Chapter Objectives

After reading this chapter, you should be able to:

- Explain the steps in designing and conducting marketing research
- Compare primary and secondary data
- Collect and interpret marketing information
- Identify the elements in a marketing research report
- Design a marketing research survey
- Administer a marketing research survey

Market Talk  Companies need to find out who their customers are, what they need or want, their opinions, and how much they spend on what. There are many ways of doing market research.

Quick Think  Why do you think companies conduct marketing research and testing in different markets?
DECA Events  These acronyms represent DECA competitive events that involve concepts in this chapter:

- AAM
- EMDM*
- MMS*
- SMDM*
- ADC*
- FMAL
- QSRM*
- TMDM*
- ASM
- FMML*
- RFSM*
- BMDM*
- HLM*
- RMS
- SEM*
- HMDM*

Performance Indicators  The performance indicators represent key skills and knowledge. Relating them to the concepts explained in this chapter is your key to success in DECA competitive events. Keep this in mind as you read, and write notes when you find material that helps you master a key skill. In these DECA competitive events, you should follow these performance indicators:

- Describe the need for marketing information
- Explain the nature and scope of the marketing-information management function
- Describe the use of technology in the marketing-information management function
- Identify information monitored for marketing decision making
- Explain the nature of marketing research in a marketing-information management system
- Describe techniques for processing marketing information
- Interpret descriptive statistics for marketing decision-making
- Conduct an environmental scan to obtain business information

The events with an asterisk also include:

- Assess marketing-information needs

Some events include these performance indicators:

- EMDM  Use online marketing research tools/techniques to collect primary data
- SEM/SMDM  Explain sources of secondary sport/event marketing information

DECA PREP

ROLE PLAY  Check your understanding of DECA performance indicators with the DECA activity in this chapter’s review. For more information and DECA Prep practice, go to the Marketing Essentials OLC through glencoe.com.
The Marketing Research Process

The five steps that a business follows when conducting marketing research are defining the problem, obtaining data, analyzing the data, recommending solutions, and applying the results. Each step is performed sequentially to arrive at solutions to a problem or research issue. Figure 29.1 provides more details about each step in the research process.
The Marketing Research Process

**Five Steps** Marketing research helps businesses find solutions to problems. There are five steps in the marketing research process, beginning with defining the problem or research issue and ending with applying the results of the research. Following the steps in sequence is important, since each step depends on the steps that preceded it.

**What can researchers do after the data are analyzed?**

1. **DEFINING THE PROBLEM**
   The problem or research issue is identified and goals are set to solve the problem.

2. **OBTAINING DATA**
   Researchers obtain data from primary and secondary sources.

3. **ANALYZING DATA**
   Researchers compile, analyze, and interpret the data.

4. **RECOMMENDING SOLUTIONS**
   Researchers come up with potential solutions to the problem and present them in a report.

5. **APPLYING THE RESULTS**
   The research results are put into action.

@Online Action!
Go to the Marketing Essentials OLC through glencoe.com to find a project on the marketing research process.
Step 1: Defining the Problem

The most difficult step in the marketing research process is defining the problem. **Problem definition** occurs when a business clearly identifies a problem and what is needed to solve it. That is, the business identifies a research question and the information that is necessary to answer it.

Take, for example, a convention and resort center that wants to know if its staff, services, and facilities are meeting the needs of its guests. The business needs this information so that it can continually improve its services as a resort and convention destination.

With the problem defined, the researcher can create objectives for the study that will help answer the research problem. Objectives might include: determine how satisfied different categories of guests are with reservation procedures, accommodations, guest services, and meeting and recreational facilities.

Objectives are used to develop the actual questions that will be included in the research instrument. You will learn more about writing questions later in this chapter. For now, know that objectives and questions must correlate with one another. Here are two examples:

- **Objective:** Determine guest satisfaction with facilities.
  **Question:** On a scale of 1 to 5, with 1 being poor and 5 being excellent, how would you rate the following resort facilities? (list of facilities)

- **Objective:** Determine if vacationers and convention-goers differ in levels of satisfaction with the resort and convention center.
  **Question:** What was the primary purpose of your visit?

This question is necessary so that ratings by guest type can be analyzed separately. If it was not included in the research instrument, the objective could not be accomplished.

Because money and time are limited, each business has to determine which problems and issues are the most important to address.

Step 2: Obtaining Data

The second step in the marketing research process is obtaining data. During this second step, data are collected and examined in terms of the problem or problems being studied.

The word **data** means facts. There are two types of data used in marketing research: primary and secondary. **Primary data** are data obtained for the first time and used specifically for the particular problem or issue under study. **Secondary data** have already been collected for some purpose other than the current study. Secondary data are less expensive to collect than primary data. Therefore, it is most cost effective for a company to first decide what secondary data it can use.

