

MARK2052 MR1 Course Overview & Marketing Research Process

(T3-2019)



Lecture structure for this lecture

- Course issues and questions
- Course aims and learning outcomes
- Topics covered in MARK2052
- Assessment details
- Tutorial
- General lecture structure for each week
- Basic concepts of marketing research
- Marketing research process
- Lecture summary
- Next topic: MR2: qualitative research





MARKETING RESEARCH

4TH ASIA-PACIFIC EDITION

CENGAGE Learning

Australia • Brazil • Japan • Korea • Mexico • Singapore • Spain • United Kingdom • United States

Prescribed Text

Zikmund, W., D'Alessandro, S., Winzar, H., Lowe, B. and Babin, B., 2017. Marketing Research, 4th Asia Pacific Edition. *Melbourne: Cengage Learning.*

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Course Aims

- *Facilitate an introduction to marketing research both theoretically and practically.*
- *Provide an opportunity for students to develop applied marketing research skills.*

Course Learning Outcomes

- *Identify research **problems** and develop research **questions**.*
- *Design and undertake a basic marketing research **project**.*
- *Use basic qualitative and quantitative methods to **analyse** data and obtain insights for research problems.*



Course Learning Outcomes (continued)

- *Translate research **insights** into a language that is understandable to marketing managers, and produce evidence-based marketing decisions.*
- *Competently and confidently **communicate** (oral and written) research findings.*
- *Demonstrate an ability to determine self-direction in undertaking tasks, i.e. choose what needs to be done, rather than do what is told.*



Topics Covered

1. Course Overview and Marketing Research Process
2. Qualitative Research
3. Survey Research
- (Week 4 – Teaching Break)**
4. Questionnaire Design and Sampling Strategies
5. Basic Data Preparation and Analysis
6. Exploring Relationships: ANOVA – I
7. Exploring Relationships: ANOVA – II
8. Exploring Relationships: Regressions
9. Secondary Data Research
10. Communicating Research Results



Assessments

Assessment Task	Weighting	Due Date
Quiz	5%	Week 3 Tutorial
Practicum (2)	40% (20% each)	Practicum I: 17:00, Friday, 11 October 2019 Practicum II: 17:00, Friday, 1 November 2019
Comprehensive Practicum	27% (or 30%)	17:00, Friday, 29 November 2019
Group Project (Report)	25%	12:00, Friday, 29 November 2019
Research Participation	3% (or 0%)	Students schedule sessions as per their convenience during the period when the research surveys are offered and active.

Need to pass the individual component to pass the course.

Quiz (5%)

- Refer to *MARK2052 T3-2019 Assessment Information* in Moodle course website for more details
- During tutorial in Week 3
- Multiple-choice questions and short-answer questions
- Duration: 20 minutes



Practicum I & II (total 40%; 20% each)

- Refer to *MARK2052 T3-2019 Assessment Information* in Moodle course website for more details
- Practicum I (20%)
 - Due date: 17:00, Friday, 11 October 2019
- Practicum II (20%)
 - Due date: 17:00, Friday, 1 November 2019
- Individual submission via Moodle



Practicum I

- **Task:**
Coles would like to understand customer perceptions and attitudes toward this mini collectable campaign. To achieve this, Coles would like to conduct some marketing research, adopting exploratory research design, i.e. focus group. However, they are unsure if it is the best approach to gather useful customer information, compared with descriptive or causal research. Please critique the proposed qualitative research method (i.e. focus group) for Coles and based on your critique, provide ONE research design suggestion for Coles.



Comprehensive Practicum (27% or 30%)

- Refer to *MARK2052 T3-2019 Assessment Information* in Moodle course website for more details
- Due date: 17:00, Friday, 29 November 2019
- Individual submission via Moodle



Group Project Report (25%)

- Refer to *MARK2052 T3-2019 Assessment Information* in Moodle course website for more details
- 3 – 5 students in a group (form your own group members during tutorial in Week 2)
- Due date: 12:00, Friday, 29 November 2019
- One representative from each group to submit via Moodle



The system is now open for electronic submission via Moodle for Practicum I (20%) and Group Project (25%).

