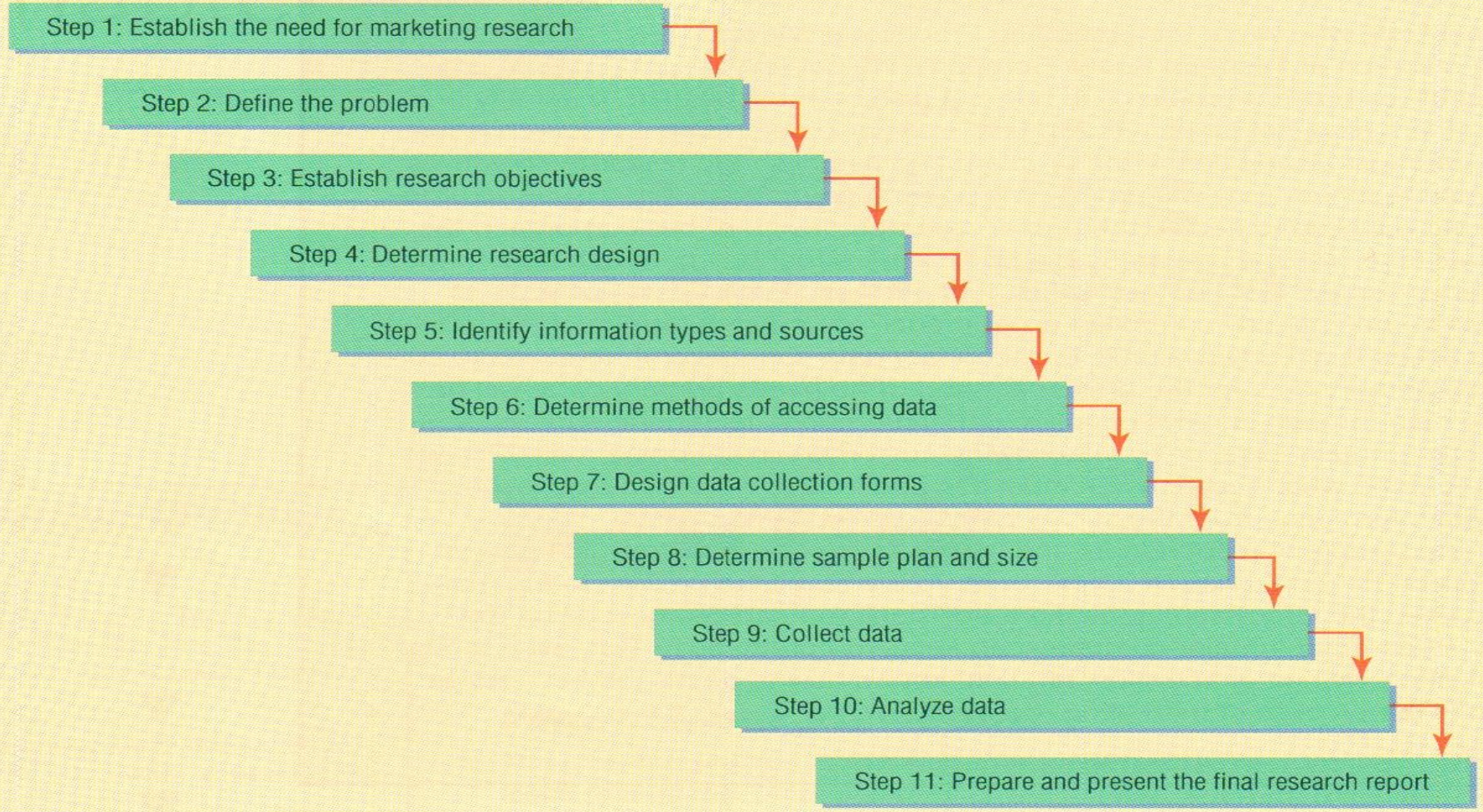
Marketing Research

Chapter 4 – Research Design

Marketing research
Chapter 4 – Research Design (step 4)



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A research design – is a set of advanced decisions that makes up the master plan specifying the methods and procedures for collecting and analyzing the needed information

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Research designs are classified into 3 traditional categories:

exploratory and conclusive (descriptive and causal)

The choice of the most appropriate design depends largely

- on the objectives of the research;

  There are 3 objectives:

  +

  +

  +

- and how much we already know about the problem and the research objectives.

