



THIRD EDITION

BASIC

Marketing Research

GILBERT A. CHURCHILL, JR.

Third Edition

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GILBERT A. CHURCHILL, JR.

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Preface

Basic Marketing Research is designed for the introductory, undergraduate course in marketing research and can be used either in one- or two-quarter sequences or in semester courses.

The topic of marketing research is a complex one. It involves a number of questions that need to be answered and a number of decisions that need to be made with respect to the choice of techniques used to solve a research problem. Without some overriding framework, which this book attempts to provide, it is easy for students to become lost in a maze; that is, to become so overwhelmed by the bits and pieces that they fail to see the interrelationships of the parts to the whole. Yet, an understanding of these interrelationships is essential both to the aspiring manager and the aspiring researcher, for in a very real sense, marketing research is one big trade-off.

Decisions made with respect to one stage in the research process have consequences for other stages. Managers need an appreciation of the subtle and pervasive interactions among the parts of the research process so that they can have the appropriate degree of confidence in a particular research result. Researchers also need to appreciate the interactions among the parts. The parts serve as the “pegs” on which to hang the knowledge accumulated about research methods. Researchers need to resist the temptation of becoming enamored of the parts to the detriment of the whole.

This book attempts to serve both the aspiring manager and the aspiring researcher by breaking the research process down into some basic stages that must be completed when answering a research question. The specific stages are

1. Formulate problem.
2. Determine research design.
3. Determine data-collection method.
4. Design data-collection forms.
5. Design sample and collect data.
6. Analyze and interpret the data.
7. Prepare the research report.

The organization of the book parallels these stages in the research process. Thus, the book is organized into seven corresponding parts. Each part (or stage) is then broken into smaller parts, so that a given stage is typically discussed in multiple chapters. This modular treatment allows students to negotiate the maze. It also allows instructors some latitude with respect to the order in which they cover topics.

ORGANIZATION

Part One consists of four chapters and an appendix. Chapter 1 provides an overview of the subject of marketing research and describes the kinds of problems for which it is used, who is doing research, and how the research function is organized. Chapter 1 also provides a perspective on career opportunities available in marketing research. Chapter 2 provides an overview of the various ways of gathering marketing intelligence. It emphasizes the increasingly important role played by decision support systems in providing business and competitive intelligence and contrasts the information system approaches to the project emphasis approach taken in the book. Chapter 3 then overviews the research process. The

appendix to Chapter 3 discusses various ethical frameworks for viewing marketing research techniques. Chapter 4 discusses the problem-formulation stage of the research process and explains the issues that must be addressed in translating a marketing decision problem into one or more questions that research can address productively. It also covers the preparation of a research proposal.

Part Two concerns the choice of research design and consists of two chapters. Chapter 5 overviews the role of various research designs and discusses one of the basic types, the exploratory design. Chapter 6 then discusses the two other basic types, descriptive and causal designs.

Part Three discusses the general issue of selecting a data-collection method and contains five chapters and an appendix. Chapter 7 focuses on secondary data as an information resource, while the appendix to Chapter 7 discusses the many sources of published secondary data. Chapter 8 discusses the operations of and data supplied by standardized marketing information services. Chapter 9 describes the issues involved when choosing between the two primary means by which marketing information can be collected—through observing or questioning subjects. Chapter 10 then describes the main alternatives and the advantages and disadvantages of each when subjects are to be questioned. Chapter 11 does the same for observational techniques.

Part Four addresses the actual design of the data-collection forms that will be used in a study. Chapter 12 discusses a sequential procedure that can be used to design a questionnaire or observation form. Chapter 13 then discusses some basic measurement issues that researchers and managers need to be aware of so that they will neither mislead others nor be misled themselves when interpreting the findings. Chapter 14 describes some of the most popular techniques marketers currently use to measure customers' attitudes, perceptions, and preferences.

Part Five, which consists of four chapters, examines sample design and deals with the actual collection of data needed to answer questions. Chapter 15 overviews the main types of samples that can be used to determine the population elements from which data should be collected. It also describes the main types of nonprobability samples and simple random sampling, the most basic probability sampling technique. Chapter 16 discusses the use of stratified sampling and cluster sampling, which are more sophisticated probability sampling techniques. Chapter 17 treats the question of how many population elements need to be sampled for research questions to be answered with precision and confidence in the results. Chapter 18 discusses data collection and the many errors that can occur in completing this task from a perspective that allows managers to better assess the quality of information they receive from research.

Once the data have been collected, emphasis in the research process logically turns to analysis, which is a search for meaning in the collected information. The search for meaning involves many questions and several steps, and the three chapters in Part Six attempt to overview these steps and questions. Chapter 19 reviews the preliminary analysis steps of editing, coding, and tabulating the data. Chapter 20 discusses the procedures that are appropriate for examining whether the differences between groups are statistically significant. Chapter 21 describes the statistical procedures that can be used to examine the degree of relationship between variables.

