

# MARKETING RESEARCH

AN APPLIED APPROACH

FIFTH EDITION



NARESH K. MALHOTRA  
DANIEL NUNAN • DAVID F. BIRKS

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# Preface

## What's new in this edition?

Working as a marketing researcher remains an intellectually stimulating, creative and rewarding career. Globally, marketing research is an industry that turns over more than \$40 billion a year and is at the forefront of innovation in many sectors of the economy. However, few industries can have been presented with as many challenges and opportunities as those faced by marketing research due to the growing amounts of data generated by modern technology.

Founded upon the enormously successful US edition, and building upon the previous four European editions, the fifth edition of this book seeks to maintain its position as the leading marketing research text, focused on the key challenges facing marketing research in a European context. As with previous editions, this aims to be comprehensive, authoritative and applied. As a result, the book covers all the topics in previous editions while including a number of new chapters that reflect the changes and challenges that have impacted the marketing research sector since the fourth edition was published. This edition has been significantly updated, with new chapters, new content, updated cases studies and a major focus on the issues and methods generated by new technologies.

Key improvements and updates in this edition include:

- 1 *New chapters on social media research and mobile research.* These chapters provide an in-depth and very current view of these two key areas of technology. Both social media and mobile research provide researchers with a range of new opportunities to collect data. At the same time, they pose a threat to many of the existing ways in which research is carried out.
- 2 *A dedicated chapter on research ethics.* Research ethics has been an important part of this text in previous editions but the growing range of data collection

enabled through social media or other 'big data' sources has created a new range of ethical challenges around maintaining respondent privacy. This chapter includes recently updated research industry ethics codes and the discussion around the threats to core ethical principles of research (such as anonymity) that are posed by new technologies.

- 3 *Focus on communicating research findings.* The last stage of the marketing research model that forms the core of this and previous editions of the book has been renamed from 'Reporting preparation and presentation' to 'Communicating research findings'. This recognises the increasing range of channels through which research is communicated and the need to look beyond the old-style research report to what influences today's busy managers. Chapter 28 on communicating research findings has been updated to reflect this.
- 4 *New and updated examples and data.* A wide range of new examples, including more than 35 new and updated 'Real Research' case studies, are presented. Material referring to industry data and research firms has been updated to include the most recent data available at time of publication.
- 5 *Data analysis with SPSS.* Reflecting the feedback from previous editions, this book has focused upon SPSS – where step-by-step instructions for conducting the data analysis in each chapter on quantitative analysis are included. These are available to download at the text website, and instructions are suitable for both Windows and Mac versions of SPSS. Recognising that there are a wide range of software programs available for carrying out data analysis – including those suitable for qualitative analysis – we also include details of alternative and emerging software programs, where appropriate. These include lower-cost or open-source programs.

6 *Updated references.* The book contains many more recent references, including articles, conference papers and academic research, as well as retaining the classic references.

## Integrated learning package

If you take advantage of the following special features, you should find this text engaging, thought provoking and even fun:

- 1 *Balanced orientation.* This book contains a blend of scholarship and a highly applied and managerial orientation, showing how researchers apply concepts and techniques and how managers use their findings to improve marketing practice. In each chapter, we discuss real marketing research challenges to support a great breadth of marketing decisions.
- 2 *Real-life examples.* Real-life examples ('Real research' boxes) describe the kind of marketing research that companies use to address specific managerial problems and how they implement research to great effect.
- 3 *Hands-on approach.* You will find more real-life scenarios and exercises in every chapter. The end-of-chapter exercises challenge you to research online and role play as a researcher and a marketing manager. You can tackle real-life marketing situations in which you assume the role of a consultant and recommend research and marketing management decisions.
- 4 *International focus.* Reflecting the increasingly globalised nature of marketing research, the book contains examples and cases from around the world and embeds key cross-cultural issues within the wider discussion of research techniques and methods.
- 5 *Contemporary focus.* We apply marketing research to current challenges, such as customer value, experiential marketing, satisfaction, loyalty, customer equity, brand equity and management, innovation, entrepreneurship, relationship marketing, creativity and design and socially responsible marketing.
- 6 *Statistical software.* We illustrate data analysis procedures, with emphasis upon SPSS and SAS. SPSS sections in the relevant chapters discuss the programs and the steps you need to run them. On our website we also describe and illustrate NVivo qualitative data analysis software and provide details of other key software tools for statistical and other forms of data analysis.
- 7 *Companion website.* The companion website has been updated to reflect the changes in this edition. There are new European case studies with discussion points and questions to tackle. All the referenced websites within the text are described, with notes of key features to look for on a particular site.
- 8 *Instructor's manual.* The instructor's manual is very closely tied to the text, but is not prescriptive in how the material should be handled in the classroom. The manual offers teaching suggestions, answers to all end-of-chapter questions, 'Professional Perspective' discussion points and case study exercises. The manual includes PowerPoint slides, incorporating all the new figures and tables.

