

#4_Conducting Marketing Research

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American Marketing Association

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 understanding of marketing as a process.

Who does marketing research?

- ✓ Marketing departments in big firms
- ✓ Everyone at small firms
- ✓ Syndicated-service research firms
- ✓ Custom marketing research firms
- ✓ Specialty-line marketing research firms

KANTAR
WORLDpanel

nielsen
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business media

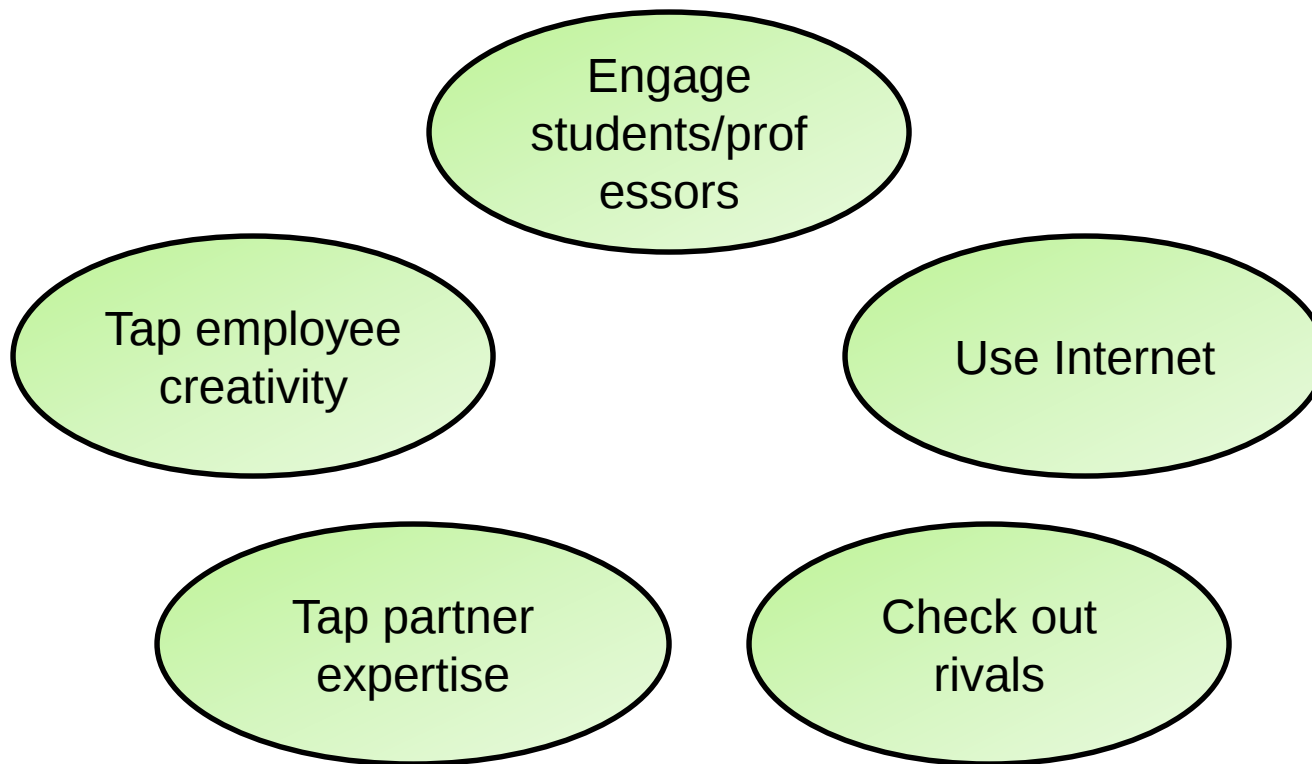

pwc
**Entertainment
& Media
Outlook 2014-
2018**

 **Istat**
Istituto Nazionale
di Statistica

 **Westat**

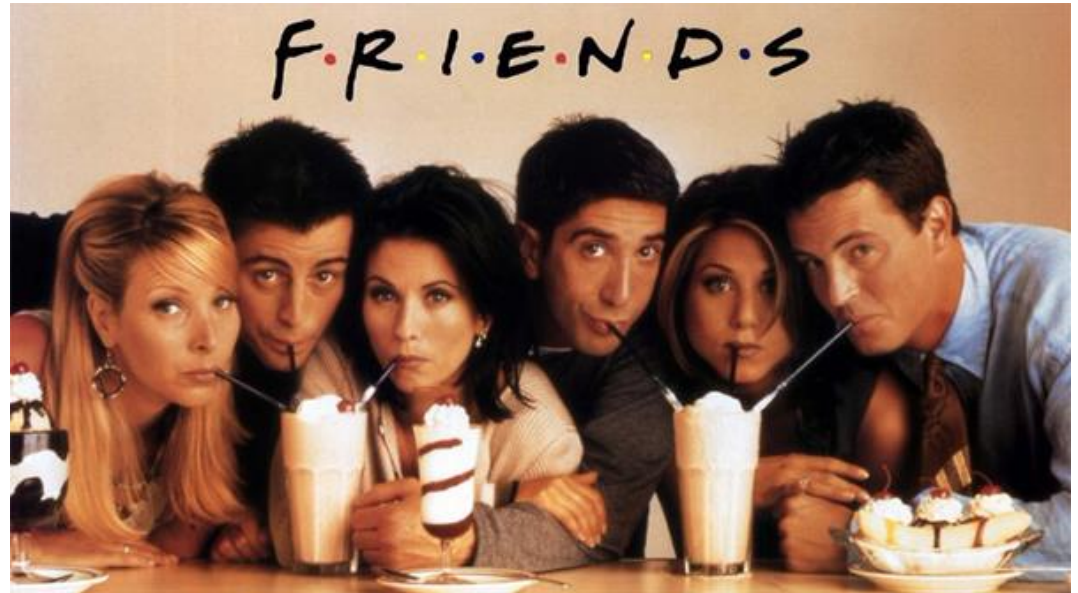
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Through Research®

