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MARKETING: The Core 5/e

CHAPTER

7

MARKETING RESEARCH: FROM CUSTOMER INSIGHTS TO ACTIONS



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LEARNING OBJECTIVES (LO)

AFTER READING CHAPTER 7, YOU SHOULD BE ABLE TO:

- L04** Discuss the uses of observations, questionnaires, panels, experiments, and newer data collection methods.
- L05** Explain how information technology and data mining lead to marketing actions.
- L06** Describe three approaches to developing a company's sales forecast.

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HOW TEST SCREENINGS AND TRACKING STUDIES REDUCE MOVIE RISKS



- What's in a Movie Name?
- The Risks of Today's (and Tomorrow's) Blockbuster Movies
 - Conduct Test Screenings
 - Use Tracking Studies
- Converting Marketing Research Results into Actions

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FIGURE 7-A Marketing research questions asked in test screenings of movies that lead to specific actions

POINT WHEN ASKED	KEY QUESTIONS	ACTION AND USE OF QUESTION
Before the test screening	- How old are you? - How frequently do you pay to see movies?	- Find people who fit the target audience profile for the movie. - Find people who frequently attend movies.
After the test screening	- What do you think of the title? What title would you suggest? - Were there any characters too distasteful? Who? How? - Did you like the ending? If not, how would you change it?	- Change the movie's title. - Change aspects of some of the movie's characters. - Change or clarify the ending of the movie.

101 THE ROLE OF MARKETING RESEARCH

› What is Marketing Research?

› The Challenges in Doing Good Marketing Research



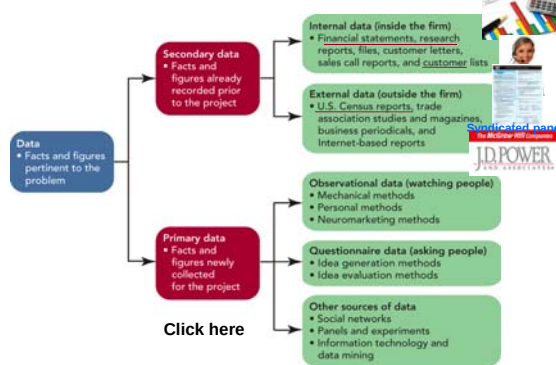
› Five-Step Marketing Research Approach

- Decision
- Decision Making

FIGURE 8-1 Five-step marketing research approach leading to marketing actions



FIGURE 8-2 Types of marketing information



8-15

L04

STEP 3: COLLECT RELEVANT INFO/DATA
PRIMARY DATA—WATCHING PEOPLE

► **Observational Data**

► **Mechanical Methods**

- Nielsen's People Meter



- Nielsen's TV Ratings



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FIGURE 7-3 Nielsen Television Index
Ranking Report for network primetime households: Week ending May 20, 2012

RANK	PROGRAM	NETWORK	NO. OF VIEWERS (millions)	RATING	SHARE
1	NCIS	CBS	19.1	12.0	20
2	American Idol—Wednesday	FOX	17.7	10.5	17
3	American Idol—Thursday	FOX	16.4	9.8	17
4	Dancing with the Stars	ABC	15.8	10.2	16
5	NCIS: Los Angeles	CBS	15.2	9.6	15
6	Criminal Minds	CBS	13.7	8.5	14
7	CBS Sunday Movie Special	CBS	13.5	8.3	13
8	Dancing with the Stars—Results	ABC	13.2	8.8	13
9	The Mentalist	CBS	13.1	8.2	14
10	Person of Interest	CBS	12.9	8.3	13



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L04

STEP 3: COLLECT RELEVANT INFO/DATA PRIMARY DATA—WATCHING PEOPLE

➤ Personal Methods

- Mystery Shopper



- Videotaping



- Ethnographic Research



➤ Neuromarketing Methods

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L04

STEP 3: COLLECT RELEVANT INFO/DATA PRIMARY DATA—ASKING PEOPLE

➤ Questionnaire Data



➤ Idea Generation Methods

- Individual Interviews



- Depth Interviews

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L04

STEP 3: COLLECT RELEVANT INFO/DATA PRIMARY DATA—ASKING PEOPLE

➤ Idea Generation Methods

- Focus Groups



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L04

STEP 3: COLLECT RELEVANT INFO/DATA PRIMARY DATA—ASKING PEOPLE

► Idea Evaluation Methods

• Personal Interview Surveys



• Telephone Surveys



• Mail/Fax Surveys



• Online (E-Mail/Internet) Surveys



• Mall Intercept Interview Surveys

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FIGURE 8-B Comparison of types of surveys

BASIS OF COMPARISON	MAIL, ONLINE, AND FAX SURVEYS	TELEPHONE SURVEYS	INDIVIDUAL INTERVIEW AND MALL INTERCEPT SURVEYS
Cost per completed survey			
Ability to probe and ask complex questions			
Opportunity for interviewer to bias results			
Anonymity given to respondents			