Go to MARK2052 Moodle course website: under “Assessment Items”.



Terrence's contact details

- Phone: 02 - 9385 3384
- Email: terrence.chong@unsw.edu.au
- Consultation:
 - 3PM – 4PM Wednesday or by appointment
 - Quadrangle Building 3001
 - Best way to communicate with Terrence: Email
 - If no reply from Terrence for **2 business days**, email again



Tutorials

- Start in **Week 2**.
- **8** tutorials – 2 hours each.
- **You will need a laptop for the tutorials.**
- Tutorial exercises will be uploaded to Moodle but not the solutions. You are encouraged to take your own notes during class discussion.



General lecture structure for each week

- Course issues and questions
- Quick **review** of the previous topic
- Concepts related to the **current topic**
- Key study area for the **next topic**

** Lecture is not recorded*



What is marketing research

The systematic and objective process of generating information for **aid in making marketing decisions**.

- Specifying the information required to address market issues.
- Designing the method for collecting information.
- Managing and implementing the data collection process.
- Analysing the results.
- Communicating the findings and their implications.



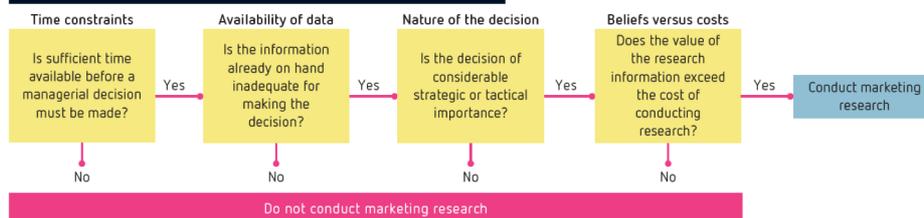
Value of marketing research

- Fulfills the marketing manager's need for knowledge of the market.
- Effective marketing management requires research.
- Marketing research **reduces the uncertainty** of marketing strategies and tactics.



When is marketing research needed?

← EXHIBIT 1.1 DETERMINING WHEN TO CONDUCT MARKETING RESEARCH





1. Defining the problem

- The research process begins with problem discovery
 - Often, only symptoms of the problem may be apparent.
 - Example, sales may be declining, but management may not know the exact nature of the problem.

- Problem definition stage
 - The stage in which management seeks to identify a clear cut statement of the problem or opportunity.
 - Allows the researcher to set the proper research objectives.

1. Defining the problem (continued)

- An orderly definition of the research problem lends a sense of direction to the investigation.
 - Every marketing problem can be classified on a continuum ranging from complete certainty to absolute ambiguity.
 - **Uncertainty influences the type of research selected.**

TABLE 1.1 » RELATIONSHIP OF UNCERTAINTY TO TYPES OF MARKETING RESEARCH			
	Exploratory research (ambiguous problem)	Descriptive research (partially defined problem)	Causal research (problem clearly defined)
Possible situation	'Our sales are declining and we don't know why.'	'What kind of people are buying our product? Who buys our competitors' products?'	'Will buyers purchase more of our product in a new package?'
	'Would people be interested in our new product idea?'	'What features do buyers prefer in our product?'	'Which of two advertising campaigns is more effective?'

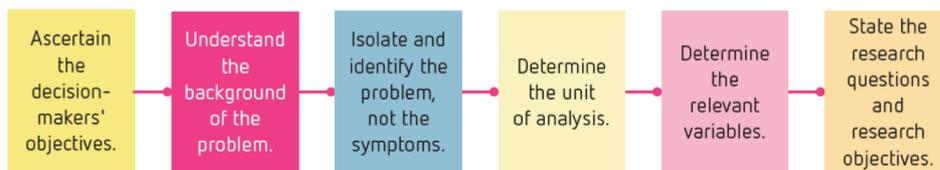
Note: The degree of uncertainty of the research problem determines the research methodology.

1. Defining the problem (continued)

- Statement of research objectives
 - After identifying and clarifying the problem, the researcher should make a formal statement of the problem and the research objectives.
 - The best expression of a research objective is a well-formed, testable research hypothesis.
 - A hypothesis is a statement that can be refuted or supported by empirical data.

