Introduction

• The need for managerial information
  – understand consumer needs
  – new product development
  – reduce risks and avoid mistakes
  – anticipate competitive activity
  – accurate planning

• Common mistakes
  – wrong types of information
  – wrong research techniques
  – misinterpreted data

Introduction (cont)

• Data and information
• Information must be:
  – available
  – correct
  – relevant
  – readable

Decision Support System (DSS)

Characteristics of a DSS

- Interactive
- Flexible
- Discovery-Oriented
- Accessible

Database Marketing and Micro-marketing

• Database marketing used for more effective micro-marketing
• Database marketing:
  – can identify profitable/unprofitable market segments
  – makes targeting more accurate
  – identifies the goods or markets that need the most support
  – increases revenue due to re-packaged and re-priced products
  – identifies opportunities for new products
  – identifies the most profitable products

Marketing Research

- Descriptive
- Diagnostic
- Predictive
The Management uses of Marketing Research

• "Good" marketing research information contributes to:
  – improved decision-making
  – early identification of problems
  – enhanced understanding of the market
  – enhanced customer value and quality

The Marketing Research Process

1. Define Problem
2. Specify Sampling Procedure
3. Plan Design/Primary Data
4. Collect Data
5. Analyse Data
6. Prepare/Present Report
7. Follow Up

The Research Proposal

• Title
• Purpose
• Literature review
• Situation analysis
• Exploratory research
• Problem definition
• Objectives
• Research design: unit of analysis, sampling, data collection, data analysis
• Pilot study and then execution
• Reporting

Advantages/Disadvantages of Secondary Data

Advantages
- Rapid availability
- Inexpensive
- May shed light on the problem

Disadvantages
- Often doesn't provide a sufficient answer
- Quality of data sometimes difficult to determine

Advantages/Disadvantages of Primary Data

Advantages
- Answer specific questions
- Current
- Known source
- Secrecy can be maintained

Disadvantages
- Time-consuming
- Expensive

Sources of Secondary Data

<table>
<thead>
<tr>
<th>Source</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Information</td>
<td>Sales Invoices, Accounting Records, Previous Market Research</td>
</tr>
<tr>
<td>Market Research Firms</td>
<td>Companies such as A.C. Nielsen, Markinor, Market Research Africa</td>
</tr>
<tr>
<td>Trade Associations</td>
<td>Associations such as SACOB</td>
</tr>
<tr>
<td>University Research</td>
<td>Variety of Non-profit Organisations</td>
</tr>
<tr>
<td>Bureaux, Professional</td>
<td>Associations, Foundations</td>
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<td>Associations, Foundations</td>
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<tr>
<td>Commercial Publications</td>
<td>Marketing Mix, Financial Mail, Food &amp; Beverage Reporter</td>
</tr>
<tr>
<td>Government Data</td>
<td>Government publications Census data, trade figures from Department of Trade</td>
</tr>
<tr>
<td></td>
<td>and Industry and CSS</td>
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</tbody>
</table>

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Types of Survey Research

- Personal Interviews
- Mall Intercept
- Telephone Interviews
- Electronic mail
- Mail Survey
- Focus Group

Comparison of Different Techniques

- Selection/comparison in terms of advantages/disadvantages:
  - costs
  - generalisability
  - speed
  - response rate
  - interviewer bias
  - volume of data
  - complexity of data
  - sensitivity
  - ability to “show” or demonstrate concepts or products
  - flexibility
  - sample control
  - anonymity

Principles of Questionnaire Design

- avoid leading questions
- do not put respondent on the defensive
- do not identify the sponsor
- sensitive questions at the end
- do not ask unanswerable questions
- options must be mutually exclusive
- have a proper introduction
  - greeting, name of the research firm, not a sales attempt,
  - introduce the general topic, state the duration of the interview,
  - assurance of confidentiality, no correct or wrong answers.

Examples of Poor Questions

- Do you prefer Sprite?
- Why don’t you buy Sprite?
- Is Sprite tasty and value for money?
- Do you eat pizza regularly?
- Do you live at home or in the university residences?
- In which age category do you fall?
  - □ 15-20 □ 20-25 □ 25-30 □
- How old were you when you tasted your first Sprite?

Observation Research

- Mystery shopping
- One-way mirror observations
- Traffic counters
- VideoCart
- Peoplemeter
Measuring Perceptions and Attitudes

- Two common data formats
  - qualitative and quantitative data
- Qualitative data - nominal scale
- Quantitative data - ordinal scale e.g. Likert scale

Types of Samples

- Probability samples
  - simple random sample
  - stratified sample
  - cluster sample
  - systematic sample
- Non-probability samples
  - convenience sample
  - judgement sample
  - quota sample
  - snowball sample

Characteristics of “Good” Research

- utilises scientific principles
- is creative and original
- utilises multiple methods
- is of a higher value than its cost
- should be viewed with a degree of scepticism
- must be conducted in an ethical manner
- must lead to better managerial decision-making

Research: Sampling

Key Terms and Concepts

- Unit of analysis
- Sample
- Universe or Population
- Sampling frame
- Generalisability
- Convenience Sample
- Non-probability Sample
- Probability Sample
- Random Sample

Typical Research Projects

- Concept tests
- Copy tests
- Price responsiveness
- Market share analysis
- Segmentation studies
- Competitive analysis
- Employee surveys
- Customer satisfaction studies