

CHAPTER 9

MARKETING

RESEARCH

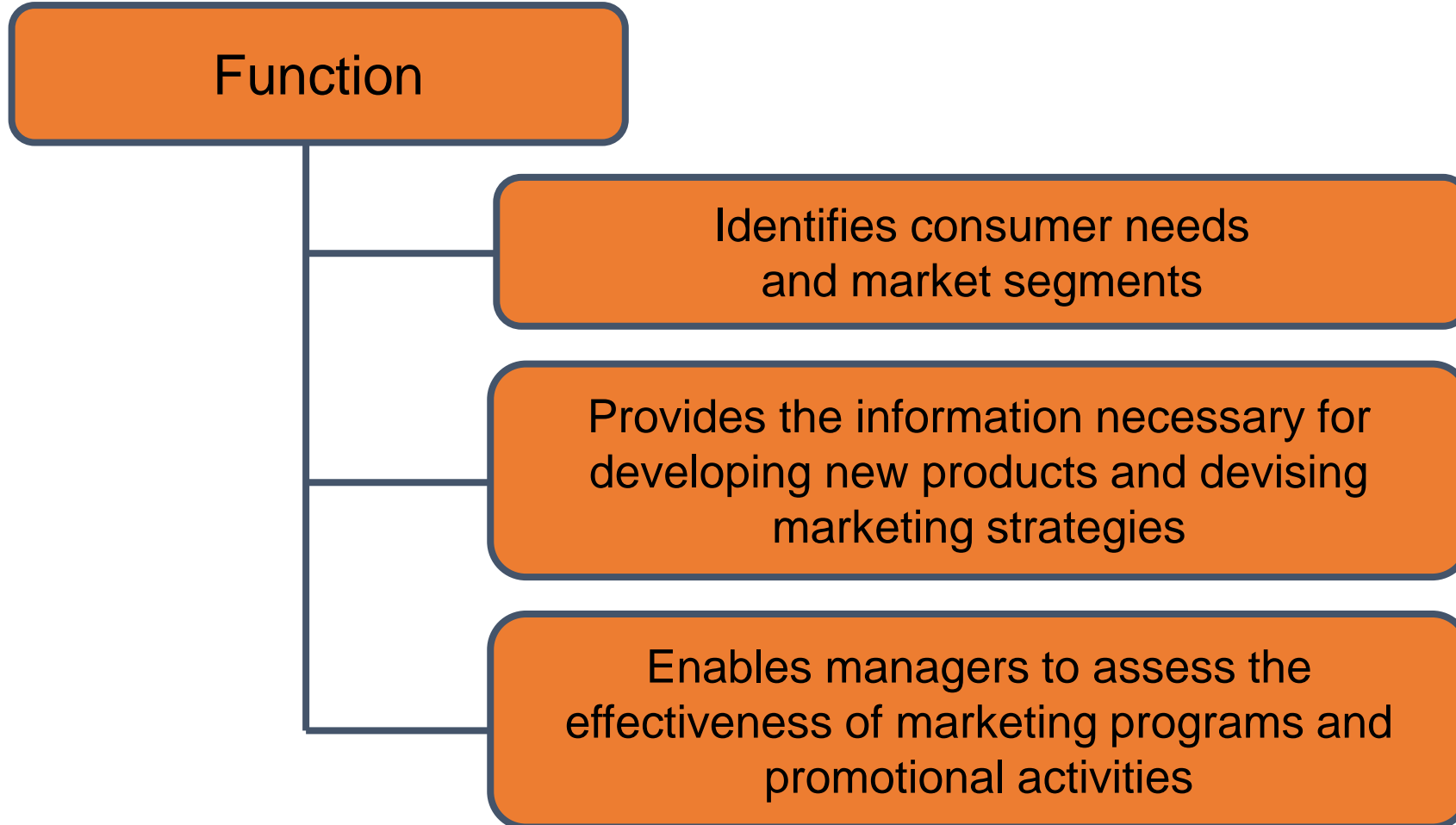


Marketing Research



The process of planning, collecting, and analyzing data relevant to a marketing decision.

