Marketing Research 12th edition Aaker Solutions Manual

SKU: 9781119355274-SOLUTIONS

PART I

TEACHING NOTES FOR CHAPTERS

CHAPTER TWO

MARKETING RESEARCH IN PRACTICE

Learning Objectives

- Discuss briefly the practice of marketing research.
- Discuss the concept of information systems and decision support systems.
- Discuss marketing decision support systems.
- List the various suppliers of marketing research information and the types of services offered by them.
- Discuss the criteria used to select suppliers.
- Explain the impact international trade has had on marketing research.
- Describe the career options available in the marketing research industry.

Teaching Suggestions

The chapter provides an overview of the practice of the marketing research. The students should be clear about the three categories of marketing research-programmatic selective and evaluative.

The need to properly analyze information from the marketing decision support system (MDSS) is illustrated in the chapter by the discussion of the Alpha and Delta brand shares. Students could be asked to examine Figures 2-3 and 2-4 and pose other questions the managers have asked about these sales trends.

For those instructors who wish to give more emphasis to private sector applications, a useful departure point is the structure of the marketing research industry which appears in Figure 2-7. The industry is more than $21 billion in revenue and continues to grow. It is worth noting that most of this growth is occurring because of greater acceptance of research in the industrial products and service sectors rather than from consumer goods companies.

Questions and Problems

l.a. It is important to understand what an information system is. An information system is a continuing or interactive structure of people, structures and procedures designed to sort, analyze, evaluate and distribute pertinent, timely and accurate information to decision makers. An information system is concerned with managing the flow of data from different projects and secondary sources and disseminate usable information to the managers who use it. An information system would require databases to organize and store the information and a decision support system (DSS) to retrieve data, transform the data to information for use by the managers. Data, as such is not of use to the manager. It is the data transformed to information that provides the manager with a meaningful framework to evaluate decision alternatives and thereby make decisions.

1.b. Marketers need to develop a good marketing information system in order to aid their decision making process. The marketing information is of three types: Recurring information that is obtained on a day to day basis, Non recurring information obtained infrequently and market intelligence information relevant to devising the future strategy of the company. Let us illustrate this with an example. Assume that the marketing manager of a well known automobile lubricant wishes to expand into a newer market for his or her range of engine lubricants. The market potential can be calculated by obtaining data on monthly car sales from the government sources and the number of vehicles in the geographic area which can be obtained from the trade journals and government sources, a recurring type of information. The market share of the competitors can be calculated by information from trade organizations. Information pertaining to the competitors' activities in the market, impending product launches by the competition is relevant to the manager to make strategic plans for his product launch. The manager could

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decide to carry out a market survey to identify the consumers' buying habits and motives which would be a one time information to assist the manager in decision making.

2. Databases organize and store information that can be retrieved. A decision support system allows the manager to retrieve information from the database by interactive means and also provides a modeling function to help make sense of the retrieved information. Imagine the position of a marketing manager of a consumer durable sold nationwide. Data comes to his desk in various levels of detail and aggregation: Factory shipments, Dealer distribution lists, Industry sales reports, Sales reports from internal sales people, Consumer panel data, Scanner data etc. Added to this is the different reporting periods, incompatible computer software and all the associated problems. There is a virtual data explosion at the manager's desk. Owing to paucity of time and energy to pore over this pile of data, managers seek decision relevant information. A Marketing decision support system (MDSS) is used to provide managers with the required information that is both accessible and comprehensible.

   The MDSS should be interactive and user friendly and the interaction process should be simple and direct. The MDSS should be able to provide the manager with various output options depending upon his need. The system should also assist the managers in discovering new trends.

3a. The research problem is unique to the particular company. Hence the company needs customized services from the market research firm. If the company in question is small and does not possess its own market research wing, it has to look outside for the supplier of research services. The decision to zero in on a particular supplier should be made after considerable thought and after making sure that all the following issues have been addressed.

   (i) A search for all the companies with acknowledged expertise in this type of study.

   (ii) A selection of a small number of bidders on the basis of references from previous clients and recommendations from colleagues.

   (iii) Personal interviews with the project coordinator, asking for proof of similar work.

   (iv) A check of the references of the supplier with attention given to the creativity in dealing with problems, the quality and adequacy of their resources.

   (v) Final selection of the supplier based on the price, comments from references and on the basis of the supplier's understanding of the problem.

b. It should be made sure that the research firm has sufficient experience in the type of study and is familiar with the various markets of Europe. In case the research firm is not European, it should also be made sure, that the external supplier has a strong base in Europe and also has enough resources to undertake such a study in Europe. The manager should go through all of the above mentioned steps before deciding on the research firm for his study in Europe.

4. a. Comparison of brand performance in the pizza industry shows that there are tremendous growth opportunities

   b. Automobile industry relies on reports about new sources of power to automobiles as it plays a very important role in the future strategy of business.

   c. The growth of information technology industry is heavily dependent on research and development capabilities. Reports about spending in this area will have strategic importance for competitors in this industry.

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