

Types of Research

How to obtain and use information

Information

The fundamental benefit

- Reduces uncertainty
- Helps make better decisions

Classification bases

How we classify research designs

- Nature of information
 - Exploratory research
Seeks insight to problems
 - Descriptive research
Seeks to describe, estimate and predict
 - Causal research
Seeks to understand causal relations

Problem definition

A matter of degree

Exploratory research

Unaware of problem

"Our sales are declining and we don't know why."

"Would people be interested in our new product idea?"

Descriptive research

Unaware of problem

"What kind of people are buying our competitor's product?"

"What features do buyers prefer in our product?"

Causal research

Clear problem

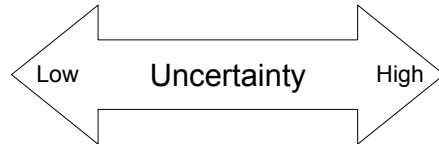
"Will buyers purchase more of our products in a new package?"

"Which of two advertising campaigns is more effective?"

Types of research

Uncertainty affects type

- The type of research used depends on the level of uncertainty in the decision situation



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Exploratory research

Typical uses

- Background information
- Understand and define terms
- Clarify problems
- Establish research directions and priorities

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Exploratory research

Methods

- Secondary data analysis
- Experience surveys
- Case analysis
- Focus groups
- Projective techniques

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Descriptive research

Scope

- Describe attributes of entities that are of interest to marketers
- Describes relationships among marketing variables
- Reasonably well defined problems
- Attempts to answer: what, when, how, where who

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Descriptive research

Types

■ Cross-sectional studies

Static measurement of phenomena at one point in time

■ Longitudinal studies

Repeated measurements of the same phenomenon over time

▪ Traditional panels

Same measurements over time

▪ Omnibus panels

Different measurements over time

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Causal research

Scope

- Seeks to explain the cause and effect relationships between variables

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Causal research

Concept of causality

■ Deterministic causation

- $y = f(x)$

Knowing the state of x determines the state of y, or x determines y

■ Probabilistic causation

- $y = f(x_1, x_2, x_3, \dots, x_n)$

State of y depends on the probability of these variables assuming certain values.

Marketing research deals mostly with probabilistic causation

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Inferring causality

Probabilistic causation is inferred

■ Conditions necessary to infer causality

- Association between variables

Occurring together

Changing together

- Time sequence of events

Cause must precede the effect

- Presence of one causal factor

All others must be eliminated or "controlled"

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Decision problem

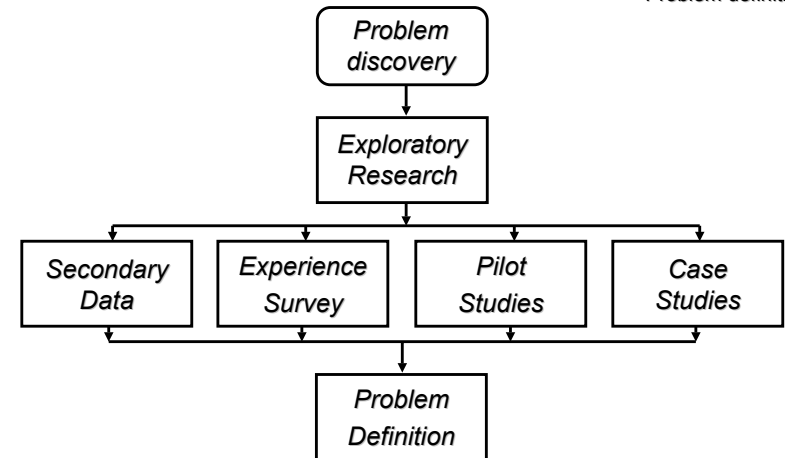
Understanding and defining

- Beginning of research
- Stems from a management decision situation
- Stems from a problem, an opportunity or the need to monitor performance
- Must understand before defining

