



## PRIMARY

is research you conduct yourself (or hire someone to do for you.)

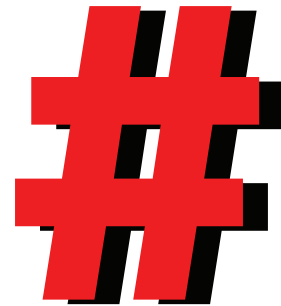


## SECONDARY

is a type of research has already been compiled, gathered, organized and published by others.

### Where to look for information?

### Types of data you can collect



## QUANTITATIVE

research is all about numbers



## QUALITATIVE

research isn't so much about numbers as it is about people — and their opinions about your business



# HOW

Databases, Data Warehousing, and Data Mining



Companies organize their information into:

**customer + product + salesperson  
databases =  
and then combine their data.**

The customer database will contain every customer's:

- + name
- + address
- + past transactions
- + demographics
- + psychographics (activities, interests, and opinions)

# CRM

Customer relationship management (CRM) allows businesses to manage business relationships and the data and information associated with them.

With CRM, you can store customer and prospect contact information, accounts, leads, and sales opportunities in one central location,





“Before the Internet, sometimes you just had to go out in the field, **literally, and watch the competition.**”



# DON'T FORGET



## Common Marketing Mistakes

### Using only secondary research:

It can be a great place to start, of course, but the information you get from secondary research can be outdated.

### Using only web resources.

To perform deeper searches while staying within your budget, use the resources at your local library, college campus or small-business center.

### Surveying only the people you know.

To get the most useful and accurate information, you need to talk to real customers about their needs, wants and expectations.



# DON'T FORGET

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A stylized illustration of a hand holding a red ribbon. The hand is drawn with thick black lines, and the ribbon is a vibrant red. The background features a repeating pattern of the word 'TRENDS' in a light gray, sans-serif font, arranged in a grid.

## Analyzing the Macroenvironment

Successful companies recognize and respond profitably to unmet needs and trends.

Firms **must monitor six major forces in the broad environment:**

1. demographic
2. economic
3. social cultural
4. natural
5. technological,
6. political-legal

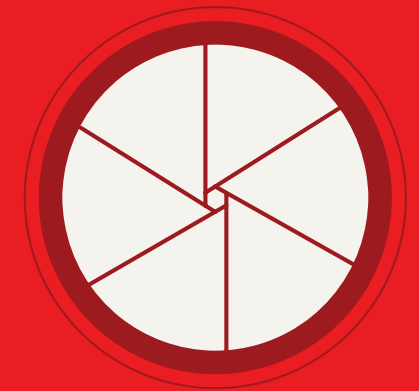
**Total market potential** is the maximum sales available to all firms in an industry during a given period.. A common way to estimate total market potential is to **multiply the potential number of buyers by the average quantity each purchases, times the price.**

## Step 1: Define the Problem, the Decision Alternatives, and the Research Objectives

Careful not to define the **problem too broadly or too narrowly for the marketing researcher**

Some research is **exploratory**—its goal is to shed light on the real nature of the problem and to suggest possible solutions or new ideas.

Some re- search is **descriptive**—it seeks to quantify demand, such as how many first-class passengers would purchase in-flight Internet service at \$25.



## Step 2: Develop the Research Plan

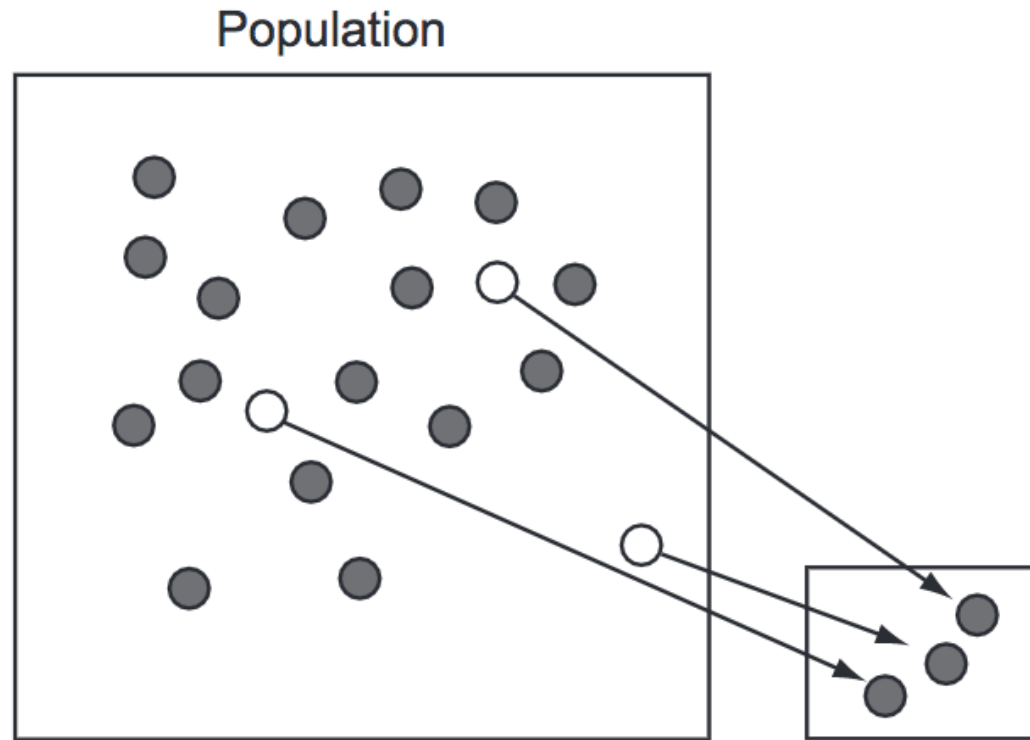
Conducting a survey is much more **complex** than just asking a group of people a series of questions to try to solve a problem.