**Contrast** How are primary data different from secondary data?

How Secondary Data Are Obtained

Secondary data are obtained from both internal sources (sources within the company) and external sources (sources outside the company). An excellent source of internal secondary data is the marketing information system of a business. As explained in Chapter 28, a marketing information system is an internal method of getting data used to measure monthly sales, **determine** the geographic distribution of customers, track customer buying patterns, and identify popular items on the market. Secondary data are most often collected in the following ways:

**Internet Sources**

The Internet has increased the availability of secondary data from a variety of sources. Since most companies have a Web address, some secondary information is available for free through a company’s home page. A company’s description of its products, services offered, locations, sales revenue, number of employees, product specifications, and pricing is often available. But since Web site information is used primarily for promotional purposes, all information should be verified through other, more objective sources.
Paying Your Bills Online

One in four American households now pays bills online each month. Online bill pay systems make paying bills quick and convenient. Some services even allow users to establish their own payment schedule.

There are two approaches to Internet bill payment. Each month a person may go to a specific company’s Web site and pay a particular bill, such as the water bill. This usually means making stops at the Web sites of several companies.

One-Stop Bill Pay

The other method uses consolidation. Banks, credit card companies, and portals such as Yahoo, MSN, and Quicken let consumers pay multiple bills in one place. Most portals charge a monthly fee. AOL Bill Pay is an exception: America Online subscribers can make Internet bill payments for free.

AOL does not act as a payment intermediary, but it provides links to the Web sites of each company, where transactions take place directly between the consumer and merchant. AOL says its research shows that most people prefer to make payments at a merchant’s Web site, because they get faster credit for last-minute payments. Payments handled by an intermediary can take five days or longer to clear.

Why is AOL offering a free online bill paying service, rather than charging for the service?

Go to the Marketing Essentials OLC through glencoe.com to find an activity about the
Internet and marketing research.

Digital dossiers, which provide company profiles on public corporations, income statements, and balance sheets, are also available online. These reports and databases can be purchased for a fee from business clearinghouses, such as Hoover’s Online, Factiva, Standard and Poor’s NetAdvantage, LexisNexis, and Mergent Online.

U.S. and State Government Sources

State departments of commerce and small business development centers assist with business and economic development activities and can also provide useful information.

Data collected by U.S. government agencies regarding population demographics, specific markets, industries, products, economic news, export information, and legislative trends can be accessed on the Internet for free or for a nominal cost. FedWorld and the Federal Web Locator are two Web directories with links to most government Web sites that provide such data. The Small Business Administration, U.S. Department of Commerce, U.S. Census Bureau, U.S. Securities and Exchange Commission, and the Bureau of Labor Statistics can also be excellent sources for secondary data.

Publications such as the Census of the Population and the Statistical Abstract of the United States contain hundreds of tables, graphs, and charts that can be useful when analyzing information, such as income, age, and family size, in areas as small in size as zip codes.

Specialized Research Companies

An active and growing number of specialized research companies, or syndicated services, also offer secondary data for business needs. Specialized companies sell demographic data,
five-year forecasts, consumer purchase information, business data, census information, and consumer classification reports to businesses. Syndicated services make this data available in print and electronic formats.

An example is Mediamark Research, Inc. (MRI), which provides comprehensive demographic, lifestyle, product usage, and exposure data to all forms of advertising media. MRI is the nation’s leading producer of multimedia audience research for advertisers, agencies, and magazines. The company also provides research in consumer marketing, brand loyalty, promotional opportunities, and trade marketing services, as well as many other types of market research services.

**Business Publications and Trade Organizations**

Secondary data can also be obtained in business publications such as *Forbes, BusinessWeek,* the *Wall Street Journal,* and *Sales & Marketing Management.* National and statewide trade associations often publish secondary data in articles, reports, and books.

Examples of trade associations for marketing research include the Advertising Research Foundation, American Association for Public Opinion Research, American Marketing Association, Council of American Survey Research Organizations, and the Marketing Research Association. Check the *Small Business Sourcebook* or the *Encyclopedia of Business Information Sources* for major books, trade journals, and organizations in specific business categories.

**Advantages of Secondary Data**

The greatest advantage of secondary data is that they can be obtained easily, because the data are on the Internet; in corporate, public, and college libraries; or available for purchase from syndicated services. The U.S. Census Bureau can provide nationwide data that would cost any firm a great deal of time and money to research on its own.

**Disadvantages of Secondary Data**

There are two major disadvantages associated with secondary data. First, the existing data may not be suitable for the problem under study.

The other disadvantage is that secondary data may sometimes be inaccurate. Federal census data are collected every ten years. As a result, projections based on the most recent census may not be correct for the current year.

