



# Chapter 29

## Conducting Market Research

- Section 29.1 The Marketing Research Process
- Section 29.2 The Marketing Survey

# The Marketing Research Process

## Key Terms

problem  
definition

primary data

secondary  
data

survey method

sample

observation  
method

point-of-sale  
research

experimental  
method

data analysis

## Objectives

- Explain the steps in designing and conducting marketing research
- Compare primary and secondary data
- Collect and interpret marketing information
- Identify the elements in a marketing research report



# The Marketing Research Process

The five steps that a business follows when conducting marketing research are:

- Defining the problem
- Obtaining and analyzing data
- Recommending solutions
- Applying the results

## Step 1: Defining the Problem

### problem definition



The process by which a business clearly identifies a problem and what is needed to solve it.

**Problem definition** ◀ occurs when a business clearly identifies a problem and what is needed to solve it. Because money and time are limited, businesses must identify which problems and issues are the most important to address at a given time.

## Step 2: Obtaining Data

### primary data

Data obtained for the first time and used specifically for the particular problem or issue under study.

The word *data* means facts. There are two types of data used in marketing research:

- **Primary data** ◀ are facts obtained for the first time and used specifically for the particular problem or issue under study.

## Step 2: Obtaining Data

### secondary data



Data that has already been collected for some purpose other than the current study.

- **Secondary data** ◀ have already been collected for some purpose other than the current study. They are less expensive to collect than primary data.

There are many ways secondary data can be obtained from both internal sources (within the company) and external sources.

# How Secondary Data Are Obtained

Secondary data are most often collected in the following ways:

- The Internet
- U.S. and state government sources
- Specialized research companies
- Business publications and trade organizations

## **How Secondary Data Are Obtained**

The Internet provides company Web sites that share product descriptions, services offered, locations, revenue information, and company specifications.

Digital dossiers provide company profiles on public corporations, income statements, and balance sheets. These are also online.

# How Secondary Data Are Obtained

Data collected by U.S. government agencies can also be accessed for free or for a minimal cost on the Internet. These data deal with:

- Population demographics, specific markets, industries, products, economic news, export information, and legislative trends

# How Secondary Data Are Obtained

Specialized companies will sell:

- Demographic data, five-year forecasts, consumer purchase information, business data, census information, and consumer classification reports

Syndicated services make this information available in print and electronic formats.

# How Secondary Data Are Obtained

National and statewide trade associations often publish secondary data in articles, reports, and books.

The greatest advantage of secondary data is that they can be obtained easily because of how widely distributed they are.

# How Secondary Data Are Obtained

There are two major disadvantages to secondary data:

- The existing data may not be suitable for the problem under study.
- The data may sometimes be outdated and/or inaccurate.

# How Primary Data Are Obtained

Primary research data can be collected using three methods:

- The survey method
- The observation method
- The experimental method

## How Primary Data Are Obtained

### survey method



A research technique in which information is gathered from people through the use of surveys or questionnaires.

### sample



A part of the target population that is assumed to represent the entire population.

The **survey method** is a research technique in which information is gathered from people through the use of surveys or questionnaires. It is the most frequently used method of collecting primary data.

A **sample** is a part of the target population that represents it accurately.

## **How Primary Data Are Obtained**

Survey research can be conducted in person, by phone, by mail, or by using the Internet. Questions are written according to the specific needs of that survey.

Personal interviews can be done in focus groups, door-to-door, or randomly in central locations.

## How Primary Data Are Obtained

A focus group interview involves eight to twelve people who are brought together to evaluate advertising, a product, design, or marketing strategy under a skilled moderator.



## **How Primary Data Are Obtained**

A major advantage of personal interviews is that they get a much better and easier response than mail, phone, or Internet surveys.

Telephone interviews are quick, efficient, and relatively inexpensive.

## How Primary Data Are Obtained

While mailed surveys have low response rates — a successful survey may get a ten percent response — offering some type of incentive to complete them can help to convince more people to respond.

