

Chapter Two

Marketing 8TH EDITION Research

THE MARKETING RESEARCH INDUSTRY AND RESEARCH ETHICS

LEARNING OBJECTIVES

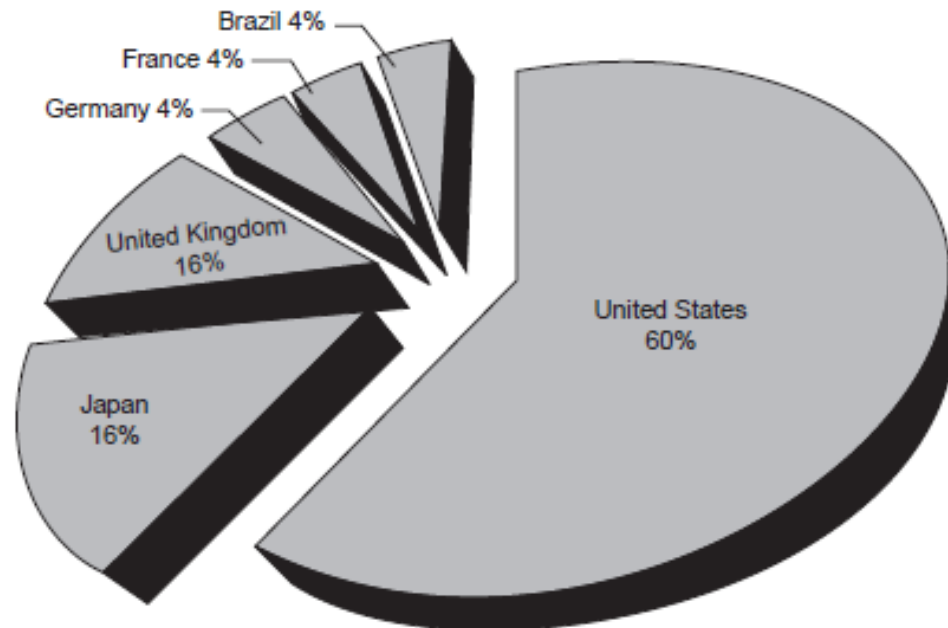
1. To appreciate the structure of the marketing research industry.
2. To comprehend the nature of corporate marketing research departments.
3. To learn about the various types of firms and their functions in the marketing research industry.
4. To understand the impact of the Internet on the marketing research industry.
5. To learn who uses marketing research.
6. To understand the growing importance of strategic partnering.
7. To appreciate trends in global marketing research.
8. To examine unethical practices among marketing research suppliers, clients, and marketing research field services.
9. To become familiar with respondents' rights.
10. To discover methods by which the level of professionalism in marketing research can be raised.

McDaniel | Gates

Where are the Top Global Marketing Research Firms?

Exhibit 2.1

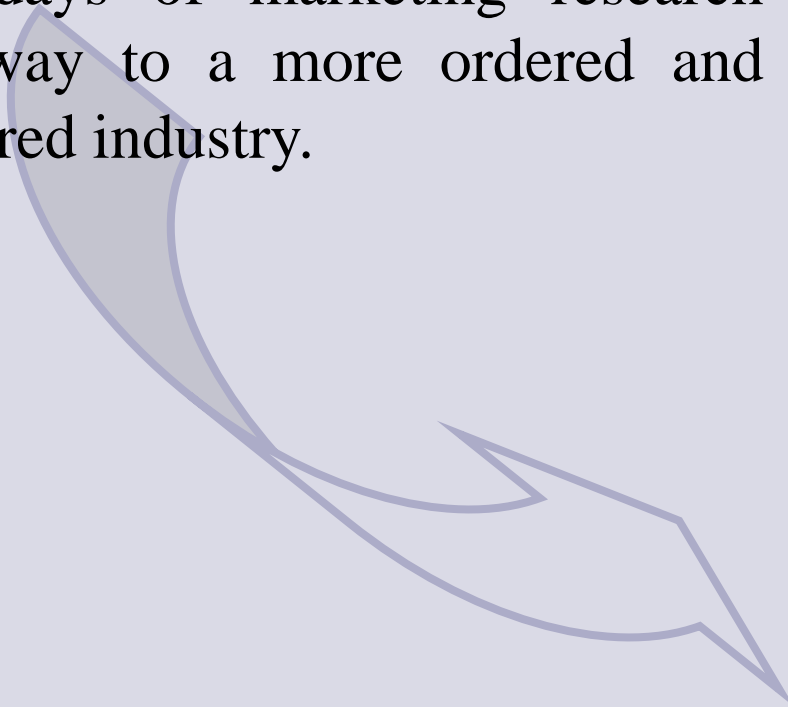
Where the Top 25
Global Marketing
Research Firms Are
Based



