

# SOLUTIONS MANUAL



10th Edition

## Marketing Research

Alvin C. Burns • Ronald F. Bush

# Instructor's Manual

for

## *Marketing Research*

*6<sup>th</sup> Edition*

by

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## **PREFACE TO THE *INSTRUCTOR'S MANUAL***

### **The Intended Market for This Book**

When we first conceptualized this book back in the early 1990s, we wanted to write it for undergraduate students who were taking marketing research for the first time. We saw other books that were trying to be “all things to all people.” Even though they were positioned as research texts for undergraduates, much of the material was advanced. This Sixth Edition, like its five predecessors, was written for the undergraduate student taking marketing research for the first time.

### **Our Approach**

Given our intended market, throughout the first five editions we strived to provide instructors with a book designed for undergraduates who wanted to know the “nuts and bolts” of marketing research. For example, our chapter on measurement teaches students the basic question formats, the scales of measurement, why these scales are important, and the common methods used to measure popular constructs. It does not dwell on different forms of reliability and validity or the method used to develop valid and reliable multi-item scales. In our analysis chapters, we cover the basic “bread and butter” statistical procedures used to analyze data, but we do not cover multivariate techniques or nonparametric statistics in the book itself.

Our approach and writing style have probably been the two main reasons the book has been the market leader for well over a decade. Student evaluations indicate that we deliver on our intent to write at the level that persons taking marketing research for the first time understand. Your teaching evaluations regarding the textbook will likely include this same appraisal.

### **Recommended Prerequisites**

For this course we feel students should have taken an introductory course in marketing. We assume students know what we mean when we talk about marketing strategy and the elements of the marketing mix. Students having had an introduction to a marketing course will better appreciate the role marketing research plays in helping managers make better marketing decisions. We also recommend that students take an introductory statistics course prior to taking this course. It helps for them to know concepts such as the area under the normal curve,  $z$  scores and the basics of statistical testing, including interpretation of  $p$  values. However, since we both have taught for many years, we are well aware that many students will not recall many of these concepts and, where necessary, we provide some review of these basics.

## **AACSB Guidelines**

*Our accreditation society, The Association to Advance Collegiate Schools of Business–International (AACSB), influences us a great deal. We strive to keep current with AACSB’s recommendations and guidelines, such as including material that will aid in your course assessment efforts, covering ethical issues, and pointing out global applications.*

*We include a number of items that should help in assessing your students’ understanding of the course content. Each chapter begins with learning objectives. Embedded in each chapter are “active learning” exercises that allow students to apply the knowledge just acquired to some “real-world” resource. We have added “Synthesize Your Learning!” exercises in this edition, which require that students revisit chapters to integrate their knowledge from those chapters. For our test bank, Pearson has adopted guidelines established by AACSB for test banks. We discuss this in a following section.*

## **Considerations for Planning Your Syllabus**

We offer some sample syllabi in the Instructor’s Manual. However, some general observations may be helpful in planning a particular syllabus.

- You may not want to cover every chapter. There are typically 15 weeks in a semester and an average of 10 weeks in a quarter and there are 20 chapters in the book. Some faculty tend not to cover Chapter 7 on standardized information, Chapter 8 on qualitative research, Chapter 19 on regression, or Chapter 20 on the research report. Please understand, we are not recommending you omit any of these chapters; we are telling you what we hear from our adopters. This is a personal decision.
- Objective or essay tests? Many factors go into making this decision. However, we have found it useful to use both. We often ask perhaps 35 objective questions worth 2 points each and then three essay questions worth 10 points each. Also, some subjects—sample size determination, for example—are better treated by giving the students problems to solve.
- Number of tests? We often break the material down into three tests per term. In our experience, students find the first 11 chapters to be about equivalent in terms of difficulty. Chapters 12 and 13 on sampling plans and sample size are viewed as more difficult, and the analysis chapters the most difficult.
- Project? Some professors offer a live research project in the course; this requires a heavy time commitment, which should be taken into consideration when writing your syllabus. We offer specific suggestions for conducting a project in our Instructor’s Manual.
- SPSS Software? This book is available in a valuepack with SPSS Student Version (17.0) For the relatively small price difference, some professors adopt this valuepack because the on-campus version may not be accessible to students or because instructors want their students to have their own copy of the software.

## What's New in the Sixth Edition?

### Integrated Case

Our new case, *Advanced Automotive Concepts (AAC)*, focuses on a new manager who must determine the type of automobiles that the auto market will demand in the future. Students using this case will learn how to examine attitudes and opinions (for example, attitudes about global warming and future fuel prices) that are important in consumer choice, how to determine the most preferred models, and how to identify market segment differences between the different models. Students are shown how SPSS tools can aid them in analyzing case data to make important decisions. We have included at least one integrated case in every chapter.

In the last two editions, we provided a case, *The Hobbit's Choice*, that examined the feasibility, design of operations, and promotion of a new restaurant. We provided an extensive database for the case and used the case data to teach various SPSS procedures throughout the book. For adopters who wish to continue using *The Hobbit's Choice*, we have provided the case, the questionnaire, and the data set online. The analysis cases for *The Hobbit's Choice* have been retained in Chapters 15–19.

### Fresh Cases Contributed by Marketing Research Professors

We found several professors who had excellent case ideas they were willing to contribute to the Sixth Edition. The following are all new:

#### *Case 4.1 The Civic Agency Initiatives Project*

This case was contributed by Pushkala Raman, Ph.D., of Texas Woman's University.

#### *Case 7.1 Entertainment Research*

This case was contributed by Anthony Patino, Ph.D., Assistant Professor of Marketing; Velitchka D. Kaltcheva, Ph.D., Assistant Professor of Marketing; and Annie H. Liu, Ph.D., Associate Professor of Marketing, all of Loyola Marymount University.

#### *Case 8.1 The College Experience*

This case was provided by Professor Daniel Purdy, Ph.D., Assistant Director of the MBA Program and Professor Wendy Wilhelm, Ph.D., Professor of Marketing, both of Western Washington University.

#### *Case 8.2 Integrated Case: Advanced Automobile Concepts*

This case was provided by Professor Philip Trocchia, Ph.D., Associate Professor of Marketing, University of South Florida, St. Petersburg, Florida.

#### *Case 11.2 The SteakStop Restaurant: What is Wrong with These Questions?*

This case was contributed by Tulay Girard, Ph.D., Assistant Professor of Marketing, Pennsylvania State University–Altoona.

*Case 12.2 How to Become Involved in Politics Using a Sampling Design*

This case was provided by Robert W. Armstrong, Ph.D., Professor of Marketing, University of North Alabama.

*Case 15.1 SafeScope Case Study: Market Research to Validate a New Business*

This case was contributed by U. N. Umesh, Ph.D., Professor of Marketing and Entrepreneurship, Washington State University, Vancouver, and Ash Gupte, Partner, Key West Technologies, LLC.

*Chapter 16 Synthesize Your Learning: Blood Bank of Delmarva and Optimal Strategix, LLC*

This case was provided by Anu Sivaraman, Ph.D., Assistant Professor of Marketing, Alfred Lerner College of Business & Economics, University of Delaware, and R. Sukumar, President and CEO, Optimal Strategix Group, Inc., Newtown, PA.

## **Chapter 4 Rewritten to Reflect Today's Practice**

We started over from square one when we wrote Chapter 4, "Defining the Problem and Determining Research Objectives." We have taken a complex topic and sequenced the issues in logical succession. We do not pretend that what we've developed is simple, but we do add some order to the process.

### **New Section in Chapter 11 on Specific Use of Qualtrics Online Surveying Software**

We explain our new partnership with Qualtrics below. For those of you who wish to use this software, your students will find easy-to-follow instructions in our chapter on questionnaire design, Chapter 11. Following our explanation of keystrokes for SPSS, we provide annotated screen captures for using Qualtrics.

