

The Handbook of Market Research: Do's and Don'ts

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by

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The Handbook

The objective for this Handbook, targeted at users, managers and providers of Market Research, is motivated by the extensive lack of use of MR studies even after they have been conducted and by the widespread misapplication of MR techniques. The glorious days when Market Research readily revealed customer preferences, attitudes or behavioral intentions are now gone. In recent years, response rates have been terrifyingly low and response accuracy and validity have been perhaps even more questionable. A very biased sample answers Market Research's long questionnaires, and "professionals" now participate in focus groups and other qualitative research techniques. Data gathered by Market Researchers are increasingly being questioned by clients.

Additional motivation for this book stems from the recent developments in the philosophy of managing of organizations. The overarching business philosophy of customer or market focus has received significant acceptance. As firms move toward implementing this philosophy, they are beginning to rely on Market Research to provide the *insights* required for making decisions. Additionally, they want to view the supplier of market research as a *trusted advisor* – a role in which the market researcher provides more high quality value-added information and recommendations for decision-making.

The objectives, hence, of the Handbook of Market Research are to provide the reader with 1) a broad and comprehensive understanding, including usefulness and pitfalls, of all the market research techniques of data gathering and analysis; 2) a process of conducting research that will ensure the proper conceptualization, execution and usage of research; 3) ideas for structuring the market research department such that insights are available in real time; and 4) prescriptions for growth of market research professionals to trusted advisors. By making the user an informed user of market research, the level of the complete discipline of market research is enhanced. This not only prevents market research from being purchased under the wrong expectations and from being misused, but also elevates expectations and, therefore, the deliverables from market research. The book will enable the eco-system to start designing market research that meets higher levels of expectations for the discipline.

The contents will be articulated in a very reader-friendly, applications-oriented and non-mathematical fashion. Besides slicing the cake in the traditional mode of techniques, the handbook will also contain several chapters on the applications in market research, e.g., segmentation, marketing mix, life-time value, brand equity, models.

Since the scope of the Handbook is very extensive and requires varied and deep experience in the practical usage of techniques, the goal of the Handbook can be achieved only by having a variety of high-quality individual contributors. Also, the nature of authors will necessarily have to encompass experience in both the business and academic worlds.

Target Market

The primary target markets for this book are the users, managers and providers of market research. We anticipate that a copy of this book will be on the shelves of many market researchers and users of market research in the Marketing and Marketing Research Departments of larger companies as well as market research suppliers around the world.

As mentioned earlier, the impetus for this work comes from fact-based decision-making that is gaining a foot-hold in the majority of companies. It is rare to find market academicians who have all the necessary knowledge in every domain of market research. Thus, the Handbook will be a ready reference, especially since it will be firmly grounded in the business realities, to academicians. Finally, libraries will be more apt to purchase a unique handbook of this sort rather than conventional textbooks on the subject.

Competitive Books

There are two categories of books in the market research discipline. None of the books in both of these categories can be considered as true competitors. The first category consists of books that are traditionally used as textbooks in universities. While there are many excellent books to serve the needs of the teachers and students, these books do not go the next step to educate practitioners and users of market research regarding the caveats of market research techniques.

The second category consists of books that contain data and statistics on particular industries or geographical areas around the world. These books are often named handbooks. For example, one can find handbooks on market research on the Gaming Industry, Health Care Industry or Restaurant and Food Services Industry and on states in the US. Since these consist of data and statistics, they will not compete with our handbook of techniques, conceptualizations and philosophies.

PART I: FOUNDATIONAL DESIGN	1. Trusted Advisor: What it is and How it Helps Lay the Foundation for Insights	<i>Rajiv Grover (Department Head; Professor of Marketing and holder of the C. Herman and Mary Virginia Terry Chair in Marketing, University of Georgia) & Marco Vriens (Senior Marketing Manager Microsoft Corp.)</i>
	2. Marketing Research Organization Structure and Processes	<i>Marco Vriens (Senior Marketing Manager Microsoft Corp.) and Rajiv Grover (Department Head; Professor of Marketing and holder of the C. Herman and Mary Virginia Terry Chair in Marketing, University of Georgia)</i>
	3. What Clients Want	<i>Gerald Zaltman (Emeritus, Harvard Business School) and Lindsay Zaltman (Olson Zaltman Associates)</i>
PART II: DATA COLLECTION	4. Deep Engagement with Consumer Experience: Listening and Learning with Qualitative Data	<i>Eric Arnould (PetSmart Distinguished Professor in Retailing and Consumer Sciences University of Arizona)</i>
	5. Questionnaire Design and Scale Development	<i>Naresh Malhotra (Regents' Professor, Professor of Marketing, Georgia Institute of Technology)</i>
	6. Response Biases in Marketing Research	<i>Hans Baumgartner (Professor of Marketing, The Pennsylvania State University) and Jan Benedict E.M. Steenkamp (Professor of Marketing, Tilburg University)</i>
	7. Online Market Research	<i>Jeff Miller (Senior Vice-President, Burke, Inc.)</i>
	8. Advanced Techniques and Technologies in Online Research	<i>Scott M. Smith (Professor of Marketing, Marriott School of Management, Brigham Young University, Founder, Qualtrics.com, SurveyZ.com, SurveyPro.com), Jared Smith (Operations Manager, Google AdSense) and Chad R. Allred (Assistant Professor of Marketing, Marriott School, Brigham Young University)</i>
	9. Sampling and Weighting	<i>Daniel Mallett (Daniel Mallett Associates)</i>
	10. Dealing with Missing Data	<i>Marco Vriens (Senior Marketing Manager, Microsoft Corporation) & Sandip Sriharay (Educational Testing Service)</i>

