



# **NEW TRENDS OF MARKETING RESEARCH**

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# Introduction

- **Managers all over the world make decisions on customer, firm, product, and service related issues on a regular basis.**
- **In a highly competitive world, marketing research is the key to success in decision making.**



# Introduction

- **Defining, generating, managing, and interpreting information through relevant marketing intelligence becomes an integral part of every organization.**
- **Since the marketing research is the integral part of marketing intelligence, it is necessary to better understand the tools of marketing research.**



# Introduction

- **The scope of marketing research has expanded in this technological era.**
- **In the presence of forces such as increased globalization and ever-changing technology, the boundaries of market research have expanded.**
- **It has become all the more critical to understand the process of marketing research.**



# Social media

- **Social media sites such as Facebook, Twitter, YouTube, and LinkedIn have changed the way people communicate.**
- **Accessing social media sites is now the number-one activity on the web**
- **LinkedIn now has over 380 million users worldwide.**
- **YouTube has exceeded 2 billion views per day, and more videos are posted on YouTube in 60 days than were created by the three major television networks in the last 60 years. Twitter now has over 190 million users, and 600 million-plus searches are done every day on Twitter**



# YouTube

- YouTube has over a billion users — almost one-third of all people on the Internet — and every day people watch hundreds of millions of hours on YouTube and generate billions of views.
- YouTube overall, and even YouTube on mobile alone, reaches more 18-34 and 18-49 year-olds than any cable network in the U.S.
- The number of hours people spend watching videos (aka watch time) on YouTube is up 60% y/y, the fastest growth we've seen in 2 years.
- The number of people watching YouTube per day is up 40% y/y since March 2014.
- The number of users coming to YouTube who start at the YouTube homepage, similar to the way they might turn on their TV, is up more than 3x y/y.

The Facebook logo is displayed in a bold, white, sans-serif font within a blue, three-dimensional rectangular box that has a slight shadow and perspective. The box is positioned in the upper right corner of the slide.

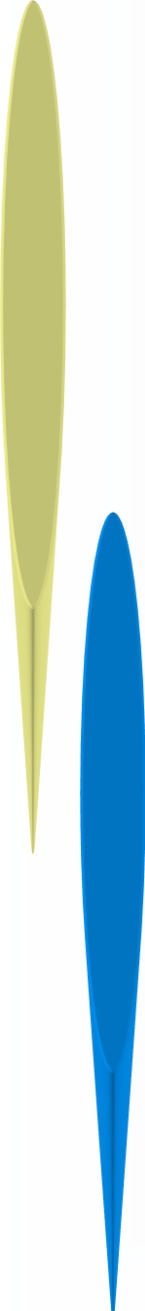
# Facebook

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- A decorative graphic on the left side of the slide consists of two vertical, teardrop-shaped elements. The upper one is light green and the lower one is blue, both tapering to a point at the bottom. They are positioned to the left of the main text area.
- **Statistics**
  - **968 million daily active users on average for June 2015**
  - **844 million mobile daily active users on average for June 2015**
  - **1.49 billion monthly active users as of June 30, 2015**
  - **1.31 billion mobile monthly active users as of June 30, 2015**
  - **Approximately 83.1% of our daily active users are outside the US and Canada**
  - **40 million active small business**

# Twitter

Twitter Company Statistics	Data
Total number of registered Twitter users	645,750,000
Total number of active Twitter users	289,000,000
Number of new Twitter users signing up everyday	135,000
Number of unique Twitter site visitors every month	190 million
Average number of tweets per day	58 million
Number of Twitter search engine queries every day	2.1 billion
Percent of Twitter users who use their phone to tweet	43 %
Percent of tweets that come from third party applicants	60%
Number of people that are employed by Twitter	2,500
Number of active Twitter users every month	115 million
Percent of Twitters who don't tweet but watch other people tweet	40%
Number of days it takes for 1 billion tweets	5 days
Number of tweets that happen every second	9,100

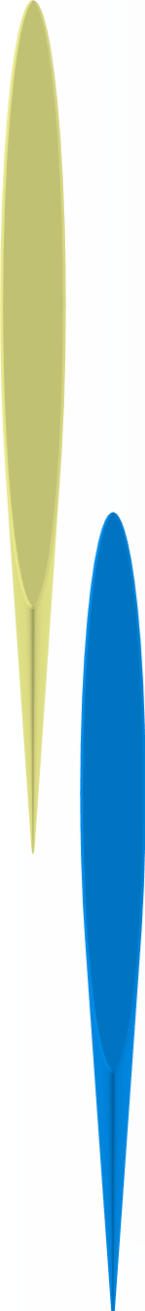


- 
- **Social networks and communication venues such as Facebook and Twitter are where consumers are increasingly spending their time, so companies are anxious to have their voice heard through „**
  - **But, getting consumers to become a fan or agree to receive e-mails is only half of the battle.**
  - **Engaging them with the brand and encouraging them to become active followers through these social media tactics is equally, if not more, difficult.**
  - **While consumers join a company's Facebook page, or agree to receive e-mails and tweets, many are also opting out after a short time. For companies using social media, understanding why individuals opt out after agreeing to be a fan is important information**



## Marketing research

- Marketing research involves following a systematic sequence of steps that will produce reliable and valid data.
- Through analysis and interpretation the **data are transformed** into **information suitable** for decision-making purposes by managers.
- Typically, **data alone** are simply not usable.
- It is the **analysis and interpretation of the data** that makes them useful to managers.

- 
- **The top reason consumers quit being a brand fan on Facebook is because the company authors too many posts, which in turn clutters the recipients' wall with marketing information.**
  - **The fact that messages tend to be repetitive, boring, and irrelevant, and are perceived by many fans as being overly promotional, is also an important factor in influencing fans to quit a brand's Facebook page.**
  - **Companies can use these results to modify their marketing approach and how they author Facebook posts.**
  - **This type of information is provided by marketing research, which is defined as the systematic gathering and analysis of marketing-related data to produce information that can be used in decision making**

- 1) **Global Active Internet Users** now totals **3.175 Billion**, that's nearly half of the world's population (**7.357 Billion**).
- 2) **As for Social Media**, there are over **2.206 Billion** active users, a global penetration of **30%**.
- 3) There are **3.734 Billion** Unique Mobile Users as of this quarter, accounting for a **51%** worldwide penetration.
- 4) **1.925 Billion** users utilise their mobiles for Social Media platforms.
- 5) **Social Media** users have risen by **176 Million** in the last year.
- 6) **365 Million** active mobile social users have been added over the same time span, an incredible total growth of **541 Million**.
- 7) **Facebook** adds  $\frac{1}{2}$  million new users every day; **6** new profiles every second. An ever-expanding market worth tapping into.
- 8) **Mobile** users constitute half of the world's population, and **2 million** smart phones are sold worldwide every single day.
- 9) **12** new active mobile social users are added every second, that's **1 Million** per day.
- 10) **WhatsApp** has gained **300 Million** new users since this time last year (**August 2014**), a year on year growth of **60%**.



## Topics of discussion

- **In this module, we will introduce marketing research**
- **Stages of the research process**

## The American Marketing Association (AMA) redefined

### Marketing Research as:

The function that links the consumer, the customer, and public to the marketer through **INFORMATION**



# Redefining Marketing Research



**Information**

Used to identify and define market opportunities and problems

Generate, refine, and evaluate marketing performance

Monitor marketing performance

Improve understanding of marketing as a process

# A Classification of Marketing Research



Marketing Research

Problem  
Identification Research

Market Potential Research  
Market Share Research  
Market Characteristics Research  
Sales Analysis Research  
Forecasting Research  
Business Trends Research

Problem-Solving  
Research

Segmentation Research  
Product Research  
Pricing Research  
Promotion Research  
Distribution Research