**How Primary Data Are Obtained**

Primary research data can be obtained through company research projects or specialized research organizations. Large companies frequently have their own marketing research staff to conduct primary research for the company. However, both large and small companies make use of research organizations. National research organizations often contract with businesses and organizations to provide attitude and opinion, market, media, and product research services. AC Nielsen, Arbitron, Synovate, IMS Health, and Westat are some of the leading research organizations in the United States. Primary data may be collected using three methods: the survey method, the observation method, and the experimental method.

**The Survey Method**

The *survey method* is a research technique in which information is gathered from people through the use of surveys or questionnaires. It is the most frequently used method of collecting primary data.

When designing a survey, marketers must determine the number of people to include in their survey. Researchers can survey the entire target population if it is small. This is called a census. Usually, though, researchers cannot survey the entire target population, because the population is too large, and time and money are limited. Instead, researchers use a sample of the entire target population to get survey results. A *sample* is a part of the target population that represents it accurately. The size of the sample depends on the amount of money the company has to spend and the degree of accuracy that is needed. Generally speaking, the larger the sample, the more accurate the results.
After determining the size of the population to survey, a marketer must decide what type of survey to conduct. Surveys can be conducted in person, by phone (using personal calls and prerecorded messages), by mail (regular and e-mail), or by using the Internet. When the marketer has decided exactly how to conduct the survey, he or she then writes the questions according to the specific needs of that survey type.

Technological Methods

Survey research can now be conducted through online surveys and focus group chat sessions on the Internet. Fax broadcasting allows businesses to send questionnaires to a select group of fax numbers. Automated dialers increase the number of telephone survey responses by placing multiple calls and automatically rejecting those with busy signals and answering machines. Digital surveys allow a prerecorded voice to qualify a respondent and then ask a series of survey questions. Interactive voice response is similar to voicemail as callers are greeted by a recorded voice that leads them through a series of questions. Responses can be given using the telephone keypad.

Interviews

The personal interview involves questioning people face-to-face. Since door-to-door interviews are expensive, researchers often conduct interviews in central locations. Because this type of interview first began in shopping malls, it is called a “mall intercept interview.”

A form of personal interview is the focus group interview. A focus group interview involves eight to twelve people who are brought together to evaluate advertising, a particular product, package design, or a specific marketing strategy under the direction of a skilled moderator.

The moderator must direct the discussion to accomplish the objectives of the study. Focus group facilities usually include conference rooms, observation rooms, and audio-tape and videotape equipment.

A major advantage of personal interviews is that it is often easier to get people to respond to personal interviews than to mail, phone, or Internet surveys. A disadvantage, however, is the cost associated with doing personal interviews. Personal surveys are easy to administer, but it takes time to get survey responses tabulated for data analysis.

The telephone interview is quick, efficient, and relatively inexpensive. However, this method is now limited by the new Do-Not-Call registry rules.

A mail survey is a relatively inexpensive way to reach a potentially large audience. With a direct-mail survey, a business can use visual presentation techniques. Respondents are generally honest in their responses, and they find mail surveys to be less intrusive.

Unfortunately, even a successful response rate for mail surveys is only ten percent. Average response rates can be improved for questionnaires by offering some type of incentive to complete them.

Internet-based surveys are quick and eliminate data entry, since the responses are automatically tabulated when the survey is completed.

Internet-based research allows for real-time data collection, multiple-choice questions, as
well as open-ended, text-based answers. A drawback is that Internet surveys are limited to individuals who have access to the Web. Also, many people dislike receiving uninvited e-mail surveys.

The Observation Method

The observation method is a research technique in which the actions of people are watched and recorded either by cameras or by observers. Properly performed and recorded observations supply better results than those obtained with survey techniques.

Another use of observation called mystery shopping is used to view the interaction between customers and employees. A mystery shopper is a researcher who poses as a customer and goes into a business to observe employees and operations.

One disadvantage of the observation method is that it cannot measure attitudes or motivation. Observation provides information on what the person does, but not why the person does it.

Observation research is faster than personal interviews, and people are unaware that they are being observed, so they are acting as they normally would. This type of research is also cost effective.

Point-of-sale research is a powerful form of research that combines natural observation with personal interviews to get people to explain buying behavior. Point-of-sale researchers observe shoppers to decide which ones to choose as research subjects. After observation, researchers approach the selected shoppers and ask them questions. They can easily remember the reason why they purchased a product because customers have just made the decision to buy.

The Experimental Method

The experimental method is a research technique in which a researcher observes the results of changing one or more marketing variables while keeping all the other variables constant under controlled conditions. The experimental approach is often used to test new package designs, media usage, and new promotions.

The experimental method is infrequently used for marketing research because of the cost of setting up the research situation and the inaccuracy of the responses.

Step 3: Analyzing the Data

The third step in the marketing research process is data analysis. Data analysis is the process of compiling, analyzing, and interpreting the results of primary and secondary data collection.