Three Basic Functions



MARKETING RESEARCH STUDIES

Products

Advertising

Prices

Packages

Names and Logos

Services

Buying habits

Colors

Uses

Awareness

Familiarity

New concepts

Traffic patterns

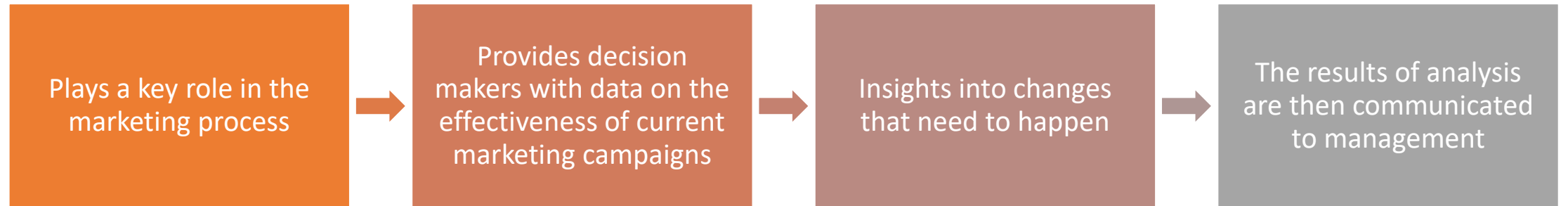
Wants

Needs

Politics



Research



THE ROLE OF MARKETING RESEARCH

Descriptive

◆ **Gathering and presenting
factual statements**

Diagnostic

◆ **Explaining data**

Predictive

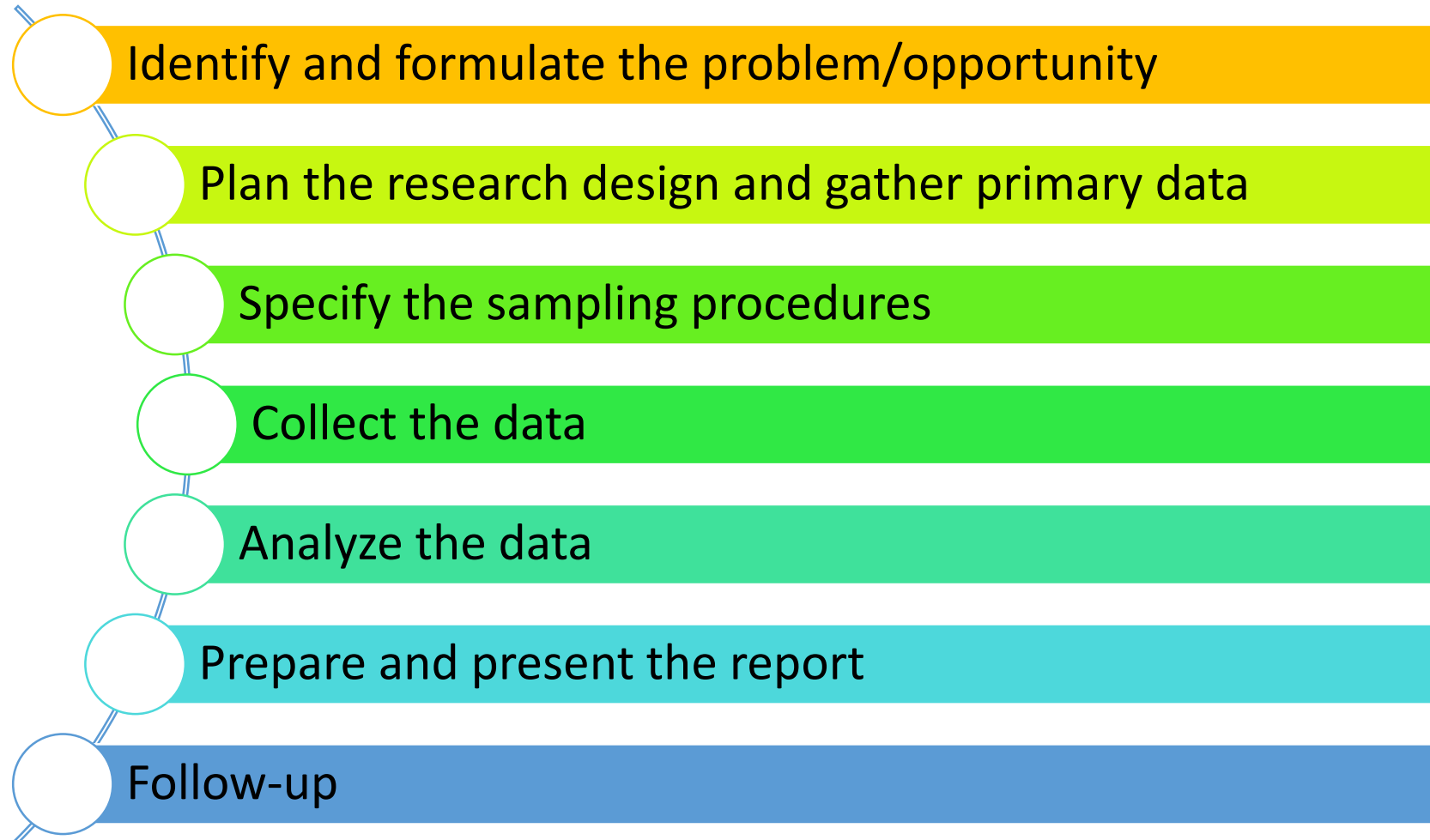
◆ **“What if?”**

MANAGEMENT USES OF MARKETING RESEARCH

- Improve the quality of decision making
- Trace problems
- Focus on keeping existing customers
- Understand the marketplace
- Alert them to marketplace trends
- Gauge the value of goods and services, and the level of customer satisfaction



Steps in a Market Research Project



MARKET RESEARCH PROBLEM

Marketing Research Problem

Determining what information is needed and how that information can be obtained efficiently and effectively.

Marketing Research Objective

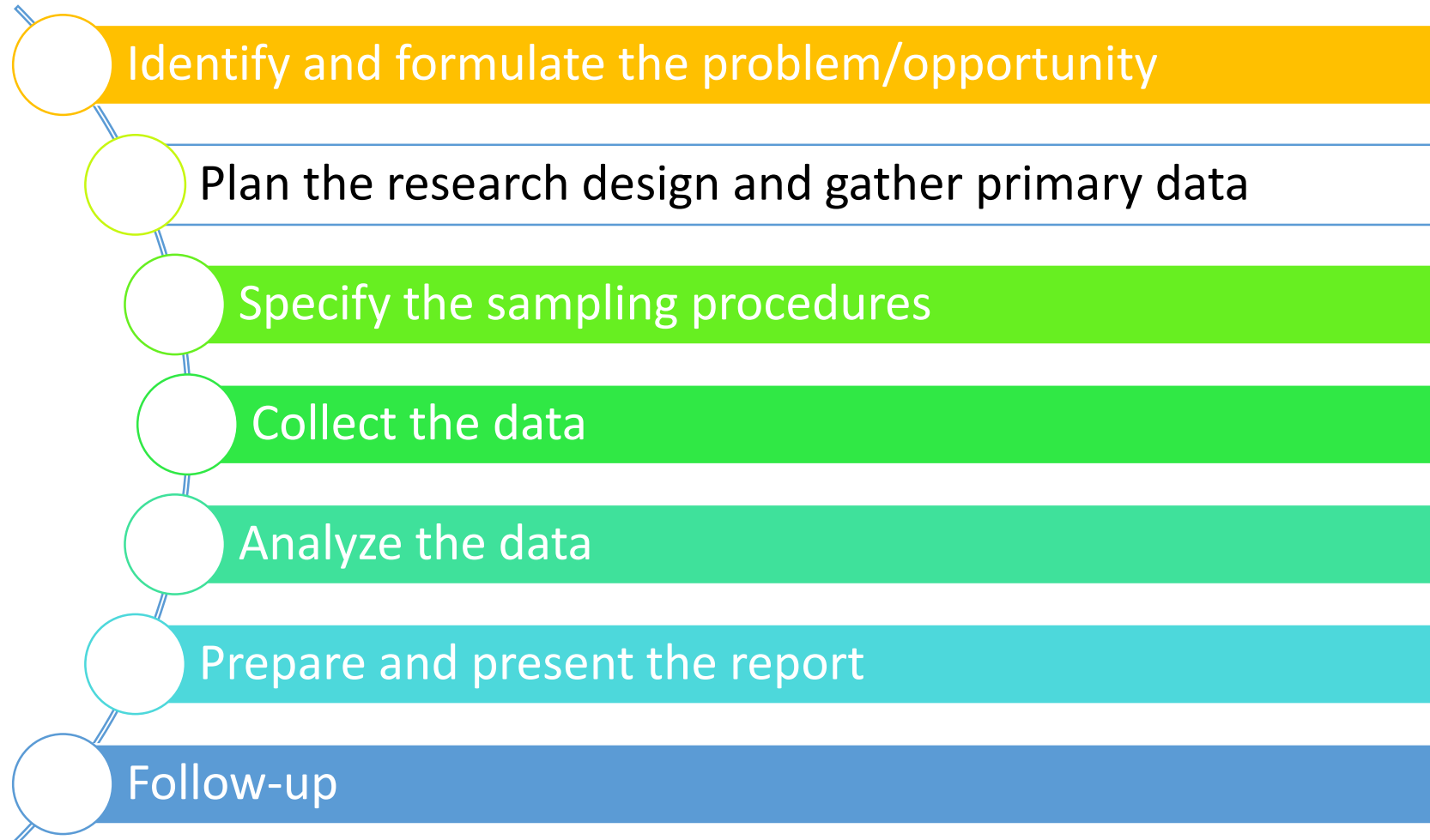
The specific information needed to solve a marketing research problem; the objective should be to provide insightful decision-making information.

