Why the authors developed 2e:

- methods used to teach marketing research do not reflect practices occurring in the marketing research industry
- current texts do not meet the needs of the majority of students enrolled in the marketing research course required for marketing majors
- current texts cost too much!

4 themes set Clow-James 2e apart:

- strong emphasis on how to use marketing research to make better management decisions
- focus on understanding and interpreting marketing research studies
- application of marketing research to marketing and business situations
- integration of data analysis, interpretation, application, data presentation, and decision making throughout the entire text.

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Marketing Research Principles 2e
Putting Research into Practice

Kenneth E. Clow and Karen E. James

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Preface

"The only thing constant in life is change." This famous quote, largely attributed to French philosopher François de la Rochefoucauld, seems custom-made for marketing research. Clearly the field is changing. New technologies and emerging social trends make marketing research one of the most interesting and possibly volatile career choices possible.

We developed *Marketing Research Principles 2e* because we concluded that the methods used to teach marketing research do not reflect practices occurring in the marketing research industry. Further, we believe that the currently available texts do not meet the needs of the majority of students enrolled in the Marketing Research course required for marketing majors. Toward that end, this book features four themes that make it distinct from other books and more useful to marketing students. These include:

- strong emphasis on how to use marketing research to make better management decisions
- focus on understanding and interpreting marketing research studies
- application of marketing research to marketing and business situations
- integration of data analysis, interpretation, application, data presentation, and decision making throughout the entire text.

First, we *put research into practice* in every chapter. The goal is to show students how research is used by marketing professionals to make more informed decisions. While uncertainty cannot be eliminated, marketing research can reduce the uncertainty faced by managers in the decision-making process.

Second, the book has a *focus on understanding, interpreting, and reporting marketing research studies*. While statistics and analytical techniques are presented in the text and are important, the focus of this text is on how to understand those findings and, more important, how to interpret the findings in a practical manner. Data analysis may show something to be significantly different, but what does that mean? How can it be interpreted and is it of managerial significance? How can data be visually reported to decision makers? These types of questions are answered in every chapter of the text so that students can see how marketing research is used by businesses in the twenty-first century.

Third, this text focuses on the *application of marketing research to marketing and business situations*. The marketing situations faced by businesses today are different from those businesses faced even ten years ago. Social media especially has revolutionized the way consumers communicate and how businesses market their brands. These changes have also affected marketing research, especially in terms of data collection. However, they have also affected reporting of results and the role marketing researchers have in the development of marketing strategies.

Key Features

This textbook is designed to help students learn, understand, and apply the concepts and theories of marketing research. A variety of methods are used to reach this goal. Each has a special purpose that addresses a component of learning.
Chapter Openings

Each chapter begins by describing the results of a research study that apply to the topics presented in that chapter. The research results are taken from a variety of industries, with an emphasis on social media and digital marketing. This approach allows students to better understand how marketing research is used by firms to make decisions. It also exposes students to research findings of practical value. Thus, students not only benefit from a better understanding of how research results guide decision making, but also their understanding of marketing tactics and decision making is enhanced.

Statistics Review

Chapters 1 through 12 each have a "Statistics Review” section that revisits basic principles of statistics. Rather than focusing on theory and formulas (as is common in statistical textbooks), the Statistics Review sections emphasize the practical interpretation and application of the statistical principle being reviewed. Because many students take statistics two to four semesters prior to the Marketing Research class, this content provides a necessary and helpful refresher of statistical topics. Furthermore, the section addresses a common problem among undergraduate students in that many suffer from a disconnect between statistical theory, as explained in statistics courses, and practical application and usage of statistics, as is required in marketing research courses.

Statistics Reporting and Statistics Reporting Exercises

As the name implies, the Statistics Reporting section focuses on the various methods by which data can be visualized and presented to decision makers. A variety of graphing and charting techniques are explored with special emphasis paid to the type of data appropriate for each chart as well as proper labelling of information. Infographics are also discussed in the final chapter. The Statistics Reporting Exercise provides students with the opportunity to practice the creation of graphs, charts, and infographics.

Dealing with Data

As with the Statistics Reporting section, each chapter has a feature called “Dealing with Data.” Most marketing research textbooks wait until the final few chapters to present data analysis and interpretation. Starting with Chapter 1, this text provides students with multiple opportunities to practice interpretation and application of results to marketing decisions throughout the entire semester. When the section is used on a regular basis, repetition helps students to internalize the information, allowing for true learning to occur. Because students begin “Dealing with Data” in the first chapter and continue through the rest of the book, they develop a superior understanding for how to interpret and apply research results. Multiple SPSS data sets are provided at the textbook’s accompanying website (www.clowjames.net/students.html) for instructor and student use (see screenshot on the next page). These data sets can be used for the purposes outlined in each chapter’s Dealing with Data section or can be adapted by the instructor for use with additional assignments. For instructors who do not want to spend time teaching SPSS during class, step-by-step instructions for running analyses in SPSS are available at the textbook website. These instructions can also be used by students for review of the analytical process.
Lakeside Grill (Comprehensive Case)

The “Lakeside Grill” is a comprehensive case and is positioned at the end of each chapter. The unique feature of this case is that students conducted it. As such, it can be a valuable teaching tool in a number of ways. While the team of students makes some very good decisions in the research process, they also make some decisions that are not optimal. Questions follow each of the cases. These can be used for class discussion, in-class group work, or individual assignments. Because it is a continued case, Lakeside Grill shows potential trade-offs, difficulties, and flaws that often occur during the implementation of a research project. Students can critically evaluate the decisions made, how they were implemented, and suggest improvement. When assigned on a regular basis, this section is useful for reinforcing the chapter material and is very helpful in terms of developing students’ critical thinking and analytical reasoning skills.

Chapter Terms

Every term presented in orange boldface is defined in the order it appears in the chapter. This helps students to both review the chapter and re-examine the terms to make sure they understand them.

Critical Thinking Exercises

These are not review questions. These critical thinking exercises are applied in nature and emphasize key chapter concepts as well as understanding marketing research results and how they can be applied to decision making. The exercises require students to utilize critical thinking and analytical skills. Critical thinking exercises can easily be incorporated into class discussion or assigned as homework. They might also be used as exam questions for those who prefer short-answer or problem-oriented testing.
Resources for Students

Several resources are available to students via the textbook website found at www.clowjames.net/students.html. Data sets and files related to the Dealing with Data and Lakeside Grill exercises can be downloaded from the student website, along with step-by-step SPSS instructions. Links to a variety of videos related to marketing research are also available. These can provide an excellent review of marketing research topics. Students can also access the Clow James Blog at http://blogclowjames.net, which offers continuously updated articles, videos, and additional exercises pertaining to marketing research.

Resources for Professors

One of our goals in creating this textbook is to make sure professors can augment each chapter’s content with additional teaching resources available at the authors’ website (www.clowjames.net/students.html) and the authors’ blog (http://blogclowjames.net). For the resources mentioned below, please click Contact Us at the publisher’s website (www.textbookmediapress.com). The total package for this book includes the following.
Instructor's Manual

The instructor’s manual provides an outline of each chapter that can be used as a guide for lectures. Answers to the Critical Thinking Exercises and Dealing with Data feature are provided. Notes related to the Lakeside Grill continuing case are also included. Suggestions for class discussion and the use of the other teaching resources are also provided.

Test Bank-Test Disk

The test bank consists of true-false, multiple-choice, and short-answer questions. Answers to each are given along with the chapter section from which the question was taken. The questions range from simple memory exercises to those requiring more sophisticated thought processes and answers. The test bank is available in a MS Word file or on a test disk. The Test Item Files are available in computerized Test Banks that use Diploma Software from Wimba (part of Blackboard, Inc.) The software allows the instructor to easily create customized or multiple versions of a test and includes the option of editing or adding to the existing question bank.

SPSS Data Sets

A number of data sets are provided at the accompanying website, www.clowjames.net/students.html. While these data sets are designed to accompany specific sections of the text, such as Dealing with Data, they can be used for additional exercises or analysis. In addition to the data sets, detailed instructions are provided for using SPSS on the website. These instructions can be used to supplement classroom instruction or be assigned to students, allowing the instructor to focus class time on other topics. For individuals teaching an online course, these instructions are especially valuable.

PowerPoint® Lecture Slides

A full set of PowerPoint® lecture slides is provided for each chapter. These slides highlight the key points of the chapter. Especially useful are all of the graphs, tables, and charts that are featured in the text. In addition, SPSS results are shown for the Statistics Review and Dealing with Data sections.

Blog

The authors have developed a blog to accompany the textbook and continually provide new materials. Found at http://blogclowjames.net, the blog has links to marketing research articles and YouTube videos arranged by chapter. Each blog entry is accompanied by questions that can help to enhance students’ understanding of chapter material if assigned for class discussion or as an outside class exercise.

The blog also contains additional exercises that match the Dealing with Data sections of each chapter using different data sets that are not part of the textbook. These Dealing with Data exercises in the blog can be used for additional assignments, chapter review, in-class group work, or even for testing. They can enhance an online or face-to-face course by providing similar Dealing with Data assignments, allowing an instructor to assign students different data sets. This helps prevent copying and students sharing homework answers, resulting in greater learning.
Videos

The authors have identified some excellent YouTube videos that can be used with the textbook. These are available at http://www.clowjames.net/videos.html. These videos can be used as a review of major topics presented in the chapters. Since they are not created by the authors, the videos present the information from a different angle. Hearing the same thing from different sources can enhance recall and learning of materials. The videos can be especially useful for online marketing research classes. The video list is continually updated to ensure research topics are adequately covered.

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Part II

Types of Marketing Research
Chapter 3: Secondary Data and Research

Chapter 4: Qualitative Research

Chapter 5: Observation Research

Chapter 6: Survey Research

Chapter 7: Experimental Research
Chapter 3
Secondary Data and Research

LEARNING OBJECTIVES
After studying this chapter, you should be able to:

- Discuss the advantages and disadvantages of secondary data.
- Identify key uses of secondary data.
- Explain how internal sources of data can be used for secondary research.
- Describe the open access sources of secondary data.
- Summarize the primary differences among the bibliographic digital databases.
- Identify and explain the types of data available from syndicated sources.