### **Integration of SPSS 17.0**

You are holding the first textbook to fully integrate SPSS. We started this integration in 1995, and we enhance the integration of SPSS by offering your students step-by-step screen captures that help them learn the keystrokes in SPSS. This allows you to spend more time teaching what the analysis technique is, when to use it, and how to interpret it. Illustrated keystrokes for the latest edition of SPSS are presented in this text with clear, easy-to-follow instructions.

### **NEW! Current Insights from Industry Professionals**

Being involved as researchers for many years ourselves and as authors of a marketing research textbook, we have developed many relationships with those who practice in the industry every day. Our friends provide us with insights that only those working daily in the industry can have, and we pass those along to you in every chapter. You will find many of these insights in the opening chapter vignettes and Marketing Research Insight boxes throughout the book. For example, we bring you insights from the CEO of Maritz Research, Herb Sorensen of TNS-Sorensen, executives from IPSOS, and many other leading companies. We also sought out several marketing researchers who recently graduated from college to give you their perspectives on the industry.

### **New! Expanded Insights on Marketing Research as a Career**



At the end of Chapter 3 we offer an appendix on marketing research as a career. We cover the usual topics here—job outlook, salaries, and job requirements. However, we decided to personalize the Sixth Edition by asking people in the industry to give you their opinions about a career in marketing research. What are people hiring in the industry looking for? Also, we include some extensive coverage of people who have recently entered the industry. These boxes are included in the body of the chapter as well as in the appendix.

In addition, some of your students may be thinking about a master's degree. We offer a listing of master's degree programs in marketing research with links to sites enabling students to find out more about these programs. In this edition we worked closely with Dr. Madhav Segal, Director of Southern Illinois University Edwardsville's MMR program. This is one of the leading MMR programs in the country, and the material we assembled can help students assess the benefits of a specialized degree program in marketing research.

### **NEW! Synthesize Your Learning**

We added this feature to help students synthesize the knowledge they have gained across several chapters. The exercises require students to go back to previous chapters and integrate material into answers for the exercise. The following “Synthesize Your Learning” exercises are included in the Sixth Edition:

- The First Interview, page 71
- Advanced Automobile Concepts, page 198
- Starting a Business, page 234
- Moe's Tortilla Wraps, page 330
- Niagara Falls Tourism Association, page 396
- Blood Bank of Delmarva and Optimal Strategix, LLC, page 493
- Alpha Airlines, page 602

### **NEW! Guidelines on Reporting Statistical Analyses to Clients**

We have noticed that after teaching our students to properly conduct a statistical analysis using SPSS, they have trouble when it comes to writing down what they have done. We decided to add an element in our Sixth Edition that would address this problem. In our data analysis chapters we include information on how to write up the findings for the client. We offer easy-to-follow guidelines and examples. This should make your students better research report writers.

## **NEW! The *iReportWriting Assistant***

When our students write up reports for their marketing research projects, we find ourselves answering the same kinds of questions over and over. “How do you properly reference a journal article?” “What about referencing on online source of information?” “What do you have to reference and what do you not have to reference?” “When I write the introduction to the research report, what are some of the topics I need to cover and how do I word them?” So, we asked a business communications expert, Dr. Heather Donofrio, to develop an online resource that would help students answer these questions. With the new *iReportWriting Assistant*, available online at the website ([www.pearsonhighered.com/burnsbush](http://www.pearsonhighered.com/burnsbush)), you can now have your students go online for assistance:

- What to do prior to writing?
- Templates to help students get started writing
- Help with grammar
- Help with citations
- Example reports

Students are either given information on these topics or linked to sites that specialize in a particular issue relevant to report writing.

## **NEW! Online Data Analysis Modules**

Even undergraduate students taking their first course in marketing research may need some knowledge of statistical analyses other than those we have provided in the text. Many times these issues arise as a result of a particular need associated with a real-world class project. We wanted to make some of these projects available to you online, so we have written several additional data analysis modules. The emphasis in these modules is on explaining the basics of the analysis and when it is appropriate. We also provide an example. Topics covered are:

- When to Use Nonparametric Tests
- Nonparametric: Chi-square Goodness-of-Fit Test
- Nonparametric: Mann-Whitney  $U$  Test
- Nonparametric: Wilcoxon Test
- Nonparametric: Kruskal-Wallis  $H$  Test
- When to Use Multivariate Techniques
- Factor Analysis
- Cluster Analysis
- Conjoint Analysis

## **NEW! Now You Can Use QUALTRICS to Conduct Surveys for Your Class**

We are pleased to partner the Sixth Edition with Qualtrics. This is superior online survey software, and adopters can have access to Qualtrics via an exclusive arrangement with Pearson. Please see the inside front cover of this text for more information about this offer and how to gain access for yourself and your students.

## **NEW! New Global Applications**

We have many new examples that illustrate the global dimensions of marketing research. As we have done in past editions, we highlight these examples with our Global icon.

## **NEW! New Ethical Applications**

We have new examples of the ethical issues facing both marketing research suppliers and buyers. We make every effort to ensure that your students are sensitized to the ethical issues they are likely to confront in their careers.

## **INSTRUCTOR SUPPLEMENTS AND INSTRUCTIONAL SUPPORT**

On the basis of our years of experience in teaching, we know that teaching marketing research can be a challenge. We have developed a variety of teaching and learning aids, and adopters of this textbook will receive the following ancillary materials to help them prepare their course and teach it effectively:

**Companion Website ([www.pearsonhighered.com/burnsbush](http://www.pearsonhighered.com/burnsbush)).** Resources for students and instructors may be found at our website. Students may view chapter outlines, chapter objectives, and case study hints and take sample tests for each chapter. Instructors have access to online instructional resources, including tips for teaching the cases, sample syllabi, a guide for conducting class projects, and online access to secured instructor materials. Students and instructors can access databases, the online statistics modules, and the *iReportWriter Assistant* at this website.

**Instructor's Manual.** There is a comprehensive instructor's manual prepared by Al Burns. The manual has chapter outlines, key terms, teaching pointers, answers to end-of-chapter questions, answers to active learning exercises as needed, and case solutions. The Instructor's Manual may be downloaded from the textbook website.

**PowerPoint Slides.** We have greatly improved our PowerPoint presentation slides with the this edition. The presentations are now animated and dynamic rather than static. The files may be downloaded from the textbook website.

**Computerized Test Bank.** The supplements package includes a test bank of questions prepared by Ron Bush. We do not outsource our test questions. This test bank is available from Pearson Education and can be loaded into Test Generator software. Test Generator allows random selection of test questions, modification of individual questions, or insertion of new questions into a test. For each question in the Test Bank, when possible, we have indicated which AACSB topic is addressed by the question. The AACSB topics are:

- Communication
- Ethical Reasoning
- Use of IT
- Analytic Skills
- Multicultural and Diversity

- Reflective Thinking

Also, within the answer line of each question in the Test Bank, AACSB guidelines ask that we indicate the chapter learning objective that is covered. We refer you to the start of each textbook chapter for the list of learning objectives.

**SPSS Student Assistant.** With previous editions, we created the SPSS Student Assistant, a stand-alone tutorial that teaches students how to use and interpret SPSS. The SPSS Student Assistant may be downloaded from our Pearson Education textbook website. Installation on a personal computer is simple, and the SPSS Student Assistant will reside there for easy, immediate access. The videos show cursor movements and resulting SPSS operations and output. There is a test for each Student Assistant session so that students may assess how well they've learned the material.

**Online Datasets.** We offer several datasets associated with our cases. Of course we provide the dataset for our integrated case, *Advanced Automobile Concepts* (AAC). We also offer the *Hobbit's Choice* dataset for professors who wish to use this case. In addition, several other case datasets are offered in this edition. The total dataset offering follows:

- *Advanced Automobile Concepts* (AACConcepts.sav)—integrated case dataset used in Chapters 15–20
- *Blood Bank of Delmarva and Optimal Strategix, LLC* (BBDDonor.sav)—synthesized learning case used in Chapter 16
- *Hobbit's Choice* (Hobbit.sav)—end-of-chapter case used in Chapters 15–19
- *Friendly Market* (Friendly.sav)—end-of-chapter case used in Chapter 18

## Student Supplements

**Study Guide and Technology Manual.** This supplement enables students to study more effectively. The Study Guide also gives detailed instructions for running the various data analysis procedures using SPSS, MiniTab, SAS, and Excel.