PART III: ANALYSIS AND MODELING	11. Basic Data Analysis	<i>Scott M. Smith (Professor of Marketing, Marriott School of Management, Brigham Young University, Founder, Qualtrics.com, SurveyZ.com, SurveyPro.com) & Gerald Albaum (Professor of Marketing, University of Oregon)</i>
	12. Marketing Decision Support Models: Marketing Engineering	<i>Gary L. Lilien (Distinguished Research Professor of Management Science Research Director, Institute for the Study of Business, Smeal College of Business Administration, The Pennsylvania State University) & Arvind Rangaswamy ((Jonas H. Anchel Professor of Marketing Research Director, eBusiness Research Center, Smeal College of Business Administration, The Pennsylvania State University)</i>
	13. Regression Models	<i>Donald R. Lehmann (George E. Warren Professor of Business, Columbia Business School)</i>
	14. Advanced Regression Models	<i>Raghuram Iyengar (University of Pennsylvania) and Sunil Gupta (Meyer Feldberg Professor of Business at Columbia Business School)</i>
	15. Conjoint Models	<i>David Bakken (Harris Interactive) and Curtis Frazier (Millward Brown)</i>
	16. Construction of Efficient Designs for Discrete Choice Experiments	<i>Warren F. Kuhfeld (SAS Institute)</i>
	17. Structural Equation Models	<i>Victoria Savalei (UCLA) & Peter Bentler (Professor of Measurement and Psychometrics, UCLA)</i>
	18. Cluster Analysis and Factor Analysis	<i>Subhash Sharma (Professor of Marketing and Charles W. Coker Sr. Distinguished Foundation Fellow Moore School of Business, University of South Carolina) and Ajith Kumar (Professor of Marketing, Arizona State University)</i>

<p>PART III: ANALYSIS AND MODELING</p>	<p>19. Latent Structure Regression</p>	<p><i>Wayne DeSarbo (The Smeal Distinguished Chaired Professor of Marketing, The Pennsylvania State University), Wagner Kamakura (Ford Motor Company Professor of Global Marketing, Fuqua School of Business, Duke University) & Michel Wedel (Dwight F. Benton Professor of Marketing, University of Michigan)</i></p>
	<p>20. Hierarchical Bayes Models</p>	<p><i>Greg Allenby (Helen C. Kurtz Chair in Marketing, Professor of Marketing and Statistics, Ohio State University) and Peter Rossi (Joseph T. Lewis Professor of Marketing and Statistics, The University of Chicago)</i></p>
	<p>21. Survival Models - Purchase Incidence Models</p>	<p><i>Pradeep Chintagunta (Robert Law Professor of Marketing, University of Chicago) & Xiaojing Dong (Northwestern University)</i></p>
	<p>22. Data Mining Models</p>	<p><i>Chris Stephens (Professor at the Dublin Institute for Advanced Studies) & R. Sukumar (Vice President at The IPSOS, Inc)</i></p>