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## Text

Extract on p. 21 from 'James Dyson: He sweeps as he cleans as he spins. What's next from the ideas factory? A day in the life of the chairman and founder of Dyson', *The Independent*, 27/05/2006, p. 55 (Measure, S.), <http://www.independent.co.uk/news/business/analysis-and-features/james-dyson-he-sweeps-as-he-cleans-as-he-spins-whats-next-from-the-ideas-factory-479931.html>; Extract on p. 103 from Social and Welfare News Release, *Social Trends*, Crown Copyright material is reproduced with permission under the terms of the Click-Use Licence; Extract on p. 412 adapted from 'Down with random sampling?', *Research World*, November, p. 44–5 (Scheffler, H., Zelin, A. and Smith, P., 2007); Extract on pp. 411–12 adapted from 'Down with random samples', *Research World*, May, p. 31 (Kellner, P., 2007); Extract on pp. 480–1 from 'How was it for you?', *Research*, Fieldwork Supplement (July), pp. 8–9 (Park, C., 2000); Extract on pp. 886–7 from ESOMAR news 'It's here: What the new EU Data Protection law means for market research', <https://www.esomar.org/utilities/news-multimedia/news.php?idnews=195>; Extract on pp. 901–2 from 'Viewpoint - MR confidential: anonymity in market research', *International Journal of Market Research*, vol. 50 (6), pp. 717–18 (Griffiths, J. 2008).

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## Objectives

After reading this chapter, you should be able to:

- 1 understand the nature and scope of marketing research and its role in supporting marketing decisions;
- 2 describe a conceptual framework for conducting marketing research, as well as the steps in the marketing research process;
- 3 distinguish between problem-identification and problem-solving marketing research;
- 4 appreciate the impact that technology is having on the marketing research industry;
- 5 appreciate the role of marketing research in different regions and countries throughout the world;
- 6 understand the types and roles of research suppliers, including internal and external, full-service and limited-service suppliers;
- 7 understand why some marketers may be sceptical of the value of marketing research;
- 8 appreciate the skills that researchers will need to succeed in the future world of marketing research.

## Overview

When you hear the term ‘marketing research’ what comes to mind? People with clipboards stopping you on the street to ask for your opinion? Reading the results of a political opinion poll in the media? A report on opportunities for new markets being presented to managers? All of these activities represent traditional types of marketing research activities, but they don’t even begin to capture the range and breadth of activities that encompass marketing research today. Marketing research is one of the most important, interesting and fast-moving aspects of marketing. In this chapter, we introduce the concept of marketing research, emphasising its key role in supporting marketing decision making, and provide several real-life examples to illustrate the basic concepts of marketing research. We discuss formal definitions of marketing research and show how these link to a six-stage description of the marketing research process. This description is extended to illustrate many of the interconnected activities in the marketing research process. We then subdivide marketing research into two areas: problem-identification and problem-solving research. Finally, an overview of the global marketing research sector is provided, including details of expenditure and key research firms.

The marketing research industry is going through a huge period of change. Much of this change derives from technological developments that are affecting nearly all aspects of how consumers interact with companies. The growth of the internet, the shift to mobile computing and the emergence of ‘big data’ have raised fundamental questions over the relevance of traditional notions of marketing research. However, technology is not the only source of change. Both academics and practitioners have noted that it is getting more difficult to persuade people to take part in research, partly because research tools such as surveys are so commonly used in nearly all aspects of our day-to-day lives. Another emerging issue is the increasing interest from governments in the ways that companies are collecting and using data about their customers. This creates the potential for new forms of data protection legislation that could place tighter legal restrictions on the kinds of research that can be undertaken. On the other hand, change brings opportunity. New technologies have brought with them an exciting range of new research techniques. Above all, with organisations being awash with data, the need for researchers skilled in being able to turn this data into insight has never been greater.

