

PGDM (IBM), 2015-17

Marketing Research

INS-304

Trimester III, End Term Examination: March 2016

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
		Total Marks	50

Section A

- Q1. You have asked one of your subordinates to collect some secondary data. How would you evaluate the data collected by/her?
- Q2. LIC intends to launch a new advertising campaign. The ad agency has developed two campaigns. LIC wants to undertake marketing research to decide which of the two new ad campaigns should be launched. What type of research should they undertake and how should they undertake it.
- Q3. Discuss problem identification research and problem solution research with suitable examples.
- Q4. What is the objective of exploratory research? Discuss when it is more appropriate to use exploratory research over other research designs.
- Q5. What are the different types of non probability sampling techniques?

Section B

- Q6. A health insurance company is struggling to gain market share. They have hired you to undertake marketing research. Discuss how you would undertake the research. Outline all the relevant steps in the market research process that you would follow.
- Q7. Compare and contrast primary and secondary data. Discuss for what type of information and research needs primary data is more appropriate.

Q8. What are the points you need to consider while developing / using different scales for measurement? What are the differences between Forced & unforced scales and Balanced & unbalanced scales? Give appropriate examples.

Section C

Read the "Subaru: MR.Survey Monitors Customer Satisfaction" case and answer the following questions.

Q1. Discuss how Subaru has been using marketing research to enhance customer loyalty and increase its market share.

Q2. In order to grow, Subaru must foster and build customer loyalty. Define management decision problem. Define an appropriate marketing research problem / research objectives based on the management decision problem you have identified.

Q3. Design one ordinal and one interval scale for measuring consumer preferences for various automobile brands that Subaru can use.

Subaru: "Mr. Survey" Monitors Customer Satisfaction

Subaru of America (www.subaru.com) is the automobile division of Fuji Heavy Industries (FHI). Subaru has been operating in the United States since 1968, when it began selling the 360 Minicar. Headquartered in Cherry Hill, New Jersey, the company serves nearly 600 dealers nationwide. Subaru has offered many different cars over the years, but as of 2009 it sold five different brands in the United States. These brands each have a variety of different models. The five brands are the Tribeca, the Outback, the Forester, the Legacy, and the Impreza. One of the unique things about Subaru is that 100 percent of its models come with all-wheel drive.

Subaru's strategy is apparent in one of its key players, Joe Barstys. Joe has been with Subaru for more than 20 years, and he spends his time worrying about customer satisfaction. Joe and people like him are the backbone of Subaru. These people help Subaru focus on its customers and their wants and needs by conducting marketing research. Joe has incorporated the use of customer surveys into his practice, and for this he has gained the title of "Mr. Survey." Joe's goal is to develop a customer satisfaction level that will help build a certain level of loyalty in Subaru's customers. This loyalty is extremely important in the car business, because it has historically been much lower than in other industries. Marketing research has shown that although approximately 90 percent of customers are pleased with their automobile purchase, only 40 percent are loyal enough to buy the same brand again.

Surveys are a very valuable tool to Subaru in its quest for customer loyalty. The company mails a survey to each customer within 30 to 45 days of purchase to assess the customer's feelings toward the newly purchased vehicle, to obtain information on the nature of the interaction with the dealer, and to learn about other elements of the purchase process. Subsequent to the initial contact, more surveys follow throughout the "lifetime" of the customer (i.e., the duration of ownership of the car, on average 6 to 7 years). The latter surveys assess the long-term satisfaction with the vehicle and the dealership. The mail surveys have a high 50 percent response rate. As of 2009, about 500,000

surveys are mailed each year. Additional surveys are conducted over the Internet. Questions on the survey include: How was your service experience? How does Subaru compare to other service providers you have visited? What about the buying experience? How satisfied were you? What were the salespeople like? These questions help Subaru determine how customers regard their Subaru experience and what steps Subaru should take to improve this experience further.

These surveys provide important feedback, allowing Subaru to adjust its approach based on consumer demands. An example of the importance of adjustments can be found in the case of the female consumer. Through surveys, Subaru found out that it needed to adjust its marketing to include female consumers, who are becoming an increasingly large part of the market. It was important for Subaru to understand what types of things would appeal to women in order to offer a more desirable product to them.

Another benefit of marketing and survey research is that Subaru has been able to identify the types of people who are more likely to buy its automobiles. Subaru believes that the typical Subaru owner is different from the average consumer. Its average consumer is highly intelligent, highly independent, and outside the mainstream crowd. Thus, Subaru tries to market automobiles to these types of people and attempts to distinguish itself from the larger, more mainstream competitors. Results of affinity for the company are evident as customers feel motivated to send pictures of their cars to Subaru.

Joe considers his background in philosophy and theology (he has a BA in philosophy and an MA in theology) to have contributed to the role of Mr. Survey he plays at Subaru. Joe explains that his theology and philosophy background allows him to look at the human experience with a product. A customer's problem could be a dysfunction with his car, his dealer, or his own ignorance about how the car works. All of these are essentially about human experience, and hence no matter whether Joe works in the automobile industry or any other, he is, in effect, dealing with human experience. This human experience is

just one aspect that he loves about his job, because he loves being with people and finding out what makes them tick. The other aspect that he is really excited about is the great responsibility and decision-making authority that he shoulders with the goal of maintaining customer loyalty, and every year he achieves success.

The company's goal is continued growth through 2015, and it hopes that with the help of marketing research it will be able to achieve this goal. It believes that listening to the customers and adapting its practices to meet their concerns will provide customers with a higher level of satisfaction and ultimately lead to a higher level of loyalty. Subaru's marketing research staff, like "Mr. Survey," will be critical to this endeavor.