Course Description and Objectives

Market research is about providing relevant, accurate and timely information for marketing decisions. Whether or not you ever work in a marketing research function, at some time in your career, you will most likely need to deal with marketing research, either as a producer or as a user. This course is designed to provide you with 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. It has four major themes:

(1) Taking general marketing problems and structuring them in terms of specific questions amenable to research.

(2) Understanding primary and secondary sources of marketing research information, including issues in data collection.

(3) 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.

(4) 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 marketing research consulting studies. The course will enable you to effectively evaluate marketing research proposals, interpret, review and criticize the subsequent reports, and appraise its usefulness to management. The course will also provide a basis from which you may pursue additional study in order to become a research specialist. By the end of the course, you will have some experience with the planning and execution of a research project.

Required Course Material:

2. Supplemental Material: Case Packet
Pre-Requisites

1. Marketing Core Course
2. Basic Statistics
3. Microsoft Excel
4. Access to a PC with the ability to load SPSS on the hard disk.

Student Evaluation

Class Participation + Case Synopses 10% (individual)
Midterm Exam 45% (individual)
Course Project 45% (group)

Exploratory Research Findings (10%)
Report, Questionnaire, Class Presentation (35%)

Class Participation + Case Synopses

Each one of you is expected to contribute to class discussions. Attendance is a necessary but not sufficient condition for a good participation grade. Credit will be given more on the basis of quality than quantity. It is strongly recommended that you use name cards regularly in class.

Please try to come to class on time and do not leave early. Otherwise, your class participation grade will be negatively affected. If for some reason you do have to come late and/or leave early, please let me know in advance and try to minimize the disruption to your classmates.

A large portion of the class time will be devoted to analyzing assigned cases. It is, therefore, essential that you be fully prepared for all the cases. In each session, a few students will be randomly selected to start the case discussion. Thereafter the discussion will be open to the entire class. Sheer quantity of participation is neither sufficient nor necessarily desirable. Your presentation and defense of your views on the cases are central to the course, and this is reflected in the grading scheme.

A case synopsis is a one-page write-up in which you briefly answer each of the assigned case discussion questions. Each write-up is due on the day of the case discussion at the beginning of class. (See class schedule for dates.) I do not expect you to have right answers to the case questions but I expect that you have read the case before class and have seriously thought about the assigned discussion questions. For these reasons, you won’t receive a grade but simply a check (✓), a check minus (✓¯), or zero if synopsis is not submitted.

Midterm Examination

There will be one midterm examination. It will cover all material discussed in class and all reading assignments. The exam 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. Please also bring a calculator.

Group Project

During the semester, you will be involved in a group project. As a first step, you must form teams of three to four students. 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. Therefore, you will also gain
experience of being a client in the research process. Students may either choose a problem of their own, or select from among a number of companies and organizations who have contacted the business school. The project will be completed in two stages:

Stage 1 involves defining the marketing problem, conducting exploratory research and designing the questionnaire;

Stage 2 involves conducting the survey, analyzing the data, writing a report, and giving a presentation.

A detailed description of the group project is provided in Appendix A-C. 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 then conducts either a focus group or depth interviews (see Appendix B for details) and prepares 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 summary of the exploratory research findings is worth 10%. Student groups are required to make short presentations about their preliminary findings from exploratory research and their research methodologies (i.e., research design, data collection instrument (e.g., questionnaire), and sampling plan).

**Stage 2 – Project**
Once the questionnaire has been finalized, the group must administer the questionnaire to at least 50 respondents, input the data into a computer system, analyze the data, and write a report (see Appendix C for guidelines on writing the report). The research report will be presented in class (see schedule). The report and the class presentation will account for 35% of the overall grade for the course.

Note on Statistical Analysis: 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. The textbook comes with Student Version of SPSS. Several other statistical packages are available in the NYU computer labs. Depending on what analyses are required for your project, some spreadsheet packages may suffice. If you need any help, please let me know.

Note that all relevant deadlines are indicated in the course schedule.

**Remarks**
- All written materials must be typed, double-spaced, have one-inch margins, and use a reasonable font (11-12 point).
- Assignments must be turned in on the dates specified in the syllabus. Except in the event of a documented medical difficulty, late assignments will not be accepted.