# The Role of Marketing Research





**Information**

**Reduces**

**Uncertainty**



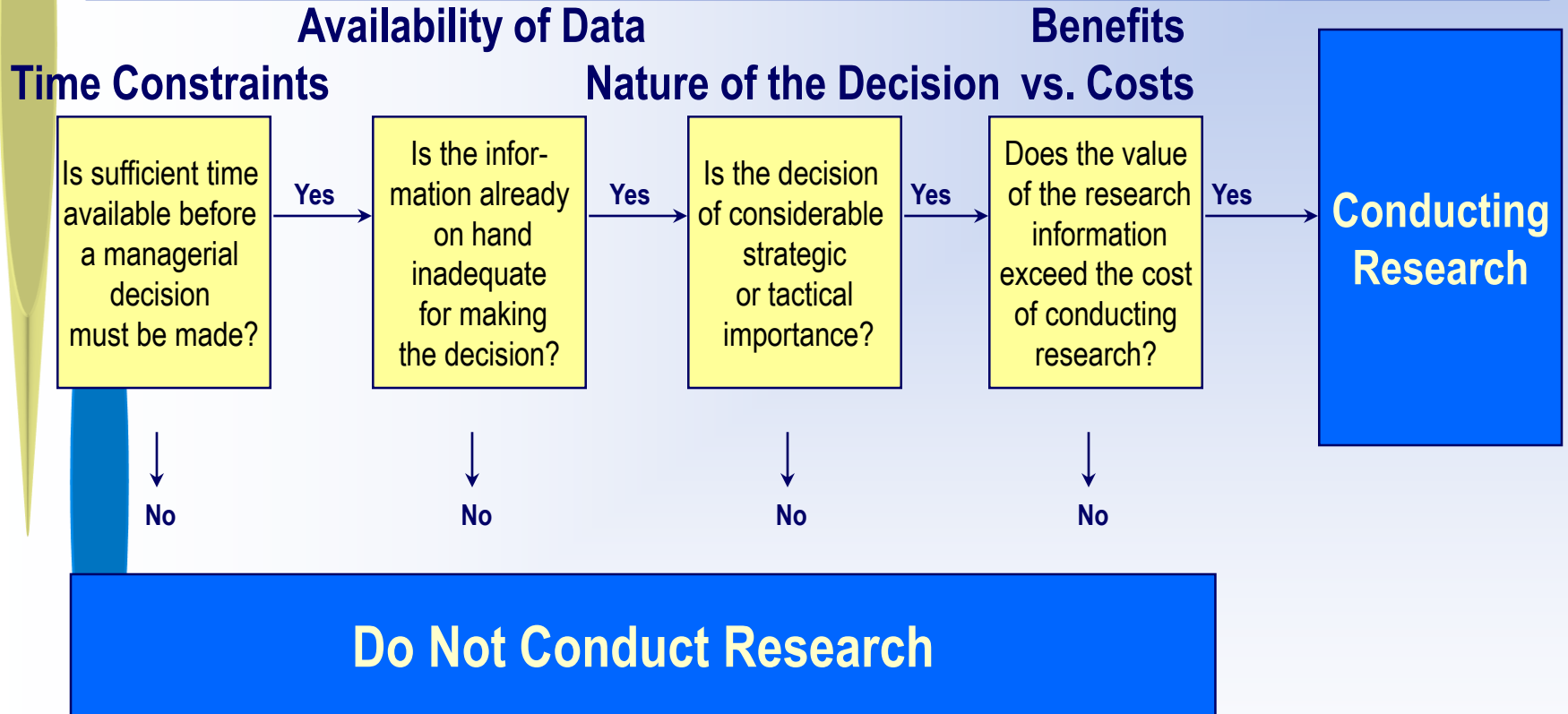
I don't know  
if we  
should  
offer on-site  
Leisure facilities?



# **Determining When to Conduct Research**

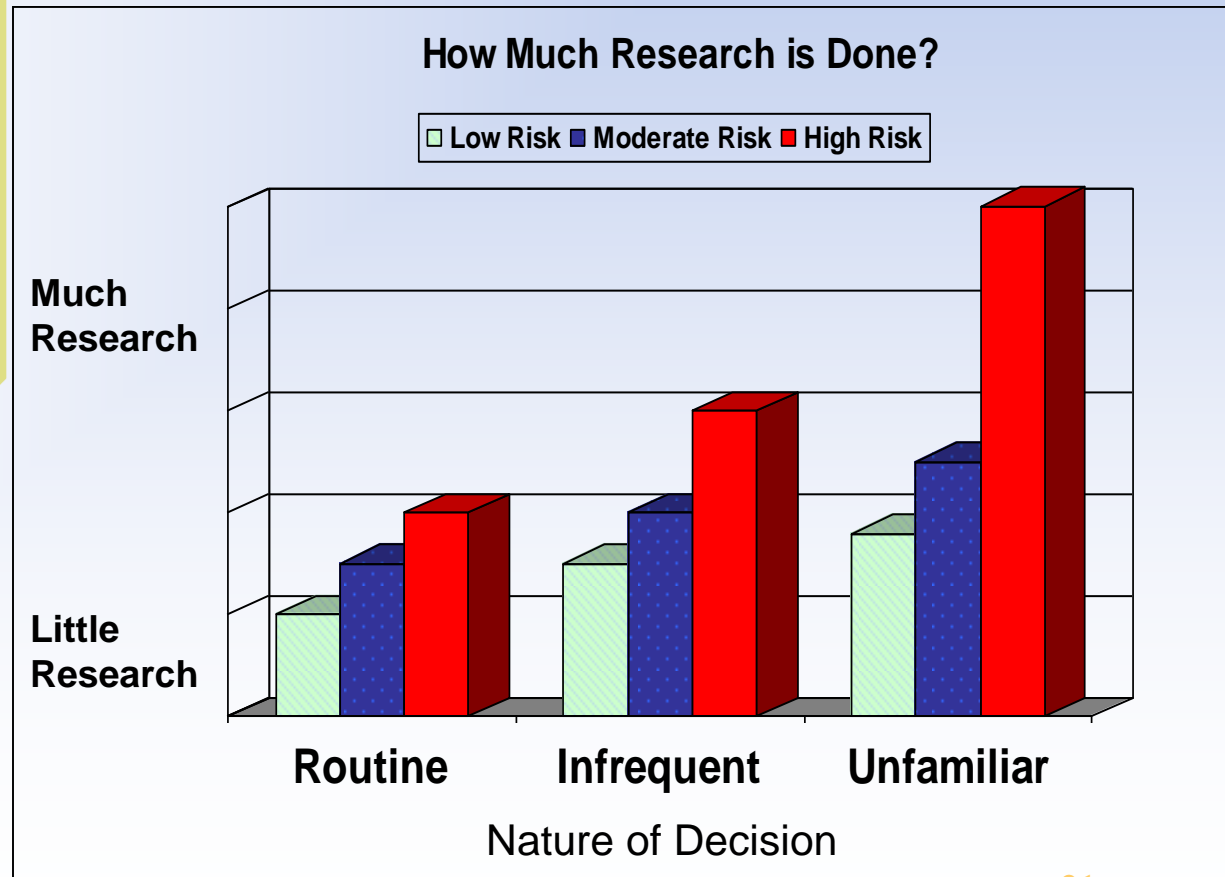
- **Time**
- **Availability of data**
- **Nature of the decision**
- **Benefits versus costs**

# Determining When to Conduct Research



# How much research?



- Routine decisions require little research.
- Unfamiliar decisions with high risk require much research.