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MR process

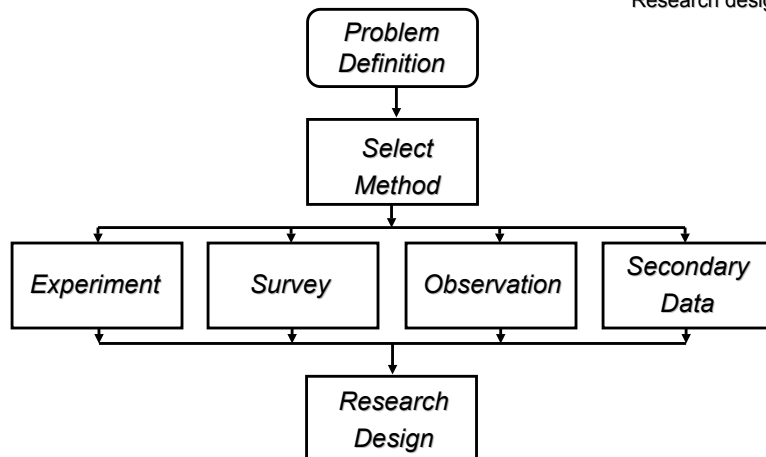
Problem definition



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MR process

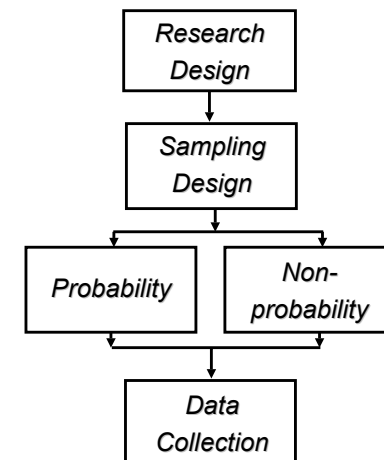
Research design



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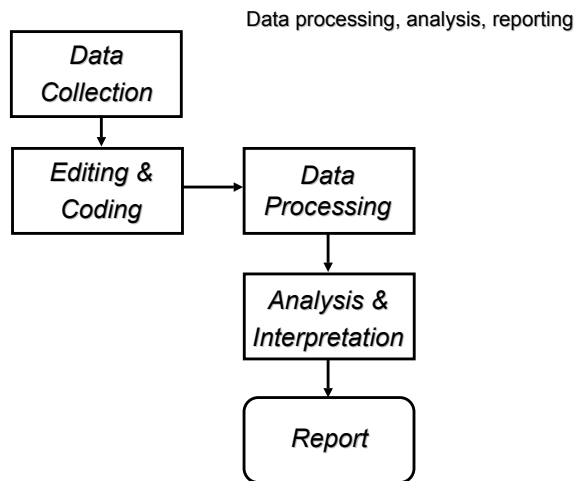
MR process

Sampling, field work



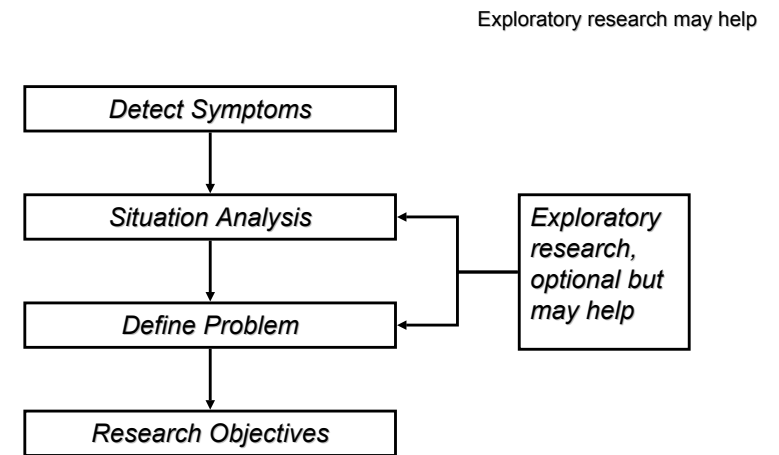
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MR process



