B8617: MARKETING RESEARCH

Summer 2014
Tuesday 9:00AM–1:15PM
Room: 332 Uris Hall
Office Hours: By appointment
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Course Description

This course is aimed at the manager who is the ultimate user of research and who is responsible for determining the scope and direction of research activities conducted on his/her behalf. The goal of the course is to familiarize students with the fundamentals of Marketing Research. Marketing Research involves developing research questions, collecting data, analyzing it and drawing inferences, with a view to making better business decisions.

The main objectives of the course are:
1. To provide you with the skills for systematic problem analysis and to translate management problems into the appropriate marketing research problems.
2. To help you to develop a critical eye for marketing research and an appreciation for its potential contributions and limitations.
3. To gain a “hands-on” experience with the full process of marketing research from the formulation of the research problem through the research design, the sampling scheme, data collection, data analysis, and recommendations.

The course focuses on both qualitative and quantitative aspects of marketing research and how they help managers to address substantive marketing problems such as designing and positioning new products, segmenting and sizing markets, and developing advertising and pricing policies.

Required Course Material:

1. B8617 Readings and Case Packet
2. IBM SPSS Statistics Base GradPack 22 statistical software.¹

Recommended Text:


Student Evaluation

<table>
<thead>
<tr>
<th>Component</th>
<th>Weightage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class Participation</td>
<td>20% (Individual)</td>
</tr>
<tr>
<td>Assignments</td>
<td>40% (Individual and Group)</td>
</tr>
<tr>
<td>Group Project</td>
<td>40% (Group)</td>
</tr>
</tbody>
</table>

¹ The school has preurchased an SPSS license for MBA students taking the course. The license vendor will email you a link for software download. Non-MBA students need to purchase a six-month license from: http://e5.onthehub.com/WebStore/ProductSearchOfferingList.aspx?srch=Spss&ws=49c547ba-f56d-dd11-bb6c-0030485a6b08&vsro=8#divIBM%C2%AE_SPSS%C2%AE_Statistics_Grad_Pack_22
Class Participation and Attendance (20%)

Actively participating in class discussions is a fundamental key to learning in this class. I expect that you will have read and thought about the assigned reading materials (and other related materials that are easily available) and come to class prepared to discuss, critique and defend your point of view. This will make the class more enjoyable and rewarding for all.

Attendance is a necessary but not sufficient condition for participation and will be evaluated accordingly. Attendance is mandatory for all classes including guest speaker lectures and project presentations that do not involve your group.

If you have any issues with actively participating in the class discussion please talk to me about it separately. More generally, if you have any questions or concerns regarding the course content, teaching, grading or if you have any suggestions for improvement in the above areas, please do not hesitate to discuss them with me as well.

Classroom Etiquette

Class will be conducted using the same rules of decorum that apply in business meetings. These rules are adopted with the goals of fairness and productivity in mind and are very simple.

- Be punctual
- Do not be disruptive
- Be accountable

For your purpose this translates into being on time, not leaving early, letting me know when you are going to miss class, and not using your laptop, tablet, smartphone or other devices for non-class purposes.

Assignments (40%)

There are two individual assignments (Type C) and two group assignments (Type A).

Individual assignments (Type C)
Case 1: Cascade Foods, due Tuesday June 17
Case 2: MassNorml, due Tuesday June 24

Group assignments (Type A)
Case 3: Pilgrim Bank (A; only questions 4 and 5), due July 15
Case 4: Ford Ka, due Tuesday July 22

Your write up should not exceed 2 pages of text (double-spaced) and up to 3 pages of tables and exhibits. See respective sessions below for discussion questions. No late assignment will be accepted.