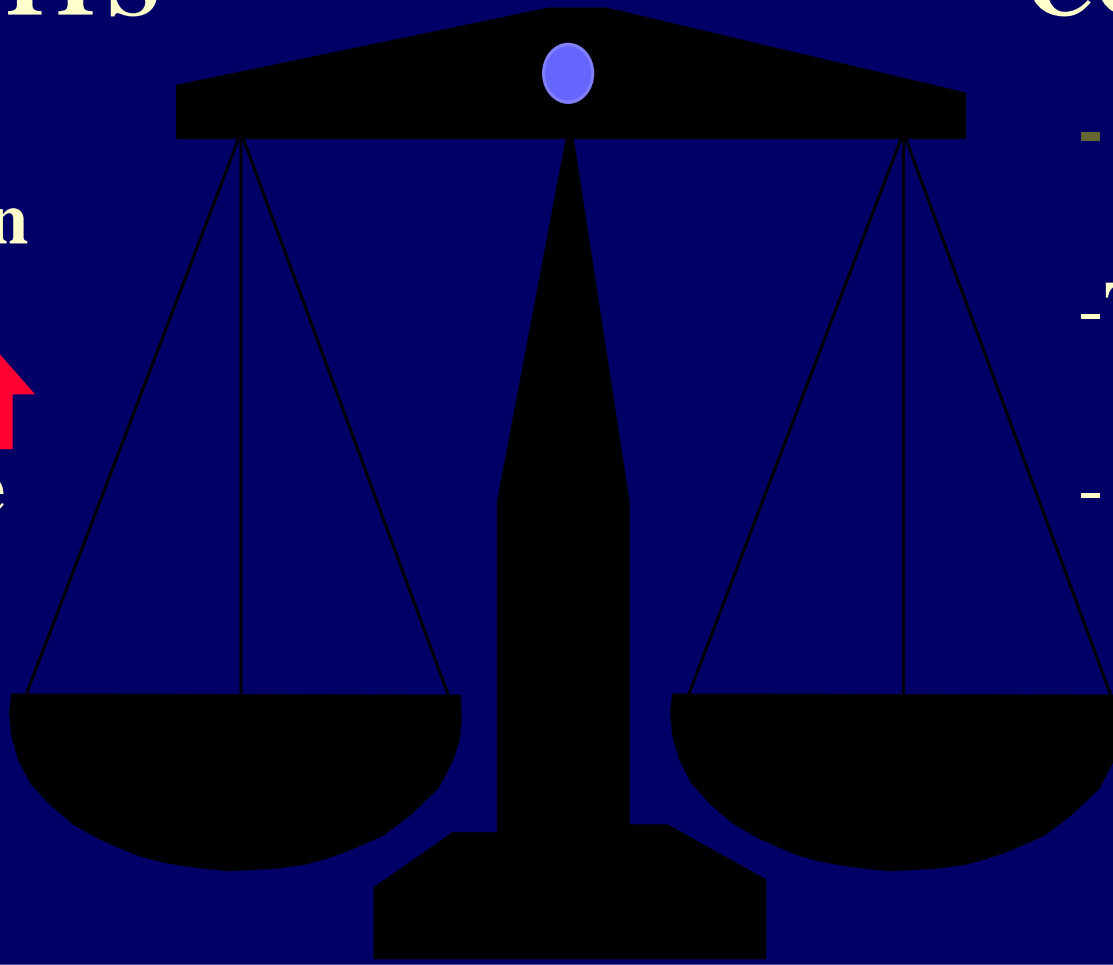


# **Benefit - Costs = Value of Research**

## **BENEFITS**

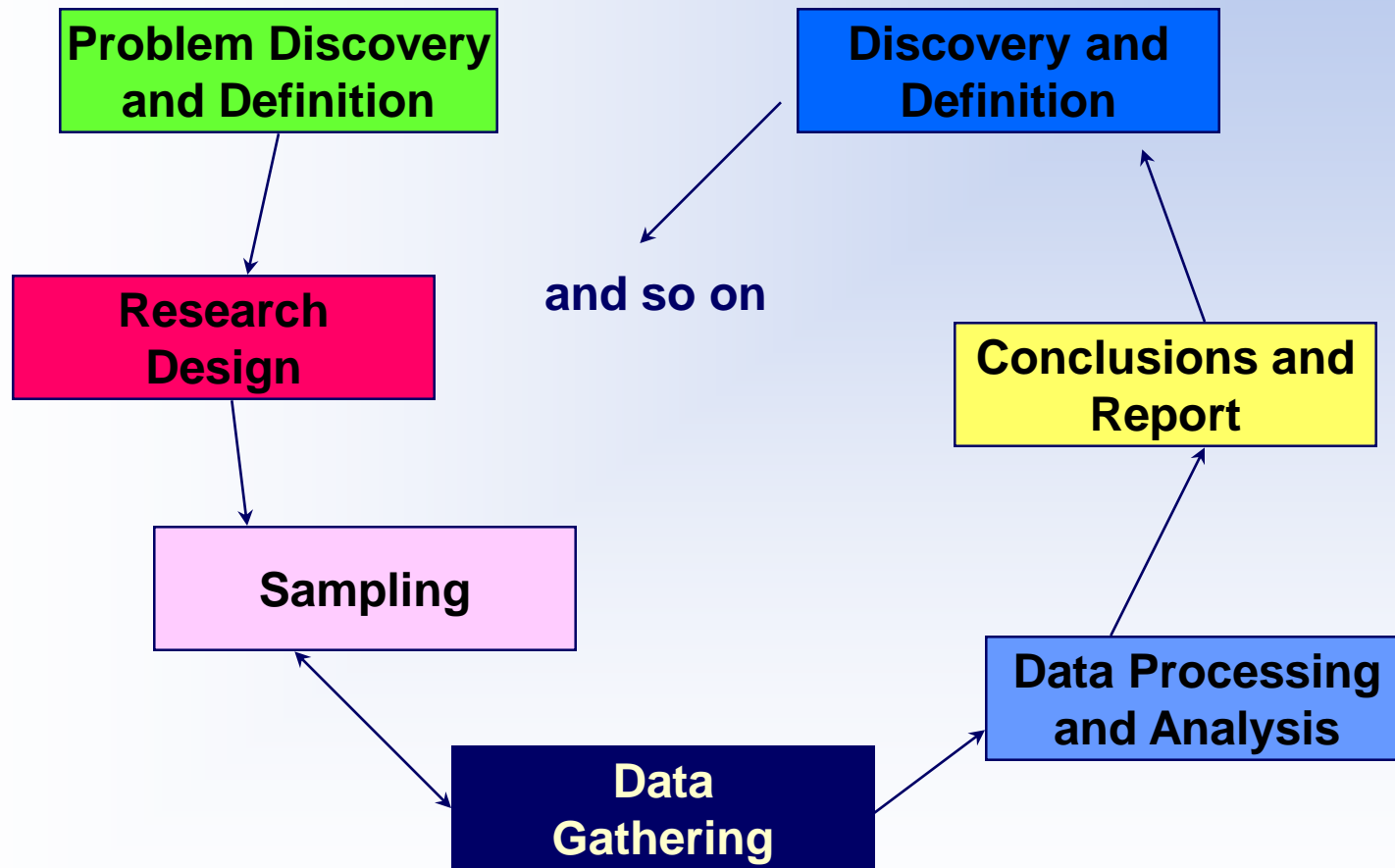
## **COSTS**

- Improve information
- Increase confidence 
- Reduce Risk 

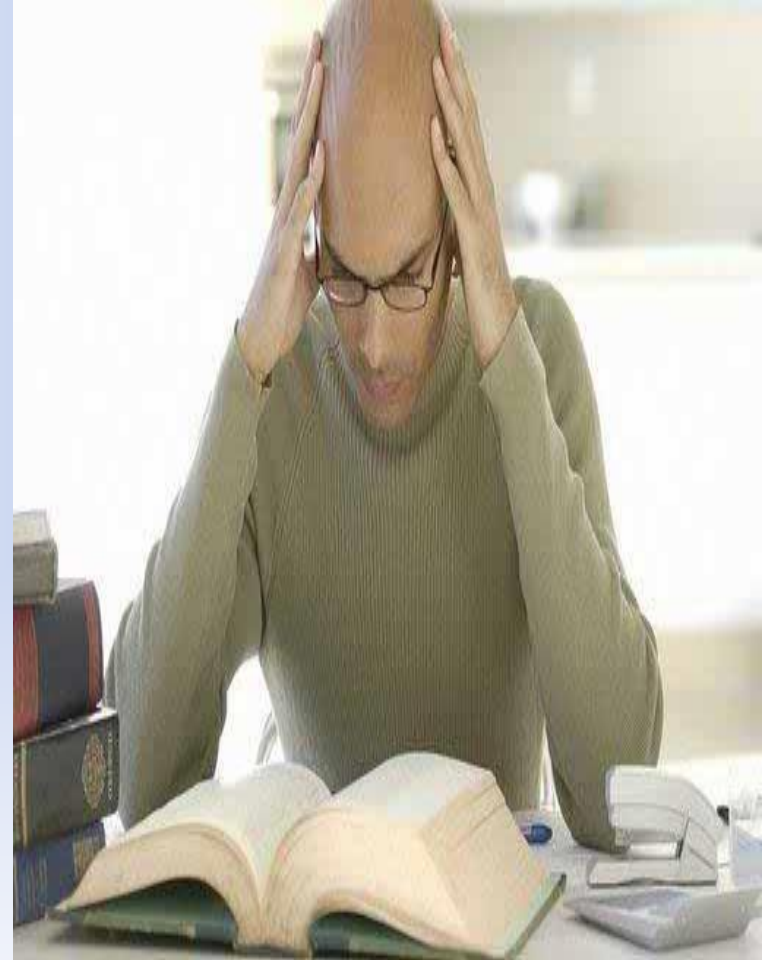


- Money
- Time
- Mistakes

# Stages of the Research Process



# **Step 1. Problem Discovery And Definition**



- **First step**
- **Problem, opportunity, or monitor operations**
- **Discovery before definition**
- **Problem means management problem**



# Chain Restaurant Study



One day I received a phone call from a ex-student.

He was working for a restaurant chain in town and wanted help analyzing the data he had collected while conducting a marketing research study.

