Chapter 3

Sources and Tools of Market Research Data

Business Research Methods

Verónica Rosendo Ríos

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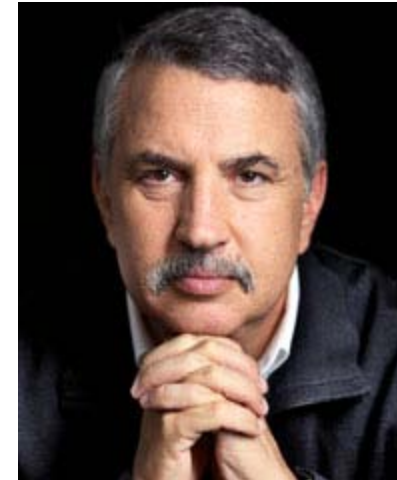
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"There is no substitute for face-to-face reporting and research"

THOMAS FRIEDMAN

Thomas L. Friedman won the 2002 Pulitzer Prize for commentary, his third Pulitzer for The New York Times. He became the paper's foreign-affairs Op-Ed columnist in 1995. Previously, he served as chief economic correspondent in the Washington bureau and before that he was the chief White House correspondent. In 2005, Mr. Friedman was elected as a member of the Pulitzer Prize Board.

Mr. Friedman joined The Times in 1981 and was appointed Beirut bureau chief in 1982. In 1984 Mr. Friedman was transferred from Beirut to Jerusalem, where he served as Israel bureau chief until 1988. Mr. Friedman was awarded the 1983 Pulitzer Prize for international reporting (from Lebanon) and the 1988 Pulitzer Prize for international reporting (from Israel).

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CONTENTS

- **INFORMATION SOURCES**
- **SECONDARY DATA: INTERNAL AND EXTERNAL**
- **PRIMARY DATA**
- **DATA COLLECTION TECHNIQUES**
- **MARKETING INFORMATION SYSTEM**

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CHAPTER OBJECTIVES

After reading this chapter, you should he able to:

☆ Understand the difference between *primary and secondary data.*

☆ Understand the *advantages and disadvantages of primary and secondary data*

☆ Know when secondary data *should and should not be used.*

☆ Understand the *classification of research data.*

☆ Understand the *different data collection techniques*

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- **Primary data**:

    Information that is developed or gathered by the researcher <u>specifically for the project at hand.</u>

- **Secondary data:**

    Information that has previously been gathered by someone other than the researcher and/or <u>for some other purpose than the project at hand.</u>

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- **Two main types of secondary data**:
  - **Internal secondary data:**

  Low cost, accuracy and easy availability. Eg. Sales reports, invoices…
  - **External secondary data:**
    - Published sources: may involve a fee or a subscription.
    - Online databases: e.g. I.N.E
    - Syndicated data: companies may sell standardized or syndicated marketing information to clients.

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Secondary Data

Internal Data

External Data

Published

Online Databases

Syndicated

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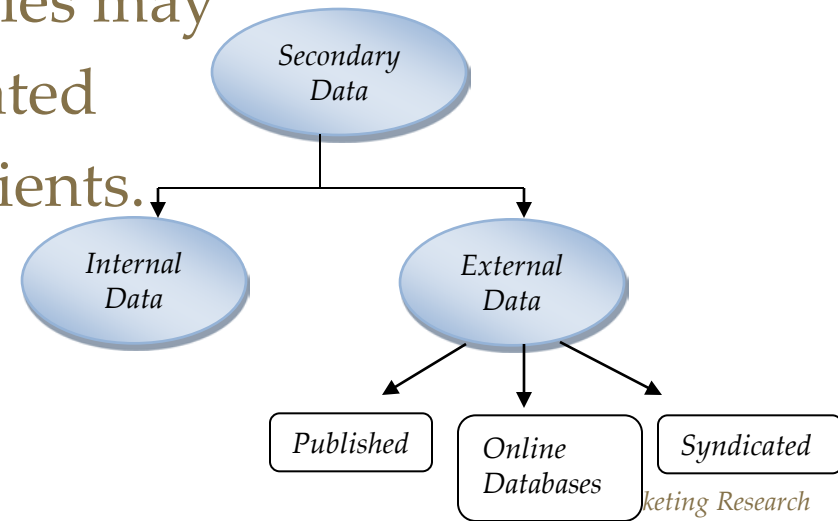
Table 1. Top 10 Web Brands for March 2011 (US, Home and Work)