**CourseSmart eTextbooks.** Developed for students looking to save on purchasing required or recommended textbooks, CourseSmart eTextbooks Online costs less than the suggested list price of the print text. Students simply select their eText by title or author and purchase immediate access to the content for the duration of the course using any major credit card. With a CourseSmart eText, students can search for specific keywords or page numbers, make notes online, print out reading assignments that incorporate lecture notes, and bookmark important passages for later review. For more information, or to purchase a CourseSmart eTextbook, visit [www.coursesmart.com](http://www.coursesmart.com).

## ABOUT THE AUTHORS

**Alvin C. Burns** is the Ourso Distinguished Chair of Marketing and Chairperson of Marketing in the E. J. Ourso College of Business Administration at Louisiana State University. He received his doctorate in marketing from Indiana University and an MBA from the University of Tennessee. Professor Burns has taught undergraduate and master's-level courses as well as doctoral seminars in marketing research for over 35 years. During this time, he has supervised a great many marketing research projects conducted for business-to-consumer, business-to-business, and not-for-profit organizations. His articles have appeared in the *Journal of Marketing Research*, *Journal of Business Research*, *Journal of Advertising Research*, and others. He is a Fellow in the Association for Business Simulation and Experiential Learning. He resides in Baton Rouge, Louisiana, with his wife, Jeanne.

**Ronald F. Bush** is Distinguished University Professor of Marketing at the University of West Florida. He received his B.S. and M.A. from the University of Alabama and his Ph.D. from Arizona State University. With over 35 years of experience in marketing research, Professor Bush has worked on research projects with firms ranging from small businesses to the world's largest multinationals. He has served as an expert witness in trials involving research methods, often testifying on the appropriateness of research reports. His research has been published in leading journals, including the *Journal of Marketing*, *Journal of Marketing Research*, *Journal of Advertising Research*, *Journal of Retailing*, and *Journal of Business*, among others. In 1993, he was named a Fellow by the Society for Marketing Advances. He and his wife, Libbo, live on the Gulf of Mexico, where they can often be found playing "throw the stick" with their Scottish terrier, Maggie.

## 2 APPROACHES TO TEACHING MARKETING RESEARCH: SAMPLE COURSE SYLLABI

While other approaches exist, there are two basic approaches to teaching marketing research. Each is outlined in the following exhibit and discussed in the following paragraphs.

<i>2 Approaches to Teaching Marketing Research</i>		
<i>Item</i>	<i>Content-Based Approach</i>	<i>Project-Based Approach</i>
<i>Objective</i>	Cover as many marketing research concepts (content) as possible over the term	Cover marketing research concepts related primarily to survey research
<i>Strategy</i>	Cover all material thoroughly, and test students frequently on these concepts	Have students apply survey methods for these concepts with a pilot survey project
<i>Topic Example</i>	Cover sample methods in a single class with lecture and examples; test students on sample method definitions and the steps for each method	Cover sample methods over 2 classes with examples and in-class exercises; have students draw a representative sample in the team research project

The first approach is what we call a “**content-based**” approach to teaching marketing research. That is, it pertains to those instructors whose primary objective is to cover much marketing research content and to frequently test their students’ command of it. This approach is akin to a “survey course” teaching strategy where the instructor wishes to expose students to the complete range of marketing research topics so that at the end of the course, students are familiar with basic terminology and they can describe key concepts. With the content-based approach, the instructor must cover most concepts efficiently as there are many concepts and little time per concept. Lectures and examples are the primary delivery vehicles for the content-based approach.

In contrast is the “**project-based**” approach to teaching marketing research. This approach is used by the instructor who has a team project as a major aspect of the marketing research course. Students are set up in teams, and each student team is assigned the task of completing a pilot survey for a sponsor such as a local business. On the other hand, the instructor may specify the survey project task for students without the use of a sponsor. With the project-based approach, the primary emphasis of the course is in survey research methods, and the overriding objective is to have students apply survey research techniques in their pilot studies. Because of this orientation and these time constraints, the project-based instructor will necessarily omit marketing research concepts that are less relevant to survey research, and he/she will use in-class or other exercises to entice students to apply the concepts to real-world situations.

**Use of the integrated case.** Our *Advanced Automobile Concepts* integrated case can be used in either the approach, as a third option. With the content-based approach, instructors should consider assigning the end-of-chapter integrated cases as written exercises or otherwise requiring students to work with them closely throughout the semester as they “simulate” real-world marketing research applications. With the project-based approach, instructors should consider using the cases as class presentations or in-class exercises that demonstrate how to accomplish various marketing research steps that students will repeat in their live research projects. Of course, each instructor’s circumstances vary, so we simply offer suggestions here.

Regardless of how the instructor uses our integrated case, the course syllabus reflects the instructor’s orientation. We offer two sample syllabi. One is for the “content-based” approach, while the other is for the “project-based” approach to teaching marketing research.

### Sample Syllabus for “Content-Based” Approach to Teaching Marketing Research

(16-week semester: 4 examinations during the semester plus a comprehensive final examination)

<u>Week</u>	<u>Topic Coverage</u>	<u>Chapter(s)</u>	<u>Examination (Coverage)</u>
1	Orientation & Introduction	1	
2	The Marketing Research Process	2, 3	
3	Problem Definition	4	
4	Research Design	5	<i>Exam 1 (1-4)</i>
5	Secondary & Syndicated Data	6, 7	
6	Qualitative Research Techniques	8	
7	Survey Data Collection Methods	9	
8	Measurement	10	<i>Exam 2 (5-9)</i>
9	Questionnaire Design	11	
10	Sample Plans	12	
11	Sample Size	13	
	Field Data Collection	14	<i>Exam 3 (10-13)</i>
12	Basic Data Analysis	15	
13	Inference and Differences Tests	16, 17	
14	Associative Analysis	18	
15	Regression Analysis	19	<i>Exam 4 (14-19)</i>
16	Report Preparation	20	<i>Final Exam (1-20)</i>

## Sample Syllabus for “Project-Based” Approach to Teaching Marketing Research

(16-week semester: 3 examinations during the semester plus a comprehensive team project.)

<u>Week</u>	<u>Topic Coverage</u>	<u>Chapter(s)</u>	<u>Examination (Coverage)/Project</u>
1	Orientation & Introduction	1, 2	
2	The Marketing Research Process	3, 4	
	Problem Definition		
3	Research Design	5	
4	Secondary & Syndicated Data	6, 7	<i>Form teams</i>
5	Qualitative Research Techniques	8	<b>Exam 1 (1-7)</b>
6	Survey Data Collection Methods	9	<i>Meet with sponsor</i>
7	Measurement	10	<i>Define project problem</i>
	Questionnaire Design	11	<i>Identify information objectives</i>
8	Sample Plans	12	<i>Project research design</i>
9	Sample Size	13	<b>Exam 2 (8-13)</b>
10	Field Data Collection	14	<i>Project sample design</i>
	Basic Data Analysis	15	<i>Project questionnaire design</i>
11	Inference and Differences Tests	16,17	<i>Project data collection</i>
12	Associative Analysis	18	<i>Data collection &amp; data input</i>
13	Regression Analysis	19	<i>Project data analysis</i>
14	Report Preparation	20	<b>Exam 3 (14-20)</b>
15	Project Workshop		<i>Project analysis &amp; report writing</i>
16	Project Workshop		<i>Project analysis &amp; report writing</i>
			<b>Report due &amp; presentation</b>



## TIPS ON TEACHING WITH A PROJECT-BASED APPROACH

While not all instructors believe that the use of team projects enhances students' understanding of marketing research concepts, both authors of the textbook have used this approach extensively. Al Burns has written a chapter on the student project-based approach in an experiential learning guide, and these guidelines are drawn from this source<sup>1</sup>. We offer them as “ideal” cases. In reality, every team project is unique, and accommodations invariably must be made in some ways.