3.1 Chapter Overview
A number of marketing research firms, such as the NPD Group (https://www.npd.com), collect data about retail sales on a regular basis. The data are organized, analyzed, and then sold to clients and other interested businesses. It is cheaper for firms to purchase data from a firm such as the NPD Group than for each company to collect its own data. An example of this type of data is shown in Figure 3.1 (next page). The graph shows the percent of consumers who have made online purchases in various product categories.

The leading category is electronics and appliances, which account for 21.9 percent of all online retail sales. Very close is apparel and accessories at 20.9 percent. These two categories account for over 40 percent of all e-commerce sales. This type of information is very useful to online retailers and manufacturers who sell through online retail outlets. It can be used by online retailers in modifying websites or the merchandise mix to better meet the needs of consumers. Companies do not always have to collect their own data to make good marketing decisions. Often, data can be purchased from another source, such as the NPD Group, Nielsen, or Retail Metrics.
3.2 It All Begins with Secondary Data

[Learning Objective 3.1: Discuss the advantages and disadvantages of secondary data.]

Data previously collected for purposes other than the current study at hand is secondary data. By contrast, primary research involves focus groups, questionnaires, experiments, or observation studies specifically developed to help answer the research questions currently being investigated. While both types of research may be necessary to fulfill the research purpose, research studies should always begin with secondary data research. Secondary data is an important method for gathering competitive intelligence, understanding public opinion, and adding context and background information to a study. While this type of research may not answer all of the questions being posed by the researcher, gathering secondary data is almost always a useful exercise that can produce a number of benefits. It is well worth the time and effort and, in some cases, secondary data can provide adequate information that can be used by management for making better-informed decisions. The primary advantages and disadvantages of using secondary data are listed in Figure 3.2 (next page).

3.2a Advantages of Secondary Data

The major advantage of secondary data is its accessibility, which in turn produces cost and time savings. From the Internet, library, databases, syndicated data sources, or internal company sources, a marketing researcher may be able to locate useful infor-
Chapter 3

SECONDARY DATA AND RESEARCH

If so, the amount of time it takes to acquire the information will be considerably less than if primary research was undertaken. It also would be much less costly to acquire for several reasons. First, internal data and many forms of high-quality secondary data are available free of charge (such as census data from the government). Secondly, even data which are purchased from syndicated sources costs less, because the overall study expense is shared among multiple subscribers, making each individual purchaser’s cost a fraction of the whole. A syndicated source is a marketing research firm that supplies standardized information to a number of clients, such as the NPD Group or Nielsen. Finally, secondary data will cost less and take less time than collecting primary data because all of the steps outlined in Chapter 2 for the primary research process would not have to be followed.

Consider a company that needs to make a decision on how much, if any, of its advertising budget should go toward location-based mobile advertising. The proposed media change might be based on the belief that, since so many individuals have mobile phones, the probability of the ad being seen on a cell phone is greater than the probability of it being seen via television or one of the other traditional media. In addition, if location-based mobile advertising is used, then only individuals within a specified distance from the firm’s retail outlets would receive the ad. Faced with this decision, management may request a research study to determine if some of the advertising budget should be allocated for location-based mobile phone advertising.

In conducting secondary research, the researcher might locate an analysis of 2,500 location-based advertising campaigns by Verve Mobile. The most common form of location-based advertising was by designated marketing areas (DMAs). Geo-aware ads were a close second. With this approach ads are triggered by a consumer’s location around a retail outlet. The study indicated that geo-aware ads yield the highest performance with a 1 percent click-through rate. While this sounds low, this is twice the engagement rate of other types of mobile ads. Thus, if the company wants to spend money on mobile phone advertising, then using geo-aware advertising may be a wise strategy. While primary research might provide more specific information, the secondary research may be sufficient for management to make a decision on whether or not to allocate money for location-based mobile advertising. If so, the company has saved considerable time and money since the information could have been obtained within a few

Figure 3.2: Advantages and Disadvantages of Secondary Data
hours compared to the several weeks or months required when conducting a primary research study.

### 3.2b Disadvantages of Secondary Research

A number of disadvantages are associated with secondary data. First, the exact information needed may not be available. This occurs when the information that management is seeking has not been studied by someone else. For example, a company such as John Deere may want information about how consumers and commercial customers feel about its line of lawn mowers with a hydrostatic transmission. They may also wish to know if there is a difference in attitudes between consumers who purchase the lawn mower and commercial customers such as golf courses, school districts, hospitals, and parks. A study identified via secondary research may rank the various brands of lawn mowers. Another study may have examined consumer preferences in terms of the desirability of lawn mower features. However, neither secondary study tells John Deere what consumers and commercial customers think of their lawn mower featuring the hydrostatic transmission. Such is often the case with new products that have just been introduced to the market. Some primary research would be needed to answer such questions.

Unfortunately, a great deal of secondary data will be irrelevant to the research purpose. Carefully crafted search phrases can limit the degree to which superfluous information is found when searching electronic databases or the Internet. A major source of frustration for many marketers occurs when secondary data is found which is “close” to what is being searched for, but which uses irrelevant units of measure in defining the target market or other variables of interest.

A researcher might be seeking information on the number of unique (separate) individuals who use mass transportation in an average month. Suppose a secondary research study was found which listed the number of fares collected each month by type of public transportation. Unfortunately, this information would be irrelevant; the number of fares collected cannot be used as a proxy for the number of unique riders. Fares are collected each time a rider uses the bus or city train system. Thus, a commuter who takes the bus to work each day would log ten fares in a single week. Using fares as a proxy for riders would overstate the number of individual people using the transportation system.

Secondary data might be available and it might be relevant to the current research topic, but still be insufficient to answer the research question. Suppose three years ago John Deere conducted a study that examined how customers felt about its line of lawn mowers and the various features that it offered. The study may have compared the John Deere brand to other brands. But, the study did not survey commercial customers. Thus, the secondary data is not sufficient to answer the current research question of whether the feature was desired by its commercial customers.

### 3.3 Evaluating the Accuracy of Secondary Data

In using secondary data, it is important to assess its accuracy. As shown in Figure 3.3 (next page), a number of issues need to be examined. Data may be easily accessible and save a company money and time, but if it is inaccurate, then flawed decisions will be made that could cost the firm more than if it had conducted primary research initially.
3.3a Data Source

Evaluating the accuracy of secondary data begins with determining the source of the data. With the Internet, secondary data is readily available. It is not, however, always easy to determine who produced the data. Websites do not always clearly identify the company or organization behind the site or the data. This is especially true with blogs and microsites that companies have developed for specific purposes. It is also true of sites hosted by individuals. The researcher must be very careful not to mistake statements of opinion for statements of fact. Anyone can say anything on a website, but without insight into the source of the data, the sample studied, and the methodology used to collect and analyze data, taking results on blind faith can be dangerous and result in poor decision making.

Sources of data that tend to be accurate include government organizations, major syndicated data providers, custom research firms, trade organizations, and educational institutions. The federal, state, and even local governments produce a large number of data sets that are publicly available free of charge to individuals and companies. Syndicated data providers exist for the sole purpose of gathering, analyzing, and packaging standardized data to multiple subscribers. Thus, the data they provide must be of high quality in order to keep their subscriber base strong. Custom research firms are also actively involved in collecting data. Similar to syndicated data, some data collected by these research firms may be available for businesses to purchase at a price that is typically much cheaper than collecting the same data through primary research. However, much of the data collected by custom research firms is propriety and belongs to the client who paid for the study.

Custom research firms will sometimes publish the results of studies for free. The rationale for publishing this information is usually to show the research firm’s expertise and to encourage additional business from companies interested in the topic. Care should be taken, though, because published studies of this nature - though accurate at the time of data collection - can be out of date. It would be erroneous to assume that the quality and accuracy of data gathered by custom research firms is always inherently strong. Unlike syndicated firms, which rely on repeat business in the form of subscriptions, custom research firms are more dependent upon new business. Bidding low to secure a research project may result in cutting corners during study implementation, or simply failing to pay attention to detail, either of which can damage the accuracy of the information collected. The marketing research profession does not currently require that those who call themselves professionals be licensed or certified. Thus, the quality
and accuracy of data provided by custom research firms can vary. The expertise and training of the staff assigned to a project can be a major contributing factor. Reputable firms will disclose the methodology of their studies in detail when asked, maintain strict quality-control measures, and adhere to proper sampling practices.

Trade organizations will collect data unique to the industry and make that information available to firms within the industry. Some of the data will be used as the basis for articles posted in the trade journal and on the trade organization’s website. Other data can be purchased by firms within the industry.

The last source of secondary information is educational institutions. Most of this data is free and collected as a public service. Many universities have centers for economic research that study issues affecting the local workforce and economy. Many other types of studies are published in academic journals which can be accessed through a library database subscription.

3.3b Purpose of Study

Accuracy of secondary data is affected by the purpose of a study. Studies are sometimes conducted to justify a particular position (advocacy research). In such cases the results may be biased, or at least the methodology will be suspect, since the goal was to arrive at a pre-determined result. An advertisement for a particular type of toothpaste or toothbrush that states 7 out of 10 dentists recommend the brand is likely an advocacy study.

Often it is difficult to determine the purpose of a study. In such cases it is important to look at the source of the study, why it was conducted, and the sample used. Consider the results shown in Figure 3.4 (next page) for a study conducted by BlogHer. Respondents indicated they spend more time reading blogs than they do watching TV, listening to radio, or reading print media. The sample was primarily individuals from the BlogHer Network, which provides a valuable clue as to the results found. Since the respondents are members of the BlogHer Network, they would be more inclined to reading, commenting, and writing blogs, which helps to explain the results. While the purpose of this study is not fully known, the sample and the source of the study show a bias toward individuals, very likely females, who like blogging. It would be difficult for any company other than BlogHer to use this data to make management decisions. Certainly it would be inappropriate for another firm to conclude that all women like blogging; doing so would lead to added and unnecessary expense should the firm then decide to create blogs on product websites which primarily cater to women.

3.3c Sample Selection

Who constitutes the sample and how they are selected is critically important in determining the accuracy of secondary data. Referring back to Figure 3.4, note that the sample not only is part of the BlogHer Network but they are active social media users. By sampling active social media users it is not surprising to see that 96 percent read blogs “weekly or more.” If occasional social media users were surveyed or even non-social media users, the results would be quite different. Similarly, if Ford surveyed only individuals with incomes of $75,000 or more concerning their attitudes towards the Ford F-150 series pickup trucks, the results would be different than if all consumers, regardless of income, were surveyed.
With secondary research the means of selecting the sample may not be stated or otherwise be evident. But it is important because the sample needs to represent the population being studied. If a company wants to use the results of a secondary research study to support a management decision, then the sample needs to represent the company’s population or target market for which the decision will be made. For instance, the sample used by BlogHer was predominantly female. It would not be representative of the population as a whole. As mentioned earlier, it isn’t even representative of all females, but rather just those who are actively engaged with social media and who are members of BlogHer network.