PART IV: CONCEPTUAL APPLICATIONS	23. Ad Testing	<i>Allan L. Baldinger (Principal, Baldinger, Solomon & Associates, LLC.) and Bill Cooks (Advertising Research Foundation)</i>
	24. Marketing Mix	<i>Gerry Tellis (Jerry & Nancy Neely Chair in American Enterprise and Professor of Marketing, University of Southern California)</i>
	25. Market Segmentation	<i>Bill Dillon (Senior Associate Dean for Academic Affairs, Herman W. Lay Professor of Marketing & Statistics Marketing Department, Southern Methodist University) & Soumen Mukherjee (Principal, Marketing & Planning Systems)</i>
	26. Measure Brand Equity	<i>Kevin Keller (E.B. Osborn Professor of Marketing, Dartmouth)</i>
	27. Customer Satisfaction Research	<i>Richard L. Oliver (Valere Blair Potter Professor of Management (Marketing) and Area Head of the Marketing Group, Vanderbilt University)</i>
	28. Measuring Customer Equity and Calculating Marketing ROI	<i>Roland T. Rust (David Bruce Smith Chair in Marketing and Chair, Department of Marketing, University of Maryland at College Park) Katherine N. Lemon (Associate Professor at the Carroll School of Management at Boston College) and Valarie A. Zeithaml (Associate Dean for MBA Programs, and Roy and Alice H. Richards Bicentennial Professor of Marketing at the Kenan-Flagler Business School, University of North Carolina at Chapel Hill)</i>
	29. Customer Life-Time Value	<i>V. Kumar (ING Chair Professor of Marketing, and Executive Director, ING Center for Financial Services in the School of Business at the University of Connecticut)</i>
	30. International Marketing Research	<i>V. Kumar (ING Chair Professor of Marketing, and Executive Director, ING Center for Financial Services in the School of Business at the University of Connecticut)</i>
		31. Marketing Management Support Systems

Template for Chapters (Analysis & Modeling)

1. Outline of the Method/Model - What is it - What does it yield
2. What are the underlying assumption - and why you should care about these
3. How and when to use it (including a check list of important issues to think about)
4. How to evaluate and validate the results (if possible)
5. How and when NOT to use it
6. Example of a successful and unsuccessful marketing applications
7. Miscellaneous (new developments, other thoughts, etc.)

Biographies

Dr. Rajiv Grover, Department Head & holder of the C. Herman and Mary Virginia Terry Chair in Marketing, Terry College of Business

Dr. Rajiv Grover is the Head of the Department and holder of the Terry Chair of Marketing at the Terry College of Business, The University of Georgia in Athens, Georgia. Prior to assuming the current academic administrative position, Dr. Grover was the SVP of Business Development and Marketing with a high-tech start-up for two years in the Silicon Valley. His research and teaching philosophy focuses on resolution of managerial problems. His interests lie in the areas of strategic market research; market-focused management and strategy; creativity and new product development; customer satisfaction; and organizational networks and relationships. Dr. Grover has received several honors for his research and teaching efforts. He has received the prestigious O'Dell award for the best paper in the *Journal of Marketing Research*. He has authored the book, *Theory and Simulation of Market-Focused Management*, published by Dryden Press, and was the founding editor of *The Journal of Market Focused Management*, that

was published by Kluwer Academic Publishers. He has distinguished himself as a teacher both in formal academic settings, having won the Hugh O. Nourse Outstanding MBA Teacher Award, as well as in the corporate environment. He has consulted with and conducted seminars and executive education programs in leading organizations such as AT&T, ALCOA, KPMG, PNC Bank, PPG, Texas Instruments, Citibank, IBM, GM, and Microsoft. Dr. Grover received his Ph.D. from the University of Massachusetts at Amherst in 1983. He has an Electronics Engineering degree from the Indian Institute of Technology and an MBA from the Indian Institute of Management. Prior to joining The University of Georgia, Dr. Grover was a faculty member at the University of Pittsburgh and before that, at Penn State University. He has been a visiting Professor at Johns Hopkins University, Duke University and Stanford University.

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Dr. Marco Vriens is Senior Marketing Manager at Microsoft Corp. Prior to joining Microsoft, he was the Chief Research Officer at Millward Brown IntelliQuest and Sr. Vice President at Research International. Prior to that, he was Professor of Marketing Research in the Netherlands. He has co-authored several seminal papers on market segmentation, conjoint analysis, and choice modeling. His current interests are in the areas of strategic market research and market research organizational issues. In total, he has published more than 50 papers in a wide variety of journals including the *Journal of Marketing Research*, *Marketing Science*, *International Journal of Research in Marketing*, the *Journal of Product Innovation Management*, *Journal of Marketing Management*, *European Journal of Marketing*, *Marketing Letters*, *Canadian Journal of Marketing Research*, and the *Marketing Research Magazine*. He has received several Best Paper awards including the David K. Hardin memorial award. He is also an author of the book “Conjoint Analysis in Marketing” (1995). He has been a consultant to many leading companies such as IBM, Intel, Dell, and Philips. He received his Masters in Psychology in 1987 from Leyden University and his Ph.D. in Business Administration from the University of Groningen (1995).