Rank	Brand	Unique Audience (000)	Time Per Person (hh:mmm:ss)
1	Google	152,333	1:21:51
2	Facebook	135,695	6:35:43
3	Yahoo!	131,319	2:16:10
4	MSN/WindowsLive/Bing	119,292	1:26:41
5	YouTube	105,203	1:17:52
6	Microsoft	88,114	0:42:31
7	AOL Media Network	75,206	2:26:30
8	Apple	63,017	1:12:36
9	Wikipedia	61,805	0:15:44
10	Ask Search Network	60,517	0:10:06

Source: Brown & Suter (2012. The Nielsen Company.
http://blog.nielsen.com/nielsenwire/online_mobile/march-2011-top-u-s-webbrands/, accessed 9
May, 2011

- **<u>Advantages</u>** of secondary data
  - Availability and cost

    ☆ *It can be quickly obtained*

    ☆ *Relatively cheap*

    ☆ *Usually available*

    ☆ *Enhances existing primary data*

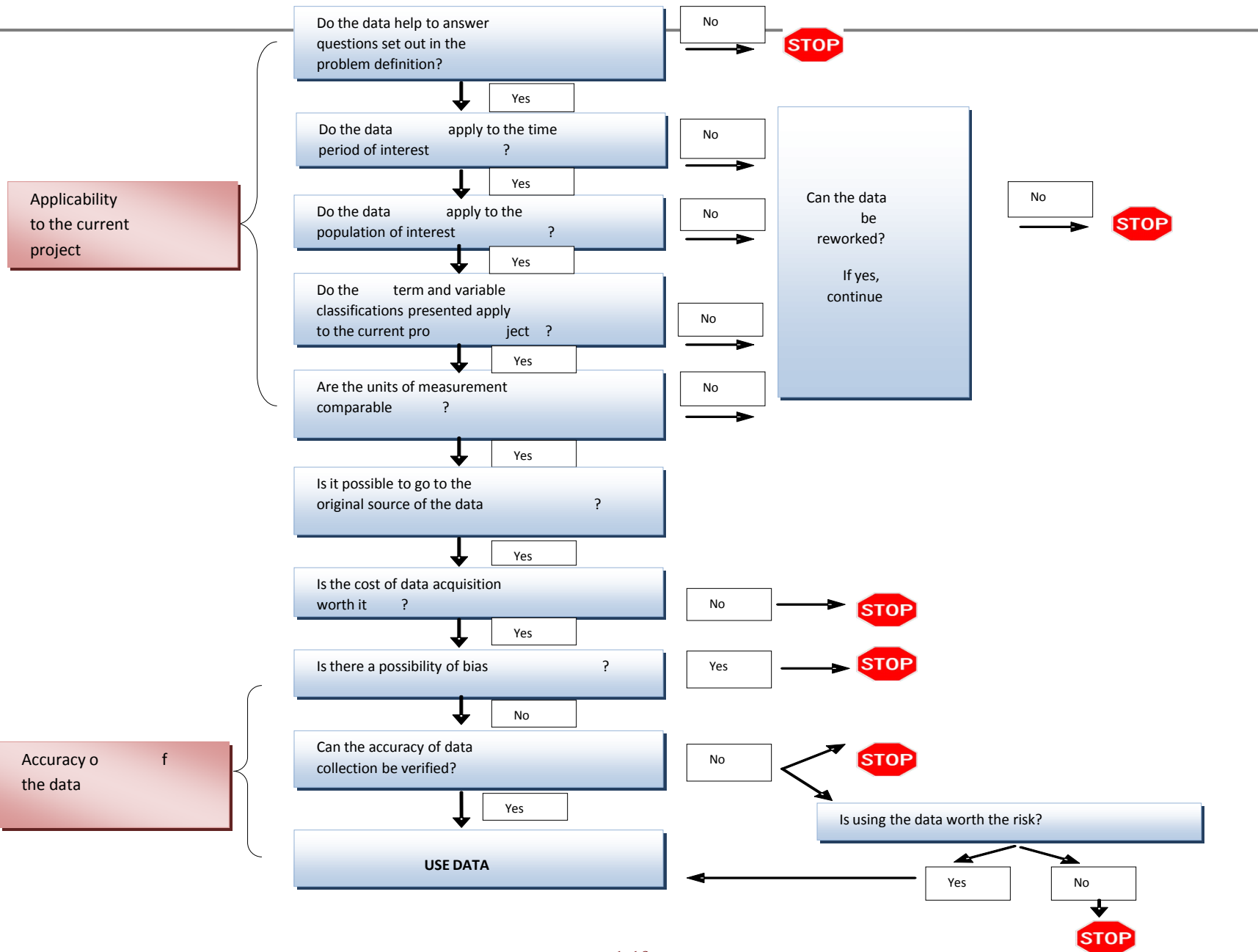   *Additionally, secondary data <u>can help the researcher </u>to:*