A-P Super Service, Inc., surveyed customers about the quality of the auto mechanics’ repair service. The number of customers who returned the survey was 120. Answers to questions were organized so that the percentage of men and women responding to each question could be shown clearly. Data were cross-tabulated to determine such things as how men and women differ in their perceptions of the service. The answers to a question about the quality of service might be presented as shown below. The number of respondents is given in parentheses after the question.

**Question:** How would you rate the quality of service provided by A-P Super Service, Inc? (N = 120)

<table>
<thead>
<tr>
<th>Rating</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>30%</td>
<td>60%</td>
</tr>
<tr>
<td>Good</td>
<td>15%</td>
<td>10%</td>
</tr>
<tr>
<td>Average</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Fair</td>
<td>20%</td>
<td>5%</td>
</tr>
<tr>
<td>Poor</td>
<td>15%</td>
<td>5%</td>
</tr>
</tbody>
</table>

As you can see, female customers of A-P Super Service, Inc., have a more favorable impression of the quality of service than the male customers do. This information shows the owner that the shop’s image among its male customers needs to be improved.

Data Mining

Data mining is a computer process that uses statistical methods to extract new information from large amounts of data. A database may contain subtle relationships or patterns that only a mathematical search process can identify.
Step 4: Recommending Solutions to the Problem
Conclusions drawn from research are usually presented in an organized and well-written report. Recommendations must be clear and well supported by the research data. A typical research report includes the following:

- Title page
- Acknowledgments of people who assisted in the research effort
- Table of contents
- List of tables, figures, charts, and graphs
- Introduction (includes the problem under study, its importance, definitions, limitations of the study, and basic assumptions)
- Review of the research information (including the results of any secondary data reviewed for the research effort)
- Procedures used (research technique or techniques used to obtain primary data)
- Findings
- Recommendations
- Summary and conclusions
- Appendices
- Bibliography

Step 5: Applying the Results
In evaluating the research, managers may find that the research was inconclusive, additional research is needed, or the research suggests specific courses of action. After the research has been completed and changes made, a business should carefully monitor the results. A business needs to know if the specific actions taken are successful. The research effort is a success if resulting decisions lead to increased profits through better sales, increased efficiency, or reduced expenses.

Key Terms and Concepts
1. Name four sources of information to use in collecting secondary data.
2. What are two advantages and two disadvantages of using secondary data?
3. How does survey research differ from observation research?

Academic Skills

Math
4. Research indicates that 80 percent of a flower shop’s customers live within one mile of the store, another 15 percent live within two miles of the store, and the remaining 5 percent live within five miles of the store. Compute the number of customers living in the trading areas if the entire population is 14,240.

English Language Arts/Writing
5. Research a company in your community to find out how it collects demographic information about its customers. Write a 250-word report on how customer information (name, address, phone, occupation, age, spending patterns, etc.) is collected and used.

For help, go to the Math Appendix located at the back of this book.

Check your answers at the Marketing Essentials OLC through glencoe.com.
CONSTRUCTING THE QUESTIONNAIRE

As a major form of quantitative research, questionnaires should provide data that have validity. A questionnaire has **validity** when the questions asked measure what was intended to be measured. A researcher designs a questionnaire to measure a retail store’s customer service. Questionnaires that are poorly written or that do not address customer service will not have validity.

**THE MAIN IDEA**

Businesses need valid and reliable data to make good decisions. Marketing researchers must construct survey instruments that will provide information needed to make decisions.

**GRAPHIC ORGANIZER**

Draw this chart to outline this section by listing headings, subheadings, and key concepts.

**ACADEMIC STANDARDS**

**English Language Arts**

NCTE 1 Read texts to acquire new information.

**English Language Arts**

NCTE 3 Apply strategies to interpret texts.
Research questionnaires should also have reliability. **Reliability** exists when a research technique produces nearly identical results in repeated trials. Reliability requires that the questions ask for the same type of information from all the respondents. Questions should be clear and easily understood so that all participants understand the question in the same way. Asking a respondent in a restaurant survey, “Was your food hot?” would not yield a reliable answer. “Hot” could be interpreted as either the level of spiciness or the temperature of the food.

To be valid and reliable, a questionnaire must be clear, properly written, formatted, and administered.

**Writing Questions**

Survey questions can be either open-ended or forced-choice. **Open-ended questions** ask respondents to construct their own response to a question. “What changes or additions to this coat would you recommend?” is an example of an open-ended question. Some surveys have a space for general comments or suggestions on the survey instrument. This is also a type of open-ended question. Open-ended questions generate a wide variety of responses that are sometimes difficult to categorize and tabulate. As a result, most researchers prefer forced-choice questions.

