EIGHTH EDITION

MARKETING RESEARCH

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MARKETING

SUCCESS

ANALYSIS

ALVIN C. BURNS   ANN VEECK   RONALD F. BUSH

A BRIEF GUIDE TO GETTING THE MOST FROM THIS BOOK

1. Features to make reading more interesting

FEATURE	DESCRIPTION	BENEFIT
Opening vignettes	Each chapter begins with a short description of a marketing research company's features or an organization's services such how firms deal with survey data quality.	Previews the material in the textbook by showing you how it is used in marketing research
Current insights from industry professionals	"War stories" and recommendations from seasoned practitioners of marketing research	Illustrates how the technique or theory should be applied or gives some hints on ways to use it effectively
Global Applications	Examples of global marketing research in action	Fosters awareness that over one-half of marketing research is performed in international markets
Ethical Considerations	Situations that show how ethical marketing researchers behave using the actual code of marketing research standards adopted by the Marketing Research Association	Reveals that marketing researchers are aware of ethical dilemmas and seek to act honorably
Practical Applications	"Nuts and bolts" examples of how marketing research is performed and features new techniques such as neuromarketing	Gives a "learning by seeing" perspective on real-world marketing research practice
Digital Marketing Research Applications	Information is provided on how technology is impacting marketing research both as a source of information and the creation of new products designed to cultivate the information	You will see how new innovations create opportunities for marketing research firms to add new services designed to provide information created by the new information sources

2. Features to help you study for exams

FEATURE	DESCRIPTION	BENEFIT
Chapter objectives	Bulleted items listing the major topics and issues addressed in the chapter	Alerts you to the major topics that you should recall after reading the chapter
Marginal notes	One-sentence summaries of key concepts	Reminds you of the central point of the material in that section
Chapter summaries	Summaries of the key points in the chapter	Reminds you of the chapter highlights
Key terms	Important terms defined within the chapter and listed at the end of the chapter.	Helps you assess your knowledge of the chapter material and review key topics
Review questions	Assessment questions to challenge your understanding of the theories and topics covered within the chapter	Assists you in learning whether you know what you need to know about the major topics presented in the chapter
Companion website	The student resources on this website include chapter outlines, case study hints, online tests, and PowerPoint slides	Offers online pre- and post-tests, PowerPoint files, case study hints, and SPSS tutorials and datasets

3. Elements that help you apply the knowledge you've gained

FEATURE	DESCRIPTION	BENEFIT
End-of-chapter cases	Case studies that ask you to apply the material you've learned in the chapter	Helps you learn how to use the material that sometimes must be customized for a particular marketing research case
Synthesize Your Learning	Exercises that ask you to apply and integrate material from across three to four chapters	• Overcomes the "silo effect" of studying chapters in isolation • Enhances learning by showing you how topics and concepts are related across chapters
Integrated Case	A case study running throughout the book which you study through end-of-chapter exercises	• Simulates a real-world marketing research project running across most of the steps in the marketing research process • Shows you the execution of an entire marketing research project
Integration of IBM SPSS Statistics Version 23	The most widely adopted statistical analysis program in the world, with annotated screenshots and output, plus step-by-step "how to do it" instructions	Teaches you the statistical analysis program that is the standard of the marketing research industry.
Online SPSS datasets	SPSS data sets for cases in the textbook, including the integrated case at www.pearsonhighered.com/burns	• Offers easy access to SPSS datasets that you can use without worrying about set-up or clean-up • Provides good models for SPSS datasets
SPSS student assistant	Stand-alone modules with animation and annotated screen shots to show you how to use many SPSS features at www.pearsonhighered.com/burns	Handy reference for many SPSS functions and features, including statistical analyses

MARKETING RESEARCH

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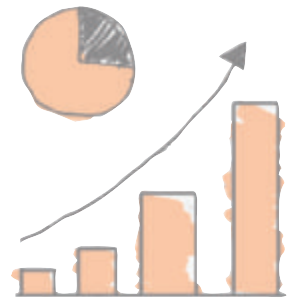
EIGHTH EDITION

MARKETING RESEARCH

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Louisiana State University

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Western Michigan University

Ronald F. Bush

University of West Florida

PEARSON

Only we know how much our spouses, Jeanne, Greg, and Libbo, have sacrificed during the times we have devoted to this book. We are fortunate in that, for all of us, our spouses are our best friends and smiling supporters.

Al Burns,
Louisiana State University

Ann Veeck,
Western Michigan University

Ron Bush,
University of West Florida

Brief Contents

Contents

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Preface to *Marketing Research,* Eighth Edition

What's New and What's Tried and True in the Eighth Edition?

- *New! Ann Veeck, Co-author.* The eighth edition of *Marketing Research* heralds a significant change in authors. For the past seven editions, this textbook has been authored by Al Burns and Ron Bush. Ron shifted into retirement soon after the seventh edition was published, and Ann Veeck came aboard. Ann has impeccable credentials, including a Master of Marketing Research degree from the Terry College of Business at the University of Georgia. Ann has taught marketing research and used Burns and Bush textbook editions for a number of years. Ann's contributions appear throughout the eighth edition and especially in coverage of the marketing research industry, the marketing research process and problem definition, research design, secondary and packaged information, and qualitative research techniques. Ann is also on top of digital marketing research and big data analytics. Those adopters who have used previous editions of *Marketing Research* will nevertheless recognize coverage and contributions by Ron Bush and, while Ron is not an active writer of the eighth edition, we have retained his name as co-author for this reason. So the eighth edition of *Marketing Research* marks the transition of Burns and Bush to Burns, Veeck, and Bush, with the expectation that the ninth edition will be Burns and Veeck.

    Benefit: As a longtime user of *Marketing Research* and an accomplished teacher of countless marketing research students, Ann's contributions continue the tradition of intuitive and immediately understandable coverage of this subject matter.

- *New! Big Changes in the Industry, Subtle Shifts in the Textbook.* Those of us in the marketing research business cannot help but notice the huge changes taking place. Big data and marketing analytics have arrived; social media marketing research practices are on the scene; qualitative research has become much more common; technological innovations happen daily; panels have become the way of surveys; data visualization, infographics, and dashboards are the preferred presentation vehicles. As seasoned marketing educators and perceptive textbook authors, we are well aware that instructors intensely dislike dramatic changes in new editions of textbooks they have used for some time. So, we have addressed the big changes in marketing research not with a major rewriting of the tried-and-true coverage in prior editions but with a more evolutionary approach by adding new sections, composing Marketing Research Insights as illustrations, and recasting some chapter sections to be consistent with current practice. We advise the adopters of the eighth edition to do as we do. When teaching marketing research to our own students, we use the textbook coverage as a springboard to current practices and examples that we glean by keeping up with *Quirk's Marketing Research Review*, *GreenBook*, and other marketing research industry news sources.

    Benefit: Adopters of the eighth edition will notice the modernization of coverage, but they will not be shocked or inconvenienced by huge changes in organization, topic coverage, and flow of material in the textbook.

- *New! Digital Marketing Research.* We firmly believe that new technologies, principally computer-based innovations, are profoundly changing the practice of marketing research, and while we termed it *social media marketing research* and *mobile marketing research* in our previous edition, those terms do not completely capture what is happening. So, we have opted to use *digital marketing research* as our catchphrase, which we

believe subsumes social media marketing and mobile marketing research, all techno-logical shifts such as the huge popularity of online panels, the growth of Internet-based qualitative techniques, infographics, and so on. Thus, many of these are highlighted by Digital Marketing Research Applications in Marketing Research Insights throughout the book. Under the umbrella of digital media, many references will pertain exclusively to the subcategory of social media data (as in the section in Chapter 5 on social media as a form of secondary research) and will be labeled as such.

> *Benefit:* Students have the latest information on industry practices regarding technol-ogy's impacts on marketing research. Students will be able to appreciate how rapidly changing and evolutionary is the contemporary practice of marketing research.

■ *New! Big Data.* In the era of "big data," students need to be aware of traditional sources of data as well as exciting new sources. Chapter 5, Secondary Data and Packaged In-formation, now begins with an introductory section on big data that defines the phrase and explains why the multiplying types and volume of data are met with both anticipa-tion and apprehension by marketing research professionals. One of these increasingly important sources of data is the user-generated data (UGD) that can be mined from social media websites; an extensive section on the use, as well as the strengths and weaknesses, of social media data has been added to Chapter 5. Another form of secondary digital data that is becoming increasingly useful is the Internet of Things (IoT), and a section on the future potential of these sources of "passive data" now concludes Chapter 5.

> *Benefit:* Students will have a better understanding of the current and potential use of emerging sources of data and how they can develop skills to be well equipped for careers in the marketing research industry.

■ *New! Updated Marketing Research Practical and Global Insights.* Marketing Research Insights—short illustrations and descriptions of marketing research practices—have been an integral part of *Marketing Research* from the first edition. In addition to the new Digital Marketing Research Insight element, we have retained those that have evolved over previous editions. Namely, Practical Marketing Research Insights and Global Marketing Research Insights appear in every chapter with fresh examples. These inserts help to illustrate concepts we discuss in the text or to introduce students to some unique application being used in practice. All of these are new and reflect current issues and practices in the industry.

> *Benefit:* Students are introduced to real-world applications in the marketing research industry. By focusing on four categories, students see how current issues that are important to the industry are being addressed by today's practitioners.

■ *New! Marketing Research Company Vignettes.* In past editions of *Marketing Re-search*, we leveraged the relationships we have developed in the industry by inviting key players to contribute a thumbnail company description or comment on a particular marketing research topic at the beginning of each chapter. With the eighth edition, all company vignettes are fresh. However, we opted, for the most part, to invite only the most innovative marketing research companies to contribute. Thus, we issued an invitation to companies identified in the *Top 50 Most Innovative Supplier Companies in Marketing Research* in the 2015 GreenBook Research Industry Trends Report. Several responded with thumbnail descriptions, photos of the CEO or other company principal, and company logo. With each one, curious students are encouraged to visit the com-pany's website. Because most of these companies are innovative and cutting edge, they do not fit the "mold" of chapter coverage as did companies in past editions. Instead, instructors should treat these company vignettes as interesting success stories about contemporary marketing research practices.