### 3.3d Data Collection Process

Even harder to determine when evaluating the quality of secondary data is when the study was undertaken, how the data were collected, what type of analysis was conducted, and how the analysis was interpreted. All of these facets of the research process are important in determining the accuracy of data. A study examining what people do on the Internet would be of little value today if conducted five years ago, or even three years ago. Too much has changed; blogging and social networking opportunities have grown exponentially, while new alternatives - such as watching entire television episodes online - have been made possible by enhancements in technology.

Seldom would the research methodology details be provided within a published report. The information can be obtained, however, if the secondary data is purchased from a marketing research firm. If the source is government data, such information might be contained in footnotes or available upon request.

Consider a study from the Council of Research Excellence on the viewing habits of individuals before, during, and after televi-
sion commercials. According to the study, only 14 percent of viewers switch channels during the commercial break compared to 11 percent who change channels during the four minutes before the commercials and 13 percent who change channels in the four minutes after the break. The study was designed to support the concept that the majority, 86 percent of viewers, watch television commercials. The sample consisted of 375 adults, and the study tracked live TV-consumption across 750,000 minutes of television broadcasting.

With more scrutiny, it can be seen that the study examined only live television watching, not DVR viewing. While the study appears to support the idea that individuals watch television commercials, there is no record of how the sample was selected and whether the 376 people were representative of the U.S. population. Also, the report does not tell how the data were collected and if the viewers were actually watching the commercials, or if they had left the TV to go to the kitchen, bathroom, or to do something else. For the researcher to be able to use this secondary data, it would be important to have more information about the sample selection, the data collection process, and analysis of the data. The results might be legitimate, but not enough details are provided to know for sure.

3.3e Data Analysis

The accuracy of the data can be greatly influenced by the type of analysis performed and the degree of error that the researcher finds acceptable. Determining whether the data were properly analyzed can be quite difficult since access to the questionnaire or data collection instrument, results of the full data analyses, and the data set used in analyses is rarely, if ever, available. Furthermore, a strong working knowledge of statistics and the properties of different types of data yielded by the types of questions or data collection methods are essential to understanding whether the analyses undertaken were appropriate. These topics are discussed in greater detail in later chapters, but the following illustration will help make the point. Suppose a survey question asked respondents to indicate their age by checking a category from among the following choices: less than 18, 18-24, 25-34, 35-44, 45-54, 55 and older. An analysis that reported an “average” age of 35, based on this data, would be inaccurate because means cannot be computed on the basis of categorical data. Only counts and percentages would be appropriate to report.

The degree of error allowed by the researcher is also critically important in judging the accuracy of the research. A survey that is purported to be accurate to within “plus or minus 10 percent” indicates a high tolerance of error. Suppose the survey found that 64 percent of the population was in favor of stricter political advertising regulations. In reality, the “true” attitude of the population could be anywhere between 54 percent and 74 percent in favor of stricter control, which is quite different!
3.3f Data Interpretation

Interpretation of some forms of data is highly subjective, such as the various forms of qualitative data that will be discussed in Chapter 4. When subjectivity is introduced into the data interpretation process, the accuracy of the results can vary considerably, depending on who interprets the results. For example, one form of qualitative data asks consumers to tell stories about products or consumption situations. Two psychologists trained in different schools of thought could realistically interpret the same story as having different meanings.

3.4 Key Uses of Secondary Data

[Learning Objective 3.2: Identify key uses of secondary data.]

Despite the disadvantages just cited, secondary data is important and useful to companies. It provides information that sometimes is impossible for a company to collect itself. It can also save thousands of dollars and provide quality information sooner than conducting primary research. At times, secondary research may even be superior to data a company can collect through primary research. Figure 3.5 identifies the key uses for secondary data.

- Exploratory Research
- Preparation for Primary Research
- Identifying Consumer Trends
- Industry Information
- Estimating Demand
- Selecting Target Markets, Trade Areas, and Sites
- Measuring Advertising Exposure
- Database Marketing
- Data Mining

Figure 3.5: Key Uses for Secondary Data

3.4a Exploratory Research and Preparing Primary Research

As presented in Chapter 2, secondary data is often used for exploratory research and as preparation for primary research. When a company doesn’t really know the problem it is facing, or needs additional information to determine the problem, exploratory research and secondary data can be helpful. In preparing a primary research study, secondary data can provide excellent background information and guide the primary research process. It can help the researcher decide the best research design, how to word questions, or suggest potential sampling sources (such as databases, panels, and lists). Rather than create an entirely new research design or questionnaire, researchers would do well to review secondary data for information on how previous research was conducted and to understand where improvements need to be made.

3.4b Identifying Consumer Trends

Secondary data is excellent for identifying consumer trends. Consider data released by the NPD Group concerning restaurant dining trends. The NPD Group found that over the last five years combo meals have declined at all types of restaurants. Overall, the decline is around 13 percent, or 1.1 billion combo meals. But, this decline is not spread evenly across all age groups. Notice in Figure 3.6 (next page) that the number of combo meals purchased declined for individuals under 18 and 18 to 34 years old, but actually increased for individuals in the two older age groups. But, the make-up of those combo meals was different. For the two older groups, instead of the typical French fries, individuals ordered healthier options, such as baked potato or salad.
A more comprehensive study of restaurant trends was conducted by Joseph Baum and Michael Whiteman Co., Inc. (JBMW). In addition to overall industry trends, the research also investigated menu and flavor trends. This information can be used by restaurant managers to guide their operations as well as marketing programs. The following trends were identified by JBMW:

- Restaurants are catering to kids with children’s menus and promotions that encourage patronage by families with kids.
- Increased emphasis is being placed on fresh, local, and hand-made menu items that customers feel are safer and better.
- Restaurants are losing control of what is being said about them. It is now in the hands of bloggers, texters, tweeters, and Facebook users. Consumers control the buzz.
- Menu churn, where restaurants are stealing successful menu items from competitors by creating an imitation, is common. This trend is even occurring across categories, such as fast food restaurants offering dine-in and specialty items, and the reverse.

When it comes to menu trends, the JBMW study found that consumers want breakfast foods available all the time (24/7), at both full-scale restaurants as well as limited-scale restaurants. Another menu trend is the increase in demand for Korean, Indonesian, and Southeast Asian food. Sweet potatoes are becoming known as the new functional food due to their rich dietary fiber content, vitamins C and B6, and beta carotene.
3.4c Obtain Industry Information

Another use of secondary information is to obtain industry information such as sales, market share, and competitive position. One source for the restaurant industry is *QSR Magazine*. Recently, data for the top 50 quick-service restaurants (QSR) was published. The data includes U.S. system-wide sales, average sales per unit, number of franchised units, number of company units, total units, and total change in units over the previous year. Figure 3.7 is a graph of the system-wide sales for the top 10 QSRs. McDonald’s has sales almost three times its closest competitor, Subway.

![Figure 3.7: Sales Data (in billions) for the Top Ten Quick-service Restaurants](Source: “The QSR 50,” QSR Magazine, www.qsrmagazine.com/reports/qsr50-2-13-top-50-chart), accessed January

Other industry information that was reported by *QSR Magazine* included the news that KFC became the best-selling chicken chain, and that Jimmy John’s and Five Guys reached a billion dollars in sales. The fastest growing chains are Wingstop and Moe’s Southwest Grill. Subway added the most new units, 956. This type of information can be used by quick-service restaurants to determine their position in the market and to develop marketing strategies.

3.4d Estimating Demand

Secondary data are often used to estimate demand. Demographic information from government sources such as the U.S. Census Bureau can provide raw numbers in terms of population. Industry reports from providers such as MarketLine aggregate data from trade associations, government reports, company annual reports and other sources. Often industry reports provide growth estimates or forecasts for business segments as well as competitive information about revenues and profits of particular businesses. Coupled with sales data from a company’s own database, estimates of future
demand can be forecasted. This information is then used to set production schedules, determine staffing, and set operating budgets. Many trade associations also provide data on sales, market share, and even market potential. For instance, *The Restaurant, Food & Beverage Market Research Handbook* provides sales data for various types of restaurants and the changes in sales during the last year, and over the last 10 years. This information can be used by a company to estimate their demand for the upcoming year. *Sales & Marketing Management’s Survey of Buying Power* provides subscribers with statistics, such as effective buying income (EBI) and the buying power index (BPI), for counties and media markets located throughout the U.S. Purchasing data, rankings, and demographics are also provided.

### 3.4e Selection of Target Markets, Trade Areas, and Facility Locations

Secondary data are beneficial in the selection of target markets, trade areas, and facility location sites. Not only can companies obtain population figures, they can also obtain maps with population densities shown. A number of companies specialize in geocoding, which involves combining geographic information with demographic and psychographic information. This can be extremely valuable for companies wanting to locate the right customer base for a retail outlet or even for developing an advertising or direct mail campaign.

A popular geocoding segmentation system is called PRIZM. PRIZM was developed by Claritas, and later purchased by Nielsen. For each zip code in the United States, PRIZM identifies the primary cluster segments. Claritas has identified a total of 66 different clusters or segments, each with its own characteristics. For instance, in Dallas, Texas the zip code 75205 consists of clusters called American Dreams, Bohemian Mix, Multi-Culti Mosaic, Urban Achievers, and Urban Elders. The American Dreams segment is described as an ethnically diverse population with about half of the residents being Hispanic, Asian, or African-American. America Dreamers are more likely to visit the zoo and own a Volkswagen when compared to the US population. The median income is $57,481. American Dreamers tend to be college graduates and work in white collar jobs. Individuals 55 years of age and older make up the largest age segment. About 2.28 percent of the US population fit into the “American Dreams” geo-segment.
In locating restaurants and other retail establishments, traffic counts can be obtained for major streets or highways. These data will tell a business how many vehicles and what types of vehicles pass certain points on a road. For downtown locations, pedestrian traffic counts may be important. Companies rely heavily on secondary data from transportation departments at the state and local level in choosing site locations.