### Sponsor and Project Selection Guidelines

- Sponsors should guarantee willingness of key people to participate face-to-face with students.
- There must be important changes or decisions in the organization which are appropriate for analysis under the course content.
- There should be reasonable proximal location of the organization to the university.
- There should be availability of company data and trade data to students.
- Projects should illustrate the application of theory and practice as covered in class material.
- Projects should be selected that can be completed in a reasonable amount of time.
- Projects should be interesting and challenging to students in order to ensure an educational experience and not just cheap labor.
- Sponsors must be willing to pay for the expenses incurred by students in a timely fashion.
- Sponsors should be willing to accord students the cooperation, assistance, support, and time necessary to provide students the information that they may require for the project.
- Whenever feasible, care should be taken in assessing the need for the project and the probability that recommendations will be seriously considered by the sponsor rather than the use of the project as a charitable or business deduction.
- When appropriate for some institutions, some additional considerations may need to be given for nonprofit, religiously affiliated, and/or charitable organizations over their counterparts or vice versa.

### Project Timing and Scheduling Guidelines

- Identify all tasks necessary to complete the project.
- Identify the sequencing of these tasks, possibly with flow chart assistance.
- Determine the appropriate time frames of the tasks.
- Develop a master schedule of the tasks, giving start and completion target dates.
- Gain agreement from the sponsor and the student team as to the schedule.
- Assign responsibilities (instructor, sponsor, student team, and individual student) to accomplish tasks according to schedule.
- The instructor should compare actual to target dates and act as a control agent if the schedule is not being honored.

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<sup>1</sup>Burns, Alvin (1990), “The Use of Live Case Studies in Business Education: Pros, Cons, and Guidelines,” in *Guide to Business Gaming and Experiential Learning*, James W. Gentry (editor), Association for Business Gaming and Experiential Learning, Nichols/GP Publishing, East Brunswick, 201-215.

## **Student Organization and Evaluation Guidelines**

- Identify the amount and nature of work required for each live case project.
- Adopt a mechanism that forms teams appropriate to the necessary live case project tasks (e.g., functional specialization, skill specializations, etc.)
- Decide on a suggested ideal group size consistent with: (1) the amount of work to be performed, and (2) the constraints of student population characteristics. A handy rule of thumb is five-plus-or-minus two.
- Require student groups to identify a (strong) group leader who will be the liaison for the group with the sponsor and the instructor.
- Adopt an evaluation system that acknowledges the possibility of uneven contributions by individual team members and adjusts the individual student's grade based on peer evaluation of the effort contributed.
- Periodically remind students of the peer evaluation system and their need to negotiate the live case project workload distribution based on other class requirements or commitments.

## **Compensation and Reimbursement of Student Costs Guidelines**

- Gain written acknowledgement from sponsors that students' out-of-pocket expenses will be reimbursed in a timely fashion.
- Submit an estimated expenses budget to the client. Gain approval in the very early stages of the live case study.
- Require students to maintain expense records and retain expense receipts. These should be submitted along with the final report.
- Require students to maintain internal records of which students incurred which expenses. Identify a single student who will be responsible for final disbursement of expenses to team members.
- Require sponsors to cut reimbursement checks immediately after receiving the expense report so students will be reimbursed before the term ends and they leave the campus.
- If desired, develop an account (e.g., a university foundation account) appropriate for donations from sponsors.

## **Instructor Involvement Guidelines**

- Develop an understanding with sponsors that the project is a student project that will have a professional appearance but is not to be considered in the category of professional consulting: its purpose is a learning experience.
- Decide on a reasonable number of projects per class; balance the class size with the number of projects, subject to your own time resources anticipated for the term at hand.
- With each project, identify specific dates as checkpoints when you will work with the student team. Make clear that you expect significant progress to be made between checkpoints.
- Insofar as possible, use other class members as resources. For example, use the class to constructively critique the work to date of a team presenting a status report.
- Consider the use of class time to meet with individual teams.

- Consider the use of a graduate assistant or a graduate student on independent study status as a projects expeditor who will work with specific teams to solve simple problems without your involvement so you can work on the tougher ones.
- Include a minimum of one week slack time in the final report deadline at the end of the term.

### **Limiting Liabilities Guidelines**

- Draft a statement for the sponsor stipulating the parameters of the live case study. Some points to include are: (1) the student learning objective, (2) confidentiality, (3) acknowledgement that neither the instructor nor the university is sanctioning the team's findings, (4) agreements as to expense reimbursement, and (5) noting that implicit contractual obligations do not apply.
- Determine the university's liability for students injured off-campus while performing course requirements. Use appropriate release forms, if the university's legal department recommends them.
- Determine, if appropriate, the sponsor's insurance and other legal protection for visitors who are injured on site.
- Inform students of illegalities they may perform out of ignorance or failure to understand the consequences of their actions.
- Make clear that the sponsors are making donations, not paying compensation, to the department.

### **So Why Should I Consider Using the Project-Based Approach?**

As a final comment, let us put in a “plug” for the experiential approach to learning marketing research. Al Burns and Ron Bush have innumerable examples of how this approach motivates students to learn and apply marketing research concepts. Granted, the instructor must engage in some “quality control,” but we have found that as soon as students understand that a real company or a real organization that needs to make important marketing decisions will use their work, they respond in a very positive manner. They suddenly see the relevance of the concepts, and they are motivated by the prospect of having something tangible (and different) to put on their vitae and to talk about in job interviews. Many of their courses do not have this connection to the real world, so the experiential approach we are describing is very appealing to students at this stage in their collegiate education.

If you are concerned about nonresponse, and you should be, consider using convenience samples of students at your university or college. Al Burns has his marketing research teams select some local business or entity (such as the student recreation center) that is familiar to students but without sponsor involvement. Instructors broadcast requests to their students to take part in the surveys. Al's students use Websurveyor, so the survey is online, but hard copy questionnaires could be used with student team members administering them in agreeable instructors' classes. For pedagogical purposes, the convenience samples are assumed to be random.

# CHAPTER 1

## INTRODUCTION TO MARKETING RESEARCH

### LEARNING OBJECTIVES

- To know the relationship of marketing research to marketing the marketing concept and marketing strategy
- To know how to define marketing research
- To understand the purpose and uses of marketing research
- To know how to classify different types of marketing research studies
- To describe a marketing information system (MIS) and understand why marketing research occupies a place in an MIS

### CHAPTER OUTLINE

#### Introducing Marketing Research

#### The Relationship of Marketing Research to Marketing

The Importance of Philosophies and the Philosophy We Call “The Marketing Concept”

The “Right Marketing Strategy”

#### Defining Marketing Research?

#### What Is the Purpose of Marketing Research?

#### What Are the Uses of Marketing Research?

Identifying Market Opportunities and Problems

Generate, Refine, and Evaluate Potential Marketing Actions

Monitor Marketing Performance

Improve Marketing as a Process

#### Classifying Marketing Research Studies

## The Marketing Information System

Components of an MIS

### Getting Familiar with This Book

#### KEY TERMS

Marketing	Marketing concept
Marketing strategy	Marketing research
Market research	Purpose of marketing research
Basic research	Applied research
Marketing information system	Internal reports system
Marketing intelligence system	Marketing decision support system (DSS)
Marketing research system	Online research
Web-based research	Online survey research

