

PGDM (IBM), 2014-16

Marketing Research

INS-304

Trimester III, End Term Examination: April 2015

Time allowed: 2 Hrs and 30 Min

Max Marks: 50

Roll No: \_\_\_\_\_

**Instruction:** Students are required to write Roll No. on every page of the question paper, writing anything except the Roll No will be treated as Unfair Means. In case of rough work please use answer sheet.

Sections	No. of Questions to attempt	Marks	Marks
A	3 out of 5 (Short Questions)	5 Marks each	3*5 = 15
B	2 out of 3 (Long Questions)	10 Marks each	2*10 = 20
C	Compulsory Case Study	15 Marks	15
		<b>Total Marks</b>	<b>50</b>

#### Section A

- Q1. Briefly discuss differences between syndicated and customized research services. Give two examples for each type of service.
- Q2. What are projective techniques? Briefly describe different types of projective techniques.
- Q3. Give examples for Nominal and Ordinal scales. Briefly discuss what statistics are permissible on data collected with these scales.
- Q4. What are the differences between exploratory and conclusive research?
- Q5. Discuss the advantages and disadvantages of secondary data.

#### Section B

- Q6. Discuss the potential sources of error that can affect research results with appropriate examples.
- Q7. Discuss different types of survey methods. What are the advantages and disadvantages of these methods?
- Q8. Discuss the various steps involved in questionnaire design process.

#### Section C

Read the "American Idol: A Big Hit for Marketing Research?" case and answer the following questions.

- Q1. What are the objections generally voiced by critics and skeptics against pursuing marketing research?
- Q2. If you undertake this project, how would you go about it? What research design would you adopt? Explain what research methods would you use and reasons for using them?
- Q3. Marcello said "we could place about 6 questions on Opinion Research Corporation's national omnibus survey". If you were the researcher, what are the 6 questions and measurement scales that you would include in the survey and why?



# Comprehensive Critical Thinking Cases

## American Idol: A Big Hit for Marketing Research?

"This could be more of a challenge than we previously thought," Melissa Marcello told her business associate, Julie Litzenberger. After nodding in agreement, Litzenberger put down her cup of coffee at the Vienna, Virginia, Starbucks coffee shop near her firm's headquarters.

Both Marcello and Litzenberger were far along their career paths as researchers in the winter of 2008 when they met at Starbucks. Marcello was CEO of research agency Pursuant, Inc. ([www.pursuantresearch.com](http://www.pursuantresearch.com)), and Litzenberger led the public relations division at marketing communications agency Sage Communications ([www.sagecommunications.com](http://www.sagecommunications.com)). Both were based in the Washington, D.C., area.

Litzenberger took the last bite of her cinnamon scone before sipping her latte. She nodded again to Marcello across the table for two before answering. "Research studies that are the most successful in moving the needle are the studies where the research firm uses scientific and credible methods, poses the right questions, and provides the client company with the insights needed to sufficiently reduce risk in decision making," Litzenberger said. "In short, improving decision making is what effective marketing research is about."

Over the years, Marcello and Litzenberger had witnessed prospective client companies voicing resistance to pursuing marketing research. Skeptics of professional marketing research sometimes would say that they "already knew enough about customers to make decisions." Other times, skeptics would assail the sampling methods of studies in an attempt to dismiss the results. And in other instances, skeptics would merely claim that finding the answers to such questions about customers would be too expensive to obtain. In sum, professionally done marketing research was presented as being impractical.

Marcello and Litzenberger were attempting to overcome a challenge in client development. Specifically, they were attempting to obtain evidence to confront skeptics of professionally done marketing research without compromising the privacy of previous clients with whom they had worked. It

was inappropriate for them to share the results of previous studies with anyone other than the clients who had contracted them for those custom marketing research studies.

While considering dozens of ideas over the past three weeks of project development brainstorming sessions, Marcello and Litzenberger were now focused on one project for demonstrating the usefulness of marketing research to prospective clients. The research question was: "What still needs to be known about the viewers and voters for contestants of the popular TV show *American Idol*?"