Group Project (40%)

Groups of about 5 students will work together on the project. You will think of yourself as a marketing research company (Columbia Research) executing a project on behalf of a client. You are free to choose any real company as a client. It could be a company known to you, a prior
employer, one that has approached the business school with a problem, a start-up, or simply one that you think has an interesting problem. A start-up could be especially interesting as it may not have in-house marketing researchers and hence may welcome the opportunity to work with you. The company could be a regular corporation or something less conventional such as a non-profit, governmental agency, minor sports team, home-based small business, museum, blog, etc. Again, the only criterion is that they have an interesting problem that can be addressed using marketing research. Once you have identified the company and its problem you need to undertake the following steps.

- Write a short, but complete, proposal that explains how you are going to solve the problem. Make sure you address all the elements a standard proposal will have (such as objectives, research approach, sampling, data collection method, analysis, report, timing, budget and team member bios).

- When the proposal is approved, you will move to the data collection stage. Typically this will include two phases – qualitative and quantitative data collection. Qualitative could be In-Depth Interviews (IDI), Focus Groups, Ethnography, Observation or something else. If you choose to use a web-based method like Online Bulletin Boards (OLBB) you will need to obtain software that can accomplish that. Quantitative data collection will usually be a survey, based on a questionnaire you have designed, an experiment you have designed, or data provided by a company.

- You do not have to necessarily do two stages of data collection. Your problem could dictate that one stage may be sufficient, in which case you can choose to focus all your energies on that one stage. For example, you may feel that observational research at a retail outlet will tell you everything you need to know and that quantitative research will not add anything to it. There is nothing wrong with that. But in that case, the standard of effort and output that are required will be higher than what is expected in projects where two stages are used.

- The data you collected in the first phase will inform what you are planning to do in the second stage. Quantitative data you collect in the second stage should be analyzed using IBM SPSS software. I encourage you to experiment with your data to get a feel for how real data behave (and mis-behave). You will be evaluated more for the effort you put into the analysis than for your ability to solve the problem (given the time and budget constrained environment that you will be operating in).

- When the analysis is completed you will write a report (not to exceed 10 pages excluding questionnaire, tables, figures, etc.) and submit that along with a copy of your data file in either Excel or SPSS format, as well as any other relevant material that you developed for the project (stimuli, video etc).

- Finally, you will also put together a PowerPoint deck to present your results in class.

Your grade for the project will depend on all aspects of this project. You will also grade your team members on their effort and cooperation. If no evaluation is turned in, I will assume everyone participated equally. Individual project grades will be adjusted up or down depending on the evaluations. I will also adjust the project grade based on my perception of your effort on behalf of the group, based on my interactions with you. So it is to your benefit to make me aware of what your contribution was to the group project.
### Overview of Class Schedule

<table>
<thead>
<tr>
<th>Session Date</th>
<th>Topic</th>
<th>Case/Reading Assignments</th>
<th>Assignments Due</th>
</tr>
</thead>
</table>
| 5/27         | Introduction & Problem Formulation | Case: Tesco  
Read: Backward Marketing Research  
Shock the Sheep-Audi Case Study  
Chapters 1, 2 |                                                      |
| Session 1    | Exploratory Research            | Case: Delaware Coors Case  
Read: Focus groups that look like play groups  
The museum is watching you  
Unleashing the joy of Reddi-wip & Fruit  
Chapters 3, 4, 5 | Group Project Proposal                        |
| 6/3          | Descriptive and Longitudinal Research  
Causal Research | Case: Campbell Soup Russia  
Marketing research in the courtroom  
Lies, damn lies, and medical science  
Chapters 6, 7 |                                                      |
| Session 2    | Measurement & Scaling           | Case: Cascade Foods  
Read: When voters lie  
David takes on Goliath  
The new era of online consumer surveys  
Smart survey design  
Chapters 8, 9, 10 | Individual-case write-up for Cascade Foods                  |
| 6/10         | Sampling Basic Analysis         | Case: MassNORML  
Read: Chapters 11, 12, 15 | - Data collection instrument  
& sampling plan  
- Individual case write-up for MassNORML                  |
| Session 3    | Regression Analysis Project Meetings | Read: Chapters 16, 17, 21 (pp. 669-679) |                                                      |
| 6/17         | Regression Analysis Logistic Regression | Case: Pilgrim Bank (A)  
Read: Chapters 18 (pp. 588-593) |                                                      |
| Session 4    | Factor Analysis Cluster Analysis | Case: Pilgrim Bank (A &B)—Continued  
Read: Chapter 18 (pp. 588-594), 19, 20, and 21 (pp. 656-668) | Group case write-up for Pilgrim Bank (A): questions 4 and 5 |
| 7/15         | New Topics in Market Research   | Case: Ford Ka  
Read: Shape of marketing research in 2021  
Neuromarketing  
Promises and pitfalls of social media res. | Group case write-up for Ford Ka                        |
| Session 8    | Course Review Project Presentations |                                                      | Group project write-up & related material            |
| 7/22         |                                                      |                                                      |                                                      |
| Session 9    |                                                      |                                                      |                                                      |
Tentative Session by Session Description