Management Decision Problem

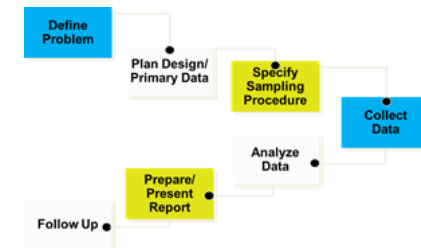
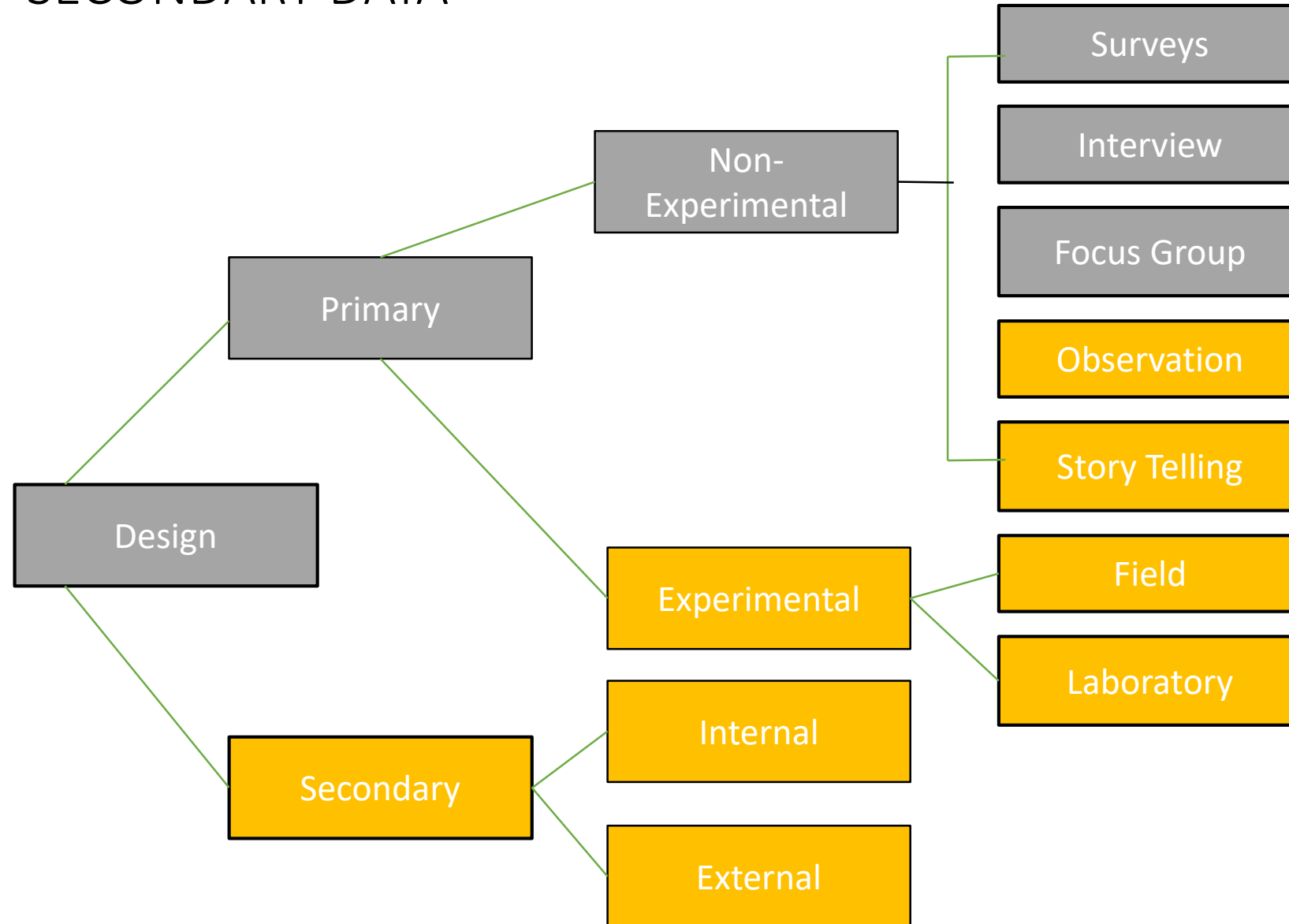
A broad-based problem that uses marketing research in order for managers to take proper actions.



Steps in a Market Research Project



DETERMINE THE RESEARCH DESIGN & GATHERING SECONDARY DATA



SECONDARY DATA

Secondary Data



Data previously collected for any purpose other than the one at hand.

- **Originating within the company can include documents, annual reports, product testing results, employees, customers, internal database.**
- **Outside sources in form of government departments and agencies, trade, industry associations, online media**




A WEALTH OF DATA INSIDE THE COMPANY



- Annual reports
 - Reports to stockholders
 - Product testing
 - News
 - Media
 - Customers
 - Employees
 - Suppliers
 - Distributors
-
- Often a lot of this information can be found inside the company database



PRODUCTS
EYEWEAR SELECTOR
LENS SIMULATOR



2013 07-17
NIKE SUNGLASSES FOR RUNNERS PROTECT VISION AND MAXIMIZE THE VIEW

"You choose your shoes, your schedule and your destination. Now, how about the view?" Nike and Transitions Optical, leading provider of adaptive optical and performance sun lenses, teamed up to create the Nike+Transitions Speed™—lenses that adapt to variable light. The lenses are featured in the Nike+Transitions™ 12, high-performance sunglasses designed specifically for runners. With these game-changing shades, the lenses adapt as the light changes, helping athletes stay focused and comfortable.


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Enter search term, e.g. social media

Home > Industries > Retail & Trade > Fashion & Accessories > Eyewear Industry in the U.S.

U.S. Eyewear Industry - Statistics & Facts



Statistics and facts on the eyewear industry in the U.S.

Eyewear has become a steadily increasing market within the United States. The total amount of eyewear sold throughout the country has increased every year since 2009 in the four main categories: prescription (Rx) eyeglasses, plano sunglasses, over-the-counter (OTC) readers, and contact lenses. In 2012, **95.9 million units of plano sunglasses were sold in the United States**, 4.7 million of which were sold by online entities. As a result, **plano sunglass sales throughout the United States generated approximately 3.49 billion U.S. dollars in retail sales** (online and brick & mortar). The total vision care market in the United States generated about 34.54 billion U.S. dollars.


Show more

Facts on the eyewear industry in the U.S.

U.S. Eyewear Market Overview	Values	Statistic
U.S. retail sales of frame market for eyewear	\$8,687m	Details →
U.S. retail sales of lens market for eyewear	\$10,410m	Details →
U.S. retail sales of contact lens market	\$4,025.5m	Details →
Average retail price of eyeglass frames in the U.S.	\$125.11	Details →
Percentage of contact lenses sold online	16.7%	Details →

Luxoticca
Values
Statistic

Eyewear in the U.S.




Statista Dossier

- The complete topic in one convenient package
- Instant access and download
- Great time-saver

View dossier

Related Topics




Apparel Market in the U.S.

More statistics about...


market
glasses
eyewear

Show more


You may also be interested in...



