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 three 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.

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. Basic Statistics
2. Microsoft Excel
3. Access to a PC with the ability to load SPSS on the hard disk.

Student Evaluation
Class Participation + Case Synopses 10%
Examination 1 35%
Examination 2 35%
Homework Assignments 20%

Please Note:
• Unless otherwise specified, 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.
• All assignments must be turned in at the beginning of the class session on the specified due date. Except in the event of a serious, documented medical difficulty, late assignments will not be accepted.

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.

Examinations

There will be two in class examinations. They will cover all material discussed in class and all reading assignments (textbook, class notes, cases and other supplementary reading material). The exams are closed book and closed notes, but you may bring one sheet of paper, 8 ½ x 11 inches, on which you may write anything you like. You may also bring a calculator. The second exam is not cumulative and will only cover material in the second half of the course. We will discuss the exam format in class.

These exam dates will not change and it will be extremely unlikely that you will be given permission to take a makeup. Therefore, if you know you have a conflict with either of the exam dates you must let me know by the fourth class session, and we will discuss your options. Otherwise, you must request a makeup examination in writing and you must provide written medical proof that you cannot take the examination on the scheduled date. This proof must be on
the letterhead stationary of the medical office, must provide the date and time of the medical emergency, and must provide both a telephone number and contact name to verify the situation.

**Homework Assignments**

You are required to complete several homework assignments. Details concerning these assignments will be announced in class. If you miss a class, it is your responsibility to find out if an assignment was announced. Late assignments will not be accepted. I will announce in class whether you must work on the assignment individually, or whether you have the option of working in small groups. For all assignments where I allow you to work in small groups, you will be responsible for forming your own group and all members of the group will receive the same grade. Group work will always be optional. You will never be required to work with a group and will always have the option of completing the assignment on your own.

**Grading**

Your homework assignments and examinations will be graded either by me or by one of my teaching assistants. In a few rare cases, there may be a mistake in your graded assignment or examination. Sometimes these mistakes may work to your benefit and sometimes to your detriment. If the error was one simply of adding up the points incorrectly, please just write me a note letting me know this, and I will correct the mistake. However, if you believe that an assignment or examination was graded incorrectly or unfairly you must provide me with a written statement requesting that your assignment or examination be re-graded by an additional, independent grader. I will then ask another grader or faculty member to re-grade your examination or assignment. This person will re-grade all questions, not only the question under dispute. If you like, you may indicate the nature of your concern in your letter to me, however that letter will not be forwarded to the independent grader so that his or her grading is unbiased. The grade assigned by the independent grader will be final and cannot be further challenged. In other words, if this grade is higher you will be assigned the new higher grade, however, if this grade is lower, you will be assigned the new lower grade.

**Accessing Blackboard and Account Information**

Please check the course postings on the Blackboard website regularly for class announcements and instructions ([http://sternclasses.nyu.edu](http://sternclasses.nyu.edu)). You should always check the postings here before coming to class – some postings may be crucial in ensuring that you are in step with the rest of the class. Please go to the Blackboard website for a copy of all course handouts. Important handouts will be given to you in class and also posted on the course site. For questions about using Blackboard see: [http://www.nyu.edu/its/faq/blackboard/students/howto/](http://www.nyu.edu/its/faq/blackboard/students/howto/)

**Other Bureaucratic Items:**

- No cheating or dishonest behavior will be tolerated in this class. If you copy the work of a current or past student, or if you plagiarize, the University discipline committee will be notified.
- No extra credit will be given under any circumstances. If you are having difficulty in the course, please come see me during office hours or make an appointment. Come see me as soon as you start to have difficulties and do not wait until the end of the semester.
- I expect you to treat class in a professional manner. In other words assume that your class responsibilities are equal to the responsibilities you would have in a professional job. In particular, you are responsible for coming to class (just like you are responsible for
coming to work). There may be occasions when you feel you cannot attend class (e.g., sicknesses, job interviews, etc.). You should make your attendance decision in the same manner in which you would make such a decision for work. You are responsible to arrive to class on time and prepared to work. It is both disrespectful and disruptive to your other class members if you arrive once the class is in session. It is also disrespectful and disruptive to leave the classroom while class is in progress. Do not plan on leaving mid-session unless it is absolutely necessary.

Other Marketing-Related Issues

The Marketing Society is a student-run organization dedicated to promoting students' interest in the field of marketing and related careers. If you are interested in a career in marketing or in learning more about marketing, I recommend you join the Marketing Society and attend their events. For further information about the Marketing Society and their activities this semester, please go to their web site: http://pages.stern.nyu.edu/~mktso/home.htm.

Tentative Course Outline

Session 1 (Tuesday, January 17)
Topic: COURSE INTRODUCTION
This lecture presents an overview of the course.

Reading: Text – Chapter 1

Session 2 (Thursday, January 19)
Topic: THE MARKETING RESEARCH JOB
Guest Speaker: Urvashi Kohli, Vice President, Market Intelligence, Reuters

Reading: Text – Chapter 2

Session 3 (Tuesday, January 24)
Topic: THE RESEARCH PROCESS
In this lecture, 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 3

Session 4 (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.

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 5 (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.

Session 6 (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 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 7 (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

Session 8 (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 9 (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 10 (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 11 (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 12 (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 13 (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.

Reading: Text; Chapters 11 and 12

Session 14 (Thursday, March 2)
Topic: SAMPLING APPLICATION
Case: MassNORML
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 15 (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 underestimate 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 16 (Thursday, March 9)**
Topic: INTRODUCTION TO THE SPSS SOFTWARE

Spring Break  Monday March 13 till Sunday March 19

**Session 17 (Tuesday, March 21)**
Topic: REVIEW SESSION FOR EXAMINATION 1

**Session 18 (Thursday, March 23)**
Topic: EXAMINATION 1

**Session 19 (Tuesday, 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 20 (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
Session 21 (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.

Session 22 (Thursday, 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.

Session 23 (Tuesday, 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 24 (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.

Session 25 (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.

Session 26 (Thursday, April 20)
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 27 (Tuesday, April 25)
Topic: REVIEW FOR EXAMINATION 2

Session 28 (Thursday, April 27)
Topic: EXAMINATION 2