Applying the **appropriate technique to a particular issue** or research question

**will strengthen the validity of acquired information**

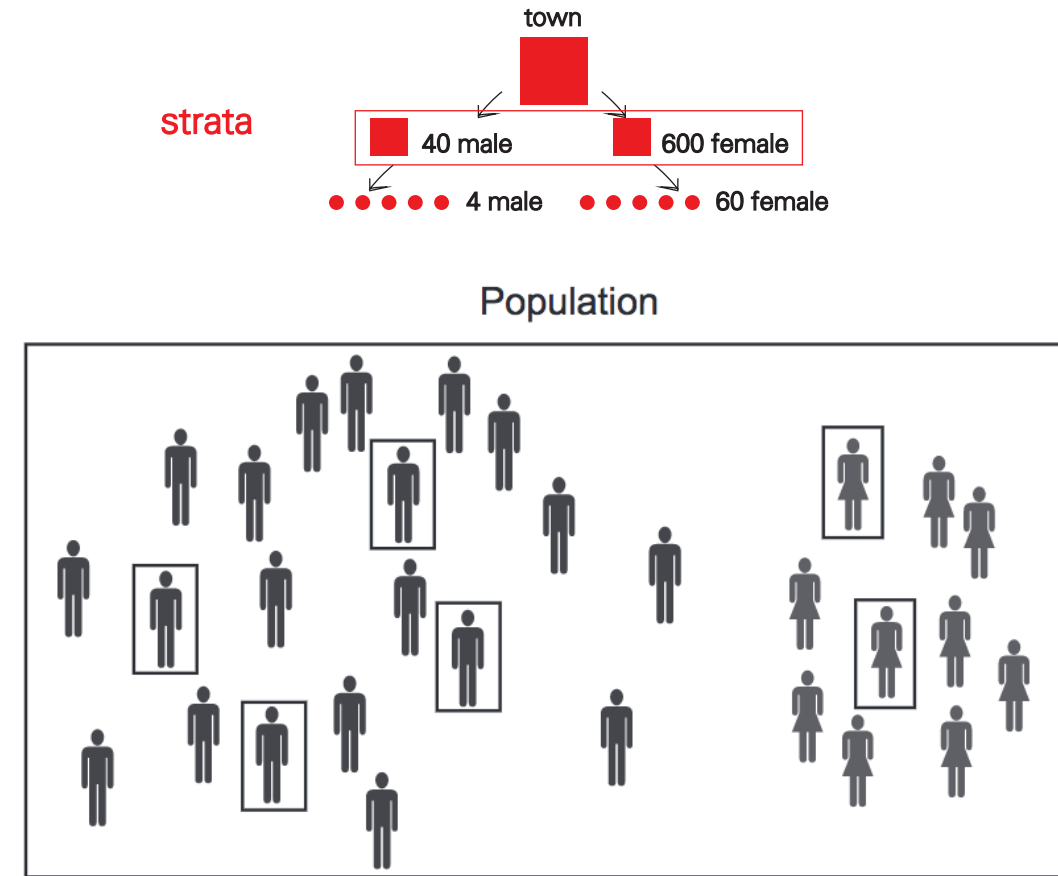


## Diagram A – Simple Random Sampling



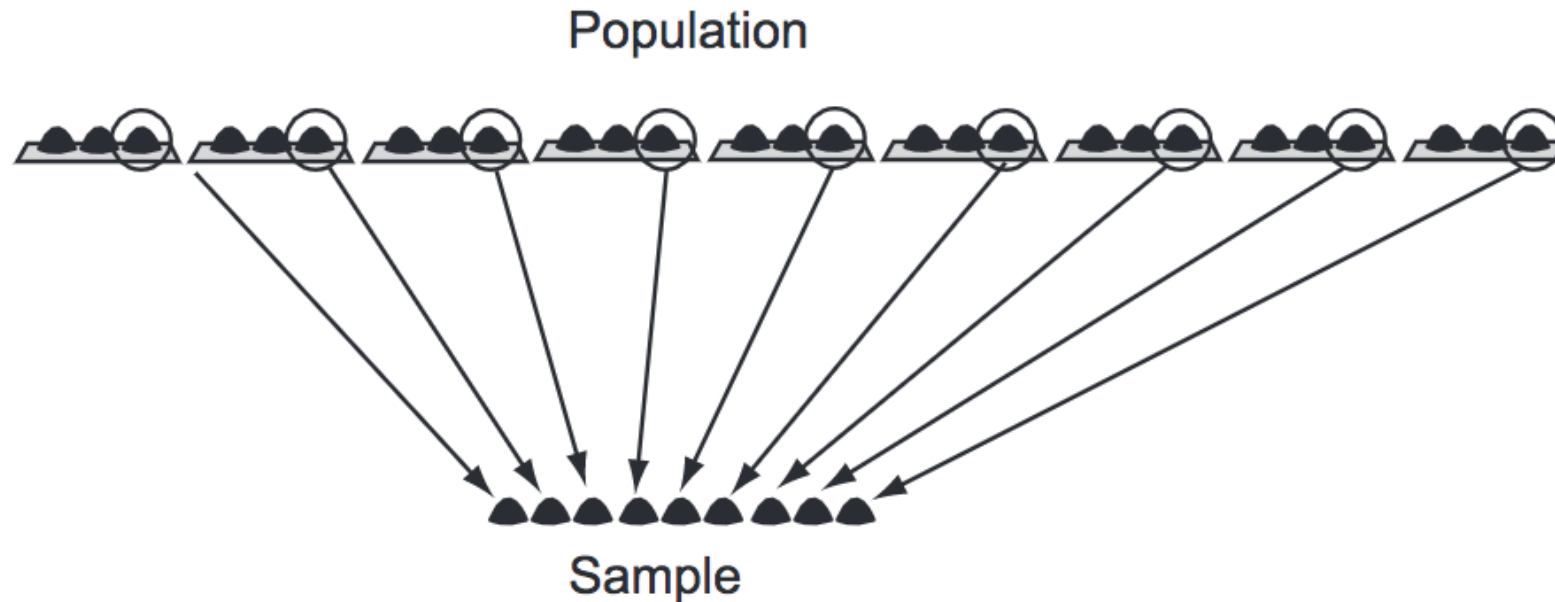
With this sampling strategy, every **member of an identified population has an equal and independent chance** of being selected to the sample. As an example, if the population of interest is commercial fishermen in the state of North Carolina., you can obtain a list of all state-issued commercial licenses. From this list, the desired sample size can be chosen at random.

## Diagram B – Stratified Random Sampling



Its intended purpose is for the **sample to possess the same proportion as the entire population based on one or more attributes**. Here the sample is divided into strata. As an example, the gender composition of a town is 2/3 male, 1/3 female. Using a stratified random sampling technique guarantees the same gender percentages present among the greater population. To use this technique, all individuals must first be placed into a specific subgroup. Once subgroups have been created, relevant percentages of individuals are randomly selected to the sample

## *Diagram C – Systematic Sampling*



This sampling strategy is useful in an instance **where the total population is unknown**. Public beach visitation is a relevant example. Since a visitor can come from virtually anywhere, it is difficult to quantify the total number of potential visitors.

The first step: determine a desired sample size

Next: a random number should be selected (potential respondents)

For example, if the number 3 were selected, every third beach visitor encountered would be surveyed. This strategy should be continued until the desired number of respondents is obtained. Diagram C demonstrates the systematic sampling technique.



Types of Questions

**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.	



## CREATIVE AND STRATEGIC PLANNING

### **Why Worry About the Order?**

Order bias - bias caused by the influence of earlier questions in the questionnaire or by an answer's position in a set of answers.