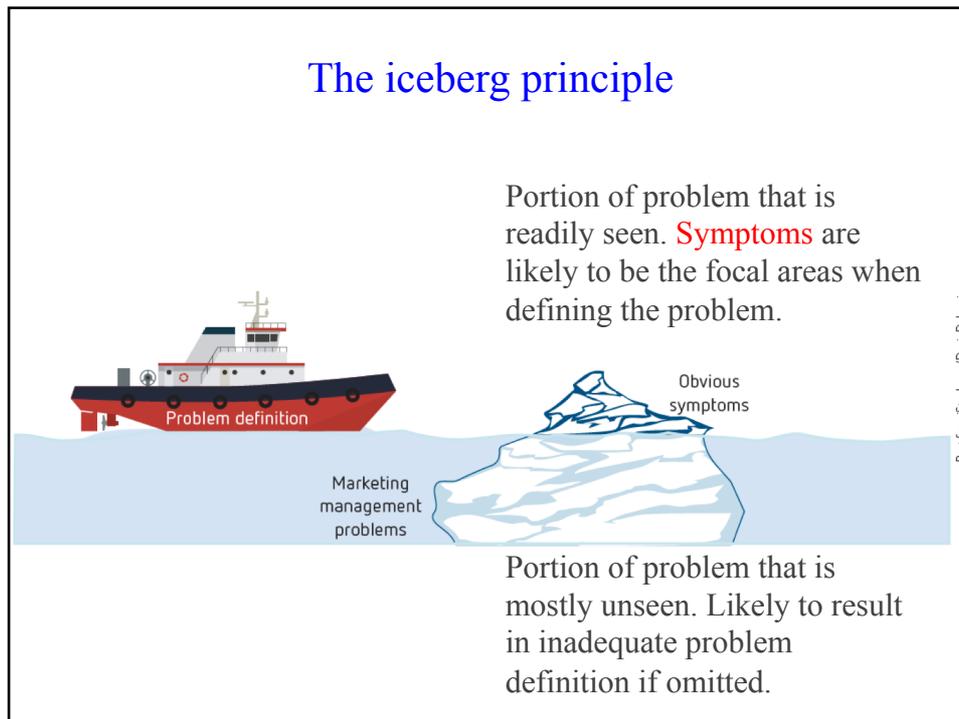
The process of defining a problem

- A problem definition:
 - indicates a specific marketing decision to be clarified or problem to be solved.
 - specifies research questions to be answered and the objectives of the research.
 - involves several interrelated steps.



Ascertain the decision-maker's objectives

- Researchers must attempt to satisfy decision-makers' objectives.
- Managerial goals should be expressed in measurable terms.
- The **iceberg principle** is the idea that the dangerous part of many marketing problems is neither visible to nor understood by marketing managers.



Understand the background of the problem

- Background information about previous events and why they occurred.
 - Exercising managerial judgement and experience.
- Situation analysis: Informal gathering of background information to familiarise researchers or managers with the decision area.
- **Literature review**: looking at past research in the area.

Isolate and identify the problems, not the symptoms

- Problems and symptoms can be confusing and may only be symptoms of deeper problem.

TABLE 2.1 » SYMPTOMS CAN BE CONFUSING

Organisation	Symptoms	Problem definition based on symptom	True problem
Twenty-year-old local swimming association in a major city	Membership has been declining for years. New water park with wave pool and water slides moved into town a few years ago.	Local residents prefer the more expensive water park and have a negative image of swimming pool.	Demographic changes: children in this 20-year-old local area have grown up; older residents no longer swim.
Manufacturer of palm-sized computer with wireless Internet access	Distributors complain prices are too high.	Investigate business users to learn how much prices need to be reduced.	Sales management: distributors do not have adequate product knowledge to communicate product's value.
Boutique brewery	Consumers prefer the taste of a competitor's brand.	What type of reformulated taste is needed?	Package: old-fashioned package influences taste perception.

Determine the unit of analysis

- Researchers must specify whether the investigation will collect data about individuals, households, organisations, etc.
- Problems may be investigated at more than one **level of analysis**.

