

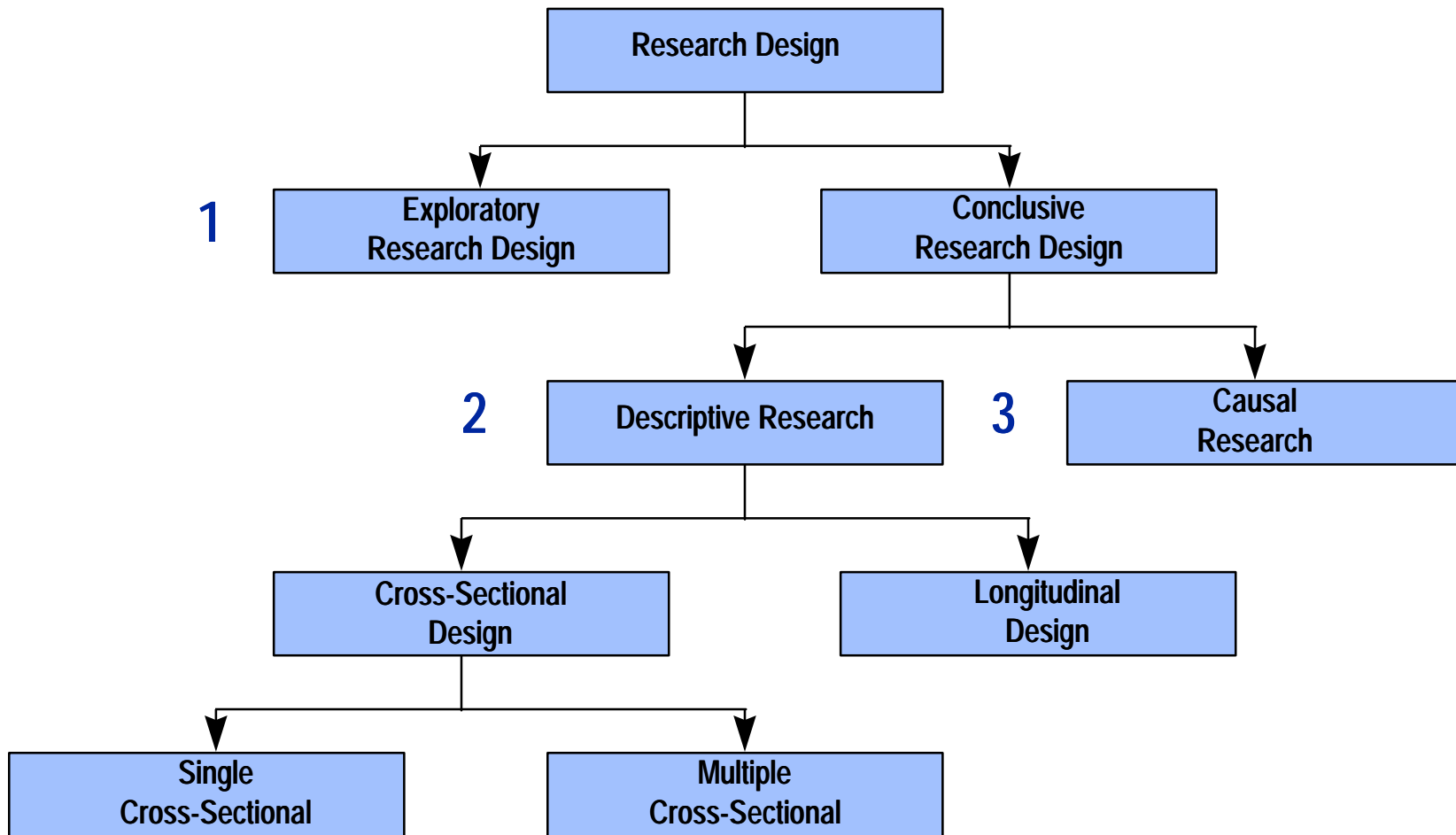
# Research Design

Framework or blueprint for conducting the marketing research project

- Details the procedures necessary for solving the **Marketing Research Problem**
- Components of a research design
  1. Design exploratory, descriptive and/or causal phases of the research
  2. Specify “information needs”
  3. Specify the measures and scales
  4. Questionnaire design & pretest
  5. Specify sampling process & sample size
  6. Data Analysis Plan