**Funnel Technique** - general questions are asked before more specific ones to receive unbiased responses.

**Anchoring Effect** - subsequent responses are compared to earlier responses. They act as a comparison point.

**Pivot Question** - determines which version of a question to ask next.

**Filter Question** - a question that screens out respondents who are not qualified to answer a second question.

marketing  
**Memo**

## Questionnaire Dos and Don'ts

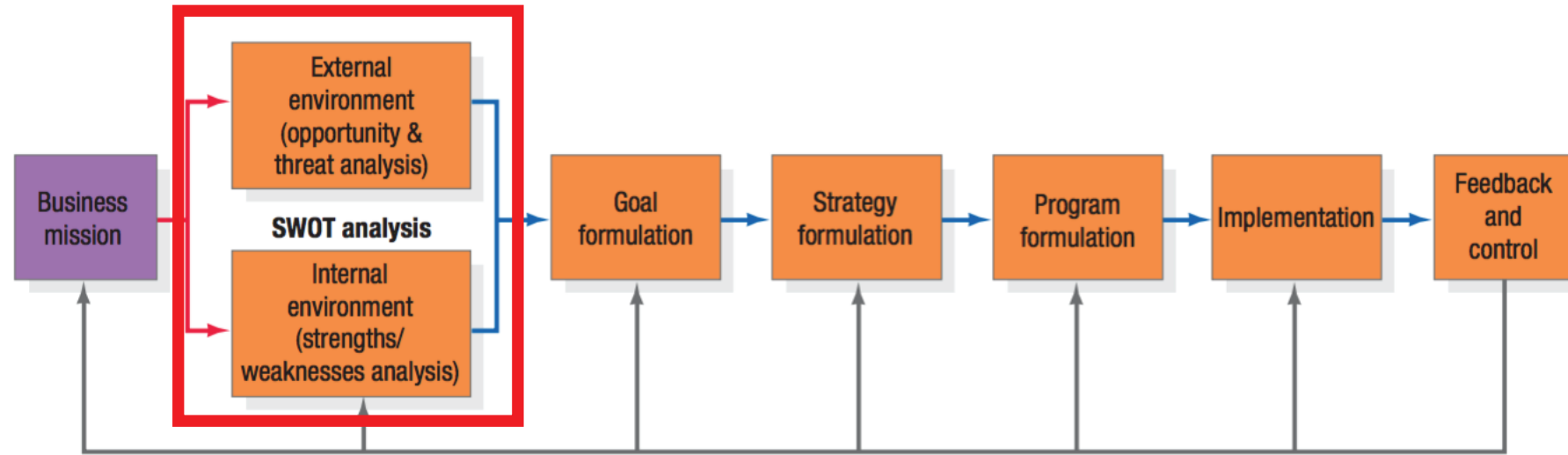
1. *Ensure that questions are without bias.* Don't lead the respondent into an answer.
2. *Make the questions as simple as possible.* Questions that include multiple ideas or two questions in one will confuse respondents.
3. *Make the questions specific.* Sometimes it's advisable to add memory cues. For example, be specific with time periods.
4. *Avoid jargon or shorthand.* Avoid trade jargon, acronyms, and initials not in everyday use.
5. *Steer clear of sophisticated or uncommon words.* Use only words in common speech.
6. *Avoid ambiguous words.* Words such as "*usually*" or "*frequently*" have no specific meaning.
7. *Avoid questions with a negative in them.* It is better to say, "Do you ever . . . ?" than "Do you never . . . ?"
8. *Avoid hypothetical questions.* It's difficult to answer questions about imaginary situations. Answers aren't necessarily reliable.
9. *Do not use words that could be misheard.* This is especially important when administering the interview over the telephone. "What is your opinion of sects?" could yield interesting but not necessarily relevant answers.
10. *Desensitize questions by using response bands.* To ask people their age or ask companies about employee turnover rates, offer a range of response bands instead of precise numbers.
11. *Ensure that fixed responses do not overlap.* Categories used in fixed-response questions should be distinct and not overlap.
12. *Allow for the answer "other" in fixed-response questions.* Precoded answers should always allow for a response other than those listed.

**Source:** Adapted from Paul Hague and Peter Jackson, *Market Research: A Guide to Planning, Methodology, and Evaluation* (London: Kogan Page, 1999). See also, Hans Baumgartner and Jan-Benedict E. M. Steenkamp, "Response Styles in Marketing Research: A Cross-National Investigation," *Journal of Marketing Research* (May 2001), pp. 143–56.



