marketing research and information

SYLLABUS – MARKETING RESEARCH AND INFORMATION

Aim

The Marketing Research and Information unit covers the management of customer information and research projects as part of the marketing process. It provides students with both the knowledge and skills to manage marketing information and the more specialist knowledge and skills required to plan, undertake and present results from market research.

Learning outcomes

Students will be able to:

- Identify appropriate marketing information and marketing research requirements for business decision-making.
- Plan for and manage the acquisition, storage, retrieval and reporting of information on the organisation's market and customers.
- Explain the process involved in purchasing market research and the development of effective client–supplier relationships. AU1
- Write a research brief to meet the requirements of an organisation to support a specific plan or business decision.
- Develop a research proposal to fulfil a given research brief.
- Evaluate the appropriateness of different qualitative and quantitative research methodologies to meet different research situations.
- Design and plan a research programme.
- Design a questionnaire and discussion guide.
- Interpret quantitative and qualitative data and present coherent and appropriate recommendations that lead to effective marketing and business decisions.
- Critically evaluate the outcomes and quality of a research project.
- Explain the legal, regulatory, ethical and social responsibilities of organisations involved in gathering, holding and using information.

Indicative content and weighting

Element 1: Information and research for decision-making (15 per cent)

1.1 Demonstrate a broad appreciation of the need for information in marketing management and its role in the overall marketing process.

1.2 Explain the concept of knowledge management and its importance in a knowledge-based economy.

1.3 Explain how organisations determine their marketing information requirements and the key elements of user specifications for information.

1.4 Demonstrate an understanding of marketing management support systems and their different formats and components.

Element 2: Customer databases (15 per cent)

2.1 Demonstrate an understanding of the application, the role in customer relationship management (CRM) and the benefits of customer databases.

2.2 Describe the process for setting up a database.

2.3 Explain how organisations profile customers and prospects.

2.4 Explain the principles of data warehouses, data marts and data mining.

2.5 Explain the relationship between database marketing and marketing research.

Element 3: Marketing research in context (25 per cent)

3.1 Describe the nature and structure of the market research industry.

3.2 Explain the stages of the market research process.

3.3 Describe the procedures for selecting a market research supplier.

3.4 Identify information requirements to support a specific business decision in an organisation and develop a research brief to meet the requirements.

3.5 Develop a research proposal to fulfil a given research brief.

3.6 Explain the ethical and social responsibilities inherent in the market research task.

Element 4: Research methodologies (30 per cent)

4.1 Explain the uses, benefits and limitations of secondary data.

4.2 Recognise the key sources of primary and secondary data.

4.3 Describe and compare the various procedures for observing behaviour.

4.4 Describe and compare the various methods for collecting qualitative and quantitative data.

4.5 Design a questionnaire and discussion guide to meet a project's research objectives.

4.6 Explain the theory and processes involved in sampling.

Element 5: Presenting and evaluating information to develop business advantage (15 per cent)

5.1 Demonstrate an ability to use techniques for analysing qualitative and quantitative data.

5.2 Write a research report aimed at supporting marketing decisions.

5.3 Plan and design an oral presentation of market research results.

5.4 Use research and data to produce actionable recommendations for a marketing plan or to support a business decision.

KEY CONCEPTS – REVISION CHECKLIST

These are the key concepts you should be aware of when you go into the marketing research and information exam. Be able to define or explain each concept and be prepared to discuss key aspects of it. If you have revised this material well then you should be able to cope with the theoretical aspects of the exam.

Syllabus element 1

Information and research for decision making

	☑		☐
Marketing and the marketing concept	☐	Developing information user specifications	☐
Overview of the information age and the knowledge economy	☐	Definitions for and the role of marketing research	☐
The role of information as a marketing asset	☐	Basic concepts of knowledge management (KM) and key terms	☐
Impact of ICT in marketing and business generally	☐	Barriers to KM and how to overcome them	☐
Information needs for the marketing planning process and typical marketing decisions	☐	Overview of marketing decision support systems and components	☐
APIC framework (analysis, planning implementation and control)	☐	Marketing information system (MKIS) model, its use and application	☐
Four roles for information	☐	Stages of development for an information system or MKIS	☐
Decision levels in organisations	☐		

Syllabus element 2

Customer databases

	☑		☑
Overview of customer relationship management (CRM) and its benefits	☐	Appreciation of ACORN and MOSAIC geo-demographic profiling systems	☐
Overview of CRM technology and its components	☐	Appreciation of TGI (Target Group Index)	☐
Setting up a customer database, the database creation process and various maintenance terms	☐	Adding research data to the database – how and the implications	☐
Customer database – sources and uses of the data	☐	Data Warehouses and marts, including advantages/benefits	☐
Importance of a customer database for profiling customers		Appreciation of Data Mining techniques	
Four types of customer data, their importance and application	☐	Relationship between database marketing and marketing research information – very important!	☐
Adding profile data to a database	☐		

Syllabus element 3

Marketing research in context

☑

Structure of the marketing research industry:
- Internal research departments – functions.
- Trend to broaden role – customer insight teams
- Types of agency and research supplier, with examples and types of activities undertaken.
- Professional bodies and their role.
- MRS and ESOMAR

The market research process:
- Approach and key elements of each stage.
- Categories of research: exploratory, descriptive, causal. Know the roles of each category and the relationships between them

In-house and external agency approaches to marketing research projects:
- Advantages and disadvantages of in-house and agency approaches
- Management issues

Selecting a marketing research supplier:
- Selection procedures
- Selection criteria

MR agency presentations:
- The beauty parade
- Advantages for agencies and clients

☑

Ethical and legal aspects of marketing research:
- Data protection act – know its key areas of importance to marketers
- Other relevant legislation
- Regulatory codes relating to communication with prospects: TPS, MPS, FPS, EPS
- MRS/ESOMAR Code of Conduct – know its content

The marketing information requirements of organisations that marketing research can address including:
- Market research
- Product research
- Price research
- Sales promotion/marketing communications research
- Customer service, support and complaints research
- Distribution channel research

Marketing briefs and proposals:
- Purpose, content and layout of each document
- Be able to produce a brief to cover a given problem/ opportunity and an industry context
- Be able to produce a detailed proposal in response to a brief or mini-case scenario

Syllabus element 4

Research methodologies

☑

Remind yourself of the marketing research process

Overview of the various research methodologies: primary, secondary, quantitative, qualitative

Secondary research, internal and external sources

Application of secondary research data to a business problem

Benefits of the Internet for external secondary research

Uses of secondary research, including its use as a backdrop to primary research

Problems and limitations of using secondary data:
- Availability, applicability, accuracy and comparability

Types of primary research:
- Qualitative and quantitative

Observational techniques:
- Various methods and categories
- Advantages and disadvantages of the various methods

Qualitative research methods:
- Unstructured/individual depth interviews
- Discussion or focus groups
- Projective techniques
- Advantages and disadvantages of each qualitative method
- Moderator role, recruitment and skills set
- Discussion guide content, design and preparation

☑

Quantitative research methods:

- Questionnaires and surveys: interviewer administered and self-completion, various types (know a good selection)
- Advantages, disadvantages and comparisons of each type
- Use of technology – CAPI and CATI
- Recruiting field workers, training, skills, supervision of
- Questionnaire design:
  - Design process stages
  - Question types
  - Open, closed, scaling types, scale dimensions
  - Advantages and disadvantages of each type
  - Wording, design and layout

Sampling Techniques:
- Census or sample?
- Sample size determination
- Sampling frames and sampling error

Probability sampling methods:
- Simple random sample
- Systematic sample
- Stratified sample
- Multi-stage sample

Non-probability sampling methods:
Judgement, convenience, snowball

Types of non-response and how to minimise the possibility of

Syllabus element 5

Presenting and evaluating information

☑

Analysing quantitative data:

- Coding and data entry
- Data types
- Tabulation and cross-tabulation
- Use of descriptive statistics, measures of central tendency, measures of dispersion
- Statistical significance
- Hypothesis testing
- Correlation and regression for measuring relationships
- Multivariate techniques including cluster analysis

Analysing qualitative data:

- Process stages
- Methods including: tabulation, cut and paste, spider diagrams
- Use of computer software for analysis

☑

Reports and presentations:

- Audience needs and thinking sequence
- Marketing research reports, format and contents
- Format for an oral presentation
- Basic presentation techniques and tips
- Presenting data graphically – know the range of graphs and charting formats along with the advantages and disadvantages of each type
- Common problems associated with reports and presentations

PART A MINI-CASES

Before attempting the mini cases in this section, please read the Study and Revision Techniques section of this Revision Guide

Mini-Case 1: SeaLux Cruises (June 2006)

Information requirements for marketing decisions, content of a marketing research brief, written research proposal to satisfy information requirements

Syllabus elements 1.1, 3.2, 3.4, 3.5, 4.1, 4.2, 4.3, 4.4, 4.6, 5.1

SeaLux Cruises is a new cruise operator consisting of two ships sailing out of the port of Southampton in Southern England. It has been established for just over one year and provides cruise-based vacations using its 1400 berth ship, Med Blue, around the Mediterranean, and cruises around Scandinavia and the Baltic States on its 1250 berth ship, Northern Blue. The focus is on offering relaxing vacations with an emphasis on 'luxurious discovery' through a wide range of dining, entertainment and excursion choices. A 12-day Mediterranean cruise on the Med Blue with stops in Venice, Barcelona, Rome and five other cities starts at around £2000.

Although the first year has gone well with very satisfied passengers and no technical problems, the cruises have been running at below optimum capacity. The level of bookings for the sixteen cruises scheduled for the next 12 months is also around 35 per cent below target. This is causing the company some concern, particularly when industry sources and the performance of competitors clearly suggest that the UK cruise market is going through a period of tremendous growth. There is a view among the senior management of the company that the product offering is correct for the target market but the promotion and sales activity is failing to raise awareness and attract or convert potential passengers.

Unlike other cruise lines that use travel agents to sell their cruises, SeaLux undertakes direct advertising in national newspapers and magazines leading to customers booking direct with SeaLux through their Internet site or telephone hotline. The senior management is now concerned that low sales may reflect an unwillingness of the target market (over 40 age group) to book cruises on a direct basis, as they may require the advice and reassurance of a travel agent. Alternatively, the poor sales may simply reflect a low awareness of the advertising and the company's offerings. SeaLux is, therefore, keen to undertake a programme of research to examine the effectiveness of the advertising and the attitudes of the target market towards the preferred methods and channels for the booking of cruise-based holidays. The company is willing to spend up to £70 000 on the research project.

(The above data has been based on a fictitious situation drawing on a variety of events and does not reflect the management practices of any particular organisation.)

Mini-Case 2: Colonnade Technologies Limited

Information requirements for marketing decisions, content of a marketing research brief, written research proposal to satisfy information requirements

Syllabus elements 1.1, 3.2, 3.4, 3.5, 4.1, 4.2, 4.3, 4.4, 4.6, 5.1

Colonnade Technologies Limited (CTL) provides computerised alarm management solutions mainly to commercial alarm receiving centres (ARCs) whose business involves the electronic monitoring of fire and security alarms installed in domestic premises, retail outlets and industrial/commercial buildings. The monitoring and tracking of commercial vehicles and lone workers is also becoming popular, given the ready availability of satellite positioning/navigation devices, combined with mobile phone technology. This new strand of business is proving very profitable for the ARCs.

When an alarm is received, operators in the receiving centre use the management system to despatch key holders, the police or fire services and other resources as may be required. The system can also provide live CCTV pictures and other information, including detailed maps and plans, to assist in managing the incident. All activity, including the system operator's response actions, is accurately time-stamped and logged in a database and can be used to provide management reports for the customer and/or provide evidence for legal or insurance purposes.

Traditionally, there were only a few suppliers of alarm management systems in the UK, each of which enjoyed a fair share of the market and healthy profitability. CTL is the oldest supplier and has built a reputation for innovative software, high system reliability and solid customer service.

A number of changes have occurred in the market during the last five years and CTL is finding business increasingly tough. First, significant consolidation has occurred in the ARC market with a number of acquisitions and mergers taking place, resulting in fewer, but much larger, ARCs which have adopted a business model based upon high volume, low margin business and low cost operations. Secondly, CTL has experienced new and aggressive competition from overseas, especially the US. These competitors offer attractive solutions and lower prices. CTL has lost a number of contracts to the new entrants, including three long-standing customers.

Phil Jones, CTL's managing director, recognises that his organisation has failed to keep pace with the changes that have taken place. He believes that a programme of research is urgently needed to inform a new marketing strategy for the company and is prepared to spend up to £30 000 on the research project.

(The above data has been based on a fictitious situation drawing on a variety of events and does not reflect the management practices of any particular organisation.)

Mini-Case 3: Kelvin Council (June 2004)

Information requirements for marketing decisions, content of a marketing research brief, written research proposal to satisfy information requirements

Syllabus elements 1.1, 3.2, 3.4, 3.5, 4.1, 4.2, 4.3, 4.4, 4.6, 5.1

Kelvin Council is a local government authority with a population of approximately 250 000 people. The population is located in approximately 140 000 households within five main settlements (Bearsden, Milngavie, Kirkintilloch, Torrance and Lennoxtown) as well as in rural villages and hamlets. All local authorities have been given a target for recycling domestic waste. Kelvin Council's target is 20 per cent of the domestic waste being recycled by the year 2010. This compares with the 8 per cent figure that Kelvin Council is currently achieving. The council has established recycling centres in the car parks of major retail outlets for the recycling of glass, plastic, aluminium, paper and cardboard. They also sell composting bins to the public for the recycling of garden and kitchen waste. However, the proportion of waste being recycled has changed little over the last three to four years.

The council is now keen to find out more about its residents' attitudes towards recycling, for example:

- Why they recycle/do not recycle?
- What are their attitudes towards the need to recycle?
- What items do they find easy/difficult to recycle?
- Would they recycle more if each household received a bin for collecting recyclable waste?
- Are financial incentives needed to increase recycling rates?

The council hopes that answers to such questions will help them to categorise residents into different groupings and assist in the identification of new initiatives to increase the level of recycling.

The Council is willing to spend up to £25 000 on the research project.

Mini-Case Questions

This same question applies to each of the MRI mini-cases presented in this revision guide.

1. You are a research executive in a market research agency and have been asked to do the following:

a) Identify appropriate further information that you would require from the organisation prior to writing a proposal. (10 marks)

b) Having made reasonable assumptions regarding the answers to the information required in Question 1a, produce a proposal to address the research needs of the organisation. (For the purpose of this question, your proposal should exclude the sections relating to personal CVs, related experience, references and contract details.) (40 marks)

(Total 50 marks)

PART B QUESTIONS

Syllabus element 1
Question 1

Information needs of managers and marketing information systems

Syllabus elements 1.1, 1.3, 1.4, 3.4

You have just been appointed marketing manager for an organisation and have been asked to produce a report about the process and benefits of integrating various internal information sources along with external data obtained through marketing research. Your report should:

a) Outline the process you would use to determine the organisation's marketing information requirements. (10 marks)

b) Explain the possible contribution of marketing research to an integrated information system. (7 marks)

c) List the key benefits of such a system. (8 marks)

(Total 25 marks)

Question 2

Information and research for decision-making

Syllabus elements 1.1, 1.3

In your new role as marketing manager for an organisation of your choice, you identify the need to undertake an audit of current marketing operations. In preparation for this task, write a report which provides details of:

a) The information requirements for the audit, outlining possible sources of internal and external data. (12 marks)

b) The key elements of a user specification for information. (8 marks)

c) The criteria you would use to assess the value of the information provided in response to a user specification. (5 marks)

(Total 25 marks)

Question 3

Knowledge management

Syllabus elements 1.1, 1.2

You have been asked to make a short presentation at the next monthly management meeting on the subject of knowledge management (KM).

a) Prepare a set of notes for the presentation which introduces the key concepts and explains the potential benefits to the organisation. (15 marks)

You become aware that one or two of the managers who will attend the presentation have heard about KM and are sceptical about whether it can be successfully introduced.

b) In order to address these concerns, add a short final section to the presentation notes which identifies potential barriers to knowledge management and briefly explain how these might be overcome. (10 marks)

(Total 25 marks)

Syllabus element 2
Question 4

Database information, its benefits and ethical issues (June 2006, Question 2)

Syllabus elements 1.1, 2.1, 2.3, 2.5, 3.6

The senior management of **SeaLux** is of the opinion that the company should know much more about the characteristics of their passengers. This would be useful in customer profiling, building loyalty and obtaining repeat business. Currently, basic name, address and billing information are stored on the company's computers. You have been asked as a new recruit to the marketing department to produce a report which sets out:

a) The types of information that could be collected on a database about passengers and the approaches that could be adopted to collect such information. (9 marks)

b) The potential benefits that would result from holding such information. (7 marks)

c) The issues involved in attempting to merge the information from the database with the customer satisfaction surveys undertaken at the end of each cruise. (9 marks)

(Total 25 marks)

Question 5

Database development and enhancement

Syllabus elements 1.1, 2.1, 2.2, 2.3

As a recent graduate recruited to the marketing department of a national laundry and dry cleaning chain serving retail customers, you have received an enquiry from the sales and commercial director concerning the development of a customer database and asking for a report which sets out:

a) An outline of the way in which you would store and process the data for it to be of use in the provision of information for marketing intelligence and customer relationship activity. (9 marks)

b) The logistics of collecting customer data and the potential weaknesses of the database in the context of the laundry and dry cleaning chain. (8 marks)

c) The potential benefits of using geo-demographic and lifestyle data to enhance the database. (8 marks)

(Total 25 marks)

Question 6

CRM, data warehousing and data mining

Syllabus elements 1.1, 2.1, 2.4, 5.1

As the assistant CRM manager for a regional airline, you have been asked to make a presentation to the local CIM branch covering CRM and a number of related topics. Prepare notes for the elements of the presentation which:

a) Identifies the differences between a customer database and a CRM system, emphasising the importance of the CRM system in the airline's strategy for enhancing relationships with its customers. (10 marks)

b) Explains the purpose of a data warehouse and data-mining tools, using examples to illustrate your presentation. (8 marks)

c) Outlines the contribution of cluster and CHAID analysis when segmenting customers. (7 marks)

(Total 25 marks)

Syllabus element 3
Question 7

Roles of information, internal research departments and ethics (June 2005, Question 2, modified)

Syllabus elements 1.1, 2.1, 2.5, 3.1, 3.6

As a recent graduate recruited to the marketing department of a large clothing retailer you have received an enquiry from the marketing director asking for a report which addresses the following:

a) The descriptive, comparative, diagnostic and predictive roles that marketing information can provide. (8 marks)

b) Why are some marketing research departments in large organisations widening their remit beyond marketing research? (10 marks)

c) What ethical issues are raised by such a change being made? (7 marks)

(Total 25 marks)

Question 8

Research agency selection criteria and professional codes of conduct

Syllabus elements 3.1, 3.2, 3.3, 3.6

The company you have recently joined has never commissioned a marketing research project before and therefore requires some advice from you regarding the selection of an agency to undertake a new project. They have received proposals from a number of agencies already but are uncertain about the next steps.

Write a report which details:

a) The selection criteria to use in appointing the successful agency. (15 marks)

b) The elements of the professional codes of marketing and social research practice that relate to the relationship between researcher and client. (10 marks)

(Total 25 marks)

Question 9

Research process and industry players

Syllabus elements 3.1, 3.2, 3.6

Your organisation is about to embark on its first marketing research project. In preparation, you have been asked to write a report that

a) Outlines the key stages in the marketing research process, identifying the contribution that the organisation can make to the overall success of the project. (15 marks)

b) Outlines the role of the various players in the marketing research industry. (10 marks)

(Total 25 marks)

Question 10

Importance of ethics, social responsibility and legislation in research

Syllabus element 3.6

Write a briefing note to be incorporated in the induction material for new recruits to the marketing research department of a large fast-moving consumer goods (FMCG) company that

a) Emphasises the importance of ethics and social responsibility in collecting, holding and using marketing research data. (15 marks)

b) Outlines the organisation's key legal and regulatory responsibilities with respect to the use of data collected and held by the company. (10 marks)

(Total 25 marks)

Syllabus element 4
Question 11

Secondary research to provide information for a market entry decision

Syllabus elements 1.1, 3.4, 4.1, 4.2

As a freelance researcher working with a company making industrial and commercial office furniture, you have been asked to undertake a secondary research project to provide information to assist the board of directors who are considering whether to enter the retail home office furniture market. Prepare a report for the managing director that

a) Identifies the key benefits of secondary research and outlines its role in improving the effectiveness of future primary research. (8 marks)

b) Identifies the key types of information that will be required for the consumer market entry decision, providing examples of possible sources of the information. (12 marks)

c) Explains how you would make an assessment of the accuracy of the secondary data obtained during the project. (5 marks)

(Total 25 marks)

Question 12

Questionnaire design

Syllabus element 4.5

Design a questionnaire to meet the research objectives of the project set out for **Colonnade Technologies**. The questionnaire should clearly demonstrate your knowledge of sequencing, question wording and question/response format (the layout and presentation of the questionnaire will not be assessed). (25 marks)

Question 13

Discussion guides and projective techniques (June 2006, Question 3)

Syllabus element 4.5

a) Design a discussion guide for use in a series of group discussions to address the research objectives of the project set out for **SeaLux Cruises**. (15 marks)

b) Provide a detailed description of *two* projective techniques that could also be used within the group discussions, alongside the discussion guide, to help address the research objectives. (10 marks)

(Total 25 marks)

Question 14

Observational research techniques

Syllabus element 4.3

As a market researcher specialising in observational techniques, you have been asked to make a presentation at a catering industry conference, attended by managers and owners of fast food restaurants and restaurant chains.

Prepare a set of notes for your presentation, outlining the possible contribution of a range of observational techniques that might be relevant to the delegates. (25 marks)

Question 15

Group discussions and individual depth interviews

Syllabus elements 4.2, 4.4

Group discussions and individual depth interviews are very popular research methods that can be used to identify and understand the in-depth attitudes and motivations of respondents.

Write a letter to a prospective client outlining:

a) The key advantages and disadvantages of these two methods. (12 marks)

b) How the disadvantages of each method may be overcome. (7 marks)

c) How the Internet might facilitate the running of group discussions, identifying any specific disadvantages imposed by this medium. (6 marks)

(Total 25 marks)

Question 16

Marketing research for website development

Syllabus elements 1.1, 1.3, 3.4, 4.1, 4.2, 4.3, 4.4, 4.6

You are a researcher working for an e-commerce company that is planning to launch a website and online store to sell cooking ingredients and spices to home cooks and amateur chefs. A key part of your role is to provide information about customer attitudes and behaviour as well as other relevant information that will assist in the development, launch and ongoing success of the new site.

a) Provide an outline of the types of marketing information that you would need to support all stages of the project from inception to post-launch. (10 marks)

b) Identify a number of research approaches and methods that you might use to provide the relevant insight. For each research method chosen, briefly explain how it might be used and what information it might deliver. (15 marks)

(Total 25 marks)

Question 17

Sampling techniques, sample size and accuracy

Syllabus element 4.6

Your manager has told you that the size of a sample is vitally important in determining the accuracy of results in quantitative research.

Write a report which briefly explains sampling and examines the various ways in which a sample can be developed. Comment specifically on your manager's assertion about the importance of sample size and accuracy in marketing research. (25 marks)

Syllabus element 5
Question 18

Statistical techniques (June 2004, Question 4)

Syllabus element 5.1

The senior executives of **Kelvin Council** have received an interim report on the study outlined in Question 1. They are unclear about some of its contents and have asked you to write a technical appendix to the report clarifying the following:

a) The difference between statistical significance and mathematical significance. (5 marks)

b) The concept of hypothesis testing. (9 marks)

c) The difference between correlation and regression. (5 marks)

d) Cluster analysis and its uses. (6 marks)

(Total 25 marks)

Question 19

Analysing quantitative and qualitative data

Syllabus element 5.1

As the newly appointed marketing executive at **Colonnade Technologies** in Question 1, you have been asked by the managing director to write a report explaining how data collected by the marketing research agency might be analysed prior to being incorporated in the final report. Your report should include the following:

a) An outline of the key approaches that can be used to analyse and tabulate data taken from a number of structured telephone questionnaires. (15 marks)

b) An explanation of two approaches that can be used to analyse transcripts from a number of unstructured depth interviews. (10 marks)

(Total 25 marks)

Question 20

Research reports and presentations

Syllabus elements 5.2, 5.3, 5.4

You are a marketing research project leader and have the task of briefing new research agency staff about the communication of research results to clients. Set out some guidelines for:

a) Structuring and writing marketing research reports. (12 marks)

b) The approach to presenting research that focuses on the specific needs of the audience. (8 marks)

c) Addressing the potential problems that can arise when presenting research in reports and oral presentations. (5 marks)

(Total 25 marks)

PART A ANSWERS

Mini-Case 1: SeaLux Cruises (June 2006)
Answer 1(a)

Check your answer

A good answer may be as follows:

	☑
Ask a series of relevant questions to expand the client's background, rationale, research objectives and other requirements	☐
Use the questions to demonstrate your understanding of the marketing information requirements relevant to the particular problems or opportunities identified in the mini-case scenario	☐
Use questions to help you expand upon key information given in the mini-case, especially in relation to the research objectives	☐
Look for the key information gaps and use questions appropriately	☐
Use the section headings of a research brief to frame the answer	☐
Recognise your role as a research executive working at an agency	☐
Use a letter, e-mail or fax format addressed to the client	☐

* * * * *

E-MAIL MESSAGE

To: Jahanfar Danesh

From: Christine Researcher

Date: XX/XX/XX

Subject: Research Proposal – Request for Further Information

Dear Jahanfar

We were pleased to receive a copy of your research brief yesterday.

We are now in the process of preparing our detailed response and to assist us, we would like to ask you some questions relating to your brief as follows:

Background and rationale

1. Can you provide some information about your direct competitors, including target customer base, their advertising approaches and details of the direct/indirect channels they use?

2. Has the company undertaken any previous research that might provide information on market segmentation, target markets, SeaLux brand positioning, products/services? If so, can we have access to this material?

3. Do you have any published market research reports covering the cruise industry? Can these be made available to our team?

4. Can you supply measurement data for your advertising and direct response channels, including details of responses received via web and hotline and information on sales conversion success rates?

5. Can you supply copies of recent press/other advertising for SeaLux cruises?

6. In addition to advertising, what other marketing activity is undertaken to increase sales, attract repeat booking and generate word-of-mouth referrals?

Research objectives

1. In terms of researching advertising effectiveness, do you have specific criteria that you consider important?

2. In addition to your stated objectives regarding attitudes and awareness of SeaLux advertising and marketing channels, do you want us to include research into the target market's current attitudes and perceptions towards the SeaLux brand and its product offering?