3.4f Measuring Advertising Exposure

Advertising agencies and companies use secondary data to measure ad exposure. The most well-known source is Nielsen Media Research, which produces weekly Nielsen ratings for television. The ratings tell companies how many people were tuned into a specific TV program and thus how many potentially saw the advertisement. Nielsen ratings are one of the sources television programs use to determine advertising rates. The higher the Nielsen rating, the more it will cost to advertise on the program, since more individuals are exposed to the ad. Nielsen also produces ratings for the Internet. Similar figures can be obtained from other agencies for magazines (Starch Research, www.starchresearch.com) and radio (Arbitron, www.Arbitron.com). GfK Mediamark Research & Intelligence provides comprehensive information on consumer use of magazine, cable, and internet websites for specific brands, activities, and usage situations.

3.4g Database Marketing and Data Mining

Database marketing programs utilize secondary data. It can be internal data from a company’s own database or it might be purchased through one of the database marketing firms. For example, to receive a player card, casino patrons must first complete a questionnaire in which they provide contact information, demographic characteristics, and answer questions related to lifestyle interests. Patrons present this card whenever they play at the casino, and the player card system tracks and stores records of individual player behaviors related to the type of gaming activity, amount wagered, amount of time spent playing, and related activities (such as dining on premises and use of casino hotel). Using various computer programs, the data can be parsed to include only individuals that fit a specific target profile or meet some other criteria. A casino may want to target “high rollers” who like country and western music with an offer of a free hotel room and complimentary tickets to a Garth Brooks concert to entice them to “stay and play.”

Lastly, secondary data is used for data mining, which is the process of scanning and analyzing data to uncover patterns or trends. Many companies now have large databases of customers with millions of records. These can be mined in various ways. They can provide a profile of a firm’s best customers. They can indicate which products people tend to purchase together. For retail stores, they can provide information on what merchandise to stock and when it is usually sold. For example, Amazon’s website suggests products purchased by other users who also purchased items being considered by those who search its website. This is based on data mining of internal information, in this case, Amazon’s past sales data.

In conducting marketing research, secondary data should never be overlooked. It is an excellent place to start a research
project. It is cheaper and quicker. It may provide the information that is needed. If not, secondary data can provide clues or information on how best to conduct additional research.

### 3.5 Sources of Secondary Data

Secondary data can be obtained from a number of different sources and, with the Internet, is often readily accessible. The primary source categories of secondary data are shown in Figure 3.8. The best source depends on the type of information needed, how quickly the information is needed, and if the firm has a budget to purchase secondary data.

#### 3.5a Internal Sources

[Learning Objective 3.3: Describe how internal sources of data can be used for secondary research]

Keep in mind that any internal data that has been collected for a purpose other than the current study is secondary data. Even a primary research project that involved data collection just a month ago is secondary data if it was not specifically collected for the current research agenda. Past marketing decisions, sales data, cost data, customer data from the company’s database, and internal accounting system data are all secondary data.

Many research studies are undertaken for the purpose of deciding how best to market a good or service. An important form of internal secondary data to be examined in such cases relates to past marketing decisions. Budget allocations by media type, advertising campaign themes, sales force quotas, allocation of sales forces across geographic territories and the like are just some of the factors which might be examined, particularly when considered in conjunction with the outcomes resulting from these decisions.

Rather than conduct primary research or hire a marketing research firm, a number of marketing and management questions can be answered with a company’s sales data. If collected and stored correctly, sales data can be used to:

- Build a profile of a firm’s customer base or its best customers.
- Determine the profile of customers who purchase a particular product.
- Geographically locate particular types of customers for a variety of marketing programs, such as billboard locations, radio advertising campaigns, or a sampling campaign.
- Identify the best prospects for cross-selling of other products.
- Determine the best channel of communication with customers, or the best channel of distribution.

![Figure 3.8: Primary Source Categories of Secondary Data](image-url)
- Determine the most profitable segments of customers to pursue.
- Determine the best social media venues to use to engage consumers with the brand.
- Identify the most effective digital marketing strategies.

For retail stores, sales data obtained through their own checkout scanners can provide considerable information that can be used for marketing and merchandising decisions. If the store has loyalty cards where the data can be tied to specific customers, it becomes even more valuable. Retailers can use the information to determine what products are often purchased together, then use cross-promotions to encourage purchases. The store can also place items close together that tend to be purchased within the same shopping trip. Special promotions, coupons and point-of-purchase displays can be tested for effectiveness. For retail chains, a number of marketing programs can be tested in various stores and then compared to stores that use a different marketing program or none at all.

Companies that maintain a customer marketing database have an advantage when it comes to secondary internal data. A marketing database is different from an accounting database. An accounting database contains a record of customer transactions, follows the rules of accounting, and is used for accounting purposes. A marketing database contains records of customers that involve communication interactions, demographic profiles, and any other information that a company has collected or purchased from an independent marketing data research firm.

Marketing databases allow researchers to investigate a number of additional questions not possible with accounting data only. A company can examine the various methods customers use to interact with the firm. These can be analyzed further to determine the best channels of communication for various target segments. Demographic profiles and, if it is in the database, even psychographic, behavioral, and attitudinal information can be tied together to create a much richer description of a firm’s market segments. How much can be done with a firm’s marketing database is determined, of course, by the amount of data it contains and the flexibility of the software used to access the data.

Tying the accounting and marketing databases together allows a researcher to identify various characteristics of market segments based on actual purchases. Rather than arbitrarily selecting the “best” marketing segment for a product, a firm can use the marketing database to systematically determine who is purchasing the product and the characteristics of those buyers. This profile can be valuable for advertising purposes because it will allow advertising agencies and individuals designing ads to better understand the type of consumer who is purchasing the product.
A primary advantage of using internal data first is that it is readily and easily accessible. More important, it provides information about a firm’s own customers. If the research agenda involves comparisons with non-customers, then it will be necessary to go beyond a firm’s own internal sources. It may, however, be possible to use the firm’s internal data for its customers and then purchase data on non-customers to match and compare.

### 3.5b Open Access Sources of Secondary Data

[Objective 3.4: Describe the open access sources of secondary data.]

As shown in Figure 3.9, open access sources of secondary data include government sources, online blogs, social media networks, website analytics, and independent websites. Most of this information is free and available to the public. A few organizations, however, charge a subscription fee to access the data, or at least for some of the more detailed data.

**Government Sources.** The federal, state, county, and local governments produce volumes of data and secondary information. The most well-known and used data are the various census and economic data. Every ten years the United States takes a census of the population and aggregates the data at [www.census.gov](http://www.census.gov). The data can be examined and sorted on the website in various ways and also downloaded into Excel spreadsheet files. This demographic information is valuable in developing sales potential forecasts and looking at market size. In addition to population demographics, the Census Bureau also contains business information. This type of information is useful for business-to-business operations.

An excellent starting point for secondary research into government data, reports, and information is USASearch.gov at [www.fedworld.gov](http://www.fedworld.gov). It is operated by the United States Department of Commerce and is the gateway to government publications and data. Researchers can search over 30 million government web pages through [www.fedworld.gov](http://www.fedworld.gov), which eliminates the need to search individual federal government agency pages. If desired, individuals can gain access to key agencies and federal topic sites through the USASearch.gov website. Any data, report, or information that is made publicly available at a federal agency can be accessed in some way through this site.

Another site operated by the Department of Commerce that deals specially with data is Stat-USA ([www.stat-usa.gov](http://www.stat-usa.gov)). The site is a single point of access to business, trade, and economic data that is produced by the federal government. It contains over 50,000 current and historical statistical releases, state and regional statistical reports, forecasts, and financial data.

**Blogs and Social Media.** Blogs and social media are a second major source of open access secondary data and information. The Internet provides a wealth of information. The challenge is shifting through it to locate data that are accurate, relevant, and useful.
Blogs are simply online discussions. But, researchers should not be too quick to dismiss them as personal opinions and, therefore, unreliable sources of information. The usefulness of blogs is partly determined by who posted it and how the blog is run. A blog may be the thoughts of a single individual on a particular topic, or it might be maintained by a company. Some blogs allow browsers to post comments, and add files and links. For others, only the administrator can post.

The first task in determining the viability of a blog is to determine who posted it and why. Blogs sponsored by companies tend to be more viable than blogs written by individuals. The Nielsen Insights blog provides snippets of information from more comprehensive Nielsen studies. Blogs that allow browsers to post usually are there to seek input and, as such, often can provide more useful information. The second task is to determine if the information in the blog is that of a single individual (or company) or if it is information that can be supported in some scientific or statistical manner.

Suppose a marketing researcher wants to collect secondary information on the effectiveness of e-mail and direct marketing for a financial service firm. In conducting research on the Internet, a blog is found about e-mail and direct marketing written by Ed Lee. In his blog, he states that a plain e-mail campaign can anticipate response rates of 20 to 40 percent in terms of opening the email, and click-through rates of 6 percent.

Can the researcher use this data to support a decision to use an e-mail marketing campaign? Further investigation of the site determines Mr. Lee is an employee of Radar DDB Toronto, which is a public relations and online marketing firm in Toronto. The statistics he states certainly support a decision to use an e-mail marketing campaign. That is one of the services his company offers. No citation or information is given in the blog about the origin of the statistics. Was it collected by Radar DDB Toronto, or was it collected by an independent third party? Without further information, it would be difficult to rely on this information since the writer of the blog has a personal incentive in showing e-mail is an effective online marketing tool. It may very well be valid, but there is no way to know.

In contrast, consider the Direct Line Blog (see screenshot above) which can be found on the Direct Marketing News’ website. Direct Marketing News is a trade journal that provides information and news coverage of trends, success strategies and other is-
sues of interest to direct marketing professionals. A recent *Direct Line* blog post contains information about a study of direct e-mail effectiveness. The blog states that the study was conducted by the predictive analytics firm Custora. The findings indicate that direct marketing e-mail messages account for nearly 7 percent of customer acquisitions, a figure which more than quadrupled over the previous four years. No details are given about how the data were collected or how the study was conducted. But, a link was provided to the Custora website blog that was the source of the *Direct Line* blog post. Custora’s blog provides more detailed study results that illustrate the customer acquisition percentages attributed to different forms of online marketing. While no details on data collection or study methodology are given in the blog, the Custora website does encourage visitors to provide contact information in return for a copy of the full report. Accessing this report would allow the researcher to evaluate the methodology used to generate the data and judge its usefulness accordingly.