**Feedback**
If you have any questions or concerns regarding the course content, teaching, grading or if you have any suggestions for improvement in the above areas, please do not hesitate to discuss them with me.
Tentative Course Outline

Session 1 (Tuesday, January 24)

Topic: COURSE INTRODUCTION: THE RESEARCH PROCESS
This lecture presents an overview of the course. We discuss the role of marketing research in managerial decision making. We will also discuss the research process – the sequence of steps followed in a typical marketing research study.

Reading: Text – Chapter 1

Session 2 (Thursday, January 26)

Topic: PROBLEM FORMULATION AND RESEARCH DESIGN
In this session we will focus on the first, and arguably most important, step in the marketing research process, the problem definition stage. We will highlight this using the INFO-MED case. We will also introduce the three primary types of research designs: exploratory, descriptive, and causal research.

Reading: Text – Chapters 2-3

Case: INFO-MED
You may use the following questions as a guide for preparing the INFO-MED case for discussion in class.
1. What is the decision problem facing Dr. Lam and his team?
2. What information do they need to be able to make the decision?
3. What information do they have (from pilot study etc.)?
4. What should their research objectives be?
5. Will the PMR proposal achieve them?

Session 3 (Tuesday, January 31)

Topic: RESEARCH DESIGN: APPLICATION

Case: Delaware Coors
This case illustrates the choice of a research design and the role of market research in business analysis. Larry Brownlow is deciding whether or not to apply for a Coors beer distributorship. To make this decision, Larry must analyze the economics of the distributorship. To do this, he needs market research.

The format of the class will be as follows:
1. Groups, playing the role of Larry, will “buy” market research from the instructor at the beginning of the class.
2. The class will split into groups for about 25-30 minutes during which time the economics of the distributorship is analyzed and a Go/No-Go decision made.
3. The class will reconvene and some groups will be asked to present their analyses.

Groups should prepare for this case by deciding before class; exactly what information they need to buy to make the Go/No-Go decision on the Coors
distributorship. Groups should also have a game plan ready for how they will use the 30 minutes. Make sure to bring your laptops or calculators for this exercise.

**Due:** List of group members

**Session 4 (Thursday, February 2)**
**Topic:** EXPLORATORY RESEARCH METHODS
Guest Speaker: Alpa Pandya, Managing Director, Sterling Brands

In this session we will focus on the role of exploratory research in gaining insights into a research problem and formulating hypotheses for further testing. We will discuss some of the numerous methods used in exploratory research.

Reading: Text – Chapters 4 and 5

**Session 5 (Tuesday, February 7)**
**Topic:** DESCRIPTIVE AND LONGITUDINAL RESEARCH
This session focuses on descriptive and longitudinal research. In particular, we will discuss in detail the use of panel and scanner data in marketing decision making.

Reading: Text - Chapter 6

**Due:** Project Research Proposal

**Session 6 (Thursday, February 9)**
**Topic:** DESCRIPTIVE RESEARCH APPLICATION: CONCEPT TESTING
In this session we will discuss the new product development process and survey-based methods for assessing the market potential of new products.

**Session 7 (Tuesday, February 14)**
**Topic:** EXPERIMENTAL RESEARCH
In this session we will discuss a different type of research design: Causal research. We will discuss when experiments may be useful tools, how to design experiments, and how to ensure that we do not make erroneous conclusions from experimental results.

Reading: Text – Chapter 7

**Session 8 (Thursday, February 16)**
**Topic:** EXPERIMENTAL RESEARCH: APPLICATION

**Case:** Cascade Foods

Cascade Foods needs to decide whether to enter the fruit drink market with an aseptic package (or “paper bottle”). If the product is to be introduced, the company needs to decide the pricing and advertising strategy. A four-month test market experiment with three price levels and two advertising levels was conducted to address these issues.

**Discussion Questions:**
1. What factors are important to Sylvia Boaz in establishing a price for the proposed Cascade Fruit Drink?
2. What conclusions can be drawn from the test market experiment?
3. What should Sylvia Boaz do? Why?

Session 9 (Tuesday, February 21)
Topic: ATTITUDE MEASUREMENT AND SCALING
Most marketing research surveys are designed to measure attitudes (e.g., brand awareness, purchase intent, customer satisfaction). We will discuss the most commonly used attitude measurement scales and their application to marketing problems.

Reading: Text – Chapters 8 and 9

Session 10 (Thursday, February 23)
Topic: SURVEY DESIGN
In this session we will discuss issues related to survey design. We will discuss questionnaire design issues in detail. Several examples will be used to illustrate the key principles of good questionnaire design.

