Conducting Marketing Research
Chapter Questions

• What constitutes good marketing research?
• What are good metrics for measuring marketing productivity?
• How can marketers assess their return on investment of marketing expenditures?
What is Marketing Research?

Marketing research is the systematic design, collection, analysis, and reporting of data and findings relevant to a specific marketing situation facing the company.
Types of Marketing Research Firms

- Syndicated service
- Custom
- Specialty-line
The Marketing Research Process

- Define the problem
- Develop research plan
- Collect information
- Analyze information
- Present findings

Make decision
Step 1: Define the Problem

• Define the problem
• Specify decision alternatives
• State research objectives
Step 2: Develop the Research Plan

- Data Sources
- Research Instruments
- Research Approach
- Sampling Plan
- Contact Methods
Research Approaches

- Observation
- Ethnographic
- Focus Group
- Survey
- Behavioral Data
- Experimentation
Research Instruments

- Questionnaires
- Qualitative Measures
- Technological Devices
Questionnaire Do’s and Don’ts

- Ensure questions are free of bias
- Make questions simple
- Make questions specific
- Avoid jargon
- Avoid sophisticated words
- Avoid ambiguous words
- Avoid negatives
- Avoid hypotheticals
- Avoid words that could be misheard
- Use response bands
- Use mutually exclusive categories
- Allow for “other” in fixed response questions
In arranging this trip, did you contact American Airlines?

☐ Yes  ☐ No
With whom are you traveling on this trip?

- No one
- Spouse
- Spouse and children
- Children only
- Business associates/friends/relatives
- An organized tour group
Indicate your level of agreement with the following statement: Small airlines generally give better service than large ones.

☐ Strongly disagree

☐ Disagree

☐ Neither agree nor disagree

☐ Agree

☐ Strongly agree
<table>
<thead>
<tr>
<th>Question Types – Semantic Differential</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Airlines</td>
</tr>
<tr>
<td>Large</td>
</tr>
<tr>
<td>Experienced</td>
</tr>
<tr>
<td>Modern</td>
</tr>
<tr>
<td>Small</td>
</tr>
<tr>
<td>Inexperienced</td>
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<tr>
<td>Old-fashioned</td>
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</tbody>
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Question Types – Importance Scale

Airline food service is _____ to me.

☐ Extremely important
☐ Very important
☐ Somewhat important
☐ Not very important
☐ Not at all important
Question Types – Rating Scale

American Airlines’ food service is _____.

□ Excellent
□ Very good
□ Good
□ Fair
□ Poor
How likely are you to purchase tickets on American Airlines if in-flight Internet access were available?

☐ Definitely buy
☐ Probably buy
☐ Not sure
☐ Probably not buy
☐ Definitely not buy
What is your opinion of American Airlines?
What is the first word that comes to your mind when you hear the following?

Airline ________________________________

American ______________________________

Travel _________________________________
Question Types – Sentence Completion

When I choose an airline, the most important consideration in my decision is:

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________.

“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.

_______________________________________
_______________________________________
_______________________________________
_______________________________________
_______________________________________
_______________________________________
_______________________________________
_______________________________________
_______________________________________
Question Types – Picture (Empty Balloons)
Qualitative Measures

- Word Association
- Projective Techniques
- Visualization
- Brand Personification
- Laddering
Sampling Plan

• Sampling unit: Who is to be surveyed?
• Sample size: How many people should be surveyed?
• Sampling procedure: How should the respondents be chosen?
Types of Samples

**Probability Samples**
- Simple random
- Stratified random
- Cluster

**Nonprobability Samples**
- Convenience
- Judgment
- Quota
Contact Methods

- Mail Questionnaire
- Telephone Interview
- Personal Interview
- Online Interview

This Week's Poll

Now that Ashley knows the truth about Gloria, what should she do next?

- Go straight to John and tell him the truth. Ashley was right all along; Gloria is a lying, manipulating, gold-digger!
- Give Gloria the opportunity to tell John the truth herself.
- Stay out of it! John is happy with Gloria -- why ruin his marriage over who her sons are?
- Not sure.

Submit your Vote!
Pros and Cons of Online Research

**Advantages**
- Inexpensive
- Fast
- Accuracy of data, even for sensitive questions
- Versatility

**Disadvantages**
- Small samples
- Skewed samples
- Technological problems
- Inconsistencies
Barriers Limiting the Use of Marketing Research

- A narrow conception of the research
- Uneven caliber of researchers
- Poor framing of the problem
- Late and occasionally erroneous findings
- Personality and presentational differences
What are Marketing Metrics?

**Marketing metrics** are the set of measures that helps marketers quantify, compare, and interpret marketing performance.
Marketing Metrics

External
• Awareness
• Market share
• Relative price
• Number of complaints
• Customer satisfaction
• Distribution
• Total number of customers
• Loyalty

Internal
• Awareness of goals
• Commitment to goals
• Active support
• Resource adequacy
• Staffing levels
• Desire to learn
• Willingness to change
• Freedom to fail
• Autonomy
Marketing Dashboards

- A **customer-performance scorecard** records how well the company is doing year after year on customer-based measures.
- A **stakeholder-performance scorecard** tracks the satisfaction of various constituencies who have a critical interest in and impact on the company’s performance including employees, suppliers, banks, distributors, retailers, and stockholders.
Sample Customer-Performance Scorecard Measures

- % of new customers to average #
- % of lost customers to average #
- % of win-back customers to average #
- % of customers in various levels of satisfaction
- % of customers who would repurchase
- % of target market members with brand recall
- % of customers who say brand is most preferred
Marketing Measurement Pathways

Technically Sound But Ad-hoc Efforts Across Multiple Measurement Silos

- Customer Metrics
  - Hierarchy of Effects
  - Satisfaction/Experience
  - Attitude/Behavior Segment Migration

- Unit Metrics
  - Product/Category Sales
  - Marketing Cost per Unit
  - Margin Optimization

- Cash-Flow Metrics
  - Program and Campaign ROI
  - Media Mix Models
  - Initiative Portfolio Optimization

- Brand Metrics
  - Brand Imagery & Attributes
  - Equity Drivers
  - Financial Valuation

100s of Reports But Very Little Knowledge Integration or Learning Synthesis
Example of a Marketing Dashboard