3. Do you want us to research the effectiveness of the SeaLux website and Telephone hotline in converting enquiries and generating sales?

Methodology

1. Do you have any particular ideas or preferences as regards the approach and research methods to be used in the project?

2. Do you have any thoughts about the scale of the research in terms of the number of respondents to be included in the study?

Sampling

1. Do you maintain a database of leads, prospects and customers? If so, can we have access to this information to enable us to draw up lists of potential respondents?

2. Does the customer database include geo-demographic or lifestyle profile data?

3. Does the typical SeaLux customer match your target segment profile or does it indicate a response from a broader or narrower market segment?

4. Do you want to extend the research outside the 40+ target market to include a wider demographic?

Report and presentation

1. What are your requirements with respect to final report and presentation?

Timescales

1. What is your deadline for completion of the research project?

Thank you for your help in providing information relating to the above, it will help ensure that our proposal meets your needs.

With kind regards,

(Christine Researcher)

Tourism Research Ltd.

Answer 1(b)

Check your answer

A good answer may be as follows:

☑

Background summarises the client's background and rationale, does not simply re-write it. Focuses on the key information relevant to the client's problem or opportunity. Provides some additional insight, which adds value for the client and helps sell the agency's expertise with respect to the sector and business context. ☐

Objectives develop specific and accurately worded research objectives to meet the client's research requirement. Expands each of the main objectives to define the precise information required. Includes a mix of qualitative and quantitative objectives. Does not include too many objectives but concentrates on what is essential to the client's decision and avoids including any 'simply nice to know' objectives. ☐

Approach and methodology presents the proposed research design/programme in a clear, logical and appropriately justified manner. Includes clear sub-sections for each type of research. Links the proposed research to the research objectives. Includes specific sub-sections to cover data analysis and sampling. Sampling section states and justifies the sampling approach and methods chosen. Sampling includes numbers of respondents for each type of research. Gives brief explanations of what is proposed and why. Does not try to educate client with lengthy tutorials on tools and techniques. ☐

Report and presentation addresses the client's need but reflects budget available. ☐

Timescales and programme states realistic timescales which reflect the workload of the proposed research design. Provides an outline programme (see SeaLux answer). ☐

Fees are stated and within client's budget. Provides a simple fee breakdown and uses realistic costs, linked to quantities. ☐

All sections make reasonable assumptions about the answers that might be received from the client in response to questions posed in Part 1(a) and incorporates this information, where appropriate, in each section of the proposal. ☐

All sections meet the client's requirements and demonstrate a creative and appropriate solution. ☐

Role adopts the role of a research executive working for an agency and uses appropriate language/tone of voice. ☐

Format presents a marketing research proposal document. ☐

Presentation and layout presents professionally with appropriate layout and content. Sells the solution and the agency's expertise. ☐

* * * * *

CRUISE BOOKINGS RESEARCH PROJECT

AU2

Prepared for

SeaLux Cruises

By

Tourism Research Ltd

Date: XX/XX/XX

Contact: Christine Researcher

Tel: 01234 567890

Contents

1 Background

SeaLux is a relatively new cruise company, having been established about one year and with cruise operations in the Mediterranean and the North Sea and the Baltic. The cruises are positioned as 'luxurious discoveries' with cruises starting at £2000 for a 12-day multi-city cruise in the Mediterranean.

The first year has proved relatively successful although SeaLux bookings are running at 35 per cent below target. This is against a background of tremendous growth in the market and high-performing competitors.

The SeaLux business model relies on press advertising in national papers and magazines with direct response and booking via a telephone hotline or a website.

The company targets the 40+ age group and there is a management concern that the direct booking model is incompatible with this group and that there may be a preference to use travel agents who can offer help and advice. The company is also concerned about the overall level of awareness of its advertising and its cruise products.

The cruise market is evolving rapidly, the market having doubled in size over the last decade, and so too have capacity levels with new and larger vessels being built. The typical customer demographic is also changing, with cruises increasingly appealing to a much wider and younger market, reflecting a growth in the number of consumers who enjoy well above average levels of disposable income and who are willing to use this spending power to escape a busy lifestyle and enjoy some luxury and relaxation. This luxury-seeking segment may also be more comfortable with the Internet and therefore more willing to use this direct channel for bookings. Similar behaviour might also apply to an increasing number of 40+ consumers. This mirrors experience in the luxury package holiday market where consumers are now adept at designing and booking their own itineraries using the web. SeaLux, with its direct channel infrastructure, should be in a good position to capitalise on this consumer trend.

2 Objectives

2.1 To evaluate the level of awareness of the SeaLux brand and its cruise offerings, more specifically to:

- Measure the level of awareness of the SeaLux brand within the luxury cruise passenger market.
- Measure the level of awareness of the SeaLux cruise ships and destinations within the luxury cruise passenger market.
- To explore perceptions amongst cruise passengers about the positioning of SeaLux relative to direct competitors.

2.2 To determine the attitudes of the target market towards the use of direct channels for booking cruises, more specifically to:

- Describe attitudes with respect to the use of websites and e-commerce for making cruise bookings.
- Describe attitudes with respect to the use of telephone hotlines for making cruise bookings.
- Test the preference for the use of traditional travel agencies for making cruise bookings.

2.3 To evaluate the effectiveness of the current SeaLux press advertising, website and telephone hotline in generating leads and growing sales, more specifically to:

- Measure the level of awareness of current SeaLux press advertisements.
- Explore perceptions of the current advertising with respect to theme, imagery, colour scheme, message appeals, brand and product positioning and calls to action.
- Explore perceptions among customers and prospects, with respect to the website and telephone hotline.
- Evaluate the effectiveness of the website and customer hotline in generating sales.

2.4 To develop detailed profiles of existing SeaLux customers and prospects to assist in generating future advertising and direct marketing appeals and themes

3 Approach and methodology

We propose a comprehensive programme of research to meet the research objectives specified in Section 2 above. The research design includes a number of approaches and methods which are explained and justified in the following sub-sections:

3.1 Secondary research

Secondary (desk) research will be undertaken as a means of generating relevant background information and to assist in satisfying a number of the research objectives.

Secondary research provides a highly cost-effective means of generating relevant information for the research project and for further use within the organisation as proposed below.

The findings will also help focus and shape the primary research phase; this can save time and money as well as improve the overall effectiveness of the research project.

3.1.1 Internal records

We will conduct an information audit to identify reports, records and databases that will assist our understanding of the target market and to ascertain information and metrics that will help evaluate the effectiveness of current SeaLux advertising, the website and telephone hotline. We will also analyse complaints forms and customer satisfaction survey results to assist in determining customer attitudes towards SeaLux products and services.

3.1.2 External secondary sources

We will use the web, trade magazines, consumer magazines, newspapers and other materials in the public domain to help build a profile of the market, competitors, products and services. We will identify competitor advertising, publicity and press coverage in travel supplement articles. We will generate a summary of recent competitor activity and make recommendations about possible future advertising and marketing opportunities for SeaLux.

3.1.3 Database customer profiling

Within the scope of our secondary research, we will analyse the data held in the SeaLux customer database and produce segmentation profiles from the information available. We will add geo-demographic and lifestyle data to assist in this process. The availability of this data will prove immensely useful both for the current research requirement and in future marketing campaigns activity.

This activity will furnish information required for research objective 4 and provide the basis for more precise targeting of advertising, direct mail and other marketing and promotional activity. It will also assist SeaLux in fine tuning the marketing mix to meet the needs of target customers.

The profiling exercise should also reveal any evidence of additional segments and sub-segments that can be targeted, leading to additional sales revenues for SeaLux.

3.2 Mystery shopping

In order to fully evaluate the effectiveness of the website and telephone hotline, mystery shopping will be undertaken. The mystery shoppers will be recruited from the target market, trained and briefed by the agency.

The shoppers will take the same journey as a live prospect and will observe the processes and procedures employed to engage the prospect and make a sale. The shopping activity will be carried out under the guidance of a tight brief and resulting observations will be recorded on a questionnaire by each shopper.

The resulting information will enable SeaLux management to identify and make any necessary changes to the channel processes and procedures in order to improve the sales conversion rate.

3.3 Primary qualitative research

We propose to employ a mix of telephone depth interviewing and discussion groups to furnish the qualitative objectives of this project.

3.3.1 Telephone depth interviews

One-to-one depth interviewing by telephone will be utilised to gain more detailed insights into brand perceptions and attitudes towards booking channel preferences. This methodology is cost-effective and overcomes the problems associated with geographic dispersal. Respondents will be chosen from the target market, and 20 interviews will be undertaken in total.

3.3.2 Executive interviewing

One-to-one depth interviews by telephone with executives from the cruise industry, the press, journalists, travel writers and travel agents. This is an important specifiers and referrals market, and so a positive perception amongst these groups is vital. The objective will be to gain an industry perspective on SeaLux, its brand, image, reputation and cruise products. 20 interviews will be undertaken in total.

3.3.3 Discussion groups

The discussion group is a cost-effective method for gaining a detailed understanding of attitudes, motivations, and feelings and as a means to explore new ideas and concepts, including SeaLux advertising copy. In the discussion group sessions we will employ relevant projective techniques to help furnish useful depth information and insight.

Given the widely dispersed nature of SeaLux customers and prospects, discussion groups will be conducted using specialist third party facilities at relatively central locations; Manchester and London are convenient for this purpose. We recommend a total of six groups, three in each location.

The information generated during the qualitative phase will provide valuable insight and also help shape and complement the quantitative research.

3.4 Primary quantitative research

For the quantitative research phase, we propose the use of a questionnaire. In view of the geographic dispersal of respondents, a postal survey will be employed; these will be carefully designed and then sent to a sample of respondents from the target market.

A number of the research objective elements can be effectively addressed using the postal survey questionnaire, including the measurement of awareness of the SeaLux brand and to quantify the attitudes of consumers towards aspects of the SeaLux business model, advertising and booking channels.

Questionnaires are a very effective means of establishing findings that are representative of the total population of interest. Specific questions will be included to test out findings drawn from secondary research and the qualitative research phases.

Please see sampling section for specific details of respondent selection and sample sizes.

3.5 Data analysis

Discussion group and telephone depth interview recordings, along with any associated field notes, will be transcribed into a common textual format that can be analysed using a range of analysis techniques including spider diagrams and thematic tabulations. Video/audio excerpts from interviews and discussion group meetings will also be supplied on DVD for further study by SeaLux management.

Questionnaires will be pre-coded and, following the data collection phase, will be entered into a computer for analysis. Key information findings will be tabulated and/or represented graphically. Descriptive techniques will be used where appropriate to summarise the volume of data, providing averages and information relating to the spread of the data. Other statistical techniques will be used to make comparisons and test hypotheses drawn from the findings. The agency employs a number of statisticians who use SPSS software tools to undertake sophisticated analysis and modelling techniques.

3.6 Sampling

Due to the impossibility of obtaining a complete list of every individual in the target market, we have ruled out the use of probability (random) sampling. Instead, we propose the use of non-probability sampling methods – mainly quota sampling but also some convenience sampling. These techniques will prove accurate enough for the type of research being undertaken and will also allow some flexibility in the way we generate lists of respondents to participate in the various research activities.

Our sample will mirror the characteristics of the target customer. The database profiles we produce will assist us in defining the ideal characteristics of the respondents. We will use members of the SeaLux customer and prospect lists and, where a wider sample is required, as in the case of postal surveys, we will purchase a specialist mailing list matched to our criteria.

3.6.1 Specific sampling techniques

Mystery shopping – We will carefully select and train a number of mystery shoppers who broadly match the profile of the target market. We do not require a large number of shoppers, probably 6–10 in total, to cover the telephone hotline and website.

Discussion groups – Six groups of ten participants will be recruited from the target market. We will select individuals who are located within reasonable travel distance of London or Birmingham. We will use a screening questionnaire and will use a quota-based approach to achieve a balance of male and female, SeaLux customers, prospects and non-customers.

Telephone depth interviews – We will use a quota sample of customers and prospects taken from the database. We will interview 20 individuals in total, interview length approx. 15–20 minutes.

Executive Interviewing – We will use a judgement-based approach to select 20 individuals form the cruise industry, the press, journalists and travel agents. Interview length will be 40 minutes maximum.

Postal survey – We will use a quota-based approach that will include existing customers, prospects as well as non-customers taken from the target market. We will purchase a list from a specialist list broker, focussed on cruise passengers. A very large sample is not required for the research and we recommend that a total of 400 respondents be invited to complete the questionnaire.

The use of incentive gifts will help improve the response rate for the postal survey. Discount vouchers for a SeaLux cruise would be appropriate as this might also some encourage additional bookings in the short term.

4 Reporting and presentation

SeaLux will be provided with a comprehensive written research report which will be supplemented by an oral presentation at the SeaLux offices.

An interim report will also be made available in the form of a PowerPoint presentation to summarise the findings of the secondary research phase and completion of the customer profiling (research objective 4).

5 Timescales and programme

The research project will be completed within 25 weeks, from date of contract award.

An interim report will be provided within 2 months. An indicative programme is given below.

Week No.	**Activity**
1	Contract award, initial client project meeting
2–4	Secondary research
3–5	Database profiling and customer segmentation
6–7	Qualitative research design, production of discussion guide
6	Prepare interim presentation
8–10	Qualitative fieldwork
8	Deliver interim presentation
11–14	Quantitative research design and questionnaire preparation
15	Pilot test questionnaires and print production
16–20	Quantitative fieldwork
21–24	Data analysis and report preparation
25	Final report and Presentation

6 Fees

Our fee for the research programme is £60 000+VAT

Fee breakdown	**£**
Secondary research and database profiling	6 000
6 discussion group sessions @ £5 000 ea	30 000
Mystery shopping of website and hotline	1 500
20 qualitative telephone interviews @ £250 ea	2 500
20 executive telephone interviews @ £300 ea	6 000
400 postal surveys @ £10 ea	4 000
Project management, consultancy, data analysis, reports	10 000

Mini-Case 2: Colonnade Technologies Limited
Answer 1(a)

Check your answer

A good answer may be as follows:

	☑
Ask a series of relevant questions to expand the client's background, rationale, research objectives and other requirements	☐
Use the questions to demonstrate your understanding of the marketing information requirements relevant to the particular problems or opportunities identified in the mini-case scenario	☐
Use questions to help you expand upon key information given in the mini-case, especially in relation to the research objectives	☐
Look for the key information gaps and use questions appropriately	☐
Use the section headings of a research brief to frame the answer	☐
Recognise your role as a research executive working at an agency	☐
Use a letter, e-mail or fax format addressed to the client	☐

* * * * *

E-MAIL MESSAGE

To: Phil Jones

From: Johnny Researcher

Date: XX/XX/XX

Subject: Research Proposal – Request for Further Information

Dear Phil

We were very pleased to receive a copy of your research brief yesterday.

We are now in the process of preparing our detailed response and to assist us, we would like to ask you some questions relating to your brief as follows:

Background and rationale

1. Can you provide any further information about the ARC market, its size, growth rate, the share held by each competitor and an overview of the industry structure?

2. Can you provide us with a summary of your ARC customers, ideally with an outline of the value/scope of typical contracts?

3. Can you describe a typical prospect's decision-making unit (DMU) and its membership in terms of the roles represented?

4. Can you provide a list of your close competitors, including the new entrants you mentioned in the brief, ideally with an indicative list of their customers if possible?

5. Do you hold any published research reports that might be relevant to this project?

6. Have you ever undertaken similar research in the past? If so, could we have access to this information?

7. Can you outline your sales process and provide any information to help us understand how you prospect for business, retain customers and grow sales?

Research objectives

1. In your brief, you refer to the need for a new marketing strategy for CTL. Can you provide a list of the key information that you will require to make your decisions? For example:

- Will you require a detailed competitor analysis to be prepared as part of this project?
- Will you require a detailed market and customer assessment?
- Will you require information about customer perceptions with respect to your own and your competitors' strengths and weaknesses? What shall we include and to what level of detail?
- Would you like the research to investigate future market opportunities and threats?

2. Would you like the research to consider only the commercial ARC market, or should we investigate other sectors such as the corporate and public sector control rooms market too?

3. Would you like us to research the market for vehicle and lone worker tracking?

Methodology

1. Do you have any particular view as to how we should approach the research, or any particular methodologies or the mix of qualitative and quantitative information that you would like us to include?

Sampling

1. Is the research to be focused on the UK marketplace or is there a wider remit?

2. How many customers and industry executives do you consider we should include in the research?

3. Do you have a customer database that we could have access to in order to draw up a list of individuals and organisations to contact?

Report and presentation

1. What are your requirements with respect to final report and presentation?

Timescales

1. What is your deadline for completion of the research project?

Thank you for your help in providing responses to the above questions.

With kind regards,

(Johnny Researcher)

Applied IT Researcher Projects Ltd AU3

Answer 1(b)

Check your answer

A good answer may be as follows:

	☑
Background summarises the client's background and rationale, does not simply re-write it. Focuses on the key information relevant to the client's problem or opportunity. Provides some additional insight which adds value for the client and helps sell the agency's expertise with respect to the sector and business context.	☐
Objectives develops specific and accurately worded research objectives to meet the client's research requirement. Expands each of the main objectives to define the precise information required. Includes a mix of qualitative and quantitative objectives. Does not include too many objectives but concentrates on what is essential to the client's decision and avoids including any 'simply nice to know' objectives.	☐
Approach and methodology presents the proposed research design/programme in a clear, logical and appropriately justified manner. Includes clear sub-sections for each type of research. Links the proposed research to the research objectives. Includes specific sub-sections to cover data analysis and sampling. Sampling section states and justifies the sampling approach and methods chosen. Sampling includes numbers of respondents for each type of research. Gives brief explanations of what is proposed and why. Does not try to educate client with lengthy tutorials on tools and techniques.	☐
Report and presentation addresses the client's need but reflects budget available.	☐
Timescales and programme states realistic timescales which reflect the workload of the proposed research design. Provides an outline programme (see SeaLux answer).	☐
Fees are stated and within client's budget. Provides a simple fee breakdown and uses realistic costs, linked to quantities.	☐
All sections make reasonable assumptions about the answers that might be received from the client in response to questions posed in Part 1(a) and incorporates this information, where appropriate, in each section of the proposal.	☐
All sections meet the client's requirements and demonstrate a creative and appropriate solution.	☐
Role adopts the role of a research executive working for an agency and uses appropriate language/tone of voice.	☐
Format presents a marketing research proposal document.	☐
Presentation and layout presents professionally with appropriate layout and content. Sells the solution and the agency's expertise.	☐

* * * * *

ALARM RECEIVING CENTRE MARKET

Prepared for

Colonnade Technologies Ltd

By

Applied IT Research Projects Ltd

Date: XX/XX/XX

Contact: Johnny Researcher

Tel: 09876 554321

Contents

1 Background

Colonnade Technologies Limited (CTL) is a software and IT company operating in the high technology, alarm management systems sector, supplying software, equipment and services to the alarm receiving centre (ARC) market. The technology is complex, having many sub-systems and interfaces including CCTV, mapping systems and communications. CTL is the oldest supplier in the industry and has a reputation for innovation, reliability and customer service.

CTL has enjoyed a healthy share of its core market, a good profitability level and only a few competitors. Over the last five years, however, a number of changes have occurred in the market, including significant consolidation within the customer base which has meant fewer but larger customers. More recently, new and aggressive competition has entered CTL's market, undercutting the established players and offering attractive solutions. CTL has lost a number of contracts to these new players, including a number of long-standing customers.

Despite these changes, new opportunities have arisen, including larger systems contracts and the opportunity to offer new products and enhancements to capitalise on the growth in vehicle tracking and lone worker monitoring solutions.

The growing demand for vehicle tracking and lone worker solutions, fuelled by a ready availability of low cost GPS and GSM technology, is a response to recent changes in health and safety legislation. Employers have a responsibility to ensure the safety and security of their staff member at all times, including when they are off-site visiting clients. This involves all employers, but particularly those with field-based staff or employees who work alone – health and social workers, council and local government workers, delivery drivers and others. Parking attendants and community wardens are also at risk.

CTL urgently needs to reposition itself, to develop a defensive competitive strategy and to take advantages of new developments, whilst playing to its inherent strengths in market share leadership, brand heritage, reputation, innovation, technical expertise and customer service.

2 Objectives

Based upon the original brief and your response to our request for additional information, the proposed research project has been designed to satisfy the following research objectives with respect to the UK commercial ARC marketplace:

2.1 Identify market perceptions and attitudes towards CTL and its key competitors, more specifically to:

- Measure the levels of awareness of each company's brand, products and services
- Explore perceptions, attitudes and beliefs about each company in terms of: reputation, expertise, quality, service and support, accessibility, flexibility and price
- Measure satisfaction levels with the customer's current supplier
- Evaluate the perceived attractiveness of each company as a potential supplier for a future new or replacement system
- Identify gaps in each company's current product/service portfolio.

2.2 Identify a number of future market opportunities for CTL in the commercial ARC market, more specifically to:

- Identify current and future levels of spending for monitoring systems, their maintenance and support
- Identify projected system replacement dates and likely budgets
- Identify and prioritise each ARC's consideration set and preferences with respect to possible suppliers for the replacement system.

2.3 Establish the potential opportunities for CTL as a potential supplier of monitoring software and systems for lone worker devices and vehicle tracking equipment; more specifically to:

- Identify the key users of such monitoring systems
- Describe their existing and future purchase behaviour
- Estimate the size of the market and its future growth prospects
- Identify the competitive set and estimate competitor concentration ratios

3 Approach and methodology

In addressing Colonnade's research requirement, Applied IT Research Projects will undertake the following programme of research, commencing with a period of secondary/desk research followed with a programme of primary research involving executive interviewing and a research questionnaire.

3.1 Secondary/desk research

This is an important phase of the research project and will be used to address a number of the research objectives. This low-cost method is invaluable, not only as a means of acquiring AU4 relevant information quickly and often at no cost, but also as a means of defining the market and the various buyers and suppliers. The findings from this phase will focus the primary research and may reduce the length of time taken to satisfy the research objectives.

3.1.1 Internal records

The secondary research phase begins with an analysis of certain internal records including exhibition and marketing generated leads and enquiries, field sales contact reports, sales order intake records, tender documentation, contracts won/lost and other information that provides insight into the prospects and customers as well as the year-on-year sales performance of CTL. The internal phase will also look at complaints and customer satisfaction/feedback sheets, plus any feedback captured on customer maintenance visit documentation to help build a picture of evolving customer attitudes and perceptions.

CTL's sales contact management system (ACT!) will also provide relevant information on who the customers are, their behaviour and past purchases in addition to providing valuable contact information that we can use to select respondents for some of the primary research.

3.1.2 External sources

Competitor information will be collected using a range of sources including Companies House, Dunnand Bradstreet and Kompass Directory. Information on US-based competitors will be accessed from these latter sources. The Internet will also be used to access competitor and customer websites; this will enable access to relevant competitor news and press releases, client references, case studies and product information.

Market statistics will be accessed, as available, from security industry associations and research report publishers, such as Key Note and others who specialise in B2B market data.

It may be necessary to pay for some of this material and a contingency sum has been added in to the fees section to cater for this requirement (see later).

3.2 Primary research

The primary research phase will comprise three elements:

- Executive interviewing, using qualitative telephone depth interviews
- Telephone interviewing using a structured, quantitative questionnaire
- E-mail survey, using a quantitative, web-based questionnaire.

3.2.1 Qualitative research – executive depth interviews

Telephone depth interviews are a cost-effective technique for geographically dispersed respondents and are particularly suited to business-to-business research since they can provide particularly detailed insight at a realistic cost.

Discussion group meetings have been excluded for reasons of cost and geographic dispersal of respondents.

Interviews will be arranged by prior appointment, will last approximately 30–45 minutes and will aim to capture mainly qualitative information about CTL and its competitors, particularly the awareness, perceptions and attitudes components of objective 1, but encompassing some of the requirements of objective 2. Open-ended questions, use of probing and the application of appropriate oral projective techniques will be employed.

Interviews will be recorded and transcribed for later analysis. Interviews will be conducted by our own team of highly skilled interviewers.

For number of interviews and respondent selection information, please refer to the sampling section of this proposal.

3.2.2 Quantitative research – *structured telephone questionnaire*

This approach will be used to address components of objectives 2 and 3 where mainly quantitative data is required. We will conduct interviews using a structured questionnaire and utilising the latest computerised computer-aided telephone interviewing (CATI) and call automation equipment. A benefit of this approach is that data input, coding and analysis can be undertaken very quickly. The CATI system is also capable of modifying the question routing order presented during an interview, taking account of previous responses. Again, the approach is chosen as a cost-effective method for primary business research.

The use of traditional postal questionnaires has been discounted due to the likelihood of low response in a business context.

3.2.3 Quantitative research – e-mail survey

This fast and cost-effective approach will be used to obtain quantitative information for objectives 2 and 3 and will complement the telephone depth interviewing.

Respondents will be invited to participate by e-mail message which is then linked to a web-based survey, hosted via third party web servers – we normally use SurveyMonkey.com. E-mail surveys can generate a good response rate, if the invitation is well written and constructed. We also incentivise response with a gift value that decays over time (the sooner you respond, the bigger the reward).

The use of a web-based survey approach provides for both open-ended and closed question techniques, as well as various rating scale approaches. The system provides for survey design, data collection and analysis. As with CATI (see above), a degree of question routing and modification is possible during online questionnaire completion.

3.3 Data collection and analysis

Telephone depth interviews will be recorded, transcribed and then analysed by hand using techniques such a grouping, tabulation by theme, and cut and pasting techniques. Our qualitative research team will then draw up a schedule of key findings and conclusions that will be used in the compilation of the final report.

CATI interviews and e-mail survey questionnaires will be analysed and basic tabulation and statistics being produced by the survey software. This data will then be further analysed in order to produce the final report.

We employ relevant statistical techniques to help with insightful analysis. For example, in order to analyse and make sense of customer satisfaction scores, we look for relationships between satisfaction level and its related drivers such as responsiveness, product quality and innovation. Well-known techniques for this type of analysis include correlation and regression; these techniques can be used to identify a relationship and determine its strength.

3.4 Sampling approach and methods

We will use non-probability sampling approaches for a number of reasons. First, it would be very difficult to draw up a complete list of all customers and prospects in the market to enable us to establish a sampling frame for probability (random) sampling. Second, the total number of respondents available for interview is relatively small, given the niche nature of the ARC market. As long as we include a sufficient number of respondents, we are confident that the accuracy of the findings will be more than sufficient for our purposes.

For the telephone depth interviews, we will use judgement sampling in the main to ensure that we achieve a balance of respondents, representing an appropriate mix of small and large companies. A Snowball sampling technique will also be used to obtain recommendations for further respondents, by asking each respondent being interviewed to make a referral.