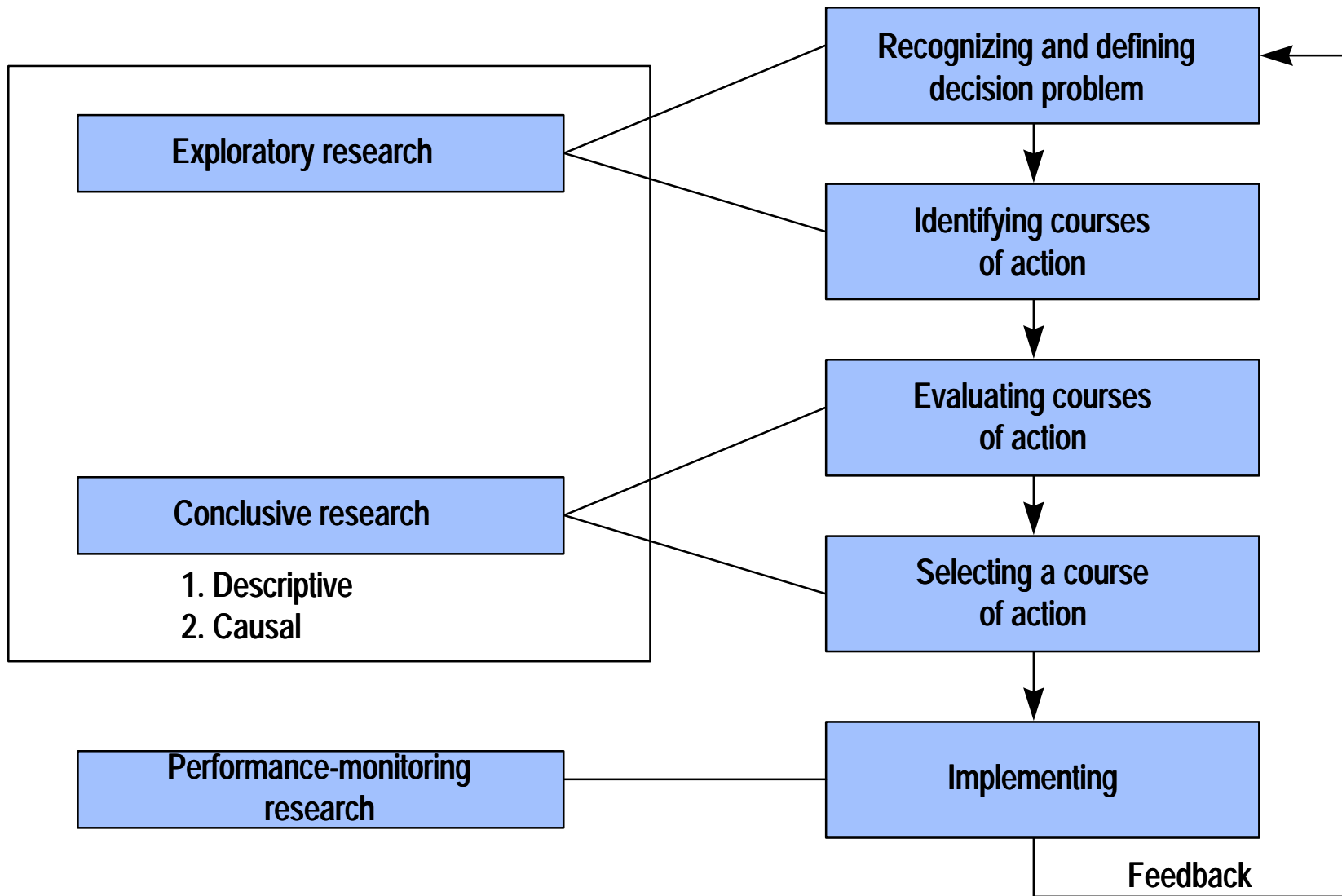
All of the above six steps must be completed prior to any data collection

**FIGURE 4.1 A Classification of Marketing Research Designs**



*Important Note:* The Typical MR Project uses 2 of the 3 Research designs in conjunction

# MKTG. DECISION-MAKING PROCESS



## Table 4.2 A Comparison of Basic Research Designs

	<b>Exploratory</b>	<b>Descriptive</b>	<b>Causal</b>
Objective:	Discovery of ideas and insights	Describe market characteristics or functions	Determine cause and effect relationships
Characteristics:	Flexible Versatile Often the front end of total research design	Marked by the prior formulation of specific hypotheses Preplanned and structured design	Manipulation of one or more independent variables Control of other mediating variables
Methods:	Expert surveys Pilot surveys Case studies Secondary data Qualitative research	Secondary data Surveys Panels Observational and other data	Experiments