    ☆ *Identify the problem*

    ☆ *Better define the problem*

    ☆ *Develop and approach to the problem*

    ☆ *Formulate an appropriate research design (for example, by identifying the key variables)*

    ☆ *Answer certain research questions and test some hypotheses*

    ☆ *Interpret primary data more insightfully*

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- ## **Disadvantages** of secondary data
  - ## Accuracy and credibility

  Following Hair et al., (2006), the main disadvantages can be summarized as follows:

  - ☆ Mismatch of the units of measurement (E.g.The company may need daily data yet only monthly data is available)
  - ☆ Variations in definitions of terms (E.g. Percent "non-whites")
  - ☆ Timeliness (data may be too old)
  - ☆ Lack of information needed to assess the credibility or validity of the reported data. Watch in case bias has been introduced!
    - ☆ Cross-checks are advisable

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SECONDARY DATA

Applicability
to the current
project

Do the data help to answer
questions set out in the
problem definition?

No → **STOP**

Yes

Do the data apply to the time
period of interest ?

No →

Yes

Do the data apply to the
population of interest ?

No →

Yes

Do the term and variable
classifications presented apply
to the current pro ject ?

No →

Yes

Are the units of measurement
comparable ?

No →

Yes

Can the data
be
reworked?

If yes,
continue

No → **STOP**

Is it possible to go to the
original source of the data ?

Yes

Is the cost of data acquisition
worth it ?

No → **STOP**

Yes

Is there a possibility of bias ?

Yes → **STOP**

No

Accuracy o f
the data

Can the accuracy of data
collection be verified?

No → **STOP**

Yes

USE DATA

Is using the data worth the risk?

Yes   No → **STOP**

1-10

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Secondary versus primary data:

	Primary Data	Secondary Data
Collection purpose	For the problem at hand	For other purposes
Collection process	Very involved	Relatively quick and easy
Collection cost	High	Relatively inexpensive
Collection time	Long	Short

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- **Primary data**

```
                    ⟶  Qualitative   ⟶ Tends to be exploratory

                    ⟶  Quantitative  ⟶ Tends to be conclusive
```

The collection of primary data involves all the steps of the research process.

