


Joseph F. Hair, Jr. | Mary Wolfmberger Celsi | David J. Ortinau | Robert P. Bush



Chapter 2

The Marketing Research Process and Proposals

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Learning Objectives

- Describe the major environmental factors influencing marketing research
- Discuss the research process and explain the various steps
- Distinguish between exploratory, descriptive, and causal research designs
- Identify and explain the major components of a research proposal

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Changing View of the Marketing Research Process

- Organizations are increasingly confronted with new and complex challenges and opportunities
 - Internet is the most influential factor
- Growing emphasis on:
 - **Secondary data:** Information previously collected for some other problem or issue
 - **Primary data:** Information collected for a current research problem or opportunity

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Determining the Need for Information Research

- Questions a decision maker should ask:
 - Can the problem and/or opportunity be resolved using existing information and managerial judgment?
 - Is adequate information available within the company's internal record systems to address the problem?
 - Is there enough time to conduct the necessary research before the final managerial decision must be made?

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Determining the Need for Information Research

- Do the benefits of having the additional information outweigh the costs of gathering the information?
- Will the research provide useful feedback for decision making?
- Will this research give our competitors too much information about our marketing strategy?

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Exhibit 2.1 - Situations When Marketing Research Might not be Needed

Situation Factors and Comments	
Insufficient time frames	When the discovery of a problem situation leaves inadequate time to execute the necessary research activities, a decision maker may have to use informed judgment. Competitive actions/reactions sometimes emerge so fast that marketing research studies are not a feasible option.
Inadequate resources	When there are significant limitations in money, manpower, and/or facilities, then marketing research typically is not feasible.
Costs outweigh the value	When the benefits to be gained by conducting the research are not significantly greater than the costs, then marketing research is not feasible.

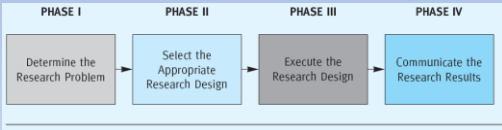
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Overview of the Research Process

- Phases of the research process are guided by the scientific method
 - **Scientific method:** Research procedures should be logical, objective, systematic, reliable, and valid

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Exhibit 2.2 - The Four Phases of the Information Research Process



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Transforming Data into Knowledge

- **Knowledge:** Information becomes knowledge when someone, either the researcher or the decision maker, interprets the data and attaches meaning

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Exhibit 2.4 - Phases and Steps in the Information Research Process

Phase I: Determine the Research Problem
Step 1: Identify and clarify information needs
Step 2: Define the research questions
Step 3: Specify research objectives and confirm the information value
Phase II: Select the Research Design
Step 4: Determine the research design and data sources
Step 5: Develop the sampling design and sample size
Step 6: Examine measurement issues and scales
Step 7: Design and pretest the questionnaire
Phase III: Execute the Research Design
Step 8: Collect and prepare data
Step 9: Analyze data
Step 10: Interpret data to create knowledge
Phase IV: Communicate the Research Results
Step 11: Prepare and present final report

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Relevant Key Terms in the Information Research Process

Iceberg principle	Decision makers are aware of only 10 percent of the true problem
Situation analysis	Gathers and synthesizes background information to familiarize the researcher with the overall complexity of the problem
Unit of analysis	Specifies whether data should be collected about individuals, households, organizations, departments, geographical areas, or some combination
Exploratory research	Generates insights that will help define the problem situation confronting the researcher or improves the understanding of consumer motivations, attitudes, and behavior that are not easy to access using other research methods

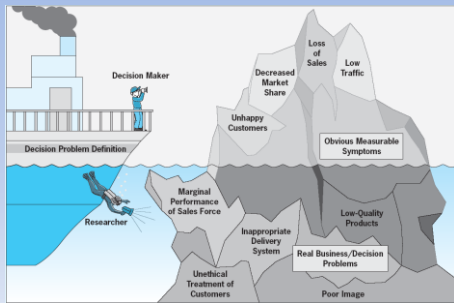
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Relevant Key Terms in the Information Research Process

Descriptive research	Collects quantitative data to answer research questions such as who, what, when, where, and how
Causal research	Collects data that enables decision makers to determine cause-and-effect relationships between two or more variables
Target population	The population from which the researcher wants to collect data
Census	The researcher attempts to question or observe all the members of a defined target population
Sample	A small number of members of the target population from which the researcher collects data

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Exhibit 2.5 - The Iceberg Principle



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Develop a Research Proposal

- **Research proposal:** Document that provides an overview of the proposed research and methodology
 - Serves as a written contract between the decision maker and the researcher

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Exhibit 2.8 - General Outline of a Research Proposal

TITLE OF THE RESEARCH PROPOSAL

- I. Purpose of the Proposed Research Project**
Includes a description of the problem and research objectives.
- II. Type of Study**
Discusses the type of research design (exploratory, descriptive, or causal), and secondary versus primary data requirements, with justification of choice.
- III. Definition of the Target Population and Sample Size**
Describes the overall target population to be studied and determination of the appropriate sample size, including a justification of the size.
- IV. Sample Design and Data Collection Method**
Describes the sampling technique used, the method of collecting data (for example, observation or survey), incentive plans, and justifications.
- V. Specific Research Instruments**
Discusses the method used to collect the needed data, including the various types of scales.

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Exhibit 2.8 - General Outline of a Research Proposal

VI. Potential Managerial Benefits of the Proposed Study

Discusses the expected values of the information to management and how the initial problem might be resolved, including the study's limitations.

VII. Proposed Cost for the Total Project

Itemizes the expected costs for completing the research, including a total cost figure and anticipated time frames.

VIII. Profile of the Research Company Capabilities

Briefly describes the researchers and their qualifications as well as a general overview of the company.

IX. Optional Dummy Tables of the Projected Results

Gives examples of how the data might be presented in the final report.

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Marketing Research in Action: What Does a Research Proposal Look Like?

- If a proposal is accepted, will it achieve the objectives of management?
- Is the target population being interviewed the appropriate one?
- Are there other questions that should be asked in the project?

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