Chapter 28
marketing research

Section 28.1
Marketing Information

Section 28.2
Issues in Marketing Research
Why do you think some businesses fail while others succeed in the marketplace?
OBJECTIVES

• **Describe** the purpose of marketing research.

• **Explain** the characteristics and purposes of a marketing information system.

• **Identify** procedures for gathering information using technology.
THE MAIN IDEA

Marketing research provides information to create a business plan, solve problems, and make decisions about products.
VOCABULARY

- marketing research
- marketing information system
- database marketing
- database
Notes About the Main Concepts of Marketing Research

- What?
- How?
- Who?
- Why?
Notes About the Main Concepts of Marketing Research

What?
- Customer profile data
- Company results
- Competitive results
- Government data

How?
- Marketing information systems
- Database marketing

Who?
- Company’s staff, in-house research departments
- Outside research companies
- Trade associates
- Nonprofit organizations

Why?
- Determine consumer’s attitudes and preferences
- Determine market size and growth potential
- Learn about competition
- Understand a company’s place in the market
Marketing Information

### Defining Marketing Research

**Marketing Research**

- Marketing Opportunities
- Marketing Problems
- Marketing Plans
- Marketing Performance

**marketing research**

The process and methods used to gather information, analyze it, and report findings related to marketing goods and services.
Defining Marketing Research

How Is Marketing Research Used?

- Determine consumers’ attitudes and preferences
- Test product features
- Determine market size and growth potential
- Learn about competitive products
- Determine buying cycles
- Understand how the company is perceived
# Why Is Marketing Research Important?

## What Does Marketing Research Do for a Company?

<table>
<thead>
<tr>
<th>What Does Marketing Research Do</th>
<th>For a Company?</th>
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<tbody>
<tr>
<td>Helps increase sales and profits</td>
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<tr>
<td>Answers questions about what products to produce</td>
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<tr>
<td>Answers questions about what price to sell products</td>
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<tr>
<td>Identifies potential buyers</td>
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<td>Identify promotion strategies</td>
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<td>Understand current markets</td>
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</table>
Who Uses Marketing Research?

- Small Companies
- Large Companies
- Nonprofit Organizations
- Trade Organizations
- State and Federal Government Agencies
Marketing Information Systems

Marketing Information System
A set of procedures and methods that regularly generates, stores, analyzes, and distributes information for making marketing and other business decisions.

- Customer Profile Data
- Company Records
- Competitors’ Records
- Government Data
- Marketing Research Reports
Marketing Information Systems

Graphic Organizer

Details About Each Type of Data

- Customer Profile Data
- Company Records
- Competitor’s Records
- Types of Data
- Marketing Research Reports
- Government Data
Marketing Information Systems

Details About Each Type of Data

- **Customer Profile Data**
  - buying behavior
  - shopping patterns
  - customer demographics
  - lifestyle research

- **Company Records**
  - sales results
  - expenses
  - supplier data
  - production schedules

- **Competitor's Records**
  - prices
  - products
  - market share

- **Marketing Research Reports**
  - produced by research firms
  - sold by research firms

- **Government Data**
  - price trends
  - new regulations and laws
  - economic projections
Database Marketing
Relies on Customer Touch Points.

database marketing
Also known as customer relationship management (CRM); a process of designing, creating, and managing customer lists.
### Marketing Information Systems

#### Section 28.1

**Sources for a Consumer Database**

- Charity Donation Forms
- Application Forms
- Product Warranty Cards
- Subscription Forms
- Credit Application Forms

**database**

A collection of related information about a specific topic.
Using Technology to Gather Information

I. Customer Loyalty Programs
   A.
   B.

II. Computer Software
   A.
   1.
   2.
   B.
   1.
   2.

III. Consumer Privacy
    A.
    1.
    a.
    b.
    2.
    a.

Complete This Outline Framework on Using Technology to Gather Information
Using Technology to Gather Information

I. Customer Loyalty Programs
   A. Rewards customers
   B. Encourages loyal buying behavior

II. Computer Software
   A. Cookies
      1. Small data files uploaded to customer’s computers by online retailers
      2. Track how often and how much time a person spends at a Web site or views an ad
   B. Data-mining software
      1. Analyzes existing and external databases
      2. Collects information from other customer databases to match and identify patterns of customer behavior

III. Consumer Privacy
   A. Technology allows for ease of gathering and sharing personal information
      1. Advantages
         a. Easier to track down criminals and prevent bank fraud
         b. Consumers can learn about new products and services
      2. Disadvantages
         a. Misuse of personal information
1. **Explain** why marketing research is important.

   Marketing research is important because it can be used to identify marketing opportunities, solve marketing problems, implement marketing plans, and monitor marketing performance.
2. **Identify** what organizations conduct marketing research.

Individual businesses, various manufacturers, wholesalers, retailers, departments within local, state, and federal governments, and nonprofit organizations all conduct marketing research.
3. **Describe** a customer database.

Information about consumers and their buying habits are stored in customer databases.
PREDICT  What would happen if marketing research was not used in product development?
Issues in Marketing Research

OBJECTIVES

• **Identify** the methods of conducting marketing research.

• **Discuss** trends and limitations in marketing research.
Different types of marketing research improve a business’s ability to solve problems and successfully market products and services.
VOCABULARY

- quantitative research
- qualitative research
- attitude research
- market intelligence
- media research
- product research
Issues in Marketing Research

Differences Between Quantitative Research and Qualitative Research

Quantitative Research
1. 
2.

Quantitative and Qualitative Research
1. 
2. 
3. 
4.