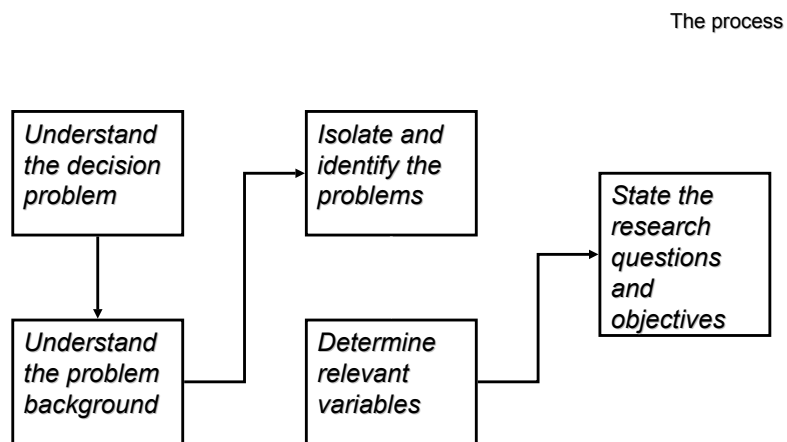
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Define problem



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Define problem



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Hypothesis

- The focus of research
- A proposed answer
 - Not proven to be true, a guess
 - Will test with research

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Research methods

Basic types

- Survey
- Experiment
- Observation
- Secondary data analysis

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Sampling

The part we study

- A subset of the population of interest
- Decision issues
 - Sampling frame (who)
 - Sample size (how large a group to study)
 - Sampling method (how the units are selected)

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Research proposal

Proposed understanding of the problem

- A document that states the researcher's understanding of what the study will entail
- Establishes a common understanding between the decision maker and the researcher

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Research proposal

Components

- Marketing management problem states the
 - Context
 - Symptoms
 - Possible causes
 - Uses of research information

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Research proposal

Components

- Research objectives
 - Focus on the information needed for the decision in precise, comprehensive and operational terms

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Research proposal

Components

- Proposed research method
 - Data collection method
 - Instrument design
 - Sampling plan
 - Time-table
 - Cost

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Research proposal

Example

■ Managerial problem

Circuit City in Garden City shopping center is part of a national chain of stores that sell electronic equipment. One of the competitors in the area, Lechmere, is closing its stores due to bankruptcy.

Other area stores are expected to pick up the market share in their categories. Expanding the assortment may bring some of these customers to Circuit City. The store will reallocate floor space to new items based on consumers' preferences.

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Research proposal

Example

■ Marketing research problem

Research will assess consumers' purchase preferences for "computer equipment," and "digital imaging products" categories. Specifically, the brands and prices that the market is likely to purchase at Circuit City will be measured.

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Research proposal

Example

■ Research objectives

1. Sale of major brand computers and digital imaging products in Rhode Island
2. Consumer profiles who purchase national-brand products in these categories locally
3. Reasons for local purchase as opposed to mail-order
4. Reasons for preference of national-brands
5. Factors influencing the purchase decision
6. Consumers' attitude towards Circuit City as an outlet of such equipment

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Research proposal

Example

■ Proposed research methods

Survey research will be conducted to measure the defined variables and their relevant components.

Due to time constraints, a mall intercept sample will provide the group to study. The results of this sample will be validated against a small random sample of households from the area of influence of Circuit City.

The attached survey instrument will be used in both surveys.

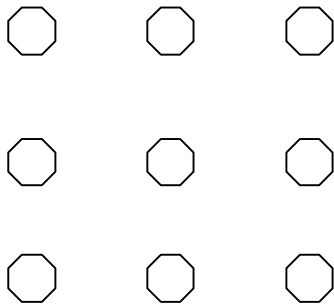
The random sample surveys will be completed in September and the mall intercept surveys in October.

The total cost of the study inclusive of the field work will be \$32,750.

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Answers may be hidden

You need to think outside the box



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