Qualitative versus Quantitative Research

	Qualitative Research	Quantitative Research
Objective	To gain a qualitative understanding of the underlying reasons and motivations	To quantify the data and generalize the results from the sample to the population of interest.
Sample	Small number of non-representative cases	Large number of representative cases
Data collection	Unstructured	Structured
Data analysis	Non-statistical	Statistical
Outcome	Develop an initial understanding	Recommend a final course of action
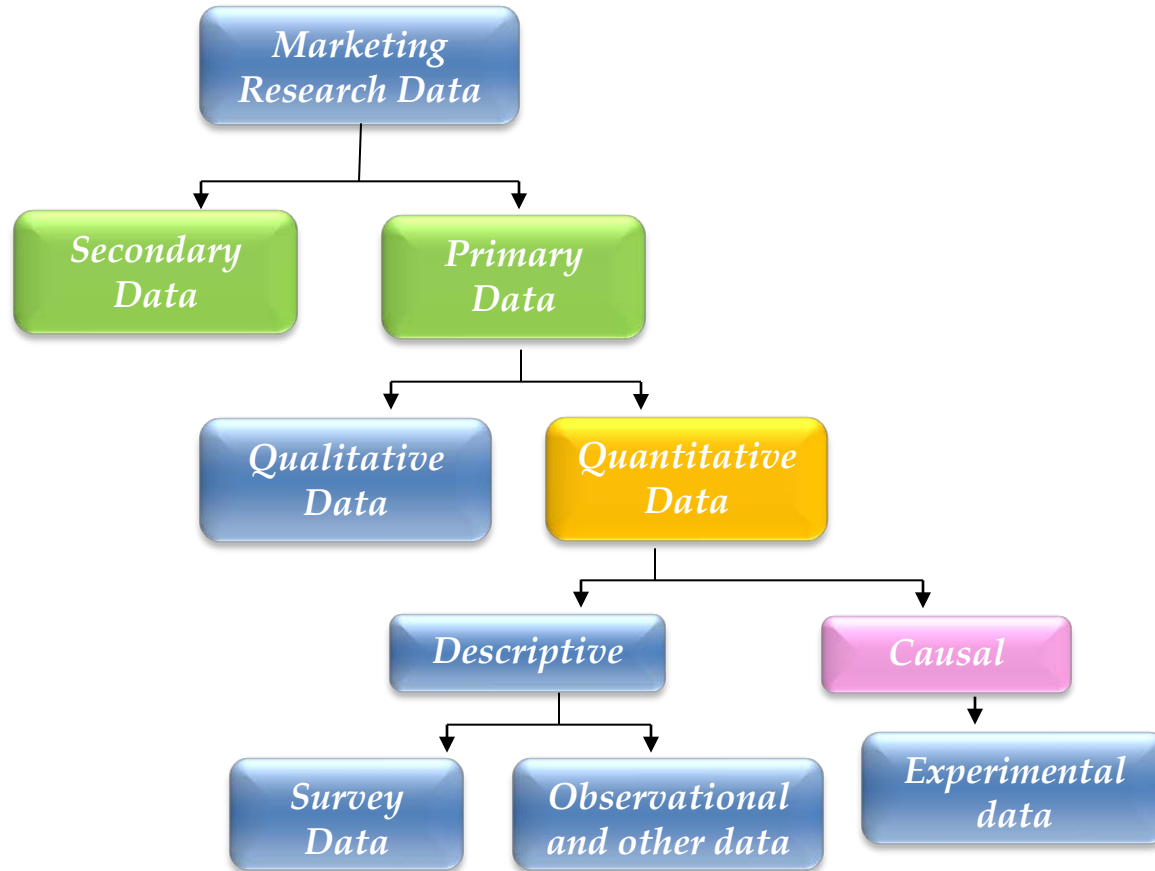
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1. **Direct approach (non-disguised):** purpose disclosed to the respondents

    – **Focus Group**: interview conducted by a trained moderator in a non-structural and natural manner with a **small group** of respondents.

    – **Depth Interview**: Direct, unstructured personal interview conducted by a trained interviewer in which a **single** respondent is probed to uncover underlying motivations, beliefs, attitudes and feelings on a topic. Conducted on a one-to-one basis.

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2. Indirect approach (disguised): purpose undisclosed to the respondents.

- **Projective techniques**: unstructured, indirect form of questioning that encourage respondents to uncover underlying motivations, believes, attitudes or feelings regarding a topic. 4 major projective techniques:

  - **Association Techniques:** Respondents are presented with a stimulus and are asked to respond with the first thing that comes to their mind.

