Chapter 9
MARKETING RESEARCH
Marketing Research

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

- Function
  - Identifies consumer needs and market segments
  - Provides the information necessary for developing new products and devising marketing strategies
  - Enables managers to assess the effectiveness of marketing programs and promotional activities
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

Plays a key role in the marketing process

Provides decision makers with data on the effectiveness of current marketing campaigns

Insights into changes that need to happen

The results of analysis are then communicated to management
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
NIKE CASE STUDY

- In partnership with Bausch and Lomb, Nike is entering the corrective vision category with Nike Maxsight Contact Lenses
  - They have no prior experience in this category, nor do customers identify Nike as being an expert in the corrective lens category
- Nike needed to conduct research to determine the following:
  - Positioning strategy
  - Target segment
NIKE CASE STUDY

• Nike Maxsight is available in two different sport-specific tints that come in both corrective and non-corrective versions.
  • Amber is superior for fast-moving ball sports in variable light conditions (such as football, baseball, soccer and tennis)
  • Grey-green lens is ideal for sports played in bright sunlight where glare and comfort are primary concerns, (such as golf, running).
NIKE Maxsight CONTACT LENSES
NIKE: The Science behind the lens

• Nike Maxsight is a revolutionary tinted soft contact lens that provides excellent visual performance benefits for athletes and recreational wearers
  • Provides distortion free optics
  • Covers the entire pupil eliminating glare and enhancing contrast
  • No frame or nosepiece obstruction – no lens fogging or fit issues
  • Blocks specific wavelengths of light – details appear clearer and pop off the background
  • Filters out more than 90% of harmful blue light of UVA and UVB
• Grey-green enhances the green and red portions of the visual spectrum to improve detail and contour recognition.

• Amber selectively filters specific wavelengths in the blue green portion of the visual spectrum, making the ball ‘pop’ off the background.
Patented Technology

WITHOUT NIKE MAXSIGHT
On the naked eye blue light is focused in the front of the retina, resulting in visual noise (blur) and reduced contrast.

WITH NIKE MAXSIGHT
The Light Architecture optics of NIKE MAXSIGHT selectively filter light reaching the retina, blocking much of the blue light. Light is focused within a tighter range; visual noise is reduced, and clarity and contrast are enhanced.

GREY-GREEN / FOR GOLF, RUNNING AND TRAINING
AMBER / FOR SOCCER, TENNIS, BASEBALL, FOOTBALL AND RUGBY
$79.00 per box of three
Color tint contacts for solely for changing eye color. These tinted lenses come in six colors — Amber, Sun Tac (dark brown), Blue, Yellow, Grey Green, and Green.

Filters 95% of UVA and UVB light, prescription required.
Nike Research Assignment

• Positioning Strategy
  • The place the product occupies in the consumers mind relative to the competing products

• Target Market Segmentation
  • The process of dividing a market into meaningful relatively similar, and identifiable segments or groups
Steps in a Market Research Project

1. Identify and formulate the problem/opportunity
2. Plan the research design and gather primary data
3. Specify the sampling procedures
4. Collect the data
5. Analyze the data
6. Prepare and present the report
7. Follow-up
DEFINE THE PROBLEM

- Determine what information is needed
  - Need/want for sport tinted lenses
  - Nike’s current perception in the lens category
  - Consumer attitude
  - Understand contact lens market
  - Competitive offerings
  - Alternative solutions to lenses
  - Market segmentation (lens wearers/sports)
ESTABLISH RESEARCH OBJECTIVES

The specific information needed to solve a market research problem

- Identify areas of satisfaction and dissatisfaction with current lens/sunglasses solutions.
- Define customer requirements for sport tinted lenses.
- Explore reactions to B&L partnership and innovative lens technology.
- Evaluate support for launch of Maxsight.
- Select a positioning for introduction.
- Evaluate wearer and non-wearer preferences Maxsight.
Nike, Inc. is a major publicly traded sportswear and equipment supplier based in the United States. It is the world's leading supplier of athletic shoes and apparel and a major manufacturer of sports equipment. Nike is positioned as a premium-brand, selling well-designed and expensive products. Nike lures customers with a marketing strategy centering around a brand image which is attained by distinctive logo and the advertising slogan: "Just do it". Nike promotes its products by sponsorship agreements with celebrity athletes, professional teams and college athletic teams. Nike Maxsight soft contact lenses are designed to help athletes reduce glare, enhance contrast and reduce exposure to UVA and UVB radiation. You don't have to wear prescription contacts to take advantage of the new technology, since non-corrective lenses are also available. Nike must answer the following questions through research: 
• Product positioning and Target Segmentation
GREATNESS WEARS SWEAT AS PERFUME.