For respondent selection for structured telephone interviews, we will use CTL's database in order to draw up a list of ARC operators. We will also identify suitable lists of contacts, similar to those used for direct mailing. Lists of security exhibition attendees and B2B list brokers may be appropriate, although the ARC market is fairly niche and lists may be difficult to obtain.

The above approach will be used for the web survey, although here we will also rely on the CTL AU5
customer/prospect database.

For the web survey to research the lone worker/vehicle tracking market, we will compile a list from purchased lists of safety, security and HR managers in mainly medium and large blue-chip companies.

4 Reporting and presentation

The findings and conclusions drawn from the research will be presented in a written report with supporting data and analysis. Our research project manager will also present a summary of the salient facts in an oral presentation to CTL's management team on completion of the project.

5 Timescales and programme

The report and presentation will conclude the research project and will be delivered 12 weeks following contract and provision of agreed client records.

6 Fees

Our fee for undertaking the research programme and presenting the report is £29 500.

Fee Structure	**£**
Secondary research, including contingency for purchased reports:	6 000
Executive depth interviewing by telephone (50 interviews)	10 000
CATI survey (80 respondents)	8 000
E-mail/web survey (target 200 responses)	1 000
Project management, report and presentation	4 500

Mini-Case 3: Kelvin Council (June 2004)
Answer 1(a)

Check your answer

A good answer may be as follows:

	☑
Ask a series of relevant questions to expand the client's background, rationale, research objectives and other requirements	☐
Use the questions to demonstrate your understanding of the marketing information requirements relevant to the particular problems or opportunities identified in the mini-case scenario	☐
Use questions to help you expand upon key information given in the mini-case, especially in relation to the research objectives	☐
Look for the key information gaps and use questions appropriately	☐
Use the section headings of a research brief to frame the answer	☐
Recognise your role as a research executive working at an agency	☐
Use a letter, e-mail or fax format addressed to the client	☐

* * * * *

LETTER

Acme Public Sector Research Ltd

17 The Row

Kirkintilloch

KK3 5MP

XX/XX/XXXX

Mr Tony Client

Marketing and Public Relations Manager

Kelvin Council

Kelvin

KE1 2AL

Dear Tony

Re: Research Proposal – Request for Additional Information

We are delighted to confirm our intention to respond positively to your request for a proposal and quotation for the project.

In order that we can prepare a detailed response to meet your requirement, we would like to ask you for some additional information relating to your research brief, as follows:

Background and rationale

1. When did the domestic recycling programme commence within the council area?

2. What are the penalties for failing to meet the 2010 target?

3. Has any similar research, regarding domestic recycling, ever been undertaken on behalf of the council? If so, can we have access to this information?

4. Do you have any data for proportions of materials currently being recycled and the recycling rates within the council area? Can we have access to this?

5. Do you have access to any comparative data or research reports relating to domestic recycling in other councils?

Research objectives

1. With respect to residents' attitudes towards recycling, do you require each recycling material type to be evaluated separately?

2. Can you explain the residential recycling process in more detail? Do you want attitudes to be measured for each stage in this process?

3. What types of financial incentive might the council consider to encourage recycling?

Methodology

1. Does the council have any particular idea or preferences with regard to the types of research that it would like to be included in the project?

2. We might want to undertake some research at recycling centres in car parks and retail outlets. Can you provide addresses for these sites?

Sampling

1. Does the council maintain a complete database of households/residents, possibly including demographic data from a commercial database such as ACORN or MOSAIC? If so, may we have access to this data to draw up lists of respondents for the research?

2. Does the database include any data on current recycling rates for individual households?

3. In terms of geographic coverage for the research, do you wish to include the whole Kelvin council area or focus on the certain settlements and resident demographics?

4. Within each household, who should be included in the research?

Report and presentation

1. What are your requirements with respect to final report and presentation?

Timescales

1. What is your deadline for completion of the research project?

Thank you for your cooperation in anticipation.

Yours sincerely,

(Edwin Researcher)

Acme Public Sector Research Ltd

Answer 1(b)

Check your answer

A good answer may be as follows:

	☑
Background summarises the client's background and rationale, does not simply re-write it. Focuses on the key information relevant to the client's problem or opportunity. Provides some additional insight which adds value for the client and helps sell the agency's expertise with respect to the sector and business context.	☐
Objectives develop specific and accurately worded research objectives to meet the client's research requirement. Expands each of the main objectives to define the precise information required. Includes a mix of qualitative and quantitative objectives. Does not include too many objectives but concentrates on what is essential to the client's decision and avoids including any 'simply nice to know' objectives.	☐
Approach and methodology presents the proposed research design/programme in a clear, logical and appropriately justified manner. Includes clear sub-sections for each type of research. Links the proposed research to the research objectives. Includes specific sub-sections to cover data analysis and sampling. Sampling section states and justifies the sampling approach and methods chosen. Sampling includes numbers of respondents for each type of research. Gives brief explanations of what is proposed and why. Does not try to educate client with lengthy tutorials on tools and techniques.	☐
Report and presentation addresses the client's need but reflects budget available.	☐
Timescales and programme states realistic timescales which reflect the workload of the proposed research design. Provides an outline programme (see SeaLux answer).	☐
Fees are stated and within client's budget. Provides a simple fee breakdown and uses realistic costs, linked to quantities.	☐
All sections make reasonable assumptions about the answers that might be received from the client in response to questions posed in Part 1(a) and incorporates this information, where appropriate, in each section of the proposal.	☐
All sections meet the client's requirements and demonstrate a creative and appropriate solution.	☐
Role adopts the role of a research executive working for an agency and uses appropriate language/tone of voice.	☐
Format presents a marketing research proposal document.	☐
Presentation and layout presents professionally with appropriate layout and content. Sells the solution and the agency's expertise.	☐

* * * * *

DOMESTIC WASTE RECYCLING

Prepared for

Kelvin Council

By

Acme Public Sector Research Ltd

Date: XX/XX/XX

Contact: Edwin Researcher

Tel: 01234 567890

Contents

1 Background

Kelvin Council serves 250 000 people, covering 140 000 households, located in five urban settlements and a number of rural villages and hamlets.

Kelvin Council has a government target for domestic recycling of 20 per cent by 2010. The recycling programme commenced in 2001 but at present it is falling short, achieving only 8 per cent.

Kelvin Council has a number of initiatives to encourage recycling, including public recycling centres and the sale of composting bins for recycling kitchen and garden waste.

If the 2010 target is not achieved, the EU and the UK government will impose severe penalties and landfill taxes. Other councils, in a similar position, are diverting resources from other services in order to address their underperformance.

Although the residents appear reluctant to participate fully, at a more general level, awareness of the need to recycle is increasing among the general public, helped by global concerns about global warming and environmental sustainability. There is also some evidence to suggest that the public differentiates by type of material and this knowledge may help Kelvin Council trigger a change in behaviour.

Kelvin Council has not yet established targets for individual waste materials, nor does it currently collect relevant data at this time, preferring instead to measure at the aggregate level.

To date the Council has not offered any financial incentives to residents but is willing to consider that there may be a role for this alongside a number of other new initiatives.

The Council wants to understand residents' attitudes in detail and to use this information to devise segmented and targeted initiatives, aimed at radically changing recycling behaviour.

2 Objectives

A number of objectives will be satisfied by this research project:

2.1 To establish the current attitudes and behaviour of residents towards domestic waste recycling, more specifically to:

- Determine the current level of understanding about the need to recycle.
- Describe current recycling behaviour of individuals/households.
- Identify households who currently own a composting/recycling bin.
- Identify the factors that motivate positive recycling behaviour.
- Identify any perceived barriers to recycling, including those relating to the stages of the current recycling process.

2.2 To identify those items which are currently being recycled by residents, more specifically to:

- Generate a list of domestic waste materials that are considered easy to recycle.
- Identify those materials that are perceived as difficult/inconvenient to recycle.

2.3 To identify a list of initiatives that will increase residents' propensity to recycle, more specifically to:

- Test the assumption that residents would be more willing to recycle if provided with a free recycling material collection bin.
- Identify and prioritise a list of initiatives, including financial incentives, that would motivate an increase in recycling behaviour.

2.4 To generate resident and household segmentation profiles and prioritise these for further action

3 Approach and methodology

In providing the information required to meet the research objectives, the following research design will be executed. The research programme will use exploratory and descriptive approaches, involving a range of techniques and instruments as described in the following.

3.1 Secondary research

A programme of secondary research will be undertaken as the first stage in the research as this will provide relevant background and address a number of the objectives. An important function of this phase is to shape the overall content of the primary research and to ensure that the subsequent research is undertaken in a cost-effective manner which avoids unnecessary fieldwork or reinvention of information.

3.1.1 Internal secondary sources

This will involve a search for relevant council records and databases to build a clear picture of the council area, population clusters, resident/household addresses and characteristics, including council tax banding and for geo-demographic profiling based upon postcode districts. This information will be used to provide an initial segmentation of the residents and also to establish a sampling frame (please see sampling section).

3.1.2 External secondary sources

This will involve data collection using relevant government statistics and reports concerning recycling behaviour and success rates in other councils. A search of waste directories, magazines and conference proceedings will be undertaken to identify initiatives that have proved successful elsewhere. The information collected will also help generate appropriate questions for questionnaires and discussions.

In order to complete the geo-demographic profiling, we would like to use the Council's MOSAIC system.

3.2 Primary qualitative research

We propose the use of discussion groups to explore current attitudes and motivations with regard to recycling and to identify a list of possible initiatives to encourage increased recycling. We will also explore the barriers to further recycling. The discussion group is a cost-effective method not only for gaining a detailed understanding of residents' attitudes, motivations and AU6 feelings but also to explore ideas. The information generated will also help shape the questions that will be included in the questionnaire (please see quantitative research section).

Given the need to generate initiatives and to persuade residents to change behaviour, the meetings will use appropriate techniques, including projective techniques, to help furnish useful information and insight.

In total, we will conduct four group discussions. Participants will be carefully selected and screened to ensure a representative cross-section of residents (please see sampling section). Our own trained discussion group leaders will moderate the discussions.

In order to keep costs down, we plan to use council rooms in each of the conurbations and our own portable CCTV/recording equipment.

3.3 Primary quantitative research

For the main component of the research programme, we propose to use questionnaires to address the key quantitative objectives.

Questionnaires will be used to conduct short face-to-face interviews at recycling centres. These interviews will identify the positive and negative perceptions of users towards recycling centres including access, convenience and signage.

Postal survey questionnaires will be designed and sent to a sample of residents, taking into account socio-economic and demographic data and to ensure that each of the five major conurbations is adequately represented. In line with your request, rural populations have been excluded from the current research. The postal questionnaires will identify household characteristics, recycling behaviour, reasons for not recycling and so on. Questions will also be incorporated to test findings from the discussion group sessions.

Specific details of respondent selection and sample size are included in the sampling section of this document.

3.4 Data analysis

Discussion group recordings will be transcribed into written scripts that can be analysed using computer software and manual analysis techniques including spider diagrams and thematic tabulations.

Questionnaires will be pre-coded and, after the data collection phase, will be entered into a computer for analysis. Key information findings will be tabulated and/or represented graphically. Descriptive techniques will be used where appropriate to summarise the volume of data, providing averages and information relating to the overall spread of the data. Other statistical techniques will be used to make comparisons and test hypotheses drawn from the findings.

We will use cluster analysis to help identify a number of unique resident/household segments and to prepare profiles based upon the variables in the data. This information will assist the council in understanding residents' behaviour and in providing targeted communications and initiatives to motivate adoption, thus increasing the overall level of recycling activity.

3.5 Sampling

3.5.1 Sampling frame

The population of interest is defined as the individual residents and households of the five key conurbations: Bearsden, Milngavie, Kirkintilloch, Torrance and Lennoxtown.

A sampling frame comprising all households from the five towns will be drawn from the council tax database. Kelvin Council is responsible for ensuring that this database is accurate and up to date and contains no duplicates.

3.5.2 Sampling approach/techniques

Discussion groups – quota sampling with screening questionnaire defining recruitment criteria. Recruitment will be undertaken using street approaches in each of the five conurbations. A mixture of recyclers and non-recyclers will be recruited, totalling 32 participants in all (for a total of 4 sessions).

Face-to-face interviews at recycling centres – street approaches to users on exit from the re-cycling centres. Selection will be quasi-random, based upon every nth user. A total of 150 users will be interviewed in total, taking 5 recycling centres at random from the group.

Postal survey – simple random sampling will be employed, using a stratified sampling technique that reflects the proportional population of each of the five conurbations. A total of 350 households will be selected in each conurbation (based upon the assumption that each has a similar population of approximately 28 000 households).

4 Reporting and presentation

As requested, the research findings and conclusions will be delivered in the form of a PowerPoint presentation with supporting notes and appendices.

A full written research report will be available, if required, at an additional cost.

5 Timescales and programme

The research programme will be completed 20 weeks from contract award and provision of access to the householder database.

A programme activity chart is provided in an appendix to this proposal.

6 Fees

The Agency fee for the research programme is £24 750+VAT.

Fee breakdown	**£**
4 discussion group sessions @ £2 500 ea	10 000
150 face-to-face interviews @ £20 ea	3 000
1 750 postal surveys @ £5 ea	8 750
Project management, data analysis, presentation	3 000

PART B ANSWERS

Syllabus Element 1
Answer 1
Information needs of managers and marketing information systems

Check your answer

A good answer may be as follows:

	☑
In the introduction, explain the importance of information to marketing decisions and explain what is meant by 'integrated information'. Link to appropriate theory of MIS or MKIS.	☐
In Part a, introduce the need for a systematic approach and then outline the process stages used to determine the organisation's marketing information requirements.	☐
In Part b, define the term 'marketing research' and explain the contribution that marketing research makes to the integrated system. Link to an MKIS model to explain how internal records, marketing intelligence and marketing research contribute to the total information provided for decision-makers.	☐
In Part c, list and briefly explain the key benefits of an integrated information system for marketing managers and other decision–makers.	☐
Adopt the role of a newly appointed marketing manager.	☐
Use report format.	☐

* * * * *

REPORT

To: Managing Director

From: Marketing Manager

Date: XX/XX/XX

Re: Integration of Various Internal Information Sources and Marketing Research

1 Introduction

Marketing decisions are taken at all stages of the marketing planning process and also on a continuous basis in response to problems and opportunities as they arise. Effective decisions are vital to the growth and profitability of the organisation and the marketing decision maker plays a critical role in determining this growth and profitability.

In order to be effective, decision makers need relevant, accurate and up-to-date information taken from a variety of sources, both internal and external. A systematic, managed approach must be taken to ensure the efficient collection, integration, communication and management of this information. A vehicle for such an approach is known as a marketing information system (MKIS).

This report outlines a process that may be used to determine the organisation's marketing information needs. It identifies various internal data sources and lists the key benefits of information integration within an MKIS. The report also considers the importance and contribution of external marketing research as an input to the system.

2 Determining the organisation's marketing information needs

As already stated in the introduction, marketing decisions are taken during the planning process and on an ad hoc basis in response to changes in organisational objectives, customer needs, competitor actions and the wider PESTEL environment.

In order to determine the types of information likely to be required by decision makers and to be held within an MKIS, the following steps are suggested:

2.1 Step 1 – Identify the decisions taken by managers

To assist in identifying and understanding the types of decision taken, a planning process model can be used; for example, Analysis, Planning, Implementation and Control (APIC).

Using APIC, typical decision areas can be identified. Decision areas include the setting of marketing objectives and determining the marketing strategy by identifying which customers to serve and with which products and services and how to position for the organisation relative to competition. The formulation of an appropriate marketing mix is also a major decision area and is fundamental to the success of the chosen strategy.

2.2 Step 2 – Identify the information required for the decisions

The decisions taken will depend upon a thorough analysis of information relating to both internal and external environments. Information requirements are, therefore, extensive, covering all aspects of the operation.

This step will require analysis to determine the precise information required and also to identify the manner in which it will need to be presented to the manager for the decision(s). Involvement of the users of the information is vital in this analysis.

It is important to ensure that information ultimately collected in the system is 'relevant and of sufficient scope for the decisions to be taken' (Wilson, 2003). The information requirements will AU7 change over time; this needs to be recognised and managed on an ongoing basis and may require specific marketing research projects to be conducted.

2.3 Step 3 – Undertake an information audit

This involves a thorough search for the information identified during the execution of Step 2 above, starting with the existing marketing and corporate databases and also examining records held within each department of the organisation, recognising that much information, collected for a different purpose within a department, for example finance, can be utilised for marketing decisions.

Relevant internal information would include customer complaints, call centre records, service job sheets, production and material cost records, quality data, accounts receivable, sales quotation data, order processing records, sales expenses and so on.

Information identified during the information audit will often need translating (standardising) for use outside the source department in order to remove or convert technical jargon that would not be understood by marketing and other managers.

2.4 Step 4 – Undertake an information gap analysis

This involves identifying the additional information required for decision-making that is not available internally. Once a list has been identified, a strategy must be developed which provides the information, thus closing the gap.

2.5 Step 5 – Design a strategy to fill the information gap

Typically, marketing intelligence gathering and marketing research can be used to fill the information gaps identified during the audit.

Marketing intelligence includes everyday information gathered during the normal course of business and might include tacit information learned by sales and service personnel in the field. It also results from reading industry and trade journals.

Marketing research is a more formal undertaking, requiring carefully defined research or information objectives and involving both desk and field research. Please refer to Section 4 below for further information on the contribution of marketing research.

3 The contribution of marketing research to the system

Much of the information routinely collected by the organisation is based upon past events: customer transactions, enquiries and data captured on customer-completed forms. Wilson (2003) refers to these types of information as 'transactional' and 'volunteered'. Such information tells us little about what is happening in the market as a whole, about non-customers or our competitors and their customers. Also, although we collect information concerning own customer's behaviour (what they buy, when, where . . .), we know little about their attitudes, their motivations (why), lifestyles and future intentions. Marketing research can contribute to the MKIS by filling some of these gaps.

The Market Research Society, in its definition of marketing research, refers to 'the collection and analysis of data from a sample of individuals or organisations relating to their characteristics, behaviour, attitudes, opinions or possessions'.

Research might include information collected during regular customer satisfaction surveys and regular mystery shopping exercises as well as more specific research projects to provide information for new product development, market entry or diversification.

Profile data, for example from the ACORN or MOSAIC geo-demographic databases, can be purchased to help build detailed profiles of customers and prospects to assist in defining segments and in targeting products and marketing communications.

Marketing research can, therefore, provide more detailed insights for users of the MKIS. This should lead to better informed decisions, especially in the areas of new product development, market selection, segmentation and targeting, as well as specific marketing mix combinations, distribution channel selection and so on.

4 Key benefits of an integrated information system

An integrated approach to information collection, analysis and dissemination will require the dedication of resources on an ongoing basis and it will be important to manage the system proactively. As a result of such investment, we should enjoy a number of key benefits:

1. Decision makers will have access to up-to-date and relevant information presented in a timely manner. Decision support tools and reporting mechanisms will also be available within the system. This should improve decision quality and enable greater responsiveness to problems and opportunities as they arise.

2. The more complete nature of the information will assist in assessing and managing risk and ensure that a wider range of factors are considered when assessing opportunities.

3. Managers will be able to identify trends and should be better positioned to identify opportunities or anticipate changes in markets, customer preferences of competitor strategies.

4. Access to a broader range of company-wide internal data and external information will make it easier to accurately identify our most profitable customers/segments (cost to serve and lifetime value) as well as the products that are most profitable for us. This should help focus our decisions on longer-term profitability.

5. The participation of people from different parts of the organisation, in feeding information into the system (and also benefiting from it), should assist us in further developing the degree of market orientation within the organisation.

5 Concluding remarks

The task of combining various sources of internal and external information into an integrated system – involving internal records, marketing intelligence and marketing research – will require AU8 a systematic approach, careful management and the cooperation and contribution of people from all departments.

The key to the success of such a project is to follow a systematic process for the specification of the information needs, to adequately identify the information gaps and then design a system incorporating people, processes and IT that will deliver against this requirement in a cost-effective manner.

The potential benefits are considerable, involving better decisions which are not simply linked to competitive advantage and profitability, but also lead to improvements in cross-functional working and greater market orientation.

Answer 2
Information and research for decision-making

Check your answer

A good answer may be as follows:

	☑
In the introduction, explain the importance and context of an audit of marketing operations as part of a wider marketing audit.	☐
In Part a, outline the types of information required for an audit of marketing operations, including customers and markets and each of the marketing mix elements. Include information on internal and external sources of the information	☐
In Part b, define what is meant by a 'user specification for information' and then introduce and briefly explain the content of each element.	☐
In Part c, list the assessment criteria and link to information acquisition costs and the benefits accrued. Strong answers will discuss possible difficulties in making an assessment.	☐
Adopt the role of a marketing manager.	☐
Use report format.	☐

* * * * *

REPORT

To: Managing Director

From: Marketing Manager

Date: XX/XX/XX

Re: Information for Auditing Marketing Operations

1 Introduction

An audit of marketing operations is a part of an overall marketing audit which is defined as a thorough 'examination of the marketing function including its environment, objectives, strategies and activities with a view to determining problems and opportunities and recommending a plan of action to improve the organisation's marketing performance' (Kotler, 2006). AU9

The focus of this report is the marketing activities or operations element of the audit which is concerned with a comprehensive, systematic and periodic examination of the organisation's markets, customers and marketing mix.

The aim of the audit will be to determine the current level of marketing performance and to identify opportunities for improvement in order to meet marketing and hence corporate objectives.

2 Information requirements

2.1 Markets and customers

Information requirements include market size, growth, share, stage of maturity, profitability, products and competitors in the market, customer attitudes and buying behaviour, distribution channel approaches and preferences and marketing strategies employed by ourselves and the competition.

2.2 Products

Information requirements include analysis of the contribution of existing products in the portfolio, their costs, contribution, lifecycle stage, share and rate of growth. Other information would include customer needs and satisfaction levels and attitudes towards products with a view to undertaking a gap analysis. An important additional area of the audit would examine the success of the new product development process, contribution of new products and innovation rate.

2.3 Pricing

Information requirements include information on our profit objectives, product costs, breakeven volumes, cost/price/volume to determine price levels and demand and competitor pricing and strategies. We also need to understand customer attitudes with respect to price, their budgets and expectations. Another information area affecting price involves an understanding of costs and margins associated with the distribution channels we use.

2.4 Advertising and promotion

Information requirements include advertising and promotional objectives, our performance levels, details of advertising and promotional budgets and expenditure, results and effectiveness of campaigns, awareness levels, brand attitude and reputation, share of voice, customer perceptions concerning advertising messages, language used, analysis of the responsiveness of target segments, geographic and demographic profiling, as well as analysis of particular media channels used.

2.5 Personal selling

Information requirements include details of sales objectives and salesforce targets, details of geographic and vertical sales territories in terms of size, volume, growth rates and profitability, the effectiveness of sales processes, procedures and management and the efficiency of sales personnel (sales to expenses ratios, lead conversion rates, incentive payments and compensation levels). We would also need to determine whether the salesforce is adequately sized and resourced to meet the objectives.

2.6 Distribution channels

Information requirements include details of the distribution objectives, choices and strategy, effectiveness of the various channels and channel members, extent of coverage/penetration, details of competitor channel choices and their effectiveness, details of channel costs and margins, alternatives available but not used.

3 Data sources

Much of the information required to undertake the marketing operations audit will already be available internally, although it should be borne in mind that there may be information gaps, omissions and inconsistencies in certain areas. Within the audit, there is an opportunity to examine information quality and coverage and to flag these for improvement after the audit has been completed.

3.1 Internal sources

Information can be obtained from a wide range of internal sources, including sales records, marketing campaigns data, marketing department databases, sales forecast and monthly reports, financial accounts data, production and operations data, service records and company annual reports.

3.2 External sources

Other information can be obtained from external sources; for example, published market research reports, business directories, marketing intelligence, trade/industry journals, the Internet, records of discussions with customers, suppliers, competitors, industry experts and primary research previously undertaken for the organisation and now held internally.

The information search will be greatly simplified where the relevant data from various sources has been previously brought together to form a marketing information system (MKIS).

4 Key elements of a user specification for information

A user specification for information provides the key ingredients for a marketing research brief, sharing a number of similar elements, but it is also used to define the information requirements for any decision-making process within the organisation.

The key elements of the user specification are as follows:

- Rationale – explains the reasons why the information is required, the problem or opportunity to be addressed and what the information users will do, and what decisions they will make using the information produced.
- Objectives – sets out the precise information that will be required, specifying each information target and any associated processing, for example:

Prioritise (associated processing) the criteria used (information target) by customers when choosing a mobile telephone.

An important consideration when writing objectives is that each objective incurs a cost – specifiers should therefore omit 'nice to know' questions and focus on the rationale and the decisions to be taken.

- Methodology – provides an outline of the scale of the project, whether primary research might be required and an indication of possible data collection (research) methods. Sampling approach and customer segments to be researched would also normally be included.
- Budget – specified in terms of human resource time (internal provider) and expenditure (agency). When setting a budget, it is necessary to consider the benefits to be gained as well as what is affordable.
- Timescale – specifies when the information will be required, taking into account any lead time that might be required, perhaps for a product launch decision and plan.
- Information Reporting – specifies how the information is to be delivered, be it a written report, presentation, spreadsheets, charts or others.

5 Criteria for assessing the value of information

A number of criteria can be considered when attempting to assess the value of the information provided in response to a user specification for information. Such criteria would include answers to the following:

- Is the information relevant to the manager's needs and the decisions to be made?
- Is it delivered in good time for the decisions to be made?
- Is the information accurate or, at least, stated to a defined level of accuracy?
- Is the information up to date?
- Is it complete – does it meet the user specification provided?
- Does the information help reduce risk?
- Does the information have a value beyond the current decision(s)?
- Do the benefits arising from the decisions outweigh the costs incurred in collecting the information – does it help us make money or save money?

5.1 Potential difficulties

Taking the last point in particular, the value of information is often difficult to fully assess, since a decision made without access to the information might still have led to similar or greater benefits for the organisation. Alternatively, the information might be totally ignored by the decision maker in favour of 'gut feel' or past experience but lead to similar or superior benefits being enjoyed.

Finally, there is an opportunity cost which might be considered. Could the resources used in obtaining the information have been better applied elsewhere? To minimise the risks and cost, it is important that the user specification is prepared with the full cooperation and agreement of the users and that non-essential or 'nice to know' questions are not included.