## **How Primary Data Are Obtained**

Internet-based surveys are quick and eliminate the need for data entry. A drawback is that Internet surveys are limited to individuals who have access to the Web. Also, many people dislike receiving uninvited e-mail surveys.

## How Primary Data Are Obtained

### observation method



A research technique in which the actions of people are watched and recorded either by cameras or by observers.

The **observation method** ◀ is a research technique in which the actions of people are watched and recorded either by cameras or by observers.

A mystery shopper is a researcher who poses as a customer. The mystery shopper observes the interactions between customers and salespeople.

## **How Primary Data Are Obtained**

One disadvantage of the observation method is that it cannot measure attitudes or motivation. Two advantages of the observation method are that it is faster than personal interviews, and people are unaware that they are being observed.

## How Primary Data Are Obtained

### point-of-sale research



A form of research that combines natural observation with personal interviews to get people to explain buying behavior.

**Point-of-sale research** ◀ involves observing shoppers to decide which ones to choose as research subjects. After observation, researchers approach the selected shoppers and ask them questions.

This method provides fresh and accurate information from the consumer.

## How Primary Data Are Obtained

### **experimental method**



A research technique in which a researcher observes the results of changing one or more marketing variables while keeping certain other variables constant under controlled conditions.

The **experimental method** ◀ is a technique in which a researcher observes the results of changing one or more marketing variables while keeping others constant under controlled conditions. It is not used frequently because of cost and inaccuracy.

## Step 3: Analyzing the Data

### **data analysis**

The process of compiling, analyzing, and interpreting the results of primary and secondary data collection.

**Data analysis** ◀ is the process of compiling, analyzing, and interpreting the results of primary and secondary data collection.

Data mining is a computer process that uses statistical methods to extract new information from large amounts of data.

## **Step 4: Recommending Solutions to the Problem**

Solution recommendations must be clear and well-supported by the research data. A typical research report includes the following:

- Title page and table of contents
- Acknowledgments of people who assisted
- List of tables, figures, charts, and graphs

## **Step 4: Recommending Solutions to the Problem**

- Introduction
- Review of the research information
- Procedures used
- Findings and recommendations
- Summary and conclusions
- Appendixes and bibliography

## **Step 5: Applying the Results**

Managers use the research report to make decisions about marketing strategies to address the researched problem or issue.

After the research is completed and changes are made, a business should carefully monitor the results to know if the actions are successful.

# The Marketing Survey

## Key Terms

validity

reliability

open-ended  
questions

forced-choice  
questions

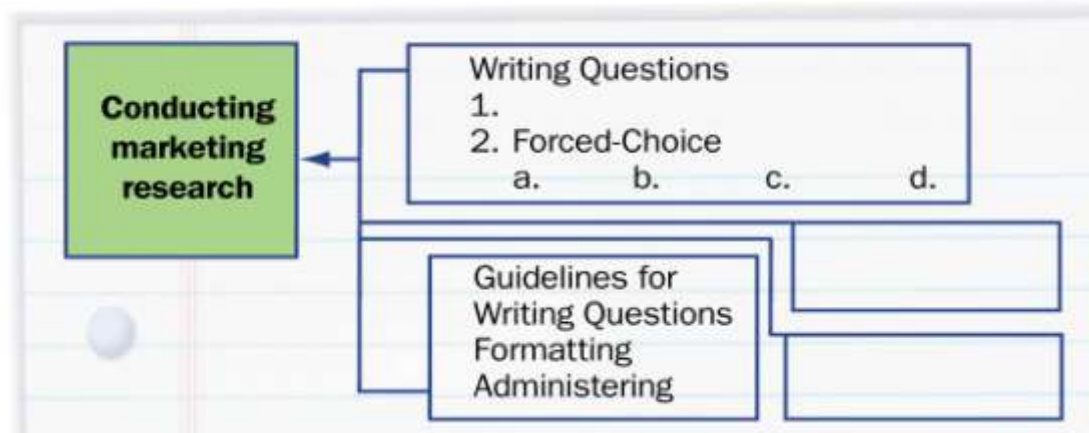
## Objectives

- Design a marketing research survey
- Administer a marketing research survey

# The Marketing Survey

## Graphic Organizer

Complete an outline of this section by listing headlines, subheadings, and key concepts.