China: weekly box office revenue - February 29 to March 6, 2016



Total and e-commerce U.S. retail trade sales 2000-2014



Total retail sales in the U.S. 1992-2014

SOURCES OF SECONDARY DATA

Internal Corporate Information

Government Agencies

Trade and Industry Associations

Business Periodicals

News Media

EXTERNAL SECONDARY DATA FOR NIKE

Government
Eyewear System
(G-Eyes)

Contact Lens
Manufacture
Association

The Food and
Drug
Administration

Contact lens
regulation

Government
Technology

Association of
Optometrists

Department of
Health and
Vision

Nike internal
customer
database

Nike sunglasses
sales
(geographically)

ADVANTAGES OF SECONDARY DATA

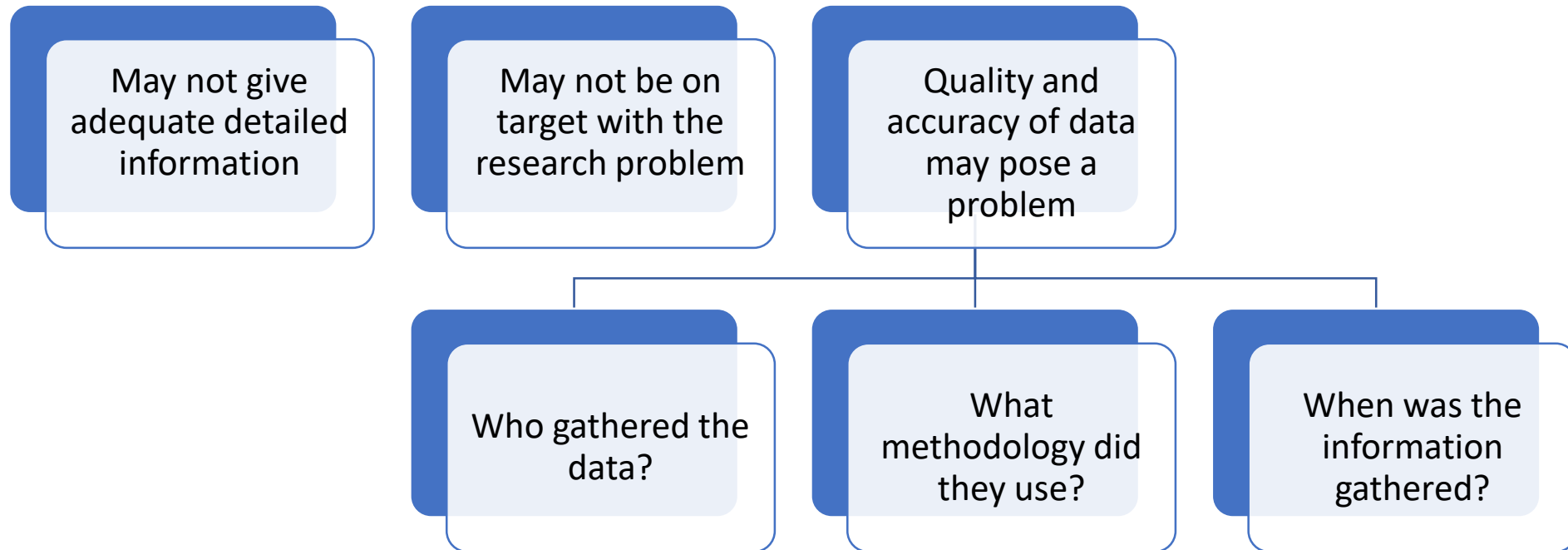
Saves time and money if on target

Aids in determining direction for primary data collection

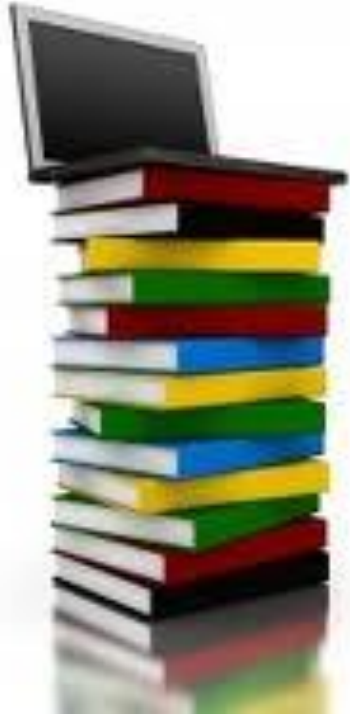
Pinpoints the kinds of people to approach

