This Week

- Chap 4 – Secondary Market Research
- Chap 5 – Qualitative Research
- Case: Chap 2 – Twenty something women take charge
- Case: Chap 3 – Maritz Marketing Research
- Student Submit Problem Statement

Next Week

- Project Proposals are due
- Chap 6 – Primary Data Collection - Observation
- Chap 7 – Primary Data Collection – Survey Research
- Case: Chap 4 – U.S. Sports Car Market
- Case: Chap 5 – Cahners Business Information

Chapter 4

Secondary Data, Databases, the Internet, and Decision Support Systems
Learning Objectives

- To understand how to create an internal database.
- To distinguish between primary and secondary data and understand the advantages and disadvantages of each.
- To understand the role of the Internet in obtaining secondary data.
- To learn the nature of decision support systems.

Secondary vs. Primary Data

Secondary data is information that has been previously gathered and only might be relevant to the problem at hand. Primary data, in contrast, is survey, observation, or experimental data collected to solve the particular problem under investigation.

Secondary Data

Marketers often begin the marketing research process by gathering secondary data. Previously published data. Secondary data can also come from periodicals, government publications, unpublished sources, and online databases.
### Databases: Key Terms

1. **Database**
   - Collection of related information.

2. **Database Management System**
   - The system in which data is captured on the computer, organized for effective use, updated, maintained, and retrieved to provide information for decision making.

### Database Management Software

- Computer programs for the retrieval and manipulation of data.

### Database Marketing

- The creation and use of a large computerized file of customers’ and potential customers’ profiles and purchase patterns.

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### Published Secondary Data

<table>
<thead>
<tr>
<th>Internal</th>
<th>External</th>
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<tbody>
<tr>
<td>Published secondary information originating within the company, including: annual reports, reports to stockholders, product testing results, and house periodicals.</td>
<td>Published secondary information originating outside the company, including: government reports, business periodicals, trade and industry association databases, and newspaper articles.</td>
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</tbody>
</table>
Advantages of Secondary Data

Slide 1 of 2

- Secondary information may:
  - Help to clarify or redefine the definition of the problem as part of the exploratory research process.
  - Actually provide a solution to the problem.
  - Provide primary data research method alternatives.
  - Alert the marketing researcher to potential problems of difficulties.

Advantages of Secondary Data

Slide 2 of 2

- Secondary information may:
  - Provide necessary background information and build creativity for the research report.

Limitations of Secondary Data

- Lack of Availability
- Insufficient Data
- Inaccurate Data
- Lack of Relevance
### The Internet

- **Internet**
  - Worldwide telecommunications network that allows computers to access data, files, pictures, and sounds throughout the world.

- **World Wide Web**
  - Component of the Internet designed to make transmission of text and images very easy.

### Finding Secondary Data on the Internet

- **Search Engines**
  - Example: Yahoo at http://www.yahoo.com

- **Discussion Groups, Newsgroups, and Special-Interest Groups**
  - Newsgroups are internet sites devoted to a specific topic where people can read and post messages.

- **CD-ROM Database Programs**

- **Geographic Information Systems**
  - Computer-based system which takes secondary and/or primary data to generate maps which visually display answers to research questions.
Facilitating Tools

- Databases
- BBS
- Online Services
- Internet

Marketing Research From the Federal Government

- Monthly Catalog of the United States Government Publications
- Statistical Abstract of the United States, published annually
- Survey of Current Business, updated monthly
- County and City Data Book, typically published every 3 years, providing data on each county and city of over 25,000 residents

Online Sources of Secondary Data (Government)

- U.S. Census Bureau [http://www.census.gov/]: provides free access to many census data reports and tables. Also available are international census data from many countries.
- U.S. Bureau of Economic Analysis [http://www.BEA.gov/]: provides national and regional economic information, including gross domestic product by industry.
- Department of Commerce/STAT-USA [http://www.stat-usa.gov/]: subscription-based site provides access to hundreds of government-sponsored marketing research studies and other statistical information.
- FedWorld [http://www.fedworld.gov/]: a central access point to locating government information. If you need data from the government but don’t know where to find it, start here.
Online Sources of Secondary Data (Private)

Dialog (http://www.dialog.com/)—extensive database provides access to thousands of marketing research reports, industry and competitor information, and trade publications. Although it proves itself an excellent source for secondary data of all types, a typical search can be expensive. Knowledge index, available on CompuServe provides access to many of the Dialog databases for an hourly fee.