Session 1 (Tuesday, May 27)

Topic: COURSE INTRODUCTION
This lecture presents an overview of the course. We discuss the role of marketing research in managerial decision making. We will also discuss the research process – the sequence of steps followed in a typical marketing research study.

PROBLEM FORMULATION
This lecture focuses on the first, and arguably the most important, step in the marketing research process: the problem definition stage. We will also introduce the three primary types of research designs: exploratory, descriptive, and causal research.

Case: Tesco
This a customer-centricity success story about Tesco, a supermarket chain in UK. Customer focus has moved Tesco from a distant second to the undisputed leading grocery chain in the UK. Now, Tesco is the world most successful internet supermarket, one of Europe’s fastest-growing financial services company and one of UK’s fastest-growing businesses overseas. Please read the story below and think about the following issues:

1. How do you explain Tesco’s success story?
2. How do you explain the failure of competition to do the same?

Read: Backward Marketing Research
Optional: Text: Chapters 1 and 2

Guest Speaker: David Rothschild, Economist at Microsoft Research in New York.

Session 2 (Tuesday, June 3)

Topic: EXPLORATORY RESEARCH
We will focus on the role of exploratory research in gaining insights into a problem and formulating hypotheses for further testing. We will discuss some of the popular methods used in exploratory research.

Case: Delaware Coors
This case illustrates the choice of a research design and the role of market research in business analysis. Larry Brownlow is deciding whether or not to apply for a Coors beer distributorship. To make this decision, Larry must analyze the economics of the distributorship. To do this, he needs market research. The format of the class will be as follows:

1. Groups, playing the role of Larry, will “buy” market research from the instructor at the beginning of the class.
2. The class will split into groups for about 25-30 minutes during which time the economics of the distributorship is analyzed and a Go/No-Go decision made.
3. The class will reconvene and some groups will be asked to present their analyses.

Groups should prepare for this case by deciding before class; exactly what information they need to buy to make the Go/No-Go decision on the Coors distributorship. Groups should also have a game plan ready for how they will use the 30 minutes. Make sure to bring your laptops or calculators for this exercise.

**Guest Speaker: Alpa Pandya – SVP Strategy, Sterling Brands**

**Read:**
- Unleashing the joy of Reddi-wip & Fruit  
- Focus Groups That Look Like Play Groups  
- The Museum is Watching You  
  [http://online.wsj.com/article/SB10000872393538658332704575435463594652730](http://online.wsj.com/article/SB10000872393538658332704575435463594652730)

Optional: Text – Chapters 3, 4 and 5

**Session 3 (Tuesday, June 10)**

**Topic:** DESCRIPTIVE AND LONGITUDINAL RESEARCH

This session focuses on descriptive and longitudinal research. We will discuss quadrant analysis and concept testing. We will also discuss in detail the use of panel and scanner data in marketing decision making.

**Case:** Campbell Soup Russia

In 2007 Campbell was contemplating expanding into Russia using their best selling soup brand in Hong Kong, Swanson. Using the market research results, please answer the following questions:

1. Should Campbell introduce Swanson?
   - If yes, how should they market it?
   - If not, how else can they enter the market (e.g., introduce another of their soup brand icons in the US)?