> *Benefit:* Students get more than an academic perspective of marketing research. They benefit from reading about (and seeing, if they visit the websites) innovative marketing research practitioners solving real problems.

- *New! New End-of-Chapter Cases.* In many chapters, we provide new cases to reflect much of the current material in this eighth edition. We strive to make the cases interesting to the students and illustrate real-world applications. We have developed new short cases that are fictitious but written with a goal of stimulating students' interest and curiosity.

    Benefit: Students can apply concepts they have just learned in the chapter to a real-world setting. This allows students to see how valuable the information they have learned is in a practical example.

- *Tried and True! Retained Organization and Shorter Length.* With the previous edition, we responded to adopters' desires for a more concise approach. We reduced the number of chapters to 16 instead of the 20 or more chapters you'll see in many texts. We accomplished this aim by combining some chapters and streamlining the material. For example, we combined the chapters on steps in the research process and determining the problem into one chapter. This streamlined approach keeps the focus on the core lessons to be learned. Because this organization and shorter list of chapters proved successful both in terms of sales and adopters' comments, we have retained this format in the eighth edition.

    Benefit: The book is better synchronized with a 15- or 16-week semester. Students now have a comprehensive learning experience in a more manageable package.

- *Tried and True! Annotated Integration IBM® SPSS® Statistics software ("SPSS") 23.0.* This eighth edition is fully integrated with SPSS 23.0. We started this integration in 1995, and we enhance the integration of SPSS by offering your students step-by-step screen captures that help them learn the keystrokes in SPSS. This allows you to spend more time teaching what the analysis technique is, when to use it, and how to interpret it. Illustrated keystrokes for the latest edition of SPSS are presented in this text with clear, easy-to-follow instructions.

    Benefit: Students learn the latest version of SPSS, considered to be the "gold standard" among marketing researchers. By following our step-by-step screen captures, students will see the necessary menu operations and learn how to read SPSS output. Just by reading this book, they can learn a great deal about SPSS by "seeing" it operate before they get to a computer to practice.

- *Tried and True! Guidelines on Reporting Statistical Analyses to Clients.*   We have noticed that after teaching our students to properly conduct a statistical analysis using SPSS, they have trouble when it comes to writing down what they have done. In our sixth edition, we added an element that would address this problem. We believe it is a significant improvement, and we have retained and streamlined it in the eighth edition. In our data analysis chapters, we include information on how to write up the findings for the client. We offer easy-to-follow guidelines and examples.

    Benefit: Most books teach data analysis. Students reading this book will benefit by not only knowing how to perform data analysis but also how to report what they find. This should make students better research report writers.

- *Tried and True (but tweaked)! Integrated Case.* Through our own teaching, we have found that an integrated case is an excellent teaching tool. One case example that develops over the semester allows students to see the linkages that exist in the real world all the way from formulating the problem through data analysis. Our integrated case follows a marketing research company project from start to finish. To freshen the integrated case, we changed the client company from Global Motors to Auto Concepts and modernized the automobile models being researched. The case focuses on a manager who must determine the type of automobiles the auto market will demand in the future. Students using this case will learn how to examine attitudes and opinions (for example, attitudes about global warming) that may influence consumer choice, how to determine the most preferred models, and how to identify market segment differences between the

different models. Students are shown how SPSS tools can aid them in analyzing case data to make important decisions. The dataset is streamlined with fewer variables, and the "integrated" aspect has been cut back to nine end-of-chapter cases rather than one in every chapter. Of course, the dataset is used extensively in analysis chapters so students can replicate the examples and practice.

> *Benefit:* The Auto Concepts integrated case offers the benefit of allowing students to examine the critical steps in a marketing research project and to more easily see how data are used to help managers choose from among decision alternatives.

■ *Tried and True! Inclusion of Code of Ethics Passages as Ethical Marketing Research Insights.* A fourth Marketing Research Insight is entitled Ethical Consideration, which also harkens back to our text book's inception. In our previous edition, we decided to treat the topic of ethics the way it is treated in the industry, so we included excerpts from the *Code of Marketing Research Standards* as presented by the Marketing Research Association (MRA). We have long had a good relationship with the MRA, which has given us permission to present excerpts from the current standards. We continue this approach with the eighth edition. We understand that a textbook cannot teach someone to be ethical. Rather, we tie together issues of ethical sensitivity in the conduct of marketing research practices described in each chapter by specific reference to ethical code passages.

> *Benefit:* Students are introduced to areas of ethical sensitivity in the practice of marketing research using the actual codes/standards that practitioners use. As a result, students should have knowledge of potential "ethical dangers," whether as a future buyer or supplier of research.

■ *Tried and True! YouTube Examples.* Current thinking on how millennial students approach their education emphasizes the importance of social media and Internet-based learning. With the previous edition, we experimented by searching for and including YouTube video references, and we have continued this learning resource in the eighth edition. YouTube references in the text provide useful insights ranging from problem definition to statistical analysis to report writing.

> *Benefit:* For students who like video learning, our YouTube references provide different perspectives and how-to insights on topics covered in the text.

■ *Tried and True! Active Learning Challenges.* We innovated in the sixth edition with the inclusion of short exercises embedded at strategic points in each chapter where students are tasked with using the concept(s) they have just learned to experiment with or apply to some illustrative situation. We believe these exercises serve to solidify learning on the relevant concepts, and we have retained these Active Learning features in the eighth edition.

> *Benefit:* Active learning allows students to practice or apply some concept or technique they have just read about. Learning is facilitated by reading and then "doing."

■ *Tried and True! Synthesize Your Learning.* We have also retained this feature from the sixth edition to help students synthesize the knowledge they have gained across several chapters. The exercises require students to go back to previous chapters and integrate material into answers for the exercise. The Synthesize Your Learning exercises are found at the end of sets of three or so chapters with the goal of showing how topics covered in these chapters work together to solve a marketing research case exercise.

> *Benefit:* This feature allows students to integrate material that is learned in "chunks" to see how the material is related. Students benefit by learning how integrated the marketing research process really is.

The Intended Market for This Book

When we first conceptualized this textbook in the early 1990s, we wanted to write it for undergraduate students who were taking marketing research for the first time. We saw other texts that were trying to be "all things to all people." Even though they were positioned as research texts for undergraduates, much of the material was advanced, and instructors either never used them or endured struggling students when covering these topics. This eighth edition, like its seven predecessors, was written specifically for undergraduate students who need a solid, basic understanding of marketing research. With so many marketing research tools that are easily accessible today, it is better to foster savvy do-it-yourself (DIY) generalists than to spawn marginally prepared technique specialists.

However, as is the case with all things marketing, our customers, both students and instructor-adopters, have changed. As we ourselves strive for perfection in our own educational pedagogies, so have we constantly sought to revise *Marketing Research* toward satisfying the requirements for success with (now) millennial student learners. With every edition, we have conscientiously tried to think about how to improve the presentations in the text so as to be intuitively understandable to the mainstream undergraduate student. Early editions of this textbook sought to equip marketing students with tools to be effective clients of marketing research services providers. Today the need is to provide marketing students with a basic knowledge of good marketing research practice that they will probably attempt to execute themselves. That is, we are now teaching the DIY generation of marketing research students.

Our Approach

Given our intended market, throughout all eight editions we strived to provide instructors with a book designed for undergraduates who wanted to know the "nuts and bolts" of marketing research. For example, our chapter on measurement teaches students the basic question formats, the scales of measurement, the primary uses of each type of scale, and the common methods used to measure popular constructs. It does not dwell on different forms of reliability and validity or the method used to develop valid and reliable multi-item scales. In our analysis chapters, we cover the basic "bread-and-butter" statistical procedures used to analyze data, but we do not cover multivariate techniques or nonparametric statistics in the book itself.

Our approach and writing style have probably been the two main reasons the book has been the market leader for well over two decades. Student evaluations indicate that we deliver on our intent to write at the level that people studying marketing research for the first time understand. We hope your teaching evaluations regarding the text will arrive at the same appraisal.

Recommended Prerequisites

To prepare for this course, we feel students should have taken an introductory course in marketing. We assume students know what we mean when we talk about marketing strategy and the elements of the marketing mix. Students having had an introduction to marketing course will better appreciate the role that marketing research plays in helping managers make better marketing decisions. We also recommend that students take an introductory statistics course prior to taking this course. It helps for them to know concepts such as the area under the normal curve, z scores, and the basics of statistical testing, including interpretation of p values. However, since we both have taught for many years, we are well aware that many students will not recall many of these concepts and, where necessary, we provide some review of these basics.

AACSB Guidelines

The Association to Advance Collegiate Schools of Business–International (AACSB), our accreditation society, influences us a great deal. We strive to keep current with AACSB's recommendations and guidelines, such as including material that will aid in your course assessment efforts, covering ethical issues, and pointing out global applications.

We include a number of items that should help in assessing your students' understanding of the course content. Each chapter begins with learning objectives. Embedded in each chapter are Active Learning exercises that allow students to apply the knowledge just acquired to some real-world resource. Synthesize Your Learning exercises in this edition require that students revisit chapters to integrate their knowledge from those chapters. For our test bank, Pearson has adopted guidelines established by AACSB. We discuss this in a following section.

Other Features in the Eighth Edition

- *Online Link to Careers in Marketing Research.* Some students will be interested in marketing research as a career. Beginning with the sixth edition and continued for the eighth, we provide an online Careers link. This gives us the opportunity to post new happenings in the industry as they occur. Students will find descriptions of positions, salary information, educational requirements, and links to actual position openings.

   There are some excellent master's programs in marketing research. Our Careers link also provides information on these programs. Go to **http://www.pearsonhighered. com/burns** and click on the link for the Companion Website for *Marketing Research*, eighth edition. When you open any chapter, you will see the list of links in the left margin. Click on "Careers."

