**Instructor’s Manual**

to accompany

*Consumer Behavior and Insights,* First Edition

Diane M. Phillips

**Chapter 3**

***Consumer Research***

**Chapter Learning Objectives**

3.1 Describe each part of the five-step consumer research process, as well as the importance of each step.

3.2 Understand and describe the differences between data, information, and insights.

3.3 Describe the differences between primary and secondary data as well as the differences between qualitative and quantitative research.

3.4 Explain the reasons why researchers want to reduce various forms of bias in their data collection and analysis.

3.5 Discuss the three research perspectives and several research methods that could be used for each perspective.

**Chapter Outline**

1. THE CONSUMER RESEARCH PROCESS
	1. Why conduct consumer research
		1. The consumer research process is a deliberate series of steps designed to answer key questions about consumer behavior and develop insights that will be helpful to marketing managers
		2. Conducting research can be expensive, but it is often costlier to a firm to *not* engage in research
		3. Consumer research myths and realities
			1. The big decision myth
				1. Myth—Only engage in research when there is a big decision to be made
				2. Reality—Managers need to do a cost-benefit analysis to determine if it will be worth it
			2. The survey myopia myth
				1. Myth—Research means that you are doing surveys
				2. Reality—There are many approaches
			3. The big-bucks myth
				1. Myth—Research is too expensive
				2. Reality—Research can be low cost and there is sometimes free research available
			4. The sophisticated researcher myth
				1. Myth—Only trained experts can conduct research
				2. Reality—All managers should know the basics
			5. The most research is not read myth
				1. Myth—Research is irrelevant and only confirms what a manager already knows
				2. Reality—Research creates insights that managers should use to benefit the organization
		4. Consumer research can avoid mistakes and wasted money
			1. Tropicana removed the straw image on packaging in 2009
				1. Consumers were confused
				2. Sales dropped by 20 percent in two months
				3. Redesigned packaging and added the iconic straw
			2. Burger King introduced the King mascot
				1. The king would show up randomly in people’s homes
				2. Consumers thought it was weird and creepy
				3. Burger King dropped from number two to number three fast-food retailer in the United States
			3. Apple iPhone 5 introduced a new mapping app
				1. The app did not function well
				2. *Mapplegate*
		5. Consumer research is especially critical in the international arena
			1. L’Oreal
				1. India—consumers buy small packets of shampoo and do not want bigger bottles
				2. China and Brazil—consumers prefer the bigger bottles
			2. Panasonic
				1. Japanese company
				2. New touchscreen PC monitor
				3. Woody Woodpecker was chosen as the mascot
				4. The product was called “The Woody”
				5. The touchscreen feature was called the “Touch Woody”
				6. American partners noticed the problem before the campaign was launched
		6. Insights from the Field 3.1: Hot dogs, popcorn, or grasshoppers?
			1. Two billion people worldwide include insects in their diet
			2. Grasshoppers have the same amount of protein as lean beef, less fat, require fewer resources, and have fewer environmental hazards
			3. Focused on making insects a viable option for people in developing countries and people in need
			4. Resistance from consumers in more developed countries
			5. Research indicated that America consumers preferred whole insects over ground options
			6. Launched product and people lined up to buy fried grasshoppers
			7. The bugs generated buzz and high demand
	2. Two broad research orientations
		1. The positive approach
			1. Emphasizes the objectivity of science
			2. Consumer as a rational decision maker
			3. Sees the world as having an external objective reality
			4. Quantitative research methods with qualitative methods being used in a limited supporting role
			5. The goal is to uncover the “objective truth” about the question of interest
		2. The interpretivist perspective
			1. Stresses the subjective meaning of a consumer’s individual experience
			2. Behavior is subject to multiple interpretations
			3. The researcher is an active participant in the research process
			4. Qualitative research methods
			5. The goal is to “see what the research reveals” about the question of interest
	3. Overview of the five-step consumer research process
		1. Identify the problem
			1. Problem identification involves careful articulation of the exact question a consumer researcher needs to answer
			2. The question cannot be too broad or too narrow