FIND YOUR GREATNESS
NIKE.COM/MAKEITCOUNT
Bausch + Lomb Mission:

Helping You See Better To Live Better

Learn about our commitment to eye health
When it Comes to Generics, Seeing is Believing.

Valeant Pharmaceuticals International, Inc. focuses on providing high-quality and affordable products. Our branded generic products cover a broad range of treatments and our ophthalmic generic product line continues to grow. We are committed to focusing on delivering consistently high performance.

For more information please contact us at 800-321-4576 or Valeant.com.
Steps in a Market Research Project

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DETERMINE THE RESEARCH DESIGN & GATHERING SECONDARY DATA

Primary

- Non-Experimental
  - Surveys
  - Interview
  - Focus Group
  - Observation
  - Story Telling
  - Field
  - Laboratory

Secondary

- Experimental
- Internal
- External

Design

- Primary
- Secondary
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
Nike prescription sunglasses
## 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

May not give adequate detailed information
May not be on target with the research problem
Quality and accuracy of data may pose a problem

Who gathered the data?
What methodology did they use?
When was the information gathered?
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
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.
Nike Mentions on Twitter

Number Of Mentions for: Nike
Breakdown by Sentiment

- Positive: 29.80%
- Neutral: 59.59%
- Negative: 10.61%

2013
March 27th : April 9th
RESEARCH DESIGN FOR PRIMARY DATA

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

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

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

<table>
<thead>
<tr>
<th>Type</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>Open-Ended Question</td>
<td>An interview question that encourages an answer phrased in the respondent’s own words.</td>
</tr>
<tr>
<td>Closed-Ended Question</td>
<td>An interview question that asks the respondent to make a selection from a limited list of responses.</td>
</tr>
<tr>
<td>Scaled-Response Question</td>
<td>A closed-ended question designed to measure the intensity of a respondent’s answer.</td>
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NIKE: DESIGN DATA COLLECTION TYPE

**Focus Groups**
- Contact lens wearers
- Athletes
- Golf, football, tennis, baseball, soccer, running

**Executive Interviewing**
- Interview Nike executives
- Executives from major contact lens companies

**Mall Intercept**
- Shoppers intercepted in public areas

**Self-Administered Questionnaires**
- Filled out by respondents in-store
- Internet

**Telephone interviews – ECP**

**Ethnographic 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
ETHNOGRAPHIC RESEARCH

The study of human behavior in its natural context; involves observation of behavior and physical setting.
NIKE: OBSERVATIONAL AND ETHNOGRAPHIC RESEARCH

- Watched and surveyed:
  - Athletes wearing contacts
  - Athletes wearing sunglasses
  - Athletes with glasses
- Sports played with Nike lenses
  - Tennis
  - Golf
  - Football
  - Lacrosse
  - Running
  - Basketball
- Placing lenses on eye (home bathrooms)
  - Reaction to lenses once in eye
- Reaction to others competing against lens wearer
- ECP examinations and recommendations
• Ethnographic research
Field of Anthropology
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

- Identify and formulate the problem/opportunity
- Plan the research design and gather primary data
- Specify the sampling procedures
- Collect the data
- Analyze the data
- Prepare and present the report
- Follow-up
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

**SAMPLING PROCEDURES**

**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.
<table>
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<tr>
<th>TYPES OF ERRORS</th>
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<tbody>
<tr>
<td><strong>Measurement Error</strong></td>
<td>Error when there is a difference between the information desired and the information provided by research</td>
</tr>
<tr>
<td><strong>Sampling Error</strong></td>
<td>Error when a sample somehow does not represent the target population.</td>
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<tr>
<td><strong>Frame Error</strong></td>
<td>Error when a sample drawn from a population differs from the target population.</td>
</tr>
<tr>
<td><strong>Random Error</strong></td>
<td>Error because the selected sample is an imperfect representation of the overall population.</td>
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</table>
Collecting the Data

1. Identify and formulate the problem/opportunity
2. Plan the research design and gather primary data
3. Specify the sampling procedures
4. Collect the data
5. Analyze the data
6. Prepare and present the report
7. Follow-up
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

1. Identify and formulate the problem/opportunity
2. Plan the research design and gather primary data
3. Specify the sampling procedures
4. Collect the data
5. Analyze the data
6. Prepare and present the report
7. Follow-up
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
Key Insights

A new understanding of change that makes a difference to decision making, thinking and action.
KEY INSIGHTS

1. There is a viable market for Nike Maxsight lenses
   1. Substantial, identifiable & measurable, accessible and responsive
   2. Consumers were excited, interested and open to the idea

2. Customers view Nike as a leader and innovator in whatever product they produce
   • Highly respected
   • Top of class
   • Ground-breaking
   • Pioneering
   • Cutting edge technology
KEY INSIGHTS