2. Or should they abandon the whole project?

**Topic:** CAUSAL RESEARCH

In this session, we will discuss a different type of research design: Causal research. We will discuss when experiments may be useful tools, how to design experiments, and how to ensure that we do not make erroneous conclusions from experimental results.

**Read:**
- A Step-by-Step Guide to Smart Business Experiments  

Optional: Text – Chapters 6, 7

**Session 4 (Tuesday, June 17)**

**Case:** Cascade Foods
Cascade Foods needs to decide whether to enter the fruit drink market with an aseptic package (or “paper bottle”). If the product is to be introduced, the company needs to decide the pricing and advertising strategy. A four-month test market experiment with three price levels and two advertising levels was conducted to address these issues.

Discussion Questions:
1. Interpret the test market results. In particular, what is the impact of advertising on price sensitivity? Provide some possible explanations for your findings.
2. What marketing plan (price and advertising levels) do you recommend Cascade to adopt in the launch of its new product?

Topic: MEASUREMENT AND SCALING
Most marketing research surveys are designed to measure attitudes (e.g., brand awareness, purchase intent, customer satisfaction). We will discuss the most commonly used attitude measurement scales and their application to marketing problems.

Guest Speaker: Rajan Sambandam, Chief Research Officer, TRC

Due: Individual-case write-up for Cascade Foods

Read: When Voters Lie  http://online.wsj.com/news/articles/SB121763171653206035
David Takes on Goliath
The New Era of Online Consumer Surveys
Optional: Smart Survey Design
http://s3.amazonaws.com/SurveyMonkeyFiles/SmartSurvey.pdf
Optional: Text – Chapters 8, 9, 10

Session 5 (Tuesday, June 24)

Topic: SAMPLING
In this session we move into the next step in the marketing research process, the sample selection. To ensure valid results we need to obtain a representative sample of the target population. We will discuss two main issues (1) who do we include in the sample using various sampling plans; and (2) how many people do we need to survey.

Case: MassNORML (Group write-up is due at the beginning of class)
Massachusetts branch of the National Organization for the Reform of Marijuana Laws (MassNORML) was actively lobbying for passing a marijuana decriminalization bill through the state legislature. Voter attitude on this issue was considered a major factor. Consequently, MassNORML asked an independent non-political organization to conduct a survey to assess voter attitude about the bill.

Discussion Questions:
1. Ignoring possible sample bias, do the results of the survey favor legislation of marijuana? (Hint: compute the confidence interval for the total sample p.)
2. Do the results of the survey as a whole favor legislation of marijuana when the sample is corrected for the typical age distribution? (Hint: compute the confidence
interval for p.)

3. If you were Rep. Flaherty, would you be convinced that the people in South Boston favor legislation of marijuana? What would trouble you?

4. How large should the sample have been? How would you determine it?

5. Are there problems in the survey method that would undermine your confidence even if the sample size were adequate?

6. Are the results of Exhibit 2 consistent with the results of Exhibit 1? (Why wasn’t p bar = 38.1% if you corrected for the atypical sample?)

7. Now, if you were Rep. Flaherty and you saw the results, what would you do?

8. How will the results of the Boston Globe survey compare with these?

**Topic: BASIC ANALYSIS**

In this session, we introduce SPSS, cover some of the ‘nuts and bolts’ of preparing data for analysis and review some basic yet useful techniques such as frequency distributions, mean comparisons, cross tabulation, and correlations.

Due: Individual-case write-up for MassNORML

Read: Optional: Text – Chapters 11, 12

**Session 6 (Tuesday, July 1)**

**Topic: REGRESSION ANALYSIS**

In the first session, we introduce regression analysis.

In the second session, I will hold 15-30 minute meeting with each group to discuss the project, the data collection instrument, and sampling plan.