*American Idol* ([www.americanidol.com](http://www.americanidol.com)) is an annual televised singing competition, which began its first season in 2002. The program has always sought to discover the best young singer in the United States. Each year, a series of nationwide auditions are followed by a series of telecasts featuring the singers who advance to the next week's show based on public voting. Throughout the show's history, three judges have critiqued the singing of surviving contestants each week: record producer and bass player Randy Jackson, pop singer and dancer Paula Abdul, and the blunt-speaking music executive Simon Cowell. Good-guy Ryan Seacrest has hosted the show each year. Singer-songwriter and record producer Kara DioGuard was added as the fourth judge in the eight season.

In the spring of 2008, *American Idol* had reached an all-time peak, garnering as many as 28 million viewers for a single episode. Despite the sizable audience—composed of people from different demographics, from tweens to senior citizens—no third party had conducted a research study to gain more insight into who the viewers actually were or their motivations for voting for *American Idol* contestants.

"Are we kidding ourselves?" Marcello challenged Litzenberger. "Who would care about a study investigating *American Idol* viewers?"

"How about the sponsors of the show?" Litzenberger quickly countered. "Pepsi-Cola passed on sponsoring the show during its development, but Coca-Cola decided to take a risk and invested \$10 million to become a sponsor in



*American Idol*'s first season. That's a lot of cola and that was a lot of risk to take in the volatile world of broadcast television!"

"You're right," Marcello said. "I later read in *USA Today* that Kelly Clarkson might have been voted the first *American Idol*, but Coke was the real winner. So maybe Pepsi was the real loser. Coke and Ford now spend tens of millions each year not only to be sponsors, but also to have tie-in promotions, such as you might find at [cokemusic.com](http://cokemusic.com)."

"But just how durable is the show's concept?" Litzenberger asked after finishing her latte. "What if we find that voters are mostly pre-teen girls? What if we find that adults don't vote for the contestants or adults don't have confidence in the judge's opinions?"

"The news media should find such answers more delicious than that slice of pumpkin bread I am spying in that glass case over there by the cash register," Marcello said. "Journalists will almost always cover what they regard as relevant and quantifiable trends in popular culture."

Litzenberger leaned forward. "So how do you propose that we do such a study?"

"We've devoted hours to this question at my firm for better than a week. Here's our best thinking on it as of today," Marcello said. "We could place about six questions on Opinion Research Corporation's CARAVAN ([www.opinionresearch.com](http://www.opinionresearch.com)) national omnibus telephone survey to find out more about who, among adults 18 or older living in the United States, watched and voted in the 2009 season of *American Idol*. Such an omnibus survey could be done by telephone during three days in April 2009."

"OK, but what about sampling?" Litzenberger said. "You know we might get attacked on this. It could be really expensive, too. Can we afford it?"

"If we do it this way, we can afford it," Marcello said. "It will run about \$1,000 per question. We'll have the Opinion Research Corporation ask our questions along with those of other sponsoring companies to a randomly selected national sample of 1,045 adults comprised about evenly of men and women. With a total sample size of more than 1,000, we will be able to say with 95 percent certainty that the results would be accurate to within  $\pm 3.0$  percent. This exceeds acceptable standards for a survey about media preferences."

"So if only 10 percent of our sample reported voting for *American Idol* contestants, we would be able to say with 95 percent confidence that the actual percentage of the adult population who voted was somewhere between 7 and 13 percent?" Litzenberger asked.

"You've got it," Marcello affirmed. "Of course, it could be a lower or a much higher percentage. Nobody really knows now. Anybody who says otherwise is merely speculating."

Silence now overcame these two researchers as they reflected on the future courses of action they could take. They could drop the whole idea of demonstrating the usefulness of marketing research. They could pursue this *American Idol* study. If so, what questions should be asked to respondents and why. Should they continue to consider other ideas for such a study and pursue it later? What should they do? Why?