   Benefit: Students have the most up-to-date information about careers.
- *Advanced Data Analysis Modules.* Even undergraduate students taking their first course in marketing research may need some knowledge of statistical analyses other than those we have provided in the text. Many times these issues arise as a result of a particular need associated with a real-world class project. We wanted to make some of these techniques available to you online, so we have written several additional data analysis modules. The emphasis in these modules is on explaining the basics of the analysis and when it is appropriate. We also provide an example. Topics covered are the following:
  - When to Use Nonparametric Tests
  - Nonparametric: Chi-square Goodness-of-Fit Test
  - Nonparametric: Mann-Whitney *U* Test
  - Nonparametric: Wilcoxon Test
  - Nonparametric: Kruskal-Wallis *H* Test
  - When to Use Multivariate Techniques
  - Factor Analysis
  - Cluster Analysis
  - Conjoint Analysis

   Students can access the modules by going to the textbook website and opening up any chapter. They will see a link to "Online Data Analysis Modules."
- *Datasets.* We offer datasets associated with our cases that can be downloaded. Of course, we provide the dataset for our integrated case, Auto Concepts. We also offer the L'Experience Félicité (formerly Hobbit's Choice) dataset for professors who wish to use this case. These datasets and the chapter locations of the relevant data analysis cases are as follows:
  - *Auto Concepts* (Auto Concepts.sav)—integrated case dataset used in Chapters 12–16

- *Auto Concepts Recoded* (Auto Concepts.Recoded.sav)—integrated case dataset with ordinal demographic variables recoded using midpoints of ranges to convert these variables to scales to be used as independent variables in multiple regression analysis
- *L'Experience Félicité Restaurant* (L'Experience.sav)— dataset for end-of-chapter cases used in Chapters 12–15.

To access these datasets, go to http://www.pearsonhighered.com/burns and click on the link for the Companion Website for *Marketing Research*, eighth edition. When you open any chapter, see the list of links in the left margin and click on "SPSS Student Downloads."

Instructor Resources

At the Instructor Resource Center, www.pearsonhighered.com/irc, instructors can easily register to gain access to a variety of instructor resources available with this text in downloadable format. If assistance is needed, our dedicated technical support team is ready to help with the media supplements that accompany this text. Visit http://247.pearsoned.com for answers to frequently asked questions and toll-free user support phone numbers.

The following supplements are available with this text:

- Instructor's Resource Manual
- Test Bank
- TestGen® Computerized Test Bank
- PowerPoint Presentation
- Student Companion Website
- Student Study Guide

Student Supplements

SPSS Student Assistant. With previous editions, we created the SPSS Student Assistant, a stand-alone tutorial that teaches students how to use and interpret SPSS. The SPSS Student Assistant may be downloaded from the Companion Website. Installation on a personal computer is simple, and the SPSS Student Assistant will reside there for easy, immediate access. The videos show cursor movements and resulting SPSS operations and output. There is a test for each Student Assistant session so that students may assess how well they have learned the material.

Go to http://www.pearsonhighered.com/burns and click on the link for the Companion Website for *Marketing Research*, eighth edition. When you open any chapter, see the list of links in the left margin and click on "SPSS Student Downloads" for more information.

Student Study Guide. A student study guide is available to help students master the material in the textbook.

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Many people were involved in putting this eighth edition together. We are fortunate to have Pearson as our publisher. Over the years, we have been impressed with the professionalism and dedication of the people at Pearson and the people we worked with on this edition were no exception. We wish to thank our Senior Sponsoring Editor, Neeraj Bhalla, for his support and leadership. We have worked with Becca Richter Groves, Senior Production Project Manager, on several past editions, and we are grateful for her responsiveness and efficiency. This has been another successful collaboration with the Pearson team and we look forward to many more editions!

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We devote a major effort toward developing and maintaining relationships with our colleagues who practice marketing research. Their knowledge and insights are interwoven throughout these pages. Many of these people have been our friends for many years, and we appreciate their contributions. Professionals who contributed significantly to one or more of our eight editions include the following:

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Louisiana State University

Ann Veeck,
Western Michigan University

Ron Bush,
University of West Florida

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Introduction to Marketing Research

Quirk's Marketing Research Media: Welcome to the World of Marketing Research!

Joe Rydholm is editor of Quirk's Marketing Research Media.

I started at Quirk's just about the time the Internet started changing all of our lives forever and it has been fascinating to see the marketing research industry react and adapt to all things online. Once traditional in-person focus groups and telephone and mail-based surveys were the gold standards. At first, the hue and cry was all about the Web-based methods' lack of statistical validity. While wrestling with that issue, the industry also struggled mightily to adopt old-style paper-and-pencil-based approaches to the digital age.

But one look at the array of tools available to researchers today will show you that the struggle was worth it. Thanks to the smartphone, myriad forms of in-the-moment research are now possible, from mobile ethnography to location-based surveys, giving marketers and researchers access to new and different types of insights.

Despite the outside impression of researchers as rule-following introverts, obsessed with getting the numbers to line up just so, the industry is full of smart, creative, and innovative people. So while big data and do-it-yourself research tools loom as two formidable threats to the traditional marketing researcher's job, the same adaptable, entrepreneurial spirit that enabled the transition from the pre-Internet days to the smartphone era will help current and future research professionals to keep delivering the insights to drive their organizations' strategic decisions.

About Quirk's

In the decades before he founded and began publishing *Quirk's Marketing Research Review* in 1986, Tom Quirk worked on all sides of the marketing research process as a corporate or client-side researcher and later as a research company executive. A firm believer in the merits of marketing research, he found himself regularly having to educate potential users of marketing research services on the value of investigating consumer wants, needs, and opinions and the various techniques that could be used to do so. Ever the entrepreneur, and seeing the need for a publication that would promote the use, understanding, and value of marketing research across all industries, he created *Quirk's Marketing Research Review*, a monthly trade magazine for marketing research clients and the vendors that partner with them.

Armed with a newly minted B.A. in journalism from the University of Minnesota, I interviewed with Tom in the summer of 1988 to become the magazine's second-ever editor-in-chief. I was impressed by his enthusiasm for marketing research and, perhaps more importantly, by his insistence that the articles in *Quirk's*, while generally aiming to promote the value of research, should be as objective, informative, and practical as possible. His aim was to show the many ways marketing research could be used and to give readers real-world, concrete examples of how the methods could be applied.

In the nearly 30 years since then, the staff and I have used Tom's words as a guide. From its beginnings as a monthly magazine, Quirk's Media now offers a feature-packed website and curates and produces marketing research–related content in a variety of forms, from e-newsletters to blogs and Webinars—all free of charge to qualified marketing research and insights professionals.

—Joe Rydholm

Source: Text and photos courtesy of Joe Rydholm and Quirk's Marketing Research Media.

Visit Quirk's Marketing Research Media at www.quirks.com

Events in recent years have brought many changes to the world of business. As Joe Rydholm points out, these changes have profoundly influenced the marketing research industry. These are exciting times in marketing research! Globalization has added real meaning to the phrase "the business world." Digital and other technological innovations have allowed us to realize the promises of the "information age" in a few short years. New technologies continue to change the competitive landscape with much greater frequency than ever before. Digital media have expanded at unprecedented rates. Widespread adoption of mobile devices and apps provides consumers with information 24 hours a day. Many objects used by people collect and send information on an ongoing basis, creating the Internet of Things (IoT). Significantly, consumers have the power, through these online innovations, to create their own information, developing consumer-generated feedback in real time.

Marketing research provides managers with new information to help them make decisions.

The marketing research industry is changing rapidly.

This new era of big data and digital media not only challenges managers to keep pace but also to understand and respond to a changing world economy. Entire countries grapple with solvency. Political revolution has changed much of the world, and continued unrest threatens more change.[1] Businesses must anticipate what these changes will mean for their markets and capitalize on economic growth where it is occurring. Managers must determine what products to make or what services to offer, which methods of advertising are most effective, which prices will help their firm realize its target return on investment (ROI), and which distribution system will add the greatest value to the supply chain.

This is where marketing research becomes important. Marketing research is the process of gathering information to make better decisions. This book will help you learn the process of marketing research so that you will better understand how to use marketing research to develop actionable insights as you aim to manage in a world of unprecedented change.

1-1 Marketing Research Is Part of Marketing

The American Marketing Association defines marketing as the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

To fully appreciate the role of marketing research, it is helpful to understand its role in and relationship to marketing. What is **marketing**? A short definition is "meeting needs profitably."[2] When Apple designed the iPad, it met a growing need among those seeking greater computer portability in a tablet format. Amazon has been successful in creating the first generation of online book readers with its Kindle tablets.[3]

The American Marketing Association offers a more detailed definition:

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.[4]

Over recent years marketing thought has evolved to a service-centered view that (a) identifies core competencies, (b) identifies potential customers who can benefit from these core competencies, (c) cultivates relationships with these customers by creating value that meets their specific needs, and (d) collects feedback from the market, learns from the feedback, and improves the values offered to the public. Note that this view of marketing implies that firms must be *more* than customer oriented (making and selling what firms think customers want and need). In addition, they must *collaborate with* and *learn from* customers, adapting to their changing needs. A second implication is that firms do not view products as separate from services. "Is General Motors really marketing a service, which just happens to include a by-product called a *car*?"[5]

Modern marketing thought holds that firms should *collaborate with* and *learn from* consumers.

Our objective here is not to discuss how marketing thought is evolving but to emphasize a crucial point: To practice marketing, marketing decision makers need to make decisions. What are our core competencies? How can we use these core competencies to create value for our consumers? Who are our consumers and how can we collaborate with them? Managers have always needed information to make better decisions. In our opinion, to practice marketing well in today's environment requires access to more and better information. As you will learn, marketing research provides information to decision makers.

Crowdsourcing is the practice of obtaining services or ideas by asking for assistance from large groups of people, generally online communities.

The diffusion of digital media has created a culture that nurtures consumer collaboration. One important collaboration method is crowdsourcing. **Crowdsourcing** is the practice of obtaining services or ideas by asking for assistance from a large group of people, generally online

MARKETING RESEARCH INSIGHT 1.1   *Digital Marketing Research*

Lego Crowdsources to Develop New Concepts

Lego is known throughout the world for the passion it inspires in consumers of all ages for its sets of building blocks. The Danish toymaker does not have official statistics of the demographics of its users, but the company estimates that up to half of the revenue at its stores may come from adult users, or AFoLs (Adult Fans of Lego).

To capitalize on the enthusiasm of its fans, Lego has created a web platform called "Lego Ideas," where consumers can post ideas for new concepts (see https://ideas.lego.com/). On this site, users post photos and descriptions of Lego projects they have built. If the concept receives 10,000 supporters within 365 days, it automatically qualifies for a review by the company's Lego Review Board. The website's clear and detailed rules for submitting a project ensure that only the best ideas are posted. For example, concepts involving torture, smoking, racism, or politics are prohibited.