Source: Jack Honomichl, "Honomichl Global Top 25," *Marketing News* (August 15, 2007), p. H3.

The Marketing Research Industry Structure

The core competency focus in the early days of marketing research gave way to a more ordered and structured industry.



Level:

- One** → Corporate, organizational marketing departments
- Two** → Media companies
- Three** → Research suppliers: Ad-hoc to full service suppliers
- Four** → Field service or specialized service firms

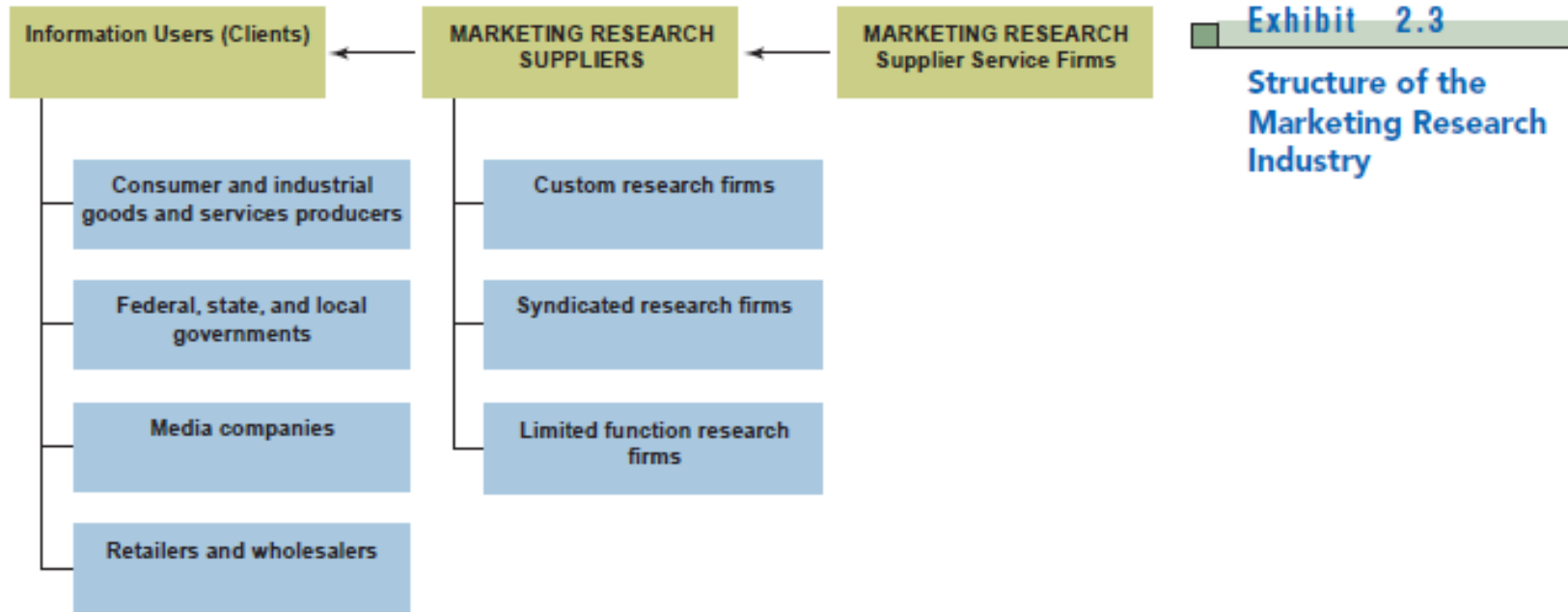
The Marketing Research Industry Structure