IMPORTANT CONCEPT: The Marketing Manager's "Causal" Model based on Judgment & Experience

<b>MKTG. DECISION</b>	<b>=</b>	<b>M.R. INFO</b>	<b>+</b>	<b>MKTG.. Mgr.'s "CAUSAL" MODEL</b>
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## Three Research Approaches

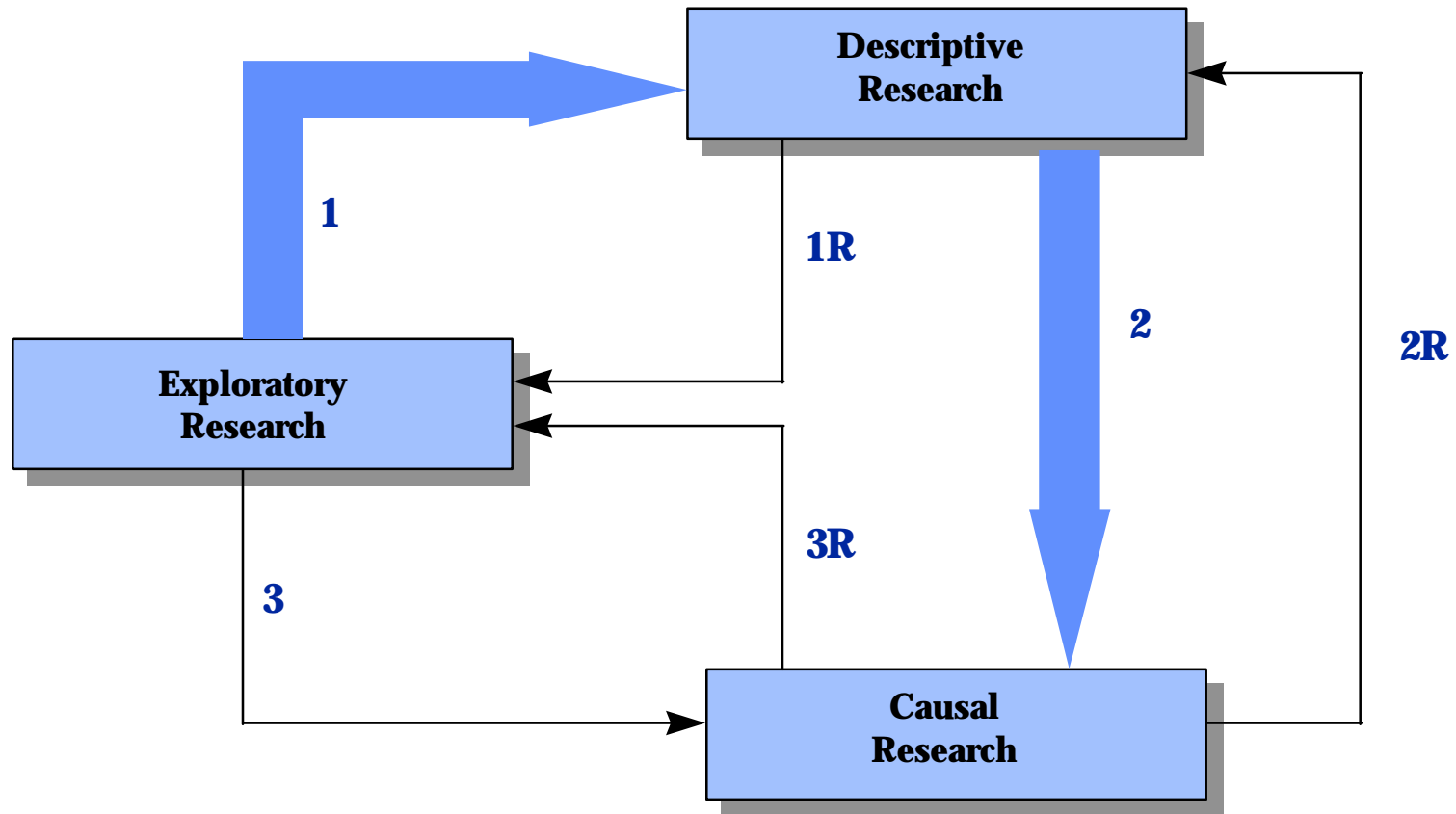
	Research Purpose	Research Question	Hypothesis
<b>E X P L</b>	<b>Exploratory research</b>		
	1. What new product should be developed?	What alternative ways are there to provide lunches for school children?	-----
	2. What product appeal will be effective in advertising?	What benefits do people seek from the product?	Constructs unknown
	3. How can our service be improved?	What is the nature of any customer dissatisfaction?	Suspect that an image of impersonalization is a problem
<b>C O N C L U S I V E</b>	<b>Descriptive research</b>		
	4. How should a new product be distributed?	Where do people now buy similar products?	Upper-class buyers use specialty stores and middle-class buyers use department stores.
	5. What should be the target segment?	What kinds of people now buy the product, and who buys our brand?	Older people buy our brand, whereas the young marrieds are heavy users of competitors.
	6. How should our product be changed?	What is our current image?	We are regarded as being conservatives and behind the times.
	<b>Causal research</b>		
	7. Will an increase in the service staff be profitable?	What is the relationship of size of service staff and revenue?	For small organizations an increase of 50% or less will generate marginal revenue in excess of marginal costs.
	8. Which advertising program for public transit should be run?	What would get people out of cars and into public transit?	Advertising program A generates more new riders than program B.
	9. Should a new budget or “no frills” class of airfare be introduced?	Will the “no frills” airfare generate sufficient new passengers to offset the loss of revenue from existing passengers switching from economy class?	The new airfare will attract sufficient revenue from new passengers.



