Basic Marketing Research - Customer Insights and Managerial Action 10th edition Brown Solutions Manual

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Instructor Manual

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Purpose and Perspective of the Chapter

The purpose of this chapter is to introduce marketing research as a much broader and more common activity than many people realize. In this chapter, we begin with the definition of marketing research before moving on to discuss the different types of firms that conduct marketing research. The variety of firms conducting research leads naturally into a brief introduction of the jobs in marketing research and the skills needed. The chapter concludes with the reasons anyone can benefit from a better understanding of marketing research.

Chapter Objectives

The following objectives are addressed in this chapter:

1-1 Define marketing research.

1-2 Discuss different kinds of firms that conduct marketing research.

1-3 List at least three different types of jobs in marketing research.

1-4 List three reasons for studying marketing research.

Complete List of Chapter Activities and Assessments

The following table organizes activities and assessments by objective, so that you can see how all this content relates to objectives and make decisions about which content you would like to emphasize in your class based on your objectives. For additional guidance, refer to the Teaching Online Guide.

Chapter Objective	PPT slide	Activity/Assessment	Duration
1-1	PPT slide 9	Knowledge Check 1.1	< 5 min
1-2	PPT slides 13–14	Discussion Activity	10–20 min
1-3	PPT slide 18	Group Activity	15–30 min
1-4	PPT slide 21	Polling Activity	5–10 min
1-1–1-4	PPT slide 22	Self-Assessment	10–20 min

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Key Terms

Marketing research The process of gathering and interpreting data for use in developing, implementing, and monitoring the firm's marketing plans.

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What's New in This Chapter

The following elements are improvements in this chapter from the previous edition:

- Several new examples to illustrate the role of marketing research include Rovio Entertainment, Starbucks, and the LEGO Group.
- Data in Exhibit 1.3 reflects recent revenue figures for largest U.S. marketing research firms.
- Research Window 1.2 has been updated with more recent compensation figures.

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Chapter Outline

The following outline organizes activities (including any existing discussion questions in PowerPoints or other supplements) and assessments by chapter (and therefore by topic), so that you can see how all the content relates to the topics covered in the text.

1-1. The Problem: Marketers Need Information (1-1, PPT Slides 4–9)

a. Different companies need different kinds of information.
   - Information can be gathered in diverse ways.
   - The goal of marketing is to create exchanges with customers that satisfy the needs of both customers and marketers.

b. Key elements of marketing managers' focus:
   - The product or service
   - Price
   - Placement or channels of distribution
   - Promotion
   - Tangible elements at point of contact
   - Processes and people involved

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c. Not all factors in the marketing environment are under a marketer's control.
   - **Exhibit 1.1: The Environments Affecting Marketing**

d. **Marketing research** is the process of gathering and interpreting data for use in developing, implementing, and monitoring the firm's marketing plans.

e. Phases of the information management process:
   - Specifying what information is needed
   - Gathering relevant data from internal and external sources
   - Analyzing and interpreting data
   - Communicating results to decision makers

f. Another way to look at marketing is to consider how management uses the information:
   - For planning
   - For problem solving
   - For control
   - **Exhibit 1.2: Examples of Questions Marketing Research Can Help Answer**

g. **Knowledge Check 1.1: < 5 minutes total.** (PPT Slide 9)
   - Of the following, which provides the best definition of marketing research?
     (a) Creating exchanges with customers that satisfy the needs of both customers and marketers
     (b) Specifying what information is needed, gathering relevant data, and communicating results to decision makers
     (c) Gathering and interpreting data for use in developing and implementing a firm's marketing plans
     (d) Working behind the scenes to determine market segments and then taking marketing action
   - *Answer*: c—Marketing managers have an urgent need for information—and marketing research is responsible for providing it. Marketing research is the firm's formal communication link with the environment, which often contains factors not under an organization's control.

1-2. Who Does Marketing Research? (1-2, PPT Slides 10–14)

a. In 1879, advertising agency N. W. Ayers & Sons formalized the practice of marketing research by constructing a crude market survey of states' and counties' expected grain production.