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The basic research objectives and research design

Research Objective	Appropriate design
To gain background information, to define terms, to clarify problems and hypotheses, to establish research priorities	Exploratory
To describe and measure marketing phenomena	Descriptive
To determine causality, to make "if-then" statements	Causal

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Research design should not be viewed as a step-by-step process. Research may begin with any one of the 3 types of research design.

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Exploratory research

Exploratory research is most commonly unstructured, informal research that is undertaken to gain background information about the general nature of the research problem.

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Uses of Exploratory Research

1. Gain background information
2. Define Terms

"what is the bank image?"

Location | loan availability | friendliness of employees | ....

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3. Clarify Problems and Hypotheses

Bank has 3 groups of clients:

retail customers	commercial customers	other banks

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4. Establish research priorities

Exploratory research can help a firm to prioritize research topics in order of importance.

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Methods of conducting exploratory research

1. Second data analysis

Secondary data are data that have been collected for some other purposes.

Secondary data = the **"core"** of exploratory res.

2. Experience Surveys refer to gathering information from those thought to be knowledgeable on the issues relevant to the research problem.

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3. Case analysis – is a review of available information about a former situation(s) that has some similarities to the present research problem.
4. Focus groups – are small group of people brought together and guided by a moderator through an unstructured, spontaneous discussion for the purpose of gaining information relevant to the research problem.

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5. Projective techniques – seek to explore hidden consumer motives for buying goods and services by asking participants to project themselves in to a situation and then to respond to specific questions regarding the situation.

"Sentence completion test"

"My neighbor never buys frozen dinners for his family because……"

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Descriptive Research

Descriptive research is undertaken to describe answers to questions:

Who

What

Where

When

How

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Who = customer

What = product/service/brand

Where = places

When = time or frequency

How = way in which customers are using the product

No question Why?

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Classification of description research studies

1. Cross-sectional studies – measure units from a sample of the population at only one point in time.

=

"snapshots" of the population

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Sample surveys are cross-sectionals studies whose samples are drawn in such a way as to be representative of a specific problem.

Another example of use a cross-sectional study to design a new product.

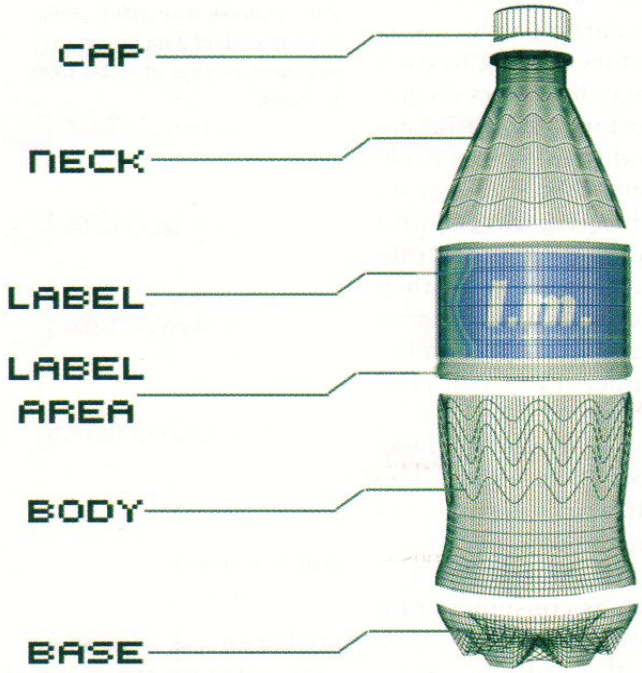
Featurize

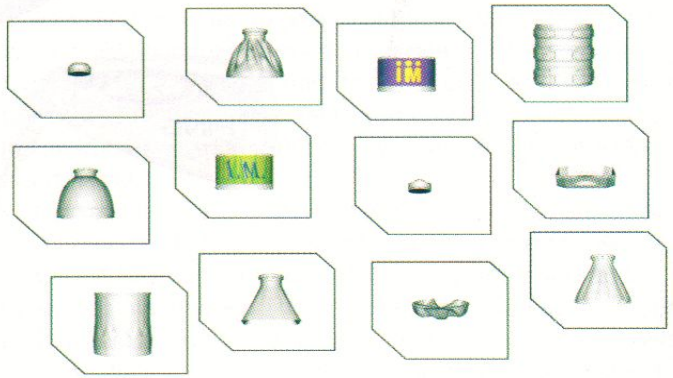
Starting with a base product concept or brief, Affinnova works with managers to determine the features they wish to test. A product feature can be anything you can see—shape, color, configuration, images, branding, and messaging. Benefit statements and price can also be tested using Affinnova.

