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Marketing

Second SA edition
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**Chapter 5:
Information for Marketing Decision-
Making and Marketing Research**

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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

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Introduction (cont)

- **Data and information**
- **Information must be:**
 - available
 - correct
 - relevant
 - readable

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Decision Support System (DSS)

**Characteristics
of a
DSS**

- Interactive
- Flexible
- Discovery-Oriented
- Accessible

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**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
 - increase revenue due to re-packaged and re-priced products
 - identifies opportunities for new products
 - identifies the most profitable products

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Marketing Research


Descriptive
Diagnostic
Predictive

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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 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

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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

Sources of Secondary Data

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

Advantages/Disadvantages of Primary Data

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Advantages

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

Disadvantages

- Time-consuming
- Expensive

Types of Survey Research

Common Forms of Survey Research

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

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Types of Survey Research (cont)

- Characteristics of different types (or techniques) of research - see Table 5.2
- Each type or research technique has advantages and disadvantages
- There is no "correct" technique
- The most suitable depends on the circumstances

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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

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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.

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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?

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Observation Research

- Mystery shopping
- One-way mirror observations
- Traffic counters
- VideoCart
- Peoplemeter

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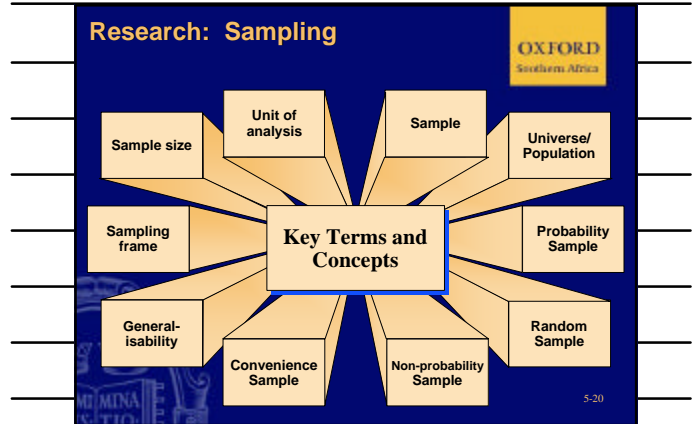
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Measuring Perceptions and Attitudes

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

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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

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Typical Research Projects

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

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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

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