

NEW YORK UNIVERSITY
LEONARD N. STERN SCHOOL OF BUSINESS

B70.2327.01 -- Introduction to Marketing Research
Professor Geeta Menon

SPRING 2001

OFFICE: 8-93 Management Education Center
CLASS HOURS: M/W 1-2:15pm
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COURSE OBJECTIVES

As the complexity of the problems facing marketing managers has increased in recent years, so has their need for information--about the market environment, about the competition, and particularly about the customers. It is now a virtual certainty that all marketing managers (and many managers in other functional areas and in general management) will come in close contact with marketing research frequently throughout their career in business.

This course is designed to provide an overview of marketing research and its use in making more effective marketing decisions. The primary emphasis is on designing research studies so that the results are both valid and pertinent. Towards this end, we will examine exploratory research (including projective techniques and focus groups), descriptive research (including cross-sectional and longitudinal survey research), and causal research (including experimentation and test marketing). The course is also intended to familiarize you with developing effective measuring instruments (i.e., questionnaires) and using them to collect data. You will also have hands-on experience organizing these data in a computer-readable form, and figuring out the appropriate method of analyzing them.

This course has four major themes:

- ❑ Taking general marketing problems and structuring them in terms of specific questions amenable to research.
- ❑ Understanding primary and secondary sources of marketing research information, including issues in data collection.
- ❑ Becoming familiar with specific techniques for analyzing marketing research data once it has been collected, and using those analyses to make better marketing management decisions.
- ❑ Managing a reasonably complicated research project, working in a group, and making effective oral and written presentations.

These skills are important not only to those directly involved in marketing research activities, but also to "consumers" of marketing research, particularly managers who commission and evaluate

consulting studies. The course will enable you to effectively evaluate marketing research proposals, interpret, review and critique the subsequent reports, and appraise its usefulness to management. The course will also provide a basis which you may pursue in order to become a research specialist.

COURSE MATERIAL

Textbook: Sudman, Seymour and Edward Blair (1998), *Marketing Research: A Problem-Solving Approach*, Irwin/McGraw Hill.

Case Pack: Available in the bookstore. We will discuss a number of cases during the course, the purpose of which is to understand the use of marketing research in actual business situations.

Additional reading material: As required, I shall pass out articles and handouts in class.

GENERAL INFORMATION

- ❑ All written materials must be typed, double-spaced, have one-inch margins, and use a reasonable font (i.e., 10-12 point).
- ❑ The final grade is calculated on the weighted value of all components.
- ❑ Assignments must be turned in on the dates specified in the syllabus. Except in the event of a serious, documented medical difficulty, late assignments will not be accepted.

GRADING

There are three requirements: one examination, a group project, and class participation.

- ❑ *Examination* 40%
- ❑ *Group project:* 45%
 - Stage 1: Exploratory research project report (5%)
 - Stage 2: Primary data project
 - Questionnaire (10%)
 - Final Report (20%)
 - Class Presentation (10%)
- ❑ *Class participation* 15%

Each of these components is described below:

Examination: There will be one examination consisting of short answer questions. Check the course schedule for the date. The exam will cover all material discussed in class and all reading assignments (textbook, class notes, cases and other supplementary reading material). It is closed book and closed notes, but you may bring one sheet of paper, 8½ x 11 inches, on which you may write anything you like. You may also bring a calculator.

Group Project: During the course of the semester, you will be involved in a group project. As a first step, you must form teams. You are free to form your own teams. If you have difficulty forming a team, I will group students based on where and when you could attend group meetings. The size of the teams will depend on class enrollment and will be announced in class.

Each group will work on a project, which is modest-sized marketing research study. The primary objective of the project is to provide you with experience in applying the concepts and methods of marketing research to a real marketing problem. Further, you will also be required to critique another team's work, and therefore, you will also gain experience of being a client in the research process.

The project will be completed in two stages:

Stage 1 will involve defining the marketing problem, conducting exploratory research and designing a questionnaire; and,

Stage 2 will involve conducting the survey, analyzing the data, and writing a report.