Online Sources of Secondary Data (Search Engines)

Search engines can help track down online information on a variety of topics:

Search.com (http://www.search.com/)—gives access to over 300 specialized indexes and search engines.

Metacrawler (http://metacrawler.com/)—submits your query to nine of the top search engines at once.

Altavista (http://altavista.digital.com/)—provides one of the largest search indexes on the Web.

Infoseek Guide (http://www2.infoseek.com/)—search index includes millions of listings.

Yahoo! (http://www.yahoo.com/)—useful search index divides reference sites into logical groups.

Marketing Information System (MIS)

Planned computer-based system designed to provide managers with a continuous flow of information relevant to their specific decisions and areas of responsibility.

The real value of marketing research and marketing information systems lies in improving a marketer's ability to make decisions.
Computerized databases, published secondary data, the Internet, and internal databases are important parts of an organization’s information system. Intelligent decision making is always predicated on having good information.

**Decision Support Systems (DSS)**

- A decision support system is an interactive, personalized MIS, designed to be initiated and controlled by individual decision makers.

- Characteristics of a true DSS are as follows:
  - Interactive, flexible, discovery oriented, and easy to learn and use.

**Advantages of an Effective DSS**

- Substantial cost savings are realized
- Information value is improved
- Decision-making effectiveness is upgraded
- Marketer’s understanding of the decision environment is increased
Learning Objectives
Slide 1 of 2

- To define qualitative research.
- To explore the popularity of qualitative research.
- To understand why qualitative research is not held in high esteem by some practitioners and academicians.
- To learn about focus groups and their tremendous popularity.

Learning Objectives
Slide 2 of 2

- To gain insight in conducting and analyzing a focus group.
- To study other forms of qualitative research.
Qualitative Research Defined

Qualitative research is a loosely defined term. It means that the research findings are not subject to quantification or quantitative analysis.

<table>
<thead>
<tr>
<th>Comparison Dimension</th>
<th>Qualitative Research</th>
<th>Quantitative Research</th>
</tr>
</thead>
<tbody>
<tr>
<td>Types of questions</td>
<td>Probing</td>
<td>Limited probing</td>
</tr>
<tr>
<td>Sample size</td>
<td>Small</td>
<td>Large</td>
</tr>
<tr>
<td>Information per respondent</td>
<td>Much</td>
<td>Varies</td>
</tr>
<tr>
<td>Administration with special skills</td>
<td>Requires interviewers required</td>
<td>Fewer specialized skills</td>
</tr>
<tr>
<td>Types of analysis</td>
<td>Subjective, interpretive</td>
<td>Statistical, summarization</td>
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<th>Comparison Dimension</th>
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<tr>
<td>Hardware</td>
<td>Tape recorders, projection devices, video, pictures</td>
<td>Questionnaires, computers printouts</td>
</tr>
<tr>
<td>Ability to replicate</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Training of the researcher</td>
<td>Psychology, sociology, social psychology, consumer behavior</td>
<td>Statistics, decision models, DSS, computer programming, marketing</td>
</tr>
<tr>
<td>Type of research</td>
<td>Exploratory</td>
<td>Descriptive or causal</td>
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Marketing success and failures many times are based on small differences in a marketing mix. Qualitative research does not distinguish small differences as well as large-scale quantitative research.

Qualitative studies are not necessarily representative of the population of interest to the researcher.