If a concept makes it all the way through to production, the creator receives 1% of profits, five copies of the Lego set, and credit for being the creator. Consumer-inspired Lego sets that have made it all the way to store shelves include the Mini-Big Bang Theory and the Lego Bird Project. Lego Minecraft is one of the Lego Ideas that has been particularly successful,

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Lego uses crowdsourcing to develop new product concepts.

leading to the production of multiple versions of Minecraft sets.

Lego Ideas is part of a broader social media strategy the company pursues that includes Facebook, Instagram, Twitter, LinkedIn, and other platforms. Lego's strategy is clearly working. Based on revenue and profits, Lego became the biggest toymaker in the world in 2014, surpassing Mattel.

Source: Grauel, T. (2014, November 28). Lego build adult fan base. *USA Today.* Retrieved from http://www.usatoday.com/story/news/nation/2014/11/28/lego-builds-adult-fan-base/19637025/, accessed August 24, 2015. Hansegard, J. (2015, February 25). Lego's plan to find the next big hit: Crowdsource it. *Wall Street Journal.* Retrieved from http://blogs.wsj.com/digits/2015/02/25/legos-plan-to-find-the-next-big-hit-crowdsource-it/tab/print/, accessed August 25, 2015. Dann, K., and Jenkin M. (2015, July 23). Back from the brink: Five successful rebrands and why they worked. The Guardian. Retrieved from http://www.theguardian.com/small-business-network/2015/jul/23/five-successful-rebrands-why-worked, accessed August 25, 2015. Petroff, A. (2014, September 4). Lego becomes world's biggest toymaker. *CNNMoney.* Retreived from http://money.cnn.com/2014/09/04/news/companies/lego-biggest-toymaker/, accessed August 24, 2015.

communities. Crowdsourcing via digital media is one of many new tools for marketing research. Marketing Research Insight 1.1 explains how the Danish toy company Lego uses crowdsourcing.

When firms make the right decisions, they produce products and services that their target markets perceive as having value. That value translates into sales, profits, and a positive ROI. However, we see many failures in the marketplace. Consultants Joan Schneider and Julie Hall state that they regularly hear from entrepreneurs and brand managers who believe they have come up with a revolutionary product. But Schneider and Hall state that these entrepreneurs almost never have done the research to confirm their grand expectations.[6] As an example, the firm Cell Zones thought it had the answer to cell phone privacy in libraries, restaurants, and so on by creating soundproof booths for private cell phone use. Had the company done the right research and noticed that people were using their new smartphones to text rather than talk, managers may have realized that talking in private was not a pressing need for consumers.

In many examples of failed products and services, managers could have avoided the associated losses if they had conducted proper marketing research. Many product extensions—taking a successful brand and attaching it to a different product—have also failed. Examples include McPizza, Colgate food entrees, BIC underwear, Coors spring water, and Harley-Davidson perfume. Negative reactions from consumers were responsible for removing the Ken doll's earring and taking Burger King Satisfries off the market.[7,8] Could these failures have been avoided with better research information?

Marketing Research on YouTube™ Learn how Lego products go from the idea phase to the shelves with help from consumers. Search "Lego Ideas Third Product Review 2014 Results" on **www.youtube.com**.

Marketing Research on YouTube™ See "10 Worst Product Flops" at **www.youtube.com**. Consider how these mistakes might have been prevented through improved marketing research methods.

THE PHILOSOPHY OF THE MARKETING CONCEPT GUIDES MANAGERS' DECISIONS

A *philosophy* may be thought of as a system of values or principles by which you live. Your values or principles are important because they dictate what you do each day. This is why philosophies are so important; your philosophy affects your day-to-day decisions. For example, you may have a philosophy similar to this: "I believe that higher education is important because it will provide the knowledge and understanding I will need in the world to enable me to enjoy the standard of living I desire." Assuming this does reflect your philosophy regarding higher education, consider what you do from day to day. You are going to class, listening to your professors, taking notes, reading this book, and preparing for tests. If you did not share the philosophy we just described, you would likely be doing something entirely different.

The same connection between philosophy and action holds true for business managers. One of the most important philosophies managers have is that which determines how they view their company's role in terms of what it provides the market. Some managers have a philosophy that "we make and sell product X." A quick review of marketing history will tell us this philosophy is known as a *product orientation*. Another philosophy, known as *sales orientation*, is illustrated by the following statement: "To be successful we must set high sales quotas and sell, sell, sell!"[9] Managers who guide their companies by either of these philosophies may guide them right out of business. A much more effective philosophy—the marketing concept—is defined here by prominent marketing professor Philip Kotler:

> The **marketing concept** is a business philosophy that holds that the key to achieving organizational goals consists of the company being more effective than competitors in creating, delivering, and communicating customer value to its chosen target markets.[10]

For many years, business leaders have recognized that this is the "right" philosophy. Although the term *marketing concept* is often used interchangeably with other terms, such as "*customer orientation*" or "*market-driven*," the key point is that this philosophy puts the consumer first.[12]

What does all this mean? It means that having the right philosophy is an important first step in being successful. However, appreciating the importance of satisfying consumer wants and needs is not enough. Firms must also put together the "right" strategy.

The marketing concept is a business philosophy that holds that the key to achieving organizational goals consists of the company being more effective than competitors in creating, delivering, and communicating customer value to its chosen target markets.[11]

THE "RIGHT" MARKETING STRATEGY

Strategy is another name for planning. Firms have strategies in many areas other than marketing. Financial strategy, production strategy, and technology strategy, for example, may be key components of a firm's overall strategic plan. Here, we focus on marketing strategy. How do we define marketing strategy?

> A **marketing strategy** consists of selecting a segment of the market as the company's target market and designing the proper "mix" of product/service, price, promotion, and distribution system to meet the wants and needs of the consumers within the target market.

Because we have adopted the marketing concept, we cannot come up with just any strategy. We have to develop the "right" strategy—the strategy that allows our firm to truly meet the wants and needs of the consumers within the market segment we have chosen. Think of the many questions we now must answer: What is the market, and how do we segment it? What are the wants and needs of each segment, and what is the size of each segment? Who are our competitors, and how are they already meeting the wants and needs of consumers? Which segment(s) should we target? Which product or service will best suit the target market? What is the best price? Which promotional method will be the most efficient? How should we distribute the product/service? All these questions must be answered to develop the "right" strategy. To make the right decisions, managers must have objective, accurate, and timely *information*.

A marketing strategy consists of selecting a segment of the market as the company's target market and designing the proper "mix" of product/service, price, promotion, and distribution system to meet the wants and needs of the consumers within the target market.

It is equally important to understand that today's strategy may not work tomorrow because, as we noted at the beginning of this chapter, there is unprecedented change going on in the business environment. What new strategies will be needed in tomorrow's world? As environments change, business decisions must be revised on an ongoing basis to produce the right strategy for the new environment.

To practice marketing, to implement the marketing concept, and to make the decisions necessary to create the right marketing strategy, managers need information. Now you should see how marketing research is part of marketing; marketing research supplies managers with the information to help them make better decisions.

1-2 What Is Marketing Research?

Now that we have established that managers need information to carry out the marketing process, we need to define marketing research.

Marketing research is the process of designing, gathering, analyzing, and reporting information that may be used to solve a specific marketing problem.

Thus, marketing research is defined as a *process* that reports information that can be used to solve a marketing problem, such as determining price or identifying the most effective advertising media. The focus then is on a process that results in information that will be used to make decisions. Notice also that our definition refers to information that may be used to solve a *specific* marketing problem. We will underscore the importance of specificity later in this chapter. Ours is not the only definition of marketing research. The American Marketing Association (AMA) formed a committee several years ago to establish a definition of marketing research:

Marketing research is the function that links the consumer, customer, and public to the marketer through information—information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve the understanding of marketing as a process.[13]

Each of these definitions is correct. Our definition is shorter and illustrates the *process* of marketing research. The AMA's definition is longer because it elaborates on the function as well as the *uses* of marketing research. In following sections, we will talk more about the function and uses of marketing research.

IS IT MARKET*ING* RESEARCH OR MARK*ET* RESEARCH?

Some people differentiate between market*ing* research and *market* research. Marketing research is defined the way we and the AMA have defined it in previous paragraphs. In fact, the Marketing Research Association (MRA) defines this term similarly as a process used by businesses to collect, analyze, and interpret information used to make sound business decisions and successfully manage the business. In comparison, some define mark*et* research as a subset of market*ing* research, using this term to refer to applying marketing research to a specific market area. The MRA defines **market research** as a process used to define the size, location, and/or makeup of the market for a product or service.[14] Having made this distinction, we recognize that many practitioners, publications, organizations serving the industry, and academics use the two terms interchangeably.

THE FUNCTION OF MARKETING RESEARCH

The AMA definition states that the **function of marketing research** is to link the consumer to the marketer by providing information that can be used in making marketing decisions. Note that the AMA definition distinguishes between *consumers* and *customers*. The committee intended this differentiation between retail (or B2C) consumers and business (or B2B)

Marketing research is the process of designing, gathering, analyzing, and reporting information that may be used to solve a specific marketing problem.

While the terms *marketing research* and *market research* are sometimes used interchangeably, *market research* refers to applying marketing research to a specific market.

The function of marketing research is to link the consumer to the marketer.

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Marketers use research to determine the value that consumers perceive in products.

customers. Some believe that having the link to the consumer by marketing research is more important today than ever. Having that link with consumers is crucial if firms are to provide them with the value they expect in the marketplace. Thanks to globalization, online shopping, and social media, consumers today have more choices, more information, and more power to speak to others in the market than ever before.

1-3   What Are the Uses of Marketing Research?

The AMA definition also spells out the different uses of marketing research. The three uses are (1) identifying market opportunities and problems, (2) generating, refining, and evaluating potential market actions, and (3) monitoring marketing performance. We explain each of these further in the following sections.