A detailed description is provided in Appendix B. Summaries of the two stages are provided below:

Stage 1 -
Exploratory
Research

The group must decide on an organization and product/service that will be the focus of its research, and decide on the purpose and objectives of the research. The group will then conduct *either* a focus group *or* depth interviews (see Appendix C for details) and prepare a summary of the findings. Based on these findings, the group will identify a set of information needs for the survey (i.e., Stage 2), and design a questionnaire. The questionnaire is worth 10% of the overall grade, and the summary of the exploratory research findings is worth an additional 5%.

Stage 2 -
Project
Report

Once the questionnaire has been finalized, the group must administer the questionnaire to at least 60 respondents, input the data into a computer system, analyze the data, and write a report (see Appendix D for guidelines on writing the report). The report will account for 20% of the overall grade for the course. In addition, the research report will be presented in the class during the last full week of the semester.

Important Note on Statistical Analyses: You may use any software package you like to analyze your data. You are responsible for learning how to use the package on your own. Several statistical packages are available in the NYU computer labs. If you elect to use mainframe SPSS or SPSS-PC, I can help you if you have problems with the package; however, you are by no means required to use SPSS. Depending on what analyses are required for your project, some spreadsheet packages may suffice. If you have any problems in software selection, please consult me.

At the end of the semester, each group member will rate the performance of him/herself and every other group member on both, the time (i.e., effort) and the quality of the work put into the project (see Appendix E - Peer Evaluation Form).

Class Participation: To a large extent, learning in this class is related to your willingness to expose your insights and viewpoints to the critical judgement of your classmates. Thus, each one of you is expected to contribute to class discussions. This includes preparation for class by reading the text and cases (see Appendix A for case preparation questions), and presenting your opinions or summaries of material covered in class. The basis for class participation is quality, not quantity. Attendance is a necessary but not sufficient condition for participation. If you do not actively participate, you will receive a very low participation grade even if you attend every class.

TENTATIVE COURSE SCHEDULE

Some topics may be added or deleted according to the interests of the class and as time permits.

Week	Date	Topic	Readings	Important deadlines
1	1/17	Introduction		
2	1/22	Role of Market Research	Ch. 1, 2, 3	Form project groups
		Marketing Research Process		
	1/24	Data sources	Ch. 4	Project description
		Secondary data sources	Ch. 6	
3	1/29	<i>CASE DISCUSSION</i>	Kendall-Vetmat	
	1/31	Primary data sources	Ch. 5	
4	2/5	Research Design I (Exploratory)	Ch. 8	
	2/7	<i>CASE DISCUSSION</i>	Boston Fights Drugs (A)	
5	2/12	<i>GROUP PRESENTATIONS OF STAGE 1 RESULTS</i>		Summary of findings of Stage 1 due
	2/14	Research Design II (Descriptive)	Ch. 7	
6	2/19	**** President's Day – no class ****		
	2/21	Questionnaire Design	Ch. 10, 11, 12	
7	2/26	Introduction to Measurement	Ch. 16 (pgs. 448-449)	
	2/28	Attitudes Measurement Scales		
8	3/5	Coding and Introduction to Data Analysis	Ch. 15	Draft questionnaire due
	3/7	Collecting Information by Observation	Ch. 4 (pgs. 83-84)	
9	3/12	**** Spring Break – no class ****		
	3/14	**** Spring Break – no class ****		

Week	Date	Topic	Readings	Important deadlines
10	3/19	Research Design III (Causal)	Ch. 9	
	3/21	<i>CASE DISCUSSION</i>	Boston Fights Drugs (B)	Final questionnaire due
11	3/26	Introduction to Sampling and Sample Size Determination	Ch. 13, 14	
	3/28	<i>EXAMINATION</i>		
12	4/2	Examining Differences	Ch. 16, 17	Finish data collection
	4/4	<i>CASE DISCUSSION</i>	Ocean Spray Cranberries (A)	Finish data entry
13	4/9	Multivariate Analyses	Ch. 18, 19	
	4/11	<i>CASE DISCUSSION</i>	Johnson Wax	
14	4/16	Review of Data Analysis requirements		Finish basic data analyses
	4/18	Taste tests		
15	4/23	Project Workshop	Ch. 20	
	4/25	<i>PROJECT PRESENTATIONS</i>		
16	4/30	<i>PROJECT PRESENTATIONS</i>		Final project reports due