#### TEACHING SUGGESTIONS

1. The purpose of the first section in the chapter is to review marketing, the marketing concept, marketing strategy, and the environments that affect marketing activities. A way to test students (and to bring their thinking back to school because this will be the first week in a new term) is to have them role play as marketing managers for a new brand of a particular product. In the following examples, what would be the target market, salient marketing activities, positioning strategy, and environmental factors?
  - Launching a new brand of sparkling water fruit drink
  - Marketing an online apartment finder that assists college students in finding an apartment. The finder would search for apartments based on criteria, check on vacancies, and let the user place a refundable deposit to hold the apartment for 24 hours while he/she checked it out.
  - Being the new vice president of the ABC Interactive Television Programs Division
  - Positioning the iPhone against other similar products

2. The AMA definition makes clear that marketing research exists to create information to be used in marketing decisions. Product failures are good class examples of how marketing information should have been used to design products, packaging, or services. Students can often recall products or services that were disappointing or otherwise failures in their eyes. Class discussion can be stimulated with the question, “What product or service can you think of or have you encountered that would have benefited from good marketing research?” On the flip side, students may relate products that they believe are especially successful. College student-oriented products are a good category because all students can relate to them. The objective with successful product/service examples is the same.
3. The website for New Product Works is [www.newproductworks.com](http://www.newproductworks.com). As an exercise, tell students to visit the Web site to see what it is all about. Class discussion can focus on the marketing research aspects of the new product development process outlined and described there and this company’s services.
4. To drive home the importance of marketing research information in marketing decisions, ask students what type of restaurant they would build and operate right off campus. They will opt for one that is appropriate for college students—maybe a late night hangout or a takeout service. Then ask what type they would build if the location was beside a university in a distant state. They will most likely give the same answer. Now, move the location to a foreign university (say mainland China where all college students live in dorms, eat in dining halls, have free tuition, don’t drive cars, etc.). If possible, use a country that you are familiar with and that is quite different from your students’ situations. They will come to realize that they need information in order to make reasonable decisions about the restaurant.
5. Hold a class brainstorming session on marketing opportunities. Select one of the examples below or use your own to generate several different directions in which these companies could go. Ask the class what marketing research information would be useful to evaluate the success potential of each opportunity brainstormed.

What marketing opportunities are there for:

A zoo?

A family restaurant?

A pet food company?

6. Perhaps using one of your own applied research experiences, such as a consultation, illustrate the various characteristics of marketing research (applied rather than basic, sometimes inaccurate, and shaped by budget and time constraints). Note: if you use class projects where surveys are done for sponsors, you can bring one of these into the class and describe how it illustrates the characteristics. You may want to bring a recent copy of an academic marketing journal to class to provide some examples of basic research.
7. Other sources classify the various types of marketing research in detail. The classification system in chapter 1 is what might be called a marketing strategy-based one (identify opportunities or problems, evaluate potential actions, etc.). An alternative is to use the

marketing mix as the basis. Introduce each “P” and ask students what marketing research would be appropriate or necessary in order to make wise decisions on this “P” and its subcomponents.

8. Because it is a complicated and abstract concept, it is worthwhile to go over the components of an MIS. To make it more real, use a company example and ask students what they think would be involved with each component. Possible examples are: a hotel chain such as Marriott, a fast food chain such as Taco Bell, or a periodical such as *People Magazine*. Indicate or generate class discussion to identify the various specific examples that would go in each of the components of an MIS. For instance, marketing intelligence might be a “clipping” service on relevant competitors, internal reports might be a salesperson’s reports and notes, marketing research might be an annual customer satisfaction survey, and so forth.
9. The DSS concept is intuitive to students who are computer literate. They should know about spreadsheet programs, database managers, word processors, and graphics programs. Some will have experience with integrated “office” packages. Ask them what computer hardware and software tools, and what databases they think they will need to be good marketing decision makers.
10. There is a comment that technological advances such as the “information highway” will be important to marketing research, and especially MISs, in the future. Some students will have experience with GaleNet, ABI/Inform, Lexis-Nexis, or other such information highway services. Have them tell about the many different features of these services to help the other students understand the power of these systems.

## ACTIVE LEARNING EXERCISES

### Golf Anyone?

*What kinds of information would such a company provide? To get an idea and to better help you understand the role that marketing research plays, go to the website at [www.researchresourcecenter.com](http://www.researchresourcecenter.com) and go to DOWNLOADS. Here you can read some of the reports written by this research firm. Take a look at the contents of some of the reports. Can you think of the kinds of decisions that may be facilitated by having access to this information?*

Students will find report on these topics:

- Perspectives – golf facts and figures
- Consumer outlook
- Travel perspectives
- Profiles in golf
- Travel and Destination Study
- Women & Golf
- Women’s golf market

There is just about everything you could want to know about golf, golfing, and golfers. Target market definitions are evident; trends in the sport and equipment, golfing travel and vacations are revealed, and even golf-related real estate information is there.

### **Create Your Own Intelligence System**

*Thanks to the information age, Google Alert represents an efficient way for even small firms to maintain their own intelligence system.*

The free trial recommended for students is an example of how a constant monitor will alert them to some news or “happening” on their topic. It works like a marketing intelligence system that watches everything on the Internet – news, blogs, videos, etc. – that pertains to the key work search topics.

### **ANSWERS TO END-OF-CHAPTER QUESTIONS**

1. *What are some examples of professional organizations in the marketing research field?*

Review question. Students must find the names of these organizations.

The majors ones noted are: the Marketing Research Association, CASRO, CMOR, IMRO, QCRA, and the American Marketing Association.

2. *What is marketing? Explain the role of marketing research in the process of marketing management.*

Review question. This question requires students to review the definition and role of marketing research.

The American Marketing Association has defined marketing as *an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders.*

The main role of marketing research is to provide the necessary information to enable managers to market ideas, goods, and services *properly.*

3. *Give some examples of products that have failed.*

Review question. Students must find the names of these products identified in the chapter.

Two products described are: IncrEdibles and There's a Monster in My Room Spray. Marketing Research Insight describes these failures: Coca-Cola Blak, Ice Breakers Pacs, Coca-Cola C2, Wolfgang Puck Self-Heating Latte. Also mentioned: GrandKids and Delicare.



4. *Why are philosophies important to decision makers? What is the marketing concept?*

Review question. Students must relate the concept of a philosophy and the marketing concept.

A philosophy may be thought of as a system of values, or principles, by which you live. There are many different philosophies that managers may use to guide them in their daily decision making.

The marketing concept is *a business philosophy that holds that the key to achieving organizational goals consists of the company being more effective than competitors in creating, delivering, and communicating customer value to its chosen target markets.*

5. *What is strategy and why is marketing research important to planners of strategy?*

Review question: Students must relate what is strategy and why marketing research is important to strategy makers.

A marketing strategy consists of selecting a segment of the market as the company's target market and designing the proper "mix" of product/service, price, promotion, and distribution system to meet the wants and needs of the consumers within the target market.

Marketing research is a *process* that results in reporting information and that information can be used to solve a marketing problem such as determining price, deciding how to advertise, and so on. That is, marketing research is the basis of marketing strategy.

6. *Define marketing research. Define market research.*

Review question. Students should repeat the two definitions provided in the chapter.

The textbook definition: Marketing research is the process of designing, gathering, analyzing, and reporting information that may be used to solve a specific marketing problem.

The AMA definition: Marketing research is the function that links the consumer, customer, and public to the marketer through information-information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve the understanding of marketing as a process.

Market research refers to applying marketing research to a specific market area. One definition of market research is: The systematic gathering, recording, and analyzing of data with respect to a *particular market, where market refers to a specific customer group in a specific geographic area.*

7. *What is the purpose of marketing research?*

Review question. Students must relate the purpose as described in the chapter.

The purpose of marketing research is to link the consumer to the marketer by providing information that can be used in making marketing decisions.

8. *Name the uses of marketing research.*

Review question. This requires identifying and reporting the four uses.

The chapter describes four uses:

- Identify Market Opportunities and Problems
- Generate, Refine, and Evaluate Potential Marketing Actions
- Monitor Marketing Performance
- Improve Marketing as a Process

9. *Which use of marketing research is considered basic research?*

Review question. Students must identify that understanding, not specific problem solving, is the goal of basic research.