Answer 3
Knowledge management

Check your answer

A good answer may be as follows:

☑

In the introduction, state the purpose of the presentation and then introduce the need to manage knowledge as an asset. ☐

In Part a, define knowledge management and related terms. Introduce and explain the key concepts, the process and potential benefits for the chosen organisation, providing examples set in context. ☐

In Part b, cite typical reasons for KM failure, introduce the key barriers to implementation and demonstrate how these can be overcome. Stronger answers will take a cross-functional and market-oriented approach in presenting both the barriers and the solutions. ☐

Adopt the role of the marketing manager. ☐

Use Presentation Notes format. ☐

* * * * *

PRESENTATION NOTES

Presentation to Management Team – Metal Projects Limited

Date: XX/XX/XX

Knowledge Management (KM)

Welcome

Slide 1 – Agenda

- Purpose
- Introduction
- Definitions
- Concepts
- Benefits
- Barriers
- Overcoming the barriers

Slide 2 – Purpose

The purpose of this presentation is to introduce the key concepts of knowledge management (KM) and to promote a future discussion about the appropriateness of a KM strategy for the Company as a route to competitive advantage, innovation and growth.

Slide 3 – Introduction

We are said to be living in the information age – an age in which the competitive environment is driven more by the application of superior knowledge and competences and less by the traditional industrial inputs such as buildings, manual labour and capital.

Here at Metal Projects, we create value for our customers, not directly through manufacturing but by the careful way in which we solve manufacturing and construction problems for our customers – our engineers apply superior knowledge every day!

An immediate benefit of KM would be the pooling of solutions by means of a solutions database and then to make these solutions available via an Intranet as a resource to all of our engineers who may be faced with similar problems – continual reinvention of the wheel is wasteful and we know this goes on in Metal Projects. Over time, these solutions would be continually improved and refined and become of greater value to the business.

A sustainable competitive advantage can be developed through the sharing and development of this superior knowledge; we may then use this knowledge to create further unique value for customers with a resulting increase in profitability.

Knowledge is a driver of innovation. Everyone in this meeting recognises the vital importance of innovation to our projects and to our continued market leadership.

Slide 4 – Definitions

Slide 4.1 – A formal definition

'Organisational knowledge is the collective and shared experience accumulated through systems, routines and activities of sharing across the organisation' (Johnson and Scholes, 2005).

Knowledge is naturally accumulated in organisations. The J & S definition suggests that there is a need for systems, routines and activities for sharing the knowledge throughout the organisation. A level of knowledge sharing goes on in every business but, if left purely to chance, it will never be perfected and considerable value will be lost. Like any other organisational asset, knowledge needs to be systematically managed and developed over time.

Slide 4.2 – Another definition

'The leveraging of collective wisdom to increase responsiveness and innovation' (Delphi Consulting Group website).

This less formal definition really captures the essence of what we should be trying to achieve!

Slide 5 – Concepts

KM is concerned with proactively capturing, creating, sharing and using organisational knowledge throughout the business and beyond, into the supply chain.

Unless it is managed and developed, organisational knowledge can become 'lost', either in the mountains of data held in various departmental information bases (called explicit knowledge) or exported to competitors, carried in the minds (individual and tacit knowledge) of employees who eventually leave the Company.

KM requires the integration of various information systems within the Company as well as an effective means of capturing and documenting tacit knowledge, encouraging its transfer between individuals, departments and other stakeholders.

KM is concerned not just about existing knowledge but also about the creation of new knowledge, which, in turn, is further developed over time and applied to new problems as they are presented.

Slide 5.1 – The KM implementation process

Step 1 – Identify where knowledge resides

Step 2 – Develop processes, procedures and systems for KM

Step 3 – Use the systems to capture, document and add value to knowledge

Step 4 – Share and continually build onto existing knowledge

The process of developing a KM strategy involves the above steps; it is a continuous and long-term process as suggested by Step 4.

Slide 6 – The benefits of KM

- Brings organisational knowledge into an integrated system which is readily accessible
- Captures and shares individual/tacit knowledge, enabling transfer of ‘know-how’
- Enables knowledge to be developed as an appreciating asset
- Enables existing knowledge to be re-used and improved upon
- Knowledge becomes a basis for innovation and competitive advantage
- Organisational learning (and individual learning) is greatly enhanced.

A number of the benefits of KM have already been suggested during this presentation. The key benefits of KM are summarised in Slide 6.

Slide 7 – Barriers

Despite the cited benefits of KM, many organisations that have attempted to introduce that it have failed to accrue any major benefits; projects have taken longer than anticipated and the IT systems have been hampered with problems.

Reports of such problems in the management and technical press are naturally a concern, but there are also many success stories demonstrating how organisations have harnessed knowledge across the organisation and gained a competitive advantage.

So, what are the key barriers to the implementation of KM?

Slide 7.1 – Key barriers

Barriers arise from the following:

- People
- Processes
- Technology

Slide 7.2 – People

Many of the failures or poor performances in KM arise because the people, at all levels, have not been fully considered and engaged in the knowledge management process.

Buy-in has often been poor and often there is a failure to recognise the cultural barrier that may exist.

Culture – people often believe that holding on to their knowledge makes them more valuable; remuneration schemes usually reinforce this thinking. Senior managers sometimes believe that they will lose control of the organisation; some feel insecure in having to share their own knowledge and by having to become more open and less secretive.

A lack of inter-departmental cooperation is the enemy of KM projects. Power and politics often dominate, rather than an emphasis on a common goal – serving the market.

Resistance to change and uncertainty about the future are normal reactions and need to be overcome.

Skills gap – Managers may view KM as a difficult, costly and time-consuming exercise, involving complex IT systems. At the same time, they fail to recognise the need to fully engage their people, who, after all, must contribute their own knowledge to the system and then use the knowledge pool to add value to their work. In short, lack of expertise and inexperience can make it very difficult to know where to start. Little importance is accorded to staff training.

Slide 7.3 – Process

Objectives or outcomes from the project may be poorly defined with no clear strategy for implementation.

Timescales – Managers often see KM as a quick win/fix-all recipe and they fail to realise that it is a long-term process.

Budgets are often set without looking at the accruable long-term benefits and without recognising the need for investment in training and internal marketing to assist in bridging the skills gap and helping sell the benefits to ensure buy-in.

Ownership – KM is often not owned by any individual manager with the responsibility to make it happen. KM needs a high priority within the organisation if it is to succeed and this requires proactive management.

Systems, processes and procedures are not always fully aligned to ensure that KM and organisational learning are fully integrated within the organisation's activities.

Slide 7.4 – Technology

Information Technology is so often the main emphasis in a KM project, that other important aspects, such as integration of business processes and the need for a change of mindset, staff training and positive culture are often overlooked.

A Lack of Integration of information, systems and people within the organisation often results in a failure of KM to deliver the benefits it is capable of.

Slide 8 – Overcoming the barriers

If the potential problems outlined above are to be overcome, then a proactive, long-term approach must be taken to a KM project.

Slide 8.1 – A KM success checklist

Here is a list of the key factors that will need to be in place if we are to be successful in KM:

- Total commitment top–down
- Recognition of the true value of knowledge
- Long-term perspective of the project
- A senior manager appointed as sponsor
- KM viewed as an integrated business process
- A positive culture for learning and working together
- Reward scheme aligned to creating and sharing knowledge
- IT seen as the <u>enabler</u>, <u>not</u> the goal

Slide 9 – Any questions?

I will happily try to answer any questions that you may have.

Can we agree a further discussion with a view to developing a number of objectives and a strategy for developing KM within Metal Projects?

Syllabus Element 2
Answer 4
Database information, its benefits and ethical Issues

Check your answer

A good answer may be as follows:

	☑
In the introduction, introduce the concept of a customer database and outline the key benefits for the marketing department and for SeaLux in terms of growing sales and building loyalty.	☐
In Part a, introduce and explain the key types of information held in the database.	☐
Use an appropriate framework (e.g. Alan Wilson's 'four types of information') for the answer.	☐
In Part b, list and briefly explain the key benefits of a customer database in terms of what it can be used to accomplish.	☐
In Part c, explain why data from the research might be merged with information in the database. Highlight and explain the ethical and legal implications with reference to the professional codes and relevant legislation.	☐
Use examples set in the context to support the information presented in the report.	☐
Adopt the role of a newly appointed marketing executive at SeaLux.	☐
Use Report format.	☐

* * * * *

REPORT

To: Marketing Manager – SeaLux Cruises

From: Database Marketing Executive

Date: XX/XX/XX

Re: Customer Database Development for Enhanced Customer Insight

1 Introduction

A customer database has the capability to be a huge asset to the Company and an incredible marketing tool. Before we can fully benefit though, we will need to bring together various sources of information and then enhance these by extending the types of information we collect about our customers in terms of their behaviour, attitudes, opinions, preferences and lifestyles.

The resulting database will greatly assist us in creating targeted marketing campaigns that grow sales in the short term to enable us to meet our targets and, for the longer term, help in identifying, anticipating and meeting customer needs, as well as identifying new customers.

Superior customer insight is a source of competitive advantage and, in an industry such as ours, which is enjoying tremendous growth, the more we know about our cruise customers, the more likely we will be able to retain them as 'loyal stayers'. This will be vital as we see more new competitors enter the marketplace at all levels (e.g. easyCruise).

2 Purpose of report

Currently, little has been formally collected about our customers, beyond the very basics of who they are and what they spend with SeaLux. This report describes how a customer database can be developed and enhanced, the approaches we can use to collect the data and the potential benefits we might enjoy. The report also includes an outline of the legal and ethical implications of collecting and using customer data.

3 Types of customer information and the approaches used to collect it

Alan Wilson (2003) describes four types of information that can be used to build a customer database: behavioural data, volunteered data, profile data and attributed data:

3.1 Behavioural data

This relates to the various transactions that our customers engage in and which we record in bookings, accounting records and operational files. This information helps build a picture of customer buying behaviour but, at SeaLux, it is currently very limited.

In terms of how we extend the range of behavioural data, we need to focus on all interactions with the customer or prospect. At SeaLux, this would include visitor behaviour on the website, via the call centre and with each customer interaction/transaction with the Company.

A good example would be to record the various activities and services that each cruise passenger partakes of during each voyage. This might be achieved electronically, using a loyalty card. We could then use this information not only to gauge the popularity of each service, but also to build a profile of each customer's preferences.

3.2 Volunteered data

This describes the information provided by customers using our web-based enquiry and booking forms and in telephone conversations that take place in our hotline call centre. At present, we have name and address data, but we can extend this significantly, with both the website and the call centre providing an opportunity to capture data relating to customer characteristics, opinions and preferences.

Using behavioural data and volunteered data together, in the customer database, we can build a reasonable picture of what, when and how our customers buy from us and also have some understanding of why they buy, based upon information that we ask them to volunteer.

3.3 Profile data

Profile data takes our insights even further by linking our database with information taken from an external geo-demographic or lifestyle database. Using this bought-in database of common characteristics, we can make inferences about our customers that we can later test and use to build a more detailed understanding of who the customers are and what motivates them. We would also have a better understanding of their income levels, interests and recreational activities which we can link directly to new service development.

A number of commercially available consumer profiling products can be purchased, for example ACORN or MOSAIC. These products provide information on age, geographic location, income level and profession. The use of a specific lifestyle database would also prove useful in being able to help us predict behaviour regarding influences on lifestyle decisions such as luxury cruise holidays.

3.4 Attributed data

This is data that we 'merge in' to the database, based upon findings and conclusions derived from marketing research projects such as the one we are about to initiate. It would also include research we undertake internally, including the customer satisfaction surveys undertaken at the end of each cruise.

Although we cannot add respondent information directly to the individual's record for ethical reasons (please see Section 4), we can make inferences in the database, which we can then test using targeted direct mail and other marketing activities.

By way of an example, we might find that married couples aged 50+ and with a joint income of more than £40 000 are more likely to purchase a luxury cruise, based upon editorial recommendations given in the weekend travel supplements of national newspapers.

We might use this insight to focus our PR activity and to send article reprints about SeaLux to existing customers who meet the age/income profile.

Our ability to use marketing research data will depend very much on the quality and detail of the research findings and conclusions presented in research reports.

4 Potential benefits

In order to benefit from the types of data described above, we will need to develop a customer database and dedicate sufficient resources to its ongoing maintenance and enhancement. Possible benefits might include the following:

- An ability to develop a greater understanding of customer needs, giving us an opportunity to develop services and marketing mixes that meet their requirements more precisely.
- An ability to improve our customer service level, by using our database knowledge to develop the sales and support channels that customers want to use.
- An ability to personalise and more precisely target our marketing communications activity by incorporating offers/messages that meet the recipients' needs, resulting in less wastage and better sales response rates.
- An ability to personalise/customise the service we provide to customers, by using behavioural and preference data to pre-empt their requirements and requests.

All of the above will greatly assist in building loyalty and repeat sales.

We can use campaign data to monitor and measure the effectiveness of our marketing activity, especially any direct marketing campaigns, as well as the effectiveness of our distribution channels. Based upon this knowledge, we will be able to spend marketing budgets more effectively.

5 Ethical considerations

Marketing research relies on the trust, goodwill, continued understanding and cooperation of respondents who willingly participate in research projects by providing information. Respondents are more likely to provide honest, truthful answers if they believe that the information they give will be held in confidence, that their identity will not be disclosed and that their research information will not be used for sales approaches and direct marketing campaigns.

As well as being a matter of ethics, it is also about being professional. The Market Research Society (MRS) binds its members to a code of professional conduct, which is designed to ensure that standards of professionalism are maintained throughout the industry.

The MRS Code of Conduct (MRS, 2005) requires that 'the anonymity of the respondent must AU10 be preserved unless they have given consent for their details to be revealed or attributable comments to be passed on'. This implies that comments made by customers in the course of research cannot be attributed to an individual's database record, unless they have given express consent.

In addition, the MRS provides specific guidelines for what it terms 'mixed purpose projects' involving research and sales/marketing activity. In relation to this, the MRS has a number of mandates including:

- The purpose for which the data will be used must be explained to the respondent.
- Respondents must not be misled about how their data will be used.

UK data protection legislation also impacts on the use of such data collection, since living individuals can be identified from the records made. Although the legislation is too involved to be fully explored in this report, it is important to remember two aspects that would apply:

- Individuals should have a clear and unambiguous explanation of why the data is being collected and to what purpose it will be put.
- Individuals must give their consent to it being collected and be given the choice to opt out of any subsequent use to which the data may be put.

In theory, the above implies that we can use the information provided by respondents in our customer satisfaction surveys directly for sales or marketing purposes, provided that this usage was made explicit in the survey form, that we did not mislead the respondent in any way and that individual respondents did not opt out of subsequent mailings. In practice, using research in this way might serve to reduce the number of survey responses we actually receive and it might impact on the quality of response and degree of honesty with which such feedback is given.

The information given in our satisfaction survey forms is best used solely for the purpose of gauging the performance and quality of our operation and for identifying opportunities to improve our services.

We could certainly provide another form for passengers to use if they would like us to contact them regarding future cruises. On this form we could elicit information that the passenger would like us to consider in designing future communications.

6 Concluding remarks

Without doubt, the creation of a dedicated customer database, holding data collected from a number of sources and using additional information volunteered by customers, as well as the extrapolation of purchased profile and marketing research data, would be of significant benefit to the organisation, enabling closer, more insightful relationships to be built with customers, fostering repeat purchasing and loyalty. The database would help in increasing sales, meeting targets and building a competitive advantage for SeaLux Cruises.

Answer 5
Database development and enhancement

Check your answer

A good answer may be as follows:

☑

In the introduction, define what is meant by a customer database and briefly outline its content and key benefits. ☐

In Part a, explain the process for setting up the database and how to maintain it, with particular emphasis on data entry, validation, verification and de-duplication. ☐

In Part b, identify the sources and types of data to be collected and explain how the data will be captured. Identify key weaknesses of a customer database, focusing on information gaps and limitations. ☐

In Part c, define what is meant by geo-demographic and lifestyle profiling; explain briefly the process and tools used. State and then explain the benefits of profiling. ☐

Use examples set in the context of a national laundry and dry cleaning chain. ☐

Adopt the role of a newly appointed marketing executive. ☐

Use Report format. ☐

* * * * *

REPORT

To: Sales and Commercial Director

From: Marketing Executive

Date: XX/XX/XX

Re: Customer Database Development for Apex (Dry Cleaning and Laundry Services) plc.

1 Introduction

A customer database is simply a collection of inter-related records, containing information about who our customers are and what, when and where they buy. If carefully constructed and developed, such a database can also provide deeper, richer information about customer attitudes, behaviour and lifestyles.

A customer database is an asset that provides the basis for understanding customer purchasing patterns, improving communications through personalisation and improving customer service – it is also a recognised aid to loyalty and retention initiatives. In addition, we can use tools to manipulate, mine and analyse the data for marketing intelligence and sales forecasting purposes. Such a database can also support our need to measure the effectiveness of sales promotions and other direct marketing activities.

This report briefly outlines the process for setting up a database, the logistics of collecting the data and the possible weaknesses that might exist in a customer database. It also considers the possible benefits of using geo-demographic and lifestyle data to enhance the database.

2 Database storage and processing

When building a customer database, it is important to ensure that the information is entered into the system using tried and tested data capture techniques and that processes and procedures for the use and upkeep of the database are fully documented and the users adequately trained. All activity associated with data entry, editing and deletion needs to be consistent, as any lapses will increase the likelihood for errors, duplication or inadvertent corruption or deletion of information.

A number of points are important:

- The database should be built using proven and easily supported database software. Our IT department will be able to advise as to what might be appropriate, bearing in mind the need for a high degree of compatibility with other existing systems within the Company.
- A database administrator should be appointed who will assume responsibility for the upkeep of the database and ensure that users observe the procedures.
- The data should be correctly formatted, based upon a set of defined conventions, taking into account number of characters for each field, use of upper/lower case and so on. The software can be written to enforce these rules during data entry either by automatically converting the input or by advising the user or system administrator of any violations that cannot automatically be corrected.
- Each database record will need to be thoroughly checked to ensure that it is complete and accurate. Addresses need to be checked, ideally during entry, for correctness, perhaps with the help of a commercial postcode address file validation product such as Experian's QAS system. The use of pick lists on data entry forms and online reference tables can greatly assist in ensuring that data entries are valid. Again, software can be written to assist with this record validation stage.
- The database must be regularly checked for duplicate records, using pre-defined rules for merging and/or deletion of duplicates. We will also need to consider whether to allow some duplicates to exist (called underkill) or to be particularly onerous and apply overkill. Dealing correctly with duplicate records is particularly important for direct-mail activity, since it can adversely affect perceptions of the Company, be detrimental to our reputation and erode customer loyalty.

3 The logistics of data collection

Most of the data we can easily capture for our database will consist of name, address, contact telephone number and details of individual items each customer leaves with their home branch for cleaning, along with the dates and the amount spent on each occasion. This basic transactional data can be captured in electronic tills installed at each branch. This data is sometimes called behavioural data since it describes what, when, where and how much a customer has spent.

In our business, we have only a very limited opportunity to capture additional data from customers as generally they spend very little time interacting with us, are often in a hurry to drop off or collect and it can, therefore, be very difficult to get them to volunteer information, beyond name, address and telephone number, plus their preference day(s) and times for picking up their cleaned items.

The introduction of a loyalty card scheme, with incentives based upon repeat purchase behaviour and amount spent, would provide us with an opportunity to collect further information from those customers who join the scheme. This volunteered data would supplement the behavioural data and assist our understanding of 'why', since we can include questions on the application form that will help us understand member attitudes, opinions and lifestyles.

We can collect further information on an ongoing basis as we begin to use the database for direct marketing and customer communications activities.

4 Possible weaknesses of the database

A customer database only provides a limited view of the marketplace in which we operate. This limited view reflects a number of problems or weaknesses in the data:

- The information relates to current and lapsed customers but not to non-customers or customers that purchase from our competitors.
- The database does not provide any insight into purchasing that our customers might choose to do with our competitors.
- The data tells us what, when and in which branch our customers transact with us, but not why.
- The data is historical and, although we can use it as a forecasting aid, it does not have any real predictive power regarding a customer's future intent to use our service.

5 Potential benefits of geo-demographic and lifestyle data

A geo-demographic or lifestyle profile describes a number of attributes shared by 'typical individuals' living in a geographically defined residential neighbourhood or grouped set of postcodes. The whole of the UK is divided into a number of profile groups and subgroups of residential neighbourhoods and the resulting information is provided commercially in the form of a database that can be used to assist with market segmentation studies and target marketing. Two popular profiling systems in current use are ACORN and MOSAIC.

Profile data, taken from one of the above sources can be used to enhance the information that is known about each individual held in our database. Given that, based on transaction data and limited volunteered information, we will initially know very little about our customers, the addition of profile data can greatly extend our knowledge of each customer, effectively helping to build a picture of where they live, type of housing, their interests, income, profession, attitudes, lifestyle and so on.

To give a simple example of how this might help us, we can undertake an analysis of our database, taking into account the profile data added to each record. We should be able to identify correlations in the database and make inferences about, for example, the attributes of our high networth customers. We can then use this information to segment our database and target others with similar profile attributes to these big spenders. We can then design a targeted direct mail campaign to encourage these potential big spenders to use our service more frequently.

Profile data can be used in a number of ways in addition to the rather obvious example above:

- We can link the geo-demographic/lifestyle profiles to the geographic catchment area for each of our branches. Using financial data for each branch, we can then identify the profiles for our most profitable/highest turnover branches and investigate the reasons why other, low performance branches with similar profiles are not doing so well. Once the reasons are identified, action plans can be developed to improve branch performance.
- Using a similar approach to the above, taking the profiles for the catchment areas around our most successful branches, we can identify suitable locations for new branches, looking for locations with similar profiles to our high performers. Other factors, for example local competition and population size, will need to be factored in, but this should assist our planners and improve the probability of the new branch being successful.
- Using the profile data taken from our list of high networth customers as the basis, we can purchase mailing lists and target non-customers who have a similar profile. In this way, we could increase the number of customers who use each branch.
- Using lifestyle data and behavioural information taken from our customer data, we could investigate the opportunity to offer customised, value-added services and new products to customers who match a given lifestyle profile. This might include garment collection and in-home services.

6 Concluding remarks

As outlined above, the contribution of a customer database to our business has great potential, both as a short-term, tactical tool to improve sales by getting existing customers to buy more and, in a more strategic way, through segmentation studies, branch studies and so on.

Provided that the database project is carefully planned, takes into account a wide range of data sources and is meticulously maintained, it should prove a reliable and valuable asset to Apex.

Answer 6
CRM, data warehousing and data mining

Check your answer

A good answer may be as follows:

	☑
In the introduction, Introduce self and state purpose of presentation	☐
In Part a, identify, define and clearly distinguish a customer database from a CRM system. Explain the importance of a customer relationship management strategy to the airline and show how a CRM system can support this strategy, on an organisation-wide basis.	☐
In Part b, define terms, explain the overall purpose of each and underpin with good examples from within the airline context.	☐
In Part c, define the terms and relate to statistical techniques and data mining. Show how these techniques will help with customer segmentation, using airline specific examples. Stronger answers will specifically cover CHAID analysis, demonstrating wider knowledge and reading.	☐
Adopt the role of a CRM database manager.	☐
Use Presentation Notes format. Demonstrate an awareness of the likely interests and needs of a CIM audience.	☐

* * * * *

PRESENTATION NOTES

Presentation to CIM Central Eastern Branch

Date: XX/XX/XX

Presentation Notes

Assistant CRM Database Manager – Central Eastern Airlines

The Importance of CRM and Related Technologies For Enhancing Customer Relationships and New Product Development

Welcome audience and introduce self and Central Eastern Airlines

Slide 1 – Agenda

- Introduction
- Customer database or CRM system?
- The importance of CRM to Central Eastern Airlines

- The purpose of a data warehouse and data mining tools
- Statistical analysis and segmentation
- Any questions?

Slide 2 – Introduction

This evening, my aim is to give you some insight into how a regional airline like ours uses key technology tools to help it develop and retain customers and to show how we use the insight gained to develop new segments, new products and new services.

Slide 3 – Customer database or CRM system?

'A customer database is a manual or computerised source of data relevant to marketing decision making about an organisation's customers' (Wilson, 2003).

A customer database is usually maintained by the marketing department in support of its own activities and objectives. It is used mainly for marketing intelligence, segmentation studies, sales forecasting and for testing customer reactions to offers and for use in direct marketing activity. Although much of the data held in the database originates from outside the marketing department, for example transactional and financial data relating to individual customers, the database may or may not be readily accessible for use by other departments.

A CRM system is also essentially structured around a customer database but with one key difference – it receives its data from sources across the organisation and is accessible to anyone who has direct contact with customers or a need to access customer information. Moreover, it is a primary tool used by customer contact personnel in sales, customer service/call centre and marketing. Its customer-centric database structure builds a history of all interaction between each individual customer and every point of contact within the organisation.

Senior management have access to the CRM system, usually via executive information tools and a management reporting suite and have greater visibility of customers, right down to individual transaction records, if required!

The CRM system can also be extended beyond the organisation to distribution channel partners, who can interrogate some of the data and document all these interactions with customers. In addition, some restricted CRM data is available directly to the customers themselves, via their own individualised web pages or other secure access point.

Slide 4 – The importance of CRM to central eastern airlines

Before we look at the role of CRM at Central Eastern Airlines, we should be certain that we all AU11
understand that running a CRM system does not mean the organisation necessarily practises customer relationship management – it might just be deceiving itself!

At Central Eastern Airlines we do practise CRM – we just happen to use a CRM system to help us do so! Of course, we cannot build a one-to-one relationship with every single individual who flies with us, but we do focus on developing and maintaining strong relationships with our corporate customers and our gold and platinum frequent flyers. These groups represent about 20 per cent of our customer base but account for more than 80 per cent of our profits.

We need relationships much more than they do!

From a marketing perspective, our CRM strategy allows us to devote considerable resources to communicating with and serving those customers that represent most value to us in the long term. We mine the data and use the analysis to develop deep insights into the behaviour, needs and opinions of these customers. We then work hard to retain them over the long term by anticipating their travel and business needs and having a service ready, just before they need it!

'What about the little people?' I hear you say.

We don't neglect them – we encourage them to join our frequent flyer programme; we monitor their flying behaviour; we make them offers via our direct mail system and our website. We give them value for money when they choose to fly with us and we look for signs in the data that indicate that they are becoming more active as travellers. We can then respond appropriately to this change in their behaviour.

I would also like to focus for a moment on our corporate customers. This business-to-business market is critical to us. We not only use our CRM skills here, but we practise key account management techniques, we assign an account manager, a senior member of our team, and we develop close working relationships with decision makers in each corporate account. We make ourselves available to solve their business travel problems, 24/7/365! The CRM system helps us manage these accounts and acquire new ones.

