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Chapter 1

Marketing Research for Managerial Decision Making

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Learning Objectives

- Describe the impact marketing research has on marketing decision making
- Demonstrate how marketing research fits into the marketing planning process
- Provide examples of marketing research studies
- Understand the scope and focus of the marketing research industry

1-2

The Growing Complexity of Marketing Research

- Technology and growth of global business are increasing the complexity of marketing research
- New data collection tools, including Twitter, clickstream tracking, and GPS, pose serious questions in regard to consumer privacy
- Current variety of available tools and techniques makes choosing a method for a particular research project increasingly challenging

1-3

The Growing Complexity of Marketing Research

- Marketing research is a systematic process
- Tasks include:
 - Designing methods for collecting information
 - Managing the information collection process
 - Analyzing and interpreting results
 - Communicating findings to decision makers

1.4

The Role and Value of Marketing Research

- Marketing research draws heavily on the social sciences both for methods and theory
- Marketing research methods:
 - Are diverse
 - Span a wide variety of qualitative and quantitative techniques
 - Borrow from disciplines such as psychology, sociology, and anthropology (human)

1.5

The Role and Value of Marketing Research

- Marketing research can be applied to a wide variety of problems involving the four Ps:
 - Price
 - Place
 - Promotion
 - Product

1.6

Marketing Research and Marketing Mix Variables

- **Product** - Product decisions are varied and include:
 - New product development and introduction
 - Branding
 - Positioning products
- **Perceptual mapping:** Used to picture the relative position of products on two or more product dimensions important to consumer purchase decisions

1.7

Marketing Research and Marketing Mix Variables

- **Place/Distribution** - Decisions include choosing and evaluating:
 - Locations
 - Channels
 - Distribution partners
- **Retailing research:** Focus on trade area analysis, store image/perception, in-store traffic patterns, and location analysis

1.8

Marketing Research and Marketing Mix Variables

- **Behavioral targeting:** Displays ads at one website based on the user's previous surfing behavior
- **Shopper marketing:** Marketing to consumers based on research of the entire process consumers go through when making a purchase

1.9

Marketing Research and Marketing Mix Variables

- Promotion - Important influences on any company's sales
 - Essential that companies know how to obtain good returns from their promotional budgets
- Most common research tasks in integrated marketing communications:
 - Advertising effectiveness studies
 - Attitudinal research
 - Sales tracking

1-10

Marketing Research and Marketing Mix Variables

- Price - Pricing decisions involve:
 - Pricing new products
 - Establishing price levels in test marketing
 - Modifying prices for existing products

1-11

Marketing Research and Marketing Mix Variables

- Marketing research provides answers:
 - How large is the demand potential within the target market at various price levels?
 - What are the sales forecasts at various price levels?
 - How sensitive is demand to changes in price levels?
 - Are there identifiable segments that have different price sensitivities?
 - Are there opportunities to offer different price lines for different target markets?

1-12

Types of Marketing Research Firms

- Internal or external
- Custom or standardized
- Brokers or facilitators

1-13

Types of Marketing Research Firms

Internal

- Organizational units that reside within a company
- Benefits:
 - Research method consistency
 - Shared information across the company
 - Lower research costs
 - Ability to produce actionable research results

External

- Perform all aspects of the research
- Benefits:
 - Objective suppliers
 - Less subject to company politics and regulations
 - Specialized talent for the same cost
 - Greater flexibility in scheduling studies and specific project requirements

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Types of Marketing Research Firms

- **Customized research firms:** Provide tailored services for clients
- **Standardized research firms:** Provide general results following a standard format so that results of a study conducted for one client can be compared to norms
 - **Syndicated business services:** Services provided by standardized research firms that include data made or developed from a common data pool or database

1-15

Emerging Trends

- Increased emphasis on secondary data collection methods
- Movement toward technology-related data management
- Expanded use of digital technology for information acquisition and retrieval
- Broader international client base
- Movement beyond data analysis toward a data interpretation/information management environment

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The end!

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