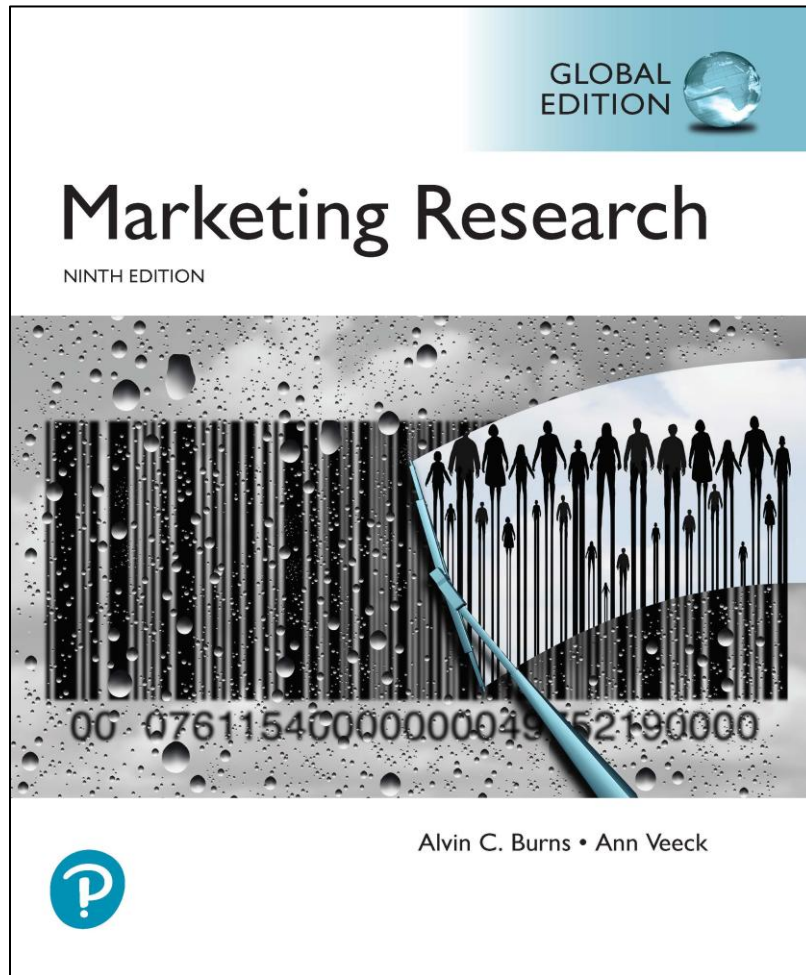


# Marketing Research

Ninth Edition, Global Edition



## Chapter Two

The Marketing Research  
Process and Defining the  
Problem and Research  
Objectives

# Learning Objectives

**In this chapter you will learn**

**2.1** The steps of the marketing research process

**2.2** The importance and process of defining the problem

**2.3** How to formulate research objectives

**2.4** What an action standard is and why it can be helpful

**2.5** The components of the marketing research proposal

# Steps in the Marketing Research Process

Step 1: Establish the need for marketing research

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 the sample plan and size

Step 9: Collect data

Step 10: Analyze data

Step 11: Communicate the insights.

# Where We Are

- 1. Establish the need for marketing research.**
- 2. Define the problem.**
- 3. Establish research objectives.**
4. Determine research design.
5. Identify information types and sources.
6. Determine methods of accessing data.
7. Design data collection forms.
8. Determine the sample plan and size.
9. Collect data.
10. Analyze data.
11. Communicate the insights.

# The Marketing Research Process: Caveats to a Step-By-Step Process

- The “Step-by-Step Process”
  - Not always presented as an 11-step process
  - Not all studies use all 11 steps
  - Few studies follow the steps in order

# Step 1: Establish the Need for Marketing Research (1 of 3)

- Is there a real need for marketing research?
- Research takes time and costs money
- Cost of information may outweigh value of information

# Step 1: Establish the Need for Marketing Research (2 of 3)

Is there a real need for marketing research?

