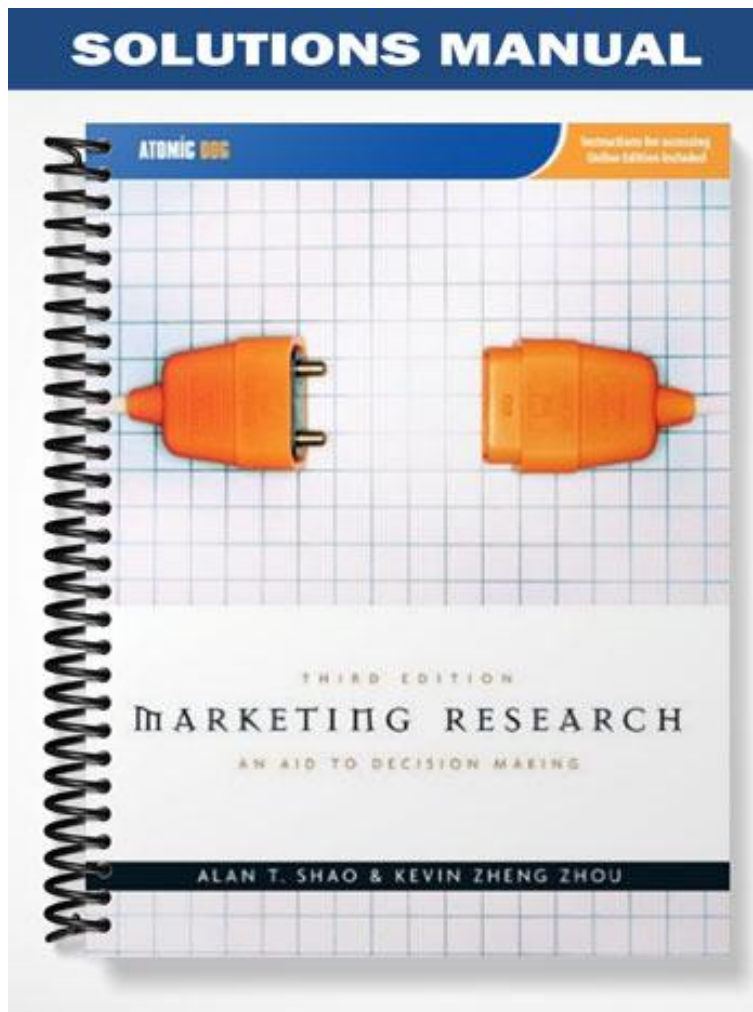


SOLUTIONS MANUAL



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THIRD EDITION

MARKETING RESEARCH

AN AID TO DECISION MAKING

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CHAPTER TWO

MARKETING RESEARCH PROCESS AND PROBLEM IDENTIFICATION

LEARNING OBJECTIVES

After reading this chapter, you should be able to:

- Describe the steps in the marketing research process.
- Identify the decision problem or opportunity and specify research objectives.
- Distinguish among three types of research design.

CHAPTER OUTLINE AND LECTURE

Get This – Well-Planned Gallup Research Paves the Road to China

The Gallup organization is one of the world's largest management consulting firms. Its main expertise is in measuring and understanding human attitudes and behaviors. The Gallup organization first studied the Chinese marketing in 1994 through visiting 3,400 households. The initial study indicated American brand recognition lagged far behind Japanese brands. In 1997 additional studies were conducted in China to better understand the Chinese consumer. While Japanese brands were still more highly recognized, brands from other countries had gained ground. In addition, with the Generation Y Chinese consumers, loyalty to one particular brand was not high.

2-1 Steps of the Marketing Research Process

It is important for students to know the seven steps in the marketing process. They may not always follow them, but knowing them is essential to ensure that something important is not left out.

2-1a Step 1: Define the Decision Problem or Opportunity

The initial step in the marketing research process is to correctly define the problem or opportunity. Ill-defined problems create more problems! To define a problem or opportunity effectively, researchers must consider several concerns: 1) the decision maker's purpose, 2) what is already known about an issue, 3) the risks associated with the problem or opportunity, and 4) resources available for the research activity.

