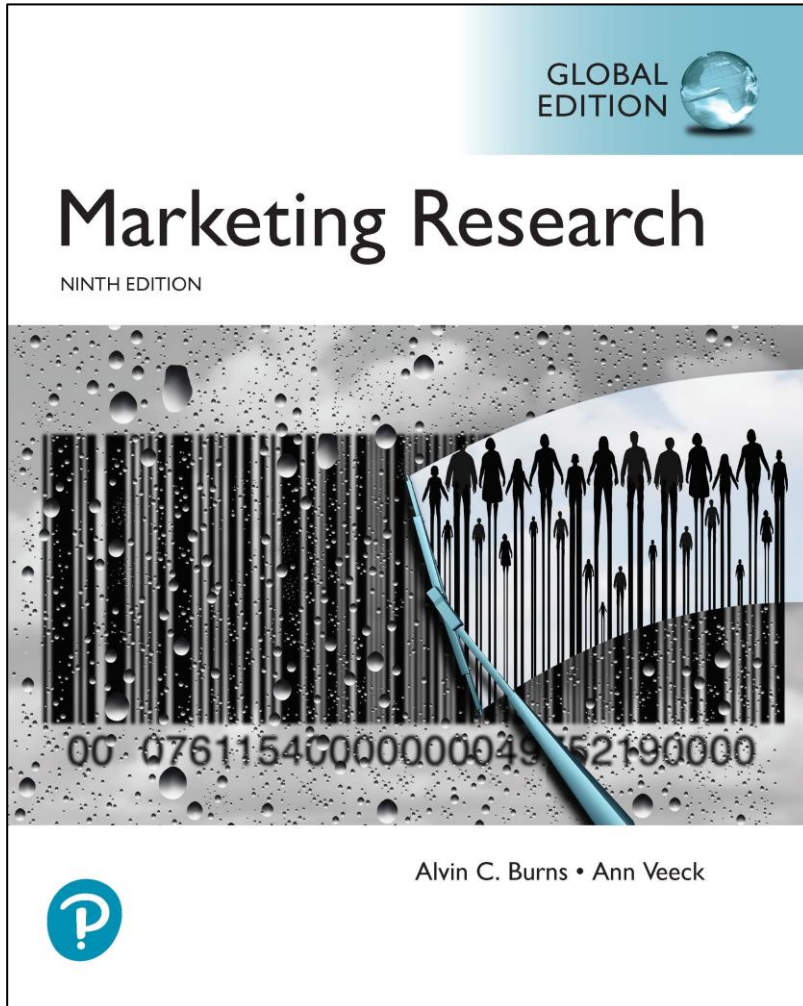


Marketing Research

Ninth Edition, Global Edition



Chapter 2

The Marketing Research Industry

Learning Objectives

In this chapter you will learn

2.1 A brief history of the marketing research industry

2.2 The different types of marketing research firms

2.3 The industry structure of marketing research

2.4 New challenges to the marketing research industry

2.5 Industry initiatives for self-improvement

2.6 Areas of ethical sensitivity in the marketing research process

2.7 How to investigate careers in the marketing research industry

History: Earliest Known Studies

- Charles Coolidge Parlin is known as the “father of marketing research.”
- Parlin conducted the first continuous marketing research in the early 1900s for the Curtis Publishing Company.
- The purpose of Parlin’s research was to increase advertising for **Saturday Evening Post** magazine.

Growth of Marketing Research (1 of 2)

- 1930's – marketing research becomes widespread as markets became geographically diverse and colleges began to teach courses in marketing research
- 1940's – statistical sampling (Alfred Politz) and focus groups (Robert Merton) introduced
- 1950's – computers introduced
- 1960's – marketing research seen as indispensable to track consumption in widespread markets
- 1970's – automation of data analysis

Growth of Marketing Research (2 of 2)

- 1980's – personal computers led to improvement of data analysis
- 1990's – increased globalization led to major changes in the marketing research industry including consolidation
- 2000's – new technologies (such as mobile device use) spur innovations

Who Conducts Marketing Research? (1 of 2)

- **Client-side research:** organizations that supply their own marketing research information.
 - Internal suppliers: Formal departments or individuals conduct research internally.
 - DIY research: facilitated by Internet, firms have access to secondary data, online survey platforms and better knowledge of data analysis software such as SPSS.