There are many successful marketing decisions that have been founded upon sound marketing research; however, marketing research does not replace decision making. We explore the need to justify investment in marketing research alongside the challenges facing marketing research as an industry. At the same time, these challenges create new ways for researchers to design and produce research that is actionable and relevant to marketing decision makers.

## What does 'marketing research' mean?

The term 'marketing research' is broad in meaning and application. This breadth will be explored and illustrated throughout this chapter. What will become apparent is that it is related to supporting marketing decision making in many traditional and new ways. The following examples illustrate some of the different contexts in which marketing research can be applied.

### Real research

#### Customer service on London Buses

London's bus network is one of the world's largest, carrying more than 6.5 million passengers each day using a fleet of over 8,600 (mostly red) buses. The network is overseen by Transport for London (TfL) and keeping so many customers happy is not an easy job. TfL relies on research to make sure it understands the customer experience. In 2014 TfL realised that, despite major investment, thousands of customers were contacting it each month to complain about the service received. Working with agency research partners, TfL was able to bring together data from a wide range of sources including complaints data, social media analysis, customer satisfaction surveys, customer experience ethnographies, driver depth interviews and observations and bus staff surveys.

Analysis of this data, particularly that of social media data, found that customers viewed their interactions with employees as nearly as important as the functional reliability of the bus services, such as the range of routes or a bus being on time. A lot of customer complaints were due to bus drivers not always stopping when expected or poor communication when something went wrong, such as a delay or disruption. On the other hand, analysis of employee data showed that bus drivers viewed their role as functional – simply driving the bus!

Research identified the disconnect, which was then addressed via a series of workshops to help bus drivers understand the importance of customer experience. Follow-up research six months later indicated that the workshops had significantly increased employees' engagement with customers.<sup>1</sup>



### Real research

#### Steve Jobs on market research

Steve Jobs, Apple CEO and founder, was one of the most influential business leaders of modern times and the wider impacts of his work are felt by hundreds of millions of people around the world each day. But what did he think of market research? At first glance not a great deal, as he was famously quoted as saying the following:

*Some people say, 'Give the customers what they want.' But that's not my approach. Our job is to figure out what they're going to want before they do. I think Henry Ford once said, 'If I'd asked customers what they wanted, they would have told me, "A faster horse!" People don't know what they want until you show it to them. That's why I never rely on market research. Our task is to read things that are not yet on the page.'*<sup>2</sup>



You will find this quote widely used online when referring to the weaknesses of marketing research. However, it doesn't quite tell the whole story. Information that came to light after Steve Jobs' death found that Apple carried out plenty of market research to better understand what customers thought about both its products and competitors.<sup>3</sup> As it turns out, what Steve Jobs was talking about was the role of focus groups in developing completely new and innovative products, such as the iPhone, where a customer lacks knowledge of what the product can actually do.