When using blogs, it is important to evaluate them carefully. Using multiple blogs and tracing a study back to its origins, as in this example, is one way to ensure that the information is valid and not just the opinion of an individual. The date of the posting must also be taken into consideration. To increase confidence in the effectiveness of an e-mail campaign, further research could be conducted using other types of sources, such as articles from journals in the library.

Social media and especially Twitter can be used to gather secondary information, although it will typically be qualitative in nature. Some quantitative data may be available. For instance, one of the fast food restaurants, such as KFC or Burger King, could look at the volume of mentions on social media sites following the launch of a new sandwich or menu item. However, the extent to which useful information can be obtained for research purposes via social media is debatable, and may vary by brand or industry as well as the capabilities of the analytic software. A six-month study published by 360i found that only 12 percent of consumer tweets on Twitter actually mentioned a specific brand name. Of the brands mentioned, the three most frequent were Twitter, Apple branded products, and Google.

To discover true marketing insights, more advanced analytical capabilities are necessary that go beyond mere counts. Fortunately, technological advances provide that possibility. A study conducted over the five-day period encompassing Thanksgiving demonstrated the power of “listening” when an advanced enterprise software solution was used. The purpose of the study was to understand consumer sentiment and purchase behavior as it related to the Thanksgiving holiday. Using the keyword “Thanksgiving,” over four million tweets were analyzed by a software solution which built topics around tweets that were conceptually related. While food was of course a popular topic, 13 percent of the conversations revolved around what type of clothing to wear. Comfort, rather than fashion, was overwhelmingly desired, as leggings and sweatpants were mentioned most often. The study also identified that stress, family, and Thanksgiving were highly related concepts. This type of insight can be valuable to marketers of pain relievers in developing a real-time campaign showing how the pain reliever can help people “get through” the stress of the holidays. Execution of real-time marketing efforts would require at least one person to constantly track the trends, topics, and related concepts found by the software and then immediately initiate an ad or social media campaign.
Most companies now hire individuals to monitor the Internet, especially social media pages, to see what consumers are saying about their brand. Web-scanning software allows researchers to follow conversations on the Internet and to be alerted every time a company’s name or particular brand name is mentioned in any social media platform. Mentions can be tabulated if a company just wants to know the volume of online chatter. As previously discussed, identifying relationships between topics provides more detailed information on what individuals are saying and how they feel about a particular company or brand. These insights can then lead to opportunities for real-time marketing campaigns as well as traditional or digital campaigns.

**Website Analytics.** Another important open access source of secondary data is web analytics, or information resulting from the analysis of various data, or metrics, collected from a website. A metric is a standard of measurement such as a count, percentage, or average. By combining and analyzing various metrics, website analytics can provide valuable information about web traffic, trends and visitor characteristics or behavior at company and brand websites. **Figure 3.10** provides examples of various metrics that companies can use.

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<td>• Click-throughs</td>
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</table>

**Figure 3.10: Key Metrics used in Web Analytics**

Summary metrics examine website traffic and are good measures when a firm’s objective is to drive consumers to its website. Action metrics, on the other hand, examine actions a web visitor takes. The top provider of these types of analytics is Google. With the insertion of HTML code on each page of the website, Google Analytics provides rich insight into who’s visiting the website and the effectiveness of various marketing initiatives. The easy-to-use interface makes Google Analytics practical for even small business owners with little website expertise.

**Independent Websites.** The last open access source of secondary data is independent websites. Researchers can access literally thousands of independent websites. Most will not be of value. Some, however, can provide useful information. As with blogs, it is important to determine whose website it is and what purpose it fulfills, and if the information on the site is viable. An advertising agency that specializes in guerilla marketing will probably have information about the effectiveness of guerilla marketing and
how it is superior to using traditional marketing channels. How that information is conveyed is important to its usefulness and viability. If the site quotes statistics based on their own research and their own guerilla marketing campaigns, then it is highly likely the data will be biased. If, however, the site has information from independent sources and associations, then the viability increases sharply. A company using third party support for their brand, product, or service is seen as more credible than one that touts itself.

Search engines, such as Google, Bing, and Yahoo, allow researchers to search the Internet. Each search engine uses a slightly different algorithm to locate sites. Since about 80 percent of web traffic begins with a search engine, companies strive to have their name on the first page or at least near the beginning of the results. The process of increasing the probability of a particular company’s website emerging from a search is called search engine optimization (SEO).

Search engine optimization occurs in one of three ways. First, a paid search insertion comes up when certain products or information are sought. Companies can speed this process by registering with various search engines in order to have their site indexed and also by paying a higher placement fee for top positions. The placement of the ad on a search page depends on the price the company pays and the algorithm a search engine uses to determine the advertisement’s relevance to a particular search word or phrase.

Display/text search ads are similar to paid search insertions, but appear as text messages or small display ads when phrases searched by the consumer match keywords on which the marketer has bid. Other factors, such as the degree to which the web page content at the destination URL or the ad content itself matches the search phrase, the more likely it is the ad will display toward the top of the list. The amount that a marketer is willing to pay per click also affects the position in which the ad appears.

The third method of optimization is a natural or organic emergence of the site. This method involves developing efficient and effective organic results that arise from a natural search process. Each search engine uses a slightly different set of algorithms to identify key phrases that match what was typed into the search box. To be listed first in an organic search requires time and effort. When a website is first launched, it will not emerge at the top of the organic search results. It takes time for the search engine to locate the site. Figure 3.11 (next page) illustrates these three types of search results when the search term “camping supplies” was typed into a search engine.

3.5c Published Sources of Secondary Data

[Objective 3.5: Summarize the primary differences among the bibliographic digital databases.]

In the past, when searching published sources of secondary data, it was assumed that published sources were print sources. However, the majority of published sources are now available in digital formats. Searching through digital publications is much easier and quicker, as thousands of published works can be searched within seconds by powerful computer search engines. As a result, libraries are moving away from print journals to digital databases that archive thousands of journals and can be searched through a single search engine.
Chapter 3

SECONDARY DATA AND RESEARCH

The primary sources for secondary data at libraries now are bibliographic databases, which are databases that provide references to magazine, journal and newspaper articles. In addition to the title and author of the article, most bibliographic databases provide summaries or abstracts and often have a PDF of the entire article. With increased computer storage capabilities and financial arrangements with journals and magazines, full-text articles are now more common. Figure 3.12 identifies some of the major bibliographic databases. Because of the high cost, libraries tend to purchase subscriptions to the databases used most frequently by their patrons rather than subscribe to all of these services.

- **ABI/Inform** – Full text, abstracts, and citations of more than 1,800 academic and general business publications.
- **LexisNexis** – Interdisciplinary, full-text database of over 18,000 newspapers, journals, wire services, newsletters, company reports, SEC filings, case law, government documents, and broadcast transcripts.
- **EBSCO** – Aggregator of full-text content from over 300 different databases, which includes journals, magazines, books, monographs, reports, and other publications.
- **ProQuest** – Archives of newspapers, periodicals, dissertations, and aggregated databases. Contains 125 billion digital pages.

Figure 3.12: Bibliographic Digital Databases
For business information, ABI/INFORM has been a reliable source. It contains full-text, abstracts, and citations of more than 1,800 academic and general business publications. LexisNexis is an interdisciplinary database with full-text articles from over 18,000 newspapers, journals, wire services, newsletters, company reports, SEC filings, case law, government documents, and transcripts of broadcasts. EBSCO is not a database, but an aggregator of full-text content. EBSCO searches over 300 different databases, which includes journals, magazines, books, monographs, reports, and other publications. ProQuest is another digital database with over 125 billion digital pages from newspapers, periodicals, dissertations, and aggregated databases. Similarly, the specialized scholar search available through Google provides access to a variety of academic journal articles, patents, and legal opinions. Using the search function is free, but full-text articles must be purchased.

The key to using bibliographic databases effectively is to develop an understanding of the search process. Each database searches by key words that are typed in by the user. It is important to remember that terminology will vary in articles and with different bibliographic search engines. Using different words or phrases will provide varying results. It is also helpful to pay attention to key words that are listed for articles of interest. These key words can be used to obtain additional related articles on the same topic. The phrasing of key words in a bibliographic database may be different than what the researcher is using. The search syntax specific to a particular database will also influence results.

### 3.5d Syndicated Sources of Secondary Data

[Objective 3.6: Identify and explain the types of data available from syndicated sources.]

A major source of marketing information is syndicated services. As mentioned previously, a syndicated service supplies standardized information to a number of clients. Much of the research conducted by syndicated firms is too expensive for a single company to purchase. The syndicate research company can conduct the study or track the information and then sell it to a number of companies within the industry since it is more generic in nature. At the same time, the firm can collect company-specific information that is supplied only to clients that pay an additional charge.

For instance, J.D. Power and Associates collects data on an annual basis from consumers who have a home mortgage. These data are then sold to firms such as Chase Home Mortgage and other home mortgage companies. The data are standardized and apply to all home mortgage companies. During the process of collecting the data, J.D. Power will identify the financial institution that holds each individual’s home mortgage. By doing this, J.D. Power can provide company-specific information, which can be compared to competitors. It is extremely valuable information to companies in the home mortgage business, like Chase Home Mortgage, because the firm can see how it ranks compared to competing firms overall and on specific attributes. Purchasing these data from J.D. Power and Associates is much cheaper for Chase Home Mortgage than if the firm hired a research company to conduct a primary study.

Syndicated services will often issue press releases that contain a nugget of information from a study or an executive summary with the primary purpose of encouraging companies to purchase the full report. The NPD Group released information from a
study of do-it-yourself (DIY) auto products customers. As part of the research of the company’s ongoing survey of tracking consumers’ automotive parts purchases, The NPD Group examined factors that contribute to overall satisfaction and future purchase intentions. Using its Car Care Trac’s system of consumer ratings of 12 different attributes, NPD determined that the lowest price was the most significant driver of customer satisfaction, cited by 55 percent of the sample. Other key drivers of customer satisfaction are shown in Figure 3.13.

![Key Drivers of Customer Satisfaction with DIY Auto Parts Customers](image)

Figure 3.13: An Example of a Research by a Syndicated Source, The NPD Group

The last paragraph of the press release contains the sentence “Automotive product manufacturers can add greatly to this understanding [drivers of satisfaction and future purchase intentions] by further examining the specific nuances of consumers of their categories and brands.” To receive this information, the manufacturer would need to purchase this report from NPD.