APPENDIX A

Case Descriptions and Preparation Questions

Kendall-Vetmat

This case discusses the role of market research in a product manager's decision process. It traces the development of market research information for a new product introduction, and presents a manager's dilemma of receiving market research data which are inconsistent with expectations and plans.

Preparation questions:

1. Should this market research information affect Buckingham's decision to introduce VETMAT?
2. What should have been done differently regarding this study?
3. If, like Buckingham, you feel this study is invalid, where do you go from here?
4. Should Buckingham introduce VETMAT?

Boston Fights Drugs

This case is about the de-marketing of drugs to youths in the city of Boston. In the (A) case focus groups have been employed to explore young people's attitudes about illegal substances, as well as the credibility of various attempts to persuade them to avoid or abandon drugs. In the (B) case, teenagers are shown three proposed anti-drug advertisements in an experimental setting.

Preparation questions:

(A) case:

1. Would you have selected focus groups as your research methodology? Why or why not?
2. What do you make of the design of the pre-screening questionnaires and the focus group interview protocols?

(B) case:

1. What do you think of the design of the advertising pretest?
2. What conclusions, if any, can we draw from the results?
3. Exactly what do you recommend for the de-marketing communications campaign?

Ocean Spray Cranberries, Inc. (A)

This case shows the methodological and the research administration issues contained in a typical psychographic segmentation study. It describes the marketing situation that preceded the decision to conduct the Fruit Positioning Study.

Preparation questions:

1. Evaluate the research objectives and management's participation in the design of the study.
2. Evaluate Phase One and Two of the study. How do the research methods relate to the strategic objectives of the study?

Johnson Wax: Enhance

This case provides a comprehensive look at the use of a pre-test market model, ASSESSOR, in the new product development process. The details of the laboratory procedure are presented and both predictive and diagnostic outputs given.

Preparation questions:

1. How well does ASSESSOR measure the impact of the marketing mix elements?
2. Sherman wants to know "why did I only get about half the share points I need?" What would you tell him?
3. Does the ASSESSOR methodology seem an appropriate research tool given Sherman's situation?
4. What should Sherman do now?

APPENDIX B

Guidelines for the group project

Overview

The project is intended to provide students with first-hand research experience and to illustrate the concepts and methods discussed in the classroom. It involves:

- (a) selecting a product or service that is being offered by an organization (or a new product/service that the organization may wish to offer),
- (b) identifying some marketing decision that needs to be made regarding this product/service, such as product positioning or target market definition,
- (c) determining the information needed to make that decision,
- (d) designing a questionnaire and to obtain the necessary information,
- (e) collecting, coding and analyzing the data, and
- (f) writing a report and presenting the findings.

There are many different types of studies that can be conducted for this course. Some examples are:

- ❑ Attitude/preference studies: studying consumers' preferences and attitudes about competing products/services, identifying the attributes that are important, and determining whether consumer segments differ in their attitudes or in the attributes they consider important.
- ❑ Market potential studies: estimating the market demand for a new product/service by analyzing market trends (using secondary data) and estimating intention to purchase the product/service (from primary data).
- ❑ Segmentation studies: developing profiles of "heavy users" and "light users" of a product/service based on demographics, lifestyles (AIO), shopping behavior, benefits sought, and media habits.
- ❑ Image studies: comparing the brand image of competing products or services along a number of dimensions, and determining whether different consumer segments have different images of the products/services.

These studies are useful in making a variety of marketing decisions, e.g., in product positioning, new product introductions, marketing mix decisions, market targeting, etc. You may choose any kind of product or service as long as it is not too difficult to get primary data about it. For instance: health and beauty aids, sodas, bank services, calculators, university student services, wine coolers, tea, clothing, personal computers, university library services, and so on.