# Constructing the Questionnaire

## **validity**



When questions asked on a questionnaire measure what was intended to be asked.

## **reliability**



When a research technique produces nearly identical results in repeated trials.

A questionnaire has **validity** ◀ when the questions asked measure what was intended to be measured.

**Reliability** ◀ exists when a research technique produces nearly identical results in repeated trials. It requires that the questions ask for the same type of information from all respondents.

# Constructing the Questionnaire

To be valid and reliable, a questionnaire must be properly:

- Written
- Formatted
- Administered

# Writing Questions

## open-ended questions



Questions that require respondents to construct their own answers.

## forced-choice questions



Questions that ask respondents to choose answers from possibilities given on a questionnaire.

**Open-ended questions** ◀ ask respondents to construct their own response to a question.

**Forced-choice questions** ◀ ask respondents to choose answers from a questionnaire.

Yes/No questions should be used only when asking for a response on one issue.

# Writing Questions

Multiple-choice questions give the respondent several choices. When constructing these, it is important to make the options mutually exclusive and comprehensive.

Offering the choice of “other” increases reliability.

## Writing Questions

Other forced-choice questions may ask respondents to rate a product or service.

Level of agreement questions make statements and ask respondents for their level of agreement. Commonly used options include *strongly agree*, *agree*, *neutral*, *disagree*, and *strongly disagree*.

## **Basic Guidelines for Writing Questions**

- Each question should be clearly written and as brief as possible.
- Use consistent ranking scales.
- Avoid leading questions and introducing biases.
- Do not use questions that make your respondent guess.

# Formatting

You should use dark ink on light paper and type that is easy to read. The questionnaire should be short enough that the respondent does not grow frustrated or tired while answering.

Be sure to put section headings or numbers on all individual survey sections.



## We Appreciate Your Comments

### YOUR ACCOMMODATIONS

10. How would you rate your accommodations?

|                        | Excellent                | Very Good                | Average                  | Below Average            | Poor                     |
|------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Decor/Furnishings      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Room Lighting          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Room Cleanliness       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Daily Room Service     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Telephone Services     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Soundproofing          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Temperature Control    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Quality of Towels      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Comfort of Bed         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Comfort of Pillows     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Jacuzzi                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Bathroom Amenities     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Bathroom Cleanliness   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Bathroom Lighting      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Bathroom Overall       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Overall Accommodations | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Value for Price/Paid   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

11. What changes or additions to your room would you suggest?

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# Formatting



**We Appreciate Your Comments**

**PRIOR TO YOUR ARRIVAL**

1. How important was each of the following in your choice of this Resort this visit?

|                          | Generally Important      | Very Important           | Somewhat Important       | Not Very Important       | Not At All Important     |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Prior Visit Experience   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Travel Agent             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Family/Friend Referral   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Brochure                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Internet                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Children's Programs      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Location                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Golf                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Meeting/Conference       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Price/Package            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Crystal Mtn. Prop. Owner | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Advertisement            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Where?                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Other (Please specify)   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

What is the primary Radio Station you listen to? \_\_\_\_\_

**RESERVATION**

2. How would you rate the Reservation Staff on:

|                   | Excellent                | Very Good                | Average                  | Below Average            | Poor                     | No Contact               |
|-------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Friendly/Helpful  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Product Knowledge | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Use of Your Name  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