IDENTIFYING MARKET OPPORTUNITIES AND PROBLEMS

The first of these uses is the *identification of market opportunities and problems.* It is not easy to determine what opportunities are in the market. Although we can think of new product or service ideas, which ones are actually feasible? Which ideas can we accomplish, and which will mostly likely generate a good ROI? Often, after someone has found an opportunity by creating a highly successful product or service, managers ask, "Why didn't we see that opportunity?" Some marketing research studies are designed to find out what consumers' problems are and to assess the suitability of different proposed methods of resolving those problems. High gasoline prices and concerns about fossil emissions bothered consumers, so Toyota developed the Prius. Consumers wanted increasingly large TV screens to hang on their walls, so Samsung developed an ultra-thin, LED, large-screen TV. Consumers who did not have cable wanted to be able to buy HBO, so HBO developed HBO Now.

You would think that managers would always know what their problems are. Why would problem identification be a use of marketing research? Problems are not always easy to identify. Managers are more likely to always know the symptoms (sales are down, market share is falling), but determining the cause of the symptoms sometimes requires research. The identification of opportunities and problems is discussed in Chapter 3.

GENERATING, REFINING, AND EVALUATING POTENTIAL MARKETING ACTIONS

Marketing research can also be used to generate, refine, and evaluate a potential marketing action. Here "actions" may be thought of as strategies, campaigns, programs, or tactics. General Mills acquired Annie's Homegrown, an organic food company, in 2014 to meet a growing demand by consumers to have access to organic and natural foods. "Actions" of General Mills included *generating* the basic strategy to meet consumers' growing desire for organic foods, *refining* the Annie's brand by identifying ways to promote Annie's established products and develop new products that are consistent with the brand culture, and *evaluating* plans to market and grow the Annie's brand. Management can use marketing research to make better decisions for any and all of these actions.

We can think of "actions" as strategies, and strategies involve selecting a target market and designing a marketing mix to satisfy the wants and needs of that target market.

Marketing research is conducted in a variety of areas, including determining target markets and conducting product research, pricing research, promotion research, and distribution research.

Selecting Target Markets A great deal of marketing research is conducted to determine the size of various market segments. Not only are managers interested in knowing the size of the market segment that wants an all-electric vehicle but also they want to know if that segment is growing or shrinking and how well competitors are fulfilling the wants and needs of that segment. If research shows that a significantly large segment of the market has identifiable needs, the segment is growing; if its needs are either not being met or being met poorly by competition, this segment becomes an ideal candidate for a target market. Now the company must determine how well its core competencies will allow it to satisfy that segment's demand. Nissan very likely looked at the automobile market segments in terms of the number of miles driven in a day (we will consider this factor in Chapter 5 on secondary data). The company must have found a sizable segment that drives under 90 miles a day, because that is the range of its all-electric car, the Leaf.

Product Research Successful companies are constantly looking for new products and services. They know the lesson of the product life cycle: Products will eventually die. As a result, they must have a process in place to identify and test new products. Testing may begin with idea generation and continues with concept tests that allow firms to quickly and inexpensively get consumers' reactions to the concept of a proposed new product. Research studies are conducted on the proposed brand names and package designs of products before commercialization. Maritz Research conducts a *New Vehicle Customer Study*. The company has collected data over several years, and in recent years it has studied hybrids. Its market analysts know why drivers purchase hybrids, what makes them satisfied, what their expectations are for gas mileage and preferences for alternative fuels.[15]

Pricing Research When a revolutionary new product is created, marketers use research to determine the "value" consumers perceive in the new product. When cable TV was introduced, research was conducted to give the early cable providers some clue as to what people would be willing to pay for clear reception and a few additional channels. When cellular phones were introduced, much research was conducted to see what people would be willing to pay for (what was then) a revolutionary "portable" telephone. Marketing research is also conducted to determine how consumers will react to different types of pricing tactics such as "buy one, get one free" versus a "one-half-off" price offer. Using qualitative research in the form of asking potential buyers a series of open-ended questions—a qualitative research technique called "purchase story research"—a researcher found that the way a firm categorized its products negatively affected how B2B buyers had to use their purchase accounts. When items were recategorized, sales went up.[16]

Promotion Research As firms spend dollars on promotion, they want to know how effective those expenditures are for the advertising, sales force, publicity/PR, and promotional offers. Firms also conduct research on the effectiveness of different media. Is online advertising more cost-effective than traditional media such as TV, radio, newspaper, and magazine advertising? As an example of promotion research, Chobani launched a campaign, called "The Break You Make," in 2015 to increase awareness of the Chobani Flip, an afternoon snack yogurt. Research determined that the promotion was very successful, with sales of Chobani Flip up 300% over the previous year. As a result Chobani extended and expanded the campaign.[17]

Distribution Research What are the best channels to get our product to consumers? Where are the best dealers for our product, and how can we evaluate the service they provide? How satisfied are our dealers? Are our dealers motivated? Should we use multichannel distribution?

Marketing research is used to monitor marketing performance.

How many distributors should we have? These are but a few of the crucial questions managers may answer through marketing research.

MONITORING MARKETING PERFORMANCE

Control is a basic function of management. To assess performance on some variables, marketing research is often used. Sales information by SKU (stock-keeping unit) and by type of distribution, for example, is often gathered through tracking data collected at point-of-sale terminals as consumer packaged goods are scanned in grocery stores, mass merchandisers, and convenience stores. Scanner data allow managers to monitor their brands' sales as well as sales of competitors—and thus to monitor their market shares as well. Firms use marketing research to monitor other variables such as their employees' and customers' satisfaction levels. For example, the research firm MSR Group conducted a rolling tracking study measuring drivers of bank customer satisfaction. The nationwide study allows banks to identify factors that determine advocates and loyal, at-risk, and critical customer relationships.[18] Research firms such as the Nielsen Corporation and IRI monitor the performance of products in supermarkets and other retail outlets. They track how many units of these products are sold, through which chains, at what retail price, and so on. You will learn more about tracking studies in Chapter 5. Tracking social media, which has grown quickly the world over, is another means of monitoring market performance. Research firms have developed services that monitor what people are saying about companies, brands, and competitors.

IMPROVING MARKETING AS A PROCESS

Improving our understanding of the marketing process entails conducting research to expand our knowledge of marketing. Typical of such basic research would be attempts to define and classify marketing phenomena and to develop theories that describe, explain, and predict marketing phenomena. Marketing professors at colleges and universities and other not-for-profit organizations, such as the Marketing Science Institute, often conduct basic research and publish their results in journals such as the *Journal of Marketing Research* or the *Journal of Marketing*.

Basic research is research that is conducted to expand knowledge rather than to solve a specific problem.

The aim of **basic research** is to expand our knowledge rather than to solve a specific problem. For example, research published in the *Journal of Marketing Research* may investigate the psychological process consumers go through in deciding how long to wait for a service to be provided. This research is not conducted for any specific company problem but rather to increase our understanding of how to satisfy consumers of services.[19] However, this basic research could be valuable to AT&T if the company were conducting an analysis of consumer reactions to different wait times in its stores, which may be a specific problem facing AT&T. Research conducted to solve specific problems is called **applied research**, which represents the vast majority of marketing research studies. For the most part, marketing research firms are conducting research to solve a specific problem facing a company. We will revisit the idea that marketing research solves specific problems a little later in this chapter.

Applied research is research that is conducted to solve specific problems.

MARKETING RESEARCH IS SOMETIMES WRONG

Marketing research does not always provide management with the right answer. General Motors, for example, did research on what was to become the minivan—a small van that would be suitable for families—but the research did not convince the carmaker to produce a van. Shortly thereafter, Chrysler introduced the Dodge Caravan and Plymouth Voyager minivans, which turned out to be among the most successful models in automotive history.[20] A beer ad in the United Kingdom was deemed by marketing research to be inadequate, but management disagreed. When the ad ran, it was very successful.[21] The marketing research on the pilot of *Seinfeld* indicated the TV show would be a flop. Six months later, a manager questioned the accuracy of the research and gave the show another try. *Seinfeld* became one of the most successful shows in television history.[22] When Duncan Hines introduced its line of soft cookies, marketing research studies showed that 80% of customers who tried Soft Batch cookies stated they would buy them in the future. They didn't.[23]

Marketing research is sometimes wrong.

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Anyone who observes the marketplace will see products and services introduced and then taken off the market because they do not live up to expectations. Some of these failures are brought to market without any research, which increases their probability of failure. However, as we have learned, even when products are brought to market with the benefit of marketing research, the predictions are not always accurate, but this does not mean that marketing research is not useful. Remember, most marketing research studies are trying to understand and predict consumer behavior, which is a difficult task. The fact that the marketing research industry has been around for many years and is growing means that it has passed the toughest of all tests to prove its worth—the test of the marketplace. If the industry did not provide value, it would cease to exist. For each of the failed examples cited previously, there are tens of thousands of success stories supporting the use of marketing research.

Marketing Research on YouTube™ | Marketing research is not always correct. In the classic 1980's movie *Big*, Tom Hanks's character gives a toy company the insight it really needed—a kid's perspective! Go to **www.youtube.com** and enter "Tom Hanks in BIG 'I Don't Get It' by Therototube."

1-4   The Marketing Information System

Managers have recognized the importance of information as an asset to be managed for many years. The advent of computer technology in the 1960s allowed the dream of information management to become a reality. During the decades since, sophisticated management information systems have evolved that attempt to put the right information at the right time in the right format into the hands of those who must make decisions. Management information systems typically have subsystems to provide the information necessary for a functional area within an organization. Such subsystems are the accounting information system, financial information system, production information system, human resources information system, and marketing information system. Thus far, we have presented marketing research as if it were the only source of information. This is not the case, as you will understand by reading this section on marketing information systems.

Marketing decision makers have a number of sources of information available to them. We can understand these different information sources by examining the components of the **marketing information system (MIS)**. An MIS is a structure consisting of people, equipment, and procedures to gather, sort, analyze, evaluate, and distribute needed, timely, and accurate information to marketing decision makers.[24] The role of the MIS is to determine decision makers' information needs, acquire the needed information, and distribute that

An MIS is a structure consisting of people, equipment, and procedures to gather, sort, analyze, evaluate, and distribute needed, timely, and accurate information to marketing decision makers.[25]

information to the decision makers in a form and at a time when they can use it for decision making. This sounds very much like what we have been saying about marketing research—providing information to aid in decision making. Learning the components of an MIS will help to establish some distinctions.