  - **Completion techniques:** Respondents are asked to complete an incomplete stimulus situation

  - **Construction technique:** Respondents are required to construct a response in the form of a story, dialogue or description.

  - **Expressive techniques:** Respondents are presented with a verbal or visual situation and are asked to relate the feelings and attitudes of other people to the situation (e.g. role playing).

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DATA COLLECTION TECHNIQUES

Classification of Qualitative Research Techniques

Source: Malhotra, (1996)

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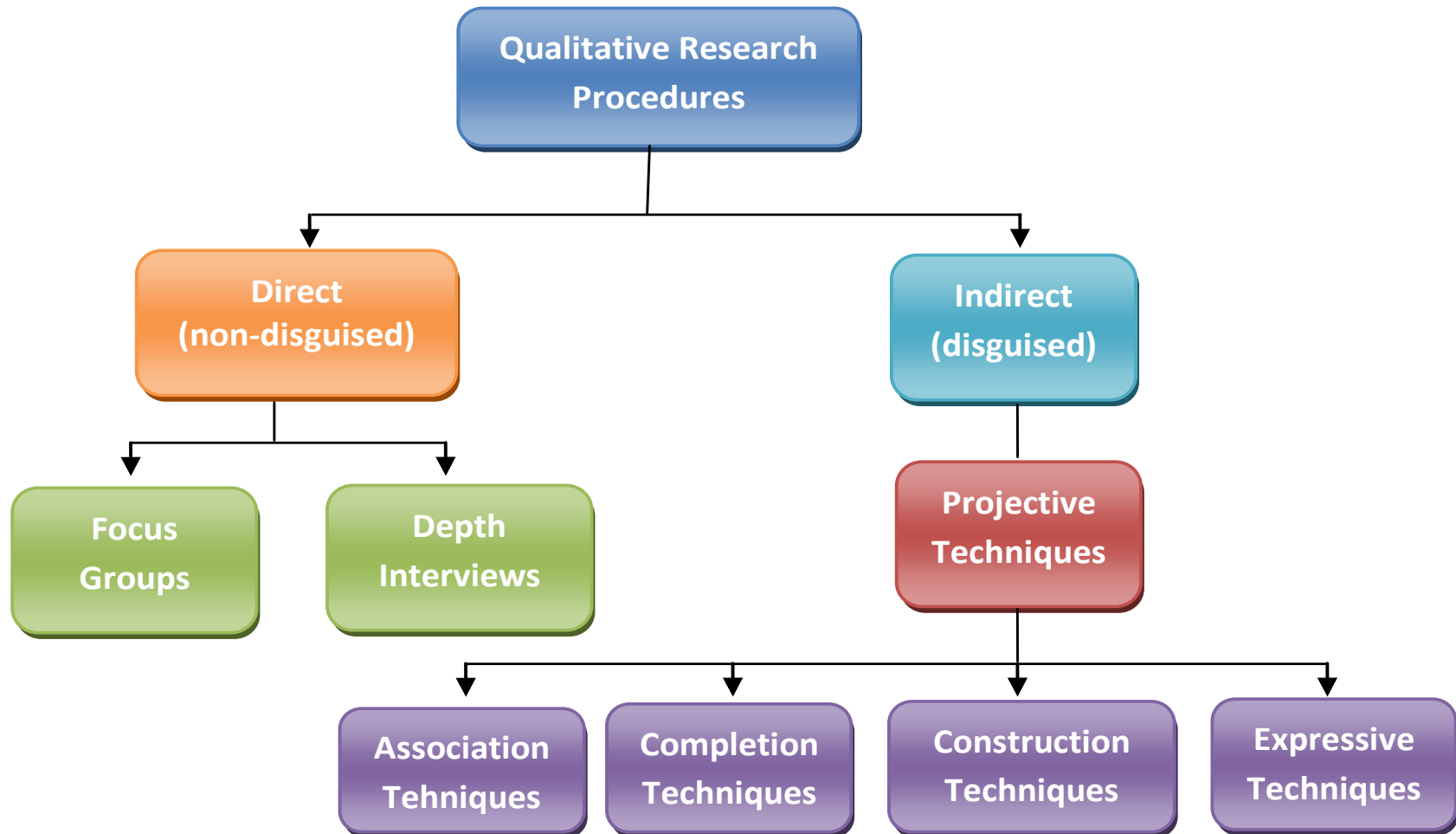
-Intense
-Decaffeinated
-Ecological
-Normal

?