Various types of syndicated data are available to companies. Some require a subscription service where data are provided on a routine basis. Others are studies performed ad hoc or periodically and provided to companies for a charge. Figure 3.14 (next page) identifies the major categories of syndicated sources of secondary data. Because of space limitation, only a few of the primary providers will be discussed in the following sections.

Sources of Business and Corporate Information. The best source for business and corporate information is Dun & Bradstreet, often referred to as D & B. One of the primary uses of the Dun & Bradstreet Business Information Report is credit information
• Sources of Business and Corporate Information
• Sales Tracking Sources
• Consumer Data Sources
  – Satisfaction and Product Quality
  – Consumer Behavior
• Media Audience Measurement Sources
  – Traditional Media
  – Online Environment

Figure 3.14: Types of Syndicated Sources of Secondary Data

on businesses and corporations. However, the report has a number of other pieces of information that can be valuable, such as:

- Industry statistics
- Financials of the business or corporation (sales, net worth, cash, etc.)
- Company history
- Mailing addresses
- Product and industry descriptors
- Number of employees

In addition to demographic information about a company, the Dun & Bradstreet report can be used to locate potential customers since it produces sector-based information that can be compared and contrasted with similar industries at a local, state, or regional basis. Federal agencies and the European Union have endorsed the DUNS Business Information Report as the primary identification system for international business assessment and validation throughout the world.

Sales Tracking Sources. A number of research companies offer sales tracking data. The best-known syndicated sources are The NPD Group and Symphony IRI Group. Sales tracking is done on a continuous basis by both research firms and primarily uses scanner data from retail outlets.

The major supplier of retail sales tracking data is The NPD Group. The company was founded in 1967 and has become the leading global provider of retail tracking services at the point of sale (POS). The company has partnerships with over 1,200 retailers representing more than 165,000 retail outlets worldwide. Each store provides The NDP Group with its POS data. The data are used to generate various sales reports on a weekly basis. Other key measures include market share, pricing, and sell-through at the item level. In exchange for providing POS information, retailers can use NPD’s retail market research information to guide assortment planning, merchandising, and pricing. For subscribers, NPD can provide store level information and tracking that can be used to compare the store’s performance against various benchmarks.

From the data collected through POS systems, NPD produces more than 100 special market research reports that can be purchased by clients. These reports are written
by NPD research analysts with in-depth knowledge of their industries and covers subjects such as:

- Category/market performance
- Trend analysis in consumer purchasing and consumption
- Consumer behavior and demographics
- Category profiles
- Retail industry trends
- Market share and segment analyses
- Brand analyses

Symphony IRI Group also provides sales tracking data. Symphony IRI Group provides clients with consumer, shopper, retail market intelligence, and analysis for the consumer packaged goods (CPG) industry. The firm operates in 58 different countries and represents 95 percent of the Fortune Global 500 CPG companies. Symphony’s sales tracking service is called Infoscan. Each week several thousand grocery stores, mass merchandise stores, discount stores, and drug stores provide Infoscan with POS and promotional data on consumer packaged goods. Symphony IRI sorts, analyzes, and verifies product price and volume then delivers to clients sales data for the week.

**Consumer Data Sources.** In terms of measuring consumer satisfaction and product quality, the best-known syndicated service is J.D. Power and Associates. Founded in 1968, the company now conducts surveys of customer satisfaction, product quality, and buyer behavior for several industries, ranging from automobiles to electronics to travel. The company became famous for its customer-satisfaction research on new cars and then expanded into other industries, including home mortgages discussed at the beginning of this section. The company develops customer surveys and collects data from several thousand participants within each industry. The data are tabulated and then sold to clients.

Several other syndicated research firms collect consumer behavior data. In addition to retail sales tracking, the NPD Group has a consumer panel. The NPD consumer panel has 1.8 million registered adults and teens who have agreed to let NPD track their purchases via POS systems. This allows NPD to provide its clients with information on trends, purchasing, consumption, ownership, and usage by various demographic profiles. The online panel also provides customer satisfaction information that can be tied to specific brands.

Experian Simmons conducts ongoing consumer behavior studies. Data collected include media usage, product purchases, and attitudes about various issues. The National Consumer Study has over 60,000 data variables, usage behavior from 500 product categories and 8,000 brands, and in-depth demographic, psychographic, lifestyle, and attitudinal insights. The data are collected from 25,000 adults on a continuous basis and reported quarterly.

Experian Simmons has also developed a syndicated National Hispanic Study that surveys over 7,500 Hispanics living in the United States. Similar data to what is found in the National Consumer Study is collected. Experian Simmons has recently expanded their samples to include a database on the lesbian, gay, bisexual, and transgender population. Then, twice a year, Experian Simmons produces a study of teen (ages 12-17) consumption behavior and attitudes.
GfK Mediamark Research & Intelligence is another syndicated provider of consumer behavior information. The company has been conducting consumer research since 1979. The Survey of the American Consumer report measures consumer attitudes, product consumption, and media usage. Demographic, lifestyle, and psychographic data are then obtained. All of this information is then collated with consumers’ product and service usage data for over 6,000 brands and 550 product categories.

**Media Audience Measurement Sources.** The primary provider of audience measurement data for both traditional and online media is Nielsen Media Research. The company has become the standard for audience measurement, and its statistics are used by numerous companies and media outlets. The company is most famous for its Nielsen ratings of television shows. But in addition to television, Nielsen measures audiences for radio, mobile phones, and the Internet.

The two most common television ratings are the Nielsen rating points and share, which is typically reported as “rating points/share.” A single Nielsen rating point currently is equivalent to approximately 1,163,000 households. This represents one percent of the total number of 116,300,000 households in the U.S with televisions. Each week the Nielsen ratings/shares are reported on the firm’s website as well as other websites such as Yahoo TV. If a television show received a rating/share of 12.3/19.7, it would mean that 12.3% of the households in the United States were tuned to that particular television show. To find the actual number of households, the 12.3 would be multiplied by the 1,163,000 to arrive at a total of 14,304,900. The 19.7 percent share figure indicates that of the televisions that were turned on at that particular time, 19.7 percent of them were tuned into that program. Not every household in the U.S. will be watching television at any particular time. Nielsen Media Research also provides demographic information of the viewers of each television show since the Nielsen ratings influence advertising rates. The higher the Nielsen rating, the more a show’s producer can charge advertisers.

Nielsen acquired Arbitron in late 2013, and is now the premier source for radio station ratings. The company surveys a sample of the population in each of the 51 Nielsen radio markets, tracking their radio listening. It has recently moved into mobile phone audience measures, collecting measurements on mobile consumer behaviors, attitudes, and experiences. Nielsen has become the industry standard for metrics such as market share, customer satisfaction, device share, service quality, revenue share, and advertising effectiveness. These data are collected through mobile subscriber counts, phone bill data, panels of consumers who agree to have their mobile activity monitored, and online surveys.
Nielsen offers a number of online measurement metrics. The Total Internet Audience metric incorporates measures across mobile devices, tablets, laptops, and PCs from home, work or other locations. Information is gathered via panel data and online observation tracking 200,000 plus Internet users and 30,000 websites. Demographics are matched to consumers’ website behavior when panel members visit a participating website. These websites allow tags to be placed on their pages so Nielsen can measure the depth and breadth of content consumed.

Although not as well known as Nielsen, GfK Mediamark Research & Intelligence also provides media audience measures through its data collection process. The results are not as robust as Nielsen’s since the sample size is much smaller. However, it is unique in that it includes a number of different measures in all of the major media (magazines, television, radio, Internet, newspapers, and yellow pages). Combined with demographic, psychographic, and lifestyle information, GfK Mediamark is able to provide a rich view of consumer media consumption and how it relates to purchase behavior.

### 3.6 Global Concerns

Secondary data are an important source of information in international marketing research. They are often readily available at a low cost. They can provide valuable background information relating to various countries and cultures that can be used in preparing primary research. They are especially important for individuals conducting research in countries that are not native to those performing the research.

When collecting secondary data in international markets, researchers need to be aware of two key issues. First, databases in other countries often do not have the detail of databases in the United States. This is especially true of government databases. The federal government in the United States collects and disseminates much more information than do governments in other countries. Second, many databases are not available in English. While many are, researchers must be aware that if they utilize only English databases they may be missing extremely valuable information.

In respect to publicly available data from governmental sources, it is not unusual for data to be distorted or reported in such a way as to make the country look favorable to others. Data that reflect negatively on a country may be left out and only positively-related data reported. At other times data might be modified or collected in such a way as to make it more attractive.

Also, other countries may not collect the same types of information as in the United States, and if they do, it may not have the same relevance. For instance, in some countries individuals do not report their actual income because of fear of increased taxation by the government. In other countries, people do not report it to protect themselves from criminals and extortionists.

To obtain good secondary data requires an understanding of each country’s culture. It also may require the expertise of someone from that country that understands what information is valuable, what is not, and what has been modified or distorted. However, despite these cautions, secondary data are extremely important in conducting global marketing or international studies.
3.7 Marketing Research Statistics

To compare various demographics, marketing phenomena, and marketing data, researchers will often utilize index values. The Statistical Review section illustrates how index values are developed. Several questions in the Critical Thinking Exercises deal with creating and interpreting index values.

In this chapter’s Statistical Reporting section, the concept of pie charts is presented. Pie charts are an effective means for presenting discrete data stemming from a single variable, but the data must add to 100 percent or 1. As with all graphs, proper labeling of the pie pieces and chart is important.

The Dealing with Data section converts a questionnaire to an SPSS file so data can be entered. Proper coding of questions is critical. Once all of the questions in a survey have been coded, then the SPSS file can be prepared.

3.7a Statistical Review

Index numbers are often used to make comparisons between periods of time, places, industries, or market segment characteristics. Index numbers offer an easy point of comparison, as they express "the difference between two measurements by designating one number as the base, giving it the value 100, and then expressing the second number as a percentage of the first."

Suppose the population of your home town was 50,000 according to the 2000 census. Following the 2010 census, you find that the population size has increased to 53,000. Using the year 2000 as your time period base, its index number would be 100. Dividing the 2010 population size by the 2000 population figure shows that as of 2010, the size of your town is 106 percent of the population size in 2000; thus the index number would be 106.