A multitude of individuals without formal training profess to be experts in the field. Because there is no certification body in marketing research, anyone can call himself or herself a qualitative researcher.

Focus groups research involves a formalized process of bringing together a small selected group of people together for an interactive and spontaneous discussion of one particular topic or concept.
Nature of Focus Group Interviews

- Consists of eight to twelve participants who are guided by one or two moderators.
- Moderator draws out as many ideas, feelings, and experiences as possible about specified issues.
- Overall goal: learn and understand what groups of people have to say and why regarding topic of interest.

Types of Focus Groups

<table>
<thead>
<tr>
<th>Exploratory</th>
<th>Clinical</th>
<th>Experiencing</th>
</tr>
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<tbody>
<tr>
<td>Focus groups that aid in the precise definition of the problem, in pilot testing, or in generating hypotheses for testing or concepts for further research</td>
<td>Focus groups that explore subconscious motivation</td>
<td>Focus groups that enable a client to observe and listen to how consumers think and feel about products and services</td>
</tr>
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Success of Focus Group Interviews

- Group Dynamics of Members
- Willingness of Members to Engage in Interactive Dialogue
- Moderator’s Ability to Keep Discussion Going and On Track
Focus Groups Research Objectives (Ex. 8.5)

- Defining and Redefining Marketing Information Problems
- Identify Specific Hidden Information Requirements
- Better Understand Findings From Quantitative Studies
- Reveal Customer’s Hidden Needs/ Wants, Attitudes, Emotional Feelings & Behaviors
- Generate New Ideas About Product, Services, and Delivery Methods
- Discover New Constraints and Measurement Methods
- Better Understand People

Phase Two: Conducting the Focus Group Discussions

- Key Player is Focus Group Moderator
- Development of a Moderator’s Guide
- Actual Focus Group Session

Phase Three: Analyzing and Reporting the Results

- Content Analysis on Raw Data
- Write a Formal Report of Findings

Phase One: Planning the Focus Group Study

- Consider purpose of study and phase can provide needed information.
- Researcher must develop a screening form and method of selection.
- Try to incorporate randomization into selection process of participants.
- Task of recruiting a person’s willingness to join the membership of the focus group.

Participants of Focus Groups
- Selection of Participants
- Sampling Procedures for Focus Groups
- Recruitment of Participants

Purpose of the Study
Definition of the Information Problem
Data Requirements
Process for Developing a Moderator’s Guide
Actual Focus Group Session
Content Analysis on Raw Data
Write a Formal Report of Findings
Phase One: Planning the Focus Group Study

- **Size of the Focus Group**: Should range between 6 to 12 participants.
- **Focus Group Incentives**: Money works best as an incentive to participate; usually between $50-$200.
- **Number of Focus Group Sessions**: Rule of thumb: Should be a minimum of 2 sessions, then continue until no new ideas.
- **Focus Group Locations**: Many acceptable places; ideal location is a professional focus group facility.

Phase Two: Conducting the Focus Group Discussions

**Moderator’s Characteristics and Role**
- Objective is to seek the best ideas from each group member & stimulate interactive spontaneous discussions.
- Ask questions meant to stimulate follow-up & uncover new ideas.
- Must have respect & sensitivity for participants & their opinions.
- Must have adequate background knowledge on topic.

**Elements of a Moderator’s Guide**

- **Opening Questions**: Designed to identify characteristics.
- **Introductory Questions**: Introduces general topics of discussion.
- **Transition Questions**: Directs conversation toward main topics of interest.
- **Critical Questions**: Discuss critical issues relating to topic.
- **Ending Questions**: Bring closure to discussion.
Phase Two: Conducting the Focus Group Discussions

- **Beginning the Session**
  - Greet participants, receive consent forms (if required), ask opening questions.

- **Main Session**
  - First topic is introduced, session moves toward study’s critical questions.

- **Closing the Session**
  - Ask ending questions to summarize participant’s opinions, short debriefing, thank you and give incentive gift.