Research conducted at small companies

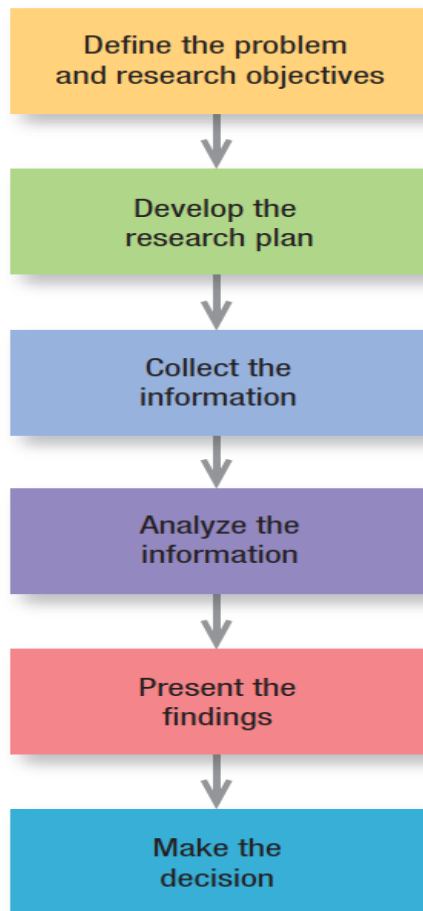


Overcoming Barriers to the Use of Marketing Research

Many companies still fail to use it sufficiently or correctly



THE MARKETING RESEARCH PROCESS

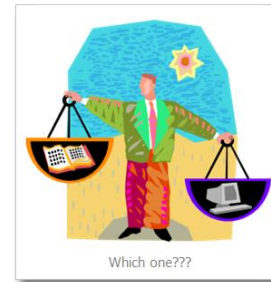


Step 1. Define the research problem and the objectives

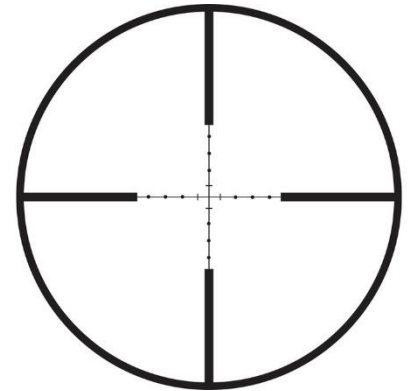
- Define the problem



- Define the decision alternatives



- Define the research objectives

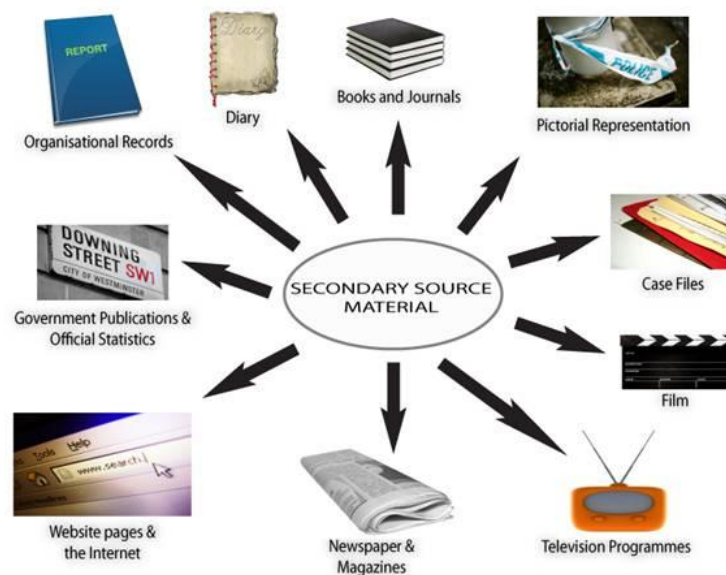


Step 2. Data sources

♣ Primary Data



♣ Secondary Data



Step 2. Research approaches

- ♣ Observational research
- ♣ Ethnographic research
- ♣ Focus group research
- ♣ Survey research
- ♣ Behavioral research

Step 2. Research instruments

Questionnaires

Qualitative measures

Technological devices

Step 2. Research instruments: questionnaire

TABLE 4.1

Types of Questions

Name	Description	Example
A. Closed-End Questions		
Dichotomous	A question with two possible answers	In arranging this trip, did you personally phone American? Yes _____ No _____
Multiple choice	A question with three or more answers	With whom are you traveling on this flight? ☐ No one ☐ Children only ☐ Spouse ☐ Business associates/friends/relatives ☐ Spouse and children ☐ An organized tour group
Likert scale	A statement with which the respondent shows the amount of agreement/disagreement	Small airlines generally give better service than large ones. Strongly disagree Disagree Neither agree nor disagree Agree Strongly agree 1 _____ 2 _____ 3 _____ 4 _____ 5 _____
Semantic differential	A scale connecting two bipolar words. The respondent selects the point that represents his or her opinion.	I find American Airlines ... Large _____ Small Experienced _____ Inexperienced Modern _____ Old-fashioned