**Forced-choice questions** ask respondents to choose answers from possibilities given on a questionnaire. Forced-choice questions are the simplest questions to write and the easiest to tabulate. They can be two-choice questions, multiple-choice questions, rating or ranking scales, and level of agreement scales.

**Yes/No Questions**

Two-choice questions give the respondent only two options, usually yes or no. Yes/no questions should be used only when asking for a response on one issue. You could use a yes/no question to ask “Was our facility clean?” or “Was our facility well maintained?”, but not to ask “Was our facility clean and well maintained?” The customer may have different answers for the two issues that the question addresses. Having a question that asks about more than one issue decreases validity and reliability.

Yes/no questions are most often used as filter questions. Filter questions help to guide respondents to answer only those questions that apply.

In cases in which there is a range of choices and yes/no questions are not appropriate, you would use multiple-choice questions, rating-scale questions, or level-of-agreement questions for your survey.

**Multiple-Choice Questions**

Multiple-choice questions give the respondent several choices. When constructing multiple-choice questions, it is important to make the options mutually exclusive and comprehensive enough to include every possible response. In order to be sure that all options are covered, many surveys have a space for the option “other.” A rental company might ask its customers the following question:

When you have a choice of all the car rental companies listed below, which do you prefer? (check only one)

- □ Alamo
- □ Hertz
- □ Avis
- □ National
- □ Budget
- □ Thrifty
- □ Dollar
- □ Other ______
- □ Enterprise

Offering the choice of “other” increases reliability. If “other” was not an option, respondents who use an unlisted car rental service might not answer at all or might pick an inaccurate answer from the list just to give an answer. This action would cause misleading results.

**Rating Scale Questions**

Other forced-choice questions may ask respondents to rate a product or service based upon a scale. A variety of scales may be used, such as a rating scale from very satisfied to very dissatisfied, or from excellent to poor.
Test Marketing for the Hispanic Market

There are many all-purpose household cleaning products available in the United States, but not many of them have been targeted specifically at Hispanic consumers.

Colgate-Palmolive began marketing its Mexican brand, Fabuloso, in the United States in 1997. Since then, its market share has been growing. It rolled out a fabric softener called Suavitel at the same time. Suavitel’s share of the Hispanic market in the United States has already topped 10 percent.

Challengers Procter & Gamble added to the competition by introducing Gain fabric softener, in addition to its Gain and Ariel detergents that were already targeted at Hispanic consumers.

SC Johnson challenged Fabuloso all-purpose cleaner by introducing Glade Cleaner-Limpiador. “Limpiador” means “cleaner” in Spanish. The company test-marketed the product in upstate New York in 2004. Glade Cleaner-Limpiador was priced at $2.35 for 30.4 ounces at one store in Rochester, New York. It comes in red and purple bottles that look similar to Fabuloso’s packaging. Companies that are introducing new products for the Hispanic market often use stronger scents than in their other products. Glade considered scents including country meadow and lavender for its all-purpose cleaner.

The following is an example of a rating question that might be used to rate the front desk staff of a resort.

How would you rate your reception by the front desk staff?

Helpfulness
Excellent Good Fair Below Average

Check-In Speed
Excellent Good Fair Below Average

Offering Info About Resort
Excellent Good Fair Below Average

Use of Your Name
Excellent Good Fair Below Average

Level of Agreement Questions
When assessing attitudes or opinions, it is often a good idea to write statements that describe those attitudes or opinions. Then you can ask respondents for their level of agreement with the statements. Commonly used options include strongly agree (SA), agree (A), neutral (N), disagree (D), and strongly disagree (SD). The following statements are examples of statements that might be used in a health-related questionnaire.

Indicate your level of agreement with the following statements based on your personal preference:

“I am extremely health conscious.”
SA A N D SD

“I do not like vegetables.”
SA A N D SD

“Eating low-cholesterol foods is important to me.”
SA A N D SD

“The cafeteria should serve heart-healthy foods.”
SA A N D SD
As you can see, if someone had to answer yes or no to these questions, the researcher might not get an accurate picture. That is why it is often easier to use descriptive statements for research on attitudes and opinions.

**Basic Guidelines for Writing Questions**

Each question should be written clearly and as briefly as possible. Use the same ranking or rating scales for all similar questions. It is important not to ask leading questions, which suggest a correct answer. An example of a leading question is: “Do you prefer X or the more reasonably priced Z?” The phrase “more reasonably priced” could influence the respondents to answer Z.

You should avoid any bias, which is a systematic error introduced by encouraging one outcome or answer over the others. It is also important to avoid questions that might cause a respondent to guess at the meaning of your question. The following is an example of a question that might cause a respondent to guess:

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**Case Study**

**Re-Inventing the Potato**

The United States Potato Board wanted to find out why potato sales revenue had not kept up with population growth or the consumer price index.

The Board contracted with the Perishables Group, a specialized research group for growers, shippers, suppliers, commodity boards, and retailers to do the research.