# Relationship Among the Research Designs

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## DESCRIPTIVE RESEARCH

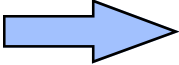
**Table 4.4 Cross-Sectional Data May Not Show Change**

<b>Brand Purchased</b>	<b>TIME PERIOD</b>	
	<b>Period 1 Survey</b>	<b>Period 2 Survey</b>
Brand A	200	200
Brand B	300	300
Brand C	<u>500</u>	<u>500</u>
	1000	1000

## DESCRIPTIVE RESEARCH

**Table 4.5 Longitudinal Data May Show Substantial Change**

		BRAND PURCHASED IN PERIOD 2			
		Brand A	Brand B	Brand C	
Brand purchased in Period 1	Brand A	100	50	50	200
	Brand B	25	100	175	300
	Brand C	<u>75</u>	<u>150</u>	<u>275</u>	<u>500</u>
		200	300	500	1000

**DIAGONAL ENTRIES**  **REPEAT PURCHASERS**  
(BOXED)

**OFF-DIAGONAL ENTRIES**  **SWITCHERS**

**Table 4.3 Relative Advantages and Disadvantages of Longitudinal and Cross-Sectional Designs**

<b>Evaluation Criteria</b>	<b>Cross-Sectional Design</b>	<b>Longitudinal Design</b>
Detecting change	-	+
Large amount of data collection	-	+
Accuracy	-	+
Representative sampling	+	-
Response bias	+	-

Note: A + indicates a relative advantage over the other design whereas a - indicates a relative disadvantage.

**The Best Marketing Researchers Use:**

**The Concept of Backward Marketing Research**

## TYPES OF DATA IN MARKETING RESEARCH

**Table 5.1 A Comparison of Primary and Secondary Data**

<b>PRIMARY</b>	➔	<b>Data collected by the researcher for the specific purpose of addressing the research problem at hand</b>
<b>SECONDARY</b>	➔	<b>Data previously collected for other purposes</b>

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	<b>PRIMARY DATA</b>	<b>SECONDARY DATA</b>
Collection purpose	For the problem at hand	For other problems
Collection process	Very involved	Rapid and easy
Collection cost	High	Relatively low
Collection time	Long	Short

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RELATE TO **SCOPE** OF MARKETING RESEARCH PROJECT

**IMPORTANT NOTE:** Secondary data requires more interpretation & analysis

# Secondary Data

## Advantages

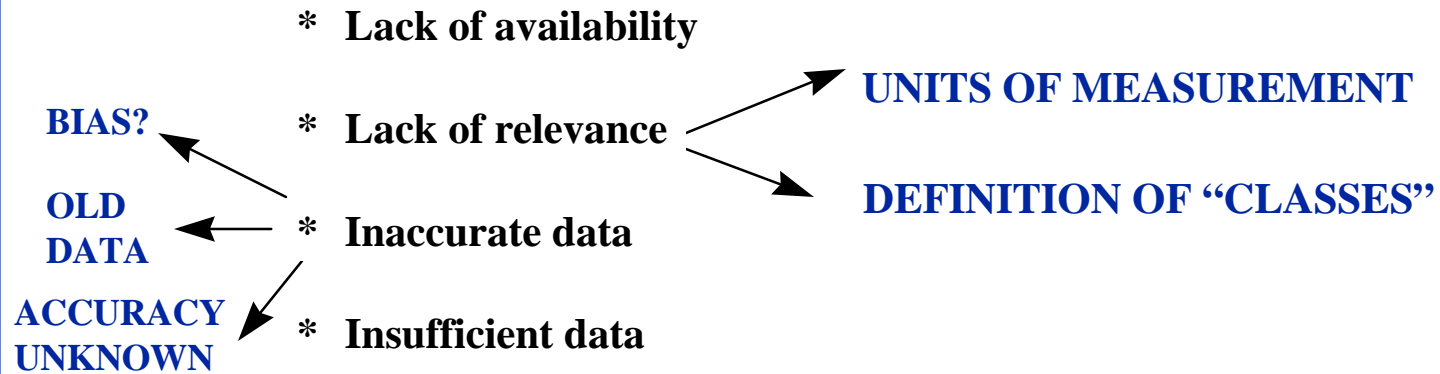
- \* May provide a better understanding of research problem
- \* May provide a solution
- \* May aid in designing method for primary research
- \* May alert researcher to unforeseen problems
- \* May provide necessary background information and build creativity for the research report