Importance scale	A scale that rates the importance of some attribute	Airline in-flight service to me is Extremely important Very important Somewhat important Not very important Not at all important 1 _____ 2 _____ 3 _____ 4 _____ 5 _____
Rating scale	A scale that rates some attribute from "poor" to "excellent"	American in-flight service is Excellent Very Good Good Fair Poor 1 _____ 2 _____ 3 _____ 4 _____ 5 _____
Intention-to-buy scale	A scale that describes the respondent's intention to buy	If ultra high-speed Wi-Fi service were available on a long flight, I would Definitely buy Probably buy Not sure Probably not buy Definitely not buy 1 _____ 2 _____ 3 _____ 4 _____ 5 _____

Step 2. Research instruments: questionnaire

B. Open-End Questions		
Completely unstructured	A question that respondents can answer in an almost unlimited number of ways	What is your opinion of American Airlines?
Word association	Words are presented, one at a time, and respondents mention the first word that comes to mind.	What is the first word that comes to your mind when you hear the following? Airline _____ American _____ Travel _____
Sentence completion	An incomplete sentence is presented and respondents complete the sentence.	When I choose an airline, the most important consideration in my decision is _____.
Story completion	An incomplete story is presented, and respondents are asked to complete it.	"I flew American a few days ago. I noticed that the exterior and interior of the plane had very bright colors. This aroused in me the following thoughts and feelings" Now complete the story.
Picture	A picture of two characters is presented, with one making a statement. Respondents are asked to identify with the other and fill in the empty balloon.	
Thematic Apperception Test (TAT)	A picture is presented and respondents are asked to make up a story about what they think is happening or may happen in the picture.	