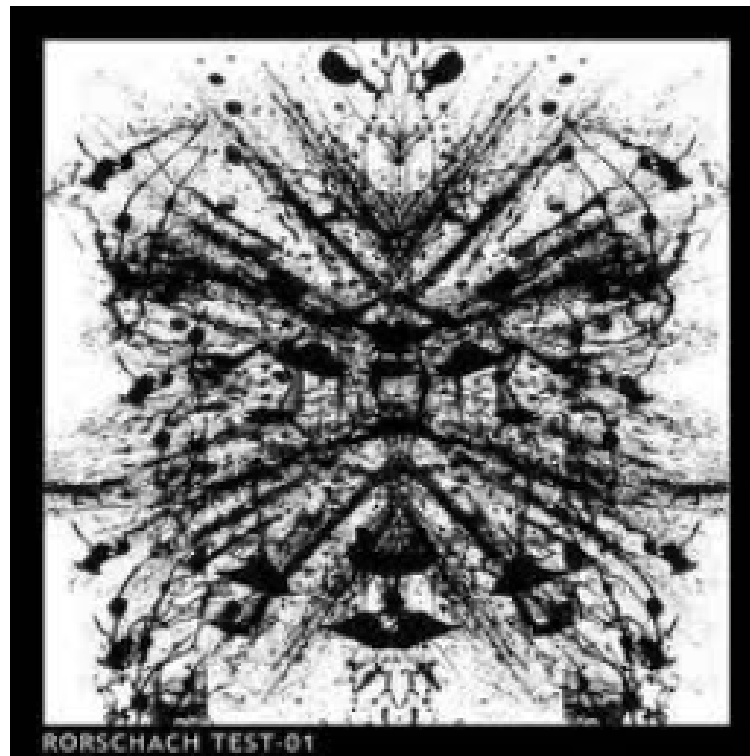*Red*   **Black**   *Blue*   *Green*

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What do you see…?

Rorschach Test (RT)

What do you see…?

Rorschach Test (RT)

Plaat I

Plaat II

Plaat III

Plaat IV

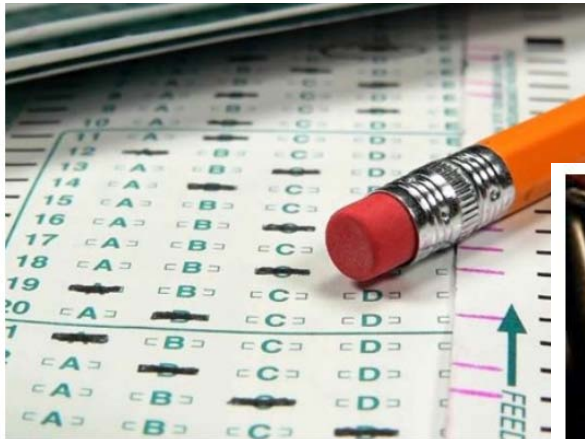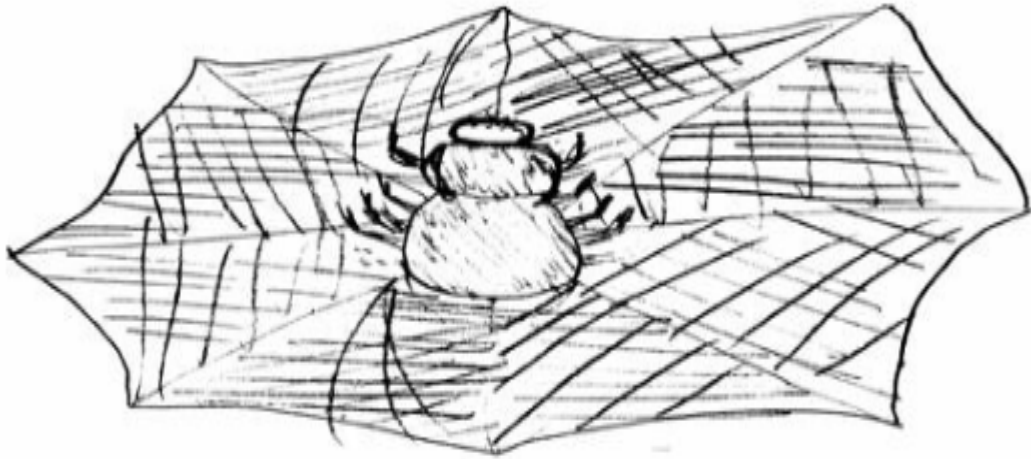Plaat V