EXHIBIT 2.2

General Categories of Organizations Involved in Marketing Research

Organization	Activities, Functions, and Services
Consumer and industrial goods and services producers	Firms such as Kraft General Foods, Procter & Gamble, Ford Motor, and Caterpillar
Media companies	Advertising agencies such as J. Walter Thompson, Young & Rubicam, and Foote, Cone, & Belding. Public relations companies such as Hill and Knowlton. Sales promotion firms such as Acosta
Syndicated service firms	Marketing research data gathering and reporting firms such as ACNielsen, Arbitron, and Information Resources Incorporated, which collect data of general interest to many firms but for no one firm in particular (i.e., anyone can buy the data they collect); prominent in the media audience field and retail sales data
Custom research firms	Marketing research consulting firms such as Ipsos, DSS Research, and Burke, Inc., which do customized marketing research projects that address specific problems for individual clients
Field service firms	Firms that collect data only, on a subcontract basis, for corporate marketing research departments, ad agency research departments, custom research firms, or syndicated research firms
Specialized service firms	Firms that provide specialized support services to the marketing research industry, such as SDR in Atlanta, which provides sophisticated quantitative analysis or SSI which provides samples for marketing research suppliers
Others	Government agencies, university research bureaus, individual university professors, and database providers

The Marketing Research Industry Structure



Research Panel – groups of persons willing to answer marketing surveys)

Top 40 Marketing Research Firms

EXHIBIT 2.4 The 40 Largest Marketing Research Firms*

U.S. Rank	Organization	Headquarters	Web Site www.	U.S. Research Revenue (\$, in millions)
1	The Nielsen Co.	New York	nielsen.com	\$1,370.0
2	IMS Health Inc.	Norwalk, Conn.	imshealth.com	716.9
3	Kantar Group	Fairfield, Conn.	kantargroup.com	509.0
4	IRI	Chicago	infores.com	432.0
5	Westat Inc.	Rockville, Md.	westat.com	425.8
6	TNS U.S.	New York	tns-global.com	355.1
7	Arbitron Inc.	New York	arbitron.com	316.1
8	GfK AG USA	Nuremberg, Germany	gfk.com	315.5
9	Ipsos	New York	ipsos-na.com	271.7
10	Synovate	London	synovate.com	234.3
11	Maritz Research	Fenton, Mo.	maritzresearch.com	178.2
12	Harris Interactive Inc.	Rochester, N.Y.	harrisinteractive.com	171.0
13	J.D. Power and Associates	Westlake Village, Calif.	jdpower.com	170.5
14	The NPD Group Inc.	Port Washington, N.Y.	npd.com	145.6
15	Opinion Research Corp.	Princeton, N.J.	opinionresearch.com	96.8
16	Telephia Inc.	San Francisco	telephia.com	69.8
17	Lieberman Research Worldwide	Los Angeles	lrwonline.com	63.1
18	comScore Inc.	Reston, Va.	comscore.com	61.1
19	Abt Associates Inc.	Cambridge, Mass.	abtassociates.com	53.6
20	Market Strategies Inc.	Livonia, Mich.	marketstrategies.com	46.0
21	Burke Inc.	Cincinnati	burke.com	43.5
22	MVL Group Inc.	Jupiter, Fla.	mvlgroup.com	43.0
23	OTX	Los Angeles	otxresearch.com	38.3
24	Directions Research Inc.	Cincinnati	directionsresearch.com	36.7
25	National Research Corp.	Lincoln, Neb.	nationalresearch.com	36.6
26	Knowledge Networks Inc.	Menlo Park, Calif.	knowledge-networks.com	35.3
27	ICR/Int'l Communications Research	Media, Pa.	icrsurvey.com	30.8
28	Morpac Inc.	Farmington Hills, Mich.	morpac.com	30.1
29	Public Opinion Strategies	Alexandria, Va.	pos.org	30.1
30	Experian Research Services	Deerfield Beach, Fla.	smb.com	27.2
31	National Analysts Worldwide	Philadelphia	nationalanalysts.com	26.5
32	Informa Research Services Inc.	Calabasas, Calif.	informars.com	25.2
33	MarketCast	Los Angeles	marketcastonline.com	24.6
34	Lieberman Research Group	Great Neck, N.Y.	liebermanresearch.com	23.5
35	Market Probe Inc.	Milwaukee	marketprobe.com	23.5
36	Data Development Worldwide	New York	data-dw.com	23.4
37	Flake-Wilkerson Market Insights LLC	Little Rock, Ark.	fw-mi.com	22.9
38	Guideline Inc.	New York	guideline.com	22.1
39	C&R Research Services Inc.	Chicago	crresearch.com	21.5
40	Phoenix Marketing International	Rhinebeck, N.Y.	phoenixmi.com	21.2

