many animations. Other features of the system include the following:

- The instructor can present transparencies electronically in the classroom.
- Transparencies from the program can be printed in one or four colors.
- The instructor can edit and change any of the material included in the transparency set or add new material as needed.
- The instructor can animate and show a slide show with transition effect.
- We have created a full multimedia presentation for Case 17.2 on the ASTOUND disc. The presentation can be used as a self-running demonstration or you can customize the presentation to your own needs. This is an excellent example of how multimedia can be used to communicate research results in a corporate setting.

## I | **State of the Art Supplements Package**

Our satisfaction marketing research told us that you believe we have created the most extensive and useful set of supplements ever created for the marketing research course. These supplements have been retained and updated. The key

variables in creating a motivational and enthusiastic learning environment are the textbook, the instructor's lectures, and supplemental material used to augment and reinforce the textbook material. Because *Contemporary Marketing Research, 3rd Edition* is being used in the only marketing research course most students will ever take, we want to maximize the students' understanding and appreciation of marketing research. At the same time, we hope to minimize unnecessary classroom and project preparation time for the instructor. We would like to thank Glen Jarboe for creating the third edition of the Marketing Research Project Manual. Other supplements for *Contemporary Marketing Research, 3rd Edition* are:

- *The Marketing Research Project Manual, 3rd Edition.* This highly popular manual offers a detailed, step-by-step procedure for students to follow in the conducting of a market research project with an emphasis on survey research and data analysis. The third edition contains more vignettes about alternative projects and a complete data set keyed to the results reported in the manual. The SPSS has been rewritten for Windows software. Also, a new project is featured on creating a landscaping business. Instructors who require a real-world marketing research project have found that the manual saves valuable class time and provides lucid explanations of the research process.
- *Instructor's Manual with Video Guide.* Insightful comments from users have enabled us to create the most comprehensive instructor's manual available for the marketing research course. The complete lecture outline for each chapter with supplemental notes is designed so that instructors can use the material during class lectures and discussions. The manual also includes video summaries for the video library that includes a description, running times, key points, and discussion questions.
- *Test bank.* The new classroom-tested and validated test bank contains over 1,500 multiple choice, true/false, and case questions. The questions are designed to test the student's knowledge of the most salient points of each chapter. A computerized version, WESTEST, is also available.
- *Statistics by StatSoft.* This highly rated software package is an integrated statistical analysis, graphics, and database management system. The student edition features a wide array of basic and advanced analytical procedures such as regression analysis, factor analysis, discriminant function, analysis, and cluster analysis. This user-friendly package is available to accompany the text at a substantially discounted price.
- *Comprehensive Case Data Banks.* There are five comprehensive research cases at the end of the text. A complete data set of raw research results is available on diskette for each case.
- *Videos.* All videos in our existing video package will be offered in the third edition. Soon we will release three new videos featuring the Minnesota Twins baseball club, Promus Companies, and Price-Costco—a giant warehouse club chain. Existing videos include: *One on One: Getting It Right.* This tape deals with interviewing techniques used by marketing researchers. After each interviewing topic is discussed and illustrated on the tape, questions for discussion follow. *Focus Group on Women's Shoes.* A focus group conducted by a professional moderator trainer for Riva Marketing Research, Chicago. *Focus Group on a New Deodorant.* A focus group conducted by a professional moderator trainer for Riva Marketing Research, Chicago. *Marketing Research and the Interview.* This tape discusses and demonstrates proper marketing research interviewing tech-

niques. *Developing Crystal Pepsi*. This tape discusses and illustrates the research that went into the development of Crystal Pepsi. *A. C. Nielsen Grocery Category Management*. Illustrates grocery audits and information outputs from A. C. Nielsen 1991. *Chilton Research Services*. Tape illustrates the capabilities and resources of one of America's largest full service marketing research firms. *Behind the Scenes (Advertising Education Foundation)*. Shows campaign development process and the role of marketing research in the process. Includes strategy/concept discussions and focus group shots. *Depth Interview with a Homemaker on Nutritious Snacks* (DDB Needham). Middle-class homemaker discusses products for her family as a part of a lifestyle study. *How to Conduct a Focus Group*. Professional moderator trainer explains how to conduct a focus group.

- Transparencies revised to enhance classroom utility. Approximately 100 transparency masters or key Astound slides are available separately. These include key figures from the text as well as alternate transparencies of new material. The Astound presentation files contain over 500 transparencies available for electronic presentation or as one-color or form-color print files.

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## I Acknowledgments

A major text with many supplements, such as this, is always a team effort. We have no doubt that we are working with the finest people in both academia and publishing. We can't say enough good things about our production editor and project leader, Christine Hurney. We would not have a text or package without her encouragement, managerial people skills, and fortitude to "stay the course." Once again, Rick Leyh, our editor, proved that creativity and the highest standards in publishing will produce a textbook that delivers superior student and professor satisfaction. Alex von Rosenberg assisted in invaluable ways with the project's development. A special thanks goes to RoseAnn Reddick for typing the manuscript and the revisions. We are also indebted to David Andrus at Kansas State University for preparing the test bank and Shiva Nandan at Missouri Western State College for preparing the instructor's manual. The many changes in the third edition are the results of suggestions from our reviewers. The advice and counsel of the following individuals was deeply appreciated. We appreciate the conscientious reviewers on the third edition who helped to guide our discussion on important content questions. They are in our debt and include:

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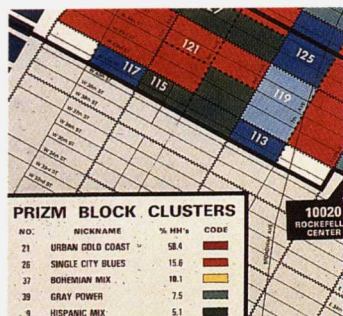
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