Chapter 3
Problem Definition, Research Objectives, and Marketing Research Ethics

Times When Marketing Research Might Not Be Needed (Ex. 3.1)
- Information Already Available
- Insufficient Time Frames
- Inadequate Resources Availability
- Costs Outweigh the Value of Information

Pragmatic Forms of Information
- Subjective Information: Judgmental Information Based on Past Experiences
- Secondary Information: Existing Forms of Information Collected for Other Purposes
- Primary Information: New Information Obtained Through the Research Process
Bush, Ortinau, and Hair, 1st Edition
Chapter 3. Problem Definition, Research Objectives, and Marketing Research Ethics

Scientific Forms of Information

- **Facts**: Information that is observable and verifiable as being true.
- **Estimates**: Facts that are generalized about a larger source.
- **Predictions**: Future projections of estimates.
- **Relationships**: "Cause and effect" between two variables.

Phase I. Determination of the Information Research Problem

Task Steps that Will Aid in the Achievement of this Objective Include:

1. **Task Step 1. Determine and Clarify Management's Information Needs**
2. **Task Step 2. Redefine the Decision Problem(s) as Research Problem(s)**
3. **Task Step 3. Establish Research Objectives and Evaluate the Potential Value of the Information**

Determine & Clarify Management’s Information Needs (I 3.1)

- Understand the Complete Problem Situation
- Identify and Separate Out Measurable
- Determine the Relevant Variables/Constructs to the Situation
- Determine the Unit of Analysis
- Integrated Problem Definition Process
- Decision Maker’s Purpose of the Research Request

Purpose of the Research Request
Why should the research process be undertaken?

Understand the Complete Problem
Perform a Situation Analysis to better understand the problem & circumstances.

Identify Measurable Symptoms
Separate the root problem from symptoms.

Determine Unit of Analysis
Who or what will be studied?

Relevant Variables to the Situation
Determine Constructs that are relevant to the decision problem.

Redefine Decision Problems as Research Problems
Redefining the Decision Problem is the Most Critical Step in the Information Research Process.

Type of Questions That Must Be Answered to Provide Information

Development of Research Hypotheses

- A hypothesis is an unproven statement of a research question in a testable format.
- Hypotheses can be empirically tested using data that are collected through the research process.
Establish Research Objectives and Evaluate Value of Information

- **Determining Research Objectives**
  - Precise statements of what a research project will attempt to achieve; a blueprint.
  - Specifies information required to assist in making decisions.

- **Determining Value of Information**
  - Cost should not exceed value.
  - Information for decision making will usually be insufficient.
  - Research should be reviewed to make sure right track is maintained.

Considerations in Evaluating a Marketing Research Project (1.3.2)

- Value of the Proposed Research Endeavor
  - Project Costs and Time Frame
  - Confidentially
  - Data Validation
  - Objectivity
  - Inaccurate Data

Considerations in Evaluating a Marketing Research Project

- **Pricing the Research Project**
  - Request an itemized list of activities with an assigned dollar value to each.
  - Must also evaluate time frame of project.

- **Objectivity**
  - Sampling procedures employed to avoid sampling bias.
  - Proper statistics used and employed.
  - Research design employed to yield objective data.
Considerations in Evaluating a Marketing Research Project

- Confidentiality
  - Statement of confidentiality from research firm; all data remains the property of decision maker.
- Inaccurate Data
  - Both controllable and uncontrollable factors should be analyzed for data accuracy.
- Data Validation
  - At least 20% of total responses should be validated to ensure accurate data collection.

Assessing the Quality of a Contracted Research Firm

- Technical Competency
- Marketing Knowledge
- Reliability of Service
- Conformance to Standards
- Research Provider’s Reputation

Ethics in Marketing Research Practices

Ethics refers to the practicing of established sets of appropriate principles, standards and codes of professional behavior by all parties involved in the development and implementation of all phases of the research process.
Ethical/ Unethical Practices in Marketing Research

Major Sources for Creating Ethical Dilemmas in Marketing Research Practices are From Interactions Among:

- Research Information Providers
- Researchers
- Research Organizations
- Selected Respondents
- Subjects
- Objects of Investigation

Potential Unethical Activities

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<thead>
<tr>
<th>Research Co.</th>
<th>Researcher</th>
<th>Decision Maker</th>
<th>Respondent</th>
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<tr>
<td>• Unethical Pricing Practices</td>
<td>• Falsifying Data</td>
<td>• Request Research Proposal With No Intentions of Selecting Firm</td>
<td>• Providing Dishonest Answers or Behaviors</td>
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<tr>
<td>• Never Fulfilling Their Promises</td>
<td>• Duplicating Actual Response Data</td>
<td>• Promoting a Long-Term Relationship in Exchange for a Low Price, Even Failing to Honor Commitment</td>
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<tr>
<td>• Respondent Abuse</td>
<td>• Consciously Inappropriate Manipulation of Data Structures</td>
<td>• Do Not Report Findings At All</td>
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<td>• Unnecessary or Unwarranted Research Services</td>
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Marketing Research Code of Ethics

- Establishment of company ethics programs.
- Code of Ethics for the American Marketing Association.
- Numerous professional marketing research associations have been formed in attempts to bring higher integrity to the marketing research industry.
## Summary of Learning Objectives

- Distinguish types of pragmatic and scientific-oriented information needed in determining and resolving information problems or questions.
- Describe the nature and purpose of a marketing research project.
- Illustrate and explain the critical elements of problem definition in marketing research.
- Evaluate the expected value of information obtainable through marketing research.

## Summary of Learning Objectives

- Identify and discuss both the procedural and methodological factors used in evaluating a marketing research project.
- Discuss how price is determined and impacts marketing research.
- Identify and explain the characteristics used to evaluate a supplier of marketing research.
- Discuss issues centering on ethical and unethical practices in the marketing research industry.