Basic research is conducted to expand our knowledge rather than to solve a specific problem. Research conducted to solve specific problems is called applied research; hence, “Improve Marketing as a Process” pertains to basic research.

10. *Give two examples of the types of studies in each of the four classes of marketing research studies provided in this chapter.*

Review question. This question requires students to study Table 1.1

A classification of studies is provided in Table 1.1. Students can provide examples from the table or come up with their own examples.

11. *Distinguish among MIS (marketing information system), marketing research, and DSS (decision support system).*

Review question. Students should be able to differentiate these two concepts.

A marketing information system (MIS) is a structure consisting of people, equipment, and procedures to gather, sort, analyze, evaluate, and distribute needed, timely, and accurate information to marketing decision makers, while a marketing decision support system (DSS) is defined as collected data that may be accessed and analyzed using tools and techniques that assist managers in decision making.

12. *Explain why the phrase “specific problem” is important to the definition of marketing research and how this phrase relates to justifying the existence of marketing research in the MIS.*

Review question. Students must find where marketing research is described as part of MIS.

A marketing information system (MIS) is a structure that includes marketing research (system). Marketing research is activated or used when the general information in the MIS gives rise to a specific question or problem to be researched “ad hoc.”

13. *Go to your library, either in person or online, and look through several business periodicals such as Advertising Age, Business Week, Fortune, and Forbes. Find three examples of companies using marketing research.*

Application question. This question requires students to find marketing research examples.

This is an exercise for students to use library or online resources to find marketing research examples. There is no “right” answer here.

14. *Select a company in a field in which you have a career interest and look up information on this firm in your library or on the Internet. After gaining some knowledge of this company, its products and services, customers, and competitors, list five different types of decisions that you believe this company's management may have made within the last two years. For each decision, list the information the company's executives would have needed in order to make these decisions.*

Results will vary greatly here based on students’ efforts and their career interests. Typical marketing decisions are: product development, price, promotion of all types, distribution, market targeting, going global, and facing competition.

15. *Think of the following situations. What component of the marketing information system would a manager go to find the necessary information?*  
*a. A manager of an electric utilities firm hears a friend at lunch talk about a new breakthrough in solar panel technology she read about in a science publication.*

The marketing intelligence system should have information about new developments.

- b. A manager wants to know how many units of three different products the company sold during each month for the past three years.*

This information should be in the internal reports system.

- c. A manager wants to estimate the contribution to company return on investment earned by ten different products in the company product line.*

This would be in the realm of the decision support system.

*d. A manager is considering producing a totally new type of health food. But, he would like to know if consumers are likely to purchase the new food, at which meal they would most likely eat the food, and how they would prefer the food to be packaged.*

The marketing research system would address this in the form of a survey or some sort of marketing research effort.

16. *Assume you are the manager of a successful marketing research firm located in Southern California. Discuss different types of research studies you could conduct for your clients.*

Application question. Students must demonstrate that they understand the different types of studies.

The major types are identified in Table 1.1, “A Classification of Marketing Research Studies.” Students can list and comment on:

Marketing opportunity analysis

Marketing problem analysis

Using marketing research to generate, refine, or evaluate any potential marketing action

Monitoring performance such as sales, market share, satisfaction, etc.

Most likely, the function of “Improving marketing as a process,” will not be included as this tends to be the domain of academic marketing researchers rather than practitioners who work with clients who have specific, applied research problems.

## **CASE SOLUTIONS**

### **Case 1.1 Marketing Research and the Movie Industry: Starlight Films**

#### **Case Objective**

This case illustrates how movie productions are investment decisions and how directors and producers must take into account the level of success expected for the movie. There is a great deal that is unknown about the audience’s reaction to a movie. Consequently, marketing research can assist by providing information.

#### **Answers to Case Questions**

1. *Do you think Daniel Yarbrough needs to conduct some research? Why, or why not?*

Because the purpose of marketing research is to “...link the consumer to the marketer by providing information that can be used in marketing decisions,” this situation certainly calls for marketing research information. One use of marketing research is to identify marketing opportunities, and this is clearly an opportunity that merits research because of the huge investment that will be necessary to produce the movie.

2. *Just based on the case material alone, list decisions that Yarbrough needs to make.*
- Whether or not to buy the movie manuscript?
  - How much to pay St. John for the manuscript?
  - Where to do the filming (studio or on location)?
  - What actors to hire?
  - How much to pay the actors?
3. *For each decision you list in question 2, provide a description of the information you think Yarbrough needs in order to make the decision*

Decision	Information Needed
Whether or not to buy the movie manuscript?	Estimated sales (or popularity) of the movie
How much to pay St. John for the manuscript?	Estimated sales of the movie
Where to do the filming (studio or on location)?	Effect of where the filming is done on the quality of the movie translated into estimated sales for studio versus on-location
What actors to hire?	Added sales by type of actor such as how much a top box office lead actor(s) will bring in versus a lesser actor(s)
How much to pay the actors?	Profit estimated for type of actor such as how much a top box office lead actor(s) will bring in versus a lesser actor(s) – estimated sales-costs.

## **Case 1.2 Integrated Case: Advanced Automobile Concepts**

### **Case Objective**

This is the introduction to the integrated case that is used throughout the textbook. It describes how an automobile manufacturer that has built its reputation and profit on large automobiles senses a change in consumer sentiment as a result of environmental (global warming) and practical (high gasoline prices) factors. In addition to innovative new designs, the company may move to alternative fuel models. Whether or not prospective automobile buyers are willing to buy the new models is the issue.

## Answers to Case Questions

*Should Nick Thomas use marketing research?*

Yes, absolutely. This is a multimillion dollar investment that may take 3-5 years to implement. The marketing decision definitely needs general as well as specific information to be supplied by marketing research.

*What components of ZEN's MIS will Nick Thomas need?*

Nick will need all aspects of the MIS. Each component and its value to Nick at the present are listed below.

- Internal reports system – useful to see past sales patterns by model, by country, and within countries such as by major cities or regions.
- Marketing intelligence system – useful to gain an understanding of what competitors are doing, to learn about market trends, to see about global warming and/or gasoline issues and automobiles, and to understand consumer sentiments.
- Marketing decision support system – depending on its features, perhaps use the tools to do “what if” scenarios such as drops in market share with key or all models; might be useful in doing break-even analyses of possible new models
- Marketing research system – this is definitely a specific situation, and there will be a great need for marketing research on consumer attitudes toward global warming and alternative fuels as well as specific reactions to possible new automobile designs.

## CHAPTER 2

### THE MARKETING RESEARCH PROCESS

#### LEARNING OBJECTIVES

- To gain insights into marketing research by learning the steps in the marketing research process
- To understand the caveats associated with “a process”
- To know when marketing research may be needed and when it may not be needed
- To know which step is the most important in the marketing research process
- To have a framework for understanding the topics to be covered in the rest of this book
- To understand the research process in a case situation

#### CHAPTER OUTLINE

##### The Marketing Research Process

The Process: 11 Steps

Step-by-Step Process: Some Words of Caution

Introducing “Where We Are”

Step 1: Establish the Need for Marketing Research

Company Policy Regarding the Use of Marketing Research

When Is Marketing Research Not Needed?