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b. Three major categories of firms conduct marketing research:
   - Producers of products and services
   - Advertising agencies
   - Marketing research companies

1-2a. Companies That Produce or Sell Products and Services

a. When firms could no longer sell all they could produce, they used marketing research to better gauge market needs and produce accordingly.
b. Marketing research departments are common among industrial and consumer manufacturing companies.
c. Publishers and broadcasters construct demographic profile data in order to sell advertising space/time.
d. Financial institutions' research includes forecasting, measuring market potential, market and sales analyses, and so on.

1-2b. Advertising Agencies

a. Much agency research gauges consumer brand awareness and related advertising campaigns.
b. They attempt to better understand consumer interest and behavior.

1-2c. Marketing Research Companies

a. U.S. marketing research is a $47.1 billion industry.
b. Some firms are large, with global reach (see **Exhibit 1.3: The 10 Largest Marketing Research Firms in the United States**), and may provide:
   - Standardized or syndicated research.
   - Information regularly collected and then sold to clients.
   - Custom-designed research.
c. Other organizations that provide or conduct marketing research include government agencies, trade associations, and universities.
d. **Discussion Activity: 10–20 minutes total.** (PPT Slides 13–14)
   - Discuss the distinction between the following terms often used in marketing research:
     (a) Consumer vs. customer
     (b) Information vs. data
     (c) Opportunities vs. problems
   - *Debrief*: The terms consumer and customer are often used interchangeably in marketing; however, it is not always appropriate to do so. Consumers could be best characterized as the product users, while customers are most often the product buyers. This

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distinction could become important at the data collection stage of the marketing research process. If consumers and customers are not the same individuals, the insight from one may be more important for the researcher. Another important distinction is information versus data. Again, these terms are often used interchangeably, but it is important to recognize that information is defined as organized data. Said differently, having data does not necessarily mean one has information. Similar distinctions could be made between opportunities (positive connotation) and problems (negative connotation).

1-3. Job Opportunities in Marketing Research (1-3, PPT Slides 15–18)

a. The U.S. Bureau of Labor Statistics projects a 22% growth rate for marketing research analysts through the year 2030.

1-3a. Types of Jobs in Marketing Research

a. A marketing researcher's tasks depend on the type of organization they work for.
b. The type and scope of jobs vary greatly, ranging from simple analyses to management of a large marketing research department.
c. **Research Window 1.2: Marketing Research Company Job Titles and Mean Compensation**
d. A typical entry-level position might be a trainee position, becoming familiar with various tasks.
e. Marketers need to be able to:
   - Interact effectively with others.
   - Understand business in general and marketing in particular.
   - Conduct basic numerical and statistical processes.
   - Work with the related technologies.
f. Successful marketing researchers tend to be proactive rather than reactive and to fulfill the primary purpose of helping managers make better marketing decisions.
g. **Group Activity: 15–30 minutes total.** (PPT Slide 18)
   - Form groups of three to five participants. As a group, do a brief online search to discover some of the possible job opportunities in marketing research.
   - As time allows, share with the larger class some of the jobs discovered and what, if anything, surprised you most about what you found.

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1-4. Why Study Marketing Research? (1-4, PPT Slides 19–21)

a. Some students eventually become marketing researchers who:
   - Become "information detectives."
   - Take data and convert them into information used to make decisions.

b. Everyone needs to learn to be a smarter consumer of marketing research.
   - Suppliers use research to promote products/services.
   - Managers need to know how to evaluate the validity of marketing research.

c. Every manager needs to gain an appreciation for the process, to understand what marketing research CAN and CANNOT do.
   - Does the process provide value to the organization?

d. **Polling Activity: 5–10 minutes total.** (PPT Slide 21)
   - Of the reasons for learning about marketing research, which one is most applicable to your future plans?
     (a) Making marketing research a career
     (b) Being able to effectively evaluate marketing research information for business decision making
     (c) Interpreting and/or using market research in everyday life
   - *Note*: This activity has no single correct answer. Students can be prompted to volunteer the reasoning for their response.

Self-Assessment (PPT Slide 22)

- Now that you've learned the definition of marketing research as well as some of the firms involved in it and what jobs might be available, do you see yourself with a career in marketing research? If yes, describe a bit more what you hope that career will look like. If no, describe what value a better understanding of marketing research can give you.

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REVIEW QUESTIONS

You can assign these questions several ways: in a discussion forum in your LMS; as whole-class discussions in person; or as a partner or group activity in class.