Determine the relevant variables

- A variable is anything that varies in value.
 - For example, attitudes toward airlines may be a variable ranging from positive to negative.



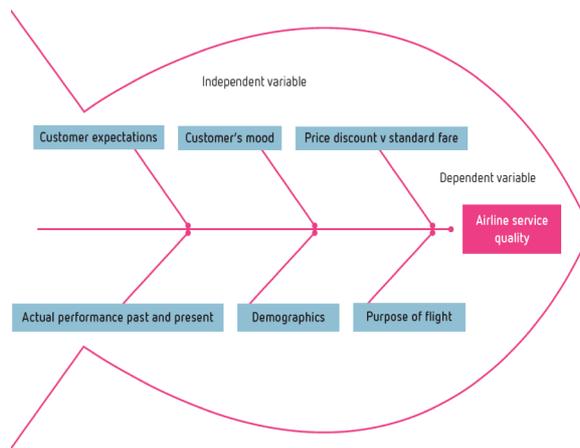
Determine the relevant variables (continued)

- **Categorical/classificatory**: Limited number of distinct values.
- **Continuous**: Infinite number of values.
- **Dependent**: Variable that is to be predicted or explained.
- **Independent**: Variable that is expected to influence the dependent variable.



Determine the relevant variables (continued)

- A fishbone diagram that illustrates the most important independent variables ('ribs') influencing dependent variable ('head').



- Using diagrams like this can help visualise the problem better; seeing it from multiple perspectives.

State the research questions and objectives

- A written statement of **research questions** and research objectives that clarifies any ambiguity about what the research hopes to accomplish.

Clarity in research questions and hypotheses

- Research questions and hypotheses add clarity to the statement of the marketing problem.
- A **hypothesis** is an unproven proposition or a possible solution to a problem.
 - Allows researchers to be clear about what they expect to find through the study and provides information that will be useful in decision-making.
 - For example, if consumers' attitudes toward a product change in a positive direction, consumption of the product will increase.



Decision-oriented research objectives

- The research objective is the researcher's version of the marketing problem.
 - Explains the purpose of the research in measurable terms.
 - Defines standards for what the research should accomplish.
 - Influences decisions about the research design.



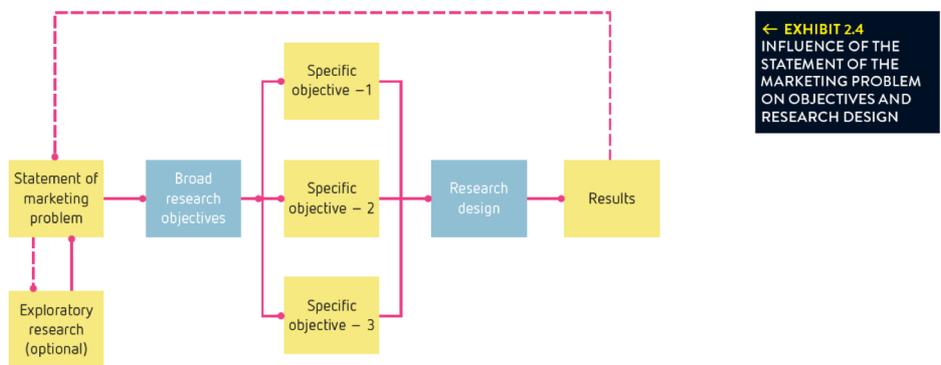
Decision-oriented research objectives (continued)

TABLE 2.2 > MARKETING PROBLEM TRANSLATED INTO RESEARCH OBJECTIVES		
Marketing management problem/questions	Research questions	Research objectives
Should the retail chain store offer in-home shopping via the Internet?	Are consumers aware of Internet home shopping systems? What are consumers' reactions to Internet shopping?	To determine consumer awareness with aided recall. To measure consumer attitudes and beliefs about home shopping systems.
In which of several possible forms should the service be offered?	How do consumers react to service form A? B? C? What are the perceived benefits of each form of service?	To obtain ratings and rankings of each form of service. To identify perceived benefits of and perceived objections to the system.
What market segment should be the target market?	Will consumers use the service? How often? Do the answers to the above questions differ depending on demographic group? Who are the best prospects?	To measure purchase intentions; to estimate likelihood of usage. To compare – using cross-tabulations – levels of awareness, evaluations, purchasing intentions etc. of men versus women, high-income versus low-income groups, young consumers versus older consumers etc.
What pricing strategy should we follow?	How much do prospective customers think the service will cost? Do prospective customers think this product will be priced higher or lower than competitive offerings? Is the product perceived as a good value?	To ascertain consumers' knowledge and expectations about prices. To learn how the price of this service is perceived relative to competitors' pricing. To determine the perceived value of the service.