**Digging In**

The Perishables Group used secondary data: consumer research related to meal trends, food consumption diaries, focus groups, consumer intercepts, lifestyle issues, and census data. To obtain primary data, they interviewed grocery store executives. Category concept testing was done on packaging, cross-merchandising, and secondary locations.

**A New Recipe**

Research by the Potato Board and the Perishables Group led to the following recommendations: Minor packaging changes were needed, sales could be increased by displaying potatoes in or near meat departments, and better merchandising of bag and bulk varieties was needed. The partners also developed a Retail Marketing Toolkit that provided consumer, trade, and new merchandising concept research, as well as recommendations for assortment, pricing, promotion, and a menu of merchandising options to increase potato sales.

**THINK STRATEGICALLY**

Why did the United States Potato Board contract with a research group to study sales of potatoes?

**@ Online Action!**

Go to the Marketing Essentials OLC through glencoe.com to find an activity about marketing research.
How many students in your high school drink coffee on a daily basis?

- Less than 10
- 10–49
- 50–99
- 100–149
- 150–199
- over 200

Without asking every student in school, the respondent cannot answer the question without guessing.

When a survey questionnaire is finished, it is a good idea to pretest the wording of the questions. This pretest allows for correction of any misleading questions, directions, or problems on the questionnaire.

**Formatting**

Questionnaires must have excellent visual appearance and design to appeal to respondents. You should use dark ink, preferably black, on light paper and type that is easy to read. The questionnaire should be short enough to be answered quickly. Section headings or numbers should be placed on all individual survey sections. Numbers should be placed on all individual questions. If your questionnaire requires more than one page, place a note at the bottom of each page to continue to the next page.

**Content Formatting**

Directions for completing the questionnaire must be clear for each section or group of questions.

General demographic questions about gender, age, ethnic background, and education are typically grouped together at the end of

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**RATING SCALES** Some forced-choice questions ask respondents to reply based on a rating scale.

**Why do businesses often use rating scales to measure customer satisfaction?**

---
a questionnaire. This is because respondents are more likely to answer personal questions after completing the other questions. Such information is placed at the beginning of a questionnaire only to qualify a respondent. For example, if an interviewer wanted to study the views of people in their twenties, he or she might ask, “Are you between the ages of 20 and 30?” If the person answers yes, the interviewer would administer the survey. If the answer is no, then the person would not be included in the study.

Administering the Questionnaire

All surveys should have deadlines for completion. A mailed questionnaire should be sent first-class with a hand-signed cover letter, and it should be personalized if the potential respondent is known. The cover letter should explain the purpose of the survey and the deadline for returning the questionnaire. A postage-paid return envelope should be included with the questionnaire for the respondent’s convenience.

In-Person Surveys

Questionnaires that are not mailed should have a brief explanation of the survey’s purpose placed on the questionnaire itself. A plan should be established for selecting participants in an unbiased way. In a personal interview, reactions to visual materials such as ads or actual product samples can be collected.

Incentives

Many questionnaires offer incentives for participation. For example, a company may enter each respondent’s name into a drawing for a cash prize. Or, each participant may receive a coupon for the company’s product.

Key Terms and Concepts

1. When is a survey valid?
2. What guidelines should be followed to ensure that a questionnaire is effective?
3. Name three techniques to make the format of a questionnaire appealing.

Academic Skills

Math

4. A retailer conducts a traffic study to estimate yearly sales. Use the following data to estimate yearly sales for the retailer: 1,500 people pass the store each day, seven percent enter the store and spend an average of $14, and the store is open 360 days during the year.

Social Studies

5. Find a newspaper article dealing with an opinion poll on a local, state, or national issue. Write a 100-word summary of when and how the poll was conducted, and what the results indicated.

For help, go to the Math Appendix located at the back of this book.

Check your answers at the Marketing Essentials OLC through glencoe.com.
D. CLAY KELLY
DIRECTOR OF MARKETING
STRAND ASSOCIATES, INC.

What do you do at work?
My primary job is to support the efforts of our staff as we seek new work opportunities. Our “product” is professional services, namely engineering design. I make visits to city and county leaders as well as state and federal officials whose jobs are related to construction and capital improvements projects that require engineering services. My goal is to develop a relationship between the decision makers and our firm so that we are completely in tune with the needs of the client.

What skills are most important to you?
People skills are the most important. I fully believe that everyone is a salesperson or a marketer, regardless of their position or chosen career. This applies to almost anyone, whether you’re a farmer selling cattle, a businessperson trying to increase market share, or a religious leader creating interest in a specific belief.

What is your key to success?
You have to believe in what you’re marketing. In my case, I’m marketing the professional capabilities of my fellow engineers. I am convinced they are among the best in our business and they are dedicated to helping our clients succeed. A reputation is built over a lifetime, but can be destroyed in a moment. Protect your integrity as you would your life and success will be yours in the richest sense of the word.