## Chain Restaurant Study

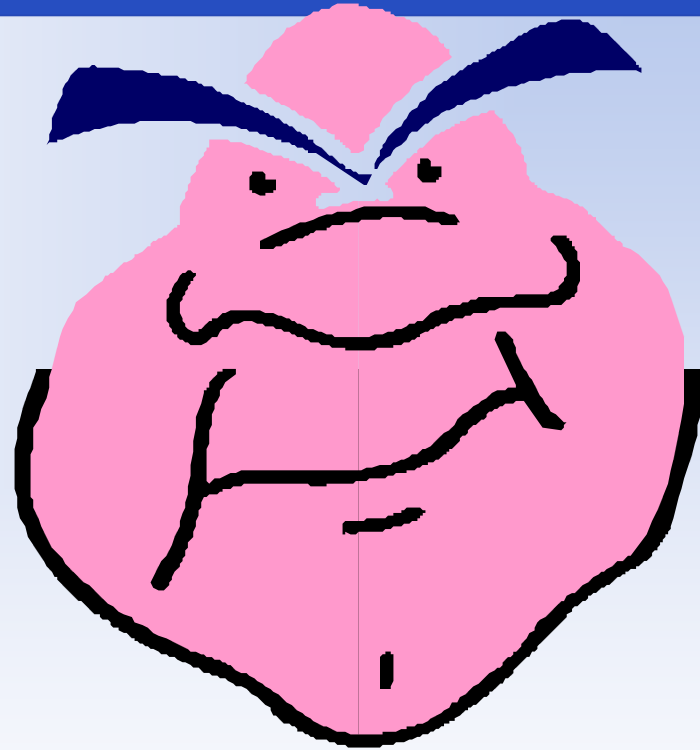


When we met, he presented me with a copy of the questionnaire and asked how he should analyze the data. My first question to him was,

***What is the problem being addressed?***

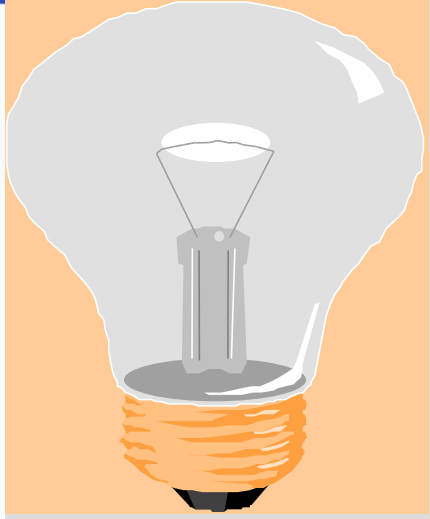
# Chain Restaurant Study

When he looked perplexed, I explained that *data analysis* is not an independent exercise.



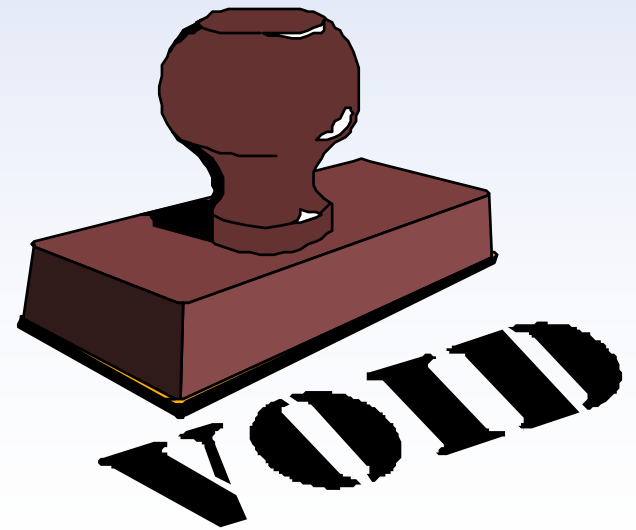
Rather, the goal of data analysis is to PROVIDE INFORMATION RELATED TO THE PROBLEM COMPONENTS.

# Chain Restaurant Study

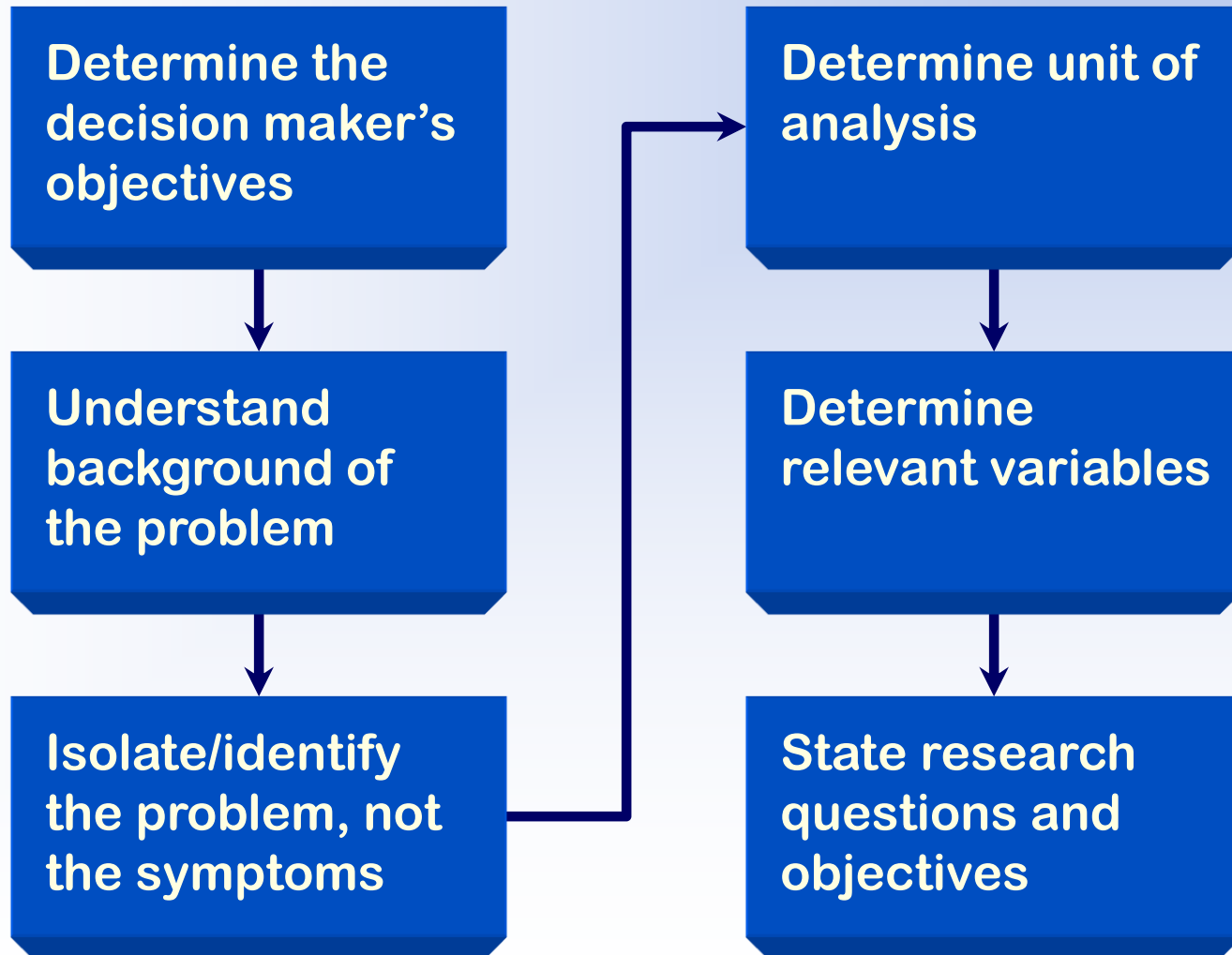


I was surprised to learn that he did not have a clear understanding of the *marketing research problem* and that a written definition did not exist. So before going any further, I had to **define** the marketing research problem.

Once that was done, I found that much of the data collected was not relevant to the problem. In this sense, the whole study was a waste of resources. A new study had to be designed and implemented to address the problem defined.



# The Process of Problem Definition



# Determine the Decision Maker's Objectives

- The studies:
  - Goals
  - Objectives
  - Targets
  - Aspirations
- “What” do you want to accomplish?



# Understand the Background of the Problem

- Isolate and identify the root problems, not the symptoms
- The “Why”
- Do a needs analysis –
  - Why does the problem exist?
  - The informal gathering of background information to familiarize researchers or managers with the decision area.