Qualitative Research
1. Attitude Research
2.
Issues in Marketing Research

Section 28.2

Differences Between Quantitative Research and Qualitative Research

Quantitative Research
1. Surveys
2. Questionnaires

Quantitative and Qualitative Research
1. Media research
2. Product research
3. Market intelligence
4. Forecasting

Qualitative Research
1. Attitude Research
2. Opinion research
Types of Marketing Research

Two Broad Types of Research

**Quantitative Research**

Marketing research that answers questions that begin with “how many” or “how much.”

**Qualitative Research**

Marketing research that focuses on smaller numbers of people and tries to answer questions that begin with “why” or “how.”
Types of Marketing Research

Attitude Research

- Mail surveys
- Telephone interviews
- Opinion polls

attitude research
Also known as opinion research; designed to obtain information on how people feel about certain products, services, companies, or ideas.
Types of Marketing Research

**Market Intelligence**
- Sales forecasting
- Economic forecasting

**Attitude Research**
- Mail surveys
- Telephone interviews
- Opinion polls

**Market Intelligence**

*market intelligence*
Also known as market research; concerned with the size and location of a market, the competition, and segmentation within the market for a particular product.
Issues in Marketing Research

Types of Marketing Research

**Attitude Research**
- Mail surveys
- Telephone interviews
- Opinion polls

**Market Intelligence**
- Sales forecasting
- Economic forecasting

**Media Research**
- Brand awareness
- Advertisement recall
- Brand image
- Effectiveness of advertising copy
- Audience size

**Media research**
Also known as advertising research; focuses on issues of media effectiveness, selection, frequency, and ratings.
Types of Marketing Research

<table>
<thead>
<tr>
<th>Attitude Research</th>
<th>Market Intelligence</th>
<th>Media Research</th>
<th>Product Research</th>
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<tr>
<td>Mail surveys</td>
<td>Sales forecasting</td>
<td>Brand awareness</td>
<td>New product research includes concept testing</td>
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<tr>
<td>Telephone interviews</td>
<td>Economic forecasting</td>
<td>Advertisement recall</td>
<td>Existing product research includes questionnaires and interviews</td>
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<tr>
<td>Opinion polls</td>
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<td>Brand image</td>
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<tr>
<td></td>
<td></td>
<td>Effectiveness of advertising copy</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>Audience size</td>
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**Product research**
Research that centers on evaluating product design, package design, product usage, and consumer acceptance of new and existing products.
Types of Marketing Research

Provide Details About the Statistics for Media Measurement
Types of Marketing Research

Graphic Organizer

Provide Details About the Statistics for Media Measurement

<table>
<thead>
<tr>
<th>Media Research</th>
<th>Audience</th>
<th>Frequency</th>
<th>Reach</th>
<th>Ratings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audience</td>
<td>Number of homes or people exposed to a particular advertising medium</td>
<td>Number of times a viewer in the audience sees or hears an ad</td>
<td>Percentage of the target audience that will see or hear an ad at least once</td>
<td>Total number of audience impressions delivered over a set period of time</td>
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Types of Marketing Research

Provide Details About the Different Types of Media
Types of Marketing Research

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<table>
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<tr>
<td>Print</td>
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<td>Broadcast</td>
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<td>Internet</td>
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- **Print**: To determine an ad’s effectiveness, readers may be asked about the extent to which they noticed the ad, remembered it, and associated it with the advertised brand.
- **Broadcast**: Nielsen Media Research, Inc.®, provides audience measurement information for the television industry. Companies use this information to determine which television programs to advertise on.
- **Internet**: The effectiveness of Internet advertising is often measured with tracking studies, which can be Web-centric or user-centric. Advertisers use this information to determine the most effective online advertising.
Types of Marketing Research

What Type of Research Tool Is Used to Collect Data for These Two Groups? Provide Details About the Research Groups.
Issues in Marketing Research

Types of Marketing Research

What Type of Research Tool Is Used to Collect Data for These Two Groups? Provide Details About the Research Groups.

- **Industrial Satisfaction Survey**: Gather information on products utilized by business and manufacturing firms.
- **Customer Satisfaction Survey**: Provide data for businesses interested in attitudes toward existing products and services.
Trends in Marketing Research

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<tr>
<td>Global marketplace means increased competition</td>
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<tr>
<td>Product quality and customer satisfaction are more important</td>
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<tr>
<td>Use of internal and external information for managing a business</td>
</tr>
<tr>
<td>Research of other cultures is important to a product’s success</td>
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</table>
Trends in Marketing Research

Provide Details About the Global Marketplace for Each of the Four Ps.
Trends in Marketing Research

Provide Details About the Global Marketplace for Each of the Four Ps.

**PRODUCT**
- Single product modified for different markets

**PRICE**
- Affected by costs of local product development, ingredients, and delivery

**PLACEMENT**
- Takes into account the product’s position in the marketplace

**PROMOTION**
- Largest expense in a global company’s marketing budget
- Message must be delivered in a relevant, engaging, and cost-effective way worldwide
Limitations of Marketing Research

The amount of information that can be gathered is limited by money and time.

Favorable customer reviews do not guarantee a product’s success.

Fast-changing markets may not allow time for research.
1. **Differentiate** between attitude and market intelligence research.

Attitude research, also known as opinion research, is designed to obtain information on how people feel about certain products, services, companies, or ideas. Market intelligence, also known as market research, is concerned with the size and location of a market, the competition, and segmentation within the market for a particular product or service.
2. **Explain** the purpose of media research.

Businesses often conduct media research to determine which media are most effective for getting an advertising message to a particular market.
3. **Explain** the purpose of product research.

The purpose of product research is to evaluate product design, package design, product usage, and consumer acceptance of new and existing products.
End of

Chapter 28

marketing research

Section 28.1
Marketing Information

Section 28.2
Issues in Marketing Research