COMPONENTS OF AN MIS

As noted previously, the MIS is designed to assess managers' information needs, to gather this information, and to distribute the information to the marketing managers who need to make decisions. Information is gathered and analyzed by the four subsystems of the MIS: internal reports, marketing intelligence, marketing decision support, and marketing research. We discuss each of these subsystems next.

Internal Reports System Much information is generated in normal, daily transactions. When you make a purchase at a grocery store, management has a record of the SKUs you purchased, payment method, coupons or special promotions used, store location, and day of week and time of day. When that same grocery store orders supplies of foods, it has a purchase requisition and a shipping invoice from the supplier firm that ships the goods. Once all these forms of data are gathered, they serve as a source of information for managers. The **internal reports system** gathers information generated within a firm, including orders, billing, receivables, inventory levels, stockouts, and so on. In many cases, the internal reports system is called the accounting information system. Although this system produces financial statements (balance sheets and income statements, etc.) that generally contain insufficient detail for many marketing decisions, the internal reports system is a source of extreme detail on both revenues and costs that can be invaluable in making decisions. Other information is also collected, such as inventory records, sales calls records, and orders. A good internal reports system can tell a manager a great deal of information about what has happened in the past. When information is needed from sources outside the firm, marketing researchers must call on other MIS components.

The internal reports system gathers information generated within a firm, including orders, billing, receivables, inventory levels, stockouts, and so on.

Marketing Intelligence System The **marketing intelligence system** is defined as a set of procedures and sources used by managers to obtain everyday information about pertinent developments in the environment. Consequently, the intelligence system focuses on bringing in information generated outside the firm. Such systems include both informal and formal information-gathering procedures. Informal information-gathering procedures involve activities such as scanning newspapers, magazines, and trade publications. Staff members assigned the specific task of looking for anything that seems pertinent to the company or industry may conduct formal information-gathering activities. They then edit and disseminate this information to the appropriate members or company departments. Formerly known as "clipping bureaus" (because they clipped relevant newspaper articles for clients), several online information service companies, such as Lexis-Nexis, provide marketing intelligence. To use its service a firm would enter key terms into search forms provided online by Lexis-Nexis. Information containing the search terms appears on the subscriber's computer screen as often as several times a day. By clicking on an article title, subscribers can view a full-text version of the article. In this way, marketing intelligence goes on continuously and searches a broad range of information sources to bring pertinent information to decision makers.

The marketing intelligence system is defined as a set of procedures and sources used by managers to obtain everyday information about pertinent developments in the environment.

Marketing Decision Support System (DSS) The third component of an MIS is the decision support system. A **marketing decision support system (DSS)** is defined as collected data that may be accessed and analyzed using tools and techniques that assist managers in decision making. Once companies collect large amounts of information, they store this information in huge databases that, when accessed with decision-making tools and techniques (such as break-even analysis, regression models, and linear programming), allow companies

A marketing decision support system (DSS) is defined as collected data that may be accessed and analyzed using tools and techniques that assist managers in decision making.

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Marketing research can help retailers understand consumers' demand for delivery or pick-up services.

to ask "what if" questions. Answers to these questions are then immediately available for decision making. For example, salespersons complete daily activity reports showing customers they called on during the day and orders written. These reports are uploaded to the company databases routinely. A sales manager can access these reports and, using spreadsheet analysis, he or she can quickly determine which salespersons are at, above, or below quota for that day of the month.

Marketing Research System Marketing research, which we have already discussed and defined, is the fourth component of an MIS. Now that you have been introduced to the three other components of an MIS, we are ready to address a new question: If marketing research and an MIS are both designed to provide information for decision makers, how are the two different? In answering this question, we must see how marketing research differs from the other three MIS components.

🟠 Active Learning

Use Google Alerts to Create Your Own Intelligence System

You can create your own intelligence system through Google, which offers a free service called Google Alerts (https://www.google.com/alerts). By entering key words, you will receive emails from Google Alerts whenever something appears with those key words. You can specify searching everything that appears on the Internet or limit results to search only blogs, videos, or books. What value would this be to you? If you have a paper to write for the end of term, this service will allow you to gather information all term as it occurs. Or, if you have an interview coming up, you may want to track the latest information about the company or industry. You will receive email results daily.

The marketing research system gathers information for a *specific* situation facing the company.

First, the **marketing research system** gathers information not gathered by the other MIS component subsystems: Marketing research studies are conducted for a *specific* situation facing the company. It is unlikely that other components of an MIS have generated the particular information needed for the specific situation. When Walmart was designing Walmart To Go, the retailer's online service that offers delivery or pick-up services in select markets, management had several service options available to offer customers. Could managers get information about what today's shopper will most prefer from the internal reports system? No. Could they get useful information from their intelligence system? No. Could they get information from their DSS? Not really. Marketing research can provide information to help Walmart understand what grocery delivery and pick-up services will be most appealing to today's consumers.

To consider another example, when *People* magazine wants to know which of three cover stories it should use for this week's publication, can its managers obtain that information from internal reports? No. From the intelligence system or the DSS? No. Filling this information gap is how marketing research plays a unique role in a firm's total information system. By providing information for a *specific* problem, marketing research provides information not provided by other components of the MIS. This is why marketing research studies are sometimes referred to as "ad hoc studies." *Ad hoc* is Latin for "with respect to a specific purpose." (Recall that earlier in the chapter when we defined marketing research, we said we would revisit the word *specific*. Now you see why we used that word in our definition.)

A final characteristic of marketing research differentiates it from the other MIS components. Although this difference does not justify the existence of marketing research in the MIS, it is notable. Marketing research projects, unlike the other components, are not continuous—they have a beginning and an end. This is why marketing research studies are sometimes referred to as "projects." The other components are available for use on an ongoing basis. However, marketing research projects are launched only when there is a justifiable need for information that is not available from internal reports, intelligence, or the DSS.

Summary

Globalization and digital innovations have dramatically changed the pace of change in the business world. Yet managers must still make decisions, and the role of marketing research is to provide information to help managers make better decisions. Because marketing research is part of marketing, to understand marketing research, we must understand the role it plays in marketing. The American Marketing Association (AMA) defines marketing as the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. There are new frameworks for understanding marketing. Advances in social media have increased the opportunities for marketers to "listen" to their consumers and even to collaborate with them. Firms are creating products, such as Adobe Social Analytics and Hootsuite, allowing managers to find out what consumers are saying about them on social media and helping those firms collaborate with their customers using social media. Marketers must "hear the voice of the consumer" to determine how to create, communicate, and deliver value that will result in long-lasting relationships with customers. Some firms "listen" to their customers and have success; others do not and experience product and service failures. There are many examples of product failures including Life-Savers sodas, Colgate food entrees, and Frito-Lay lemonade. In all these cases managers might have made better decisions with better information.

Because philosophies guide our day-to-day decisions, marketers should follow the philosophy known as the *marketing concept*. The marketing concept states that the key to business success lies in being more effective than competitors in creating, delivering, and communicating customer value to chosen target markets. Companies whose philosophy focuses on products and selling efforts do not tend to stay around long. If a firm's management follows the marketing concept philosophy, it develops the "right" strategies, or plans, to provide consumers with value. In short, to practice marketing as we have described it, managers need information to determine wants and needs and to design marketing strategies that will satisfy customers in selected

target markets. Furthermore, environmental changes mean that marketers must constantly collect information to monitor customers, markets, and competition.

One definition of marketing research is that it is the process of designing, gathering, analyzing, and reporting information that may be used to solve a specific problem. The AMA defines marketing research as the function that links the consumer, customer, and public to the marketer through information—information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve the understanding of marketing as a process. Some differentiate between market*ing* research and *market* research. Marketing research is the broader of the two names and refers to the process of gathering, analyzing, and reporting information for decision-making purposes. Market research refers to applying marketing research to a specific market. However, in practice, the two names are often used interchangeably.

To link the consumer to the marketer by providing information to use in making marketing decisions is the function of marketing research. The uses of marketing research are to (1) identify and define marketing opportunities and problems; (2) generate, refine, and evaluate marketing actions; (3) monitor marketing performance; and (4) improve our understanding of marketing. Most marketing research that is conducted to solve specific problems is considered to be applied research. A limited number of marketing research studies conducted to expand the limits of our knowledge would be considered basic research.

If marketing research provides information to make marketing decisions, why should we also have a marketing information system (MIS)? Actually, marketing research is part of an MIS. Marketing research is only one of four subsystems making up an MIS. Other subsystems include internal reports, marketing intelligence, and decision support systems. Marketing research gathers information not available through the other subsystems. Marketing research provides information for the specific problem at hand. Marketing research is conducted on a project basis and has a beginning and end. The other MIS components operate continuously, 24/7.

Key Terms

Marketing (p. 4)	Function of marketing research (p. 7)	Internal reports system (p. 12)
Crowdsourcing (p. 4)		Marketing intelligence system (p. 12)
Marketing concept (p. 6)	Basic research (p. 10)	
Marketing strategy (p. 6)	Applied research (p. 10)	Marketing decision support system (DSS) (p. 12)
Marketing research (p. 7)	Marketing information system (MIS) (p. 11)	
Market research (p. 7)		Marketing research system (p. 14)

Review Questions/Applications

1-1. What is marketing? What is the relationship of marketing research to marketing?

1-2. Why is it important for decision makers to have philosophies? What is the marketing concept and what is its relationship to marketing research?

1-3. What is a marketing strategy, and why is marketing research important to strategy makers?

1-4. Define marketing research. What is the difference between marketing research and market research?

1-5. What is the function of marketing research?

1-6. Name four major uses of marketing research. Provide one example of each of the uses.

1-7. Which use of marketing research is considered basic research?

1-8. Give your own example to illustrate a marketing research study that may be used in (a) product research, (b) pricing research, (c) promotion research, and (d) distribution research.

1-9. List three product failures and explain the most important reason that they failed. Could these failures have been avoided with better research information?

1-10. Distinguish among MIS (marketing information system), marketing research, and DSS (decision support system).

1-11. What is an example of crowdsourcing used to create a product? To develop advertising?

1-12. Go to your library, either in person or online, and look through several business periodicals such as *Advertising Age, Business Week, Fortune,* and *Forbes.* Find and explain three examples of companies using marketing research.