Source: "The Top 50 U.S. Market Research Firms," *Marketing News* (June 15, 2007), p. 44.

* Some large privately owned firms, such as DSS Research and Decision Analyst, would be included in the list, but they do not disclose financial data.

Types of Marketing Research Firms

Custom / Ad Hoc:

- Companies that carry out customized marketing research to address specific projects for corporate clients.

Syndicated:

- Companies that collect, package, and sell market research data to many firms.

Field Service:

- Companies that only collect survey data for corporate clients or research firms.

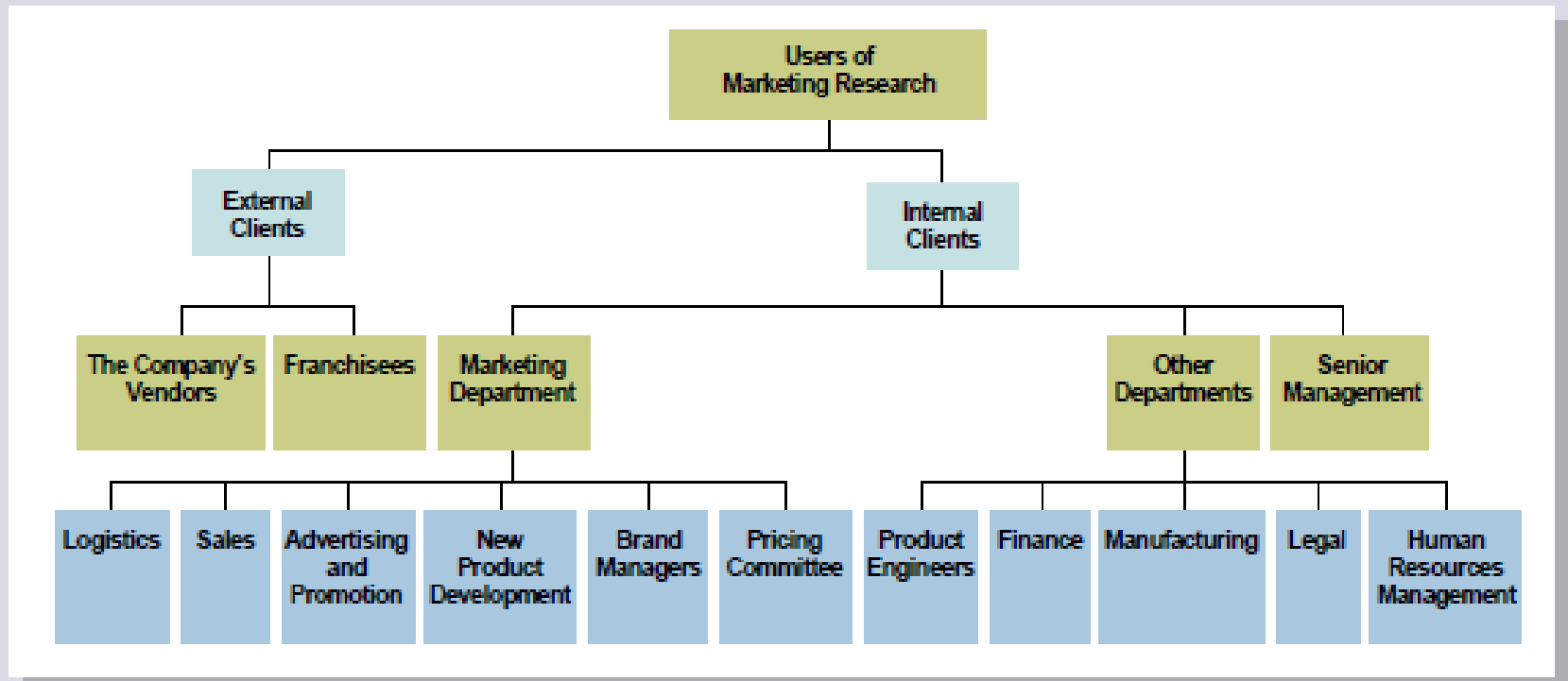
Syndicated Service Research Firms

EXHIBIT 2.5

Syndicated Service Research Firms

Firm	Syndicated Services
ACNielsen Corp. New York	Television ratings Scanner-based data Wholesale/retail audits Internet research
FIND/SVP New York, New York	Large variety of industry/product studies
Maritz Marketing Research Inc. Fenton, Missouri	Customer satisfaction studies
GfK NOP New York, New York	Public opinion surveys Lifestyle data Media/advertising effectiveness data
Information Resources Incorporated Chicago, Illinois	Scanner-based data

Users of Marketing Research



External Marketing Research Providers

Types of Services

Customized:

- Research done from bottom to top to meet the customers' needs.

Syndicated:

- Collected data on specific issues such as the Nielsen Ratings.

Standardized:

- Provide research and data in a specific pre-determined way.

External Marketing Research Providers

Types of Services

Field:

- Conduct research in the field for specific projects

Selected:

- Firms that specialize in specific areas on expertise.



Branded Products:

- First that specialize in collect data to address specific problems.

Strategic Partnering

Key Considerations

- Appropriate use of synergy between partners;
- Personal compatibility greatly enhances effectiveness;
- Sharing the same visions and goals is important;
- About half of large MR first engage in strategic partnering;
- Can greatly improve productivity and customer service;
- Will help the company to target its resource more effectively.

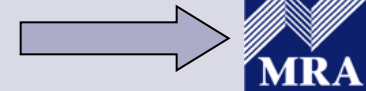


Marketing Research Ethics

Key Components

- Ethics are moral principles or values generally governing the conduct of an individual or group.