It is critical to understand what index numbers mean. If the price index for HDTVs rose to 110 relative to the base year, while the price index for milk increased to 120, it simply means that the price of milk has increased twice as much in percentage terms as did the price for HDTVs. It does not mean that the price of milk is more expensive, or that the absolute dollar amount of the increase in milk was greater than the dollar increase in the price of HDTVs.

Index numbers are commonly included in many forms of marketing-related secondary research as they allow users to quickly compare a characteristic of some type to its base. Consider the hypothetical data in Figure 3.15 (next page). Frequent diners for this illustration are defined as individuals who dine out at least once per week. The table shows the total adult population of the U.S. is 225,900,000. Out of the total adult population, 27,100,000 are frequent diners. Dividing the 27.1 million by the 225.9 million shows that 12.0 percent of the population are frequent diners. This 12.0 percent becomes the base to calculate the index for each of the educational demographic groups.

The fourth column in the table labeled “Freq Diners % of Total Pop” is calculated by dividing the number of frequent diners in each row by the respective total adult population. Thus, for “did not graduate high school” the 1,650 is divided by 32,300 to arrive at 5.1 percent. This means that 5.1 percent of individuals who did not graduate from high school are considered frequent diners. The corresponding index value is then calcu-
lated by dividing the 5.1 by the base of 12.0 and rounded. This same process is then used for every row of the table.

From these data, it appears that frequent diners are 40 percent more likely to have a college degree and 53 percent more likely to have obtained a postgraduate degree than the population in general. In contrast, frequent diners are 57 percent less likely to have not graduated from high school (100 - 43).

The essence of target marketing is to identify the characteristics which best describe the target, and more important, separate the target from other segments. The higher the index number, the more likely it is that people in the segment share that trait, compared to the population as a whole. Thus, incorporating the trait into the segment profile, and customizing a marketing campaign to such individuals, should lead to more efficient and effective campaigns. Figure 3.16 lists a few magazines and hypothetical readership for those who dine out at least once per week.

<table>
<thead>
<tr>
<th>Total Adult US Population (000s)</th>
<th>Frequent Diners (000s)</th>
<th>Freq Diners % of Total Pop</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Did not graduate HS</td>
<td>32,300</td>
<td>1,650</td>
<td>5.1%</td>
</tr>
<tr>
<td>Graduated HS</td>
<td>69,800</td>
<td>6,300</td>
<td>9.0%</td>
</tr>
<tr>
<td>Attended college</td>
<td>63,000</td>
<td>8,650</td>
<td>13.7%</td>
</tr>
<tr>
<td>College degree</td>
<td>40,600</td>
<td>6,800</td>
<td>16.7%</td>
</tr>
<tr>
<td>Post college degree</td>
<td>20,200</td>
<td>3,700</td>
<td>18.3%</td>
</tr>
<tr>
<td>Total</td>
<td>225,900</td>
<td>27,100</td>
<td>12.0%</td>
</tr>
</tbody>
</table>

**Figure 3.15: Educational Index Numbers for Frequent Diners**

<table>
<thead>
<tr>
<th>Total Adult US Population (000s)</th>
<th>Frequent Diners (000s)</th>
<th>Freq Diners % of Total Pop</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>225,900</td>
<td>27,100</td>
<td>12.0%</td>
</tr>
<tr>
<td>Business Week</td>
<td>39,000</td>
<td>5,300</td>
<td>13.6%</td>
</tr>
<tr>
<td>Cosmopolitan</td>
<td>4,600</td>
<td>870</td>
<td>18.9%</td>
</tr>
<tr>
<td>Fitness</td>
<td>6,200</td>
<td>890</td>
<td>14.4%</td>
</tr>
<tr>
<td>Money</td>
<td>7,700</td>
<td>1,300</td>
<td>16.9%</td>
</tr>
<tr>
<td>Outdoor Life</td>
<td>5,500</td>
<td>550</td>
<td>10.0%</td>
</tr>
<tr>
<td>Reader's Digest</td>
<td>31,200</td>
<td>4,200</td>
<td>13.5%</td>
</tr>
<tr>
<td>TV Guide</td>
<td>17,000</td>
<td>1,500</td>
<td>8.8%</td>
</tr>
</tbody>
</table>

**Figure 3.16: Selected Magazine Readership Habits of Frequent Diners**

Notice the highest index number from this list of magazines is for *Cosmopolitan*, indicating frequent diners are 58 percent more likely to read this magazine than is the nation as a whole. Advertising in *Cosmopolitan* would be an efficient way to reach a significant portion of the target market while resulting in less wasted coverage.

In addition to the index, it is also important to examine the number of individuals who read each magazine, which in the case of *Cosmopolitan* magazine would be 870,000.
people. It is dangerous to focus exclusively on index numbers without properly considering the size of the population involved and the costs to place ads. In this case, the readership of *Cosmopolitan* is a fraction of the size of *Business Week* and *Reader’s Digest*. Many individuals within the frequent diner cluster who don’t care about fashion would be missed if the media selection was restricted to *Cosmopolitan*, or one of the other smaller publications. On the other hand, *Business Week* and *Reader’s Digest* boast a much larger circulation base, and ads run in these publications will reach a broader cross-section of frequent diners. However, cost considerations and potential audience duplication must be considered when selecting the best media schedule.

### 3.7b Statistical Reporting

Pie charts are used frequently to report various statistics. Pie charts can be used under two conditions. First, the data must be discrete data. Second, the data need to add to 100 percent or 1. The pie chart represents the whole or entire data set for a particular variable. Consider the pie chart in Figure 3.17. It is a graph of U.S. advertising spending in the major media, in billions of dollars. But, it is not the actual media spending that is being graphed. It is the percent of total U.S. advertising spending in the major media. For example, television spending is $67.2 billion, which represents 37 percent of the total ad spending. If all of the percentages are summed around the pie, it will equal 100 percent.

Someone looking at the raw data in Figure 3.17 can see that digital is second, with $51.6 billion. But the individual may want to know what percent of the total this amount is and also how it compares to other forms of advertising. The pie chart shows this relationship. Digital is 28 percent of the total ad spending and is 9 percent lower in comparison to television. Comparing digital to the other major media is relatively easy with this pie chart, and if someone does want to know the actual dollar value, it is supplied as well.

![Figure 3.17: An Example of a Pie Chart Showing U.S. Ad Spending in the Major Media](Source: Advertising Age 2015 Marketing Fact Pack, p. 14.)
Figure 3.18 shows a pie chart, but with one of the slices extracted or pulled out from the pie. This is useful if a researcher wants to emphasize one particular component. Generation Y individuals were asked to identify among five choices their preferred place to eat dinner. Suppose someone representing a casual dine-in restaurant chain, such as Ruby Tuesdays or Olive Garden, was making this report. While all the choices are shown on the pie, the casual chain piece is extracted, the value is shown, and the category name and value are in orange bold type for easy identification.

![Preferred Place for Dinner for Generation Y](image)

Figure 3.18: An Example of a Pie Chart with a Focus on One Particular Piece of the Pie

While legends can be used for pie charts, a wiser approach is to label the pieces of the pie with the category name as well as the value. The goal is to make the graph easy to read, easy to understand, and provide sufficient information to the audience. The title should be clear and identify what the pie chart represents.

Statistical Reporting Exercise. An issue that brands face in today’s mobile environment is how to handle apps for cell phones. Should they sell apps with no advertising or should they give away the app or charge a low fee and include advertising? Another option is to include games that require real money purchases to score points. Use the data obtained below by Zogby Analytics to create a pie chart in Excel. Give the chart a title and label each piece of the pie with the category name and value.

- Free apps with ads, 35.7%
- Free apps with games, 10.1%
- Higher cost apps, no ads, 2.7%
- Don’t download apps, 39.6%
- No opinion, 11.9%
Suppose you are the marketing manager for a brand and want to convince your boss to offer free apps with advertising. Create a second pie chart in Excel based on the data from Zogby Analytics. The survey asked respondents if they had seen ads on their mobile device. Extract the piece of the pie that says “yes, often.” Make sure you give the chart a title and label each piece of the pie with the category name and value.

- Yes, often - 33.8%
- Yes, sometimes - 38.6%
- Rarely - 14.3%
- Never - 13.1%

### 3.7c Dealing with Data

Before data can be entered into the SPSS spreadsheet, it is necessary to build the variable list. Chapter 2 reviewed the basic structure of a SPSS data file and the components of the variable portion of the data file. In this Dealing with Data exercise, the goal is to develop the variable portion of the spreadsheet so data can be entered. It may be helpful to compare the questionnaire from Chapter 2 with the SPSS data file that corresponds to the questionnaire.

Download from the textbook student website (<www.clowjames.net/students.html>) the file entitled *Chapter 3 Dealing with Data Survey* and the *Chapter 3 Dealing with Data SPSS* data file. Your task is to label each of the questions on the questionnaire into the SPSS data file with a variable name, variable label, and variable values. Note that the variable name cannot have spaces and should be a shortened version of the question. The variable label can have spaces and be an abbreviated version of the question that makes sense. For instance, for Question 2 the variable name might be “Q2MealsWeek” and the variable label might be “Average number of meals per week eaten at fast food restaurants.”

The variable values would list the codes for the various answers. For example, for Question 1 a code of “1” would be used to represent “less than “10%” and a code of “2” would be “10% to 19%.” Questions 2 and 3 will not have value labels since respondents are asked to write in a number. The individual recording the data will then transcribe the number on the survey sheet to the SPSS spreadsheet.
Summary

Objective 1: Discuss the advantages and disadvantages of secondary data. Secondary research is less costly and less time consuming than conducting primary research. The ease with which information can be accessed either internally from the firm, or externally from bibliographic databases, open access sources such as the government, or even syndicated data firms is another key advantage, and one which helps to explain why secondary research is always completed prior to initiating a primary research study. Despite these obvious advantages, secondary data is often not available, or if available, can be irrelevant to the study purpose or insufficient to answer the research question. It is critical that marketers carefully evaluate the quality of secondary data by examining the data source, study purpose, sample, and overall methodology, data collection, analysis process, and interpretation.