Serves as a basis of comparison for other data

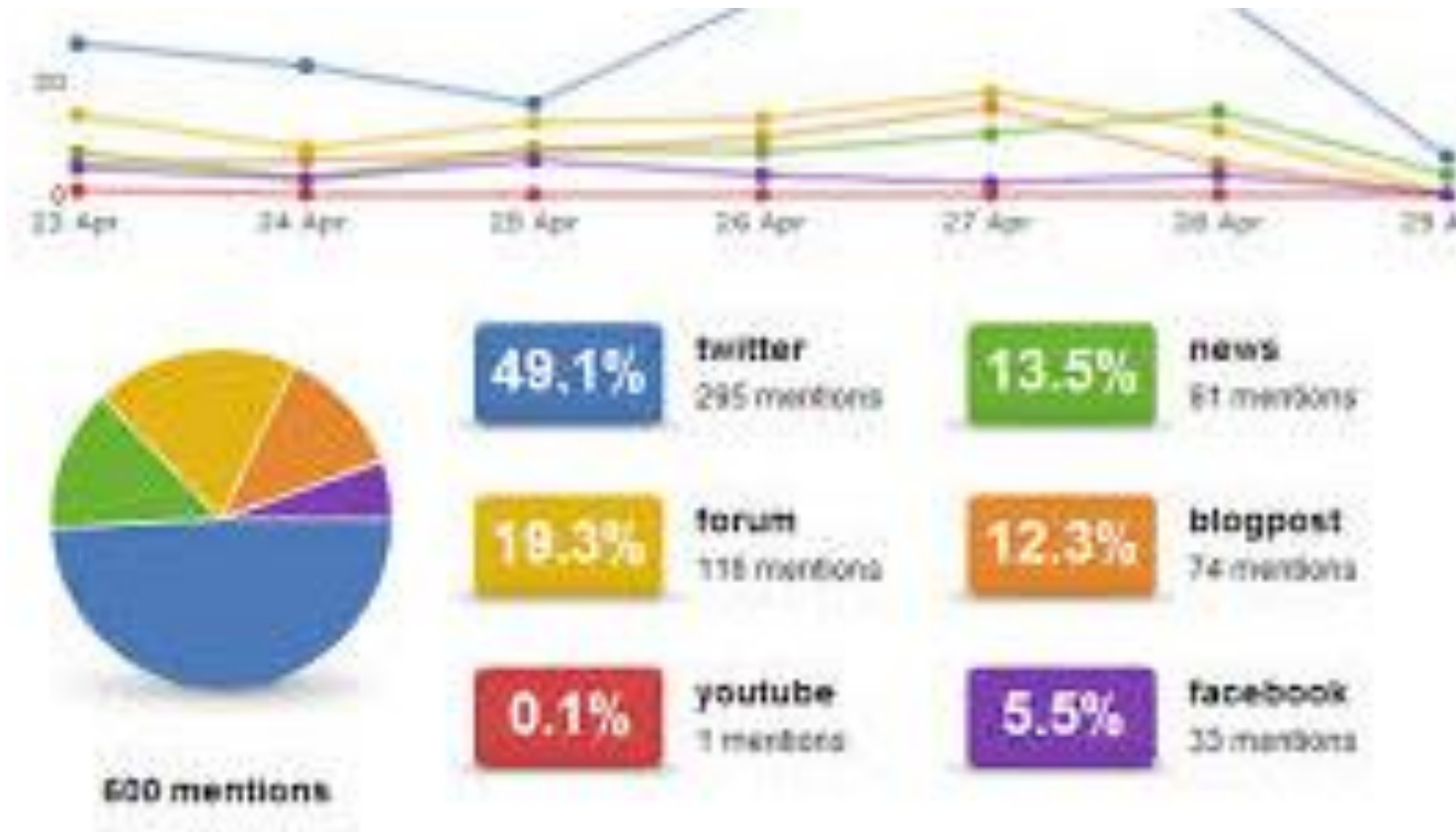
DISADVANTAGES OF SECONDARY DATA



NEW AGE OF SECONDARY DATA

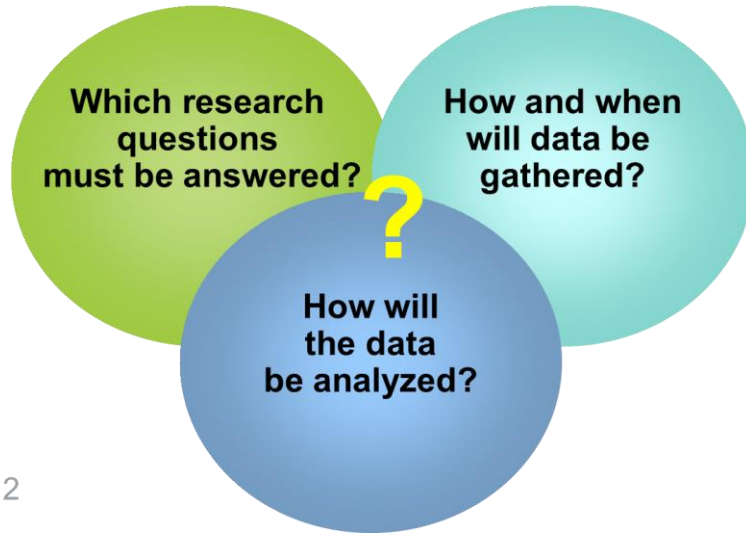


- Past, gathering of secondary data was challenging and time consuming
 - Trips to the library, writing government officials, phone conversations with personnel
- Internet changed this all
 - Huge source of behavioral data
 - Customer purchase patterns
 - Competition



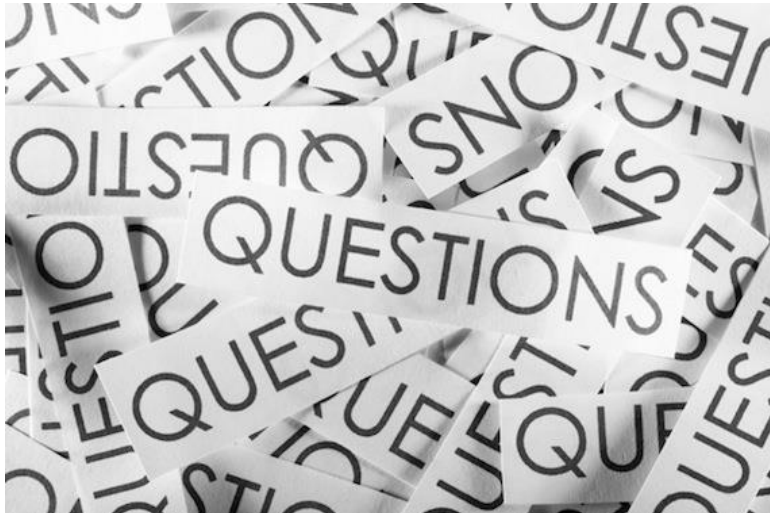
SOCIAL MEDIA MONITORING

- Through social media monitoring, a researcher can learn what is being said about the brand and the competition.
- Monitoring social media and tracking shopping behavior online are only two inputs into the new era of big data.



RESEARCH DESIGN FOR PRIMARY DATA

- After secondary data is compiled
 - Conclude with a thorough situation analysis
- Researchers list unanswered questions and rank them
- Researchers must decide the exact information required to answer the questions
- Research budget is decided upon

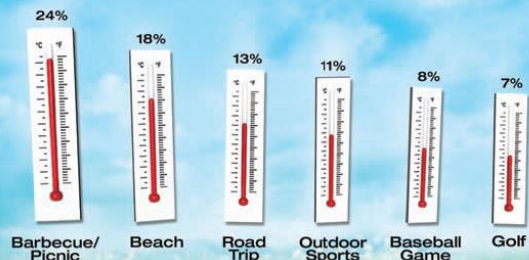


PLANNING THE RESEARCH DESIGN & PRIMARY DATA

Primary Data

America's Rx for Spring Fever

When Lexus asked Americans for their best prescription for spring fever, their top six answers were:



Source: Lexus, Luntz Research



Information collected for the first time. Can be used for solving the particular problem under investigation.

Fills the knowledge gaps left from secondary data collection

DETERMINE PRIMARY RESEARCH



- Formal research is used when a company wants to collect primary data directly from the marketplace
 - **Qualitative**
 - Gain insight into the marketplace and opinions (feelings, thoughts)
 - **Quantitative**
 - Hard numbers about specific marketing issues

ADVANTAGES OF PRIMARY DATA

Answers a specific research question

Data is current

Source of data is known

Secrecy can be maintained

DISADVANTAGES OF PRIMARY DATA

- Expensive
 - \$15 minute phone interview with 1,000 adults males can cost \$50,000.
 - Internet less expensive
- Disadvantage of cost is usually offset by advantages

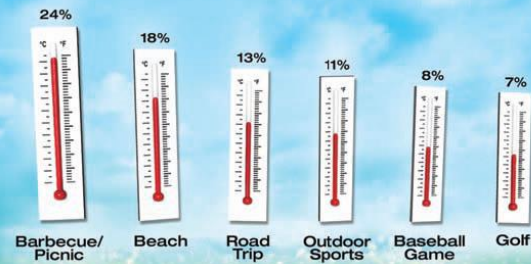


SURVEY RESEARCH

Survey Research

America's Rx for Spring Fever

When Lexus asked Americans for their best prescription for spring fever, their top six answers were:



Source: Lexus, Luntz Research

The most popular technique for gathering primary data in which a researcher interacts with people to obtain facts, opinions, and attitudes.

FORMS OF SURVEY RESEARCH FOR NIKE

In-Home Interviews

Mail Surveys

Mall Intercept Interviews

Executive Interviews

Telephone Interviews

Focus Groups

FORMS OF SURVEY RESEARCH



Mall Intercept Interview

Survey research method that involves interviewing people in the common areas of shopping malls.

Executive Interview

A type of survey that involves interviewing businesspeople at their offices concerning industrial products or services.

FORMS OF SURVEY RESEARCH

Focus Groups



Seven to ten people who participate in a group discussion led by a moderator.

Questionnaire Design

Open-Ended Question	An interview question that encourages an answer phrased in the respondent's own words.
Closed-Ended Question	An interview question that asks the respondent to make a selection from a limited list of responses.
Scaled-Response Question	A closed-ended question designed to measure the intensity of a respondent's answer.

OBSERVATION RESEARCH

Observation Research



Watching what people do:

- *Systematic process of recording the behavioral patterns of people, objects and occurrences without questioning them.*
- *Common forms: people watching people, one-way mirror*

OBSERVATIONAL RESEARCH

Situation	Example
People watching people	Observers stationed in supermarkets watch consumers select frozen Mexican dinners; the purpose is to see how much comparison shopping people do at the point of purchase.
People watching phenomena	Observer stationed at an intersection counts traffic moving in various directions.
Machines watching people	Movie or videotape cameras record behavior as in the people-watching-people example above.
Machines watching phenomena	Traffic counting machines monitor traffic flow.