Slide 5 – The purpose of a data warehouse and data mining tools

A data warehouse is a large database which contains data aggregated from a number of disparate sources within the organisation. This data would typically include operational data, supplier information, sales and financial accounting data. A key feature is that the data held in the warehouse has been standardised for use across the organisation, which means that it is in a format that can be easily understood by non-specialists. The warehouse is normally structured around customers. External data can also added to the warehouse, relating to competitor activity, economic trends and general market conditions.

Data mining is a broad range of descriptive and predictive modelling and analytical technique used to identify and interpret hidden patterns within the data held in a database, CRM system or data warehouse. Later in the presentation, we will examine two specific techniques that are often included in data mining projects.

Data mining is a very computer-intensive process and is carried out using specialist software tools. At Central Eastern, we use Clementine from SPSS, but a number of other good products are also available.

Slide 6 – Some of the applications of data mining within the airline include the following:

- Improving customer retention by monitoring rate of change in individual card usage in our frequent flyer membership. The data mining tools flag customers who are 'at risk' so that we can send them details of a promotional offer to bring them back into the fold.
- Running individual customer usage trend analyses to reveal month-on-month variations in travel mileage and to assist with forward demand forecasting.
- Understanding the impact of various internal or external events and trends, including marketing activities, on sales, profit and customer retention. We can use this insight to help us make predictions about the future.

- Improving the quality of our direct marketing initiatives through micro-segmentation and the creation of customised offers, linked to actual customer needs (we will look at this in more detail later).

It is important to realise that, whilst these tools are very powerful and can reveal deeply buried patterns in a very large database, it is still down to the human to determine the importance, if any, of what is revealed! At Central Eastern Airlines, we employ statisticians to program the tools, undertake the analysis and make sense of the results. A final point, the outcomes must be actionable, in commercial terms and data miners would do well to remember this – a pattern in the data might be interesting, but can we exploit it for competitive advantage?

Slide 7 – Statistical analysis and segmentation

One of the key challenges in marketing terms for the airline is to identify unique and meaningful customer segments from literally terabytes customer data. With this knowledge, we can build a unique offer or service for a group of customers and often command a premium price in the process.

The data mining tools we talked about earlier include statistical tools that are perfect for segmentation studies. In this section of the presentation, we will outline two related techniques: Cluster Analysis and CHAID.

Slide 7.1 – Cluster analysis

This is the name given to a broad group of statistical techniques used to identify and classify groupings of people (clusters) on the basis of two or more common variables, with a high degree of association within a group, but with very weak or non-existent associations between the groups.

The traditional way of undertaking a cluster analysis is to create a scatter diagram involving the plotting of similar characteristics amongst individual customers with respect to the variables of interest. The clusters can then be identified visually. This manual approach is impractical, especially if large data sets are involved and more than a few variables are being plotted. Instead, software tools, such as SPSS, are used to achieve quick and accurate results from a volume of data.

Cluster analysis is a descriptive modelling technique that can be used with a customer database or a data warehouse to discover hidden and actionable associations in the data and to identify unique segments.

Once the clusters have been determined and the standard tests for segment attractiveness have been applied, the airline's direct marketing team can produce a customised communication or service offering for each segment.

Slide 7.2 – CHAID analysis AU12

(Chi-squared Automatic Interaction Detection)

CHAID is used as an alternative to cluster analysis and also as a supplemental technique; at Central Eastern, we use CHAID as a means of fine-tuning a segmentation project for direct marketing purposes and to help predict the response.

CHAID analysis uses a predictive modelling approach and examines all of the variables involved in a segment to determine which variable or variables are likely to have most influence on the response rate of a group chosen for a direct marketing campaign. It does this by continually sub-dividing segments until there are no more statistically significant sub-divisions to be made. We are looking for the few high impact characteristics that all group members share and will be most responsive to.

If anyone is interested in knowing more about CHAID, there is a great article in a recent *Harvard Business Review* (April 2006, pp. 88–89).

Slide 8 – Any questions

AU13

I will be pleased to answer any questions that you may have.

Syllabus Element 3
Answer 7
Role of information, internal research departments and ethics (June 2005, Question 2, modified)

Check your answer

A good answer may be as follows:

	☑
In the introduction, set the scene, stress the need for accessible and accurate information in clothing/fashion retailing and then pave the way for the content of the report.	☐
In Part a, introduce and explain each of the four roles of information, giving examples set in the context of a clothing retailer.	☐
In Part b, start with the traditional role of the internal research department; introduce the environmental and commercial drivers of change and outline the research department's response. Outline some of the activities of this wider role.	☐
In Part c, identify the nature of the divided responsibility that the wider remit introduces and then discuss the ethical implications, explaining how these might be addressed.	☐
Adopt the role of a newly appointed marketing executive.	☐
Use Report format.	☐

* * * * *

REPORT

To: Marketing Director

From: Graduate Marketer

Date: XX/XX/XX

Re: The Role of Information and the Widening Remit of Internal Research Departments

1 Introduction

Marketing and business decision makers require accurate and timely information, relating to customers, markets and competitors as well as other data relating to wider environmental factors that may have an impact on our business.

As a large, leading clothing retailer, we operate in a fast-paced, fashion led marketplace where 'long term' usually means 1 year.

We need to continuously track consumer trends and developments in the fashion world, analyse consumer behaviour and monitor competitor activity. We gather this information from multiple sources, both internally and externally and constantly use this knowledge and our expertise to make decisions that drive future growth and profitability in our stores.

This report examines the various roles of information and the widening remit of internal marketing research departments. It also considers the ethical impacts arising from this evolution in the research profession.

2 The key roles of marketing information

It is vitally important that decision makers obtain the right information for the decision in hand and that the providers of such information understand the uses (or roles) to which this information will be put. It is acknowledged that there are four key roles of information in marketing decision-making (Wilson, 2003):

1. Descriptive role – information used to determine *what*, *where*, *when*. For example, we are facing some competition from web-based retailers, so what types of clothing products are consumers buying from the web and from which sites?

2. Comparative role – information that helps answer the *How* questions. Often this information is used for performance benchmarks. Example – How does our average retail sales/m^2 compare with the XYZ Company?

3. Diagnostic role – information that satisfies the *Why* questions, designed to explain the reasons why something went wrong (or possibly went much better than expected). Example – Why did our recent national late summer promotion fail to achieve target in the northern region?

4. Predictive role – information that helps determine answers to the *What would happen if* or the *What if* questions Example – What would happen to sales and profit if our major city stores stayed open until 9.00 pm? Although the examples given for each role are quite straightforward, they typify the questions that we ask almost every day and serve to illustrate the four roles.

3 The widening remit of internal research departments

Traditionally, marketing research departments have been responsible for identifying and defining research requirements with internal information users, designing research programmes, conducting and supervising field work, managing projects, sub-contracting to specialist agencies, buying data, carrying out data analysis and writing reports.

The major focus has traditionally been on primary research that creates new knowledge for the organisation is often expensive to collect and then frequently under-utilised by the user.

Ever-increasing competitive pressure on firms and a need to reduce budgets and overheads has raised questions about the costs and benefits of maintaining an internal research department: Could the work be outsourced?

In recent years, possibly linked to the information explosion and the information age, there has been an increasing focus on leveraging existing customer knowledge and mountains of other information available on internal databases and internal information storage areas. A prevalence of information technology and highly stressed managers, who are overloaded with data, has actually created a new opportunity for research professionals.

Research departments are reinventing themselves as 'Insight Teams' with a particular emphasis on customer insight and demonstrating the value that the insight team can add cross-functionally by leveraging existing information and by data mining databases and data warehouses.

This wider role now involves:

- Helping information users, now called clients, to define their specific information requirements.
- Bringing the information together from a range of sources, at low cost, and making maximum use of the many existing internal sources.
- Helping users to analyse data, interpret it and to make better decisions.
- Being proactive in developing and managing customer databases that provide real insight into behaviour, trends and future requirements.
- Developing sophisticated customer segmentation profiles and providing information to enable effective targeting and positioning.
- Mining hidden patterns in customer data as increasingly sophisticated tools become accessible.
- Training staff, including marketing staff, to be able to get the most out of the available systems.
- Working in cross-functional project teams to solve problems, capitalise on opportunities and develop new products and services and so on.

Internal researchers are capable of adding significant value to the organisation whilst simultaneously saving money by reducing the level of unnecessary primary research – unnecessary, because, often, the information is already available in-house and simply needs to be re-discovered. Primary research still has an important role to play, but it may not be the first port of call for the research professional.

4 Ethical issues arising from this wider role

The marketing research industry and the organisations that use research rely wholly on the continuing trust, goodwill and cooperation of the individuals that take part in research projects as respondents. Research professionals are bound by a professional code of conduct (Market Research Society) and also by legal requirements relating to the use of customer data and need for confidentiality as detailed in UK/EU Data Protection Acts.

The internal customer insight professional is working both in the camp of the professional market researcher (and must therefore work within the ethical, legal and professional frameworks to protect the respondents from misuse of information that they have given) and in the company of the database marketer, who naturally wants to use information for use in marketing campaigns, direct selling and so on.

The overriding requirement of all marketing and research professionals must be both legal and ethical in all activities and undertakings. Our own brand values are based upon an ethical approach to business, which protects the consumer and our supply chain workers from harm or neglect. It is appropriate, therefore, that this philosophy encompasses both the information supply chain and all of the marketing activities of the Company.

Our obligation will require as a minimum that all data collected as ‘research’ be made anonymous at the point of use and only used to assist in data profiling and data attribution. It must never be used directly to engage in selling or direct marketing activity with respondents.

We have an opportunity to gain an advantage by proactively demonstrating the highly ethical nature of all of our business processes as well as our retail clothing products and accessories.

Answer 8
Agency selection criteria and professional codes of conduct

Check your answer

A good answer may be as follows:

	☑
In the introduction, stress the importance of selecting the right agency for a research project; mention the possible consequences of getting it wrong.	☐
In Part a, provide a brief overview of the selection process and then list and explain the importance of the selection criteria; explain how the agencies will be screened against the criteria.	☐
In Part b, introduce the code of conduct, outlining its purpose. Focus on the elements that are relevant to the relationship between research agency and client. Stronger answers will also reference and relate this agency/client relationship to the research contract document.	☐
Adopt the role of a newly appointed marketing executive.	☐
Use Report format.	☐

* * * * *

REPORT

To: Marketing Manager

From: Marketing Executive

Date: XX/XX/XX

Re: Process for Selecting a Marketing Research Agency and the Implications of the Code of Professional Conduct

1 Introduction

The selection of the most appropriate marketing research agency for our project is a vital process as the outcomes of the project can be very beneficial to our organisation, but it can be a financial disaster if it goes wrong.

A suitably skilled, experienced and knowledgeable agency can make a big difference to the quality of the findings and conclusions drawn from the research which, in turn, impact on the quality of the decisions we will take.

This report outlines the process for making the final agency selection and considers the impact of the code of professional conduct with respect to its implications for the relationship between our organisation and the chosen agency.

2 Criteria for appointing a research agency

We have received marketing research proposals from four agencies in response to our brief. All of these agencies are members of the Marketing Research Society and have the necessary competences to undertake our research project. The initial work to draw up a list of agencies who were invited to respond to our brief has certainly paid off, as the proposals are all of a high quality and appear to meet our research objectives.

We now need to put into place a final selection procedure that will differentiate the four agencies and enable us to select the one which, objectively, we will be confident to work with over the coming months and beyond.

It is recommended that the selection procedure incorporates the drawing up of a matrix of selection criteria which we can use to score each of the proposals.

2.1 The importance of agency presentation to support proposals

We should invite each of the agencies to formally present their proposals to our team. This will enable us to fully understand each proposal and to ask questions. There are a number of criteria items we can assess during this presentation, including:

- The competence of the agency to deliver our project.
- The level of communication and explanation skills.

We will also get to know the people behind the project – subjectively speaking, we need to be sure that we and they can work together harmoniously and productively.

The presentation, sometimes referred to as 'the beauty parade', is considered a formal part of the selection procedure and will provide us with useful additional information to help complete the assessment matrix and make a decision.

2.2 Criteria to be included in the assessment matrix

In addition to the criteria indicated above under Presentation, the following are suggested as being appropriate to be included in the matrix:

- The quality of the written proposal and presentation and the extent to which our requirements (set out in the brief) have been understood and addressed in the proposal documents.
- The extent to which the agency has interpreted our brief and demonstrated additional industry/customer understanding and insights into the current market environment.
- The extent to which they understand our organisation and the rationale driving the research.
- The appropriateness and justification of the proposed sampling methods and research approaches.
- Evidence of innovation/creativity in the approaches and methodologies proposed for the project.
- Relevant experience or expertise that will reduce their learning curve and add value to the research.
- Evidence that they have the resources to meet our requirements and have identified any sub-contractors that will be involved (such as a field work agency).
- Evidence that our project will be allocated sufficient resources and priority and that it will not merely be a small project amongst many large ones.

- Our stated timescales and budgets can be met.
- Supply of adequate references/testimonials from previous projects and at least one client that we can approach directly.
- Introduction to the research project manager who will run our project.
- Current membership of relevant professional bodies is held.

Once we have drawn up the matrix and allocated weighted scores for the criteria to each agency, based upon the research proposal and the supporting presentation, we will need to invite the top-scoring agency to negotiate a contract for the project. We should keep the second highest scoring agency in reserve until the negotiations are complete and a contract is awarded.

3 Codes of professional conduct

The Market Research Society (MRS) has published a code of professional conduct which all professional researchers, who are members, must observe on the basis of self-regulatory compliance. The MRS can also take disciplinary action against members who are in breach of the code.

This code of conduct (recently updated and re-published in December 2005) is based upon, and incorporates, the code of conduct published by the international research body – ESOMAR.

The code of conduct is designed to ensure that minimum requirements are met with respect to social and ethical standards and that the rights and responsibilities of respondents and clients are safeguarded (or met).

In this section, we will consider one key aspect of the ESOMAR code of conduct which is especially relevant to our organisation as we move forward with our first research project. This element relates to Section D of the ESOMAR code, which details 'the mutual rights and responsibilities of researchers and their clients'.

Note: This is especially important, as when we sign the contract with the research agency, we will be bound-in as 'client' to this element of the code.

The relevant rules from the ESOMAR code are summarised below:

1. The rights and responsibilities will be governed by a written contract. Some of the rules may be modified in writing, if required, but certain others may not be modified.

2. If any of the work carried out on the project is to be syndicated with work for other clients, this must be made known, although we are not entitled to know the identity of the other client.

3. Any work to be sub-contracted outside the agency must be notified to us as client. We can request identity details if required.

4. As client, we do not have the right to exclusive use of the agency's services. The agency must avoid possible clashes of interest between services provided for other clients.

5. A number of documents/records remain the property of the client and contents are held in confidence by the agency. This includes briefs and other documents supplied by us to the agency as well as the research data and findings (unless syndicated). The client has no automatic right to know the identities of the respondents unless respondents have given explicit permission (which must be obtained by the researcher).

6. A number of records/documents remain the property of the researcher. These would include: research proposals and quotations (unless paid for by the client) – we cannot disclose details of these to a third party; syndicated reports – again, the client cannot disclose the contents of such research to a third party without the permission of the researcher; other documents not paid for by the client.

7. The researcher must keep records (for an appropriate period of time) to current professional standards. Duplicate copies of such records shall be supplied to the client (at reasonable cost) upon request, provided that confidentiality or anonymity is not breached.

8. The identity of the client shall be held confidential by the researcher, along with confidential information about the client's business.

9. The client has reasonable rights to make quality checks of fieldwork and data preparation, provided that the client pays any additional costs incurred.

10. The client must be supplied with technical details of the project carried out for him.

11. When reporting on research results, findings shall be clearly differentiated from interpretations of these findings, as well as any recommendations based on such interpretations.

12. If the client publishes details of any of the research findings, these shall not be misleading. The researcher shall be consulted in advance to agree form and content of publication.

13. Researchers must not allow their names to be used in connection with any research unless all aspects of the research have been undertaken in accordance with the requirements of the code.

14. Researchers must make their clients aware of the code and the need to comply with its requirements.

Full details of the MRS/ESOMAR codes can be obtained from the MRS or ESOMAR websites.

Answer 9
Research process and industry players

Check your answer

A good answer may be as follows:

	☑
In the introduction, introduce the concept of a formal research process, explain the importance of understanding the contribution that the organisation should make to a number of the stages to help ensure the quality of the research report.	☐
In Part a, introduce and briefly describe each stage of the process, highlighting the role of the organisation in providing input to relevant stages.	☐
In Part b: introduce and describe the role of the various industry players. Provide examples where possible.	☐
Adopt the role of a marketing manager or executive.	☐
Use Report format.	☐

* * * * *

REPORT

To: Marketing Manager

From: Marketing Executive

Date: XX/XX/XX

Re: The Marketing Research Process and an Outline of the Research Industry

1 Introduction

As we are about to embark upon our first marketing research project, it is pertinent to consider the formal research process and the importance of our involvement in and contribution to a number of key stages in this process to ensure the success of the research project.

This report outlines the stages of the process, highlighting our contribution to it for the success of the project. The report also provides an overview of the research industry and introduces the types of agency that may become involved in our projects, depending upon the approach we take.

2 The marketing research process, including our contribution to it

The activities in a marketing research project follow a sequential process, which is well known and observed by the marketing research industry. Although some minor variations do exist, the following description defines the process we are likely to be engaged in as we embark upon our research project.

2.1 Stage 1 – Defining the problem or opportunity

This is the crucial first stage as the resulting outcome has a major influence on the quality of the content in the finished research report.

We should be mindful that all research costs money and the research should help us make decisions to solve problems or capitalise on opportunities. We will therefore need to ensure that we adequately and precisely define the problem or opportunity. We must take the time to ensure that we fully understand (and define in the next stage) the specific information we need from the research project.

2.2 Stage 2a – Formulate the research objectives

In this stage, we need to precisely define the information that we will require as inputs to our problem solving and decision-making process. This information is specified as a series of research objectives or information targets. The objectives should cover all that we require but without any additional ‘nice to know’ elements as these will cost money and not actually help us.

The research objectives are written in a precise fashion so as to be clear and objective. It is important to involve a number of people at the objective writing stage in order to get buy-in to the project and to identify any information that we might already have available somewhere in the Company.

2.3 Stage 2b – Write the research brief

Once the objectives are written and agreed, the client organisation prepares a marketing research brief. This document describes the research requirement from the client’s perspective.

The research brief is an important document which contains details of the problem or opportunity (in the rationale section) and a list of the research objectives created at stage 2a above. Other key information will include a brief situation analysis and an outline of our envisaged research approach as well as details of our timescales, budget and reporting requirements. AU14

The completed brief is ‘signed off’ internally and supplied to a number of research agencies who are invited to prepare a response in the form of a research proposal.

2.4 Stage 3a – Creation of the research design and preparation of the proposal

In preparing their responses, the agencies will construct the basic research design and document this persuasively within their research proposals. This design includes appropriately justified details of the research approach and methodologies proposed along with sampling techniques, data collection, analysis and reporting. It also covers timescales, key milestones and the price.

2.5 Stage 3b – Receipt of the proposal by client, selection, negotiation, contract

The proposals are given to the client, usually accompanied by an oral presentation, in a ritual known in the industry as 'the beauty parade'.

The client then makes an objective assessment of each proposal, negotiates with the selected agency and awards a contract.

2.6 Stage 4 – Collection of secondary data

This is a phase of the research data collection aimed at identifying and collating information that assists in addressing the research objectives. It is important as it acts as a backdrop to primary (field-based) research and can save time and money.

2.7 Stage 5 – Collection of primary data

This involves the collection of data from a sample of respondents, using a mixture of qualitative (e.g. unstructured interviews and group discussions) and quantitative (survey questionnaires) methods. Observational techniques (e.g. mystery shopping) may also be incorporated.

This is the most detailed and lengthy phase of the process and usually involves the creation of discussion guides, questionnaires and other research instruments, depending upon the specific research specified in the research design.

2.8 Stage 6 – Data analysis

This stage involves a period of data preparation which, depending upon the actual data collection methods used, might involve the transcription of discussion group recordings, codification of answers on computer, validation of the data, data tabulation, graphs and charts, statistical analysis and so on.

2.9 Stage 7 – Report and presentation of findings

Once the data has been analysed, a series of findings and conclusions are drawn up; the information is documented in a written report and/or a slide presentation and usually then presented orally to the client.

3 Players in the marketing research industry

Careful selection of the most appropriate agency to undertake our project – based upon their size, capabilities, industry experience and other factors – will have a major influence on the overall success of the project.

The following information is an overview of the research industry, starting with the professional/regulatory bodies.

3.1 The market research society (MRS)

The MRS is the world's largest membership organisation for the industry and represents both the suppliers of research and the client organisation. It also protects the interests and rights of members of the public who act as respondents or participants in research projects.

The MRS provides formal qualifications, training, publications and various events and seminars and is the professional face of the industry.

The MRS publishes a code of conduct which all members and partner companies agree to follow. This code also impacts on clients as we will be bound-in to some of its clauses when we contract with a research agency or consultant.

The MRS also manages the online Research Buyer's Guide; this will prove a useful resource as we identify possible research suppliers for our project.

3.2 Full-service market research agencies

These tend to be the larger supplier organisations, although not exclusively so, who provide a full end-to-end solution to a research requirement. As the term implies, they offer a full range of services and products themselves, although they may sub-contract some specialist work if they do not have resource internally. These agencies often have extensive experience across a range of industries and sectors.

In addition, a full-service agency may well have international marketing research capabilities and resources.

Examples: AC Nielsen and GfK NOP

3.3 Specialist research agencies

Specialists either focus on particular markets, industries or geographic regions or, possibly, in particular types of research. Some of the specialist agencies focus on particular elements of a research project, for example in undertaking questionnaire design.

Examples: B2B International (B2B specialists), Everyday Lives (ethnography/observational research)

3.4 Independent consultants

These tend to handle smaller research projects and offer a particular industry focus or offer a specialised research activity. The consultants might have originally worked for large agencies or as researchers in client organisations.

Examples: Brand Planning and Research (BP+R), Increment Ltd (agricultural market research).

3.5 Fieldwork agencies

Field agencies focus on data collection which might include face to face, telephone interviewing and postal surveys. They either use their own staff or recruit and manage freelancers or operate using a mixture. Use of freelancers is popular and provides flexibility for the agency not only as it reduces costs but also enables fieldwork to be carried out in any part of the country or region in which they operate.

Examples: Ace Fieldwork Ltd, Fieldwork International.

3.6 Data analysis agencies

Here, the focus is on data conversion, validation, transcription, statistics and analysis.

3.7 Syndicated research agencies

These organisations undertake regular research in high-profile consumer and commercial areas and then offer the research as a report to any organisation that wishes to purchase it.

Examples: Mintel, Key Note.

4 Concluding remarks

In order to ensure the success of our project, we will need to undertake some initial preparatory work to identify our problem/opportunity, define our research objectives and then write a research brief that provides a good basis for marketing research agencies to use to prepare their proposals. We also require some knowledge of the industry itself, as this will help us position the agencies and the sub-contractors that they might use to deliver our project.

We will also need help and advice from the industry, from the MRS itself, and from colleagues in other organisations who have commissioned research projects themselves and who can point us in the right direction.

Answer 10
Importance of ethics, social responsibility and legislation in research

Check your answer

A good answer may be as follows:

	☑
In the introduction, stress the importance of a legal and ethical approach to all research and information-related undertakings. Pave the way for the content of the briefing note and motivate new recruits to read and observe.	☐
In Part a, explain the terms and relate these concepts to the process of collecting, holding and using market research data.	☐
In Part b, identify relevant legal and regulatory instruments and codes and relate these to the information collection activities of the organisation. Emphasise the risks and penalties of getting it wrong.	☐
Use relevant examples set in the context of an FMCG company.	☐
Adopt the role of a newly appointed marketing manager.	☐
Use Briefing Note format.	☐

* * * * *

BRIEFING NOTE

Peacock & Ramble plc

ETHICS, SOCIAL RESPONSIBILITY AND LEGISLATION RELEVANT TO MARKETING RESEARCH

Purpose

This briefing note has been written as part of the induction pack for graduates who are joining the research department as marketing research professionals.

Contents

This briefing note covers the following important topics which relate to the collection, holding, storage and use of marketing research and customer data:

1. The importance of ethics and social responsibility

2. Key legal and regulatory responsibilities.

Requirement for signature

Please ensure that you read this document fully and that you understand its content. Only then should you sign off this element on the induction process card. Your signature confirms both your understanding and your willingness to practise your profession to the highest standards of ethical conduct; that you will be bound by all elements of the Market Research Society (MRS) Code of Conduct and will observe the requirements of relevant legislation at all times.

1 The importance of ethics and social responsibility

As a researcher at Peacock and Ramble you will be expected, by your internal clients, research respondents and departmental colleagues, to act in a professional manner at all times, to be trustworthy and to respect the confidentiality of both respondents and clients when practising your profession. In all of your undertakings, you must be ethical and socially responsible.

1.1 What is ethics?

Ethics is concerned with discriminating between right and wrong behaviour; it is a reflection of the values of our society and it imposes a set of guidelines to be observed in our everyday lives and in our dealings with others.

1.2 Why is ethics so important in marketing research?

In marketing research, ethics is about acting in a socially responsible manner so as to protect the rights of the client and the respondent as well as those external agencies that we use as sub-contractors in the field.

Ethical and social responsible behaviour is a mandate at all stages of the research process as well as before the project begins and afterwards, when data is communicated and used internally within marketing and other corporate databases.

1.3 What are the ethical responsibilities towards our internal client?

Our clients and other colleagues in the Company at large deserve to be treated in an open, fair and honest manner at all times. We must not allow our own goals and interests to influence the formulation of the client's research problems or objectives; we must remain objective at all times. We must never over-promise, nor must we mislead the client when communicating research findings.

The relationship between researcher and client is a mutual one and, as researchers, we expect that our clients will be honest in communicating their research problems and will not deliberately withhold relevant information from the researcher.

1.4 What are the ethical responsibilities towards individual respondents?

Both the research industry and its client organisations rely on the goodwill and cooperation of respondents and participants; without them we would not be able to function. We must be considered trustworthy and professional in all aspects of the research. Respondents expect us to respect them and to use the data we obtain from them in a professional way with due regard for confidentiality. Respondents do not want their information to be used to sell products to them as individuals; they do expect the purpose of the research to be made clear. They have a right to opt out, if they so wish.

1.5 What are the ethical responsibilities regarding the storage of information?

From an ethical perspective, we must hold and store the information we collect in such a way as to protect the respondents from the possible misuse of the data.

When producing research reports for our clients, we must not disclose the identities of individual respondents. When merging research data into a marketing database, again, the anonymity of the respondent must be protected. Inferences may be drawn from the research findings and extrapolated throughout the database to improve consumer insight.

Response forms identifying the respondent by name may be required for quality control purposes, but such records shall be subject to restricted access.