The Decision Maker's Purposes

Because marketing research projects are ultimately undertaken to aid managers' decisions, it is vital that the researcher communicate with managers to accurately understand the decisions that must be made and to establish the necessity of conducting marketing research. The manager's decision problem sets the tone of the research project and defines the research objectives.

What is Already Known about the Issue?

Rather than collect new data or do a new study, firms should consider what information already exists. This can be internal information the company has or external information that is readily available.

Risks Associated with the Problem or Opportunity

Resolving problems and cashing in on opportunities entails risks. These risks must be carefully considered before launching a marketing research project.

Resources Available for the Research Activity

Research costs money and requires physical and human resources. Knowing what resources are available is critical.

2-1b Step 2: Specify the Research Objectives

Whereas decision problems ask what the management should do, research objectives specify what information is needed to solve the decision problem. Decision problems, therefore, are action-oriented while research objectives are information-oriented. Research objectives must focus on what information can help management solve the problem at hand.

Transferring Decision Problems to Research Objectives

Far too often marketers collect data without a clear understanding of what they are seeking. Research objectives should clearly articulate what information is needed and aid managers in their decision-making. In most cases, there is a direct one-on-one relationship between decision problems and research objectives.

2-1c Step 3: Develop a Research Design

Sometimes companies get lucky and sometimes companies are unlucky. But for the majority of companies, it is vital that they conduct marketing research and create a plan for their studies.

Research design is the framework that directs marketing research efforts. An effective design provides answers to questions as objectively, accurately, and economically as

possible and controls possible sources of errors, such as collecting data from respondents who are not representative of the population.

Developing a research design begins with asking the following questions:

- What type of information should be gathered?
- How should the research effort be conducted?
- From whom should the information be gathered?
- How will the data be analyzed?
- What findings might be anticipated?

Exploratory Research

Exploratory research identifies problems, generates hypotheses, and gains insights into particular subjects. Whenever a manager needs information about a topic that he or she knows little about, exploratory research is a logical step toward improving knowledge about the topic. Characteristics of exploratory research include:

- Can be small-scale in nature
- Costs are relatively low
- Tends to be flexible
- May be carried out in many ways
- Findings tend to be inconclusive

Conclusive Research

Conclusive research techniques provide specific information that aids the decision maker in evaluating different courses of action. Data sought through conclusive research tends to be specific and decisive. It also tends to be structured and formal.

Descriptive Research

Descriptive research describes attitudes, perceptions, characteristics, activities and strategies. Descriptive studies may also describe the behavior of target consumers, characteristics of customers, or the market potential for a specific product. Simply stated, descriptive research examines who, what, when, where, why, and how questions. With descriptive research, the problem is well defined. Characteristics of descriptive research include:

- Builds on previous information
- Shows a relationship between variables
- Representative samples are required
- Research plan is structured
- Requires substantial resources
- Findings are conclusive

Causal Research

Causal research provides evidence that a cause-and-effect relationship exists or does not exist. The basic premise is that something (an independent variable) directly influences the behavior of something else (the dependent variable). Causal studies differ from descriptive studies in the following ways:

- Descriptive studies determine the extent to which two or more variables are associated while causal studies show whether one or more variables influence another variable in a particular fashion.
- Causal studies are conducted in a highly structured environment while descriptive studies take place in less structured environments.
- In descriptive studies variables are not logically structured; in causal studies variables are logically structured.

Causal research is distinguished from other research designs in the following ways:

- Logical time sequence – the cause must either precede or occur simultaneously with the effect.
- Concomitant variation – the cause and effect variables must vary together, as hypothesized.
- Control for other possible causal factors – all outside factors that could influence the association between the two variables need to be eliminated.

Research Frequency

The two major choices of research frequency are cross-sectional studies and longitudinal studies.

Cross-Sectional Study

The cross-sectional study is the most common and is a look at what is occurring at one moment in time. Advantages of the cross-sectional study include:

- It can generate a realistic picture of what was going on at a particular point in time.
- It may be performed at a relatively low cost.
- It may not take much of the respondent's time.
- Data may be gathered in a relatively short period of time.

