Chapter 3

Sources and Tools of Market Research Data

Business Research Methods
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Enrique Pérez del Campo
“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).
CHAPTER 3. Sources and Tools of Market Research Data

CONTENTS

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

After reading this chapter, you should be 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.
INFORMATION SOURCES

• **Primary data:**

  Information that is developed or gathered by the researcher specifically for the project at hand.

• **Secondary data:**

  Information that has previously been gathered by someone other than the researcher and/or for some other purpose than the project at hand.
**SECONDARY DATA**

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

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

SECONDARY DATA

• **Advantages** of secondary data
  – Availability and cost

  ✧ *It can be quickly obtained*
  ✧ *Relatively cheap*
  ✧ *Usually available*
  ✧ *Enhances existing primary data*

  Additionally, secondary data can help the researcher 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*
• **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**
Evaluating Secondary Data

Do the data help to answer questions set out in the problem definition?
Yes → Do the data apply to the time period of interest?
Yes → Do the data apply to the population of interest?
Yes → Are the units of measurement comparable?
Yes → Is it possible to go to the original source of the data?
Yes → Is the cost of data acquisition worth it?
Yes → Can the accuracy of data collection be verified?
Yes → USE DATA

No → Can the data be reworked?
Yes → If yes, continue

No → Applicability to the current project
Yes → Applicability to the current project
Yes → Applicability to the current project
Yes → Applicability to the current project
No → Applicability to the current project
No → Applicability to the current project
No → Applicability to the current project
No → Applicability to the current project
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No → Applicability to the current project
No → Applicability to the current project
No → Applicability to the current project

Is there a possibility of bias?
Yes → USE DATA
No → USE DATA

Is using the data worth the risk?
Yes → USE DATA
No → USE DATA
## Secondary versus primary data:

<table>
<thead>
<tr>
<th></th>
<th>Primary Data</th>
<th>Secondary Data</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Collection purpose</strong></td>
<td>For the problem at hand</td>
<td>For other purposes</td>
</tr>
<tr>
<td><strong>Collection process</strong></td>
<td>Very involved</td>
<td>Relatively quick and easy</td>
</tr>
<tr>
<td><strong>Collection cost</strong></td>
<td>High</td>
<td>Relatively inexpensive</td>
</tr>
<tr>
<td><strong>Collection time</strong></td>
<td>Long</td>
<td>Short</td>
</tr>
</tbody>
</table>
The collection of primary data involves all the steps of the research process.

## Qualitative versus Quantitative Research

<table>
<thead>
<tr>
<th></th>
<th>Qualitative Research</th>
<th>Quantitative Research</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objective</strong></td>
<td>To gain a qualitative understanding of the underlying reasons and motivations</td>
<td>To quantify the data and generalize the results from the sample to the population of interest.</td>
</tr>
<tr>
<td><strong>Sample</strong></td>
<td>Small number of non-representative cases</td>
<td>Large number of representative cases</td>
</tr>
<tr>
<td><strong>Data collection</strong></td>
<td>Unstructured</td>
<td>Structured</td>
</tr>
<tr>
<td><strong>Data analysis</strong></td>
<td>Non-statistical</td>
<td>Statistical</td>
</tr>
<tr>
<td><strong>Outcome</strong></td>
<td>Develop an initial understanding</td>
<td>Recommend a final course of action</td>
</tr>
</tbody>
</table>
CLASSIFICATION OF MARKETING RESEARCH DATA

- Marketing Research Data
  - Secondary Data
  - Primary Data
    - Qualitative Data
    - Quantitative Data
      - Descriptive
      - Causal
      - Experimental data
      - Survey Data
      - Observational and other data
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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.
2. Indirect approach (disguised): purpose undisclosed to the respondents.

- **Projective techniques**: unstructured, indirect form of questioning that encourage respondents to uncover underlying motivations, beliefs, 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).
Classification of Qualitative Research Techniques

Qualitative Research Procedures
  - Direct (non-disguised)
    - Focus Groups
    - Depth Interviews
  - Indirect (disguised)
    - Projective Techniques
      - Association Techniques
      - Completion Techniques
      - Construction Techniques
      - Expressive Techniques

Source: Malhotra, (1996)
EXAMPLE

- Intense
- Decaffeinated
- Ecological
- Normal

Red  Black  Blue  Green
What do you see...?

Rorschach Test (RT)
What do you see...?

*Rorschach Test (RT)*
No quiero cuestionarlo, pero no creo que el test de Rorschach se aplique así...
Make up a story about what you see...  

Thematic Apperception Test (TAT)  
Construction technique
Fill in the empty balloon... Sentence Completion Test

"They banned soda pop, we get expelled if we're caught with fingernail clippers or aspirin, we can't wear tee shirts with un-PC slogans, we can't play dodgeball...."

"The only thing we can do in school anymore without fear of consequences is not learn anything."
CASE STUDY 1

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 repositioned some of its products to appeal to children eg.
CASE STUDY 1

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.


- http://www.youtube.com/watch?v=qMJtLP8jMWQ
- https://www.youtube.com/watch?v=FU1WAa5pDi0
- https://www.youtube.com/watch?v=setLcEb6vdY
CASE STUDY 2

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 reposition Frosted Mini-Wheats 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

- [http://www.youtube.com/watch?v=4pBljI97rBI&NR=1&feature=endscreen](http://www.youtube.com/watch?v=4pBljI97rBI&NR=1&feature=endscreen)
- [http://www.youtube.com/watch?v=0jFOeC2N1CE](http://www.youtube.com/watch?v=0jFOeC2N1CE)
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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