Affinnova offers solutions for consumer packaged goods, automotive, consumer electronics, digital and print communications, and toys industries.

Generate Variations

Working with the featurization developed with managers, the next step is to populate the Affinnova solution with all of the variations of each feature to be tested. A handful or thousands of variations can be tested. Images for these variations



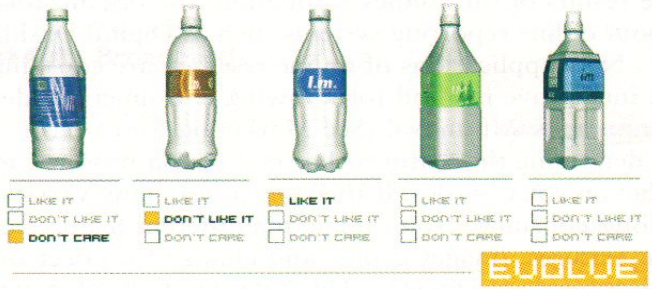


can be taken from sketches, photos, or sophisticated CAD renderings. In addition, Affinnova can embed constraints into a design so that undesirable or infeasible product images will not be shown to consumers.

Evolve with Consumers

To start, consumers are shown an initial set of diverse product images. These images are generated in real time and on the fly using Affinnova's IDEA technology and imaging tools.

Consumers then rate this first set of products. Based on their ratings, the images evolve and change to show consumers products increasingly "fit" for their needs and preferences.



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2. **Longitudinal studies** repeatedly measure the same sample units of a population over a period of time.

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"movies" of the population

Panels represent sample units who have agreed to answer questions at periodic intervals.

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There are 2 types of panel:

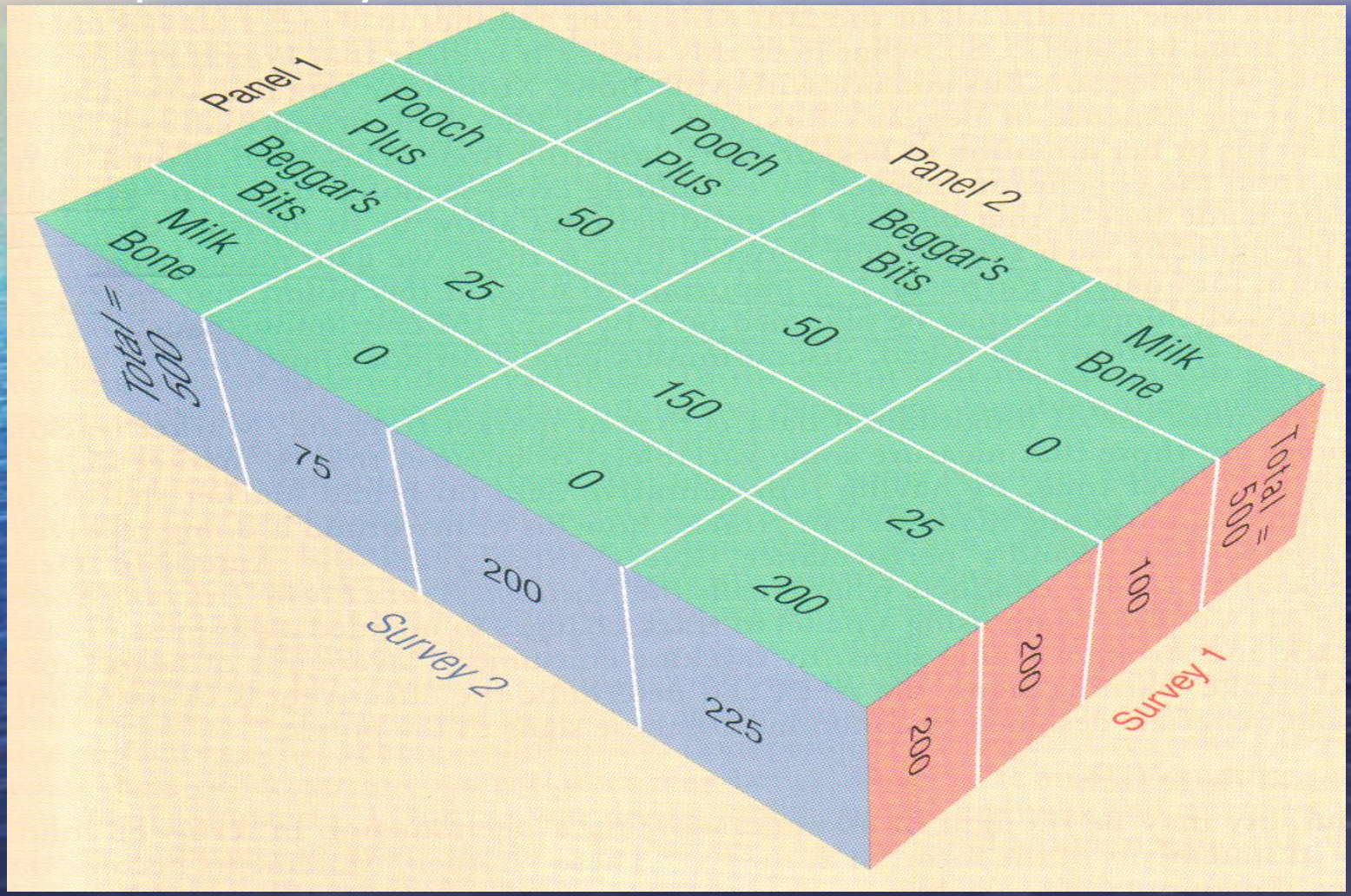
- Continuous panel – ask panel members the same questions on each panel measurement.

