NEW YORK UNIVERSITY
Leonard N. Stern School of Business

B70.2327.10 INTRODUCTION TO MARKETING RESEARCH

(course website: http://classes.nyu.edu with NYU ID
or http://sternclasses.nyu.edu with Stern ID)

(Professor Dawn Lesh)

Spring 2006

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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 point in your career, you most likely will need to deal with marketing research, either as a producer or as a user.

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. 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 or users” 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.

Course Material:


Case Pack (Part 1): 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. Brief descriptions of the cases and preparation questions are included in Appendix A.
Case Pack (Part 2): Unlike the cases in Part 1, cases in this pack basically serve as additional readings to the textbook and Case Pack 1. The cases in this pack will be discussed in less depth than the cases in Part 1. The discussion questions will be given prior to or in the corresponding classes.

Handouts and additional course material will be distributed in class.

Grading

The grades for the course will be computed from the following components:

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<th>Component</th>
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<tr>
<td>Quizzes</td>
<td>30%</td>
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<tr>
<td>Cases</td>
<td>15%</td>
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<tr>
<td>Group Project</td>
<td>45%</td>
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<td>---Exploratory Research Findings (5%)</td>
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<td>---Questionnaire (10%)</td>
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<td>---Final Report (20%)</td>
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<td>---Final Presentation (10%)</td>
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<td>Class Participation</td>
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The final grade is calculated on the weighted value of all components.

Class Participation

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. I would like to thank you in advance for the cooperation.

Quizzes

There will be 5 quizzes of short answer questions. They will cover all material discussed in class and all reading assignments. The quizzes are open book and open notes. The quizzes will be given either at the beginning of a class session, before the 10-minutes break of a class session, or before the end of a class session. Each quiz will take about 10 minutes. The exact dates of quizzes will not be pre-announced.

Out of the 5 quizzes, the one you get lowest score will not contribute to your final grade. Therefore, in case you miss one quiz for some reason, you may still get an overall high grade on quizzes.

The calculation required in the quizzes can be done without calculator. However, please bring a calculator to class if you think you might need it.
Cases

We will discuss several cases during the course of the semester. You should be prepared to discuss these cases in class. Each of you should submit your analysis for the preparation questions (in Appendix A) for two out of the four cases in Case Pack 1. You should select one case to write an analysis from Kendall-Vetmat or Boston Fights Drugs (A). The second case analysis should be from Ocean Spray Cranberries, Inc. (A) or Johnson Wax: Enhance (A). There is no minimum number of pages required for your case analysis. It can be in a Q&A format. The cases are due on the indicated dates prior to scheduled dates for discussion of the cases in class.

You should also read the cases in Case Pack 2 as indicated in the course schedule. Those cases will be discussed in less length than the cases in Case Pack 1. The discussion questions for those cases will be given prior to or in the corresponding classes. Be prepared for the class discussions on those cases.

Group Project

During the course of the semester, you will be involved in a group project. As the first step, you must form teams. 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 a 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. 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 the questionnaire;

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

A detailed description of the group project is provided in Appendix B-D. 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 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 C 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 questionnaire is worth 10% of the overall grade, and the summary of the exploratory research findings is worth an additional 5%.

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 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 class (worth 10%).

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 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 effort and the quality of the work put into the project (see Appendix E – Peer Evaluation Form).

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 (12 - 14 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.

New School Policy on Course-Faculty Evaluations (CFE)

The quantitative CFE (old Scantron form) will be administered online at the end of each term in all MBA courses. You should go to the Student Information System page (http://ais.stern.nyu.edu/) and click on the CFE link. CFE "turned on" two weeks before the last day of the module and "turned off" at midnight before your final class.

MBA students who do not complete their evaluations for a course within this time frame will not have access to their grades for the course for one month from the date on which the CFE was turned off. Special circumstances requiring exceptions will be handled by the MBA program advisors.

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.

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### Tentative Course Schedule

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<th>Week</th>
<th>Date</th>
<th>Topic</th>
<th>Readings/Deadlines</th>
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<tr>
<td>1</td>
<td>2/7</td>
<td>Tu Introduction, Marketing Research Process</td>
<td>Ch. 1-4</td>
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<td>Marketing Research Process Value of Information</td>
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<td>2</td>
<td>2/14</td>
<td>Tu Case Discussion: Kendall-Vetmat</td>
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<td>“Kendall-Vetmat” HBS Case</td>
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<td>&quot;BizRate.com&quot; HBS Case</td>
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| 3/21 | Tu      | Qualitative Research | (Due: one-page Team problem/project definition)  
Guest Lecturer: Karen Gershowitz  
"L’Oreal of Paris” HBS Case Ch. 8, 13 |
| 2/28 | Tu      | Survey Research | Ch. 9-12  
Attitude Measurement  
Questionnaire Design  
"The Coop: Market Research" HBS Case |
| 3/7  | Tu      | Working on Project Stage 1: Team Meetings | (No Lecture but Instructor will meet with each Team) |
| 3/14 | Tu      | No Class Spring Break | |
| 3/21 | Tu      | Guest Lecturer: Jim Nyce | "Boston Fight Drugs (A) (B), HBS Case  
(Due Case #1 write-up if doing “Boston Fights Drugs (A)” HBS Case)  
(Due: summary of findings from the exploratory research and questionnaire) |
| 3/28 | Tu      | Data Analysis: Overview | Ch.16 p427-p442  
Data Handling: Coding & Editing Ch.16 p423-p427  
Examination of Difference and Investigation of Association Ch.17 p443-p454  
Ch.18 p463-p471  
Ch.19 p501-p505 |
| 4/4  | Tu      | Regression Analysis | Ch. 19 p505-p525  
Discriminant Analysis Ch. 20 p532-p545  
Cluster Analysis Ch. 21 p566-p577  
“Nopane Advertising Strategy” HBS Case |
| 4/11 | Tu      | Factor Analysis & Multi-Dimensional Scaling | Ch. 21 p554-566  
Case Discussion: Ocean Spray Cranberries (A) (Due: Case #2 if doing write-up on Ocean Spray Caranberries(A)) Ch. 22 p583-594 |
| 4/18 | Tu      | Guest Lecturer: Steve Cohen | Ch. 22 594-602  
Conjoint Analysis  
Meeting with Instructor on Final Project  
Omnitel Pronto Italia” HBS Case |
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<td>&quot;Pepcid AC (A): Racing to the OTC Market&quot; HBS Case</td>
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<td>13</td>
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<td>Tu</td>
<td>Final Project Presentations</td>
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<td>Recap</td>
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Appendix A

Case Descriptions and Preparation Questions for Cases in Pack 1

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 think of the design of the pre-screening questionnaires and the focus group interview protocols?
3. What do you think of the sampling plan? Do you think they captured the views of all the "customers" for the de-marketing campaign?

(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 (A)

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 are 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 to be 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 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 clearly a 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 get 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 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 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? Start general and become more specific with your questions. The possible list of questions is endless.

The **focus group** should consist of 6 to 8 members (hint: recruit 9 - 12 for the group, to allow for no-shows) that 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.
Appendix D

Project Report and Presentation

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. You should also include recommendations and next steps.

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)

   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, 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.

   c. 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.*

   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.

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:
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 effort spent on the project
- 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.

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