Objective 2: Identify key uses of secondary data. Secondary research has many uses. It complements exploratory efforts when additional insight into the research problem is needed. When designing a primary research study, a number of decisions can be influenced by relevant secondary data, including sampling procedures, data collection procedures, and measurement instruments. Secondary data is the key source of background information which can be included in both the RFP and the final research report. Secondary data is helpful to researchers seeking to identify consumer trends and industry information. In some cases, it can even be used to solve the research problem, or to answer one of the research questions. Secondary data is often instrumental in estimating demand, and can be highly beneficial when defining or selecting target markets, trade areas, or locations. Advertising agencies and other media users rely on secondary data when selecting media for marketing campaigns, and in evaluating advertising exposure via major media, such as television. Furthermore, secondary data is used to build databases which can be used in direct marketing programs. Finally, secondary data is helpful in data mining efforts, as marketers seek to discover patterns and trends in data files.

Objective 3: Explain how internal sources of data can be used for secondary research. While past marketing decisions provide information helpful when developing new campaigns, sales data is one of the most useful forms of internal information if collected and stored correctly. Sales data is helpful in profiling various customer groups, making geographic targeting decisions, and determining the best channel of communication or distribution to reach customers. Retail sales data stemming from scanners or loyalty cards help retailers develop cross-promotions, arrange items in the store, evaluate the effectiveness of point-of-purchase displays, and test marketing programs. Both accounting and marketing databases can provide useful internal information, though marketing databases typically are superior due to the large amount of consumer information that they contain.

Objective 4: Describe the open access sources of secondary data. Open access sources of secondary data include governmental sources, blogs, social media, web analytics, and independent websites. Governmental sources are particularly valuable due to their high data quality, and because they are free. Key governmental websites include census.gov, fedworld.gov, and stat-usa.gov. Many marketers tap into what consumers are saying about products or the competition by monitoring blogs and social me-
dia posts on a regular basis. Using multiple blogs is superior to relying on a single forum, and blogs sponsored by companies tend to more viable than blogs written by individuals. Website analytics provide valuable information regarding consumers’ behavior in response to online ads. Google Analytics provides a wealth of data that can be helpful to marketers. Independent websites, though by far the most prevalent source of secondary data, are rarely relevant and must be carefully scrutinized to ascertain whether the information provided is valid.

Objective 5: Summarize the primary differences among the bibliographic digital databases. Bibliographic databases are the primary source of published information for libraries. Some databases provide citation information along with article abstracts; others, such as ABI/Inform, contain full-text articles from academic and business publications. EBSCO is an excellent reference tool as it aggregates full-text content from over 300 different databases covering journals, magazines, industry publications, books, monographs, and reports. Similarly, ProQuest provides access to newspaper archives, dissertations, periodicals, and aggregated databases. While content overlaps between many of these databases, each usually has access to content which is unique and different from the others.

Objective 6: Identify and explain the types of data available from syndicated sources. Syndicated data firms collect high quality data by product category, industry, media, or consumer market and sell it to data subscribers. While more costly than other forms of secondary data discussed in this chapter, standardized information is still less expensive than it would be for the firm to engage in primary research. The added time savings and high quality of the data make syndicated information a strong choice for many marketers. Various forms of syndicated data exist, and each form is characterized by multiple providers. Business and corporate information sources are found in Dun & Bradstreet. The NPD Group and Symphony IRI Group sell point-of-sale information gathered via in-store checkout scanners. While a variety of consumer data sources exist, NPD and J.D. Power and Associates are among the best known and respected firms. Finally, Nielsen remains king of the media audience measurement sources.

Glossary of Key Terms

Secondary data: Data collected previously for purposes other than for the current study at hand.

Primary research: Research studies specifically developed to help fulfill the research purpose currently being investigated.

Syndicated research service: A marketing research firm that supplies standardized information to a number of clients.

Geo-aware ads: Mobile ads triggered by a consumer’s location around a retail outlet.

Geocoding: A secondary data compilation process which involves combining geographic information with demographic and psychographic information.
Data mining: The process of scanning and analyzing data to uncover patterns or trends.

Accounting database: Database containing a record of customer transactions which follows the rules of accounting and is used for accounting purposes.

Marketing database: Database containing records of customers that involve communication interactions, demographic profiles, and any other information that company has collected or purchased from an independent marketing data research firm.

Blogs: Online musings or discussions.

Web analytics: Information resulting from the logical analysis of various data, or metrics, collected from a website.

Metric: A standard of measurement such as counts, percentages, or averages.

Search engine optimization (SEO): The process of increasing the probability of a particular company’s website emerging from an Internet search.

Bibliographic databases: Digital databases that provide references to magazine and journal articles.

Critical Thinking Exercises

1. Suppose that the U.S. census revealed the following data about the racial profile of a zip code in North Carolina. Compute the index numbers for each line of data for the North Carolina zip code in reference to the U.S. percentages. What conclusions can you draw from this information?

<table>
<thead>
<tr>
<th></th>
<th>Number</th>
<th>Zip Code %</th>
<th>U.S. %</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Race</td>
<td>30,533</td>
<td>98.3%</td>
<td>97.6%</td>
<td></td>
</tr>
<tr>
<td>Two or more races</td>
<td>527</td>
<td>1.7%</td>
<td>2.4%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>One Race</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>22,063</td>
<td>71.0%</td>
<td>75.1%</td>
<td></td>
</tr>
<tr>
<td>Black or African American</td>
<td>7,418</td>
<td>23.9%</td>
<td>12.3%</td>
<td></td>
</tr>
<tr>
<td>Hispanic or Latino (of any race)</td>
<td>993</td>
<td>3.2%</td>
<td>12.5%</td>
<td></td>
</tr>
<tr>
<td>American Indian and Alaska Native</td>
<td>169</td>
<td>0.5%</td>
<td>0.9%</td>
<td></td>
</tr>
<tr>
<td>Asian</td>
<td>518</td>
<td>1.7%</td>
<td>3.6%</td>
<td></td>
</tr>
<tr>
<td>Native Hawaiian and Other Pacific Islander</td>
<td>19</td>
<td>0.1%</td>
<td>0.1%</td>
<td></td>
</tr>
<tr>
<td>Some other race</td>
<td>346</td>
<td>1.1%</td>
<td>5.5%</td>
<td></td>
</tr>
</tbody>
</table>

2. Visit the United States Census website at [www.census.gov](http://www.census.gov) to investigate the profile of your zip code. Report on the gender, age, racial, and income characteristics of your zip code. Compare the index numbers of the various demographics. In what way is the population in your zip code different from the U.S. population?

3. According to an industry report, the United States restaurant industry value is $638.4 billion. Growth rates are provided for the next five years: 2017 - 3.5 percent; 2018 - 4.9 percent; 2019 - 4.4 percent; 2020 - 4.2 percent and 2021 - 4.0 percent. Calculate the dollar sales forecast for 2017 - 2021 in billions of dollars. Create a simple bar chart in Excel of the sales forecast for 2017 - 2021.
4. Consider your college or university. What specific forms of internal secondary data are likely to be available? As you formulate your answer, think about the types of information which might be tracked related to recruiting, the current student body, alumni, athletics and fundraising.

5. Visit Google.com and locate the “Google Scholar.” Access this specialized search engine, and use it to research a topic of your choice. Conduct the same search using the same key words in the main Google window. Compare the results obtained through Scholar to the search from the main Google window. What similarities and differences did you see? Be sure to provide citations for the articles you use.

6. Using your preferred search engine locate the Blog Search function. Pick some type of marketing topic. Search the web for blogs on that topic. Critically evaluate at least three blogs, applying the criteria for assessing blog viability discussed in this chapter. In your evaluation, provide the URLs for the blogs you examine.

7. Visit YouTube and locate the “Google channel. Locate videos on linking Adwords to analytics. Report on what you learned. Under what circumstances would the metrics discussed in these videos be considered secondary data, as opposed to primary data? Be specific.

8. Visit http://www.nielsen.com/us/en.html and locate the “News and Insights” tab on the home page. Select one of the sub-topics from the dropdown menu. Find a topic that interests you, and report on your findings.

9. Visit http://www.trendwatching.com/ and select the “Free Publications” link. Review the latest trend briefing, or a trend briefing published within the last six months. Prepare a one-page report on the nature of the trend and its impact for brand marketing.

10. Pick one of the following topics and conduct secondary research using one or more of the bibliographic digital databases available at your school’s library. Find at least four articles that provide information on marketing of the products. Summarize your findings. In your summaries provide the full citation for each article.
   a. Advertising to teenagers
   b. Mobile phone advertising
   c. Website analytics
   d. Student recruiting at colleges or universities
   e. Marketing in France

11. Pick one of the following topics or products. Conduct secondary research. Locate at least two articles from your library’s bibliographic digital database, two articles or sites on the Internet in general that discuss the topic, and two blogs that provide information. Summarize your findings. Remember to cite the references in your paper and include all of your sources in a reference list at the end of your paper.
   a. Advertising to children
   b. Print advertising (magazines and newspapers)
   c. Search engine optimization (SEO)
   d. Sports marketing
   e. Marketing in Japan
Lakeside Grill
(Comprehensive Student Case)

The student team of Brooke, Alexa, Juan, Destiny and Zach collected the following information:

- Lakeside Grill sales data for the last three years aggregated by the month.
- Amount of money spent on hourly labor and food by the Lakeside Grill and the number of customers for the past three years, by month.
- Comment cards from customers spanning the last three years. The comment cards are placed in a box by diners as they leave the restaurant.
- “Restaurant and Hotel Food Trends” from this year’s Restaurant, Food & Beverage Market Research Handbook.
- Census data for the zip code in which the restaurant is located.
- Two articles from EBSCO on trends in restaurant patronage and desired attributes of restaurants.
- A blog written by a restaurant owner in San Diego that discusses various marketing techniques that she has used for her seafood restaurant.

Critique Questions:

1. Evaluate the types of internal data obtained by the team. What other data would the owner of the Lakeside Grill be likely to have in his database which could be useful for this research project?

2. How useful are comment cards? Who tends to respond to comment cards? How can the group use this information?

3. How useful will the trend information from the Restaurant, Food & Beverage Market Research Handbook be to the group?

4. What can the group learn from the census data of the zip code where the restaurant is located? Is the one zip code enough? Why or why not?

5. In addition to the two articles found on EBSCO, what other topics might be of interest? Generate a list of key terms that the group could use to search for additional articles.

6. How useful is the blog information? Can blogs provide good secondary data? What is the best way to locate a blog that would be useful to the team?

7. Overall, how would you evaluate the effort of this group in locating secondary data for their Lakeside Grill project?

Endnotes


3. Mark Walsh, “Location-Based Mobile Ads Deliver Best Engagement, Performance,” Online
Media Daily, February 6, 2013.


