Types of Marketing Research
Marketing Research Types

Basic research

Applied research
Basic Research

• Attempts to expand the limits of knowledge
• Not directly involved in the solution to a pragmatic problem
Basic Research Example

Do consumers experience cognitive dissonance in low-involvement situations?
Applied Research

Conducted when a decision must be made about a specific real-life problem
Applied Research Example

• Should McDonalds add Italian pasta dinners to its menu?
• Marketing research told McDonald’s it should not?
• Should Procter & Gamble add a high-priced home teeth bleaching kit to its product line?
• Research showed Crest Whitestrips would sell well at a retail price of $44
Research Methods

• Surveys
• Experiments
• Secondary data
• Observation
• Qualitative methods
Types of Research

• Exploratory
• Descriptive
• Causal
Research Design

Exploratory Research Design

Conclusive Research Design

Descriptive Research

Causal Research

Cross-Sectional Design

Longitudinal Design

Single Cross-Sectional

Multiple Cross-Sectional
Uncertainty Influences the Type of Research
A summary of the types of marketing research studies and the kinds of questions that could initiate each.
<table>
<thead>
<tr>
<th>Exploratory Research (Unaware of Problem)</th>
<th>Descriptive Research (Aware of Problem)</th>
<th>Causal Research (Problem Clearly Defined)</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Our sales are declining and we don’t know why.”</td>
<td>“What kind of people are buying our product? Who buys our competitor’s product?”</td>
<td>“Will buyers purchase more of our products in a new package?”</td>
</tr>
<tr>
<td>“Would people be interested in our new product idea?”</td>
<td>“What features do buyers prefer in our product?”</td>
<td>“Which of two advertising campaigns is more effective?”</td>
</tr>
<tr>
<td>RESEARCH PURPOSE</td>
<td>RESEARCH QUESTION</td>
<td>HYPOTHESIS</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------------</td>
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<td>-------------------------------------------------</td>
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<tr>
<td><strong>Exploratory Research</strong></td>
<td></td>
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<tr>
<td>1. What new product should be developed?</td>
<td>What alternative ways are there to provide lunches for school children?</td>
<td></td>
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<tr>
<td>2. What product appeal will be effective in advertising?</td>
<td>What benefits do people seek from the product?</td>
<td>Constructs unknown.</td>
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<tr>
<td>3. How can our service be improved?</td>
<td>What is the nature of any customer dissatisfaction?</td>
<td>Suspect that an image of impersonalization is a problem.</td>
</tr>
<tr>
<td><strong>Descriptive Research</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. How should a new product be distributed?</td>
<td>Where do people now buy similar products?</td>
<td>Upper class uses specialty stores and middle class uses department stores.</td>
</tr>
<tr>
<td>5. What should be the target segment?</td>
<td>What kinds of people now buy the product and who buys our brand?</td>
<td>Older people buy our brand whereas the young marrieds are heavy users of competitors.</td>
</tr>
<tr>
<td>6. How should our product be changed?</td>
<td>What is our current image?</td>
<td>We are regarded as being innovative.</td>
</tr>
<tr>
<td><strong>Causal Research</strong></td>
<td></td>
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</tr>
<tr>
<td>7. Should a new product be introduced?</td>
<td>What is the sales estimate for a given segment?</td>
<td>Sales will be ten units per year per person.</td>
</tr>
<tr>
<td>8. Which advertising program for public transit should be run?</td>
<td>What would get people out of cars and into public transit?</td>
<td>Advertising program A generates more new riders than program B.</td>
</tr>
<tr>
<td>9. Should we change our store front?</td>
<td>Will a new store front change our image?</td>
<td>We will be perceived as more contemporary.</td>
</tr>
</tbody>
</table>
Exploratory Research
Exploratory Research

• Initial research conducted to clarify and define the nature of a problem
• Does not provide conclusive evidence
• Subsequent research expected
Exploratory Research Techniques: Two Examples

- Secondary data (historical data)
  - Previously collected
  - Census of population
  - Literature survey
- Pilot study
  - A number of diverse techniques
Descriptive Research

• Describes characteristics of a population or phenomenon
• Some understanding of the nature of the problem
Descriptive Research Example

Weight Watchers average customer
• Woman about 40 years old
• Household income of about $50,000
• At least some college education
• Trying to juggle children and a job
Descriptive Research Example

Men’s fragrance market
- 1/3 size of women’s fragrance market
- But growing at a faster pace
- Women buy 80% of men’s fragrances
Causal Research

Conducted to identify cause and effect relationships

$ \rightarrow \text{Heart Gift Box}$
Identifying Causality

- Causal relationships are impossible to prove
- Evidence of causality
  1. Appropriate causal order of events
  2. Concomitant variation: Two phenomena vary together
  3. Absence of alternative plausible explanations
### Differences Between Exploratory and Conclusive Research

<table>
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<tr>
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<th>Conclusive</th>
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</thead>
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<tr>
<td><strong>Objective:</strong></td>
<td>To provide insights and understanding.</td>
<td>To test specific hypotheses and examine relationships.</td>
</tr>
<tr>
<td><strong>Characteristics:</strong></td>
<td>Information needed is defined only loosely.</td>
<td>Information needed is clearly defined.</td>
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<td></td>
<td>Research process flexible and unstructured.</td>
<td>Research process is formal and structured.</td>
</tr>
<tr>
<td></td>
<td>Sample is small and nonrepresentative.</td>
<td>Sample is large and representative.</td>
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<tr>
<td></td>
<td>Analysis of primary data is qualitative.</td>
<td>Data analysis is quantitative.</td>
</tr>
<tr>
<td><strong>Findings/Results:</strong></td>
<td>Tentative.</td>
<td>Conclusive.</td>
</tr>
<tr>
<td><strong>Outcome:</strong></td>
<td>Generally followed by further exploratory or conclusive research.</td>
<td>Findings used as input into decision making.</td>
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### Relative Advantages and Disadvantages of Longitudinal and Cross-Sectional Designs

<table>
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<tr>
<th>Evaluation Criteria</th>
<th>Cross-Sectional Design</th>
<th>Longitudinal Design</th>
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<tbody>
<tr>
<td>Detecting change</td>
<td>−</td>
<td>+</td>
</tr>
<tr>
<td>Large amount of data collection</td>
<td>−</td>
<td>+</td>
</tr>
<tr>
<td>Accuracy</td>
<td>−</td>
<td>+</td>
</tr>
<tr>
<td>Representative sampling</td>
<td>+</td>
<td>−</td>
</tr>
<tr>
<td>Response bias</td>
<td>+</td>
<td>−</td>
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</table>

Note: A + indicates a relative advantage over the other design whereas a − indicates a relative disadvantage.
Recap

• Basic versus applied research
• Three types of research designs
  – Exploratory
  – Descriptive
  – Causal
• Cross-sectional versus longitudinal research