1.6 What are the ethical responsibilities regarding the use of information?

The key ethical responsibility here is to ensure that the data collected from respondents is only used for the purpose made explicit to the respondent. This means that it will be used in aggregate form to increase knowledge of consumer attitudes, behaviour, opinions and lifestyles. This knowledge can be used for multiple purposes, including segmentation, distribution channel design, packaging design, new product development and advertising message/creative design. It cannot be used directly for selling or direct marketing purposes in connection with the named individuals who are the respondents.

2 Key legal and regulatory responsibilities

This section provides you with some information about the Market Research Society's code of professional conduct as well as relevant legislation that relates to your professional role as marketing researcher with Peacock & Ramble.

2.1 The code of conduct

The Market Research Society (MRS) has a published a code of professional conduct, which all professional researchers must observe on the basis of self-regulatory compliance. Peacock & Ramble is a professional partner company of the MRS and fully embraces this code of conduct.

Peacock & Ramble will take disciplinary action against any researcher who is found to be in breach of this code. This action will be additional to disciplinary action, which may be taken by the MRS itself.

The MRS code of conduct (recently updated and re-published in December 2005) is based upon, and incorporates, the code of conduct published by the international research body – ESOMAR.

The code of conduct is designed to ensure that minimum requirements are met with respect to social and ethical standards and that the rights (and responsibilities) of respondents and clients are safeguarded (met).

A full copy of the MRS Code of Conduct is attached as an appendix to this briefing note. Please ensure that you have a thorough working knowledge of this code.

Some of the key elements relating to ethical and social responsibility were covered in Section 1 of this briefing note.

2.2 The data protection legislation

Peacock & Ramble is registered with the Information Commissioner's Office and comes under the terms of the UK Data Protection Act (1984, 1998). This Act incorporates the related EU directive and regulates the processing of data pertaining to any identifiable, living individual, held either in paper records or electronically in a database within the Company.

The Act is designed to protect the privacy of individuals and is concerned with the rights and responsibilities of three entities:

Data controllers – the holder of the data.

Data processors – third party organisations that process information for others.

Data subjects – each consumer or other identifiable, living individuals.

We are termed a 'data controller'. Consumers who register with us via our branded web sites or using reply coupons on our packaging are referred to as 'data subjects'.

Named respondents in research questionnaires are also data subjects and come under the protection of the Act.

We collect and process all of our customer data directly, although we do receive limited data from various supermarket loyalty scheme systems. For Peacock & Ramble, this falls outside the legislation, as the data we receive does not include customer name or address data, apart from postcodes.

As a data controller, we must ensure that data is:

- processed lawfully and fairly
- processed only for specific limited purposes
- relevant and not excessive
- adequate for the purpose and accurate
- destroyed when no longer required*
- processed in accordance with the data subjects rights
- held securely
- not be transferred outside the EU without consent (exceptions apply).

There are also eight 'sensitive' data categories which relate to content of records held about individuals. Explicit consent is required to hold information relating to these categories; we must also demonstrate a real need to collect such data.

Data subjects have a right to request access to the data we hold about them and they have a right to request that their information not be used for direct marketing.

* Certain exemptions are allowed for with respect to marketing research data; since we do not identify research respondents by name/address in any of our electronic databases, this only applies to the original survey forms. These are held in a secure storage facility and held for two years in case of a need for re-processing.

A consumer who registers with us via one of our websites has full access to the data we hold relating to them; they also have the option to opt in and out of various marketing communication and direct marketing activity categories.

A data subject has a right to compensation if we cause him/her any harm due to our contravention of the Act.

2.3 Preference services – TPS/MPS

Consumers have a right to opt out of direct marketing mail shots (or junk mail, as they might call it) mail preference service (MPS) or telesales calls using the telephone preference service (TPS). At Peacock & Ramble, we purge all outgoing mailing and telephone lists against the TPS/MPS databases to ensure that we do not include someone who has registered.

Similar preference services cover any B2B leads or prospects (the wholesalers and retailers we use to reach the end consumers). This does not apply to organisations that have traded with us or made a recent request for information.

If you are in any way unsure about what is or is not permissible under the legislation, PLEASE ASK our legal and compliance team for advice (Ext 8000) – better to be safe than sorry.

Syllabus Element 4
Answer 11
Secondary research to provide information for a market entry decision

Check your answer

A good answer may be as follows:

	☑
In the introduction, introduce and define the term 'secondary research'	☐
In Part a, identify the key benefits of secondary research to the organisation and to improving the effectiveness of the primary research process.	☐
In Part b, identify the information that will furnish a decision to enter the retail office furniture market. List possible sources of this information both internally and externally.	☐
In Part c, identify the limitations of secondary data that affect accuracy. Explain how these limitations can be overcome.	☐
Use examples set in the context of the furniture manufacturer and market entry considerations.	☐
Adopt the role of a freelance researcher.	☐
Use Report format.	☐

* * * * *

REPORT

To: Managing Director

From: Andy Freelancer

Date: XX/XX/XX

Re: Secondary Research – Its Role in Market Entry Assessment

1 Introduction

Secondary research, also called desk research, may be defined as 'the collation and analysis of data, sourced either internally or externally, previously created for another purpose and now re-used to provide information for decision-making'.

It is an important element of any market or marketing research project and is normally undertaken prior to any primary (field) research that might additionally be required. Secondary research can:

- act as an exploratory phase for a larger research project incorporating primary research. Secondary research helps identify the areas of importance for primary research.
- be used instead of primary research and/or as a means of reducing primary research project costs.

In the context of whether or not Super Office Furniture Ltd should make a decision to enter the retail office furniture market by offering home office furniture mainly to consumers, secondary research can provide the majority of information required. The secondary research will also help identify any primary research that might be required – this latter point will be amplified later in the report.

2 Benefits of secondary research

A number of the benefits of undertaking secondary research have been indicated in the introduction; the key benefits or advantages are as follows:

It is low cost or free to obtain, depending upon the sources used. Internal data is usually free, but a longitudinal (trends over time) market study from Mintel or Euromonitor International might cost several thousand GBP.

It is very good for accessing historic/comparative data – market, price, demand and competitor trends; also comparisons with other markets and sectors over time. These are all important factors in a market entry decision. Such trends may help with making future forecasts.

It can reduce or eliminate the need for primary research – if so, this saves money and cuts down the time period before a decision can be made. In the case of a market entry decision, a significant amount of information on customers, competitors, channels, pricing and other marketing mix factors can be identified and defined using external secondary sources.

It may provide a warning of potential problems – these might make market entry unattractive and allow the decision maker to seek other strategies for growth.

2.1 How secondary research improves the effectiveness of primary research

As already indicated, secondary research can replace, supplement or enhance primary research. In terms of improving the effectiveness of primary research, it contributes in a number of ways:

- It helps clarify the research problem and the research objectives – as secondary research can be used as an exploratory method, which helps ‘paint a picture’ of the market and highlights the key factors to be investigated.
- It helps confirm that the primary research methods chosen in the research design are appropriate or indicates that other methods might be preferable.
- It can provide useful background information to supplement the research report’s findings and conclusions and/or provide endorsement to what has been discovered in the field.

2.2 Weaknesses of secondary data

In considering the above, it is important to remember that the materials used were not created for the specific project and, therefore, there are potential weaknesses associated with secondary research data: information may not be available, it may prove insufficient or irrelevant for our needs and it could be outdated. It might also be inaccurate or biased (please see Section 5).

3 Types and sources of secondary data relevant to a market entry decision

The types of information required for a decision about entry into the UK retail furniture market relate to all of the common areas of marketing information, including the macro- and micro-environments, as well as an understanding of the capabilities and resources needed by the firm to be able to operate effectively and profitably in the marketplace. The following key question areas are potentially addressable using secondary sources:

3.1 Retail office furniture market – Its size, growth rate, maturity stage, future prospects and stability.

3.2 Customers – Who they are, how they segment, what they buy, how much they spend, where they prefer to buy, how frequently they purchase, what are the initiating factors (new house, new job etc.)?

3.3 Industry and Competitors – Its size and structure, barriers to entry, who are the competitors, what share does each have, what are the cost structures and margins. How much rivalry is apparent?

3.4 Distribution Channels – Who are the wholesalers and retailers? Are they accessible to us? Are there any gaps? How should we enter the market?

Would a direct channel approach be suitable?

3.5 Product and Price – What is available, competitor product information, emerging trends, gaps in market? What are the pricing levels, pricing objectives and strategies of key competitors and retailers? Discounting tactics? Can we be competitive and is there a potential for us to be profitable?

4 Information sources

Sources of information for secondary research can be found either internally or externally.

For the current decision, almost all of the information is likely to be sourced externally. However, it is always worthwhile considering whether any relevant information might be available in-house, perhaps in the form of reports or presentations that might have formed part of an earlier initiative in this area. Such information would need updating, but might assist in identifying sources and information types.

Also of importance is the need to undertake some informal ‘field research’ by asking questions and talking to some of the players, suppliers, retailers, wholesalers, retail customers and so on. This can be invaluable, even essential!

4.1 Sources of information would typically include the following:

Trade Associations – the relevant furniture manufacturer and retailer associations can provide industry and market statistics, information on future trends, lists of suppliers (competitors), retailers and so on.

Trade Magazines/Industry journals – as above, perhaps spread out over several issues. Some of these offers back issue archives for free on the web, making this a fast and effective approach for familiarisation and background.

Published Reports – usually at a price, but can deliver accurate and up-to-date information on market, customers, competitors, future trends and so on. Euromonitor, Key Note and Mintel provide good examples of such reports.

Trade Directories and Yearbooks – product information, company information and distribution channel information.

Annual Reports and Accounts – easily accessible for plcs via the Financial Times report request service. For privately held companies, see below.

Companies House, Dunn and Bradstreet – for detailed financial and other information such as annual reports of competitors, especially those that are not publicly listed.

Retail office furniture catalogues – for product information, ranges and prices.

The Internet – a rich, easily accessible source for desk research. Use of search engines and directories can speed access to company competitor websites, trade journals, report publishers lists and so on.

Business Libraries – especially business library services in big towns/cities with access to Mintel reports, trade directories, CD-ROMs, company reports.

5 Data accuracy assessment

One of the weaknesses introduced at the end of Section 2 concerns the potential for inaccuracy. The researcher should try to determine the accuracy of each source used or considered.

In determining the accuracy of information, a number of questions should be answered by the researcher:

1. Who commissioned the original research and what was its purpose? Did they have a hidden agenda that might indicate bias?

2. Who undertook the research? Was it a well-known research organisation (and a member of a professional body such as the MRS)?

3. Does the report give details of the research methodology, sampling approaches, respondent descriptions, data collection and analysis (including information on statistical techniques used). Ideally, apply an acid test question – is there enough information to enable a researcher to repeat the study if so desired?

4. Can the accuracy of the information be confirmed or improved by locating additional corroborative evidence from other reports and databases to ‘triangulate’ with?

If any of the above cannot be confirmed satisfactorily, then ideally the data should be rejected.

Accuracy can be a particular concern when undertaking international secondary research, especially in some of the developing countries. Since the current decision initially concerns our home market, the risk of such inaccuracy is somewhat reduced. Care should still be taken, however, by answering questions 1–4 above.

6 Concluding remarks

There is no doubt that secondary research can contribute positively to the decision regarding entry into the UK retail furniture market. As explained, the secondary research might provide a very large proportion of the information that will be required. Any primary research that might be identified through the secondary phase will almost certainly be reduced and will be focused on the important areas we have been able to identify through our desk research efforts.

Answer 12
Questionnaire design

Check your answer

A good answer may be as follows:

	☑
Demonstrate an understanding of the questionnaire design process, especially with respect to choice of question topics, wording, question types/response formats and sequence.	☐
Address specific quantitative objectives from the proposal.	☐
Present the questions in a respondent-centric sequence.	☐
Use clear and unambiguous wording and language appropriate to the respondent.	☐
Employ a variety of different question types.	☐
Incorporate skip or jump questions for routing and screening.	☐
Use Questionnaire format – form design, layout and appearance will not be assessed but do keep it neat and use white space, etc.	☐

* * * * *

WEB SURVEY QUESTIONNAIRE

Lone worker monitoring systems

Thank you for agreeing to take part in this web survey. You have been selected because we believe that you have a leading involvement with the products and services that are the subject of this marketing research.

The information you provide will greatly assist us in improving our knowledge of the lone worker/vehicle tracking industry and the needs of the organisations that manage and monitor these systems.

The information you provide will be used purely for marketing research purposes; the information that you provide will be treated in confidence.

As a thank you for taking the time to answer the questions, we will send you an e-gift voucher which you can exchange for a book or other product at Amazon. The quicker you complete the survey, the larger the value of the e-gift.

Click start to begin the questionnaire. [START]

S0 Screening questions

S1 Within your organisation, do you personally have responsibility or involvement with any of the following activities? (Tick all that apply)

Lone worker monitoring/tracking ☐

VIP/executive protection ☐

Electronic monitoring systems for the above ☐

None of these apply to me ☐

<< If answer submitted = 'none of these apply to me' then ask the following additional question (S2), otherwise jump to Section 1, Q1 >>

S2 Please help us by identifying the name(s) of those within your organisation who have a responsibility for one or more of the activities listed in the previous question

Name:		E-mail address:	
Name:		E-mail address:	
Name:		E-mail address:	

<< On completion of S2, jump to quality check questions at end of survey >>

Section 1 – Information about you and your organization

Q1 Please select the option that best describes your main role within your organisation

<< primary role pick list >>

Q2 Please select the option that best describes the *main* industry or sector that your organisation operates in:

<< UK SIC/industry sector pick list >>

Q3 What is your organisation's approximate annual turnover? (Please tick one box)

Less than £1M ☐

£1M–£9.99M ☐

£10M–£49.99M ☐

£50M–£99.99M ☐

£100M–£500M ☐

More than 500M ☐

Q4 How many people are employed in your organisation? (Please tick one box)

1–199 ☐

200–499 ☐

500–999 ☐

1000–1999 ☐

2000–4999 ☐

5000 or more ☐

Q5 Approximately how many vehicles are owned, leased or managed by your organisation? (Please tick one box)

none ☐

1–49 ☐

40–99 ☐

100–199 ☐

200–499 ☐

More than 500 ☐

Section 2 – Safety and security of personnel/lone workers

Q6 How many of your organisation's employees regularly work alone or in are in vulnerable roles, where their safety or security may be at risk? (Please tick one box)

none ☐

1–199 ☐

200–499 ☐

500–999 ☐

1000–1999 ☐

2000–4999 ☐

5000 or more ☐

<< If answer submitted = 'None' then jump to quality check questions >>

Q7 Are your organisation's lone or vulnerable workers currently provided with any form of emergency distress signalling device? (Please tick one box)

Yes ☐

No ☐

<< If answer submitted = 'No' then jump to quality check questions >>

Q8 What type or types of emergency distress device(s) are currently issued to staff within your organisation? (Please enter the approximate number of each type in use)

Personal audio attack alarm ______

Standard mobile telephone ______

Mobile phone with integral dedicated panic button ______

Covert tag or identity card with integral GSM transmitter ______

Two-way radio (walkie-talkie) ______

Other, please specify type and number in use ______

Q9 Do you currently track the location of any employees using satellite positioning system (GPS) signals? (Please tick one box)

Yes ☐

No ☐

Not sure ☐

Q10 What is the approximate annual budget for supply and maintenance of lone worker and/or satellite tracking devices? (Please specify in £'000s)

	£

Q11 Who is the current provider of your lone worker devices?

Enter the supplier name in this field	

Section 3 – Facilities for computerised monitoring

Q12 How does your organisation currently monitor the location and alarm status of its lone workers and GPS monitored employees? (Please tick one box)

We use a third party alarm receiving centre (ARC) and are happy to do so ☐

We currently use a third party alarm receiving centre but plan to do it ourselves ☐

We currently undertake monitoring using our own facilities ☐

<< If answer submitted = 'We currently undertake monitoring using our own facilities' then jump to Q19 >>

Q13 If you currently use a third party alarm receiving centre but plan to do it yourselves, what is your timescale? (Please tick the first option that applies) AU15

Within the current financial year	☐
In the next financial year	☐
Within 2 years	☐
Within 3 years	☐
Not known or planned	☐

Q14 What is your approximate budget for monitoring lone workers? (Please specify in £'000s)

	£

Q15 If you use a third party monitoring centre for lone worker and/or vehicle tracking, please enter the name of the monitoring company in this field

Q16 If you are using a third party monitoring service at present, please rate the service you receive in overall terms (Please tick one box only)

Excellent ☐ Good ☐ Poor ☐ Very poor ☐

Q17 If you currently use a third party but plan to establish your own monitoring facility, please identify a list of possible suppliers in order of likely preference

Probable first choice supplier	<< organisation name >>

Probable second choice supplier	<< organisation name >>

Probable third choice supplier	<< organisation name >>

Other supplier, please specify	

Other supplier, please specify	

Q18 Please complete the following sentence:

If I was choosing a supplier of a monitoring system today, the most important consideration in the decision would be:

…………………………………………………………………………………………………

…………………………………………………………………………………………………

Q19 If you currently monitor your lone workers/vehicles using in-house facilities, please specify the name of the supplier of your monitoring system/software

Q20 What was the approximate total cost of your in-house monitoring system and software? (Please specify in £'000s)

	£

Q21 Please rate the service you receive from the monitoring system vendor in overall terms. (Please tick one box only)

Excellent ☐ Good ☐ Poor ☐ Very poor ☐

Q22 Please consider your attitudes towards your current supplier of the monitoring systems and software you use in-house

Listed below are pairs of statements that could describe your supplier. For each pair, place an *X* between the two statements in a position that best reflects your view of your supplier.								
Expensive								Inexpensive
High quality								Low quality
Market follower								Market leader
Inflexible								Flexible
Innovator								Imitator
Small player								Big player
Accessible								Inaccessible
Collaborative								Adversarial
Product emphasis								Service emphasis

Quality check questions

Thank you for taking the time to participate in this survey.

In case we need to contact you to check any of the information that you have provided or for our internal quality assurance purposes, please provide:

Your name	

Your telephone number	

Organisation name	

Post code from organisation’s address	

You will receive your e-gift voucher by e-mail shortly.

Answer 13
Discussion guides and projective techniques (June 2006, Question 3)

Check your answer

A good answer may be as follows:

	☑
Adopt a three-phase discussion guide format with timings annotated for each phase.	☐
Address specific qualitative objectives from the proposal.	☐
Cater for the type of respondent taking part, making the content and objectives appropriate.	☐
Present material in a logical sequence that is easily accessible to the moderator during the session. Use a thematic and topic-oriented approach, not just a list of questions.	☐
Use topic headings, open-ended questions and probes.	☐
Use props or exhibits where appropriate.	☐
Incorporate appropriate projective techniques (but not too many), make their use relevant to the objectives and the client context.	☐
Deliver length and detail according to the marks allocated to the question. The discussion guide could be one part of a question, as is the case here, or it could also be a full Part b question, requiring more detail in terms of the question areas, probes and projective techniques used.	☐

* * * * *

DISCUSSION GUIDE

SeaLux Cruises Project

(Tourism Research Ltd)

Date: XX/XX/XX

This discussion guide has been prepared for use by moderators who will lead the series of focus groups to take place in London and Birmingham to address the qualitative objectives for SeaLux Cruises.

1 Introduction phase (15 mins max)

Welcome – Welcome participants, introduce yourself as moderator.

Housekeeping – Safety, security, toilets, refreshments.

Purpose – Explain purpose and importance; outline key objectives of session, topics. Importance of getting involved, no right answers.

Recording – We will be video/audio recording the discussion, for research purposes only.

Duration – Approx. 1$^1/_2$ hours.

Warm-up – Group introductions (introduce neighbour). Warm-up group exercises 'why we cruise' brainstorm.

Questions – Elicit any questions or concerns, then move into discussion phase.

2 Discussion phase:

2.1 Attitudes and perceptions regarding SeaLux and competitors (30 mins)

- Explore reasons why participants choose cruise holidays in preference to other options
- Explore perceptions about the range of cruise products available
- Identify and prioritise criteria for selection of a cruise company
- Identify which cruise companies they would consider <u>and why</u>
- Identify which companies they would not consider <u>and why</u>
- *Projective Technique* – brand mapping chart – get group to position individual cruise companies on chart according to important and linked criteria – please see notes at the rear of this discussion guide.

2.2 Booking channel perceptions and media perceptions (10 mins)

- Identify and discuss (eliciting reasons) the preferences for cruise booking channel alternatives:

  - Direct methods – website, telephone, DRTV, magazine page ads
  - Traditional travel agency.

- Explore specific benefits of using a direct booking approach by web or telephone.
- *Projective Technique* – photo sorts – get group to sort photo set according to channel preference most likely to be used – please see notes at rear of this discussion guide.

2.3 SeaLux Advertising Effectiveness (20 mins)

- Which cruise companies advertise regularly? Rank in terms of visibility in media.
- Thinking of SeaLux specifically, what advertising have you seen recently?
- Thinking about advertising themes, what do members like/think most appealing?
- Show copies of current SeaLux press advert. Discuss strengths and weaknesses of the material in terms of:

  - Theme
  - Imagery, colour scheme and style
  - Message
  - Brand, visibility and consistency
  - Call to action
  - Competitive standout

3 Summary phase (10 mins)

Summary of discussion – conclude discussion, summarise the key discussion outcomes, confirm with audience, capture any final points/corrections.

Thank you – thank everyone for taking the time to participate. Involvement is important to SeaLux.

Confidentiality – mention code of conduct, privacy, data protection, ethical approach.

Incentive gifts and expenses – ensure that expenses payments are made and provide SeaLux holiday gift vouchers to all participants.

Safe journey – close meeting.

* * * * *

NOTES TO DISCUSSION GUIDE DESCRIPTION OF PROJECTIVE TECHNIQUES

1 General

A number of relevant projective techniques have been incorporated in the SeaLux group discussions. The following notes are intended to assist in conducting these activities.

2 Definition and purpose

Projective techniques are often incorporated within the programme for a discussion group or depth interview as a vehicle for drawing out and deeply exploring the attitudes, opinions and motivations of participants towards a product, brand or situation. The technique often involves the use of an ambiguous object or image that participants use to project their ideas, attitudes and perceptions.

Many of the individual techniques are also quite enjoyable and novel and so they act as a means of breaking up the discussion, adding interest and getting participants talking.

3 Some issues to be aware of

A number of projective techniques are perceived as questionable, since they have been borrowed from the field of clinical psychology and have not been validated for the type of research we undertake in marketing.

There are also concerns relating to the ethical aspect of some of the techniques, given their ability to probe the unconscious mind and reveal feelings that, consciously, the respondent might not wish to provide.

Finally, some of the techniques are so bizarre as to be viewed sceptically by both respondents and clients. There may also be a tendency on the part of some respondents to sabotage an exercise containing a projective technique.

The techniques used by this agency are selected for their proven ability to provide insight. We avoid those techniques that are controversial or have dubious intentions.

We conduct all exercises in an ethical manner.

4 Brand mapping

Alan Wilson (2003) defines brand mapping as 'a projective technique involving the presentation of a number of competing brands and then asking the participants to group them into categories based upon certain dimensions'.

The mapping dimensions can either be elicited from the participants themselves or provided by the moderator, according to the specific client objectives.

Brand mapping is also called perceptual mapping and can be used as the basis for pairing-off important variables and then scoring a product or brand in terms of each.

In a group environment, brand mapping, if done using a wall chart or felt board, can be a great exercise for getting everyone involved in a debate and arriving at a consensus.

For SeaLux, the client wishes to establish the positioning of a number of cruise companies, including the SeaLux brand itself. Relevant comparables include:

- Luxury level vs. price
- On-board service quality vs. price
- Booking options vs. service/advice available

5 Photo sorts

This technique uses photographs or sketch cards, each showing a different individual in terms of age, gender and lifestyle characteristics. Participants are asked to sort the photographs according to which brand the subject would be most likely to choose. The technique is related to brand mapping/perceptual mapping, but specifically attempts to segment individuals according to relevant criteria.

For SeaLux, the client wishes to segment cruise passengers according to the type of cruise and type of booking channel preferred. The photo sort exercise will be employed to explore participants' perceptions without asking direct questions.

Photo Sort Exercise 1 – Categorise subjects according to their most likely cruise brand choice

Photo Sort Exercise 2 – Categorise subjects according to their most preferred and least preferred booking channel option: Web, Telephone, DRTV, Advertising direct response.

Note to moderators

It is important that the group members are encouraged to argue and debate the various possible positionings that they develop in these exercises. We need to understand the rationale and the emotions that lead to the final placement of each brand or character on the charts. Moderators are, therefore, asked to use these techniques as the basis for broader discussion and debate, not just as a mechanical exercise to be achieved as quickly as possible.

Answer 14
Observational research techniques

Check your answer

A good answer may be as follows:

	☑
In the introduction, introduce self and explain the purpose of the presentation. Build rapport and 'sell the benefits' to the audience, recognising their importance and likely needs. Introduce the concept of observational research and show how it relates to other forms of marketing research.	☐
Introduce and explain a number of relevant observational research techniques. Use examples set in the context of the restaurant industry; illustrate how the techniques could be used and what information might be obtained.	☐
Use a logical approach to presenting the material.	☐
Adopt the role of a market researcher.	☐
Use Presentation Notes format.	☐

* * * * *

PRESENTATION NOTES

Presentation for: CaterEX Conference

Fast Food Restaurateurs Conference Track

Date: XX/XX/XX

The Contribution of Observational Research

Welcome and introduce yourself

Slide 1 – Agenda

- Introduction
- Marketing research and observational techniques
- Observational techniques for researching consumers
- Researching service quality – mystery shopping
- Concluding remarks
- Any questions

Slide 1.1 – Introduction

AU16

The purpose of my presentation today is to introduce you to a number of popular research techniques that can assist in understanding your consumers and their needs and also in assessing the performance of your staff in the service delivery process.

Our focus is on relevant observational research techniques, but we will also look at how observational methods can be used with other research techniques, for example focus group meetings.

Slide 2 – Marketing research and observational techniques

Perhaps, as a way of setting the scene, we should begin by briefly looking at marketing research in general terms, starting with a definition.

Slide 2.1 – A definition of marketing research

The collection, analysis and communication of information undertaken to assist decision-making in marketing.

(*Source*: Alan Wilson, 2003)

The marketing decisions we refer to in this definition are often concerned with improving the customer visit experience, speeding the sales process, reducing queues, increasing sales, identifying a staff training need, deciding on a new layout for a restaurant and so on.

Marketing research techniques can provide information to help answer all of these questions and more.

The most common research technique in use today is the questionnaire; I am sure that you are already familiar with this research instrument and I imagine that the majority of you will use customer satisfaction or feedback questionnaires in your restaurants.