Note: For simplicity, hypotheses are omitted from the table.

Decision-oriented research objectives (continued)

- The statement of a marketing problem influences the research objectives, which become the basis for the research design.



← EXHIBIT 2.4
INFLUENCE OF THE
STATEMENT OF THE
MARKETING PROBLEM
ON OBJECTIVES AND
RESEARCH DESIGN

Key questions in stage 1: problem definition

- What is the purpose of the study?
- How much is already known?
- Is additional background information necessary?
- What is to be measured? How?
- Can the data be made available?
- Should research be calculated?



2. Planning the research design

- A research design is a master plan that specifies the methods and procedures for collecting and analysing the needed information.
- The researcher must determine the sources of information, the design technique, the sampling methodology, the schedule and the cost of the research.
- ✓ Different methods and techniques are chosen for exploratory, descriptive or causal research design.



Exploratory research

- Initial research conducted to **clarify and define a problem**, gain insights and discover new ideas.
- Purpose is to:
 - progressively narrow the scope of the research topic.
 - transform ambiguous problems into well-defined research objectives.
- Expectation that subsequent research will be required to provide conclusive evidence.



Exploratory research (continued)

- **Narrowing of the research scope happens:**
 - by investigating any existing studies on the subject.
 - by talking with knowledgeable individuals and experts.
 - by informally investigating the situation.
- Exploratory research techniques
 - Secondary data analysis
 - Pilot studies
 - Case studies
 - Experience surveys



Exploratory research techniques

- Secondary data
 - Data previously collected and assembled for some project other than the one at hand.
 - Can be sourced from:
 - the company, library, internet
 - firms specialising in providing data (ABS, EIU)
 - literature reviews of journals and books
 - published reports and industry whitepapers.
 - Gathered more quickly and inexpensively than primary data.
 - Data may be out-dated or may not exactly meet research needs.



Exploratory research techniques (continued)

- Pilot studies
 - Collection of data from actual research subjects to serve as a guide for a larger study.
 - Data collection methods are informal and findings may lack precision.
 - Focus group interview to obtain qualitative information.
 - Sharing of ideas and preferences of six to ten people in a group.
 - For example, the National Drugs campaign used focus groups to identify attitudes and motivations of youth towards the use of illicit drugs.



Descriptive research

- Purpose is to describe **characteristics of a population**.
 - Example: Determining who purchases a product, portraying the size of the market, identifying competitors' actions etc.
- Seeks to determine the answers to who, what, when, where and how questions.
 - Segmentation and target marketing.
 - Revealing the nature of consumer behaviour.



Descriptive research (continued)

- Descriptive studies are based on some previous understanding of the nature of the research problem.
 - Note that this is distinct from exploratory research.
- **Accuracy is of paramount importance.**



Descriptive research techniques

- Surveys
 - Most common method of descriptive research.
 - In this technique information is gathered from a sample of people using a questionnaire.
 - Research investigators may choose to contact respondents by telephone or mail, on the internet or in person.
 - Each survey method has advantages and disadvantages, and researchers need to decide on the appropriate method for the data collection.



Descriptive research techniques (continued)

- Secondary data
 - An example of descriptive research using secondary data includes a mathematical model to predict sales on the basis of past sales.
 - Generally, the quantitative analysis of secondary data is more sophisticated than that of exploratory studies.



Descriptive research techniques (continued)

- Observation methods
 - Observation methods involve recording behaviour **without relying on reports from respondents**.
 - Example: number of automobiles that pass by a proposed site for a petrol station.