ETHNOGRAPHIC RESEARCH

Ethnographic Research



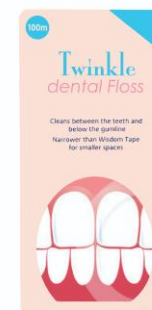
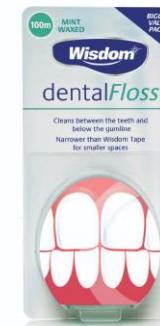
The study of human behavior in its natural context; involves observation of behavior and physical setting.

EXPERIMENTS

Experiments are used by researchers to gather primary data.

Experiment Variables

- Price
- Package design
- Shelf space
- Advertising theme
- Advertising expenditures





MOBILE RESEARCH

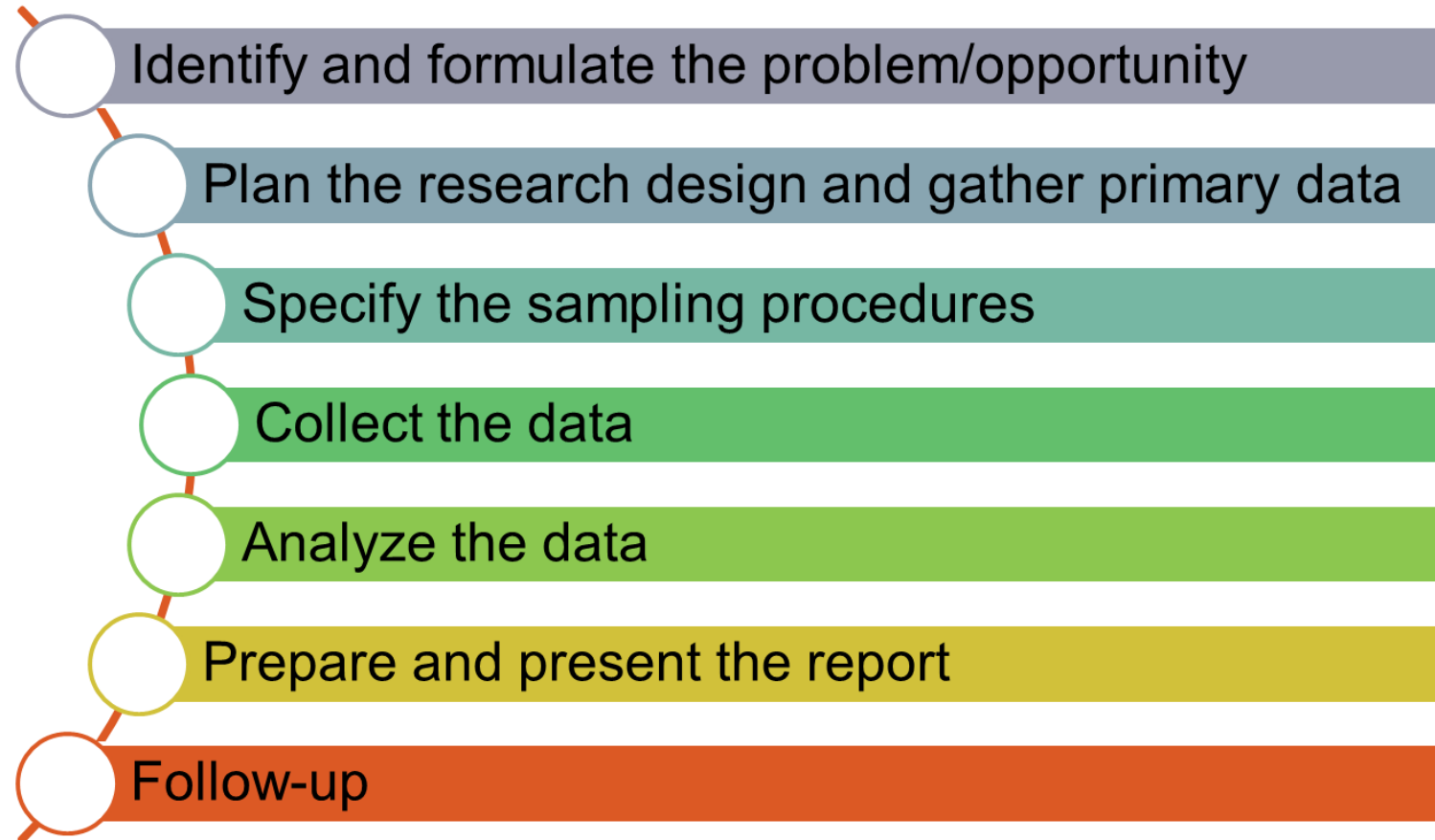
Mobile devices and laptops are being used for all kinds of marketing research. A few techniques that are now employed using mobile devices are:

Location-based surveys

Product scanning during the shopping process

Using cameras on mobile devices to upload digital images and videos

Sampling Procedures



SAMPLING PROCEDURES

Once Nike decided how they will collect primary data

- Select the sampling procedures we will use
 - Impossible to talk to everyone
 - Too expensive and time consuming
- Need to select a sample of the group we wanted to interview
- Important issues to take into consideration when determining this number:
 - the desired reliability of the results
 - the budget

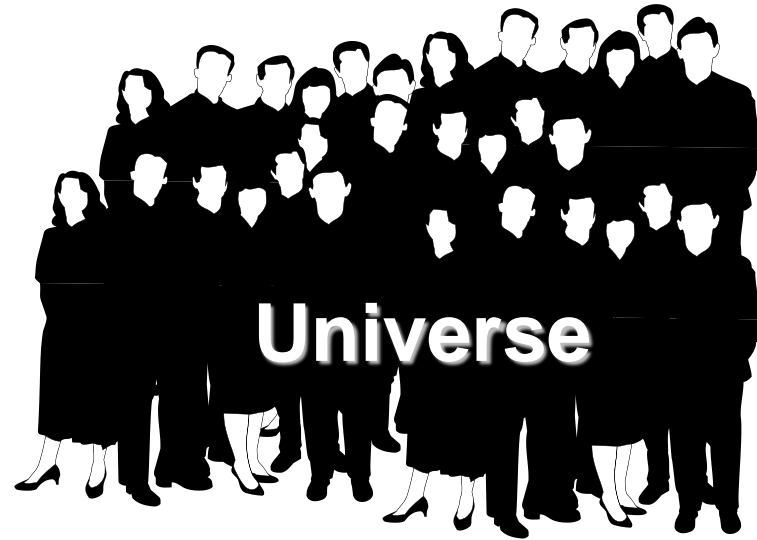
Sample

A subset from a large population.

Universe

**The population from which
a sample will be drawn.**

SAMPLING PROCEDURE



Define universe- group
From which sample defined



**Probability
Samples**

**Non-Probability
Samples**

PROBABILITY SAMPLES

Probability Sample

A sample in which every element in the population has a known statistical likelihood of being selected.

Random Sample

A sample arranged so that every element of the population has an equal chance of being selected.

NONPROBABILITY SAMPLES

Nonprobability Sample

Any sample in which little or no attempt is made to get a representative cross-section of the population.