Step 2: Define the Problem

Step 3: Establish Research Objectives

Step 4: Determine Research Design

Step 5: Identify Information Types and Sources

Step 6: Determine Methods of Accessing Data

Step 7: Design Data-Collection Forms

Step 8: Determine Sample Plan and Size

Step 9: Collect Data

Step 10: Analyze Data

Step 11: Prepare and Present the Final Research Report

### **Some Final Comments on the Marketing Research Process**

#### **KEY TERMS**

11 Steps in the marketing research process

Exploratory research

Descriptive research

Causal research

Experiments

Secondary data

Primary data

Sample plan

Sample size

Nonsampling errors

Data analysis

Data cleaning

#### **TEACHING SUGGESTIONS**

1. This chapter is an overview of the steps in the marketing research process. One effective method of teaching these steps is to describe a real marketing research project. Instructors may want to send students to the data sources such as the library or Internet to conduct background research on colleges or universities such as the one described in the case.
2. Another approach is for instructors to use applied research they have done themselves, class projects done in prior classes, or some other real-world marketing research example with which they are familiar. Use the example to describe how each step was accomplished. Reading excerpts from final reports is an effective method. Plus, if you have a team project-based class, it will show students what the final product will look like.
3. If you have former students around who have participated in a marketing research project in a previous semester, consider inviting the team or members of the team to represent their project (assuming that they did a presentation previously). If the team used PowerPoint or some other presentation software, consider obtaining the file(s) at the end of the term either



for the former students to use or for you to use if the former students are not available in the present term.

4. Because the chapter is an overview of, basically, the rest of the textbook, it is important to avoid the temptation to go into detail on any one step. Use Figure 2.1 and present it as a flow chart of the steps in the marketing research process. Indicate that the steps are arranged in logical order (define the problem, set objectives, decide the method, collect the data, analyze, and write up). However, sometimes you will need to iterate back to previous steps in the process as discoveries are made in later steps. Also, the decisions made in each step will impact what will or will not be done in subsequent steps.
5. Here is scheme that might help students understand the various steps.
  - Phase: Figure out what to research
    - Step 1 Establish Need
    - Step 2 Define Problem
    - Step 3 Determine Research Objectives
  - Phase: Design the ways to do the research
    - Step 4 Determine Design
    - Step 5 Information Source
    - Step 6 Data Collection Method
    - Step 7 Questionnaire Design
    - Step 8 Sample Size and Plan
  - Phase: Gather data from respondents
    - Step 9 Collect Data
  - Phase: Generate findings and interpret them
    - Step 10 Analyze Data
    - Step 11 Write and Present Report
6. Connecting the marketing research process with the course syllabus and material coverage schedule is useful. One approach is to note the step and then indicate the chapters that will be covered and the weeks in the course schedule where those chapters are assigned. If you are using a team project-based approach to teaching the course, indicate when students will be taking up each step in the process as they work through their research projects.
7. A high involvement purchase such as an automobile is a good example of how marketing research uncovers important buying criteria in a specific market segment. Class discussion can be generated by asking students what features they desire in an automobile. Separate the class into benefits segments with respect to automobile ownership and operation. Some students will be entirely functional (get me there and back); some will be performance mongers (must go fast); while others will be aesthetic (want good style). Other market segments may emerge depending on the nature of the student population. The point is that marketing research can identify these salient buying criteria, and these, in turn, become the goals of redesign of the automobile to fit the needs of the target market segment.
8. If available, a marketing research practitioner is an effective guest at this point in the course. One approach is to have him/her describe the services of his company, slanted toward a full-

service operation, if possible. Another approach is to have him/her describe a typical day or week of his/her activities.

9. Many not-for-profit organizations have virtually no marketing research information whatsoever. Animal control centers are an example. Using an animal control shelter (formerly called the “dog pound”) as an example of an industry with a huge problem, namely controlling the population of unwanted pets, but little or no marketing research, ask students what other situations they can think of that are parallel. Some possible not-for-profit organizations that might stimulate class discussion are:
- Child adoption centers
  - Immunization services
  - Goodwill agencies

What marketing research is needed, and what questions can it address in each case?

## ACTIVE LEARNING EXERCISES

### Access Secondary Data at the Bureau of the Census

*There is an amazing amount of secondary data available to you online. And much of it is free. You can access secondary data at one of the most respected sources, the U.S. Government Bureau of the Census at [www.census.gov](http://www.census.gov). There you will find information about the 2010 U.S. Census, FedStats, the Economic Census of Business, trade data, and more. Go to the site and check out some of the sources of information, such as some of the reports on E-Stats, which provides data related to electronic commerce. Much of the data may be downloaded as either PDF or Excel files.*

The E-Stats example (<http://www.census.gov/eos/www/ebusiness614.htm>) is just one of several information depositories available at [www.census.gov](http://www.census.gov). Here is a listing of the basic data available on the U.S. Census website main page.

Information Type	Specifics
Census 2010	2010 Census · News · Become a Census Taker American Community Survey · Census 2000
People & Households	Estimates · Projections · Housing · Income   State Median Income · Poverty · Health Insurance · International · Genealogy · More
Business & Industry	Economic Census · Get Help with Your Form · Economic Indicators · NAICS · Survey of Business Owners · Government · E-Stats · Foreign Trade   Export Codes · Local Employment Dynamics · More
Geography	Maps · TIGER · Gazetteer · More
Newsroom	Releases · Facts For Features · Minority Links · Broadcast & Photo Services · Embargo/News Release Subscription · More

## ANSWERS TO END-OF-CHAPTER QUESTIONS

1. *What are the steps in the marketing research process?*

Review question. This question requires students to observe the 11 steps.

The 11 steps are listed in the chapter outline shown previously.

2. *Use an example to illustrate that the steps in the marketing research process are not always taken in sequence.*

Review question. This is a caveat mentioned immediately after introducing the 11 steps in the section, “Steps Are Not Always Followed in Order.”

The chapter notes that it is rare that a research project follows these steps in exact order. Rather, marketing research practice is more of an iterative process whereby a researcher, by discovering something in a given step, may retreat backwards in the process and begin again at another step. Also, any given research project may not involve each and every step shown.

Students may have difficulty coming up with examples because they have little knowledge of marketing research practice. Here are two examples of how the steps may not flow from 1 to 11.

**Example 1.** A specialty dress store owner wishes research to be done on her customers, but she has a poor record system. So it is decided that customers will be interviewed while they are visiting the store (sampling plan is decided before data collection form is designed).

**Example 2.** Large research projects often have more than one “study” embedded in them. One might be the background secondary data, another may be focus groups, and a third could be the actual survey, and a fourth may be tracking information to measure the outcome of the implemented actions. Sometimes phases of a study are done in parallel as the secondary data research could take place while the focus groups were conducted.

3. *Explain why firms may not have a need for marketing research.*

Review question. Students will need to examine the points under “When Marketing Research Is Not Needed.”

There are four circumstances described in the chapter where a company may not need marketing research. These are: (1) information is already available, (b) the timing is wrong to conduct research (decision must be made now!), (c) funds are not available (we can’t afford it), and (d) costs outweigh the value of the research. An example would be a small firm that “knows” its customers quite well, for example, a comic book shop, a baseball card vendor, or a teenager who mows several neighbors’ yards during the summer. These cases would probably exemplify circumstances (a), (c), and (d).

On the other hand, the point illustrated by the Moore Research example at the beginning of the chapter is that marketing managers constantly need information. They need information to help them monitor their performance and to keep a finger on the pulse of the ever-changing environment. Any number of examples may be appropriate. As a focal point for class discussion, ask students to indicate what “signals” would prompt them to think that they might have a need for marketing research if they were (1) the store manager of a Radio Shack, (2) the owner of a pet store, or (3) the president of the student government association.

4. *Why is defining the problem the most important step in the marketing research process?*

Review question. This question will require students to understand the points under “Define the Problem.”

We note that firms may spend literally hundreds of thousands of dollars doing market research but, if they have not correctly identified the problem, those dollars will have been wasted. No matter how much money is thrown in, a problem that is not defined properly cannot be solved.

Although we do not describe the process in this chapter, problem definition involves: (a) specifying the symptoms, (b) itemizing the possible causes of the symptoms, and (c) listing the reasonable alternative courses of action that the marketing manager can undertake to solve the problem. These elements are elaborated on in Chapter 4.