Part Seven, which consists of two chapters and an epilogue, discusses the last, yet critically important, part of the research process: the research report. Because it often becomes the standard by which any research effort is judged, the research report must contribute positively to that evaluation. Chapter 22 discusses the criteria a written research report should satisfy and a form it can follow so that it does contribute positively to the research effort. Chapter 23 provides a similar perspective for oral reports. Chapter 23 also

discusses some graphic techniques that can be used to communicate the important findings more forcefully. The epilogue ties together the elements of the research process by demonstrating their interrelationships in overview fashion.

Organizing the material in this book around the stages in the research process produces several significant benefits. First, it allows the subject of marketing research to be broken into very digestible bites. Second, it demonstrates and continually reinforces how the individual bits and pieces of research technique fit into a larger whole. Students can see readily, for example, the relationship between statistics and marketing research, or where they might pursue additional study to become research specialists. Third, the organization permits the instructor some flexibility with respect to the order in which the parts of the process may be covered.

SPECIAL FEATURES

In addition to its pedagogically sound organization, *Basic Marketing Research* has several special features that deserve mention. First, the book is relatively complete with respect to its coverage of the most important techniques available for gathering marketing intelligence. The general approach employed when discussing topics is not only to provide students with the pros and cons of the various methods by which a research problem can be addressed, but also to develop an appreciation of why these advantages and disadvantages occur. The hope is that through this appreciation students will be able to creatively apply and critically evaluate the procedures of marketing research. Other important features include the following:

1. A set of learning objectives highlights the most important topics discussed in the chapter. The chapter summary then recaps the learning objectives point by point.
2. A “Case in Marketing Research” opens each chapter. These scenarios are adapted from actual situations and should prove to be very interesting to students. Furthermore, an end-of-chapter reference to the introductory case (“Back to the Case”) illustrates how the scenario can be brought into sharper focus using the methods described in the chapter.
3. A running glossary appears throughout the text. Key terms in each chapter are boldfaced, and their definitions appear in the margin where the terms are discussed. Each key term is also indexed.
4. The “Research Windows” provide a view of what is happening in the world of marketing research. “Research Windows” describe what is going on at specific companies and offer some specific “how to” tips. Like the “Case in Marketing Research” features, they serve to breathe life into the subject and strongly engage the students’ interest.
5. Extensive use of photos provides visual reinforcement to important concepts. Appearing throughout the book, the photos provide students with a tangible understanding of how various aspects of the research process are conducted.
6. Discussion questions, problems, and/or projects are found at the end of each chapter. This feature allows students the opportunity to apply the chapter topics to focused situations, thereby honing their analytical skills and developing firsthand knowledge of the strengths and weaknesses of various research techniques.
7. A worked-out research project is discussed throughout the book. This project is found at the end of each part and concerns retailers’ attitudes toward

advertising in various media. The project represents an actual situation faced by a group of radio stations in one community. It begins with a description of the radio stations' concerns and objectives. Each of the sections then describes how the research was designed and carried out, demonstrating the interrelationships of the stages in the research process and providing students with a real, hands-on perspective as to how research is actually conducted.

8. Several cases occur at the end of each part and deal with a stage in the research process. The 33 cases assist students in developing their own evaluation and analytical skills. They are also useful in demonstrating the universal application of marketing research techniques. The methods of marketing research can be used not only by manufacturers and distributors of products, as is commonly assumed, but also by the private and public sectors to address other issues. The cases include such diverse entities or issues as the Big Brothers program, marketing management education programs, banking services, and theater, among others. All cases represent actual situations, although some of them have been disguised to protect the proprietary nature of the information.
9. Raw data are provided for six of the cases to allow students to perform their own analyses to answer questions. The data are listed in the *Instructor's Manual (IM)* for the convenience of those who wish to enter the data into their computer systems. The data are also available on computer disk to adopters. The disk allows those who have statistical packages available to use them for analyses. Others may find it more convenient to upload the data from the disk onto the school's mainframe computer and have students use the larger systems for analyses. To obtain a copy of the disk, which is available for the IBM platform, adopters must send the insert card in the *IM* to the nearest Dryden regional sales office.
10. Profiles of marketing research professionals are included as part openers. Each profile highlights the daily work of marketing research as it pertains to the main ideas of the part. The profiles motivate student interest by demonstrating the importance of marketing research in corporate decision making.
11. The third edition also contains the description, questionnaire, coding form, and raw data for a ground coffee study conducted by NFO. The study was used to generate a number of discussion questions and problems for the chapters, which give students the opportunity to work with "live" data. This should hone their skills in translating research problems into data analysis issues and in interpreting computer output. Moreover, the database is rich enough for instructors to design their own application problems and exercises for their classes, thereby allowing even more opportunity for "hands-on" learning.

CHANGES IN THE THIRD EDITION

Although it looks similar to the first two editions, the new edition contains some major changes. One change is an increased emphasis on the international aspects of marketing research, which is reflected both in the text discussion and in the examples used to illustrate the concepts. There is also a greater emphasis on marketing research in service settings and marketing to organizational buyers.