Once you select a product/service and an organization, you should examine secondary sources such as magazines and newspapers (Wall Street Journal, Business Week, Fortune, Forbes, the business section of the Sunday New York Times) and trade journals to get background information on the nature of the industry, the range of products being offered, and consumer characteristics. This may give you some ideas regarding the questions that need to be researched, and will also give you some basic information that you may need for designing the questionnaire, such as the major

competitors for your product/service, the attributes along which products are evaluated, etc.

You should plan on collecting data from at least 60 respondents. Note that this need not be a random sample or even a representative sample of the target population. A convenience sample may be used. Regardless of the type of study, the product class and the sample size, *you must link the research to some managerial decision* that needs to be made. In other words, you must be clear about the *purpose* of the study: what decision will this research help the organization make? This is important because after the data have been analyzed and interpreted, you must make your recommendations to the organization regarding what actions it should take.

APPENDIX C

Exploratory Research for Group Project

This will primarily consist of a focus group *or* depth interviews, supplemented by secondary data sources and observation of consumers' shopping or consumption behavior. The objective of this research is to give you insight into the research problem and to help you focus on the key issues. This will enable you to design an appropriate questionnaire for the main survey.

Questions typically addressed in this type of research are: What, where, when and why do people consume the product/service in question? What are the important attributes in making a purchase decision? What are consumers' information sources? What are the influences on decision-making? What needs do products fulfill? What needs do they not fulfill? What moods/emotions/values are associated with the different products? What brands are preferred and why? What brands are not preferred and why? The possible list of questions is endless.

The **focus group** should consist of 6 to 8 members (hint: recruit 9 for the group, to allow for no-shows) that are members of the target population for the research study. The discussion should last for about 90 minutes. This task involves (1) deciding what information is required from the group (prepare a *discussion guide*, or a list of questions/issues that need to be focused on) and what the composition of the group should be, (2) recruiting members for the focus group (this includes obtaining their consent to having the discussion recorded), and giving them instructions on time/place for the meeting, and (3) moderating and directing the discussion, and recording the discussion as unobtrusively as feasible.

Depth interviews should be of members of the target market, be they consumers or decision-makers. Each interview should last 45-60 minutes, and it is essential that two interviewers be present—one to conduct the interview and one to record the answers. The task here involves (1) deciding what information is needed (prepare an *interviewer's guide* to prompt the interviewer) and who should be interviewed, (2) obtaining interviewees' consent to participate and setting up an appointment, (3) conducting 4-6 interviews.

A **Summary of Findings** (up to two pages in length, double spaced) of the exploratory research must be prepared for inclusion in the final report.

APPENDIX D

The Project Report

This should be no more than 18 pages long (typed, double-spaced). Note that the page limit does not include the appendices. The report should consist of:

1. Introduction (1-2 pages)

This should explain the context of the study and include a clear statement of the *research objectives*. That is, why was the study needed. In addition, you need to mention the *scope* of the study (i.e., what are the limitations -- e.g., any issues that, though important to the marketing decision, are not addressed in the study).

2. Research Design (2-3 pages)

a. Sampling Technique

Briefly describe the sampling technique you have used (Don't just give a general description. Describe it as YOU have used it). Justify using it in the context of your application.

Identify any inadequacies that may exist in your sampling technique, and briefly describe how you would modify it to make it better (for example, if you had more resources i.e. time/money). Again, this should be specific to your application.

b. Data Collection Method

Describe how you collected the data for this study (e.g., face-to-face, telephone, mail, self-administered), why you selected this method, and changes you would make if you had more time/money. Identify any limitations to your selected method.

c. Measurement

In this section, specify the kinds of information you needed to address the research objectives of this study. Describe the pretest of your questionnaire in this section. *Attach a copy of the questionnaire and cover letter (if applicable) in an appendix.*

d. Analysis procedures

Briefly describe the analytic procedures you used, the statistical package, and any coding procedures which may be important (e.g.; coding open ended questions). Do not present any research findings here.