Slide 2.2 – Introducing a much older technique – observational research

A data gathering approach where information on the behaviour of people, objects and organisations is collected without any questions being asked of the participant.

(*Source*: Alan Wilson, 2003)

Observational approaches have been in use in retail environments from the very early days of marketing research; initially to track stock movement and sales turnover (wholesale or retail audits) or, with the later development of self-service retail environments, as a means of observing the behaviour of consumers as they move through a store space.

This research was originally undertaken using human observers who made notes on a detailed pro forma. Today, electronic methods such as bar-code readers, scanners, counters and CCTV cameras are more often employed for routine, observational research. Mystery shopping is also commonplace in retail and I will return to the role of this shortly.

Slide 2.3 – Advantages of observational techniques

A number of advantages are claimed including:

- It records exactly what happened, does not rely on a respondent's memory, their verbal skills or their own interpretation of their behaviour.
- The potential for bias is reduced either in an interviewer asking a question or in the respondent's answer.
- Mechanical and electronic methods can be used to improve accuracy of recording, by reducing error in manually recording an observed event or behaviour. With CCTV recording, for example, the event is recorded faithfully and can be replayed many times and be viewed by a number of different experts.
- Observation can identify the behaviour prior to and following a particular purchase or action.
- Observational techniques do not interfere with the life of the respondent and the observer can be either visible or hidden from the view of the respondent.

Slide 2.4 – Disadvantages

- Observation captures behaviour and events but cannot *explain* them, so we will still need to undertake other research or investigation to understand the attitudes and motivation leading to the behaviour.
- The observed event or behaviour may be a 'one-off'; there is no guarantee that this behaviour will be repeated.

As with all things, there are some disadvantages and observation is no different.

Slide 3 – Observational techniques for researching consumers

We will focus here on the observational techniques that you can use in your fast food restaurants, as a method of understanding the behaviour of consumers as they interact with the environment, the promotional materials, food products and the staff.

We will examine the options, based upon a number of different observational techniques.

Slide 3.1 – Electronic point-of-sale equipment

This is already available in the majority of restaurants and can gather data that can later be analysed to determine purchase behaviour. Additionally, software in the tills might be capable of being re-programmed to provide additional information. For example, the till operator could be prompted to classify the age/gender of each person ordering food.

Data from the tills can certainly tell you the order value, number of items and range of items purchased in each transaction. You already use this information for re-ordering products on a just-in-time basis. How many of you have really considered just what the till might be able to tell you about your clients and what they purchase?

Slide 3.2 – Electronic people counters

These can be fitted at the entrance to determine the total number of visitors to each outlet per day. You could use this information in conjunction with the till data to estimate group size.

You can also use counting devices to look at traffic levels in the car park, children's play areas and toilets.

Slide 3.3 – CCTV monitoring

CCTV is usually fitted in each outlet for safety and security purposes but this equipment is also capable of being used to capture and record activity and behaviour in the restaurant.

Cameras could be located behind the tills to enable customer ordering behaviour to be observed. Audio recording could be used to monitor order requests and special orders; this might help with new product development and service delivery improvements and is much more efficient than relying on the memory of the till operator.

Cameras could monitor the seating areas and be used to identify size of group, in which zones AU17 are most popular. You could also observe what people do to occupy themselves whilst eating: reading papers, listening to music, chatting with friends and so on. Such information might assist with restaurant redesign, fittings, themes, availability of newspapers, ambient music and so on.

Cameras could also watch the counter area where promotional offers are displayed (and posters elsewhere too) to see whether customers are visibly looking at the promotions. This information could be integrated with till data later to determine the success of such offers relative to the number of opportunities to view.

Traditionally, the fast food industry has been concerned with achieving throughput. Now, there is an increasing emphasis on getting customers to stay longer and to spend more on each visit. The information collected via CCTV might contribute to decisions in support of these goals.

Slide 3.4 – Use of human observers

Human observers will be needed to analyse CCTV footage, but they could also operate visibly in the restaurants. Whether or not this might affect the customer behaviour would need to be carefully considered.

Human observers could be used to count people in and out of the store, monitor queue sizes and movement and observe behaviour and size of group at each table as well as record length of stay.

Another human observational method might involve a waste audit. This looks at the quantity and type of leftover food items from each visitor or group. The method of collection and the logistics of doing this would require some thought, but this information might help to identify additional research to determine ideal portion sizes, food popularity and quality.

Slide 3.5 – Ethnography

In this fast food culture, the use of total immersion observation techniques might have a role by using video recording of the life of a subject akin to the approach taken in the documentary film – 'Super Size Me'.

Such techniques could look at the total eating, shopping and recreational behaviour of typical fast food consumers over a period of days. This specialised observational research approach is called ethnography and the insights gained through expert analyses of video recordings could be very useful for new product development and as a way of understanding how best to communicate with and engage the typical fast restaurant customer.

Slide 3.6 – Using other research techniques to understand the behaviour

Remember that observational techniques will tell you what the behaviour is but not why it takes place. To understand the motivational drivers of the behaviour and the attitudes and opinions of the consumer, other research approaches will be required. Focus groups are useful as a means of understanding your customers in these terms. In addition, observation is used within the focus group to help build a fuller picture of the consumer.

Slide 4 – Researching service quality – the use of mystery shopping

Probably the most well known of observational methods, mystery shopping can be very productive in a restaurant environment and is regularly carried out in the large fast food chains and most retail environments.

Slide 4.1 – What is mystery shopping?

> *The collection of information from retail outlets, showrooms and so on by people trained to observe, experience, record and measure the customer service process by posing as members of the public.*

(*Source*: MRS, 2005)

Slide 4.2 – What can mystery shopping do?

Mystery shopping is concerned with collecting objective facts not opinions. Facts can include details of the retail environment, staff dress, staff adherence to procedure and so on.

As the name suggests, the mystery shopper experiences the customer journey just as any real shopper would. On completion of the shopping exercise, the mystery shopper completes a questionnaire to record the observations made.

Mystery shopping can be used as a diagnostic tool to identify areas for improvement in the service delivery or associated procedures to identify staff training needs, to score restaurant performance and to provide motivational incentives to branch staff.

Another important use of mystery shoppers is in competitor evaluation. Please remember, though, that it is the process that is being measured. Competitor shopping is an ethical and legal activity, provided that the mystery shopper does not take up the time of competitors' staff or interfere with normal store operation in any way. As long as the mystery shopper orders and consumes restaurant food products just as a real restaurant customer would, then the activity is ethical.

Slide 4.3 – What are the attributes of a good mystery shopper?

Mystery shoppers require training and need to be selected carefully, as they will have to fit the profile of a typical restaurant customer and be able to memorise a checklist (and the answers to fill in later). They also need to be neutral or, at least, not exhibit the traits of someone who is cynical or overly critical, as this will introduce bias.

Slide 5 – Concluding remarks

I hope that this short presentation has convinced you of the contribution that marketing research, and observational techniques in particular, can make in providing valuable information regarding the behaviour of your consumers and the service delivery in each restaurant outlet. Used with other techniques, such as questionnaires and focus groups, the information will enable you to make a range of product, service and marketing decisions.

Slide 6 – Any questions?

Answer 15
Group discussions and individual depth interviews

Check your answer

A good answer may be as follows:

	☑
In the introduction, explain the reason for writing the letter, emphasising the relevance of qualitative research and discussion groups, and individual depth interviews in particular, as a means of obtaining in-depth information on attitudes and motivations of respondents.	☐
In Part a, list and explain the advantages and disadvantages of each method.	☐
In Part b, identify the disadvantages of each method and explain how these might be overcome.	☐
In Part c, explain how the web might be used to host group discussions, outlining possible advantages. Identify the disadvantages inherent in this approach.	☐
Adopt the role of a marketing research executive.	☐
Use letter format.	☐

* * * * *

LETTER

GroupTek Dynamic Research Ltd

The Green

Middletown

HJ45 8XZ

XX/XX/XXXX

Mrs Jenny Client

Marketing Manager

AT Industrial Engineering

Uptown

HJ34 5TH

Dear Jenny

Subject: Group Discussions and Individual Depth Interviews

Further to our telephone conversation earlier today regarding the possible relevance of group discussions and individual depth interviews, we thought that it might help if we provided you with some additional information detailing the key advantages and disadvantages of these two methods and explained their possible contribution to the overall design for your research project.

We recognise that, as a business-to-business customer, it can often prove difficult to hold group discussions because of the logistics of getting busy engineers and managers to travel to a central venue to take part in a discussion. We have, therefore, included a short section towards the end of the letter which explains how we might address this difficulty by using the Internet to hold online discussions.

Qualitative and quantitative research

Group discussions and individual depth interviews are both forms of qualitative research. This type of research is very popular and can make a considerable contribution to a research project.

In our proposal, we have explained how we will use both methodologies to achieve your objectives. A key aspect of these qualitative methods that distinguishes them from quantitative approaches is their ability to provide very detailed insights into the attitudes, motivations and feelings of the respondents. These insights, although they cannot be considered statistically true for an entire customer base, are very beneficial to you as they help you understand why your customers think or behave in a certain way.

Advantages of Group Discussions and Individual Depth Interviews.

Both methods provide:

- Rich and detailed insights into attitudes, motivations, feelings.
- An opportunity to explore areas that may not have been obvious to the researcher but are deemed important by the respondent(s).
- An opportunity for the respondent(s) to be viewed remotely and also recorded for later analysis.
- The client with an opportunity to hear, first-hand, the respondents' ideas, opinions and feelings.
- An opportunity for the body language of respondents to be observed/recorded.
- An opportunity for props and other stimuli to be included in the discussion or interview; this can be very helpful in drawing out subconscious feelings and as a means of generating and evaluating ideas for new products.
- An opportunity for new questions to be introduced to the respondent(s) during the discussion.

Individual depth interviews have some additional advantages over discussion groups:

- The one-to-one, face-to-face environment can be very good for examining body language and for probing and exploring real depth and personal insights that might be inhibited in a group environment.
- No special 'focus group' settings are required, any comfortable room is sufficient.
- Recruitment tends to be easier, given the generally smaller number of participants involved overall.

In comparison with depth interviews, group discussions:

- are much less expensive to run and make better use of time, since they involve many more participants, typically 8–10 per session.
- offer an opportunity for the discussion to benefit from the dynamics of the group; one comment might trigger many others.

There are, however, a number of disadvantages to both methods, which include:

- They both require highly skilled interviewers/moderators with training in psychology or the social sciences.
- Sessions can be derailed by powerful individuals and can be hard to control.
- Transcripts for sessions require skilled analysis and interpretation.
- There is a high degree of subjectivity in any findings.
- They rely on small samples of a total population of interest and are not therefore representative of the population as a whole.

Overcoming the disadvantages of both methods

The stated disadvantages of these methods can be largely overcome and where this is not 100 per cent possible, the advantages of the methods are still of great value in terms of the contribution that they can make to the overall project.

The need for highly skilled interviewers/moderators cannot be overcome but, by choosing an agency that employs such specialists, the client has access to a great deal of expertise that can skilfully run and analyse each session.

To avoid the possibility of strong personalities derailing a session, a number of precautions are taken by our staff:

- The sessions are conducted by moderators/interviewers who are highly experienced in working with groups and can 'manage' and take advantage of the stronger personalities, whilst also being able to draw out contributions for weaker participants. In B2B projects, respondents can be carefully chosen by the client, given that the client knows each customer and can avoid those who might be purely disruptive.
- A moderator's guide or discussion guide is used to help keep the discussion running within agreed boundaries and to support a list of topics.
- Screening questionnaires are used to filter out 'professional participants' who will be excluded from the project.

Session transcripts do require skilled analysis; this is ensured by video recording all sessions and then using this material, along with written transcripts, to first sort and then thoroughly analyse responses, using a range of techniques. Again, we draw upon our in-house expertise (psychologists and social scientists) to help us.

The subjective nature of the methodology is acknowledged – again, relevant expertise and experience helps to confirm any ambiguous or subjective response during the session itself as it might in the later analysis, ensuring that any subjectivity does not bias the outcomes significantly.

Small sample size and the corresponding impact on being representative are also acknowledged. Where this is an issue, the conclusions drawn from the qualitative research can be 'tested' using quantitative methods. The quantitative methods are seen as an integrated part of the overall project.

The value of depth interviewing in business-to-business research

It is worth emphasising the value of individual depth interviewing in a business-to-business context such as yours. These interviews can be conducted by making appointments to visit customers at their offices or, where it is impractical to visit the respondents at their place of work, by means of telephone. In our proposal, we have detailed the specific approaches we will take to depth interviewing for this project.

Using the Internet to host group discussions

Where group discussions might prove difficult because of the geographic dispersal of participants, as is often the case in b2b projects, it is possible to use the Internet and specialist software. This approach can never be a replacement for a physical meeting but is nevertheless becoming increasingly popular.

Advantages are obvious:

1. Much lower cost to host than a physical meeting.

2. Removes the need for respondents to travel to a central location, reducing expenses costs.

3. International respondents can take part ‘alongside’ those who are more local.

4. Business professionals are more likely to participate if they do not have to give up time away from the office.

5. Business people are very comfortable using computers and many already use PCs for teleconferencing, online training and chat sessions.

6. Respondents may be more willing to be totally honest when they are not face to face with other respondents or a moderator.

Disadvantages include:

1. A lack of real interaction and group bonding, since respondents are not physically together.

2. Body language is difficult to monitor, even if web cameras are fitted on each respondent’s PC.

3. It is not so easy to use props and other stimuli, although pictures can be shown. Group activities, such as collage making, might also be difficult to facilitate, although, again, specialist software is becoming available.

4. The moderator will have less control over the proceedings and may not have the skills to handle technology issues.

A possible alternative to an online discussion group, where the involvement of all respondents is synchronised in real time, would be to consider the use of forum or bulletin board software. Such tools can be very effective to promote ideas and rolling discussions with respect to product enhancements and new service development.

We trust that the above will help you understand the role of qualitative techniques such as individual depth interviews and discussion groups. If you have any further questions, please feel free to contact us.

Yours sincerely,

(Debbie Researcher)

GroupTek Dynamic Research Ltd

Answer 16
Marketing research for website development

Check your answer

A good answer may be as follows:

☑

In the introduction, create the need for marketing information and research to support all stages of the project; justify your reasoning.	☐
In Part a, outline the types of marketing information that would be needed to support decisions during the concept development: site design, prototype testing, launch, go live and operational management of the e-commerce website.	☐
In Part b, identify a number of qualitative and quantitative research methods that could be applied at the various stages of the web site development process and when operational. Explain how each chosen technique might be used and what insight it could deliver.	☐
Adopt the role of a researcher working in the e-commerce company.	☐
Use Report format.	☐

* * * * *

REPORT

To: Web Marketing Manager

From: Research Executive

Date: XX/XX/XX

Re: Use of Qualitative and Quantitative Research Methods to Support the New ‘Cook n’ Spicy’ E-commerce Site Development and Launch

1 Introduction

As we are well aware, our business operates in a fast-moving and highly competitive environment, where online businesses compete fiercely with one another to capture and retain customers. This is a world in which the online proposition and experience also competes with the traditional bricks and mortar business. Customers have enormous choice and the freedom to decide what they buy, when and how they buy and with whom they make purchases and build relationships.

In order to ensure that the new Cook n’ Spicy proposition is successful, we must understand our target customer in depth and then determine what we need to do to make the process of buying cooking ingredients quicker, easier and more pleasurable.

2 Marketing information and website development

Marketing research is an essential element of the new development project. Well in advance of the launch date and, as a key feed to the decision-making process, it can provide information to comprehensively identify and define both the off-line and online aspects of:

2.1 The market

- Its size, growth, stability, profitability.

2.2 The customer

- The target customer groups.
- Profiles for each customer group, providing deep insight into their needs, wants, behaviour, attitudes and motivation.

2.3 The competition

- The competition based upon where the customer currently shops, both online and off-line.
- The shopping experience, including competitor site usability testing and marketing mix.
- What gaps exist, given the current offerings and websites.

2.4 The Cook n' Spicy proposition and website

- The unique value we need to build into our selling proposition/marketing mix.
- Web site design and functionality, user interface design and site prototype testing.

2.5 After the site is launched and operational, marketing research can continue to provide information to help develop and refine the site itself, as well as the products and services provided to the user. Information gathering activities would include:

- Profiling the customers, their user behaviour and deepening our knowledge of them.
- Using user/site behaviour analysis to look for deficiencies in the site and identify ways of improving site effectiveness and sales.
- Undertaking customer satisfaction surveys.
- Identifying relevant information for promotional campaigns and advertising.

3 Review of research approaches and methods

A number of research techniques may be used to gather the types of information identified in Section 2 above.

3.1 Secondary research

Secondary research will be useful at the outset of the project to explore the market, the customers, the industry and the competition. It will help paint a picture of the marketplace and its potential, as well as serve to focus our attention on the key information that we will need to gather using primary research.

The Internet will prove a most valuable resource for our research, but we must not overlook business libraries and marketing research companies that publish reports.

Information can be obtained from trade and consumer cookery magazines, cookery clubs and societies, competitor sites and TV cooking programmes (especially those featuring amateur and home cooks in competitions and in the home). Cookery shows are immensely popular and can provide insight into our target customers.

3.2 Observational techniques

A number of observational research techniques can be used to gather information on behaviour and to observe processes.

3.2.1 Observing users in action

During the development of the Cook n' Spicy site, typical customers could be observed during concept testing of the website. This observation could be conducted using trained observers and/or the use of eye cameras located in the computer monitors and linked to specialist software and the web browser to track eye and mouse movements for later analysis.

This information would help us understand what aspects and features of the site lead to improved usability, including its navigation, site functions, ingredient shopping catalogue, shopping cart, check out and so on.

Once the site is live and operational, software tools (including click stream analysis) running on our web servers can be used to build a picture of user behaviour and to determine how they use and navigate through the site, frequency of visit and so on. With the permission of each user, we could also install cookie software on the user's computer. This could be used to record site visit behaviour.

3.2.2 Mystery shopping

Mystery Shopping could be used to test out the processes and effectiveness of competitor website and e-commerce facilities. This would be carried out using trained mystery shoppers who would resemble typical users and would provide information on the ease of use, convenience and effectiveness of each competitor's site and the off-line service and support processes, including speed of delivery and so on.

In the same way, the Cook n' Spicy website could be mystery shopped at intervals to gather similar information.

Mystery Shopping could also be conducted over the telephone, targeting our customer call centre.

3.3 Qualitative research

3.3.1 Discussion groups

Traditional (off-line) discussion groups could be used to help understand the needs, wants, attitudes and behaviour of the target customer and as an effective method for exploring the current ways in which home cooks and amateur chefs purchase for their cooking needs. This research will need to be conducted at an early stage in the development project and would also contribute to demographic and lifestyle profiling.

The discussion group programme would identify the gaps in the existing offerings in the marketplace and then explore possibilities for the Cook n' Spicy proposition, which would include both the site and its facilities. Qualitative information could also be collected about the proposed cooking products and ingredients that would be available from the brand.

Off-line discussion groups could be used in conjunction with site user observational research (see Section 3.1 above) as a means of obtaining feedback about the site and to gather ideas for improvement and additional features.

Group members would be recruited from the population of interest and then asked to attend meetings at a central location. A computer, running the website software and screenshots of the various parts of the site, would be used as a prop for examination and discussion.

3.3.2 Use of projective techniques

The discussion groups could include a number of projective techniques to help develop aspects of the discussion.

Collage making could be used to explore the world of the home cook/amateur chef to gain insight into their underlying motivations and attitudes.

Perceptual maps could be created to examine competitor brands positionings.

3.4 Quantitative techniques

3.4.1 Questionnaires and surveys

Questionnaires could be designed to collect relevant information about the purchase behaviour of home cooks and amateur chefs. This survey would be conducted at an early stage in the project and used with qualitative information, taken from focus group transcripts as a basis for profiling and segmenting potential customers for Cook n' Spicy.

The information would provide considerable insight into what these customers buy, when they buy, where and why they do so and how frequently. It could also research their needs with respect to how the customer typically accesses technical information about ingredients and recipes.

3.4.2 Online survey and e-mail surveys

Once the site is operational, users can be invited and incentivised to participate in online questionnaires that would have the objective of:

- Collecting information from site visitors and customers to assist in building detailed site user profiles.
- Running satisfaction surveys and tracking studies.

Information can be collected in a number of ways:

Site registration forms Some users (but certainly not all) will be willing to register with the site in order to obtain newsletters, offers and access to promotional offers. As part of this registration process, limited but useful information can be collected that will help us build user profiles.

Pop-up survey invitations Some users will be willing to take part in online surveys during their visit to the site, especially if incentivised to do so. Invitations can be delivered using a pop-up message with a click through to a web-based survey questionnaire.

An element of randomness can be introduced into the recruitment process by serving the invitation only to every nth site visitor to the site. Again the information will help build detailed profiles of the users.

E-mail surveys These can be used to research those users/visitors who have registered with the Cook n' Spicy website, as well as anyone who has made a purchase from the site. In all cases, a valid e-mail address will be required. Again, the invitation should be incentivised in some way in order to maximise response levels.

Both the profile-seeking research and the customer satisfaction surveys would be conducted at regular intervals in order to track changes in the profile of the typical visitor or user over time and also to measure any user response to changes made to improve the site, changes that might have been driven by feedback from previous surveys.

4 Concluding remarks

Marketing research can make a valuable contribution to all stages of this development project and encompasses both the off-line and online aspects. Research will help us understand the potential customer; identify the best design and feature set for the site itself; help us research the brand, the products and the services we will need to provide in order to be a success in the market.

Once the site is fully operational, ongoing research will continue to provide information to assist in the development and improvement of our products and services, as well as to provide regular satisfaction feedback from customers – we can use this to continuously improve our processes and our products.

In the competitive environment of the web, such research is vital to ensure that our R&D and marketing budgets are justified and underpinned by real market information. This will ensure that funds are spent effectively.

Answer 17
Sampling techniques, sample size and accuracy

Check your answer

A good answer may be as follows:

☑

In the introduction, introduce the concept of sampling, define terms, state purpose and link to quantitative methodologies. Mention the role of sampling and accuracy. ☐

In Section 1, provide an overview of the various sampling approaches and techniques. ☐

In Section 2, introduce and briefly explain the various probability and non-probability methods. ☐

In Section 3, discuss the relevance of sampling in determining accuracy. Restate the need for a probability method to be employed. Outline the difficulties that probability samples often present. Explain how sample size is determined. Introduce level of confidence and accuracy. Relate sample size to population size. Relate sample size to cost and time. Explain impact of sampling errors and non-sampling errors on accuracy. State that high accuracy is not always required. Managers willing to trade accuracy for speed and lower costs. ☐

In Section 4, comment specifically on the manager's assertion and reference material already presented to argue a case. ☐

Adopt the role of a marketing or research executive. ☐

Use Report format. ☐

* * * * *

REPORT

To: Marketing Manager

From: Marketing Executive

Date: XX/XX/XX

Re: The Importance of Sampling and Sampling Techniques for Accuracy

1 Introduction

Sampling involves the collection of data from a subset (a sample) of the total group of people (the population of interest) who are relevant to the research project. A subset is usually preferred, since it would usually be cost-prohibitive, even unnecessary, to carry out a survey of the total population of interest (a census).

Once a sample has been determined and the research conducted using the sample group as the respondents, the data can then be analysed and the findings taken as being representative of the population of interest as a whole.

Sampling is most usually associated with quantitative research, for example when using a questionnaire, since the data produced is objective in nature and can easily be processed numerically or using statistics. Depending upon the type of sampling involved, statistical techniques can also be used to determine the level of accuracy represented by the data.

Sampling approaches are also often used in qualitative research although, in reality, this form of research is not credited with being representative, since only a small number of respondents are asked to take part. Any findings can only be linked to the participants and not the population as a whole.

2 Sampling techniques

Sampling involves taking a limited subset of the population in order to be able draw conclusions from quantitative research data about the population of interest as a whole.

There are two broad sampling approaches: probability (or random) sampling and non-probability (or non-random) sampling. A number of specific sampling techniques are available for each broad approach. An overview of these approaches and techniques will be covered below.

2.1 Probability sampling

Probability sampling is so called because every member of the population of interest has a known and equal probability of being selected. Statistical methods can be used to determine accuracy and level of confidence in the data.

In order to be able to undertake a probability sampling approach, we need to be able to construct a sampling frame. This is essentially a numbered list of the entire population of interest. If such a list cannot be constructed, then a non-probability approach must be used.

Four probability sampling techniques are in common use:

1. Simple random sampling – respondents are selected entirely at random (using a random number generator or printed tables). This is the purest form of probability sampling, but it is not perfect. A census is the only approach which approaches perfection.

2. Systematic sampling – a quasi-random method which selects every nth entry in the sampling frame after a random start point in the list has been determined.

3. Stratified random sampling – a quasi-random method, whereby the sampling frame is first divided into a number of meaningful groups (or strata). A number of respondents are then chosen at random from each group. This is a useful approach that would take account of different levels or segments in the group.

4. Multistage sampling – a quasi-random approach which is especially useful where the population is geographically dispersed.

2.2 Non-probability sampling

This approach is employed where a sampling frame is not available or where it would be cost-prohibitive or impossible to obtain. It is also employed where smaller samples are to be used for reasons of speed or cost.

If this approach is used, then statistical techniques cannot be used to determine accuracy and level of confidence in the data.

A number of techniques are in use, including:

1. Convenience sampling – as the name suggests, respondents are chosen for the convenience of the researcher.

2. Judgement sampling – respondents are selected on the basis of the skill and judgement of the researcher, as being deemed appropriate for the research. This technique is often used in B2B research, where customers are chosen as being representative of an industry or segment. Important customers can be included in the research too!

3. Quota sampling – respondent characteristics are first identified, then the researcher recruits a given number (or quota) within each characteristic set.

3 Sample size and accuracy considerations

It is a common perception that the larger the sample size, the more accurate the research results, since the study is thought to be more representative of the total population. This is true only for small populations and up to a certain sample size for larger populations. Beyond a certain point, a law of diminishing returns becomes active. Only a relatively small number of interviews (typically hundreds of respondents) are actually required to achieve acceptable accuracy. To go beyond this number would just add to cost without a justifiable return – to achieve 2x the accuracy you would need to interview 4x as many respondents and incur nearly a quadrupling of costs.

Sample size is not determined by the size of the population in the sampling frame but is an absolute number of respondents and is determined/calculated on the basis of three factors:

1. The degree of variability in the data – a measure of how evenly distributed the characteristics we wish to measure are within the population. The term used is standard deviation from the mean.
2. The level of accuracy required by the decision maker – the greater the accuracy, the more interviews required (subject to the comment made above about doubling accuracy).
3. The degree of confidence required that the results seen in the data will be within a certain range.