- Marketing research is not always needed.
- We often have the information

# Step 1: Establish the Need for Marketing Research (3 of 3)

When is marketing research **Not** needed?

- The information is already available
- The timing is wrong to conduct marketing research
- Funds are not available for marketing research
- Costs outweigh the value of marketing research



# Table 2.1 Research Is Not Always the Best Solution

| <b>Research might not be the best solution when...</b> | <b>Circumstances to consider</b>   |
|--|--|
| The information is already available                   | <b>Can we obtain the information from past studies?</b><br><b>Can we get the information from internal reports from the marketing intelligence system (MIS)?</b> |
| The timing is wrong                                    | <b>Do we need to act immediately to remain competitive?</b><br><b>Is the product at the end of its life cycle?</b>   |
| Costs outweigh the value                               | <b>Have we conducted a cost benefit analysis?</b><br><b>What is the marketing return on investment of the market research project?</b>                           |

## Step 2: Define the Problem

- The need to make a decision requires decision alternatives. If there are no alternatives, no decision is necessary.

# Step 3: Establish Objectives

- Research objectives state what the researchers must do.
- Research objectives, when achieved, provide the information necessary to solve the problem identified in step 2.

# Step 4: Determine Research Design

- **Exploratory Research:** collecting information in an unstructured and informal manner.
- **Descriptive research:** research that describes the phenomena of interest.
- **Causal studies:** attempt to uncover what factor or factors cause some event.

# Step 5: Identify Information Types and Sources

- **Primary information:** information collected specifically for the problem at hand
- **Secondary information:** information already collected

# Step 6: Determine Methods of Accessing Data

- **Secondary data** is relatively easy to access
- **Primary data** is more complex

## Step 7: Design Data Collection Forms (1 of 2)

- The **questionnaire** must be worded objectively, clearly, and without bias in order to communicate with respondents.
- If a focus group is used, a **focus group guide** must be developed.
- If we observe respondents, the form is called an **observation form**.

## Step 7: Design Data Collection Forms (2 of 2)

- Software programs are available to assist marketing researchers in preparing data collection forms.



## Step 8: Determine Sample Plan and Size

- A **sample** is drawn from an entire group or **population**. The **sample plan** describes how each sample element, or unit, is to be drawn from the total population. Gives you representativeness!
- **Sample size** refers to determining how many elements of the population should be included in the sample. Gives you accuracy!

## Step 9: Collect Data

- Researchers aim to minimize this possibility by undertaking a control referred to as **validation**.
- Companies that specialize in data collection are referred to as **field service firms**.

# Step 10: Analyze Data

- **Data analysis** involves entering data into computer files, inspecting data for errors, and running tabulations and various statistical tests.