Reading: Text – Chapter 10

Case: American Repertory Theater
A repertory theater company has moved from New Haven, CT to Cambridge, MA and is planning its first season there. The plays have been already chosen but pricing and communication decisions remain to be made. Management is evaluating the findings of a mail survey, hoping to use the resulting insights to help it price tickets, design subscription packages, and promote the initial season of performances.

Discussion Questions:

1. Evaluate the marketing research efforts undertaken by A.R.T. What do you consider to be the key findings of this research?
2. What is the principal competition for A.R.T. performances? What should be the posture of A.R.T. management towards its competition? How can A.R.T. enhance the appeal of its basic product (performance of a play) to prospective audience members?
3. Evaluate the pros and cons of using direct mail versus other communication media for A.R.T.’s subscription campaign.
4. What considerations should A.R.T. take into account in establishing a pricing strategy? Design a subscription-pricing scheme for A.R.T.’s first season?

Session 11 (Tuesday, February 28)
Topic: SAMPLING
In this session we move into the next step in the marketing research process, the sample selection. To ensure valid results we need to obtain a representative sample of the target population. We will discuss two main issues (1) who do we include in the sample using various sampling plans; and (2) how many people do we need to survey.
Massachusetts branch of the National Organization for the Reform of Marijuana Laws (MassNORML) was actively lobbying for passing a marijuana decriminalization bill through the state legislature. Voter attitude on this issue was considered a major factor. Consequently, MassNORML asked an independent non-political organization to conduct a survey to assess voter attitude about the bill.

Discussion Questions:

1. Ignoring possible sample bias, do the results of the survey favor legislation of marijuana? (Hint: compute the confidence interval for the total sample p.)
2. Do the results of the survey as a whole favor legislation of marijuana when the sample is corrected for the typical age distribution? (Hint: compute the confidence interval for p.)
3. If you were Rep. Flaherty, would you be convinced that the people in South Boston favor legislation of marijuana? What would trouble you?
4. How large should the sample have been? How would you determine it?
5. Are there problems in the survey method that would undermine your confidence even if the sample size were adequate?
6. Are the results of Exhibit 2 consistent with the results of Exhibit 1? (Why wasn’t p bar = 38.1% if you corrected for the atypical sample?)
7. Now, if you were Rep. Flaherty and you saw the results, what would you do?
8. How will the results of the Boston Globe survey compare with these?

Session 13 (Tuesday, March 7)
Topic: ISSUES IN SURVEY DESIGN AND SAMPLING
In this session we will use the “Bellboy” case as a basis for integrating the knowledge gained in the previous classes on survey design and sampling.

Case: Bellboy

There are two sides to this case. SWB will be trying to defend the survey—the way they collected the sample and the research design adopted, the questionnaire, and their analysis and conclusions. Essentially they will try to argue that the procedure they used, if anything, will tend to understate true demand. On the other hand, two small companies will try to argue that the entire survey—the research design, the questionnaire, and the analysis—is poorly executed and that it overstates true demand. Focus on arguments first from SWB’s side, and the other side.

You could organize your arguments under the following heads:
1. Research design —the methodology used to reach respondents, the sample and how it is obtained.
2. Questionnaire
3. Analysis and conclusions.

Session 14 (Thursday, March 9)
Topic: GROUP PRESENTATION OF STAGE ONE RESULTS
Due: Summary of findings from exploratory research and research methodology (research design, data collection instrument (e.g., questionnaire) and sampling plan).
Due: Final data collection instrument (e.g., questionnaire) and sampling plan

Spring Break  Monday March 13 till Sunday March 19, 2005

Session 15 (Tuesday, March 21)
Topic: REVIEW SESSION FOR MIDTERM EXAM

Session 16 (Thursday, March 23)
Topic: MIDTERM EXAM

Session 17 (Thursday, March 28)
Topic: DATA CODING, EDITING, AND BASIC ANALYSIS
We are moving to the data analysis stage of the marketing research process. In this session we will cover some of the ‘nuts and bolts’ of preparing data for analysis. We will review some basic yet extremely useful techniques such as frequency distributions, mean comparisons, and cross tabulation.