Phase Three: Analyzing and Reporting the Results

- **Analysis Techniques**
- **Debriefing Analysis**
- **Content Analysis**

- **Reporting Focus Group Results**

- **Format of the Report**

Focus Group Interviews

- **Advantages**
  - Interactions may create new ideas, thoughts and feelings.
  - Opportunity for clients to observe first-hand customers reactions to product.
  - Ability to bring many different types of groups together in a study.

- **Disadvantages**
  - Lack of needed representativeness of target population.
  - Difficult to substantiate levels of data reliability.
  - Possibility of moderator bias.
Advantages & Disadvantages of Focus Groups
Slide 1 of 3

- Advantages
  - The interaction among respondents can stimulate new ideas and thoughts that might not arise during one-on-one interviews.
  - The opportunity to observe customers or prospects from behind one-way mirrors.
  - A focus group can be executed more quickly than other research approaches.

Advantages & Disadvantages of Focus Groups
Slide 2 of 3

- Disadvantages
  - The immediacy and apparent understandability of focus group findings can mislead instead of inform.
  - Focus group recruiting is a problem if the type of person recruited responds differently to the issues being discussed that other target segments.
  - “Moderator style” may contribute to respondent bias.

Advantages & Disadvantages of Focus Groups
Slide 3 of 3

- Disadvantages (continued)
  - Respondents can be a problem if they are overly introverted (and do not speak) or are overly dominating (and try to sway the discussion).
**Trends in Focus Groups**

Slide 1 of 2

- **Telephone Focus Groups**
  - Focus groups that are conducted via conference calling.

- **Two-Way Focus Groups**
  - A target focus group observes another focus group, and then discussed what it learned through observing.

**Nominal Grouping Session**

- Qualitative research method in which consumers, brought together in small groups, independently generate ideas about a subject and then discuss the ideas.

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**Other Qualitative Research Methodologies**

Slide 1 of 4

- **Depth Interviews**
  - One-on-one interviews that probe and elicit detailed answers to questions, often using nondirective techniques to uncover hidden motivations.

- **Projective Techniques**
  - Ways of tapping respondents’ deepest feelings by having them “project” those feelings into an unstructured situation.
In-Depth Interviews

Motives

Behavior

Ask a Subject a Set of Semi-Structured Questions in a Face-to-Face Setting to Determine:

Future Intended Behavior

Current Feelings

Advantages
- Flexibility of type of data.
- Large amount of detailed data that can be collected from each subject.

Disadvantages
- Lack of generalizability.
- Lack of reliability.
- Inability to distinguish small differences.
- Cost for both set-up and completion.
- Extensive time required to complete data collection.

Word Association Tests
- Tests where the interviewer says a word and the respondent must mention the first thing that comes to mind.

Sentence and Story Completion Tests
- Tests in which the respondents complete sentences or stories in their own words.

Other Qualitative Research Methodologies
Other Qualitative Research Methodologies

• Cartoon Tests
  – Tests in which the respondent fills in the dialogue of one character in a cartoon.

• Consumer Drawings
  – Respondents draw what they are feeling or how they perceive an object.

Other Qualitative Research Methodologies

• Photo Sorts
  – Consumers express their feelings about brands through a specially developed photo deck showing pictures of different types of people.
  – Third Person Techniques
    – Rather than asking someone directly what he or she thinks, the interviewer couches the question in terms of “your neighbor” or “most people” or some other third party.

Twenty something women take charge

• Is this an exploratory study? If not, what are the research questions?
• Do you think this research is causal or descriptive? Defend your answer.
• In terms of decision-making information, is this research programmatic, selective, or evaluative? Why?
• How might this information be of value to managers at the following firms:
  – General Motors
  – Sony
  – Black and Decker
  – Proctor and Gamble –
Do you think that strategic partnering is the best way for U.S. research firms to go global?

What problems can arise from strategic partnering?

Do you think it is important for the U.S. firm to be the dominant partner in the relationship? Why or why not?

Next Week

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