3. Results (8-9 pages)

This should indicate, for each research objective, the main findings. Combine the presentation of results from those questions that "hang together" for a specific research objective. That is, try and organize the findings into "subsections" by grouping questions (or variables) that are related. For example, you may have a number of questions related to shopping habits (How often do you shop? Which stores do you shop in? What do you spend on average per shopping trip? etc.); the responses to these questions can be summarized in a subsection titled "shopping behavior." Use your imagination and common sense in deciding how to organize your findings. If appropriate, briefly mention some of the implications of your findings so that the reader is "primed" for the recommendations made later.

The *complete* results need not be discussed here but rather should be presented in the form of tables in the Appendix. For example, if you are discussing the responses to a question such as "How often do you drink coffee?", it is sufficient to summarize the responses with a statement like "Over 40% of the respondents drank less than 2 cups a day, while 10% drank more than 5 cups a day." The complete information, of course, should be presented in a table in the Appendix.

Make sure to interpret and discuss the findings that you describe in this section, rather than merely reciting the numbers. *Indicate, where appropriate, whether your findings are statistically significant.*

4. Recommendations (2-3 pages)

In this section you should summarize your major findings and present your recommendations for management (naturally, the latter should be based on the former).

5. Executive Summary (1 page)

This is a one page non-technical summary of the whole project, including the methodology used and major findings/implications.

6. Appendices

This should contain (i) a summary of exploratory research findings, (ii) a copy of the questionnaire with the basic results, and (iii) tables to illustrate the discussion in the "Results" section. There is no page limit for this section.

The report will be graded on (i) quality of data analysis and interpretation of results, (ii) quality of recommendations, and (iii) readability (clarity of writing and organization of material).

The project report should be neatly typed. The quality of presentation of findings (including a well-written, easy to comprehend report) is as important as the content.

Some hints on effective report writing:

1. Make the report look nice and readable.
2. Number the pages.
3. Divide the report into sections with appropriate headings.
4. Have a table of contents with page numbers.
5. Do not give too much statistical information in the main body of the report. Have a separate mathematical appendix with tables of numbers which the reader can refer to.
6. Avoid using technical language unless needed. This is particularly important when writing the executive summary.
7. Remember that your audience is relatively novice in terms of research -- they are most interested in the findings and the implications those findings hold for their business.

Project Presentation

Ground Rules:

- ❑ Aim for a 15 minute presentation. The exact amount of time will depend on class enrollment and will be announced in class.
- ❑ You may make a Powerpoint presentation, or use transparencies (overheads) and/or handouts to summarize what you plan to say. A recommended strategy is to have "bullets" ("points"), and to explain each point in more detail as you go along.
- ❑ Be prepared for questions from the audience.

Suggested outline of presentation:

1. Background (on the industry/company/product--as appropriate)
2. Research purpose and information needs
3. Survey methodology: sampling procedure, sample size, response rate, sample representativeness
4. Results (main findings)
5. Managerial recommendations

Plan on spending most of your time on the last two topics.

APPENDIX E

Peer Evaluation Form

Please fill out the following form to determine each person's contribution. Rate yourself and each of your group members on the following parameters:

- the time and effort spent on the project (nope, don't treat this as a double-barreled question!); and,
- the quality of inputs

Use the following 5-point scale for this purpose. Enter the number from this scale that you think most appropriately describes each person's contribution on the two parameters.

Poor 1 2 3 4 5 *Excellent*

The evaluations of each group member will be averaged across all group members and the two parameters in order to arrive at an "individual contribution" score.

	<u>EFFORT</u>	<u>QUALITY OF INPUTS</u>
Your name: _____	_____	_____
Member #1: _____	_____	_____
Member #2: _____	_____	_____
Member #3: _____	_____	_____
Member #4: _____	_____	_____

Please make any comments that you have regarding this group on the back of this sheet. This is due with your final project report.