Using this information, sample size can be calculated using statistical formulae or by means of sample size tables or a sample size calculator.

Research results will be expressed in terms of accuracy and level of confidence, for example:

95 per cent confidence level +/–3 per cent.

This means that the sample has a 5 per cent chance (1 in 20) of being wrong and that a data result of, say, 50 per cent will actually fall between 48.5 and 51.5 per cent.

3.1 Other factors affecting accuracy of the data

A number of other factors affect the accuracy of the data obtained from the sample, including problems with the way in which the sampling frame was constructed and bias in either the survey questions or in the way the answers were recorded. There is also the possibility of non-response error.

The actual number of samples chosen for interview will be a factor of time frame, cost and the degree of accuracy actually required by the client.

As indicated above, calculation of accuracy is only possible when a probability sampling approach is chosen, since only in this case is the probability of being selected equal and known; this in turn depends on the availability of a valid sampling frame.

4 Further factors to consider

It is important to realise that, whilst accuracy is undoubtedly important, total accuracy (if at all achievable), imposes a very high cost on the research, since it requires many more respondents to be involved in the project with a correspondingly larger data collection and analysis task.

Such accuracy is rarely required to make an informed and appropriate marketing decision. Marketing managers, working to a budget, are more than usually willing to trade accuracy in order to reduce costs and speed up the research process. An exception to this would be where a high level of risk is involved in the decision, for example, in the case of a pharmaceutical company researching/testing a new drug.

The experience of the research agency also plays a role in working out how many respondents will be required for a project and statistical calculation of the optimum sample size is by no means a mandatory aspect of the sampling process.

5 Concluding remarks

Deciding on how to sample the respondents who will participate in a research project is an important element in the research design and it can be seen that accuracy is only one of the considerations, along with whether a valid sampling frame can be generated and the importance of questionnaire design and interviewer skills in reducing bias and non-response errors.

There is a link between sample size and accuracy, but this is not as strong as is generally believed. Accuracy depends upon the precision with which a sampling frame is produced and also upon the sampling approach chosen, probability samples being the only statistically accurate methods.

Client needs, time available for the research and budget factors also need to be considered when developing a sampling plan.

Answer 18
Statistical techniques

Check your answer

A good answer may be as follows:

	☑
In the introduction. briefly explain the purpose and content of the appendix, emphasising the importance of statistical techniques in analysing research data.	☐
In Part a, introduce and explain each of the terms and state the importance of the difference and the implications for marketing research.	☐
In Part b, define the term and state the purpose. Introduce concept of the null and alternative hypotheses. Outline various methods for testing. Mention errors and their possible implications. Discuss use of correction factors.	☐
In Part c, introduce and explain each of the techniques, discussing the principle and purpose of each.	☐
In Part d, introduce and define. Outline the principles involved and list possible uses.	☐
Use examples relevant to Kelvin Council to illustrate each technique discussed.	☐
Adopt the role of a research executive employed by an agency.	☐
Use the format of an Appendix to a research report.	☐

* * * * *

RESEARCH REPORT – APPENDIX XX
DESCRIPTION OF STATISTICAL TECHNIQUES

1 General

In preparing the findings of this marketing research report, a number of statistical techniques have been used to analyse the data. Statistical techniques are frequently applied used to summarise, compare, test and understand relationships within the data obtained from the research.

A brief explanation of the common statistical techniques is provided in this Appendix.

2 Mathematical significance vs. statistical significance

2.1 Mathematical significance

Mathematical significance is concerned with the difference in value between two numbers or results. Any difference is of significance from a mathematical perspective. For example, if we consider that Kelvin Council residents were asked the question:

Would you recycle more if you were provided with a bin for collecting recyclable waste?

In the survey, 48 per cent said that they would recycle more, 52 per cent said no, they would not.

Clearly, the numbers represent a difference of 4 per cent, and, although relatively small, the difference is mathematically significant.

Would it be worth making an investment in recycling bins for free issue to residents based on this difference?

To answer this question, we first need to determine whether the two values are statistically significant. If so, Kelvin Council would then be able to look at the business case for investing in recycling bins.

2.2 Statistical significance

Marketing research data is usually obtained from a sample of the total population of interest and is, therefore, subject to a level of error, so we cannot be certain that the difference is important or real enough for management decisions to be made. We can, however, determine whether the difference is statistically significant.

A test for statistical significance can be conducted to determine whether the difference in the two values is large enough to be important and unlikely to be accounted for by natural variations in the population, by chance or through sampling error.

Significance testing can be carried out using hypothesis-testing techniques.

3 The concept of hypothesis testing

A hypothesis is simply an assumption (it could be a guess, hunch or gut feel) about some aspect of the population of interest to the decision-maker. This assumption is referred to as the Null Hypothesis (labelled H_0).

Using the example from the research data in Section 2 above, let us make the assumption that:

H_0 – the two values are not statistically different.

The other possibility, of course is that the two values are statistically significant – this is called the alternative hypothesis, H_1.

H_1 – the two values are statistically different and not due to chance or sampling error.

A number of statistical methods can be used to prove (or accept) the H_0 hypothesis or to disprove (or reject) it. Hypothesis testing enables the researcher to calculate the probability of observing a particular result in the actual population of interest.

Statistical methods for testing hypotheses are manifold and include:

Goodness of fit testing – using a Chi-Square test (or χ_2).

Hypotheses about means – using a Z-test, t-test or analysis of variance test.

Hypotheses about proportions – using a Z-test.

In our example, a Z-test would be appropriate, since we are interested in the two proportions of the population who said they would/would not recycle more if they were provided with a dedicated recycling bin.

Hypothesis testing is a multi-stage process involving setting up the H_0 and H_1 hypotheses, selecting the appropriate test technique, calculating a result and then using this result to accept or reject the null hypothesis.

3.1 Errors

Hypothesis testing is in itself an imperfect approach and is subject to errors; these are referred to as Type I and Type II errors.

A Type I error – causes a rejection of the null hypothesis when it is actually true.

A Type II error – causes an acceptance of the null hypothesis when it is actually false.

When conducting the Z-test, a correction factor (based upon probabilities) called a standard error is factored in to the equation to minimise the potential risk of a type I or a type II error from occurring, depending upon which one is the more important.

For Kelvin Council, the type II error would be most serious, since it could potentially result in a major financial investment in recycling bins without good reason.

4 Correlation and regression

A number of statistical techniques are available for measuring relationships (or associations) between individual variables represented in the research data.

A good example, from the perspective of the Council, would be to understand the relationship between financial incentive payments to residents (variable 1) and recycling rates (variable 2).

In order to identify a possible link between the two variables identified above, techniques such as correlation and regression may be used.

4.1 Correlation

Identifies the strength of a relationship between two variables by examining the degree to which changes in one of the variables, variable 1 (recycling rate), are associated with changes in a second, variable 2 (incentive payments).

Correlation can be shown by plotting instances of the two variables on a scatter graph. Perfect correlation is said to exist when all of the plotted points can be joined by means of a straight line. No correlation would exist where the plots are randomly scattered around the chart.

Correlation, where it exists, can be either positive in direction (low values of one variable are associated with low values of the other and also high values of one are associated with high values in the other) or negative in direction (low values of one variables are associated with high values of the other and vice versa).

The strength and direction of the correlation is normally calculated using a formula and expressed as a coefficient, having a value between $+1$ and -1. The closer to unity the coefficient is, the stronger the relationship between the variables.

4.2 Regression

Identifies the nature of the relationship between the two variables and uses an equation to describe the relationship. Once the equation has been derived, it can be used for forecasting purposes.

As with correlation, regression can be achieved graphically, using a line of best fit to approximate the data and derive values for the equation. A straight line is used for this purpose (having the equation $y = a + bx$, where a is the intercept of the y axis and b is the estimated slope of the best fit line).

In addition to graphical methods, the values for a and b can be calculated using formulae.

It should be noted that, where more than two variables are to be studied, multivariate analysis techniques, such as perceptual mapping and cluster analysis, can be used. Perceptual mapping will be familiar to the marketing team at Kelvin Council. Cluster Analysis is briefly described in the next section below.

5 Cluster analysis and its application

Cluster analysis is a broad term for a group of statistical techniques used to identify and classify groupings of people or objects (clusters) on the basis of two or more common variables, where a high degree of association exists within a cluster, but where very weak or non-existent associations exist between the clusters.

The traditional way of undertaking a cluster analysis is, again, by means of a scatter diagram, involving the plotting of similar characteristics with respect to the variables of interest. Individual clusters are then identified visually, by looking for distinct groupings within the plotted data.

This manual approach is impractical and time-consuming, especially where large data sets are involved and more than a few variables are being plotted. Instead, tools, such as the SPSS software we maintain at this agency, are used to achieve faster and more accurate results from a mass of data. The computer techniques use complex algorithms and iterative techniques to establish patterns in the data and to exhaustively define the unique associations within each identified cluster.

5.1 Application of cluster analysis

In the Kelvin Council area, residents and businesses could be segmented on the basis of relevant criteria they have in common. Cluster analysis could be used to identity important segments using the data set created from the research project. These segments, once properly identified and profiled, could then be used as the basis for future targeted campaigns aimed at changing resident/business behaviour with respect to recycling.

Further, more detailed information on any of the statistical techniques used in marketing research can be obtained by contacting our statistics team.

Answer 19
Analysing quantitative and qualitative data

Check your answer

A good answer may be as follows:

	☑
In the introduction, state the need for thorough and rigorous analysis of research data in order to be able to derive the findings and draw conclusions.	☐
In Part a, introduce and describe the various types of quantitative data and explain the approaches for analysis including: tabulation, cross-tabulation and a number of descriptive statistical methods.	☐
In Part b, introduce and outline the approaches that can be used to analyse transcripts from unstructured qualitative interviews. Take two of these methods and describe in further detail.	☐
Adopt the role of marketing manager.	☐
Use Report format.	☐

* * * * *

REPORT

To: Managing Director

From: Marketing Manager

Date: XX/XX/XX

Re: Techniques for Analysing Quantitative and Qualitative Data

1 Introduction

For it to be useful and meaningful, the data collected during the course of a research project requires skilful manipulation and analysis, often by statisticians or appropriately trained researchers. There are a number of techniques that can be used to reduce the quantity of data and to help make sense of it, so as to enable findings and conclusions to be drawn.

2 Analysing quantitative data

Before the quantitative data obtained from the postal questionnaires can be analysed, it is first entered into a computer in a format that will make it easier to count or manipulate the data. There are two separate steps to be undertaken here: coding, where each response is effectively translated into a machine-readable format by allocating a number to each response (yes = 1, no = 0, etc.); and data entry, where the data is actually entered into the computer either manually or via a scanner. Coding has to be designed and implemented for each of the different question types employed in the questionnaire including open, closed and scaling type questions.

It is quite normal to code the questionnaires at the design stage; this pre-coding makes the process much easier and reduces the likelihood of errors, especially if the forms are capable of being machine read. The importance of pilot testing of the questionnaire cannot be overstated; such testing would include data collection, coding and analysis stages and any errors should then be indicated and corrected prior to the full-scale data collection phase.

Once the data is in the computer, it is checked for accuracy and cleaned to ensure that there are no errors or inconsistencies in it. Manually coded and entered data is particularly susceptible to such problems.

2.1 Data types

Once the data is clean and complete, it is ready to analyse. For analysis purposes, there are four different types of data:

Nominal data – where numbers are used to represent names or objects, for example: 1 = male, 2 = female.

Ordinal data – where numbers are used to signify order or ranking, but have no other meaning.

Interval data – as ordinal data, but with a fixed and equal interval between values.

Ratio data – where each value is expressed relative to an origin, often 0.

Two key approaches are available to analyse this data: data tabulation and statistical techniques. Each approach has a number of underlying techniques.

It is important to realise that not all of the techniques of analysis are suitable for every data type, although this detail is deemed beyond the scope of this short report.

2.2 Data tabulation

Data tabulation involves the construction of tables containing important data taken from the dataset. Available techniques include frequency distribution and cross-tabulation.

Frequency distribution indicates the number (or frequency) of respondents who gave particular responses to a question, as shown in Table 1.1.

Table 1.1 Market share by number of installed systems (Dec/XX)

Who is the supplier of your current alarm management system?	**Sample = 90 (100%)**
ABC Computers Ltd	40 (44%)
Colonnade Technologies Ltd	38 (42%)
Tritec Ltd	10 (11%)
US Alarm Dynamics Inc.	2 (2.2%)

2.3 Cross-tabulation

This approach combines the responses from one question with those from another. In the case of the Colonnades research, we could combine the data from Table 1 with that relating to the size of the user organisation. This would provide some insight into which vendors are currently strongest in supplying the small, medium and large customers.

Using the data from Table 1.1 in isolation, ABC would appear to be the market leader with 40 customers. The cross-tabulation provides a different picture, with Colonnade appearing to have a larger share of the total market by size of system. There is also some evidence that US Alarm Dynamics is targeting the large ARC.

Although the simple tables above are easy to read, the use of graphs and charts is also popular. The information contained in Table 1.1 could be represented in a pie chart whilst that from Table 1.2 could appear in a donut chart with three rings, with one to represent each size of ARC operator.

Table 1.2 Market share by size of ARC operator (Dec/XX)

	Sample = 90 (100%)	**Small ARC**	**Med ARC**	**Large ARC**
ABC Computers	40 (44%)	38	2	0
Colonnade Technologies Ltd	38 (42%)	3	20	15
Tritec Ltd	10 (11%)	2	7	1
US Alarm Dynamics Inc.	2 (2.2%)	0	0	2

3 Statistical techniques

A large number of statistical techniques are available to the researcher when analysing quantitative data. Such statistics would include techniques for describing (or summarising) the data in a set, hypothesis testing, correlation and regression techniques.

To illustrate the use of some simple statistical approaches, this report will consider descriptive techniques. Sample customer satisfaction scores are used to illustrate a number of techniques.

3.1 Descriptive statistics

Basic statistical methods can be used to summarise large datasets in terms of central tendency (mean, median and mode) and dispersion or degree of the spread of the data (range, variance and standard deviation).

The Mean is easily calculated by adding up the numbers in the set and then dividing by the number of values in the set. This will indicate the average value. Using the following data, the average is 5.3.

4 1 7 5 8 6 2 7 6 7

The Median is the middle case in the set, so for example, the above data has been assembled in ascending order and the middle case is 6.

1 2 4 5 6 6 7 7 7 8

The Mode is the value in the set that appears most frequently in the data, for example in the data above, 7 appears most frequently.

If the above data represented the customer satisfaction scores for a number of Colonnade Technology customers, then which value we should take as representative – 5.3, 6 or 7 – will depend on what we are aiming to achieve.

The Range is represented as the interval between the highest and lowest values, in the above data this is:

$$8 - 1 = 7$$

The Variation is the spread of the data, calculated using the average squared deviation of each number from its mean. Using a statistical function calculator, for the above data, this value is 5.34.

Standard Deviation is the square root of the variance; for this data the value is 2.31.

4 Analysing qualitative data

Qualitative data, from depth interviews, discussion group meetings and ethnographic recordings, is usually video-or audio-taped, but might also include handwritten notes, covering the entire interview or discussion. The various types of material for a number of depth interviews have to be assembled or brought together into one place.

The assembled data may have to be reduced to avoid duplication and additional work in the next stages.

Before the content of the telephone depth interview research can be analysed, the audio recording tapes will need to be transcribed into a written form. This transcription is normally performed by trained audio typists, although direct audio/video analysis software is also available, and results in a detailed script, not unlike that of a theatrical performance. The transcription includes descriptions of tone of voice and gestures (if an interview or discussion is video-taped) to help in the analysis. The tapes themselves are retained to enable further detailed analysis at a later time and in order to be able to copy interesting segments for incorporating into the research presentation.

The written transcripts, usually in a word processor file, are then available for detailed content analysis using either manual or computerised methods, or a combination of the two. The purpose of this content analysis is to extract meaningful information for further analysis and reporting.

A number of manual approaches for content analysis are available to the researcher, all of which involve detailed reading and coding of the transcripts by marking, annotation, grouping, topic classification or highlighting keywords and recurring phrases in order to bring together the information under common themes.

The researcher has the option to code on the basis of predetermined themes and ideas, and/or by simply waiting to see what emerges from the transcript analysis and then grouping the data according to these findings. According to Wilson (2003), common manual techniques include:

- Cut and paste
- Script annotation

- Spider diagrams
- Data tabulation.

4.1 Cut and paste methods

As the name suggests, the researcher copies short sections of speech from the transcription texts and pastes these into any one of a number of pre-prepared thematic sections, creating a dedicated word processor document.

This technique can also literally be carried out by cutting out parts of a copy of each transcript and sticking them onto large sheets of paper, each labelled with a theme. Typical themes used might include ‘brand perceptions’, ‘attitude towards price’ and so on.

The resultant output will consist of a number of grouped or similar phrases and excerpts brought together under related headings, topics or themes.

The output will often still be quite large in volume, but will now enable the researcher to undertake a detailed analysis, looking for contrasting opinions, making comparisons with other sections, summarising and so on, in order to derive a set of findings which can then form part of the final report.

4.2 Spider diagrams

This is a graphical or pictorial approach to coding and displaying the data extracted from the transcripts. A theme or topic is placed in the centre of the diagram and the various responses are then added as radials (or spider’s legs) from the centre. Typically, one diagram per theme or topic will be produced.

5. Concluding remarks

Data analysis is a vitally important step in the research process, since it is the stage that links the data collection to the research objectives and results in the researcher identifying a set of findings.

Separate approaches and techniques exist for both quantitative and qualitative data, requiring specific knowledge and skills on the part of the researcher. The results from both types of data analysis then have to be brought together and considered carefully in order to produce the research findings that will appear in the report and from which the conclusions will be made.

Answer 20
Research reports and presentations

Check your answer

A good answer may be as follows:

☑

In the introduction, introduce the purpose of the guidelines and motivate new agency staff to adopt them. ☐

In Part a, introduce and describe the structure and content of each section of a marketing research report. ☐

In Part b, describe the approach and procedure to be taken when writing a research report or preparing an oral presentation so as to recognise and satisfy the need of the audience. ☐

In Part c, identify a list of common problems that can arise and need to be avoided when preparing and making research reports and presentations. ☐

Adopt the role of a research project leader. ☐

Use a format to simulate project guidelines. ☐

* * * * *

PROJECT GUIDELINES

Prepared by: Project Leader

Date: XX/XX/XX

Structuring and writing marketing research reports

In order to ensure a consistent and effective approach to the production of written marketing research reports, the following guidelines have been prepared and are to be followed when preparing the final documents for the client.

When writing a research report, it is important to appreciate that, from the client's perspective at least, the report represents the product for which he/she has spent £30 000 to £100 000. The quality of the findings, its conclusions and the underpinning material are the key attributes of the product he/she is buying. Ultimately, the quality of the decisions he/she will make largely depend upon the contents of this report. A high level of professionalism and accuracy is, therefore, required in its production.

Our agency will adopt the format suggested by Alan Wilson (2003):

1 Research report structure and content

This section of the guidelines document briefly lists and describes the major sections and content of the report. For production purposes, a Microsoft Word template has been created to help you format each report that you produce.

2 Title page

As defined in the Word template, this contains a title for the research project, details of the client and report publication date and uses our corporate house style for presentation. We also routinely include a contact point within the agency in the event that the client needs to contact us.

3 Contents page

Provides rapid access to various pages, sections and sub-sections of the report. Again, this is provided for in the template.

4 Executive summary and recommendations

This section provides an overview of the objectives, research methodology and a summary of the key findings and their implications. Our recommendations to the client should also appear here, unless requested otherwise by the client organisation.

The executive summary and recommendations section may be the only part of the report read by the majority of readers, especially senior managers. Please try to keep this section fairly short, 3–5 pages maximum.

5 Introduction and problem definition

This section is based upon information given in the client brief and expanded in the background and objectives section of the research proposal. The content of the section is a summary of the rationale and research objectives.

6 Research methods and limitations

This section should contain a detailed and justified description of the research methodology, including approaches and methods employed, sampling process, methods for data collection and analysis and details of any statistical techniques employed.

Any limitations imposed by the sampling technique, research methods, low response rates, timing and cost should be highlighted as these will have an impact on the findings and conclusions.

Deep technical information should be relegated to an appendix in order to ensure readability of the content of this section.

7 Research findings

The findings of the research are presented clearly, logically and unambiguously in this section. The material should be structured around each of the research objectives so that the reader may relate the two.

If the research is concerned with customer segmentation, then it is appropriate to format the findings under the segment headings.

The material should be presented with the needs of the client in mind and must be presented in a reader-oriented fashion (see later in these guidelines).

Quantitative research findings should be supported by graphs, charts, tables and cross-tabulations, as appropriate. Again, this material should be presented with the reader in mind.

Qualitative research findings can be supported with quotations taken from transcripts of interviews, although respondents must not be identified by name.

8 Concluding remarks

This section should contain a concise list of the main implications and conclusions drawn from the research findings. Such implications and conclusions should be justified.

Note: Where a finding has been interpreted by the researcher in order to draw an implication or conclusion, this interpretation shall be clearly indicated and delineated from actual findings as required in the MRS/ESOMAR code of conduct.

9 Appendices

Copies of all research instruments – questionnaires, moderator guides, show cards and projective technique materials should be included in the appendices, together with the data tables and technical data referenced in the main body of the report. A list of data sources used for any secondary research should also be incorporated.

Presentation of research with a focus on audience needs

The information in this section of the guidelines is relevant to both written and oral presentations.

The quality of our reports and presentations is a clear indication of our professionalism and communications skills. Because we are usually working with marketing staff within the client organisation, our presentation standards will be judged by the extent to which we both understand and anticipate the needs of the audience or reader and then provide a product that meets these needs.

Alan Wilson (2003) offers an 'audience thinking sequence' as a suitable framework for the presentation of information, based upon the needs of the audience. The following six points reflect this thinking sequence:

- Respect the importance of your audience or reader
- Know what each audience member or reader needs from a presentation

- Ensure that your report/presentation helps
- Use evidence to support key information and findings
- Use recaps and summaries to remind the audience about key points
- Provide actionable recommendations.

Audience

The readers or audience members at a presentation are usually time-pressured and will only want to read or attend if they believe that the material will help them with their problem solving or opportunity developments. Apart from delivering the right content, a professional, well-structured and logical delivery that is not too long and meets the objectives is what is required. Meet the audience's needs and structure the material so that they can understand it – this is key.

To ensure that we can achieve this, we need to understand the individual readers/members of the audience. This requires research on our part at all stages of the project and during the sales cycle.

Needs

Reports and presentations should provide facts that come from the research and which meet the research objectives.

The facts should be presented in a clear format, using graphs, charts, tables and other pictorial devices in order to convey potentially complex material in a form which is easy to assimilate, but which does not insult the recipient by 'dummying down'.

Evidence

Our reports and presentations are designed to communicate accurate facts or findings drawn from the research project. Demonstrate that we are using facts, by providing ample supporting evidence, supplemented with explanations as necessary. The client must be convinced by what we communicate.

Conclusions and recommendations

Our report/presentation should provide the client with some help in the form of conclusions and recommendations that are realistic and based upon the evidence contained in the research.

Written research report

This should be capable of standing alone from the oral presentation and should be complete in itself. This will ensure that the report has longevity and can be used as a future reference document within the client organisation. Future readers will not have a direct understanding of the rationale, nor the benefit of a presentation.

Potential problems in research reports and oral presentations

A number of common problems should be considered and avoided by careful preparation. Problems commonly arise in the following areas:

1. Planning – insufficient planning, when preparing a written report or an oral presentation will increase the risk of failure.

2. Length – should not be too long, as this will discourage reading attention. Be aware of AU18 unnecessary detail creeping in.

3. Presentation – should not be elaborate or gimmicky, detracting from the purpose and confusing the communication content.

4. Overall content – must be suitable for reader/audience. Do not assume knowledge. Explain technical material, charts, graphs and tables. Make the content interesting too.

5. Technical content – precise but not tediously accurate to 20 decimal places. Explain the analysis and statistical approaches used in the project, but remember that the average manager is not a statistician and will not be impressed with deep detail. Accurate findings and conclusions with supporting evidence and realistic recommendations is what clients quite reasonably expect from a research report or presentation.

The audience thinking sequence, summarised in the previous section, provides a good framework for planning out the report or presentation and for ensuring that the above are avoided.

AUTHOR QUERY

AU:1 “Explain the process . . . of effective **client supplier relationships**” has been changed to “Explain the process . . . of effective **client–supplier relationships**”. Is this OK?

AU:2 The head level “Marketing Research Proposal” has been deleted. Please check if the change made is OK.

AU:3 “Johnny Researcher” has been changed to “(Johnny Researcher) Applied IT Researcher Projects Ltd” Is this OK?

AU:4 “This low-cost method is invaluable, **both** as a means . . . suppliers” has been changed to “This low-cost method is invaluable, **not only** as a means . . . suppliers”. Is this OK?

AU:5 “The above approach will . . . here will also rely . . . database” has been changed to “The above approach will . . . here **we** will also rely . . . database”. Is this OK?

AU:6 “The discussion . . . method for gaining . . . explore ideas” has been changed to “The discussion . . . method **not only** for gaining . . . explore ideas”. Is this OK?

AU:7 Please provide the reference for ‘Wilson (2003)’

AU:8 “The task of . . . system, involving internal records . . . marketing research, will . . . all departments” has been changed to “The task of . . . system – involving internal records . . . marketing research – will . . . all departments”. Please check if the change made is OK?

AU:9 Please provide the reference for ‘Kotler (2006)’.

AU:10 Please provide the reference details.

AU:11 “Before we look at the role of CRM at Central Eastern, we should . . . predict the response” has been changed to Before we look at the role of CRM at Central Eastern **Airlines**, we should . . . predict the response”. Is this OK?

AU:12 ‘Slide 7.2’ has been inserted. Please check.

AU:13 ‘Slide 9’ has been changed to ‘Slide 8’. Is this OK?

AU:14 “The brief is an important . . . at stage 2a above” has been changed to “The **research** brief is an important . . . at stage 2a above”. Is this OK?

AU:15 “If you currently use a third party but plan . . . your timescale?” has been changed to “If you currently use a third party **alarm receiving centre** but plan . . . your timescale?”. Please check if the change made is OK?

AU:16 ‘Slide 1 – Introduction’ has been changed to ‘Slide 1.1 – Introduction’. Is this OK?

AU:17 “Cameras could . . . of group, which zones are most popular **etc**” has been changed to “Cameras could . . . of group, **in** which zones are most popular”. Is this Ok?

AU:18 “Length – should not be too long, as this will discourage reading/attention” has been changed to “Length – should not be too long, as this will discourage reading attention”. Is this OK?