Aptitudes, Abilities, and Skills
Verbal, written, and interpersonal skills are crucial; public speaking is equally essential.

Academics and Education
Courses marketing, economics, general business
Degrees BA, MBA

Career Path
Marketing careers arise within virtually all medium to large companies, often through entry level jobs, marketing or otherwise.

Career Outlook
Growth to increase faster than average for the next ten years
Source: Occupational Outlook Handbook

Verbal, written, and interpersonal skills are crucial; public speaking is equally essential.

THINKING CRITICALLY
Why is public speaking such a valuable skill?

Go to the Marketing Essentials OLC through glencoe.com to find a career-related activity.
Focus on Key Points

Section 29.1
- The five steps that a business follows when conducting marketing research are defining the problem, obtaining data, analyzing data, recommending solutions, and applying results. Steps are performed sequentially to find solutions or research an issue.

Section 29.2
- Questionnaires should provide data that are valid and reliable. Marketing surveys may include open-ended and forced-choice questions. Forced-choice questions include yes/no, multiple-choice, rating scale, and level of agreement questions.
- To obtain unbiased data and increase response rates, market researchers must follow guidelines when constructing, formatting, and administering surveys.

Review Vocabulary

1. On a sheet of paper, use each of these key terms and academic vocabulary words in a written sentence.

   Key Terms
   - problem definition (p. 612)
   - primary data (p. 612)
   - secondary data (p. 612)
   - survey method (p. 614)
   - sample (p. 614)
   - observation method (p. 616)
   - point-of-sale research (p. 616)
   - experimental method (p. 616)
   - data analysis (p. 616)
   - validity (p. 618)
   - reliability (p. 619)
   - open-ended questions (p. 619)
   - forced-choice questions (p. 619)

   Academic Vocabulary
   - determine (p. 612)
   - specific (p. 614)
   - mutual (p. 619)
   - accurate (p. 621)

Review Facts and Ideas

2. List in correct order the five steps used in designing and conducting a research study. (29.1)
3. What is the difference between primary and secondary data? Why should researchers consider one type first? (29.1)
4. Identify the three methods used to collect primary data. (29.1)
5. What is the survey method of research? (29.1)
6. Identify the elements in a final marketing research report. (29.1)
7. When constructing options for multiple-choice questions, what is important? (29.2)
8. When do you use level of agreement questions on a questionnaire? (29.2)
9. Name two examples of how bias can be introduced into a questionnaire. (29.2)
10. What can be done when administering a question to encourage people to participate? (29.2)
11. Why is it important that questionnaires have a strong visual appearance? (29.2)
12. **Workplace Skills**  
*Human Relations* You are employed in a shopping mall where a natural observation study is occurring. Your coworker thinks that this research technique is an invasion of privacy and is threatening to tell customers that they are being observed. How should you handle this situation?

13. **Technology Applications**  
*Using Secondary Data Sources* Locate the U.S. Census Bureau’s Web site and the County Business Patterns Economic Profile for your county. Use this profile to identify the number of employees in your county and the annual payroll for your county. Find the total estimated employment by size of business and locate the industry area in your county that employs the most people. Make a graphic representation of the data that you found.

14. **Math Practice**  
*Research Costs* What would be the per person costs to complete a phone, mail, or Internet survey for 500 people given the following costs:  
- Phone: $250 for phone; $1,250 for interviewers; $1,250 for data entry  
- Mail: $500 for printing/postage; $2,000 to open envelopes and enter data  
- Internet: $250 create/deliver; $5 to convert data.

**Concept**  
*Problem Solving: Calculating Costs* When calculating business costs, be sure to include all components that contribute to the cost. If a problem is concerned with the cost per person, the number of consumers is divided into the total cost.

**Math** For help, go to the Math Appendix located at the back of this book.

15. **English Language Arts**  
*Surveys* Skim the chapter, reviewing the different types of marketing surveys. Write a five- to ten-question survey about a type of product. Pair up with a member of your class and exchange surveys. When you have completed both the surveys, discuss the results.

16. **Language Arts**  
Write a one- to two-page paper addressing the question, “Can business risks be eliminated by conducting marketing research?” Provide a supporting rationale for your answer. Explain what types of risk can be eliminated and why. Try to give specific company examples each time.

17. **Finding a Marketing Research Firm**  
Locate the Web page of Quirk’s Marketing Research Review. Search for a firm in your state or city that performs marketing research.

**Activity** Develop a one-page profile that includes the company name, a company description, research services it provides, and the industries, markets, or audiences served.
18. **Markets Research Online**

Perform an Internet search for the WorldOpinion Web site. Select “Periodicals” then click on “The Frame.” Look in the archives for an article about a recent trend or issue within the field of marketing research. Identify the title of the article, date, and author, and complete a 50-word summary of the trend or issue.