Read: Optional: Text – Chapters 16, 17, and 21 (pp. 669-679)

**Session 7 (Tuesday, July 8)**

**Topic: REGRESSION ANALYSIS & LOGISTIC REGRESSION**

In the first session we continue our discussion of Regression Analysis and its applications. In the second session, we discuss logistic regression.

**Case:** Pilgrim Bank (A)

This case is the first in a two-case series that analyzes customer profitability in a retail banking setting. Your task is to use data from a sample of customers to make recommendations about whether the bank should charge fees or offer rebates for use of the online channel. The data (posted on Canvas) consist of customer-level information on demographics, online channel use, and profitability.

**Discussion Questions:**

You will need to download data from Angel to complete these questions.

1. How do retail banks make money from their customers? How much variations are there in profit across customers?
2. Based on the 1999 sample of customers, what can Green conclude about the average profitability of Pilgrim Bank customers?
3. Is the difference in average profitability between online and offline customers in the sample indicative of a meaningful difference in profitability across these groups in the entire population of Pilgrim Bank’s customers?

Read: Optional: Text – Chapter 18 (pp. 588-593)

Session 7 (Tuesday, July 15)

Topic: FACTOR ANALYSIS & CLUSTER ANALYSIS

Is there any structure to the way people feel about cars? Are there any overarching factors that affect the way in which people respond? Factor Analysis is a tool that can group correlated variables to form factors or indices. This technique is also commonly used in the industry for the purpose of creating perceptual maps for product positioning. In this session we will discuss the basics of this technique and its applications.

In the second session, we discuss cluster analysis, a method for grouping consumers into segments.

Case: Pilgrim Bank (A) Continued (Second Part)

Discussion Questions:
4. What role do customer demographics play in predicting customer profitability for online and offline customers? What is the effect of online banking use on customer profitability (i) when you do not include demographic variables in the regression and (ii) when you include them? Could you explain why the results are different?
5. Can cause and effect be established between online usage and customer profitability?

Case: Pilgrim Bank (B)
1. How well does knowing whether a customer used online banking in 1999 predict how profitable that customer will be in 2000?
2. How well does knowing whether a customer used online banking in 1999 predict whether or not that customer stays with the bank through 2000?
3. Does knowing the demographics of a customer (e.g., the customer’s age and income) in 1999 help to predict customer profitability and/or retention in 2000?

Due: Case Write-up for Pilgrim Bank (A), Questions 4 and 5 only.

Read: Optional: Text – Chapters 19 and 20
Session 9 (Tuesday, July 22)

Topic: NEW TOPICS IN MARKETING RESEARCH

Case: Ford Ka (*Group Write-Up due at the beginning of class*)
In the first part of the class we will use the “Ford Ka” case to highlight the relationship between marketing research and strategic marketing decisions. In response to the changes in the European small car market, Ford decided to launch a second small car, the Ford Ka. This case focuses on the use of marketing research and alternative data analysis methods for market segmentation and target selection.

Discussion Questions:
1. How did Ford (and other car manufacturers in general) segment the overall car market? What was the typical small car marketing strategy in the past? Is the existing segmentation approach still applicable for Ford Ka?
2. Can different demographic variables separate out “Ka Choosers” and “Ka Non-Choosers”? (hint: use cross-tabulation).
3. Are there distinct attitudinal segments? If so, how are these segment different and how well can they separate between “Ka Choosers” and “Ka Non-Choosers”?
4. What segmentation approach do you recommend and who is your target buyer? Why?
5. What potential implementation problems do you expect with your recommended approach?

Guest speaker: Tom Anderson, CEO, Anderson Analytics

Due: Case Write-up for Ford Ka

Read: Neuromarketing: Tapping into the ‘Pleasure Center’ of Consumers
Promises and Pitfalls of Social Media Research
Shape of Marketing Research in 2021

Session 10 (Tuesday, July 29)

Topic: COURSE REVIEW

We will conclude the course by summarizing the lessons learned during the semester and providing an overview of emerging trends in marketing research.

Topic: PROJECT PRESENTATIONS

Due: Project Report and related material