# **Advantages of Secondary Data**

- ➔ Readily available**
- ➔ Inexpensive to find**
- ➔ Alternative to primary data collection**
- ➔ Alert researcher to potential problem areas**
- ➔ Clarify research problems and hypotheses**
- ➔ Provide possible solution to marketing problems**

# Secondary Data

## Limitations





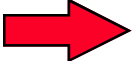


**Q:** To use or not to use?

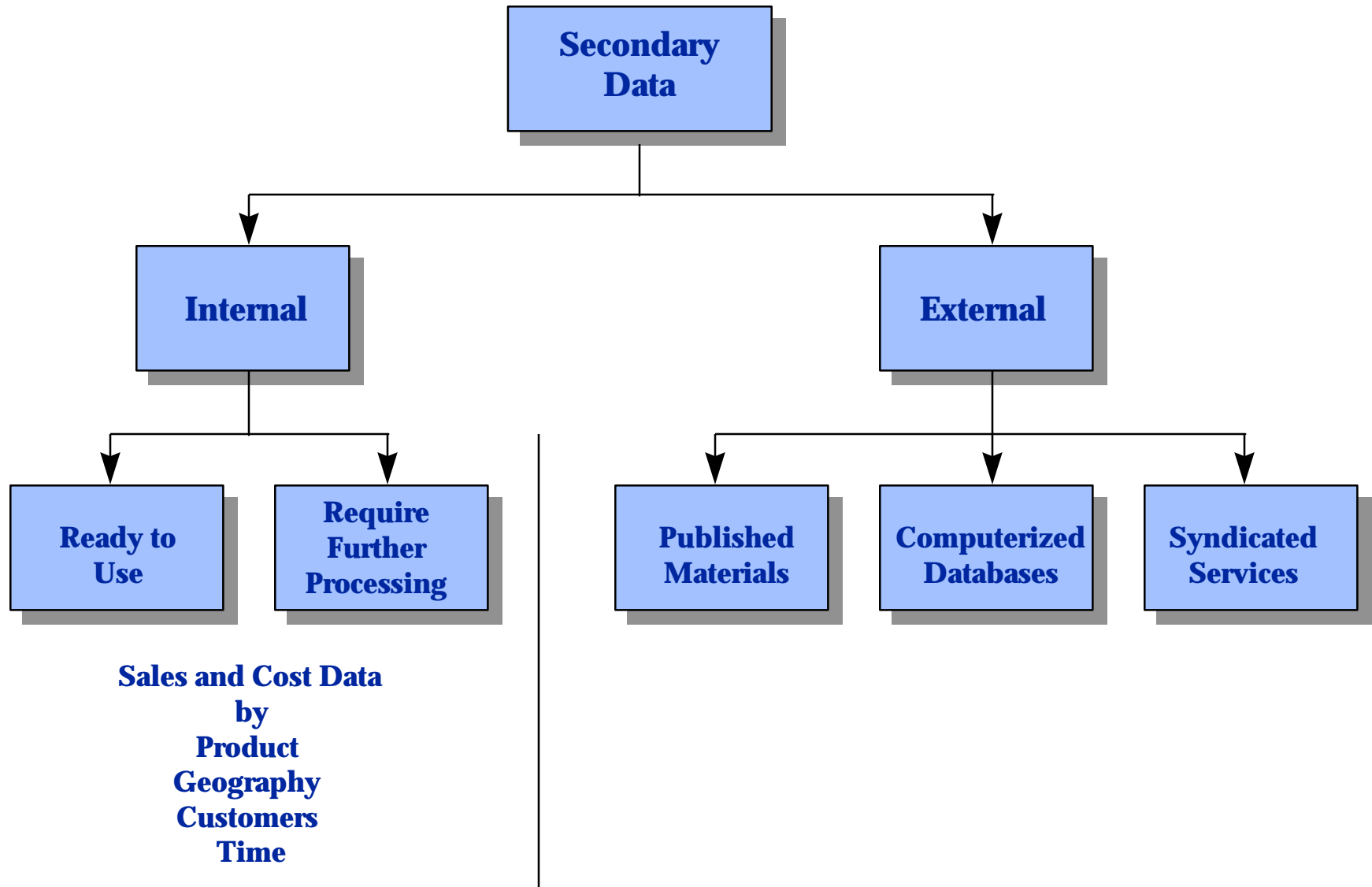
**A:** Trade-off limitations with advantages