# The Iceberg Principle

- The principle indicating that the dangerous part of many business problems is neither visible to nor understood by managers.





# Determine the Unit of Analysis

- Who or “what” is to be analyzed?
  - Organization?
  - Individuals?
  - Households
  - Attitudes?
  - Behaviors?
  - Processes?
  - What?



# Types of Variables

- **Independent Variable ( IV )**
  - Influence variable;  
variable you can  
manipulate
- **Dependent variable ( DV )**
  - Measured variable;  
measure the effect of the  
IV
- **External ( moderators )**
  - Variables external to the  
study that could affect  
the DV
  - Time of day, style of  
teaching, etc.



# Research Questions and Hypotheses

- **Research questions** (RQs) are refined statements of the specific components of the problem.
- A **hypothesis** (H) is an unproven statement or proposition about a factor or phenomenon that is of interest to the researcher. Often, a hypothesis is a possible answer to the research question.



# Generalizations

**Research Question** – states a general proposition.

Is gender related to job outcomes?

**Hypothesis** – formal, specific statement of some unproven supposition that tentatively explains certain facts or phenomena.

Female service employees report higher job satisfaction than male service employees.

# ISSUES, SYMPTOMS, RESEARCH QUESTIONS

<b>Symptom</b>	<b>Potential Issues</b>	<b>Decision Issues</b>	<b>Research Questions</b>
<b>Labor costs are higher than the competition's</b>	<b>Employee sick days are too high?</b>	<b>Should we create flex-time?</b>	<b>Do flexible schedules create increased labor efficiency (lower labor costs)?</b>

# Research Questions Lead to Hypotheses

<b>Research Question</b>	<b>A Corresponding Hypothesis</b>
<ul style="list-style-type: none"><li>• Does advertising influence sales?</li></ul>	<ul style="list-style-type: none"><li>• Advertising is related positively to sales.</li></ul>
<ul style="list-style-type: none"><li>• Is sales territory size related to customer service ratings?</li></ul>	<ul style="list-style-type: none"><li>• Sales territory size is related negatively to customer service ratings.</li></ul>
<ul style="list-style-type: none"><li>• Do flexible schedules create increased labor efficiency?</li></ul>	<ul style="list-style-type: none"><li>• Business units using flex-time have lower unit labor costs than do those using standard schedule procedures.</li></ul>
<ul style="list-style-type: none"><li>• Does package color affect product quality ratings?</li></ul>	<ul style="list-style-type: none"><li>• Consumers rate products with blue packages as higher in quality than products in orange packages.</li></ul>
<ul style="list-style-type: none"><li>• Is an employee's gender related to job satisfaction?</li></ul>	<ul style="list-style-type: none"><li>• Female employees report higher job satisfaction than do male employees with the same job.</li></ul>

- ***Management Problem***
  - What price should we charge for our new product?
- ***Research Problem***
  - What are our costs of production and marketing?
  - What are our pricing objectives and position in the market?
  - What price does similar types of products sell for?
  - What is the perceived value of our product in the marketplace?
- ***Research Objectives***
  - To assess the costs involved in producing and selling our product
  - To determine corporate objectives and their implications for pricing
  - To examine current prices for direct and indirect competition
  - To determine potential customer reaction to various prices and their perception of the benefits of owning the product



**“What” are the research questions and objectives**

**Question: “What” is the effect of a graduate degree on income?**

**Objectives: “How” much do those with a Bachelor’s make? Masters? Doctorate?**

**Deeper Question: “Why” do we need to know this?**



# Phase 2

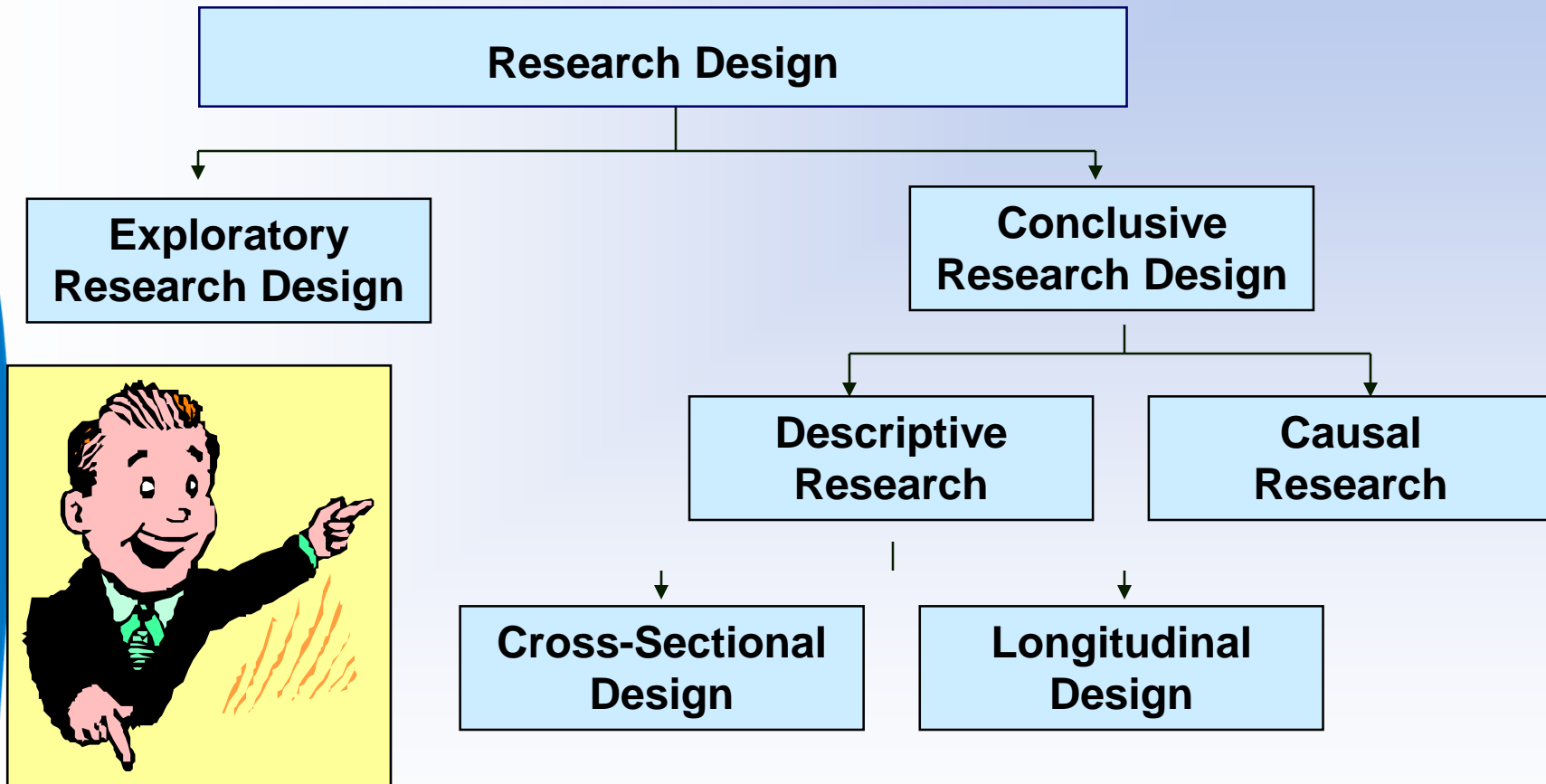
## Research Design

- What Data ... ?
- What Target Audience ... ?
- When to Collect ... ?
- Where to Collect ... ?
- How to Collect ... ?
- Who Collects ... ?
- Primary and/or Secondary Data ... ?



( A master plan for research studies)

# A Classification of Marketing Research Designs



# Exploratory & Conclusive Research Differences

## Exploratory

## Conclusive

**Objective:**

To provide insights and understanding.

To test specific hypotheses and examine relationships.

**Characteristics:**

Information needed is defined only loosely. Research process is flexible and unstructured. Sample is small and non-representative. Analysis of primary data is qualitative.

Information needed is clearly defined. Research process is formal and structured. Sample is large and representative. Data analysis is quantitative.

**Findings /Results:**

Tentative.

Conclusive.

**Outcome:**

Generally followed by further exploratory or conclusive research.

Findings used as input into decision making.





