

INTRODUCTION

The Basis for the Book

There is a growing sentiment in the business community as well as the academic field that to continue to fully satisfy the changing needs of clients, marketing research needs to be retooled. Innovative methodologies and more effective and efficient relationships between marketing researchers and clients need to be developed. The need for these changes in marketing research has been expressed by visionary academic researchers as well as professionals since more than a decade ago.¹

As businesses increasingly adopt fact based decision making approaches and embrace the concept of Market Orientation, they expect marketing research to deliver *market insights*. One way for marketing research to fulfill this expectation is to expand the marketing research function to incorporate the role of *trusted advisors*. Trusted advisors have broader knowledge base and skill sets than pure marketing researchers, thereby enhancing their capability of delivering high quality, value-added information for decision making and market learning.

The issue of market insights is fraught with challenging facets. It is not simple or easy for market researchers to uncover or deliver insights because insights are inherently subject to an individual client's idiosyncratic evaluations and perceptions that are in turn based on the client's needs and wants. The characteristics of insights that render them thus are: they are not obvious or logically derived from existing knowledge; they are new in that they have not been previously recognized by the client; once identified for the client, they are perceived as credible and actionable by the client; they are generally about a complex phenomenon; they have to be stated in a manner that is clear and concise for the client; and they have not necessarily been thoroughly proven or tested.

Though it is well acknowledged that insights result from creative data gathering and sophisticated data analysis, it is not adequately recognized that discovering of market insights also requires that the right problems that need to be addressed by marketing research be identified and the right questions that need to be asked be posed. A problem that is right can be characterized as one which conceptually has the potential of resulting in different findings upon investigation, with each finding suggesting a different course of action for the firm – however, only the actual investigation by marketing research of the problem can reveal which one of the potential findings is true. In the practice of marketing research, enormous resources get wasted because

wrong problems are selected for marketing research projects. One significant reason for this rampant lack of proper problem definition is the inadequate level of interaction of market researchers with clients and other individuals within the company with relevant important information for the problem definition process. A trusted advisor status of market researchers allows for such interaction and, hence, for better problem definition.

Highlights of the Book

This handbook of marketing research addresses the above issues of generating insights through creative data gathering, deep analytics and right problem definition with the hope that marketing research will be able to meet client expectations. The book is organized in four sections, with each section dealing with a different aspect and ways of delivering insights. The first part of the book focuses on the insights topic. It talks about the kind of information that could be believed as insights by clients and that could be capable of eliciting “Ahas” from clients. It addresses how such insights can be generated by individual marketing researchers at the project level and how they can be routinely produced at the marketing research organizational level.

The second part of the book essentially discusses techniques of gathering accurate data that is capable of yielding insights. It presents traditional quantitative data gathering techniques, innovative qualitative techniques as well as emerging online methods. It also details how accuracy and representativeness of data can be ensured through minimization of response bias, utilization of proper sampling techniques, weighting of data, and appropriate treatment of missing data.

Part three of the book, the largest section, is devoted to data analysis. Starting with basic data analysis techniques, the section presents advanced analytics techniques which have a greater chance of producing market insights. These include models such as Logit, Tobit, Probit, Conjoint, Discrete Choice, Latent Structure Regression, Structural Equation, Hazard/Survival, Hierarchical Bayes, and Data Mining. This section also includes a chapter on the basic philosophy of mathematical and statistical models and their use in marketing for decision support systems.

The final part of the book slices the marketing research pie in a different manner. It is structured based on the substantial marketing issues that clients would be interested in resolving through marketing research. It presents testing and modeling of advertising and other marketing mix, and conceptualization and measurement of segmentation, brand equity, satisfaction, customer lifetime value, and marketing ROI. The section concludes

with chapters on international marketing research and marketing management support system.

The book is targeted to users as well as to suppliers of marketing research. Given its broad target audience, efforts have been made, in as far as was possible, to articulate and present the contents of the book in a reader-friendly and applications-oriented fashion. By better informing users on when and how market research should be used and suppliers on how to meet the needs of clients, the book seeks to not only prevent market research from being purchased under wrong expectations, but also to elevate the level of expectations from marketing research and, thereby, of the actual performance of marketing research. By doing so, the book hopes to raise the level of satisfaction of all the stakeholders in marketing research.

image

¹The Bloodbath in Market Research (Business Week, February 11, 1991); When Customer Research is a Lousy Idea (WSJ, March 8, 1993, p12); Surveys Proliferate, but Answers Dwindle (The New York Times, October 5, 1990, pA1); The Fall and Decline of Marketing Research in Corporate America (Calvin Hodock's presentation at the 11th Annual Marketing Research Conference, American Marketing Association, 1990); Departments that Provide Information Used by CEOs to Make Decisions (45th Annual Advertising Research Foundation Conference, Dawn Lesh, March, 1999)