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FIGURE 7-4A Different types of questions in a sample Wendy's survey (Q1-Q5)

1. What things are most important to you when you decide to eat out and go to a fast-food restaurant?

2. Have you eaten at a fast-food restaurant in the past month?

☐ Yes ☐ No

3. If you answered yes to question 2, how often do you eat fast food?

☐ Once a week ☐ 2 to 3 times a month ☐ Once a month or less

4. How important is it to you that a fast-food restaurant satisfies you on the following characteristics? (Check the box that describes your feelings for each item listed)

CHARACTERISTIC	VERY IMPORTANT	SOMEWHAT IMPORTANT	IMPORTANT	UNIMPORTANT	SOMEWHAT UNIMPORTANT	VERY UNIMPORTANT
Taste of food	☐	☐	☐	☐	☐	☐
Cleanliness	☐	☐	☐	☐	☐	☐
Price	☐	☐	☐	☐	☐	☐
Variety of menu	☐	☐	☐	☐	☐	☐

5. For each of the characteristics listed below, check the space on the scale that describes how you feel about Wendy's. Mark an 'X' on only one of the five spaces listed for each item listed.

CHARACTERISTIC	CHECK THE SPACE THAT DESCRIBES THE DEGREE TO WHICH WENDY'S IS...				
Taste of food	Tasty				Not tasty
Cleanliness	Clean				Dirty
Price	Inexpensive				Expensive
Variety of menu	Broad				Narrow

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FIGURE 7-4B (Q6) Sample Wendy's survey:
Likert scale question



6. Check one box that describes your agreement or disagreement with each statement listed below:

STATEMENT	STRONGLY AGREE	AGREE	DON'T KNOW	DISAGREE	STRONGLY DISAGREE
• Adults like to take their families to fast-food restaurants	☐	☐	☐	☐	☐
• Our children have a say in where the family chooses to eat	☐	☐	☐	☐	☐

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FIGURE 7-4B (Q8) Sample Wendy's survey:
Usage behavior question



8. How often do you eat out at each of the following fast-food restaurants? (Check one box for each source listed)

RESTAURANT	ONCE A WEEK OR MORE	2 TO 3 TIMES A MONTH	ONCE A MONTH OR LESS
• Burger King	☐	☐	☐
• McDonald's	☐	☐	☐
• Wendy's	☐	☐	☐

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FIGURE 7-4B (Q9) Sample Wendy's survey:
Demographic questions



9. Please answer the following questions about you and your household. (Check only one for each item)

- What is your gender? ☐ Male ☐ Female
- What is your marital status? ☐ Single ☐ Married ☐ Other (widowed, divorced, etc.)
- How many children under age 18 live in your home? ☐ 0 ☐ 1 ☐ 2 ☐ 3 or more
- What is your age? ☐ Under 25 ☐ 25-44 ☐ 45 or older
- What is your total annual individual or household income?
☐ <\$15,000 ☐ \$15,000-49,000 ☐ \$50,000 or more

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FIGURE 8-C Typical problems when wording questions

PROBLEM	SAMPLE QUESTION	EXPLANATION OF PROBLEM
	Why do you like Wendy's fresh meat hamburgers better than those of competitors?	
	Do you eat at fast-food restaurants regularly? ☐ Yes ☐ No	
	What was the occasion for eating your first hamburger?	
	Do you eat Wendy's hamburgers and chili? ☐ Yes ☐ No	
	What is your age? ☐ Under 20 ☐ 20-40 ☐ 40 and over	

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STEP 3: COLLECT RELEVANT INFO/DATA PRIMARY DATA—OTHER SOURCES

➤ Social Media

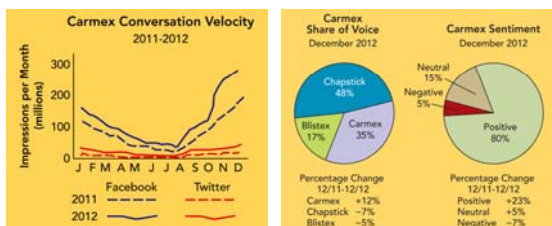


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USING MARKETING DASHBOARDS Are Carmex Social Media Programs Working Well?