**CAUSAL,  
OR DESCRIPTIVE**

**COMPLETELY  
CERTAIN**

**ABSOLUTE  
AMBIGUITY**

**EXPLORATORY**



## **Uses of Exploratory Research**

**Formulate a problem or define a problem more precisely**

**Identify alternative courses of action**

**Develop hypotheses**

**Isolate key variables and relationships for further examination**

**Establish priorities for further research**

# Descriptive Research

- Research that describes
- Describes characteristics of a population or phenomenon
- Some understanding of the nature of the problem
- Deals with the who, what, where, when, how...but not the why?





# Cross-sectional and Longitudinal Designs

- **Involve the collection of information from any given sample of population elements only once.**
- **A fixed sample (or samples) of population elements is measured repeatedly on the same variables**
- **A longitudinal design differs from a cross-sectional design in that the sample or samples remain the same over time**



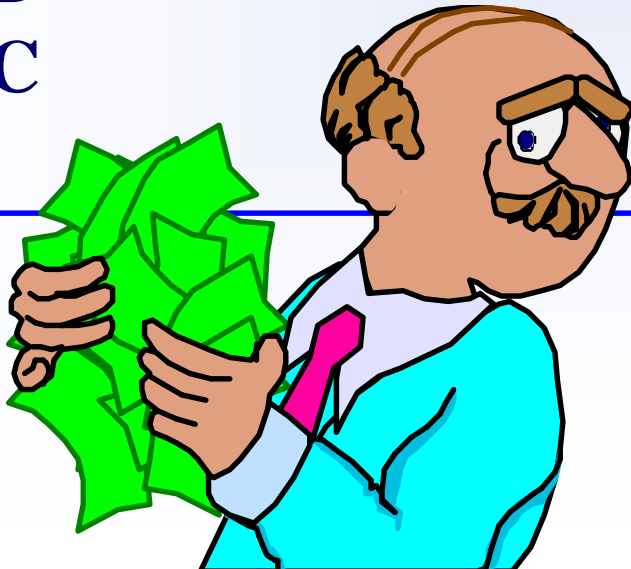
## Longitudinal Designs

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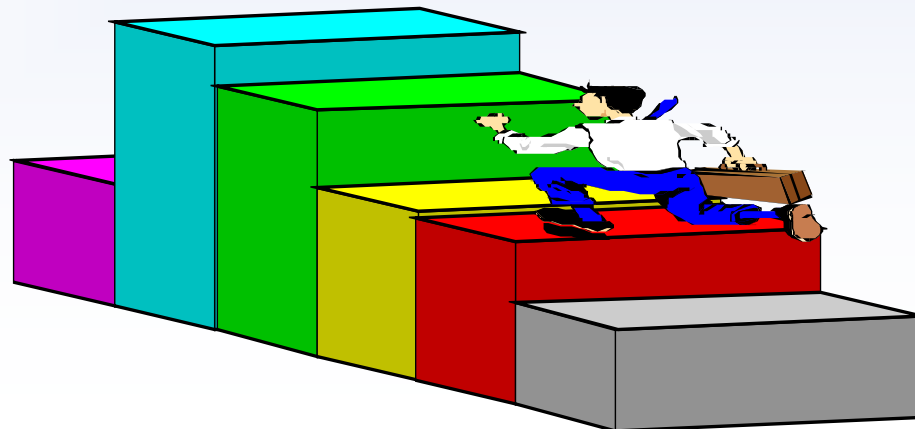
# Cross-Sectional Data May Not Show Change

Brand Purchased	Time Period	
	Period 1 Survey	Period 2 Survey
Brand A	200	200
Brand B	300	300
Brand C	500	500
Total	1000	1000



# Longitudinal Data May Show Substantial Change

Brand Purchased in Period 1	Brand Purchased in Period 2			
	Brand A	Brand B	Brand C	Total
Brand A	100	50	50	200
Brand B	25	100	175	300
Brand C	75	150	275	500
Total	200	300	500	1000



# Causal Research



- Research that looks at cause & effect
- Conducted to identify cause and effect relationships
- Statistics: Correlations, regression, t-test, ANOVA, etc.



## Uses of Casual Research

- To understand which variables are the cause (independent variables) and which variables are the effect (dependent variables) of a phenomenon
- To determine the nature of the relationship between the causal variables and the effect to be predicted
- **METHOD: Experiments**

# Step 3. Sampling



OHT 12

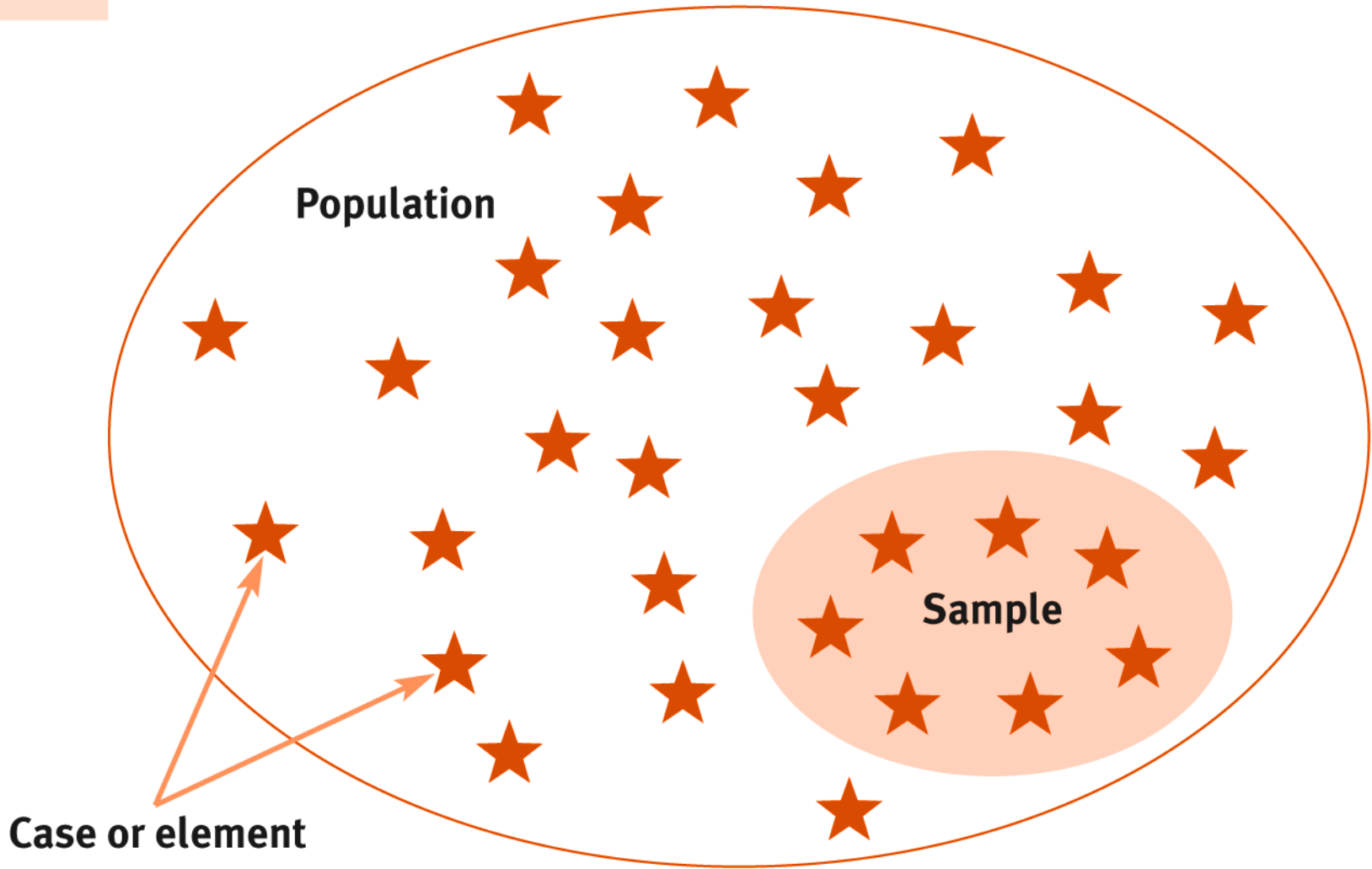


Figure 6.1 Population, sample and individual cases



# Probability vs. Non-Probability Sampling

**Probability** = each element of the population has a known, but not necessarily equal, probability of being selected in a sample.

**Non-Probability** = not every element of the target population has a chance of being selected because the inclusion or exclusion of elements in a sample is left to the discretion of the researcher.