Disadvantages of cross-sectional studies include:

- It may draw an artificial picture of what was taking place.
- The data may soon be outdated.

Longitudinal Study

The longitudinal study is continuous, whereby the same respondents are questioned or observed during predetermined time intervals over a span of time. Advantages of longitudinal studies include:

- The information will normally be more reliable.
- It takes changes related to time into consideration.

Disadvantages of longitudinal studies include:

- It can be relatively expensive.
- The information takes a considerable time to collect.
- It requires a lot of cooperation from respondents.
- It requires a fairly sophisticated research design.

2-1d Step 4: Prepare for Data Collection

Researchers must make preparations so the collection effort is smooth and error-free. The data may be secondary data, which is data collected for a purpose other than the current study, or primary data, which is original data gathered to satisfy the purpose of the current study. When marketers need primary data information, they need to understand the essence of sampling as well as how the data will be gathered and how the measuring instrument will be designed.

Essence of Sampling

A sample is a group of individuals from a target population. The population is the entire group of people, markets, or companies being studied. When selecting a sample from a population, it must approximate the characteristics of the target population. The procedure for selecting a sample is determined by factors such as budget, time, personnel skills, and individual elements of the population. In selecting the sample, a probability sample involves a known and computed chance of each member being selected. In a nonprobability sample the probability cannot be computed. While probability sampling is preferred, it is not always possible.

How will the data be gathered?

Secondary data can be classified as either internal or external. Internal data can be gathered from various departments within an organization. External data is either published or original data. Published data already exists while original data must be collected.

Data can be classified as either qualitative or quantitative. Qualitative data is information gathered from small groups of the target population and is used to understand a group's feelings and insights. It does not involve numbers. Qualitative studies are popular because they are often inexpensive and can be performed in a relatively short period of time. Qualitative techniques include personal interviews, group interviews, or projective techniques. Quantitative techniques provide data that can be quantified and projected to represent the target population. Since the information involves numbers, statistical procedures are usually required to analyze the data.

How will the questionnaire be designed?

When using survey approaches, researchers must construct well-designed questionnaires. It is vital that researchers ensure that the questionnaire addresses the problem or opportunity definition adequately and is compatible with the research design.

2-1e Step 5: Collect the Data

Information is gathered in a variety of ways including personal interviews, telephone surveys, mail surveys, and computer-assisted surveys. No matter which survey technique is used, researchers must be aware of and make adjustments for problems or errors that could exist throughout the data collection efforts.

2-1f Step 6: Analyze the Data

After data is collected, the next step is to analyze the data. Before analysis can occur, however, the data must be edited and coded. Various techniques exist to analyze data from simple procedures such as frequency distributions to highly mathematical procedures.

2-1g Step 7: Write and Present the Research Report

A carefully written report permits the reader to understand the research problem or opportunity, the design of the study, and the conclusions drawn from the research effort. It is important that management not be overwhelmed with details in the report.

2-2 The Marketing Research Process in Global Markets

When research is conducted in a foreign market, there are a number of additional concerns to consider, such as cultural, political, legal, and social factors. These can be subtle and complex.

2-3 Optimal Results from the Marketing Research Process

The marketing research process is a recommended plan to follow to effectively conduct marketing research. While there is no guarantee that it will produce useful findings, it should enhance the probability that the results will be useful.

KEY TERMS

Causal Research: Research that provides evidence that a cause-and-effect relationship exists or does not exist.

Coding: The process of systematically and consistently assigning each survey response a numbered score or code.

Conclusive Research: Research that provides specific information that aids the decision maker in evaluating different courses of action.

Concomitant Variation: Extent to which the cause (independent variable) and effect (dependent variable) vary together as hypothesized.

Cross-Sectional Study: A sample that looks at what is occurring at one moment in time; can be thought of as a still photograph, since it is a one-time study.

Dependent Variable: Variable to be affected or predicted through marketing research.

Descriptive Research: Research that describes attitudes, perceptions, characteristics, activities, and situations.

Editing: Carefully checking survey data for completeness, legibility, consistency, and accuracy.

Exploratory Research: Research that identifies problems, generates hypotheses, and gains insights into particular subjects.