Another change focuses on a major revision of the cases. More than 30 percent of the cases are new and another 20 percent have been revised. Moreover, a video case has been added to this edition. The video case, which uses an original script and professional actors, allows students to view short segments illustrating the points being discussed. There is a special icon at the end of the chapters in the *Instructor's Manual* that indicates the questions that might be asked after students view a segment of the video case. The video case makes for a very interactive learning environment.

Readers will also be happy to know that a number of features incorporated in the second edition are being retained and expanded for this edition because they were so well received. Foremost among these is the extensive treatment of ethics in marketing research. This edition presents a conceptual framework for viewing ethical choices early on (Appendix 3A) and continues with more ethical scenarios that students need to address in subsequent chapters. This organization resolves the problem of how to treat the topic of ethics. It is difficult to treat it early because students do not yet have the technical sophistication to appreciate alternative ways to approach ethical problems. Treating it late, as most books do for this reason, makes ethics appear as an afterthought. Treating the conceptual foundations early in the book and then interweaving ethical dilemmas with technical issues allow students to more readily appreciate the social consequences of proceeding in particular ways.

As part of the revision plan for the third edition, all of the chapters have been subjected to thorough scrutiny and rewrite. I thoroughly updated the examples and added in-text examples and Research Windows.

SUPPLEMENTS

A complete, carefully developed supplement package accompanies the third edition of *Basic Marketing Research*.

Instructor's Manual/Transparency Masters Developed with the assistance of Jacqueline C. Hitchon and Gregory D. Martin of the University of Wisconsin–Madison, the *Instructor's Manual* contains alternative course outlines, instruction suggestions for each chapter, answers to discussion questions, solutions to cases, and approximately 100 transparency masters with notes.

Test Bank The *Test Bank*, which is included in the *Instructor's Manual*, contains more than 1,100 multiple-choice questions.

Computerized Test Bank A computerized version of the text bank is available for the IBM PC® and IBM-compatible computers. The questions on the disks are identical to those that appear in the printed version of the *Test Bank*. This system also gives instructors the option of entering the program and adding or deleting questions.

Case Data Disk A disk containing research data necessary to solve certain text cases is available upon request for the IBM PC.

Computer-Based Experiential Exercise A number of the chapters also contain suggestions for computer-based experiential exercises that can be assigned to illustrate chapter notions. The exercises, which have been developed by D. A. Schellinck and R. N. Maddox, tend to be very involving for students. The exercises are available to adopters on disk for IBM microcomputers.

Edustat A comprehensive, menu-driven statistical software for the IBM PC and IBM-compatible computers is available on request.

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Gilbert A. Churchill, Jr.

Madison, Wisconsin
August 1995

About the Author

Gilbert A. Churchill, Jr., DBA (Indiana University), is the Arthur C. Nielsen, Jr., Chair of Marketing Research at the University of Wisconsin–Madison. He joined the Wisconsin faculty in 1966 and has taught there since, except for one year that he spent as a visiting professor at Bedriftsokonomisk Institutt in Oslo, Norway. Professor Churchill was named Distinguished Marketing Educator by the American Marketing Association in 1986, only the second individual so honored. The award recognizes and honors a living marketing educator for distinguished service and outstanding contributions in the field of marketing education. He was also named Marketing Educator of the Year by the Academy of Marketing Science in 1993 for his significant scholarly contributions.

Professor Churchill is a past recipient of the William O'Dell Award for the outstanding article appearing in the *Journal of Marketing Research* during the year. He has also been a finalist for the award five other times. He was named Marketer of the Year by the South Central Wisconsin Chapter of the American Marketing Association in 1981. He is a member of the American Marketing Association and has served as vice-president of publications and on its board of directors as well as on the association's Advisory Committee to the Bureau of the Census. In addition, he has served as consultant to a number of companies, including Oscar Mayer, Western Publishing Company, and Parker Pen.

Professor Churchill's articles have appeared in such publications as the *Journal of Marketing Research*, *Journal of Marketing*, *Journal of Consumer Research*, *Journal of Retailing*, *Journal of Business Research*, *Decision Sciences*, *Technometrics*, and *Organizational Behavior and Human Performance*, among others. He is a co-author of several books, including *Marketing: Creating Value for Customers* (Burr Ridge, Ill.: Austen Press, 1995), *Sales Force Management: Planning, Implementation, and Control*, Fourth Edition (Homewood, Ill.: Irwin, 1993) and *Salesforce Performance* (Lexington, Mass.: Lexington, 1984), and is also the author of *Marketing Research: Methodological Foundations*, Sixth Edition (Fort Worth, Tx.: Dryden, 1995). He is a former editor of the *Journal of Marketing Research* and has served on the editorial boards of the *Journal of Marketing Research*, *Journal of Marketing*, *Journal of Business Research*, and *Journal of Health Care Marketing*. Professor Churchill currently teaches undergraduate and graduate courses in marketing research and sales management. He has been recognized for his teaching as the recipient of the Lawrence J. Larson Excellence in Teaching Award.

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