# Types of Sampling Methods

## Probability

Simple Random

Systematic

Stratified

Cluster

Multi-Stage

## Non-Probability

Convenience

Judgment

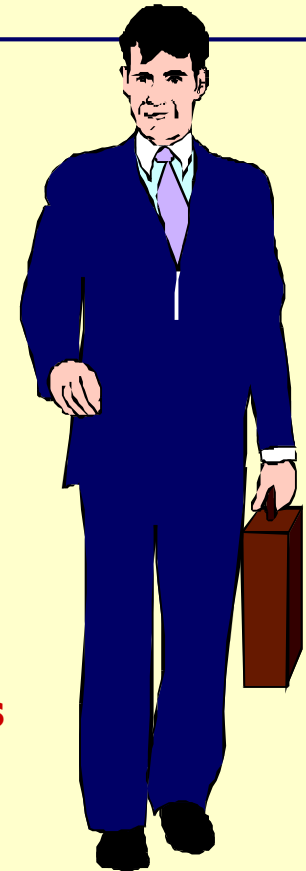
Snowball/Referral

Quota



# Sample Sizes Used in Marketing Research Studies

Type of Study	Minimum Size	Typical Range
<b>Problem identification research (e.g. market potential)</b>	<b>500</b>	<b>1,000-2,500</b>
<b>Problem-solving research (e.g. pricing)</b>	<b>200</b>	<b>300-500</b>
<b>Product tests</b>	<b>200</b>	<b>300-500</b>
<b>Test marketing studies</b>	<b>200</b>	<b>300-500</b>
<b>TV, radio, or print advertising (per commercial or ad tested)</b>	<b>150</b>	<b>200-300</b>
<b>Test-market audits</b>	<b>10 stores</b>	<b>10-20 stores</b>
<b>Focus groups</b>	<b>2 groups</b>	<b>6-15 groups</b>





# Sample size

- Required sample size is not related to population size (except for small populations)

# Sample size – small populations

Population size	Minimum sample size to achieve CI of $\pm 5\%$ or $\pm 1\%$ on a sample finding of 50%	
	$\pm 5\%$	$\pm 1\%$
Infinite	384	9,602
5 million	384	9,584
1 million	384	9,511
500,000	384	9,422
100,000	383	8,761
50,000	381	8,056
10,000	370	4,899
5000	357	3,288
1000	278	906
100	80	99 <small>11-59</small>

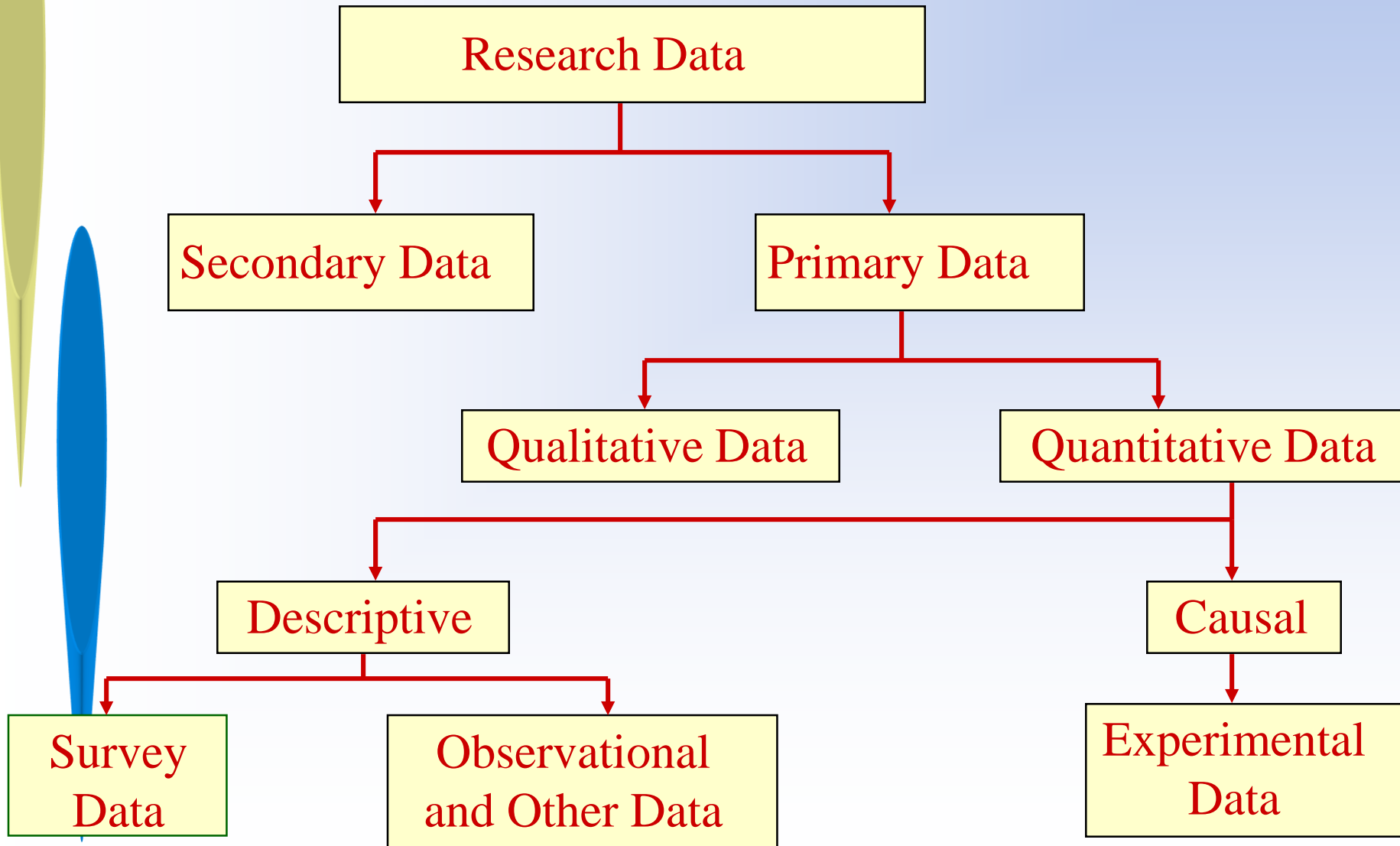
# Step 4. Data Gathering

Quantitative  
Techniques

Qualitative  
Techniques

- Secondary data
- Interviewing
- Questionnaires
- Surveys
- Observation
- Focus groups

# A Classification of Research Data



# Types Of Data

## PRIMARY DATA

Data gathered and analyzed specifically for the purpose at hand

## SECONDARY DATA



Data previously collected by someone else for some purpose other than the one at hand

# QUALITATIVE RESEARCH

- **Not measurements, but WORDS!**
  - Instead of asking how many times someone purchased an item, you ask "WHY...?"
  - Typically the samples are small, and not "random"



# General approaches

- **Individual interviews**
  - Non-structured
  - Semi-structured
  - Structured
- **Focus groups**
- **Observation**
- **Projective Techniques**



# Depth Interviews





# **What is an In-depth Interview?**

**A conversation on a given topic between a respondent and an interviewer**

- **Used to obtain detailed insights and personal thoughts**
- **Flexible and unstructured, but usually with an interview guide**
- **Purpose: to probe informants' motivations, feelings, beliefs**
- **Lasts about an hour**
- **Interviewer creates relaxed, open environment**
- **Wording of questions and order are determined by flow of conversation**
- **Interview transcripts are analyzed for themes and connections between themes**

# Focus Groups

**A loosely structured interview conducted by a trained moderator among a small number of informants simultaneously.**





## Popularity of Focus Group

### *Percentage of Companies*

### *Using*

<b>Frequently Use</b>	<b>56%</b>
<b>Sometimes Use</b>	<b>36%</b>
<b>Never Use</b>	<b>8%</b>

## Focus Group Characteristics

- 8 - 12 members (usually paid)
- homogeneous in terms of demographics and socioeconomic factors but heterogeneous views
- experience related to product or issue being discussed
- 1 1/2 –2 hour session
- 1-way mirror/client may sit behind
- qualified moderator
- conversation may be video and/or audiotaped OR notes may be taken



## Moderator's role

- encourage discussion
- encourage them to talk with one another not you
- bring in people who aren't speaking
- Reduce influence of people who dominate
- Bring out a variety of viewpoints
- keep on discussion track w/o stifling
- allow silence
- avoid premature closure



# Observation as a data collection method

**‘Observation involves the systematic observation , recording, description analysis and interpretation of people’s behaviour’**

**Saunders *et al.* (2009)**

# Experiment

- **Data collection method in which one or more IVs are manipulated in order to measure their effect on a DV, while controlling for exogenous variables in order to test a hypothesis**
- **Cause and effect relationship is established by**
  - **Manipulation of independent variable**
  - **Controlling for exogenous factors**



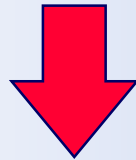
# Step 5. Data Analysis Procedures

- Process of turning raw data into information.
- Analysis procedures can range from simple frequency distributions to complex multivariate data analysis techniques.