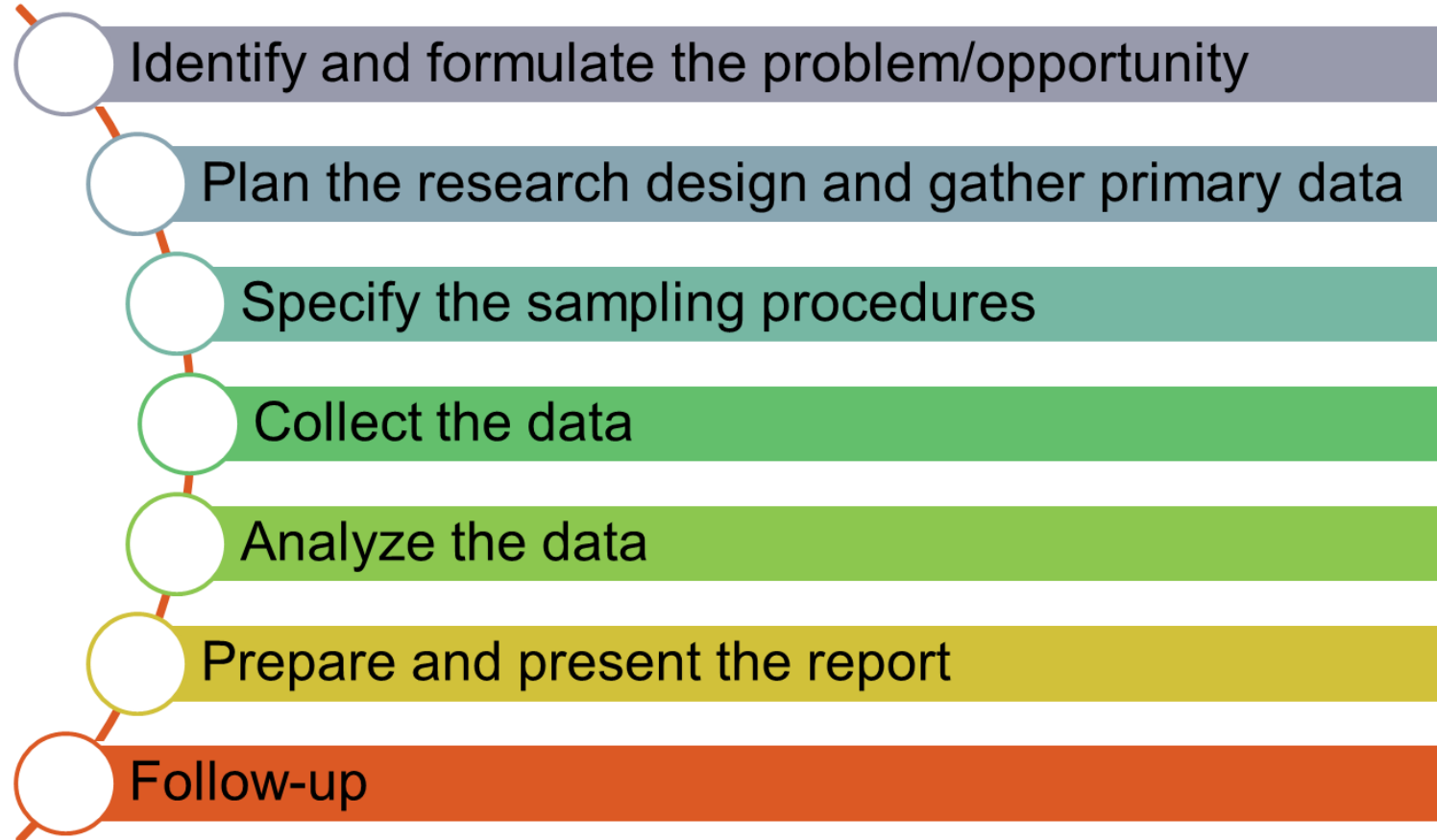
Convenience Sample

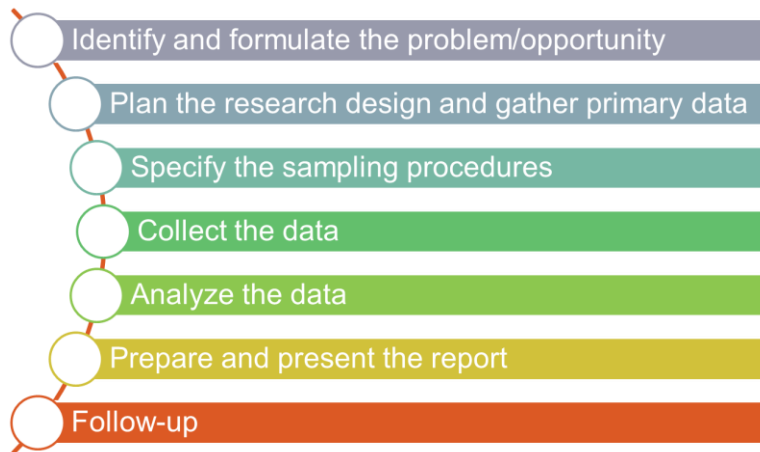
A form of nonprobability sample using respondents who are convenient or readily accessible to the researcher.

TYPES OF ERRORS

Measurement Error	Error when there is a difference between the information desired and the information provided by research
Sampling Error	Error when a sample somehow does not represent the target population.
Frame Error	Error when a sample drawn from a population differs from the target population.
Random Error	Error because the selected sample is an imperfect representation of the overall population.