3. Customers will demand the same quality and performance as they do from Nike apparel and equipment
   1. Partnership with B&L was viewed as favorable
   2. Maxsight will be developed and produced with the same technology & innovation Nike stands for

4. Opportunity for Nike to position Maxsight lenses capitalizing on strength of current user positioning
   • Positioning focusing on the personality and type of user
   • Maxsight lenses will help me perform better in my sport
   • Improve my “game and EMPOWER me”
   • Give me a competitive edge above the competition
     • Even if I’m golfing with my buddies
KEY INSIGHTS

5. **Customers will still look to their ECP’s for final lens recommendation**
   - ECP’s highly regarded as specialist in the lens category
   - Inquire about the Maxsight lens
   - If ECP’s recommend, then customer will purchase
   - ECP’s don’t want to fit non-prescription customers

6. **Eye Care Professionals support the Nike/Bausch & Lomb partnership producing a superior contact lens**
   - Nike is the leader sports equipment and will be in lens technology
   - Perceived as a manufacturer of superior products
   - Nike brand equity carries over into the lens category
Maxsight Attributes
Insights

- Better peripheral vision.
- Unobstructed field of view.
- Less likelihood of fogging up or getting splattered.
- Less chance of injury
- More stable vision
- Better compatibility with safety equipment.
Segmentation: Review

- Involves breaking large markets into segments that can be reached more effectively.
  - Geographic segmentation involves splitting the market according to regions, countries, states, etc.
  - Demographic segmentation consists of subdividing the market according to an individual's age, life-cycle stage, gender, income, occupation, education, religion, ethnicity, and generation.
  - Psychographic segmentation is composed of an individual's social class, lifestyle, and personality.
  - Behavioral segmentation involves the division of occasions, benefits, user status, usage rate, and loyalty status.
Target Demographics

- Geographic (urban / city)
- Male
- Female*
- Ages: 18 – 35
- Income: $75,000+*
- Educated (college level +)

Target Psychographic

- Athletics/Sports
- Active lifestyle
- Achievers
- Hard workers
- Goal oriented
- Determination, perseverance, grit
TARGET SEGMENTS

• Professional & Amateur athletes
  • Professional athletes include baseball, football, and basketball players, tennis players, golfers, ice skaters, skiers, stock car drivers, and rodeo riders: in other words, anyone playing a sport for money.
    • Includes college teams (football, baseball)
    • Capitalize on existing sponsorship, team and athlete relationships
Game – On(ers)

- Work to support their sport habit
- Spend at least 20 hours a week perfecting their sport, spend a lot of money on equipment, clothing and accessories to gain a competitive edge.
  - Sport is not their full-time occupation.
- Exercise at least 5 times a week (in addition to their sport)
  - Practice constantly
  - Have a coach or a trainer
- Some travel to compete in their sport
  - *Not weekend-warriors*
Nike Brand Freaks

- Nike’s logo has encompassed a brand that reflects aspects that people strive for in their lives:
  - dominance, authenticity, innovation, winning, and performance.
- 80/20 of Nike revenues
- Consumers who encompass Nike ideologies and identity with Nike not for the production of their product, but for the image that the brand embodies.
- Dressed up in the appropriate apparel and equipment, takes their sport seriously even though they know they may not be that good at it.
- Extremely brand loyal to Nike and are extreme Nike enthusiasts. “If Nike makes it, I’ll buy it.”
  - Evangelical followers
Eye-Care Professionals

• ECP’s across the country who will be dispensing the contact lenses.

• Last word consumers hear on decision making process
  • Strong influencers

• The goal of pull marketing is to get the customers to visit ECP and ask for Maxsight.
PREPARING AND PRESENTING THE REPORT

- Identify and formulate the problem/opportunity
- Plan the research design and gather primary data
- Specify the sampling procedures
- Collect the data
- Analyze the data
- Prepare and present the report
- Follow-up

• Concise statement of the research objectives
• Explanation of research design
• Summary of major findings
• Conclusion with recommendations
• Written and oral
• Nike is the world’s most known and trusted sports and fitness company, expanding into virtually every continent on the globe. For the past 30 years, Nike has revolutionized the science and technology of athletic apparel. In partnership with Bausch & Lomb, Nike has developed Nike Maxsight soft contact lenses providing athletes with crisp, clear vision without anything getting in their way to hinder their sports performance.
Nike Maxsight:

Maximizing sport performance through innovative lens technology
TAGLINE:

SEE SPORT BETTER
See Sport Better

NIKE MAXSIGHT™
SPORT-TINTED CONTACT LENSES
SEE SPORT BETTER
NIKE MAXSIGHT
SPORT-TINTED CONTACT LENSES

CLICK FOR A FREE TRIAL OF NIKE MAXSIGHT
FREE TRIAL

"You're able to focus and see the spin and rotation of the ball better."
Brian Roberts, Baltimore Orioles

by Bausch & Lomb
Sport-tinted contact lenses are now available!