AT A MINIMUM → Use secondary data for **STEP 2** of the Mktg..  
Research Process (“Developing an Approach to  
the Problem,” pg. 25)

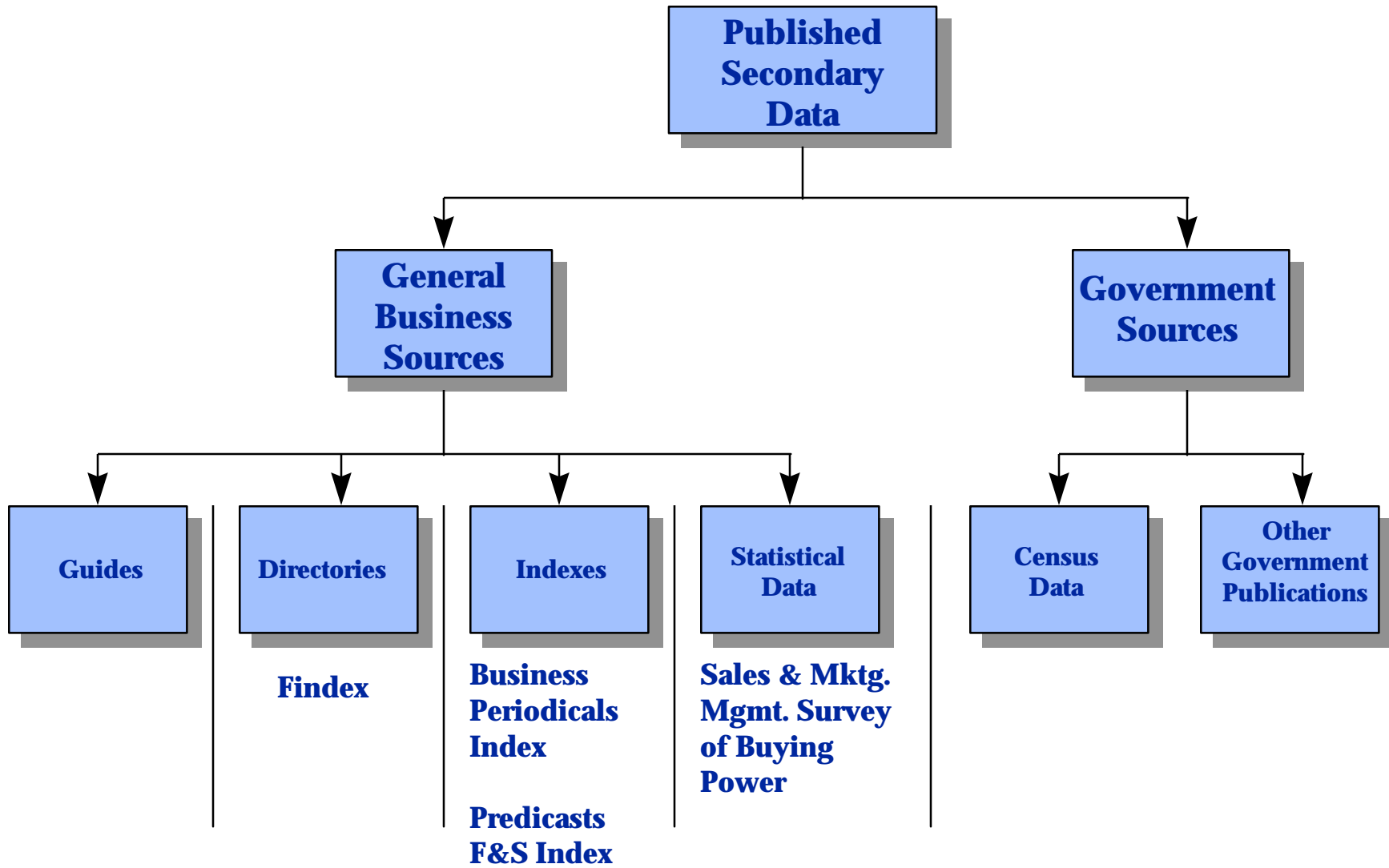
## **Disadvantages of Secondary Data**

-  **Units of measurement may be different  
units instead of dollars**
-  **Statistical procedures may be misleading  
indices on very large bases**
-  **Class or category definitions may differ  
categories of \$10,000 when  
\$20,000 is needed**
-  **Outdated publications  
1990 Census data no longer valid**
-  **Reliability, validity, accuracy problems  
key segments not represented**

**Figure 5.1 A Classification of Secondary Data**



**Figure 5.2 A Classification of Published Secondary Sources**



## CENSUS DATA

- **Easy access**
- **Reasonable price**
- **Accurate**
- **Machine readable**

**1990 census of  
population and housing  
tabulation &  
publication program**



**CENSUS OF POPULATION  
CENSUS OF HOUSING  
MANUFACTURING  
RETAIL TRADE  
WHOLESALE TRADE  
TRANSPORTATION  
AGRICULTURE  
BUSINESS**

- **SOME CENSUS DATA IS “ESTIMATED” RATHER THAN BASED ON A COUNT**

**(Note: The Homer Babbidge Library is the “official” repository for census information)**

## SUBJECTS IN THE 1990 CENSUS CLASSIFIED AS COMPLETE-COUNT OR SAMPLE ITEMS

Population	Housing
<b>Items collected at every household (“complete-count items”)</b>	
Household type	Number of units at address
Sex	Complete plumbing facilities
Race	Number of rooms
Age	Tenure (whether the unit is owned or rented)
Marital status	Condominium identification <sup>1</sup>
Spanish/Hispanic origin or descent	Value of home (for owner-occupied units and condominiums)
	Rent (for renter-occupied units)
	Vacant for rent, for sale, and so forth; and period of vacancy
<b>Additional items collected at sample households*</b>	
School enrollment	Type of unit
Educational attainment	Stories in building and presence of elevator
State or foreign country of birth	Year built