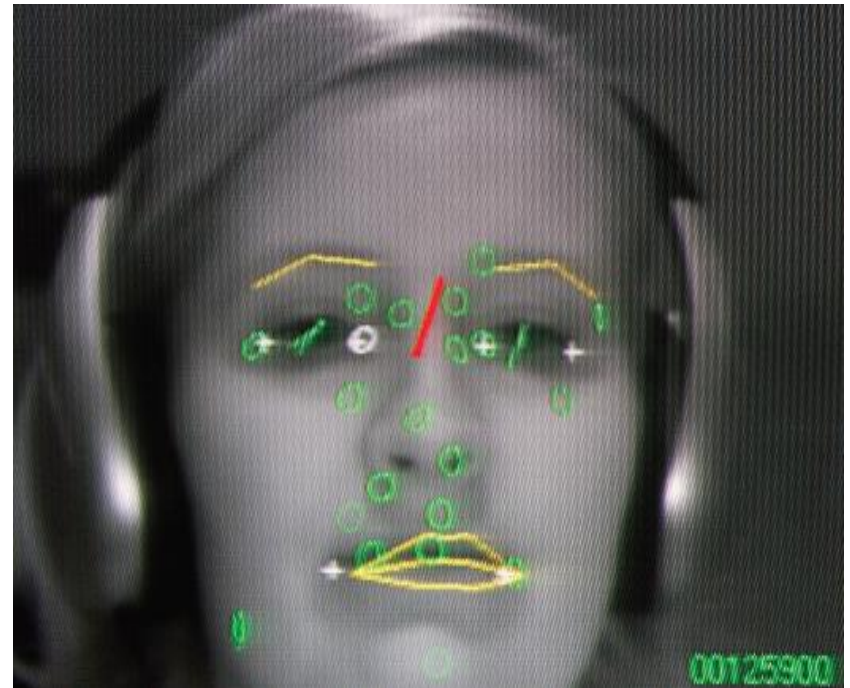
Step 2. Research instruments: qualitative measures

- Word associations
- Projective techniques
- Visualization
- Brand personification
- Laddering

Step 2. Research instruments: technological devices

- ♣ Galvanometer
- ♣ Tachistoscope
- ♣ Eye-tracking
- ♣ Facial detection
- ♣ Skin sensors
- ♣ Brain wave scanners
- ♣ Audiometer
- ♣ GPS

♣ Neuromarketing

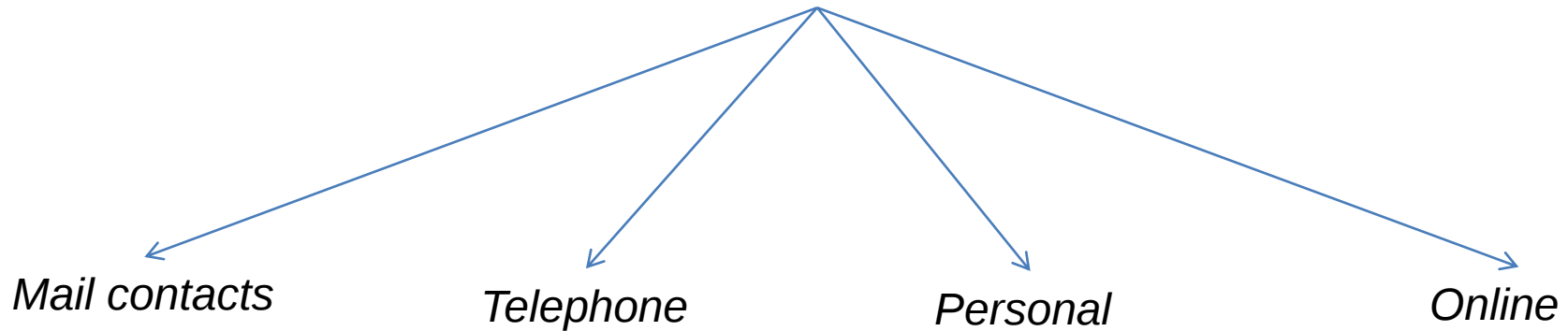


Step 2. Sampling plan

- ♣ Sampling unit: Whom should we survey?
- ♣ Sample size: How many people should we survey?
- ♣ Sampling procedure: How should we choose the respondents?