- ^ Stanford's Jennifer Aaker researched brand personalities and identified the following traits:<sup>21</sup>
  1. Sincerity (down-to-earth, honest, wholesome, and cheerful)
  2. Excitement (daring, spirited, imaginative, and up-to-date)
  3. Competence (reliable, intelligent, and successful)
  4. Sophistication (upper-class and charming)
  5. Ruggedness (outdoorsy and tough)





|Fig. 2.3| ▲

## The Business Unit Strategic-Planning Process

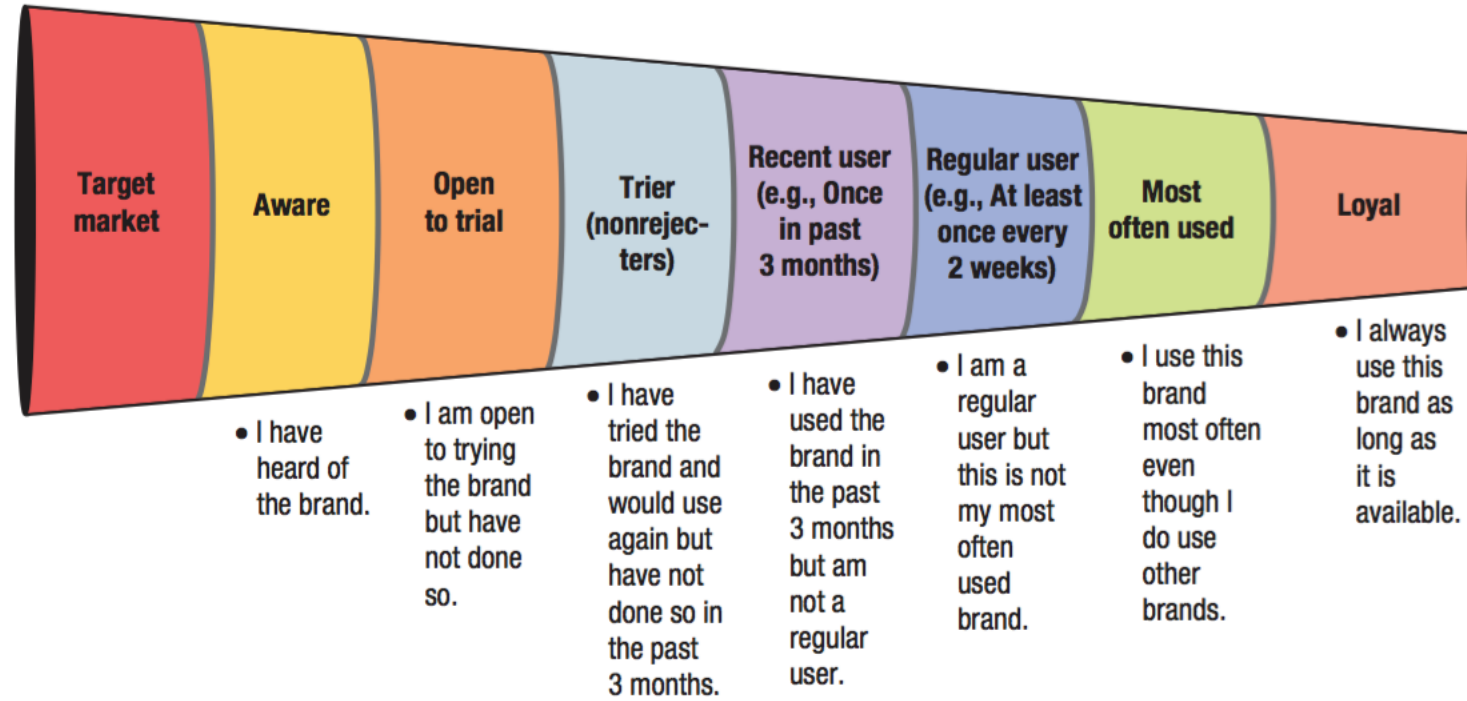
### The Business Mission

Each business unit needs to define its specific mission within the broader company mission. Thus, a television-studio-lighting-equipment company might define its mission as, “To target major television studios and become their vendor of choice for lighting technologies that represent the most advanced and reliable studio lighting arrangements.” Notice this mission does not attempt to win business from smaller television studios, offer the lowest price, or venture into nonlighting products.



[Fig. 5.4] ▲

## The Marketing Funnel



# THE BASIC PROCESS OF GAP ANALYSIS

WHAT SHOULD  
WE DO  
TO ACHIEVE  
THIS?



**PRESENT STATE**  
where are we at  
the moment?

**GAP ANALYSIS**  
How do we do  
this?

**DESIRED STATE**  
What do we  
want to achieve?



## **Step 3: Collect the Information**

## **Step 4: Analyze the Information**

**The next-to-last step in the process is to extract findings by tabulating the data and developing summary measures.**

## **Step 5: Present your findings**

## **Step 5: Making a decision**