## Real research

### Moving on from 'low-cost' with easyJet

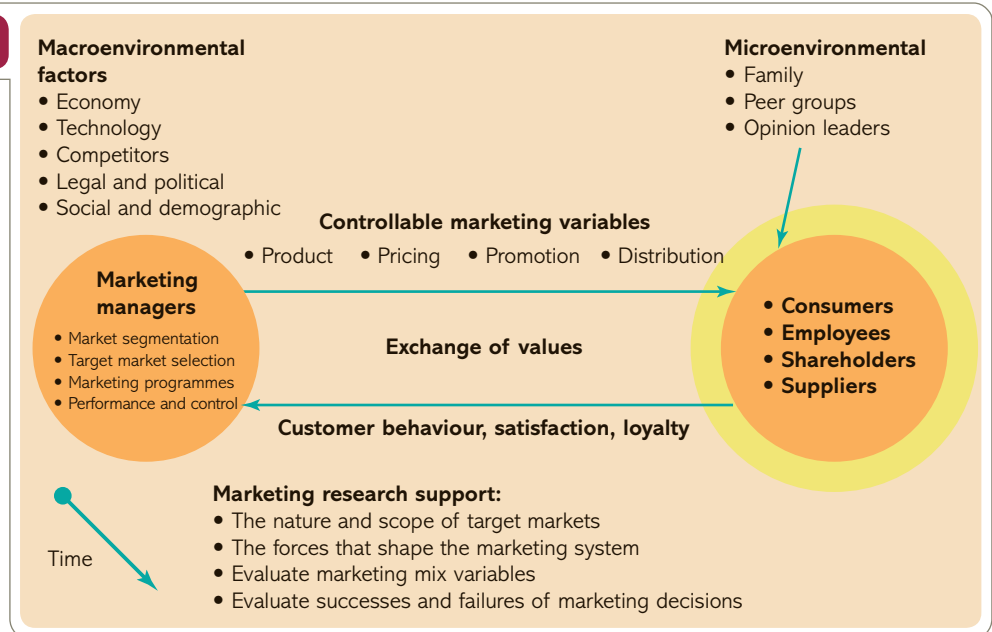
Measured by the number of passengers carried, easyJet is the largest UK airline and the second largest in Europe. It has a history of using innovative research techniques to generate the highest returns from its marketing budget. For example, easyJet was an early adopter of online research communities to gain feedback from customers more quickly than was possible with traditional approaches.<sup>4</sup> More recently, following a long period of success, easyJet has sought to improve its brand perception and move away from a marketing model purely based upon low prices. This involved moving to more of an affinity-building approach based around the 'Europe by easyJet' approach. One of the challenges it faced was finding a budget for brand advertising on television without damaging the results of expenditure on existing channels.<sup>5</sup> By carrying out research on the effectiveness of search-engine advertising, it found that it could reduce expenditure on certain keywords, such as 'easyJet', without reducing the number of visitors to the website. This created savings of £8 million per year on search advertising alone, which could be reinvested in television advertising.<sup>6</sup>

These examples illustrate the variety of methods used to conduct marketing research, which may range from highly structured surveys with large samples to open-ended, in-depth interviews with small samples; from the collection and analysis of readily available data to the generation of 'new' quantitative and qualitative data; from personal face-to-face interactions to remote observations and interactions with consumers via the internet; from small local studies to large global studies. As is best highlighted by the case of Apple, marketing research techniques can't be used to solve all business problems, but every company, even Apple, has a place for marketing research. This book will introduce you to the full complement of marketing research techniques and challenges. These examples also illustrate the crucial role played by marketing research in designing and implementing successful marketing plans. This book will introduce you to a broad range of marketing applications supported by marketing research.

The role of marketing research can be better understood in light of a basic marketing paradigm depicted in Figure 1.1. The emphasis in marketing, as illustrated in the TfL example above, is on understanding customer experiences and the delivery of satisfaction. To understand customer experiences and to implement marketing strategies and plans aimed at delivering satisfying experiences, marketing managers need information about customers, competitors and other forces in the marketplace. In recent years, many factors have increased the need for more accurate and timely information. As firms have become national and international in scope, the need for information on larger and more distant markets has increased. As consumers have become more affluent, discerning and sophisticated, marketing managers need better information on how they will respond to new products and other new experiences. As competition has become more intense, managers need information on the effectiveness of their marketing tools. As the environment is changing more rapidly, marketing managers need more timely information to cope with the impact of these changes.

Figure 1.1

### The role of marketing research within the marketing system



Marketers make decisions about what they see as potential opportunities and problems, i.e. a process of identifying issues. They go on to devise the most effective ways to realise these opportunities and overcome problems they have identified. They do this based on a 'vision' of the distinct characteristics of the target markets and customer groups. From this 'vision' they develop, implement and control marketing programmes. This 'vision' of markets and subsequent marketing decisions may be complicated by the interactive effects of an array of environmental forces that shape the nature and scope of target markets. These forces also affect the marketers' ability to deliver experiences that will satisfy their chosen target markets. Within this framework of decision making, marketing research helps the marketing manager link the marketing variables with their environment and customer groups. It helps remove some of the uncertainty by providing relevant information about marketing variables, environment and consumers.