NIKE MAXSIGHT™ SEE SPORT BETTER
SPORT-TINTED CONTACT LENSES

GREY-GREEN
For golf and running

AMBER
For soccer, tennis, baseball and football

> Learn more at nikevision.com
• Henry Burris, the quarterback of the Calgary Stampeders (CFL). In the 2010 season, Burris was wearing the amber tinted lenses. Calgary went on to win the Grey Cup that year. Burris decided to go back to the lenses this season, hoping for similar results.
EYE CARE PROFESSIONAL
SEE SPORT BETTER

NIKE MAXSIGHT
SPORT TINTED CONTACT LENSES

Nike MAXSIGHT® Sport-tinted contact lenses are a revolutionary, fully tinted, soft contact lens that helps you see sport better. They provide athletes at all levels with the visual edge they’ve been looking for.

Available at
Dr. Tavel
GOLF PUBLICATIONS
CREATIVE LOOK AND FEEL
WHAT HAPPENED TO Maxsight

Lack of upper management support Nike
- Promotional efforts – No great visible athletes wearing the lenses
- Brand development
- ECP support materials (lacking)

FDA complaints regarding eye issues
• The dark contacts sitting right on the eye, would mean the pupil would constantly be dilated make the brain think that it was constantly dark.

• Another problem would be safety.
  • Consumers leaving home with them on while it is sunny, then stay out too late and have to drive home at dusk or in the dark with a dark lens on....not good.

• Complaints that they would not be taken off easily like sunglasses when done.

• Bausch and Lomb management was a mess

• More one on one contact with Opticians - Sending opticians a brochure will not just work. Giving them a smoke and mirror performance will not work. Target specific stores and inform.
Additional Gossip:

• 1. Lenses should have been available in one-days only. B&L complained that people would get a set of trials and just use those over and over again. Additionally, anyone who plays a sport only does it about 40 times a year. To make them bi-weekly or monthly just does not make sense, because the lenses would not get enough wear.

• 2. More promotion - I put this one on Nike's shoulders. There were not visible athletes wearing the lenses. Put them on Tiger Woods, Sidney Crosby, and Roger Federer.

• 3. More target marketing - Specify a hockey lens in Canada, a baseball one in the US, a soccer one in Europe. Would have been far more successful.

• 4. Avoid B&L - B&L has not been successful for years. The company is misguided and a mess. Acuvue or CIBA

• 5. More one on one contact with Opticians - Sending opticians a brochure will not just work. Giving them a smoke and mirror performance will not work. Target specific stores and inform.
American Optometric Association
Sports Vision Section

Bausch & Lomb Announces Nike MAXSIGHT Contact Lens Now Available

Bausch & Lomb recently announced that the Nike MAXSIGHT™ (polymacon) Sport-Tinted Contact Lens, which is manufactured by Bausch & Lomb, is now commercially available to eye care professionals within the U.S. and Canada.

The Nike MAXSIGHT™ sport-tinted contact lens is designed to aid visual performance in athletic settings and comes in four tinted color designs: blue, green, gray, and brown. The lenses are also shaped to fit comfortably on the eye and are tear resistant, designed for the active athlete.

Avid Nike and Bausch & Lomb customers can visit any of the more than 12,000 locations that sell Bausch & Lomb products to purchase the Nike MAXSIGHT™ contact lenses.

Sports Vision Section (SVS) members may recall that Bausch & Lomb sent an invitation to SVS member ODs to attend a formal Nike/MAXSIGHT introduction event at the Dallas Cowboys Golf Club on June 2.

Bausch & Lomb also desires that a limited number of the package亭 ting cards, which are available through 2013, be distributed to the SVS at the annual conference in Orlando in 2012. Participating practitioners will be listed on the Nike Vision website at www.NikeVision.com as MAXSIGHT providers.

Both sides of this call letter are included for daily wear for the correction of refractive myopia or hyperopia, but are also available in plano prescription.

Eye care professionals interested in ordering this set for the lens may contact a Bausch & Lomb MAXSIGHT representative at 866.382.0240 or send an e-mail inquiry to maxsight@bausch.com.

**Disclaimer**

Information and/or opinions contained herein are those of the individual author(s), and are not necessarily those of the disc sports, soccer, tennis, and or the SVS staff and are open to discussion by the members of the SVS. Please send comments, questions, and/or concerns to the SVS office at SD@AOA.org.

**** Indications

RAE - 06/12
Reel