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1. **Directions** Choose the letter of the best answer. Write the letter for the answer on a separate piece of paper.

   How long would 50 surveys take to complete if each one took 12 minutes?
   A 200 minutes  
   B 500 minutes  
   C 300 minutes  
   D 600 minutes

2. **Directions** Choose either True or False as the answer. Write the letter for the answer on a separate piece of paper.

   “Defining the problem” is NOT one of the steps in the marketing research process.
   T  
   F

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**Test-Taking Tip**

Look for key words in test directions and questions such as: choose, describe, explain, compare, identify, similar, except, not, and but.

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**Role Play**

**Baseball Team Employee**

**Situation** Assume the role of employee of a minor league baseball team. Your job includes monitoring ticket sales and team merchandise sales. Sales have been constant but lacking increases. Your supervisor (judge) is concerned about the lackluster sales in both areas and has determined to conduct some marketing research to help find a way to increase sales. There will be a staff meeting today to discuss the questions that should be included in a customer questionnaire.

**Activity** You are to present to the staff the questions that should be included in the questionnaire and indicate which are most appropriate for what you wish to learn. You are to review your presentation with your supervisor (judge) prior to the meeting.

**Evaluation** You will be evaluated on how well you meet the following performance indicators:

- Explain the need for sport/event marketing information.
- Identify information monitored for marketing decision making.
- Address marketing information needs.
- Make oral presentations.
- Participate in staff meeting.

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For more information and DECA Prep practice, go to the *Marketing Essentials* OLC through glencoe.com.
**Research Male Grooming Products**

**BASIC BACKGROUND**

The male grooming industry is big—with estimates between $5 billion and $8 billion in annual sales, and it’s still growing. Some large companies already active in this market include Unilever, Procter & Gamble, Estée Lauder, and Nivea. Two smaller companies are American Crew and Sharps. Sharps’ brands include products such as Kid Glove Shave Gel and Guck-in-a-Puck for hair styling.

**Branching Out** Your firm’s client, G&G Cosmetics, is looking to take advantage of the trend of sales growth in male grooming by starting a new line of products for the “modern-day guy.” Currently G&G makes cosmetics and personal grooming products for young women of different ethnic backgrounds. Its competitively priced products are sold in department stores. To grow, it must expand into other markets.

**YOUR OBJECTIVE**

Your objective is to conduct a marketing research study of the target market. You need to provide G&G Cosmetics with a customer analysis and recommendations on how to create and market products for this new target market.

**SKILLS NEEDED**

Preview the project and brainstorm a list of skills you will need to complete it. Describe how you might apply them. Some skills might include:

- **Academic Skills** reading, writing, math, social studies, and researching
- **Basic Skills** speaking, listening, thinking, and interpersonal skills
- **Technology Skills** word processing, presentation, telecommunications, and Internet skills

**ASSIGNMENT AND STRATEGY**

- **Get the background** Conduct secondary research on the personal grooming industry for men. Find out sales figures, profitability, pricing strategies, and the most popular products. Then identify questions to ask in a marketing research study.

  Learn what grooming products are used by the target market, their motivations, needs and wants not being met, where they shop, and media they use.
• **Conduct the research and write the report** State G&G Cosmetics’ main problem and the objectives of the study.

• **Choose a format** Decide on the marketing research format(s) that will work best to achieve the objectives. Identify the target population and how participants will be selected. Design the instrument you will use (written questionnaire, focus group questions, etc.). Conduct the study and take note of any incidents that may create bias or limit your study’s conclusions. Include tables and charts. Use your data to provide recommendations and a plan to implement them.

• **What your project should include** Include samples of all materials used in your marketing research study and examples of your ideas.

**YOUR REPORT**

Use a word processing program and presentation software to prepare a double-spaced report and an oral presentation for G&G Cosmetics. Use Glencoe’s *Marketing Research Project Workbook* as a resource. See a suggested outline and key evaluation points at the *Marketing Essentials* OLC through glencoe.com.

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**Option 1 Internship Report**

Once you have completed your Marketing Internship project and presentation, include your written report and a few printouts of key slides from your oral presentation in your Marketing Portfolio.

**Option 2 Conducting a Customer Satisfaction Study**

Design a customer satisfaction survey for a company of your choice. After conducting the study, explain the methodology, conclusions from your findings, limitations, and recommendations. Prepare your written report using a word processing program and use presentation software for your oral presentation. See a suggested outline and key evaluation points at the *Marketing Essentials* OLC through glencoe.com and use Glencoe’s *Marketing Research Project Workbook* as an additional resource.

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Go to the *Marketing Essentials* OLC through glencoe.com to review information management concepts that relate to DECA events.