The role of the researcher in supporting the marketing decision maker can therefore be summarised as helping to:

- describe the nature and scope of customer groups;
- understand the nature of forces that shape customer groups;
- understand the nature of forces that shape the marketer's ability to satisfy targeted customer groups;
- test individual and interactive variables that shape consumer experiences;
- monitor and reflect upon past successes and failures in marketing decisions.

Traditionally, researchers were responsible for designing and crafting high-quality research and providing relevant information support, while marketing decisions were made by the managers. The clarity and distinction of these roles are blurring somewhat. Researchers are becoming more aware of decision making; conversely, marketing managers are becoming more aware of research and the use of an eclectic array of data sources that can support their decision making. This trend can be attributed to better training of marketing managers and advances in technology; the advances in technology are a theme that we will discuss in more detail throughout the text. There has also been a shift in the nature and scope of marketing research. Increasingly marketing research is being undertaken not only on an ongoing basis but on a 'real-time' basis, rather than a traditional notion of research being in response to



specific marketing problems or opportunities.<sup>7</sup> Major shifts are occurring in the marketing research industry that are impacting upon the perceived nature and value of marketing research. The nature of these shifts and their impact upon new approaches to marketing research will be addressed later in this chapter. The current and developing role of marketing research is recognised in its definition.

### A brief history of marketing research

Before defining marketing research, it is useful to consider some of the history of the field. This is not because marketing researchers need to be historians – far from it. Rather, history helps to give us context. In a time where the research sector is facing many changes and challenges, being able to understand the forces that have shaped the development of marketing research in the past and present will better enable us to understand the future.

The first point to make is that while the term ‘marketing research’ is relatively recent, the concepts that underlie it are not new. As long as the opinions of the public have mattered, and traders have had a need to improve their level of trade, then some form of research has been undertaken. The bustling markets of ancient Rome have been characterised as a market economy, with traders seeking competitive advantage while dealing with suppliers, farmers and craftsmen in distant lands. As today, information such as the prices consumers were willing to pay for certain products was valuable to traders and much effort was spent on gathering and exchanging such information.<sup>8</sup> Even many modern research techniques have origins far into the past. The Domesday Book, a research project completed in 1086 for the English King William the Conqueror, contained details of land holdings in England and Wales. Perhaps Europe’s oldest and most valuable statistical document, the original, and less ominous, name of the book was *descriptio* – the Latin word for ‘survey’.

However, elements of what would be immediately recognisable as marketing research can be traced back to more recent times. For example, opinion polls in the USA can be traced back to the 1820s, and questionnaires were being used widely to gauge consumer opinion of advertising as early as the 1890s.<sup>9</sup> The first evidence of market research use becoming mainstream happened in the period from 1910–20 and it is generally accepted that the marketing research industry was well embedded in commercial life by the 1930s.<sup>10</sup> Thus, when professional associations such as ESOMAR or the UK’s market research society (MRS) were established in the late 1940s, it didn’t represent the beginning of marketing research but rather the capstone on a longer period of development. We will discuss some of the innovations since this time, for example in the development of research ethics guidelines, in later chapters.

The important point here is that marketing research has been a well-established part of commercial life for more than 100 years. It has successfully navigated the huge social, political and economic changes facing the world over this period and has continued to prosper. From television to the internet, marketing research has adapted to each new set of technologies, while the key focus on producing high-quality research, and doing so with integrity, has remained.

### Definition of marketing research

You might ask why we need a definition of marketing research – isn’t it obvious? The challenge is that when many managers think about marketing research, they focus on the data collection aspects of research. This ignores the importance of a wider research process and doesn’t tell us how marketing research might differ from other marketing activities. To understand these issues we can review two common definitions of marketing research. You might note that the first definition uses the term ‘market research’, while the second talks

about ‘marketing research’; we will discuss this point later in this section. The first is from ESOMAR (originally the European Society for Opinion and Market Research), a global membership organisation for research firms and practitioners:

*Market research, which includes social and opinion research, is the systematic gathering and interpretation of information about individuals or organisations using the statistical and analytical methods and techniques of the applied sciences to gain insight or support decision making. The identity of respondents will not be revealed to the user of the information without explicit consent and no sales approach will be made to them as a direct result of their having provided information.*<sup>11</sup>

Several aspects of this definition are noteworthy. It includes opinion and social research within its definition, meaning that it’s not only for-profit companies that undertake market research. Charities, governments and other third- or public-sector organisations are also important users of research. Secondly, it makes it clear that the principle of anonymity applies to market research and that the identity of those partaking in research will not be revealed. Finally, it highlights the importance of gaining consent from research participants and not selling directly to them as a result of partaking in research. Consent and anonymity are key concepts of market research and we will return to them throughout this text.