Collecting the Data

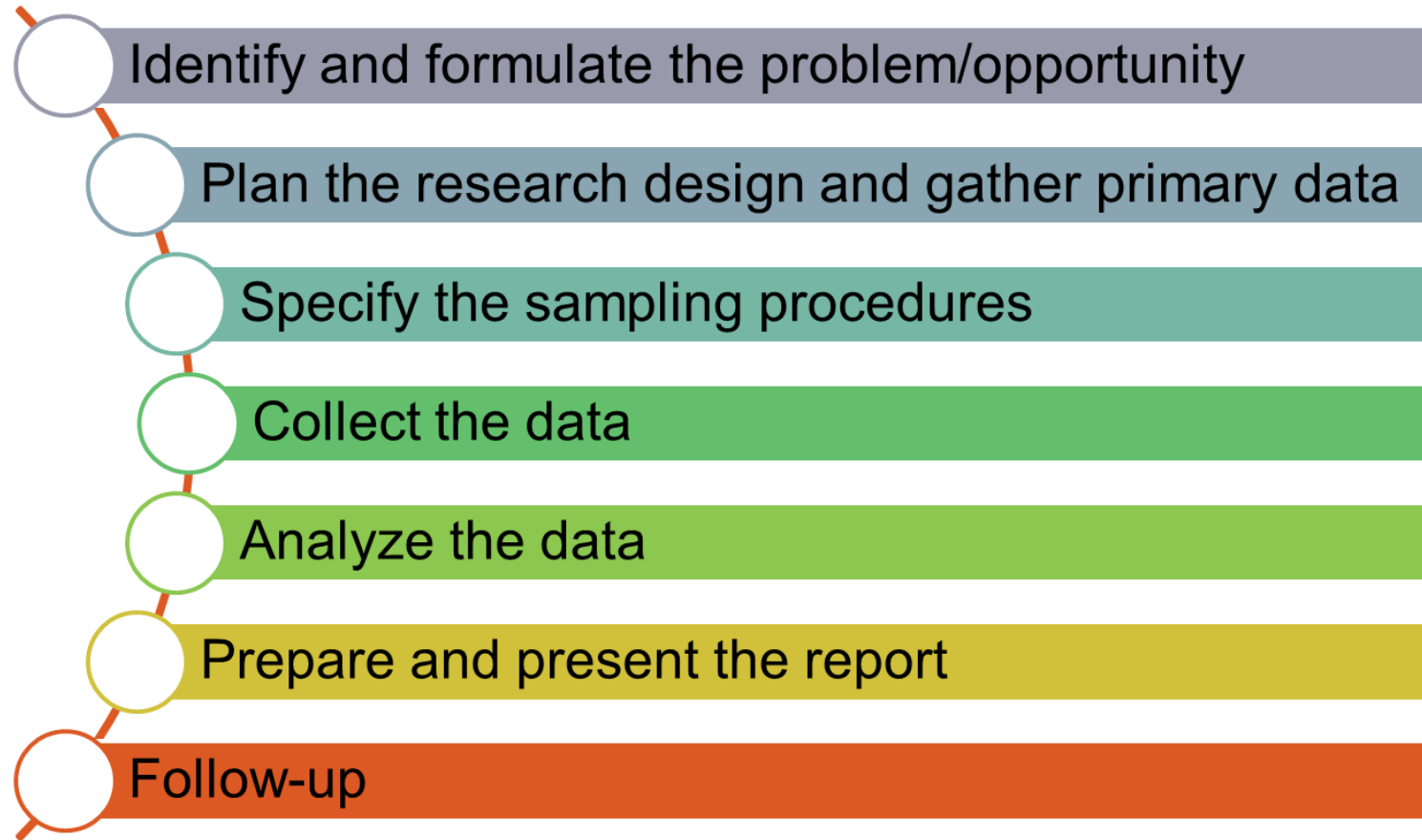




COLLECTING THE DATA – Field Service Firms

- Companies use field service firms who specialize in interviewing respondents on a subcontracted basis
- Data collection from several cities
- Conducting interviews, focus groups, mall intercept locations, ethnographic activities

Analyze the Data



ANALYZING THE DATA

Cross-Tabulation



A method of analyzing data that lets the analyst look at the responses to one question in relation to the responses to one or more other questions.

ANALYZE DATA

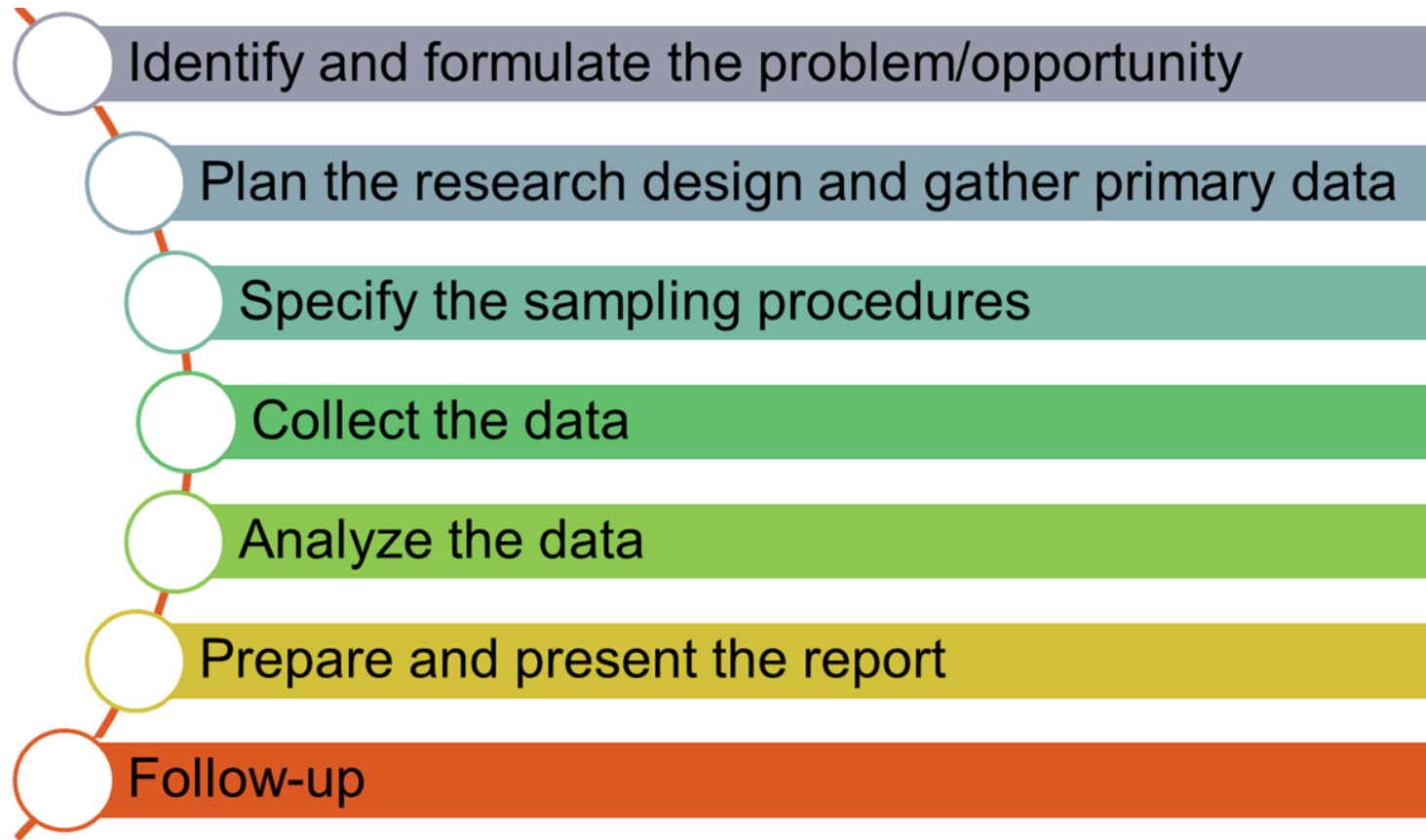
- Data analysis:
 - involves entering data into computer files
 - inspecting data for errors (data cleaning)
 - running tabulations (frequencies)
 - conducting various statistical tests
- Purpose is of this analysis is to interpret and draw conclusions from the mass of collected data

Sample Cross-Tab

Which of the following do you expect to purchase in the next 12 months?

Yearly house hold income	Golf Clubs	Gym Membership	Sport Sunglasses	Desktop computer	Laptop Computer	Cell Phone	Contact Lenses	Nike Maxsight Lenses	Total
<u>Less than \$25K</u>	5%	3%	2%	13%	18%	21%	1%	0.5%	154
<u>26K - 50K</u>	6%	4%	3%	12%	15%	21%	7%	0.2%	194
<u>\$51K - 75K</u>	8%	7%	7%	14%	12%	22%	15%	19.0%	208
<u>\$76K - 100K</u>	10%	8%	10%	14%	16%	34%	34%	25.0%	143
<u>\$101K - \$150K</u>	14%	11%	12%	18%	8%	34%	15%	36.0%	107
<u>more than \$150K</u>	13%	10%	5%	15%	17%	40%	38%	64.0%	214
<u>I prefer not to answer</u>	25%	48%	30%	9%	11%	10%	20%	10.0%	228

(respondents play athletic sport at least 3 times/week)



PREPARING AND PRESENTING THE REPORT

- Concise statement of the research objectives
- Explanation of research design
- Summary of major findings
- Conclusion with recommendations
- Written and oral