External Data: Information obtained from outside the organization for which the research is conducted.

Independent Variable: Variable believed to cause or explain variations in the dependent variable.

Internal Data: Information obtained from within the organization for which the research is conducted.

Longitudinal Study: A sample in which the same respondents are questioned or observed during predetermined time intervals over a span of time; can be thought of as a videotape of a market, since information is accumulated from a series of pictures taken at different time periods.

Nonprobability Sample: Any subset of a population in which the probability of obtaining the sample cannot be computed.

Population: The entire group of people, markets, companies, or products that is being investigated.

Primary Data: Original (new) data gathered to satisfy the purpose of the current study.

Probability Sample: Subset of a population in which the probability of obtaining the sample can be computed and that is non-zero for every sampling unit in the population.

Problem Definition: A statement of the specific decision problems for the marketing research project.

Qualitative Data: Information gathered from a small sample of the target population that is used to understand a group's feelings and insights but cannot predict with absolute certainty and is not projectable to the target population.

Quantitative Data: Information gathered from many members of the target population that can be quantified and projected to represent the entire target population.

Research Design: Framework that directs the marketing research efforts.

Research Objectives: A statement of what information is needed to solve the decision problems.

Sample: Individuals or objects from a target population that are selected to represent the population of interest.

Secondary Data: Data that has already been collected for a purpose other than the current study.

ANSWERS TO THE *REVIEW QUESTIONS*

1. What are the seven steps of the marketing research process?

The seven steps of the marketing research process are:

- A. Define the decision problem or opportunity
- B. Specify the research objectives
- C. Develop a research design
- D. Prepare for data collection
- E. Collect the data
- F. Analyze the data
- G. Write and present the research report

2. When defining either a problem or an opportunity, what factors should researchers consider?

In defining either a research problem or an opportunity, researchers should keep in mind the decision maker's purpose. They should communicate with the manager to accurately understand the decision he or she needs to make. In addition, the researcher should know what is already known about the issue, the risks associated with the problem or opportunity, and the resources available for the research activity.

3. Do the marketing research objectives have to be consistent with the problem or opportunity definition? Why or why not?

Yes, the marketing research objectives have to be consistent with the problem or opportunity. The problem or opportunity is action-oriented whereas the research objective is information-oriented. There should be a one-to-one relationship between the research problem and the research objective.

4. What is concomitant variation?

Concomitant variation is the extent to which the cause (independent variable) and effect (dependent variable) vary together as hypothesized.

5. What is the difference between probability and nonprobability sampling?

Probability sampling is a subset of a population in which the probability of obtaining the sample can be computed and is non-zero for every sampling unit in the population. Nonprobability sampling is any subset of a population in which the probability of obtaining the sample cannot be computed.

6. What is the difference between descriptive and causal research?

Descriptive research describes attitudes, perceptions, characteristics, activities, and situations. It involves investigating relationships among variables. Causal research is designed to provide evidence that a cause-and-effect relationship exists or does not exist between independent variables and a dependent variable.

7. How do exploratory research and descriptive research differ?

Exploratory research identifies problems, generates hypotheses, and gains insights into particular subjects. It tends to be small-scale in nature, low cost, flexible, can be conducted in various ways, and findings tend to be inconclusive. Descriptive research describes attitudes, perceptions, characteristics, activities, and situations. It tends to be built on previous information, shows relationships among variables, is structured, the sample must be representative of the population, requires substantial resources, and findings are conclusive.

8. What is research design?

Research design is the framework that directs the marketing research efforts. It provides answers to questions as objectively, accurately, and economically as possible and controls possible sources of errors that may contaminate the results.

9. What results should a researcher aim for by following the marketing research process?

The marketing research process should guide the researcher to effectively conduct the marketing research and to the optimal findings. While optimal results cannot be guaranteed, following the research process will enhance the probability of producing solid results.

ANSWERS TO THE *PRACTICE QUIZ*

1. Decision problems are defined by research objectives.

- a. True
- b. False

Correct answer: F

Reference: 2-1b

Rationale: Research objectives are defined by decision problems.