Our second definition comes from the American Marketing Association (AMA):

*Marketing research is the function that links the consumer, customer, and public to the marketer through information – information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve understanding of marketing as a process. Marketing research specifies the information required to address these issues, designs the method for collecting information, manages and implements the data collection process, analyzes the results, and communicates the findings and their implications.*<sup>12</sup>

This definition has several aspects that differentiate it from the previous ESOMAR definition. Most importantly, it stresses the role of marketing research as a process of ‘linking’ the marketer to the consumer, customer and public to help improve the whole process of marketing decision making. It also sets out the challenges faced by marketing decision makers and thus where research support can help them make better decisions, and/or decisions with lower risks. Notably, it also alludes to the ethical issues surrounding market research (which will be covered in depth in Chapter 30).

We should remember that definitions often reflect the interests of those who create them. Ultimately, ESOMAR exists to look after and promote the interests of its members, so it is not surprising that in defining marketing research it seeks to position it as something *separate* from marketing. On the other hand, the AMA takes a more integrative view of marketing research as part of marketing activity. With this in mind, neither definition is ‘best’ – they simply take different perspectives and both give us a useful understanding as to the scope of marketing research.

One area of potential confusion is with distinctions between *marketing* research and *market* research. In terms of usage, these distinctions are largely geographic in nature, with research practitioners in Europe preferring ‘market research’ and those in the USA ‘marketing research’. However, behind the semantics of the exact words used there lies slightly different views on how the industry should be seen. ‘Market research’ is more closely associated with the research industry and good practice. On the other hand, the AMA definition’s use of ‘marketing research’ refers to the broader consumer context that drives the undertaking of research. While there were once a number of regional differences reflecting local research cultures in different markets, as commerce has become increasingly globalised so too has the use of language. This means that ‘marketing research’ has become increasing commonly used around the world while, even within Europe, ‘market research’ and ‘marketing research’ are often used interchangeably.

### Marketing research

is the function that links the consumer, customer, and public to the marketer through information – information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve understanding of marketing as a process. Marketing research specifies the information required to address these issues, designs the method for collecting information, manages and implements the data collection process, analyzes the results, and communicates the findings and their implications.

One final, final point of note on language is the use of the word ‘insight’. For many years, marketing and market research professionals and functions have been termed or associated with ‘consumer insight’, as illustrated by the following example from Diageo. There has been much debate about what consumer insight means and how this may give a ‘richer’ understanding of consumers compared with traditional notions of market research. At the heart of this debate is a clear recognition that the links to consumers and support given to marketing decision makers are being delivered by a much broader and diverse array of techniques and sources.

### Real research

### What consumer insight means to Diageo<sup>13</sup>

Diageo’s ([www.diageo.com](http://www.diageo.com)) strong belief is that in order to be a world-class company, it all starts with the consumer: ‘knowing them, understanding them, understanding their motivations, understanding what drives them, and subsequently utilising this information to better serve consumers’. ‘Consumer insight’ is at the heart of what they see makes them a world-class company. Consumer insight, as defined by Diageo, is: ‘A penetrating discovery about consumer motivations, applied to unlock growth’:

- Penetrating – same data, but much deeper understanding.
- Discovery – ah-ha! eureka!
- Motivations – understand the why?
- Applied – leveraged for their brands.
- Growth – organic from brand strategies based on deep consumer understanding.

At the core of the definitions of marketing and market research is an understanding of the consumer and what shapes consumers. Regardless of whether a research professional is defined as a ‘marketing researcher’, ‘market researcher’ or ‘consumer insight manager’, the focus upon consumers is paramount. However, the role and expectations of the marketing researcher can be argued to have the widest scope of practice. The expectations and demands of such a scope will be addressed later in this chapter, but for now we will use and adopt the broader definition of marketing research. Focusing upon ‘marketing research’ helps to encapsulate the profession of managing the process of measuring and understanding consumers in order to better support marketing decision making, a profession that strives for the highest levels of integrity in applying sound research methods in an ethical manner. It is recognised that marketing research can now include understanding the macro-business operating environment, monitoring market trends, conducting competitive analyses, answering business questions, identifying business opportunities and assessing potential risks. More analytics, insights and future outlooks are demanded from business leaders to help them better understand their customers, the marketplace and the overall business environment. Researchers have to adapt and respond to these demands.