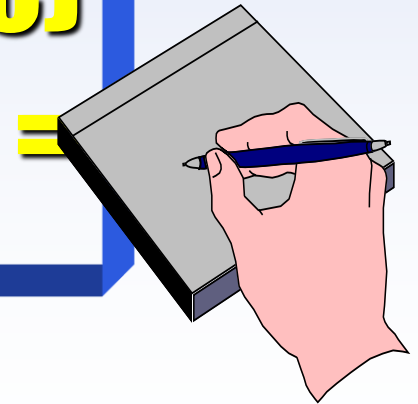


**Data**

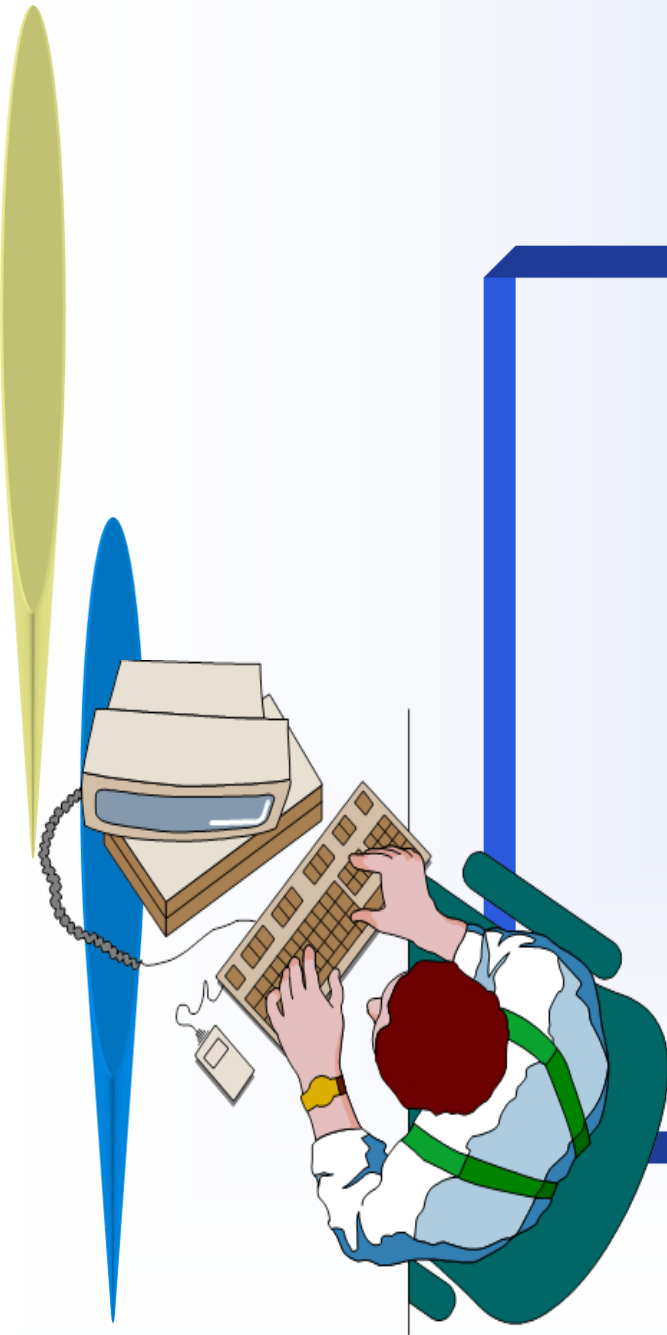
**Data**



**(Interpret-  
Analyze)**



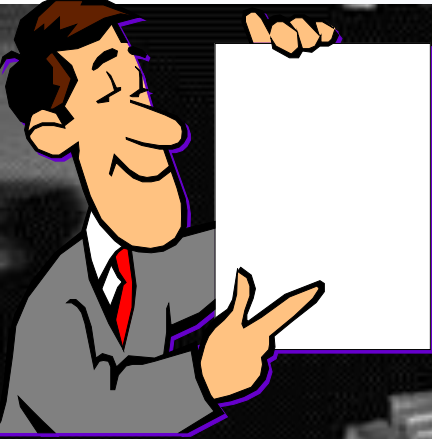
**Information**



# Data Analysis Guides

- **Validate Data Collection Process**
- **Do analysis prior to looking at data**
- **Avoid self justification**
- **Participate in all facets of study**
- **Be creative: Consider your audience**
- **Make Benchmark Comparisons with competitors**





**Executive Summary**

**Introduction**

**Problem Definition & Objectives**

**Body of Methodology**

**Results, Findings, Limitations of Study**

# Step 7 (or 1). Problem Discovery And Definition

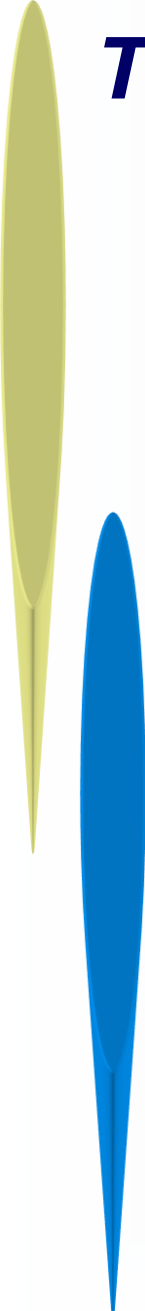
- Return to the first step





# Traditional Versus Emerging Marketing Research Industry

- **Traditional Marketing Research**
- Firm Types
- Full-service custom suppliers
- Syndicated research suppliers
- Niche Sector expertise firms
- **Wider Insights Industry**
- Management consulting
- Social media
- Software
- CRM Business intelligence



***There are new playing fields, new players and new rules. Marketing researchers are not playing the whole field anymore. They need to get much closer to all this kind of information, and make sure that they become the conscience and voice of reason, handling this large stream of information. In time, they should work towards taking on a new role that combines all the customer insights from social media, email, a variety of website statistics and primary research data.***

***(ESOMAR, 2010b, p. 27)***

# General Implications

- The marketing research industry must rename, rebrand, and reposition itself as the central, strategy-building hub of a wider insights industry.
- It must aggressively move beyond the asking epoch in which it was created and embrace observational, co-creative, and anticipatory methods.
- It must excel at harvesting insights across multiple data streams.
- It must shift its temporal focus from the present into the future, possibly renaming itself “*anticipatory customer strategies.*”





## General Implications

- Finally, it must focus on the three enduring constants of curiosity, creativity, and communication. Marketing researchers are curious by nature, and they need to feed this strength.
- But the industry will need to become more right-brained, as the need for left-brained project managers is eclipsed by the need for creative listeners. And it will need to keep honing its communications skills.
- Finding actionable insights is one thing, but communicating them with impact across an enterprise is quite another.



# Implications for Insights Functions

- **Insights functions must have greater C-suite access. If the insights function is expected to be a center of corporate learning, the insights head must hold an executive level position.**
- **The function must move beyond periodic, tactical, asking-based research to the role of strategic counselor based on IIS.**
- **The insights function must become the strategic custodians of digital portals that harness multiple data streams and methodologies.**
- **They cannot fight for real estate on these portals. They must run the portal.**



## **Implications for Insights Functions**

- **To adjust to the evolution of marketing research, insights functions will need to diversify their talent sets through the addition of staff conversant in data mining, social media monitoring, insights communities, neuromarketing, prediction marketing, and foresight**



# Implications for Suppliers

- **What got you here, won't get you there.**
- **Prepare to make the leap from the asking epoch to the observing epoch.**
- **Diversify talent away from a focus on the survey and toward data mining, knowledge management, social media, insights communities, and prediction markets.**
- **Develop solutions that merge all of these into iterative insights streams.**
- **Move beyond the role of data provider and add value at the strategy level or risk becoming commoditized.**



## Conclusions

- **Advances in telecommunications technology have changed the ways that consumers interact with each other, companies, and brands.**
- **Marketing researchers now monitor social media as a result.**
- **Economic constraints have tightened client budgets, while competitive pressures have compressed deadlines and forced research firms to embrace the Internet as a faster, more cost-effective method of data collection.**
- **Furthermore, the globalization of business has resulted in a greater need for multi-country marketing research efforts.**



***Question ?***