1. **How is marketing research defined? What are the key elements of this definition?**

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Marketing research is the process of gathering and interpreting data for use in developing, implementing, and monitoring the firm's marketing plans. Its key elements are the product or service, its price, its placement or the channels in which it is distributed, its promotion, the tangible elements at the point of contact, and the processes and people involved in making the exchange or delivering the service.

2. **Who does marketing research? What are the primary kinds of research done by each enterprise?**

   Marketing research is performed by individuals and organizations, which includes companies that produce or sell products and services (marketing research gauges market needs), advertising agencies (to connect with target audiences and sell products), and marketing research companies (to make money as a business).

3. **Why did marketing research begin to experience real growth after World War II?**

   Marketing research grew after WWII because it was during this period that competition for customers greatly increased.

4. **In a large research department, who would be responsible for specifying the objective of a research project? For deciding on specific procedures to be followed? For designing the questionnaire? For analyzing the results? For reporting the results to top management?**

   A marketing researcher's job varies, and it could range from simple analysis of questionnaire responses to the management of an entire research department.

5. **What are the necessary skills for employment in a junior or entry-level marketing research position? Do the skills change as one changes job levels?**

   It is necessary to have good analytical, conceptual, communication, and human-relations skills to gain a job in marketing research. An applicant should also be comfortable working with numbers and with statistical techniques; it is necessary to maintain these skills as one changes job levels.

6. **If so, what new skills are necessary at the higher levels?**

   Good management skills are necessary in the higher positions of marketing research. To be successful, one must be proactive rather than reactive, with the goal of helping managers make better marketing decisions.

7. **Why is it important to study marketing research?**

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The text lists three reasons to study marketing research: (1) Some students pursue it as a career; (2) Almost everyone is a consumer of marketing research in one way or another; and (3) Managers must understand the process and potential outcomes of conducting research.

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Additional Insights and Activities

The following are insights and activities meant as instruction suggestions—they are for you to use if you wish.

1. Many students begin their marketing research courses not planning to be a researcher when they graduate. Accordingly, many of these students simply want to get through the course with a passing grade and get on to other classes that they perceive will be more interesting. Another set of students will have been putting off the course as long as possible, because they believe that they aren't "numbers people" and are afraid of the statistical and computational aspects of marketing research. Most students don't realize just how much marketing research actually applies to them—whether or not they pursue a career in research. After all, we are in the Information Age. Further, most students will learn that the math isn't nearly as difficult as they thought it might be. These points should be communicated very clearly during the first class session.

2. A useful starting point for the course is a quick review of the marketing concept (i.e., companywide consumer orientation with the objective of achieving long-run success by satisfying the wants, needs, and perceived needs of customers), particularly with respect to what it implies in regard to the task of marketing management.

3. It is possible that students place an overemphasis on analytical skills while either underestimating or not considering the other three common skill sets of marketing researchers. This presents a good opportunity to start at the end of the process and work backwards by asking questions such as: What skills are necessary to present the research findings (communication skills)? What skills are necessary to discover the research findings (analytical skills)? What skills are necessary to conduct the research (human-relations skills)? What skills are necessary to determine the research to be conducted (problem-solving/ conceptual skills)? Whether viewing the process backward or forward, students should see quickly that research is more than just numbers.

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4. Ask the students to name (1) a company or industry and (2) the type of information that company or industry might need to make better marketing (i.e., product, placement, promotion, or pricing) decisions. Whether a manufacturer of goods or a provider of services, it would be difficult to find a company that cannot benefit from marketing research.

5. The fact that marketing research is used for many studies other than asking potential consumers what they want deserves emphasis. It is particularly productive when instructors are able to detail some of their own research and consulting experiences. Students are likely to have seen summaries of research studies (e.g., medical or political research is often newsworthy) in news reports, so this can serve to emphasize the research consumption reason for studying marketing research. Finally, even the best research conducted by the best researchers can be flawed, so it is critical for present and future managers to know that research is not perfect.

6. Marketing research can play numerous roles to assist marketing management in fulfilling its assigned tasks. The fact that marketing research is used for many studies other than asking potential consumers what they want deserves emphasis. It is particularly productive when instructors are able to detail some of their own research and consulting experiences. An alternative is to simply ask students what might be involved in a particular type of study.

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