1-13. Select a company in a field in which you have a career interest and look up information on this firm in your library or on the Internet. After gaining some knowledge of this company and its products and services, customers, and competitors, list three different types of decisions you believe this company's management may have made within the past two years. For each decision, list the information the company's executives would have needed to make these decisions.

1-14. In the following situations, what component of the marketing information system would a manager use to find the necessary information?

  a. A manager of an electric utilities firm hears a friend at lunch talk about a new breakthrough in solar panel technology she read about in a science publication.

  b. A manager wants to know how many units of three different products in the company sold during each month for the past three years.

  c. A manager wants to estimate the contribution to company return on investment earned by 10 different products in the company product line.

  d. A manager is considering producing a new type of health food. He would like to know if consumers are likely to purchase the new food, at which meal they would most likely eat the food, and how they would prefer the food to be packaged.

CASE 1.1

Anderson Construction

Larry Anderson is president of Anderson Construction. The firm had been in business for almost five years when the housing industry crashed with the Wall Street debacle of 2008. Although Anderson had quickly become profitable in the building business, it was a time when nearly everyone in construction was making profits, as the industry had been overinflated by a boom based on banking fees rather than real demand. To make a reputation, the company had invested heavily in the selection of a superior construction crew. Larry had followed a strategy of hiring only personnel with high levels of training and experience. This had given him the ability to be versatile. His well-experienced staff of employees gave him the ability to take on a variety of construction projects. By 2012, Anderson was one of the few firms left in town. Most construction firms had gone out of business trying to wait out the housing bust. Anderson had remained afloat with a few good employees and very limited demand among a few individuals who were interested in building custom homes. Because Larry had invested in his personnel with better pay and continuous training, he had many former employees who stayed in touch with him. These employees were eager to go back to work for Anderson and were biding their time in one or more part-time jobs.

Larry was not accustomed to doing marketing research. Starting his business at the time of an artificial building boom, he had what seemed like an endless supply of job opportunities on which to bid. The only research Larry had conducted during those formative years was exploration to find key personnel and to keep up with building materials and building code changes. Now, as Larry had only two custom-home jobs in the queue, he began to worry about how he could find more work for his construction crews. He wondered if marketing research would be of any help.

1. Explain why you think Larry should or should not look into doing marketing research.
2. In thinking about the components of a marketing information system, which components would you suggest Larry use and why?

CASE 1.2 **INTEGRATED CASE**

Auto Concepts

Nick Thomas is the CEO of Auto Concepts, a new division of one of the largest U.S. automobile manufacturers with multiple divisions representing several auto and truck brands. This company has been slowly losing market share to other competitors. Auto Concepts was created to develop totally new models that are more in tune with today's changing automobile market. A primary consideration in this development effort is the U.S. Department of Energy's Clean Cities Initiative that advocates the use of alternative automobile fuels such as propane, natural gas, biodiesel, electric, hybrid, and/or ethanol. At the same time, management believes that the Internet of Things (IoT) with its

capabilities of safe mobile connections, self- or assisted-driving, infotainment, on-board diagnostics, and more will be a prominent part of future vehicles.

Nick Thomas knows he must come up with some innovations in automobile design and engineering, but he is not certain in which direction he should guide his division. Nick realizes that he needs to find out what consumers' attitudes are toward fuel prices and global warming. This knowledge will help him determine a direction for the company in terms of automobile design. Nick also needs more data on consumer preferences. Will they want to stay with today's standard compacts or hybrids, or might they be interested in radically different models that promise much higher fuel economies?

1. In the development of new automobile models, which of the following should Nick be primarily concerned with and why?
   a. Engineering and production feasibility
   b. The brand image of his division's parent U.S. automobile manufacturer
   c. Technological innovation
   d. Consumer preferences
2. Should Nick use marketing research?

2

The Marketing Research Industry

University of Georgia Terry College of Business: The Master of Marketing Research Program

Charlotte Mason, Marketing Department Head and MMR Program Director; C. Herman and Mary Virginia Terry Chair of Business Administration; Director, Coca-Cola Center for Marketing Studies

Fast-changing customer needs have caused companies to realize they must constantly be in touch with their customers. Further, the explosion of available consumer data has led businesses to develop and improve their capabilities to turn data into business actions. Businesses turn to the marketing research function, sometimes called consumer insights, to accomplish these goals. Consequently, those in the marketing research profession find that it is rewarding and fascinating as well as highly valued.

In the current business environment, *U.S. News & World Report* reports that the Bureau of Labor Statistics predicts a 31.6% employment increase between 2012 and 2022 resulting in 131,500 new marketing research job openings.

The University of Georgia's (UGA) Terry College of Business welcomed its first Master of Marketing Research (MMR) class in 1980. The MMR program was the first of its kind in the United States and is internationally regarded as the standard of comparison for such programs. Acknowledging the need for high-caliber marketing researchers, UGA faculty and leading marketing professionals have joined forces to develop a curriculum to prepare students for careers in marketing research. The coursework is designed to provide students with technical skills as well as an understanding of strategic marketing issues from both the client and supplier sides of the industry.

The industry has evolved with the ever-changing digital revolution, and the MMR program curriculum has evolved accordingly. Career opportunities today are practically limitless. Long-term prospects for MMRs are exceptional. Newly graduated MMRs move quickly into project manager, senior analyst, and marketing research or consumer insight manager roles. Many MMR alumni are now directors of consumer insights and analytics at client firms or senior vice presidents at suppliers and agencies.

Terry's MMR students surpass high entrance requirements and are immersed in a rigorous academic program including hands-on use of the same analytic tools and research methods used in the industry. The ultimate goal is to apply these methods to gain insights that guide business decisions. In addition to research methods, the MMR program emphasizes business applications to identify appropriate marketing strategy and tactics.

The Terry College of Business, located in Athens, Georgia, recently completed the first phase of its new Business Learning Community. Correll Hall houses all graduate programs. For more information, visit terry.uga.edu/mmr.

The MMR program gives students an understanding of data acquisition issues, analytic tools, and skills required for insight extraction and dissemination. MMR students learn how to design marketing research projects focused on specific business problems, analyze data using sophisticated statistical methods, prepare and present high-impact reports, and serve as market intelligence consultants to managers. The program maintains ties with many partner corporations who, as advisory board members, guide program content for standards and relevance. The program is structured to encompass the tools and techniques, business acumen, and "soft" skills necessary to succeed in the industry.

Terry MMR graduates are characterized by their industry knowledge and practical experience. A sense of collaboration is instilled in MMR students through numerous team projects. This prepares students to succeed in team environments. As a result, MMR graduates are highly sought by both marketing research suppliers and marketing research departments of major corporations. The program essentially has a 100% placement record. With 600 MMR alumni, the program's graduates hold many leadership positions in the marketing research/consumer insights industry. Many alumni maintain close ties to the program, providing a valuable network for themselves and new graduates. It's no wonder that the Terry College MMR program remains the leader in marketing research education.

—Charlotte Mason

Source: Text and Images by permission, University of Georgia Terry College of Business: The Master of Marketing Research Program.

Surveys were used in the early 1800s.

As the chapter's introduction notes, marketing research is a growing industry that can only be expected to gain importance as new forms of technology for gathering and analyzing information emerge. In 2015, *U.S. News & World Report* ranked the career of market research analyst as number one in "best business jobs."[1] After completing a course in marketing research, you may be interested in a career in this area. Serving as an introduction to the marketing research industry, this chapter will introduce several facets of the industry, including a brief history, the different types and sizes of some of the firms, the challenges to the industry, and the methods the industry uses for self-improvement. We will provide information about the industry's professional organizations as well as the Professional Researcher Certification (PRC) program, which is sponsored by the Marketing Research Association (MRA). Finally, we will examine the ethical issues facing the industry.

2-1   Evolution of an Industry

EARLIEST KNOWN STUDIES

People have been gathering information to be used for decision making since the earliest days of recorded history. As Lockley notes, "Even the Children of Israel sent interviewers out to sample the market and produce of Canaan."[2] In the United States, surveys were used in the early 1800s to determine the popularity of political candidates.[3] Political polling is a considerable part of marketing and opinion research today. The first known application of marketing research to a business marketing/advertising problem was conducted by the advertising agency N.W. Ayer & Son in 1879. In trying to put together a schedule of advertisements for its client Nichols-Shepard Company, a manufacturer of agricultural machinery, the ad agency sent a request to state officials and publishers throughout the United States asking for information about grain production.[4]

Robert Bartels, a marketing historian, writes that the first continuous and organized research was started in 1911 by **Charles Coolidge Parlin**, a schoolmaster from a small city in Wisconsin. Parlin was hired by the Curtis Publishing Company to gather information about customers and markets to help Curtis sell advertising space. Parlin was successful, and the information he gathered led to increased advertising in Curtis's *Saturday Evening Post* magazine. Parlin is recognized today as the "Father of Marketing Research," and the American Marketing Association (AMA) provides an award each year at the annual marketing research conference in his name.[5]

Charles Coolidge Parlin conducted the first continuous and organized research in 1911, when he was hired by the Curtis Publishing Company to gather information about customers and markets to help Curtis sell advertising space.

WHY DID THE INDUSTRY GROW?

By the 1920s more marketing research was being practiced in the United States. However, it was not until the 1930s that marketing research efforts became widespread as markets became more geographically diverse. Prior to the Industrial Revolution, businesses were located close to their consumers. In an economy based on artisans and craftsmen involved in barter exchange with their customers, there was not much need to "study" consumers. Business owners saw their customers daily. They knew their needs and wants and their likes and dislikes. However, when manufacturers began producing goods for distant markets, the need for marketing research emerged. Manufacturers in Boston needed to know more about consumers and their needs in "faraway" places such as Denver and Atlanta.

THE 20TH CENTURY LED TO A "MATURE INDUSTRY"

The 1900s saw the marketing research industry evolve. Researcher A. C. Nielsen started his firm in 1923. The Nielsen Company remains a prominent firm in the industry. In the 1930s colleges began to teach courses in marketing research, and George Gallup was designing surveys that could predict presidential elections. During the 1940s, Alfred Politz introduced statistical theory for sampling in marketing research.[6] Also during the 1940s, Robert Merton introduced focus groups, which today represent a large part of what is known as *qualitative marketing research.*

Computers revolutionized the industry in the 1950s.[7] Marketing research in the middle of the 20th century was dominated by small firms.[8] By the late 1950s and 1960s, marketing research was seen as indispensable for companies to track consumption changes in increasingly expanding markets. During this time, many client companies added marketing research departments and the number of supply-side companies also increased greatly. The development of computer technology in the 1970s led to the automation of data management and analysis for larger firms. In the 1980s, the innovation of personal computers brought computing technologies to companies of all sizes. The introduction of data automation to the marketing research industry led to the ability to gather and analyze data at much faster speeds.