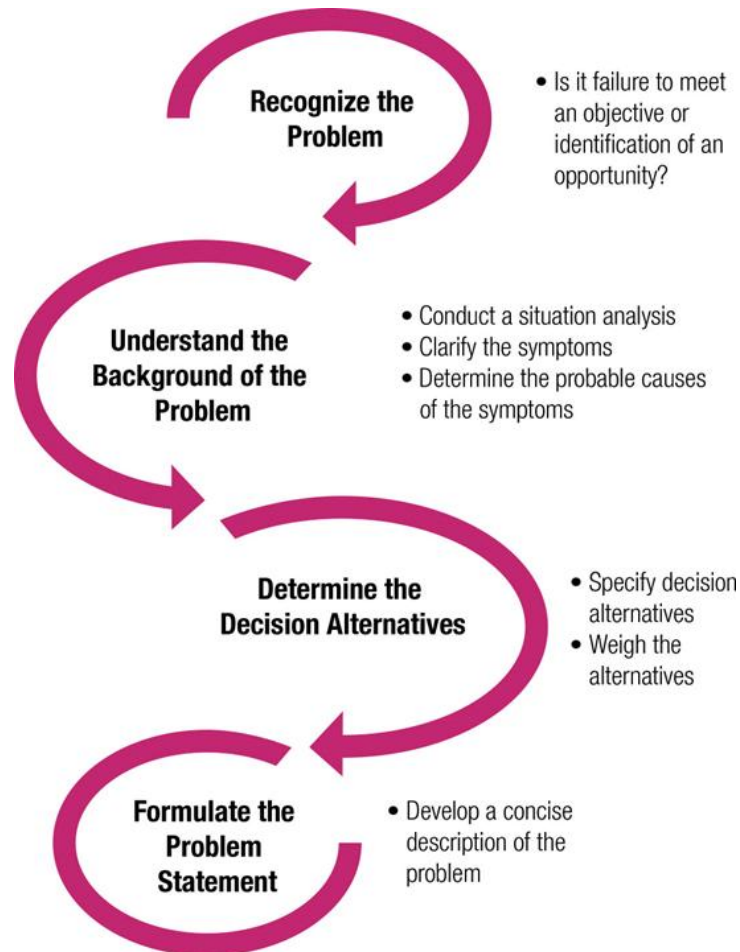
# Step 11: Communicate the Insights

- **Communicating the results**, the last step, is one of the most important phases of marketing research.
- Its importance cannot be overstated because it is the report, or its presentation, that properly communicates the results to the client.

# Defining the Problem

- **Problems** are situations calling for managers to make choices among decision alternatives.
- Defining the problem is the most important step in the marketing research process.

# Figure 2.2 Process for Defining a Problem



# The Research Objective (1 of 2)

- **Research objectives** are specific and tell the researcher exactly what information must be collected to solve the problem by facilitating selection of an alternative.
- They are goal-oriented statements or questions that specify what information is needed.

# The Research Objective (2 of 2)

- Specify from whom information is to be gathered
- Specify what information is needed
- Specify the unit of measurement used to gather information
- Word questions used to gather information using the respondents' frame of reference



# Table 2.3 Formulating Research Objectives as Statements or Questions

Problem Statement: The American Red Cross wishes to increase the number of American university students who donate blood each year.

| Formulating Research Objectives as Statements  | Formulating Research Objectives as Questions   |
|--|--|
| To determine what college students see as the benefits of donating blood   | What do college students see as the benefits of donating blood?  |
| To determine what college students see as the obstacles to donating blood  | What do college students see as the obstacles to donating blood?   |
| To identify the incentives that would encourage students to donate blood   | What incentives would encourage students to donate blood?  |
| To distinguish the types of promotions that are most likely to attract college students  | What types of promotions are most likely to attract college students?  |
| To identify how the information defined from the previous statements varies according to the characteristics of college students, including gender, class standing, type of university attended, domestic versus international student, and geographical region. | How does the information defined from the previous questions vary according to the characteristics of college students, including gender, class standing, type of university attended, domestic versus international student, and geographical region? |

# Hypotheses and Constructs

- **Hypotheses** are statements that are taken as true for the purposes of argument or investigation.
- A **construct** is an abstract idea or concept composed of a set of attitudes or behaviors that are thought to be related.
  - What is the unit of measurement?
  - What is the proper frame of reference?
- **Variables** are elements of constructs that can be measured or quantified

# Action Standards

- An **action standard** is a predesignation of some quantity of a measured attribute or characteristic that must be achieved for a research objective for a predetermined action to take place.

# Table 2.2 Sample Key Performance Indicators (KPIs)

| Marketing Objectives | Sample KPIs  |
|----------------------|--|
| Brand awareness      | Ad recall, unique visitors, comments, referrals, retail traffic                    |
| Engagement           | Likes, shares, blog comments, net promoter score, bounce rate                      |
| Sales                | Market share, marketing penetration, orders, revenue, growth, conversion           |
| Return on investment | Customer acquisition cost, marketing return on investment, customer lifetime value |
| Quality control      | Returns, complaints, review scores   |

# The Market Research Proposal

- The **marketing research proposal** serves as the basis of a contract as it documents what the marketing researcher proposes to deliver to the client for some consideration, typically a fee.
- When a client first contacts a marketing research supplier to conduct research, the client will generally request a proposal prior to agreeing to work with the firm in a process called an **invitation to bid (ITB)** or **request for proposal (RFP)** .