3. Was your reservation in order upon arrival?  
 Yes (Skip to #4)     No

3a. If "No", please indicate which information was not correct:

|   |   |
|---|---|
| <input type="checkbox"/> Name incorrect               | <input type="checkbox"/> Address incorrect        |
| <input type="checkbox"/> Arrival Date incorrect       | <input type="checkbox"/> Departure Date incorrect |
| <input type="checkbox"/> Room Type incorrect          | <input type="checkbox"/> Rate incorrect           |
| <input type="checkbox"/> No. in Party incorrect       | <input type="checkbox"/> No Record of Reservation |
| <input type="checkbox"/> Other (Please specify) _____ |   |

4. Overall, how would you rate the handling of your reservation?

|  |                                    |   |
|--|------------------------------------|---|
| <input type="checkbox"/> Excellent     | <input type="checkbox"/> Very Good | <input type="checkbox"/> Average            |
| <input type="checkbox"/> Below Average | <input type="checkbox"/> Poor      | <input type="checkbox"/> Did Not Experience |

**YOUR RECEPTION UPON ARRIVAL**

5. Were your accommodations ready at 5 p.m. or upon arrival (if later than 5 p.m.)?  
 Yes     No

6. How would you rate your reception at the Front Desk upon arrival:

|                   | Excellent                | Very Good                | Average                  | Below Average            | Poor                     |
|-------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Friendly/Helpful  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Check-in Speed    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Who Asked Reason  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Use of Your Name  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Overall Reception | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

7. Do you have any suggestions for improving our Front Desk reception?  
 \_\_\_\_\_

**YOUR ACCOMMODATIONS**

8. What type of accommodations?

- The Inn at the Mountain
- Harriet Hotel Rooms
- Colony Hotel Rooms
- Pinhurst Studios or 1 Bedroom Condominiums
- WinterGreen Condominiums
- Pinhurst Green 3-4 Bedroom Townhomes
- MountainSide Townhomes
- Village/Club Homes
- MountainTop Condominiums

9. What was your room number? \_\_\_\_\_

10. How would you rate your accommodations?

|                        | Excellent                | Very Good                | Average                  | Below Average            | Poor                     |
|------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Decor/Furnishings      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Room Lighting          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Room Cleanliness       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Daily Room Service     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Telephone Services     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Soundproofing          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Temperature Control    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Quality of Towels      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Comfort of Bed         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Comfort of Pillows     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Jacuzzi                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Bathroom Amenities     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Bathroom Cleanliness   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Bathroom Lighting      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Bathroom Overall       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Overall Accommodations | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Value for Price/Paid   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

11. What changes or additions to your room would you suggest?  
 \_\_\_\_\_

Page numbers are essential to make sure your respondent does not get lost within the survey.

# Formatting

General demographic questions about gender, age, ethnicity, and education are typically grouped together at the end of the survey. That is because respondents are more likely to answer personal questions after completing the other questions.

# Administering the Questionnaire

A plan must be established for selecting participants in an unbiased way. Be sure to explain the survey's purpose either in person or on the questionnaire.

Many questionnaires offer incentives to encourage people to participate.

## FOCUS on KEY POINTS

### Section 29.1

- The five steps that a business follows when conducting marketing research are defining the problem, obtaining data, analyzing the data, recommending solutions, and applying the results. The steps are performed sequentially to arrive at solutions to a problem or research an issue.

continued

## FOCUS on KEY POINTS

### Section 29.2

- Questionnaires should provide data that are valid and reliable. Marketing surveys may include open-ended and forced-choice questions. Forced-choice questions include yes/no, multiple-choice, rating scale, and level of agreement questions.

continued



This chapter has helped prepare you to meet the following DECA performance indicators:

- Explain the need for sport/event marketing information.
- Identify information monitored for marketing decision making.
- Address marketing information needs.
- Make oral presentations.
- Participate in staff meetings.



## CHAPTER 29 REVIEW

## CHAPTER 29 REVIEW

You are X.

Start by picking a square. If you answer correctly, you win that square. If your answer is incorrect, O gets the square.

PLAY

- click twice to continue -