One of the major qualities of the American Marketing Association’s definition of marketing research is its encapsulation of the **marketing research process**. The process is founded upon an understanding of the marketing decision(s) needing support. From this understanding, research aims and objectives are defined. To fulfil defined aims and objectives, an approach to conducting the research is established. Next, relevant information sources are identified and a range of data collection methods are evaluated for their appropriateness, forming a research design. The data are collected using the most appropriate method(s); they are analysed and interpreted, and inferences are drawn. Finally, the findings, implications and recommendations are provided in a format that allows the information to be used for marketing decision making and to be acted upon directly.

It is important that marketing research should aim to be objective. It should attempt to provide accurate information in an impartial manner. Although research is always influenced

#### Marketing research process

A set of six steps that define the tasks to be accomplished in conducting a marketing research study. These include problem definition, developing a research approach, research design, fieldwork or data collection, data analysis and communicating research findings.

by the researcher's research philosophy, it should be free from personal or political biases of the researcher or decision makers. Research motivated by personal or political gain involves a breach of professional standards. Such research is deliberately biased to result in predetermined findings. The motto of every researcher should be 'Find it and tell it like it is'. Second, it is worth noting the term 'total field of information'. This recognises that marketing decisions are not exclusively supported by marketing research. There are other means of information support for marketers, from management consultants, raw-data providers such as call centres, direct marketing, database marketing telebusinesses and social media. These alternative forms of support are now competing with the 'traditional' view of marketing research. The methods of these competitors may not be administered with the same scientific rigour and/or ethical standards applied in the marketing research industry. Nonetheless, many marketing decision makers are increasingly using these other sources, which collectively are changing the nature of skills demanded in researchers.

## The marketing research process

The marketing research process consists of six broad stages. Each of these stages is developed in more detail in subsequent chapters; thus, the discussion here is brief. The process illustrated in Figure 1.2 is of the marketing research seen in simple stages. Figure 1.3 takes the process a stage further to show the many iterations and connections between stages. This section will explain the stages and illustrate the connections between the stages.

**Step 1: Problem definition.** The logical starting point in wishing to support the decision maker is trying to understand the nature of the marketing problem that requires research support. Marketing decision problems are not simple 'givens' (as will be discussed in Chapter 2). Many researchers are surprised to learn that clearly defining a research problem can be the most challenging stage in a research project. The symptoms and causes of a problem are not, in reality, as neatly presented as they may be in a case study, such as those found in marketing textbooks. In Figure 1.3, the first three stages show the iterations between the environmental context of the problem, the marketing decision problem and the marketing research problem. Understanding the environmental context of the problem has distinct stages (which will be discussed in Chapter 2). It involves discussion with decision makers, in-depth interviews with industry experts and the collection and analysis of readily available published information (from both inside and outside the firm). Once the problem has been precisely defined, the researcher can move on to designing and conducting the research process with confidence.

**Step 2: Developing a research approach.** The development of an approach to the research problem involves identifying factors that influence research design. A key element of this step involves the selection, adaptation and development of an appropriate theoretical framework to underpin a research design. Understanding the interrelated characteristics of the nature of target participants, the issues to be elicited from them and the context in which this will happen relies upon 'sound' theory. 'Sound' theory helps the researcher to decide 'what should be measured or understood' and 'how best to encapsulate and communicate the measurements or understandings'. In deciding what should be either measured or encapsulated, the researcher also develops a broad appreciation of how the data collected will be analysed. (The issues involved in developing an approach are tackled in more detail in Chapter 2.)

**Step 3: Research design.** A research design is a framework or blueprint for conducting a marketing research project. It details the procedures necessary for obtaining the required information. Its purpose is to establish a study design that will either test the hypotheses of interest or determine possible answers to set research questions, and ultimately provide the information needed for decision making. Conducting any exploratory techniques, precisely