Conversation Velocity, Share of Voice, and Sentiment



7-45

L04

STEP 3: COLLECT RELEVANT INFO/DATA PRIMARY DATA—OTHER SOURCES

> Panels **NPD Online Research**

> Experiments

- Independent Variable:
The Cause (Drivers)
- Dependent Variable:
The Result
- Test Markets



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L04

STEP 3: COLLECT RELEVANT INFO/DATA PRIMARY DATA—OTHER SOURCES

> Information Technology

- Data Warehouse
- Sensitivity Analysis



> Data Mining

- RFID Technology



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L04

STEP 3: COLLECT RELEVANT INFO/DATA +/- OF PRIMARY DATA

> Advantage

- More Specific to the Problem

> Disadvantages

- Expensive
- Time Consuming to Collect

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LO5

STEP 4: DEVELOP FINDINGS

► Analyze the Data

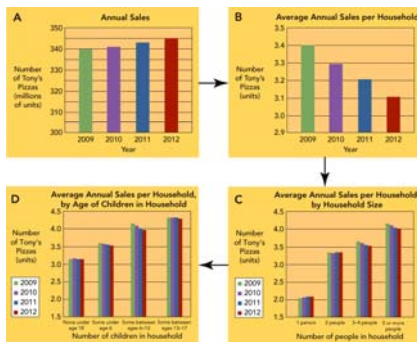
- How are Sales?
- What Factors Contribute to Sales Trends?



► Present the Findings

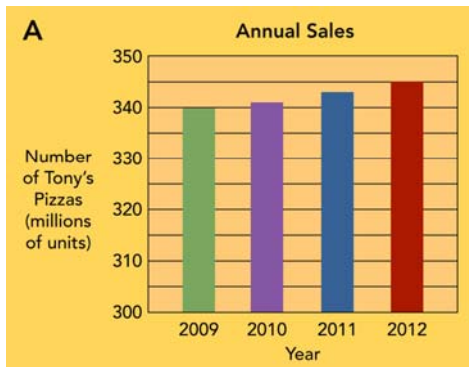
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FIGURE 7-6 Marketing dashboards that present findings to Tony's marketing manager that lead to recommendations and actions



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FIGURE 7-6A Findings presented to Tony's marketing manager



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FIGURE 7-6B Findings presented to Tony's marketing manager

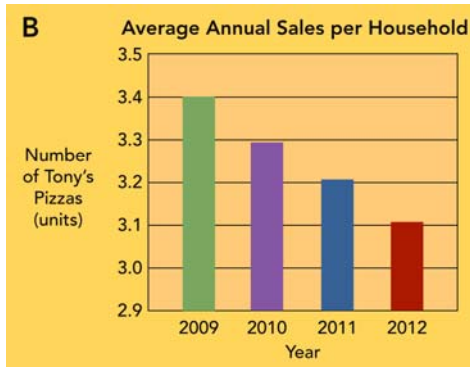


FIGURE 7-6C Findings presented to Tony's marketing manager

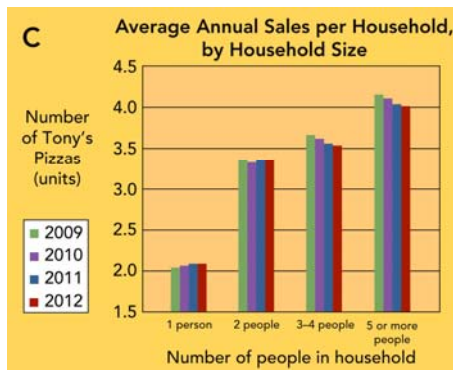
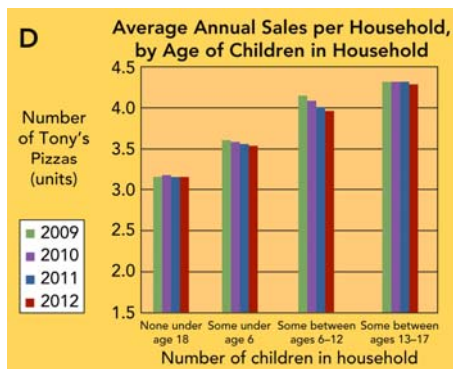


FIGURE 7-6D Findings presented to Tony's marketing manager



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STEP 5: TAKE MARKETING ACTIONS

- Make Action Recommendations
- Implement the Action Recommendations
- Evaluate the Results



- The Decision Itself
- The Decision Process Used

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L06

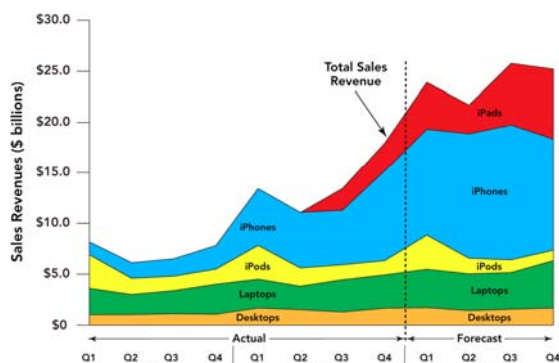
SALES FORECASTING TECHNIQUES

- Sales Forecast
- Judgments of the Decision Maker
 - Direct Forecast
 - Lost-Horse Forecast
- Surveys of Knowledgeable Groups
 - Survey of Buyers' Intentions Forecast
 - Salesforce Survey Forecast



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FIGURE 7-F Build-up forecast: Apple's four major product lines



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