Causal research

- Main goal is to **identify cause-and-effect relationships among variables**.
 - A typical causal study has management change one variable (for example, advertising) and then observe the effect on another variable (such as sales).
 - Exploratory and descriptive research normally precedes causal research.



Causal research (continued)

- Researchers seek certain types of evidence to help them understand and **predict relationships**.
 - No causal relationship exists if there is no association between two variables.
- Marketing experiments, such as test marketing, hold the greatest potential for causal studies.



Causal research techniques

- Experiments
 - Experiments can establish cause-and-effect relationship.
 - Experimentation allows investigation of changes in one variable (such as sales), while manipulating one or two other variables (perhaps price or advertising) under controlled conditions in order to test a hypothesis.
 - Experimental control provides a basis for isolating causal factors by eliminating outside, or exogenous, influences.
 - Many companies in the fast-moving consumer goods industry conduct experiments that simply determine consumer reactions to different types of packaging.



The 'best' research design

- It is argued that **there is no single best research design**.
- There are no hard-and-fast rules for good marketing research.
 - This does not mean that the researcher faces chaos and confusion.
- Researchers can choose among many alternative methods for solving a problem.



Key questions in stage 2: selection of basic research design

- What types of questions need to be answered?
- Are descriptive or causal findings required?
- What is the source of the data?
- How quickly is the information needed?
- How should survey questions be worded?
- How should experimental manipulations be made?



3. Planning a sample

- A sample is a subset of a larger population.
- Sampling procedure uses a small number of items or a portion of the population to make a conclusion regarding the whole population.
 - Results of a good sample should have the same characteristics as the population as a whole.
- Researcher determines who is to be sampled, how large a sample is needed and how sampling units will be selected.



Sampling issues

- Target population: Who is to be sampled?
- Sample size: How big should the sample be?
- Sampling method: How to select the sampling units?



Sampling issues (continued)

- Sampling techniques
 - **Probability sampling:** Every member of the population has a known, nonzero probability of selection.
 - **Nonprobability sampling:** Members of the population are selected based on certain judgement criterion of researchers.



Key questions in stage 3: selection of sample

- Who or what is the source of the data?
- Can the target population be identified?
- Is a sample necessary?
- How accurate must the sample be?
- Is a probability sample necessary?
- Is a national sample necessary?
- How large a sample is necessary?
- How will the sample be selected?



4. Gathering data

- Data may be collected by humans or recorded by machines.
- Many research techniques involve various methods of data collection.
- Two phases of data gathering
 - Pretesting: small scale study on a small sub sample to determine the appropriateness of the research design and minimise errors.
 - Main study.



Key questions in stage 4: data gathering

- Who will gather the data?
- How long will data gathering take?
- How much supervision is needed?
- What operational procedures need to be followed?



5. Processing and analysing data

- Editing: Checking the data collection forms for omissions, legibility and consistency in classification.
- Coding: Developing rules for interpreting, categorising, recording and transferring the data to the data storage media.
- Analysis
 - Application of reasoning to understand the data.
 - Analysis may involve summarising relevant findings, determining consistent patterns, **statistical analysis** etc.



Key questions in stage 5: data analysis and evaluation

- Will standardised editing and coding procedures be used?
- How will the data be categorised?
- Will computer or hand tabulation be used?
- What is the nature of the data?
- **What questions need to be answered?**
- How many variables are to be investigated simultaneously?
- What are the criteria for evaluation of performance?



6. Drawing conclusions and preparing a report

- Researchers should look at the analysis of information collected and ask, 'What does this mean to management?'
- **Consists of interpreting information and making conclusions for managerial decisions.**
- Research reports should effectively communicate the findings of the research.



Key questions in stage 6: type of report

- Who will read the report?
- Are managerial recommendations requested?
- How many presentations are required?
- What will be the format of the written report?



The research program strategy

- The overall plan to conduct a series of marketing research projects.
- Marketing research is not a one-shot activity, but a **continuous process**.
 - An exploratory research study may be followed by a survey; researchers may design specific research projects for each aspect of the marketing mix, etc.
- Management should view marketing research at a strategic planning level.



Next Topic: MR2 – Qualitative Research

- Designing and conducting qualitative research
 - Interview
 - Focus group
 - Observation