Citizenship and year of immigration	Year moved into this house <sup>1</sup>
Current language and English proficiency	Acreage and crop sales
Ancestry	Source of water
Place of residence 5 years ago	Sewage disposal
Activity 5 years ago	Heating equipment
Veteran status and period of service	Fuels used for house heating, water heating, and cooking
	Presence of solar heat
Presence of disability or handicap	Costs of utilities and fuels
Children ever born	Complete kitchen facilities
Marital history	Number of bedrooms
Employment status last week	Number of bathrooms
Hours worked last week	Telephone
Place of work	
Travel time to work	Number of automobiles
Means of transportation to work	Number of light trucks and vans
Persons in carpool	Homeowner shelter costs for mortgage, real-estate taxes, and
Year last worked	hazard insurance
Industry	
Occupation	
Class of worker	
Work in 1989 and weeks looking for work in 1989	
Amount of income by source <sup>1</sup> and total income in 1989	

NOTE: Census definitions [change from time to time](#)

**SUBJECTS IN THE 1990 CENSUS CLASSIFIED AS COMPLETE-COUNT OR SAMPLE ITEMS**  
**(continued)**

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**Population**

---

**Housing**

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**Derived variables (illustrative examples)**

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Families  
Family type and size  
Poverty status  
Population density  
Size of place

Persons per room ("crowding")  
Household size  
Plumbing facilities  
Institutions and other group quarters  
Gross rent  
Farm residence

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<sup>1</sup> Changed relative to 1980.

\* For most areas of the country in 1990, one out of every six housing units or households received the sample form. Areas estimated to contain 2500 or fewer persons in 1980 had a 3-out-of-every-6 sampling rate, which is required in order to obtain reliable statistics needed for participation in certain federal programs.