As a class discussion, you can ask students what they do when they “bomb” an examination. Here are some possible causes and the probable course of action:

**Symptom: You did poorly on the first exam in the course!**

<b>Cause</b>	<b>Corrective Action</b>
Don't have necessary background	Drop the course
Didn't study	Study next time
Crammed and froze up	Don't cram and rehearse
Ran out of time in exam	Watch the clock and pace

Each cause strongly implies the corrective action, and the corrective actions of other causes are inappropriate for the cause at hand. If the problem is misdefined, say the student thinks that he/she did not study hard enough when in truth he/she did not have the necessary background, studying harder for the next test will not make the poor grades go away. Using math classes (calculus that requires a background of algebra) might help to ground this example in students' minds. So problem definition is critical.

5. *Explain why research objectives differ from the definition of the problem.*

Review question. Students will need to appreciate the difference between the problem and research objectives associated to with the problem.

Research objectives state what the researchers must do in order to provide the information necessary to solve the problem. That is, research objectives provide pieces of information necessary to solve the problem. A key aspect of the research objectives step is the specification of the specific types of information useful to the managers as they grapple for a solution to the decision problem at hand.

6. *What are the three types of research that constitute research design?*

Review question. This question necessitates finding and describing the three types that are noted under “Determine Research Design.”

The three types are as follows. Exploratory research is defined as collecting information in an unstructured and informal manner. Descriptive research designs refer to a set of methods and procedures that describe marketing variables. Last, causal designs allow researchers to isolate causes and effects.

7. *Which part of the research process ensures that the sample is representative?*

Review question. Students will need to examine the sample plan material.

The sample plan determines how representative the sample is of the population.

8. *Which part of the research process ensures the accuracy of the results?*

Review question. To answer this question, students must read the section on sample size carefully.

The sample size determines the accuracy of the sample results.

9. *Do a search for marketing research firms on the Internet. Look through their Web pages. Can you identify examples of what they are presenting that relate to steps in the research process?*

Application question. This exercise requires students to find marketing research companies and to examine their services and products listed and described on their web sites. If students need help, instructor can direct them to Quirk’s Marketing Research Review web site ([www.quirks.com](http://www.quirks.com)) which has a number of online directories that link to marketing research firms.

10. *Look for examples of firms conducting a marketing research study in your library’s online databases or on the Internet. Many examples are reported in periodicals such as Advertising Age, Marketing News, Business Week, and Forbes. Typically, these articles will describe a few details of the research project itself. Identify as many as possible of the steps in the marketing research process that are referred to in the articles you find.*

Application question. Students are required to find marketing research examples in the press.

Alternative sources are Business Source Complete, ABI/Inform, or a similar online periodicals search engine.

11. *Observe any business in your community. Examine what it does, what products or service it provides, its prices, its promotion, or any other aspect of its business. Try to determine whether or not you, if you managed the business, would have conducted research to determine the firm's products, and their design, features, prices, promotion, and so on. If you decide that you would not have conducted marketing research in a given area, explain why.*

Application question. This exercise will require students to be vigilant of businesses close to them.

An alternative to individual student work is to team up students and to assign each team a business type such as convenience stores, supermarkets, dry cleaners, fast food, and so on.

## CASE SOLUTIONS

### Case 2.1 Is There a Hybrid Automobile in Your Future?

#### Case Objective

This case requires to students to think about how research information was generated. That is, students are asked to identify relevant steps and aspects of the marketing research process that pertain to the reported findings on hybrid automobile owners.

#### Answers to Case Questions

*1. Think about what you have learned in this chapter regarding the steps in the marketing research process and of the several studies about hybrids described in the case, identify what you would imagine the marketing manager's problem was that made these studies necessary. (Think of how the information described above may be used by manufacturers of hybrid automobiles.)*

Here are the key findings and some possible associated hybrid automobile marketing manager problems.

Finding	Possible marketing manager problem
Hybrid owners have higher incomes than the average car buyer.	What is the income level target market for hybrid car buyers?
Hybrid buyers are older than typical car buyers.	What is the age bracket target market for hybrid car buyers?
Hybrids are more popular in some states than others.	How should we allocate inventory of our hybrid models across the States?
The average education levels of hybrid buyers are the highest of any other category of vehicle owners.	What is the education level target market for hybrid car buyers.
Hybrid buyers have different attitudes and	What advertising appeals or promotional

lifestyles than other car buyers.	campaigns will appeal to hybrid car buyers?
Hybrid owners are very satisfied with their hybrid car purchases.	Are hybrid car buyers satisfied with their hybrid automobiles?

2. *In terms of research design, how would you categorize the studies summarized in the case?*

The findings in the case are reported with specific percentages and numbers, so they are the result of descriptive research which is quantitative in nature.

3. *In terms of the sample plan used in these studies, how would you describe the sample selected for these studies?*

J.D. Power, Topline Strategy Group, Scarborough Research, and University of Michigan Transportation Institute are all reputable companies that perform, primarily, cross sectional surveys (descriptive research). The studies are most probably based on sample plans that guarantee representative samples of hybrid and well as non-hybrid automobile owners.

4. *Given the findings reported in the case, describe what you think were some of the basic data analysis goals of the researchers involved in the studies.*

The findings refer to percentages and averages. They also report comparisons of hybrid auto owners to non-hybrid auto owners. So, the analyses involved tabulations of means (arithmetic averages), frequencies, and percentages. There were also tests of statistical differences between means and percentages for hybrid auto owners versus non-hybrid auto owners.

## **Case 2.2 Integrated Case: Advanced Automobile Concepts**

### **Case Objective**

This case requires students to think about the integrated case in the context of research design and for specific steps in the marketing research process. By answering the questions, they should come to understand the undeniable need for primary information and a custom-made marketing research process.

### **Answers to Case Questions**

1. *Review the steps in the marketing research process. How would you classify the two sources of information Nick Thomas has consulted—trade publications and information from ZEN’s Internal Reports System?*

Both are secondary information. Students may be confused because the information is part of Zen’s MIS, but neither the trade publication nor the internal sales reports were specifically collected for the purpose of designing hybrid automobiles.

2. Assume Nick Thomas decides that he must gather primary information to describe the strength of consumers' attitudes toward future oil price levels and global warming. Looking back at the 11-step process in this chapter, suggest what Nick may want to do in terms of the following:

a. Which type of research design should Nick use?

He should use descriptive research because he is trying to measure the strength of consumers' attitudes. This implies a quantitative approach. Exploratory research such as focus groups will give him general feelings, but not attitude strength that would be measured on an attitude scale in the descriptive study.

b. How would you describe the type of information Nick must gather?

He must gather primary information, defined as information collected specifically for the problem at hand. He needs information about consumer beliefs, attitudes, intentions, reactions to alternative prospective hybrid automobile models.

c. What are some of the specific questions that Nick must ask of respondents.

This question will force students to think about the actual questions on the survey. It will help them link the questionnaire design step (Step 7: Design Data-Collection Form) to a manager's problems.

Nick's problems	Questions to ask
He must come up with new models that will appeal to the market.	How likely are you to purchase a hybrid automobile in the next x years?
He is concerned that the recent interest in small, fuel-efficient cars will go away, as it has done in the past, when oil prices drop	Do you believe that gasoline prices will remain high for the foreseeable future?
He also wonders if consumers' interest in global warming is real enough that it will affect what they purchase.	Will you be purchasing products that have lesser effect on global warming?

d. In terms of a sample plan, who should Nick sample?

The textbook states that "marketing research studies are undertaken to learn about a population." Nick's population is those individuals who might purchase a hybrid automobile in the future. Because he does not know who might convert to a hybrid, especially if Zen develops some very appealing models, he should sample all potential automobile buyers.

Some students may note that the present hybrid buyers are upscale – income, education, life style, and older – and recommend surveying only upscale automobile buyers. This approach would not account for any buyers who turn to hybrids and/or alternative fuel models if gasoline prices skyrocket, global warming becomes more apparent, or if Zen comes up with innovative, unique, and appealing model designs.