Read: Text - Chapters 13, 14

Session 18 (Thursday, March 30)
Topic: MAKING COMPARISONS
In this session we will consider and apply the appropriate statistical tests to make statements of comparisons including: ANOVA, tests concerning means, and tests concerning percentages

Read: Text - Chapter 15, 16

Session 19 (Tuesday, April 4)
Topic: RELATIONSHIPS AMONG VARIABLES - REGRESSION
In this session we will turn our attention to the relationships among variables. We will use correlation and regression analysis to analyze the results from a test market experiment.

Read: Text – Chapter 17

Session 20 (Tuesday, April 6)
Topic: REGRESSION APPLICATION - CONJOINT ANALYSIS
This class provides an introduction to conjoint analysis. Conjoint analysis is one of the most important and frequently used approaches for measuring consumers’ preference and determining the optimal product design. We will discuss consumers’ willingness to trade off and how to aggregate data across consumers.
and predict market shares.

Read: Text – Chapter 21 (pp. 621-633, 636-638)

**Session 21 (Thursday, April 11)**
Topic: REGRESSION APPLICATION – ASSESSING THE IMPACT OF SALES PROMOTIONS

In this class we will discuss how to use regression to evaluate the short term effectiveness of sales promotions.

**Session 22 (Thursday, April 13)**
Topic: GROUPING VARIABLES – FACTOR ANALYSIS
Is there any structure to the way people feel about cars? Are there any overarching factors that affect the way in which people respond? Factor Analysis is a tool that can group correlated variables to form factors or indices. This technique is also commonly used in the industry for the purpose of creating perceptual maps for product positioning. In this session we will discuss the basics of this technique and its applications.

Read: Text - Chapters 19

**Session 23 (Tuesday, April 18)**
Topic: DISCRIMINANT ANALYSIS
Discriminant analysis is a regression-like method for determining the key variables that discriminate between groups (segments). It can be used to address questions like: what are the key differentiating characteristics (e.g., demographics) of our segments? How do buyers of different brands differ? Are there variables that discriminate between solvable and non-solvable debtors? In this session we will discuss the details of this method and its applications in marketing.

Read: Text - Chapters 18

**Session 24 (Thursday, April 20)**
Topic: SEGMENTING AND GROUPING UNITS OF ANALYSIS - CLUSTER ANALYSIS
Do all of my customers have the same preferences? Are there any natural ways to group them? There are many tools used to segment customers. Cluster analysis is typically used to group similar consumers together. Consequently, the most common use of cluster analysis is for market segmentation.

Read: Text – Chapter 20

**Session 25 (Tuesday, April 25)**
Topic: PROJECT PRESENTATIONS

**Session 26 (Thursday, April 27)**
Topic: PROJECT PRESENTATIONS AND COURSE REVIEW
Due: Final project report
Appendix A

Guidelines for the Group Project

Overview

The project is intended to provide you 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 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 purchase intention to the product/service (from primary data).
- **Segmentation studies**: developing profiles of “heavy users” and “light users” of a product/service based on demographics, lifestyles, 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 collect primary data about it.

Once you select a product/service and an organization, you should examine secondary sources such as magazines, newspapers 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 50 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 B

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 phase 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 questions? 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) who are members of the target population for the research study. The discussion should last for 60-90 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 the place of 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) 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.
This should be no more than 12 pages long (typed, double-spaced). Note that the page limit does not include the title page, table of contents, and appendices. The report should consist of:

1. Executive Summary (1 page): This is a one page non-technical summary of the whole project, including the methodology used and major findings/implications.

2. Introduction (1 page): 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).

3. Research Design (2 pages)
   • 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.
   • Data Collection Method: Describe how you collected the data for this study (e.g., face-to-face, telephone, mail, Internet-based), why you selected this method, and changes you would make if you had more time/money. Identify any limitations to your selected method.
   • Measurement: In this section, specify the kinds of information you needed to address the research objectives of this study. Attach a copy of the questionnaire and cover letter (if applicable) in an appendix.
   • 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.

4. Results (6 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.

5. Recommendations (2 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).
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.

**Note:** You need to number, title your appendices, and reference them in the text. 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).

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.
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 15-20-minute presentation. The exact amount of time will depend on class enrollment and will be announced in class.
- Use PowerPoint, transparencies (overheads), or handouts to summarize what you plan to say.
- Be prepared for questions from the audience.

**Suggested outline of presentation:**
- Background (on the industry/company/product—as appropriate)
- Research purpose and information needs
- Survey methodology: sampling procedure, sample size, response rate, sample representativeness
- Results (main findings)
- Managerial recommendations

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