It can gain insights into *changes* in consumers' purchases, attitudes and so on.

- Discontinuous panel – vary questions from one panel measurement to the next.

The advantage of Longitudinal studies versus Cross-sectional studies

We compare longitudinal data taken form a continuous panel with data collected from 2 separate cross-sectional sample surveys



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Discussion question:

What are the differences between longitudinal studies and cross-sectional studies?

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Discussion question:

In what situations would a continuous panel be more suitable than a discontinuous panel?

In what situations would a discontinuous panel be more suitable than a continuous panel?

Give an examples.

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Causal Research

If *x*, then *y*.

Yellow Pages ex.

Causal relationships are determined by use of experiments.

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Experiments

An Experiment -

Independent variables -

Dependent variables –

Sales

Market share

Level of consumer satisfaction

Level of adv.expenditure

Location of the display of a product in a supermarket

Extraneous variables -

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Could there be other extraneous variables that could have affected the sales of the apples?

-What would happen with apple sales if the weather changed from rainy to fair?

-If the apple industry began running ads on TV?

-If the season changed from summer vocation to fall?

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Experimental design

O -

X -

R -

E -

O_1 O_2

Pretest and posttest -

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"True" experimental design – is one that truly isolates the effects of the independent variable on the dependent variable while controlling for effects of any extraneous variables.

Designs that do not properly control for the effects of extraneous variables on our dependent variable are known as **quasi-experimental designs.**

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1. **After-only design**

$X \; O_1$

2. **One-group, before-after design**

$O_1 \; X \; O_2$

3. **Before-after with control group**

Experimental group (R) $O_1 \; X \; O_2$

Control group (R) $O_3 \quad O_4$

Where $E = (O_2 - O_1) - (O_4 - O_3)$.

- 2 groups are equivalent in all aspects
- *R* – we randomly divided our supermarkets
- We may measure *E*

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How valid are experiments?

2 forms of validity are used to assess the validity of an experiment:

- Internal

Factors: extraneous f., changes in Subjects, Measure error

- External

Factors:

1. How representative is the sample
2. Was the sample units correctly selected (sample plan)
3. The correctness of experiment setting itself

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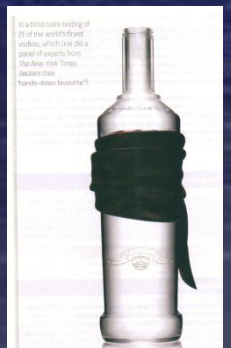
Types of Experiments

- Laboratory experiments – is one in which an investigator creates a situation with the desired conditions and then manipulates some variables while controlling others.

" + " and " – "

Blind taste test



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- Field experiments – is a research study in a realistic or natural situation, involves the manipulation of one or more independent variables under as carefully controlled conditions as the situation will permit.

" + " and " – "

"Test marketing" – is the phrase commonly used to indicate an experiment, study or test that is conducted in a field setting.

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Types of test markets

- Standard test market
- Controlled test markets
- Electronic test markets

Pros and Cons of test marketing

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Discussion question:

Design an experiment. Select an independent variable and a dependent variable. What are some possible extraneous variables that may cause problems? Explain how you would control for the effects these variables may have on your dependent variable. Is your experiment a valid experiment?