Step 2. Contact methods



Step 2. Contact methods: online

- Advantages
 - Inexpensive
 - Expansive
 - Fast
 - Honest
 - Thoughtful
 - Versatile
- Disadvantages
 - Small
 - Skewed
 - Excessive turnover
 - Technological problems
 - Technological inconsistencies

Step 3 to step 6

Step 3: Collect the Information

Step 4: Analyze the Information

Step 5: Present the Findings

Step 6: Make the Decision

Good marketing research

TABLE 4.2

The Seven Characteristics of Good Marketing Research

1. Scientific method	Effective marketing research uses the principles of the scientific method: careful observation, formulation of hypotheses, prediction, and testing.
2. Research creativity	In an award-winning research study to reposition Cheetos snacks, researchers dressed up in a brand mascot Chester Cheetah suit and walked around the streets of San Francisco. The response the character encountered led to the realization that even adults loved the fun and playfulness of Cheetos. The resulting repositioning led to a double-digit sales increase despite a tough business environment. ⁴³
3. Multiple methods	Marketing researchers shy away from overreliance on any one method. They also recognize the value of using two or three methods to increase confidence in the results.
4. Interdependence of models and data	Marketing researchers recognize that data are interpreted from underlying models that guide the type of information sought.
5. Value and cost of information	Marketing researchers show concern for estimating the value of information against its cost. Costs are typically easy to determine, but the value of research is harder to quantify. It depends on the reliability and validity of the findings and management's willingness to accept and act on those findings.
6. Healthy skepticism	Marketing researchers show a healthy skepticism toward glib assumptions made by managers about how a market works. They are alert to the problems caused by "marketing myths."
7. Ethical marketing	Marketing research benefits both the sponsoring company and its customers. The misuse of marketing research can harm or annoy consumers, increasing resentment at what consumers regard as an invasion of their privacy or a disguised sales pitch.

MEASURING MARKETING PRODUCTIVITY

Marketing metrics

Marketing mix modeling

Marketing dashboards

Marketing metrics

Measures that help marketers quantify, compare, and interpret performance

TABLE 4.3	Sample Marketing Metrics	
I. External		II. Internal
Awareness		Awareness of goals
Market share (volume or value)		Commitment to goals
Relative price (market share value/volume)		Active innovation support
Number of complaints (level of dissatisfaction)		Resource adequacy
Consumer satisfaction		Staffing/skill levels
Distribution/availability		Desire to learn
Total number of customers		Willingness to change
Perceived quality/esteem		Freedom to fail
Loyalty/retention		Autonomy
Relative perceived quality		Relative employee satisfaction

Marketing mix modeling

Analyzes data from a variety of sources, such as retailer scanner data, company shipment data, pricing, media, and promotion spending data, to understand more precisely the effects of specific marketing activities

Marketing dashboards

A concise set of interconnected performance drivers to be viewed in common throughout the organization:

- ♣ Customer-performance scorecard
- ♣ Stakeholder-performance scorecard

Marketing dashboards: samples

TABLE 4.4

Sample Customer-Performance Scorecard Measures

- Percentage of new customers to average number of customers
- Percentage of lost customers to average number of customers
- Percentage of win-back customers to average number of customers
- Percentage of customers falling into very dissatisfied, dissatisfied, neutral, satisfied, and very satisfied categories
- Percentage of customers who say they would repurchase the product
- Percentage of customers who say they would recommend the product to others
- Percentage of target market customers who have brand awareness or recall
- Percentage of customers who say that the company's product is the most preferred in its category
- Percentage of customers who correctly identify the brand's intended positioning and differentiation
- Average perception of company's product quality relative to chief competitor
- Average perception of company's service quality relative to chief competitor

Marketing dashboards: samples



Thank you for your kind attention!



(Have A Nice Day!)

(Have A Nice Day!)