2. Descriptive research is a type of conclusive research that describes attitudes, perceptions, characteristics, activities, and situations.

- a. True
- b. False

Correct answer: T

Reference: 2-1c

Rationale: This is the definition of descriptive research.

3. For causality to exist, the cause must either precede or occur simultaneously with the effect--it cannot occur later.

- a. True
- b. False

Correct answer: T

Reference: 2-1c

Rationale: This statement accurately reflects the meaning of causality as it is used in this chapter.

4. Concomitant variation is defined as the extent to which the cause and effect vary together as hypothesized.

- a. True
- b. False

Correct answer: T

Reference: 2-1c

Rationale: This is the definition of concomitant variation.

5. Qualitative studies are not popular to marketing researchers since they are typically costly to implement and tend to take a long time to perform.

- a. True
- b. False

Correct answer: F

Reference: 2-1d

Rationale: Qualitative studies are quite popular, because they are often inexpensive and can be performed in a relatively short amount of time.

6. Which of the following is not a common element of exploratory research?
- a. findings tend to be inconclusive
 - b. expenditures are relatively low
 - c. tends to be flexible
 - d. research environment is relaxed
 - e. sample is representative of target population

Correct answer: e

Reference: 2-1d

Rationale: Because qualitative research usually uses a limited number of sample, sample bias is a potential concern.

7. Which of the following is not a common element of descriptive research?
- a. requires minimal background knowledge
 - b. builds on previous information
 - c. samples are representative
 - d. expected expenditures are high
 - e. findings are conclusive

Correct answer: a

Reference: 2-1c

Rationale: Descriptive research examines who, what, when, where, why, and how questions. It is performed after information needs have been entirely specified, the problem has been well-defined, and tentative hypotheses have been generated

8. A subset of a population in which the probability of obtaining each sample can be computed and is nonzero for every unit of the population is called:
- a. nonzero sample
 - b. nonprobability sample
 - c. probability sample
 - d. minimal sample
 - e. none of the above

Correct answer: c

Reference: 2-1d

Rationale: This is the definition of probability sampling.

9. Which of the following exists when a researcher carefully examines survey data for completeness, legibility, consistency, and accuracy?
- a. checking
 - b. marking
 - c. editing
 - d. coding
 - e. reviewing

Correct answer: c

Reference: 2-1f

Rationale: This is the definition of data editing.

10. Which of the following is not true regarding qualitative studies?
- they are often expensive and take a long time to perform
 - they can be implemented via projective techniques
 - they can be implemented via personal interviews
 - they are not as popular as they use to be
 - some experts feel that this type of research is more an art than a science

Correct answer: a

Reference: 2-1d

Rationale: Qualitative studies are often inexpensive and can be performed in a relatively short amount of time.

ANSWERS TO THE *THINKING CRITICALLY* QUESTIONS

1. Reread the chapter-opening vignette entitled “Well-Planned Gallup Research Paves the Road to China.” Based on your knowledge of research design, what type of design was used in each study performed by the Gallup Organization? Support your answer.

The original 1994 study appears to be an exploratory study. Gallup visited 3,400 households in an effort to understand the Chinese consumer. In 1997, it appears Gallup used a descriptive research design. They conducted 3,700 one-hour interviews using 400 questions. Consumer data was collected in specific areas, such as attitudes, lifestyles, marketing, finance, and demographics.

2. Your college athletic administration wants you to outline a research process to examine the student body’s attitudes and perception of its women’s basketball team. Recommend a research design. Why did you choose this particular one?

The best research design would be a descriptive study because the goal is to examine student attitudes and perceptions towards women’s basketball. Relationships among various variables can be investigated. Secondary research can be used to determine what is already known about the topic. Researchers can then select a representative sample, develop a questionnaire, and structure a research plan to collect data.

3. Scott Boss manages a small business in Charlotte, North Carolina. He is keenly interested in marketing research and has decided to learn more about the process. At the local university where he is enrolled, his instructor talks about “problem or opportunity definition” and “research design” during the first lecture. Scott approaches you and says, “Can you help me clarify something? I can’t understand how the problem definition and research design are related.” What would you say to him?