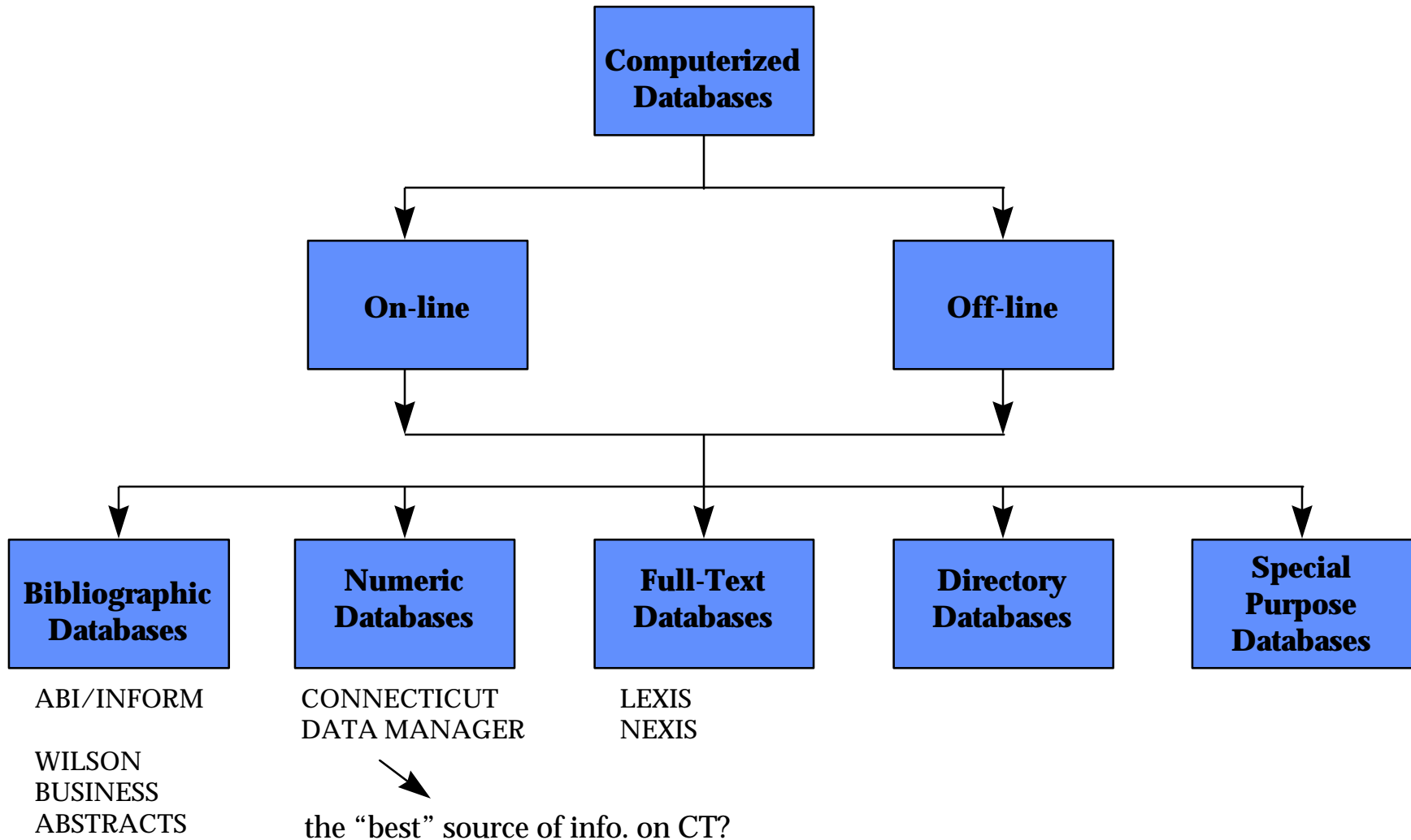
Source: The 1990 Census Questionnaire (American Demographics, 1989).

# Resellers of Census Information

- “MERGE” census & other data
- Private companies have formed a growth industry
- Fast, efficient, means of accessing census information
- New products such as computer graphics and geographic information systems

**(Many of these companies advertise in *American Demographics* magazine) available in the Library**

**Figure 5.3 A Classification of Computerized Databases**



**TABLE 5.2 Selected Offerings of the Popular On-Line Vendors**

<b>DOW JONES</b>	<b>DIALOG</b>	<b>COMPUSERVE</b>
<p>Disclosure II  Dow Jones News  Current Quotes  Wall Street Journal  Academic American  Encyclopedia  Cineman Movie Reviews  AP News  Comp*U*Store  OAG</p>	<p>Disclosure II (business  database)  Management Contents  Standard &amp; Poor's Corporate  Description  Books in Print  Electronic Yellow Pages  Magazine Index  AP News  OAG</p>	<p>Standard &amp; Poor's General  Information File  Washington Post  World Book Encyclopedia  Microquote (stock  information)  Business Information Wire  AP News  Comp*U*Store  OAG</p>

**Figure 6.1 A Classification of Marketing Research Data**