Plaat VI

Plaat VII

Plaat VIII

Plaat IX

Plaat X

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Make up a story about what you see...

Thematic Apperception Test (TAT)
Construction technique

Fill in the empty baloon…   *Sentence Completion Test*

Real Example – Campbell Soup

- Campbell Soup sought to invigorate sales of its line of condensed soups

- It conducted **Focus Groups** of Children, on the theory that children often have input into which soups their family will purchase.

- The interviews corroborated that parents and children often collaborated on the purchase decision and that Campbell soup could become a "kid brand" in addition to a "mom brand" if it communicated well with children on their own terms.

- Campbell Soup <u>repositioned some of its products to appeal to children</u> eg.

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Real Example – Campbell Soup

– Recruiting soccer celebrity Freddy Adu

– Sports pasta based on Nickeloden characters

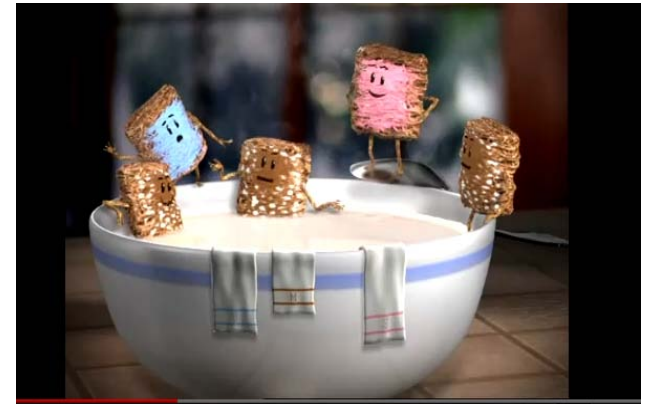– Result: big increase in sales for these lines, attributed to kid-focused promotions.

Source: "Campbell Aims Squarely at Kids with Push for Pastas and Soups", Advertising Age, May 31, 2004.

– http://www.youtube.com/watch?v=qMJtLP8jMWQ

– https://www.youtube.com/watch?v=FU1WAa5pDi0

– https://www.youtube.com/watch?v=setLcE

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Real Example – Kellog´s

- **Focus Group:** revealed that many adults feel a need for their breakfast cereal to be sweet-tasting.

- When asked, a high percentage of adults said they appreciated the health benefits of shredded wheat cereal but wanted something sweeter.

- Armed with this insight: Kellog´s decided to <u>reposition Frosted Mini-Wheats</u> via campaigns aimed at 35-49 year-olds who sought out a high-fiber breakfast cereal but also do not want to forsake a sweet taste.

- Result: Increase in sales for these lines

- Source: "Companies Sweeten Sales of Adult Cereal with Sugar", Wall Street Journal, March 11, 2005.

- http://www.youtube.com/watch?v=4pBljI97rBI&NR=1&feature=endscreen

- http://www.youtube.com/watch?v=0jFOeC2N1CE

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Discussion Question

A digital camera manufacturer wants to determine what is most important to older (60+) camera buyers

Suggest a research approach, contact methods, sampling plan, research instruments

?