The problem or opportunity definition is the initial starting point of a research project. It is essential to understand the problem or opportunity that is being faced. Ill-defined or incorrectly defined problems can create more problems as well as waste valuable

resources. The research design follows problem definition. Once a researcher understands the problem, then he or she can design a research process that will provide answers to the problem or opportunity.

ANSWERS TO THE *NET EXERCISES*

1. Many organizations worldwide perform qualitative research for their clients. Several of these providers can be found on the Internet at the following location: <http://www.imriresearch.com/>. This site allows you to locate agencies that perform qualitative research by world regions or individual countries. One of the agencies you can visit is Research International Qualitatif, which is among the world's largest custom marketing research agencies. Click on its website and read about its operations. What kinds of research problems does it solve, and which services does it offer its clients?

Research International Qualitatif offers a full array of services. The agency offers custom research services as well as addressing some standard research problems. Some of the research services offered are:

- Segmentation/usage and attitude research
- Brand research
- Business-to-business research
- Communications research
- Concept generation and building
- Concept and product evaluation
- Customer loyalty research
- Forecasting models / marketing-mix optimization
- Lifestyle research
- New product research
- Omnibus research
- Price research
- Qualitative research
- Regional research

2. SPSS (Statistical Product and Service Solutions), headquartered in Chicago, provides information about what customers want and what they will do. Its marketing research division, SPSS MR, is the world leader in software solutions and supporting services for market research. Its software is adapted to suit regional markets, making it the ideal global partner for anyone looking at the bigger picture. SPSS MR claims to invest 10 times more resources than any competitor, so whatever an organization's needs may be, whether small or large, local or global, SPSS MR may be the ideal technologies partner. Visit its website (<http://www.spss.com>) and read about its services. While you're there, try the demo that will take you through an easy-to-understand data analysis exercise.

SPSS MR offers a wide range of services and products to businesses. These include business solutions software, technologies, and customized solutions for specific

industries. Student reaction to the demo will vary depending on the students understanding of data analysis and statistical procedures. The one common element that should arise is how easy the SPSS product is to use.

ANSWERS TO THE *EXPERIENCING MARKETING RESEARCH* EXERCISES

In this chapter, you learned about the marketing research process. It was presented as a sequence of steps that should be followed to effectively conduct marketing research, though some experts believe that it is unnecessary to conduct all of the steps to be successful in research. Visit a local business and inquire about its mode of marketing research. Is the process as systematic as it is presented in this chapter? If not, how does the business satisfy its research needs?

Answers will vary depending on the size of the business that is visited. Most small businesses, however, will not conduct marketing research and just rely on their instincts and their personal knowledge of their customers. Larger businesses may conduct some marketing research but it will tend to be by individuals within their company. It is highly unlikely that any business visited by students follows all of the steps outlined in the chapter. Students are likely to learn that most businesses are not doing a good job of marketing research and have not thought of appropriate methods of satisfying their research needs.

ESSAY QUESTIONS

1. Identify the various types of research designs and discuss the differences among them. Under what conditions should each be used?

Research designs can be classified as either exploratory or conclusive. Exploratory research identifies problems, generates hypotheses, and gains insights into particular subjects. It is small-scale in nature, low cost, flexible, and can be conducted in many different ways. It is an excellent research design in situations when the firm does not fully understand the problem or opportunity or desires additional information before conducting more conclusive research.

Conclusive research provides specific information that aids decision making. It often follows exploratory research. Conclusive research can be either descriptive research or causal research. Descriptive research describes attitudes, perceptions, characteristics, activities, and situations. It is excellent for examining relationships among variables and learning the who, what, when, where, why, and how of a problem or opportunity. Causal research goes one step further and examines cause-and-effect. It must be conducted in a highly controlled environment.

2. What is the difference between cross-sectional and longitudinal studies? What are the advantages and disadvantages of each?

The cross-sectional study is the most common and is a look at what is occurring at one moment in time. It is a snap-shot. The longitudinal study, on the other hand, is continuous or at predetermined time intervals over a span of time.