- Ethics is not a one-way relationship as all parties are responsible for maintaining and fostering ethical standards and conduct.
- If you are concerned about a research supplier, contact research associations to vet suppliers.

Click to go to the Marketing Research Association for information on marketing research ethics



Marketing Research Ethics

Suppliers Should not Engage in:

EXHIBIT 2.7

Unethical Practices in Marketing Research

Research Suppliers	Research Clients	Field Services
Low-ball pricing	Issuing bid requests when a supplier has been predetermined	
Allowing subjectivity into the research	Soliciting free advice and methodology via bid requests	Using professional respondents
Abusing respondents		Not validating data
Selling unnecessary research	Making false promises	
Violating client confidentiality	Issuing unauthorized requests for proposal	
Black box branding		



Marketing Research Ethics

Clients Should Not Engage in:

- Requesting Bids When a Supplier Has Been Predetermined;
- Requesting Bids to Obtain Free Advice and Methodology;
- Making False Promises;
- Requesting Proposals without Authorization;



Marketing Research Ethics

Field Service Provides Should Not Engage in:

- Using Professional Respondents;
- Failing to Properly Validating the Data;
- Using Others' Research as Original Work;
- Overstating Qualifications or Inflating References;

Respondents' Rights

The Respondent has the Right to:

- Choose Whether to Participate;
- Be in a Safe Environment;
- Be Informed as to the Research Purpose;
- Privacy of the Research Results if Promised;



Ethics and Professionalism

Push Polling:

- A style of research gathering in which zealous political supporters deride one candidate to lead voters to support the other candidate.

Researcher Certification:

- Process by which research can attain professional standing among research authorities as being qualified.



←
The Marketing research Association Professional Certification Program

Key Terms & Definitions

- [Marketing Research Industry Structure](#)
- [Custom Research Firms](#)
- [Syndicated Service Research Firms](#)
- [Top 40 Marketing Research Firms](#)
- [Research Panel](#)
- [Field Service Firms](#)
- [Strategic Partnership](#)
- [Ethics](#)
- [Low-Ball Pricing](#)
- [Professionalism](#)
- [Certification](#)

Links and [Key Terms & Definitions](#) *button are active when in “Slide Show Mode”*