In the 1990s and the 2000s, increased globalization and the growth of the Internet led to further dramatic changes in the marketing research industry. Marketing research supply-side firms established branches all over the globe, leading to mergers and acquisitions in the industry. As a result, a period of consolidation of companies took place, which has only recently begun leveling off. Meanwhile, the wide availability and convenience of the Internet transformed all phases of the research process, from data collection to analysis to reporting. Online surveys became the predominant form of questionnaire administration.

The marketing industry has continued to grow and mature. Today the industry includes a number of publicly held firms, as well as several professional organizations and a certification program. Later in this chapter, we will discuss the role of professional organizations and summarize the dynamics of industry revenues.

2-2 Who Conducts Marketing Research?

CLIENT-SIDE MARKETING RESEARCH

Any company seeking to understand its customers, distributors, competitors, or the environments in which they operate may conduct marketing research. Research that is conducted within an organization is called **client-side research**. Larger firms, such as those found in the *Fortune 500*, typically have a formal department devoted to marketing research. These departments may appear in organizational charts under a variety of names, such as consumer insights, but they serve the basic function of providing information to decision makers. Industries that tend to rely heavily on marketing research departments include consumer packaged goods (CPG), technology, advertising, banking and finance, pharmaceuticals and health care, automobile manufacturing, and retailing. Large firms that are recognized for having innovative approaches to marketing research include Procter & Gamble, Google, Unilever, General Mills, and Coca-Cola.[9]

Medium-sized and smaller firms may assign one or more people to be responsible for marketing research. In these cases, the individual or team may actually conduct some of the research, but often their responsibilities lie in helping others in the firm know when to do research and in finding the right supplier firm to help conduct marketing research.

Do-it-yourself (DIY) research, which has been called the "democratization" of marketing research, is considered one of the most important emerging trends for client-side marketing research departments.[10] DIY marketing research has been facilitated by online access to secondary data and better knowledge of data analysis software such as SPSS.

Client-side research is research that is conducted within an organization.

DIY marketing research, or do-it-yourself marketing research, refers to firms conducting their own marketing research.

DIY research can provide the information needed to solve the user's problem in a cost-effective way. An increasing number of tools are being developed for firms to conduct their own marketing research. Examples of DIY marketing research tools are online survey platforms (such as Qualtrics and SurveyMonkey), statistical analysis tools (such as SPSS, SAS, and R), social media monitoring tools (such as Hootsuite [see Chapter 5]), and data analysis and visualization *dashboards* (such as those offered by Burke and Tableau). Marketing Research Insight 2.1 introduces the Digital Dashboard, by Burke, Inc., as an example of online data tools.

MARKETING RESEARCH INSIGHT 2.1   *Digital Marketing Research*

Moving Beyond the Traditional Research Report: Digital Dashboard from Burke, Inc.

Michael Webster, Senior Vice President, Research Solutions

Burke, Inc., has developed an online reporting tool that allows clients to access and create reports that are updated in near real time as data are collected in the field. The Digital Dashboard® is a web-based application that can be accessed worldwide and enables users to create custom views of their data as well as access predefined reports. The flexibility of this application allows users to analyze data themselves to help them make better decisions and ensure that everyone involved in the research project can interact with the data. Traditionally, the client did not see any data until all data were collected and analyzed and the final written report was prepared. Additionally, the traditional printed research report was not interactive. The manager who needed to examine the data differently than reported had to make a special request and wait for further processing. In many cases, the manager would forgo the additional work. The Digital Dashboard is an evolution in reporting that removes the barriers to further analyzing data that are present in traditional reporting methods. Like a driver monitoring a vehicle's
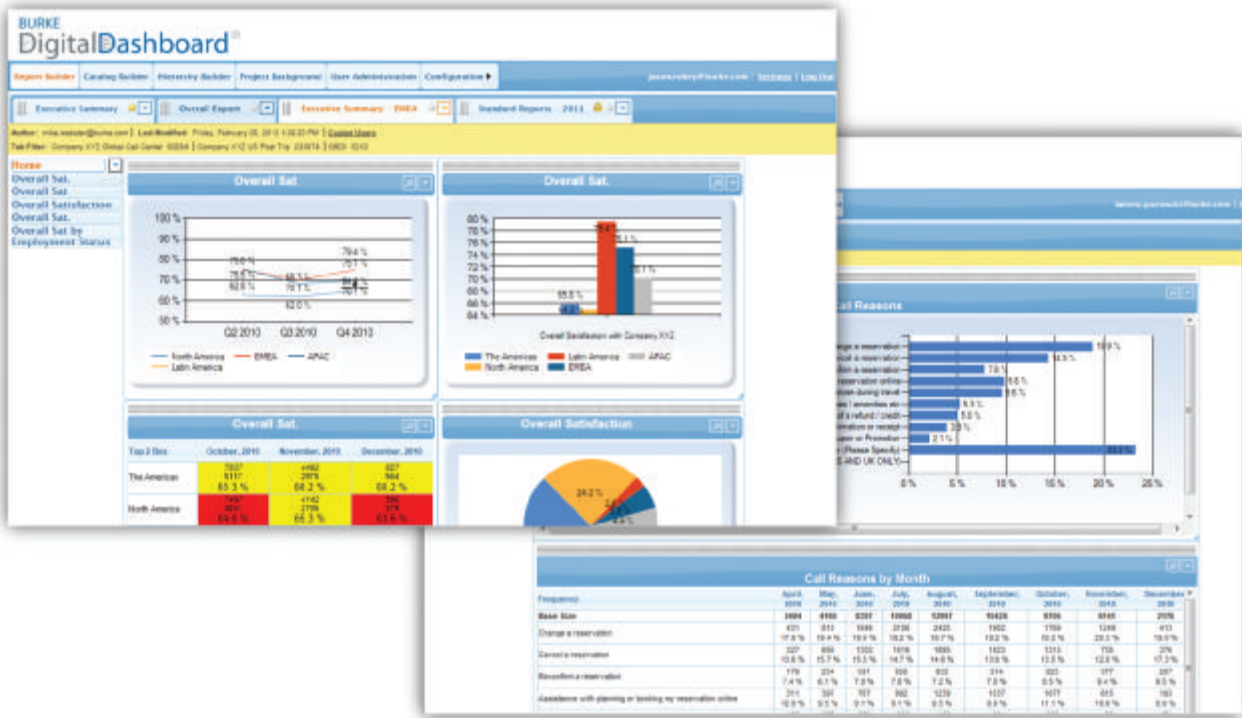

FIGURE 2.1 Digital Dashboard

dashboard for important information, clients using the Digital Dashboard can monitor the entire research project and input custom changes to make sure project results take them to the right destination—making the correct decision.

The Digital Dashboard is comprised of modules that allow the user to interact with data in multiple ways. The Report Builder module enables a user to create multiple charts and tables by following a guided wizard and to analyze and display data in the most meaningful way. These custom reports can then be shared with other users in the organization. Once shared, a user can continue to work with the report to meet specific needs. The Catalog Builder module enables a user to view respondent-level data. The user takes advantage of the same guided wizard available in the Report Builder to create views in this module as well. Data can be exported or scheduled to be delivered at regular intervals by email from this portion of the tool. The Project Background module provides a place for the client to communicate important details about the project and offer guidelines for interpreting the results. The Digital Dashboard can be used for online surveys as well as other data collection modes, such as telephone and mail surveys and mall-intercept surveys.

Visit Burke, Inc., at www.burke.com.

Mike Webster has played a leading role in bringing Burke Interactive to the forefront of Internet research. A key developer of Burke's Digital Dashboard, Webster has designed online reporting solutions for leading-edge clients in a wide variety of industries, including information technology, telecommunications, financial services, and consumer goods. He serves as Burke's resident expert on data collection and online reporting software, working with a variety of languages and platforms. His title is Senior Vice President, Research Solutions.

Source: Text and photos courtesy of Michael Webster, Burke, inc.

While DIY has its place, business owners and managers often do not have the time or expertise to feel confident about using DIY for important issues and will hire marketing research professionals to assist them with their information needs.

SUPPLY-SIDE MARKETING RESEARCH

Research that is conducted by an outside firm to fulfill a company's marketing research needs is called **supply-side research**. A firm that is engaged in supply-side marketing research is often referred to as an **agency**, or simply as a **supplier**. These firms specialize in marketing research and offer their services to buyers needing information to make more informed decisions. In most cases, client-side marketing researchers also purchase research from marketing research suppliers. General Motors, for example, while conducting research on electric cars, may hire a research firm in California to provide feedback from consumers who test-drive prototype cars. Large and small firms, for-profit and not-for-profit organizations, and government and educational institutions purchase research information from suppliers.

Supply-side marketing research is research that is conducted by an outside firm hired to fulfill a company's marketing research needs. A supplier firm may be referred to as an agency or simply as a supplier.

2-3 The Industry Structure

FIRM SIZE BY REVENUE

Every year the American Marketing Association (AMA) publishes two reports on the marketing research industry on its website and in the publication *Marketing News*. The *AMA Gold Global Top 50* (formerly the *Honomichl Global Top 25*) report ranks the top marketing research firms in the world by revenue earned. These firms include proprietorships as well as international corporations with tens of thousands of employees. Table 2.1 lists the top 10 revenue-producing firms from the 2015 *AMA Gold Global Top 50* report.

As Table 2.1 indicates, a few firms dominate the industry in terms of size based on employees and revenues. The 26th firm in the report has revenues under $100 million. Still, there is extreme competition in the industry. Certainly, the larger firms have advantages, but many small firms develop new approaches and techniques and rely on talented personnel to

To view the *AMA Gold Global Top 50* and the *AMA Gold Top 50* reports, go to the AMA website at www.ama.org and search "Top 50."