Advantages of the cross-sectional study include:

- It can generate a realistic picture of what is going on at a particular point in time.
- It may be performed at a relatively low cost.
- It may not take much of the respondent's time.
- Data may be gathered in a relatively short period of time.

Disadvantages of cross-sectional studies include:

- It may draw an artificial picture of what is taking place.
- The data may soon be outdated.

Advantages of longitudinal studies include:

- The information will normally be more reliable.
- It takes changes related to time into consideration.

Disadvantages of longitudinal studies include:

- It can be relatively expensive.
- The information takes a considerable time to collect.
- It requires a lot of cooperation from respondents.

ANSWERS TO CASE QUESTIONS

Case 2-1 This H.O.G. Is in Heaven

1. Define Harley-Davidson's decision problem(s).

Management decision problem was how should they market its products to its different audiences? Should they use the same marketing approach for everyone or should the marketing approach be modified to fit with each target audience?

2. What was Harley's research objective(s)?

Harley's research objective was to understand the psychological, sociological, and demographic profile of each of its target audiences.

3. Which type of research design did the research group use to understand Harley's market?

Harley used a descriptive research design because they examined the attitudes, perceptions, characteristics, and activities of the various Harley target markets.

4. Did the marketing researcher gather qualitative or quantitative data? Explain your answer.

The researcher gathered primarily quantitative data that could be transformed into numbers and analyzed. However, some qualitative data was collected through personal interviews with respondents and subjective questions that were asked.

Case 2-2 Give Credit to BAIGlobal's International Expansion

1. Does BAIGlobal seem to perform cross-sectional or longitudinal studies? Explain.

BAIGlobal performs longitudinal studies because it tracks credit card direct-mail retention and activation over time.

2. Before BAIGlobal ventured outside of the U.S., what do you believe were their objectives? State them as you believe BAIGlobal did.

The objectives of BAIGlobal was to measure which recipients of direct mail credit card offers received the direct mail piece, which recipients opened the envelopes, which ones read the contents, which ones understood the contents, and which ones activated their credit card.

3. What type of research design does BAIGlobal seem to use in its studies? Support your answer.

BAIGlobal is using a conclusive research design and, more specifically, descriptive research because the research investigates activities and behaviors of consumers.

Case 2-3 The Integrated Case-Part 1

Chapter 1 Questions Related to the Case

1. What type of marketing research needs to be performed? Applied or basic? Why?

Applied research needs to be performed. Management needs to know how the market feels about their product and if the new campaign approach is feasible.

2. Which steps of the decision-making process did Ritchie seem to use throughout the case?

Several steps are evident. First, management recognized a problem and saw an opportunity to expand to new markets. Second, they have defined the problem in terms of how consumers view the product and how consumers would relate to a new ad campaign. Step three, search for feasible courses of action, has only partially been followed. The case revealed only one course of action that was being pursued, expansion of the market with a new ad campaign. While marketing research conducted

in the past helped them with step four, the management team recognized the evaluation was suspect due to the small sample size. The last two steps had not been followed because of the need to re-evaluate the option being considered.

Chapter 2 Questions Related to the Case

1. What are the management decision problems? (i.e., What should CBC do to solve the problems?)

The decision problem being faced by CBC is should they expand into new markets beyond the Carolinas and should they utilize the “unique” campaign in this expansion?

2. What are the research objectives? (i.e., What information is needed to solve the decision problems?)

To make the decision, management needs two pieces of information. First, they need to know what attitude consumers have towards their product outside of the Carolinas. Second, they need to know if the “unique” campaign is a feasible approach to use.

3. What type of research design should be used to gather the needed information?

CBC should use a descriptive research design because they need to investigate the attitudes and perceptions of the proposed target market and proposed advertising campaign.

4. Should a cross-sectional or longitudinal study be performed on consumers of Cheerwine? Why?

CBC should use a cross-sectional study. They need a snap shot of the current situation. A longitudinal study would require an introduction of Cheerwine and tracking of consumption behavior.

5. Should qualitative or quantitative data be gathered from consumers of Cheerwine? Why?

Quantitative data is needed because CBC needs facts and numbers to support its decision. It needs to know the potential size of the new market and the estimated adoption and retention rate of Cheerwine by new consumers.