Who Conducts Marketing Research? (2 of 2)

- **Supply-side research:** External suppliers hired to fulfill a company's marketing research needs.
 - Supplier or agency: firm specializing in marketing research that offers its services to buyers needing information to make more informed decisions.

Table 2.1 The Top 10 Global Marketing Research Firms

Rank	Company	Headquarters	Website	Employees	Global Revenues
1	Nielsen Holdings N.V.	New York	Nielsen.com	43,000	\$6,309,000,000
2	Kantar	London	Kantar.com	30,000	\$3,384,700,000
3	IQVIA	Danbury, CT	iqvia.com	27,000	\$3,301,000,000
4	Ipsos SA	Paris	ipsos.com	16,600	\$1,962,000,000
5	GfK SE	Nuremberg	gfk.com	13,069	\$1,677,000,000
6	IRI	Chicago	iriworldwide.com	5,032	\$631,400,000
7	Westat Inc.	Rockville, MD	westat.com	1,921	\$500,700,000
8	Wood MacKenzie	Edinburgh	woodmac.com	1,300	\$582,500,000
9	Intage Group	Tokyo	intage.co.jp	2,431	\$410,100,000
10	dunnhumby	Hammersmith	dunnhumby.com	3,124	\$300,000,000

Industry Structure

- Types of firms and their specialties
 - **Full-service** supplier firms: have the capability to conduct the entire marketing research project for buyer firms.
 - **Limited-service** supplier firms: specialize in one or, at most, a few marketing research activities.

Table 2.2 Major Types of Marketing Research Services (1 of 2)

Type	Description	Example Firms
Syndicated Data Services	Analyze the trends and consumer behavior within an industry and sell to many companies	Nielsen, IRI, YouGov, Intage
Packaged Services	Use a proprietary process to conduct a service such as test marketing or measuring customer or employee satisfaction	GfK, Video Research LTD, Burke, Inc.
Online Research Specialists	Provide client services associated with measuring online consumer behavior and measurement or online data Collection	Comscore, Inc., Harris Interactive, Knowledge Networks, Toluna, FocusVision
Customized Services	Provide services customized to individual clients' needs	All of the major firms can do this. Some examples include Burke, Inc., Kantar, Ipsos SA, Maritz
Industry or Market Segment Specialists	Specialize in a particular industry or a market segment	IMS Health, Inc., Westat Inc., Latin Facts, Inc., Olson Research Group, Inc., Focus Latino

Table 2.2 Major Types of Marketing Research Services (2 of 2)

Technique Specialty

Type	Description	Example Firms
a. Qualitative	Conduct research using methods such as focus groups, interviews, and shopping with consumers	Abt Associates, Gongos, Just the Facts
b. Mobile Research	Conduct research using mobile devices such as iPads or smartphones	Kinesis Survey Technologies, Cint, P2Sample
c. Sampling	Use different sampling methods to draw samples to suit client's research objectives	SSI, uSamp, Research Now, Ipsos, NPD
d. Neuromarketing	Observe brain activity as consumers are exposed to stimuli such as packages or ads	Ipsos, Nielsen Consumer Neuroscience, Sands
e. Market Segmentation	Determine firms' target markets, locate these consumers, and determine other characteristics of these consumers, such as media habits	ESRI, Nielsen Claritas
f. Social Media Monitoring	Monitor for relevant buzz over social media and attach meaning for companies and their brands	Decooda, Conversition, Meltwater,
g. Field Services	Collect data using a variety of methods: telephone, online, person to person, mall intercept	Readex Research, I/H/R Research Group, Focus Market Research, Irwin, Fieldwork, Schlesinger Associates
h. Marketing Research Online Communities	Create and host marketing research online communities	Decision Analyst, Psyma, My-Take, incling

Industry Performance: Industry Revenues and Profits

- ESOMAR estimates worldwide revenues for the marketing research industry at \$44 billion.
- Top 25 firms generated more than \$22 billion.
- The largest marketing research companies (led by Nielsen) are truly international.
- Revenues vary around the world.

Challenges Facing Marketing Research

- Need to incorporate innovative and evolving sources of data and methodologies
- Need for the effective communication of results
- Need for talented and skilled employees

Industry Initiatives

- Best practices
- Maintaining public credibility of research
- Monitoring industry trends
- Improving ethical conduct

Improving Ethical Conduct

- Industry standards and ethics
- Certification of qualified professionals
- Continuing education