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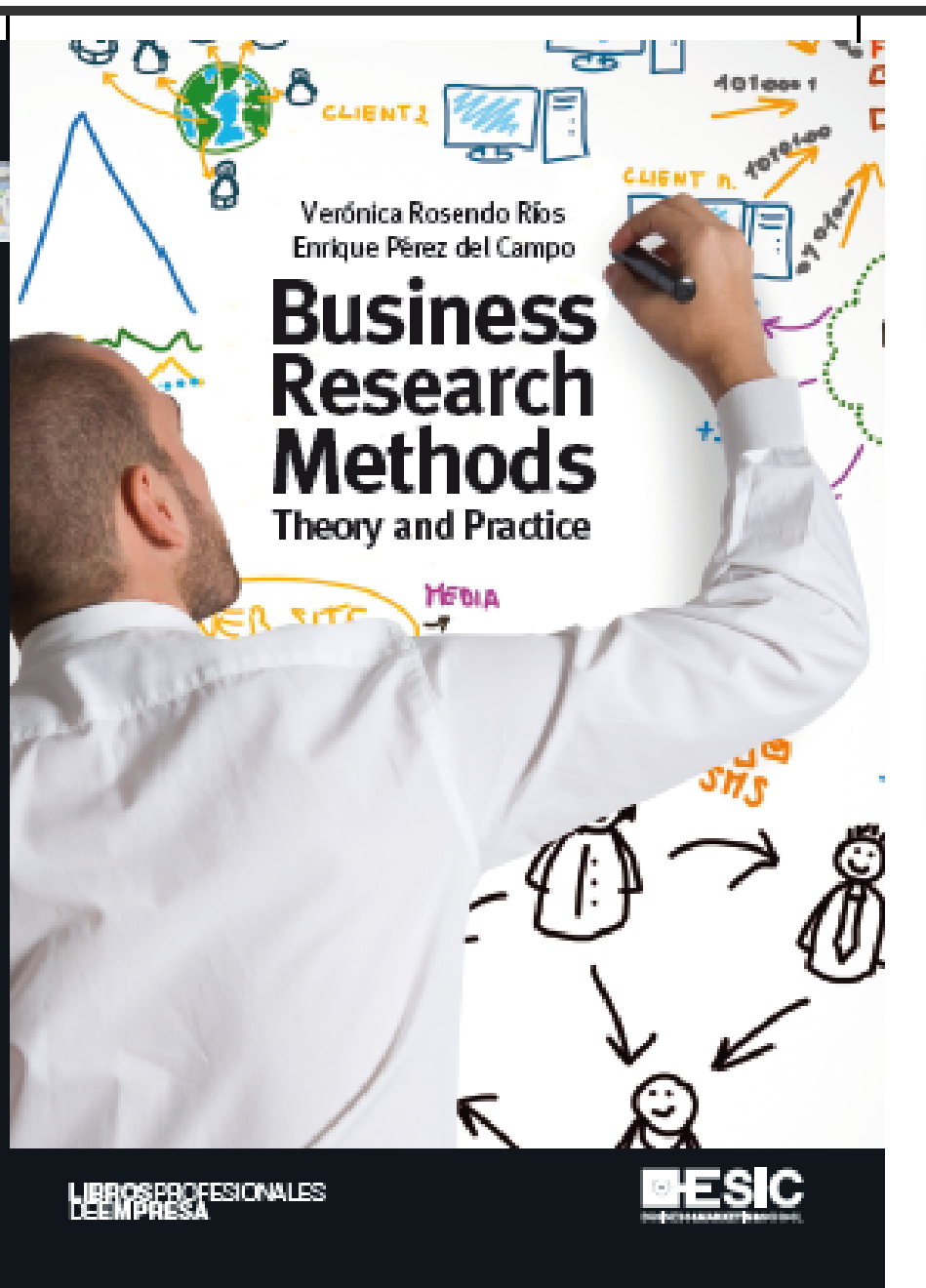
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