			3. The manager must consider whether the research effort requires exploratory of confirmatory research
				1. Exploratory research is interested in finding out broad trends or patterns in behavior
				2. Confirmatory research seeks to find a specific answer to a specific question
			4. Insights from Academia 3.1: Marketers learn more from brains than from people
				1. EEG and fMRI to find out what a consumer is really thinking
				2. Removes bias
			5. Research questions should account for three separate dimensions of the consumer-organization relationship
				1. What a consumer brings to the encounter
				2. What a consumer encounters
				3. What consumers do
			6. Philadelphia beverage tax
				1. Beverage sales dropped
				2. Research to learn about the impact of the tax on consumer behavior
				3. Well-articulated research problems and questions
	4. Select the perspective
		1. Once the problem is clearly identified the researcher can select how to obtain the data needed
			1. Behavioral perspective
			2. Cognitive perspective
			3. Motivational perspective
	5. Collect the data
		1. Launch the project and collect data
		2. The research team must decide whether to use primary or secondary data
			1. Secondary data have already been collected for another purpose
			2. Primary data come from a specifically designed research effort that seeks to answer a specific question
		3. Insights from the Field 3.2: “We’re dog people. Crazy dog people.”
			1. Americans own 84.6 million pets and spent $63 billion on pets in 2016
			2. Bark & Co. offers a subscription service to have a box of pet products sent to peoples home each month
			3. Surveyed over one thousand pet owners
				1. Used primary and secondary data
				2. Needed to understand customers, their needs, and to connect with them in a way to create a lifestyle brand
		4. Researchers need to decide whether the data collected should be qualitative or quantitative
			1. Qualitative data is nonnumerical date
				1. Generally collected at the beginning of a research project
				2. Used when researchers need to understand the issue at a deep and profound level
			2. Quantitative data is numerical data
				1. Generally collected when researchers need to examine the relationships between variables
				2. Researchers perform statistical analyses and make predictions about what consumers might do
		5. Insights from Academia 3.2: “Obviously, all the cool kids have iPhones”
			1. Difficult to conduct research on children because researchers must ensure that children’s rights are protected
			2. A study attempted to look at how children are pressured to fit in to their peer groups with designer clothing and electronics
				1. In-depth interviews
				2. Focus groups
			3. Children have already developed three consumption related skills
				1. Recognition—they understand that a social hierarchy exists
				2. Performance—they have a desire to have a place in the social group near the top
				3. Communication—they understand that there are rules about what can and cannot be talked about in relation to consumption
		6. Researchers need to determine the target market and research sample
			1. The sample needs to be representative
			2. Allows researchers to generalize the findings
		7. Researchers need to make sure that the research participants’ rights are not violated
			1. Milgram Experiment
				1. Patients asked to shock other patients
				2. The study was a ruse and all of the participants were actors except for the patient administering the shock
				3. Patients suffered emotional and psychological trauma
			2. Stanford Prison Experiment
				1. Prisoners were separated into two groups—“prisoners” and “guards”
				2. “Guards” enacted cruel punishments on the prisoners
				3. “Prisoners” became depressed and exhibited extreme stress
				4. Supposed to last two weeks but was abandoned after three days
			3. The Belmont Report
				1. Ethical principles for the protection of research participants
				2. Respect for persons
				3. Beneficence
				4. Justice
			4. Any institution that conducts research using people must have an institutional review board
		8. Researchers should always collect the amount of data they need to answer the research question—no more and no less
	6. Analyze the data
		1. Data are numbers or other nonnumerical descriptors
		2. Information is data that have been organized and analyzed
		3. Data visualization helps managers see patterns in the data
		4. Researchers must be careful about biases when analyzing data
			1. Confirmation bias happens when researchers look at the results of the data to confirm a conclusion they had already made
				1. Irrational escalation happens when new data conflict with a decision that has already been made
			2. Social desirability bias happens when research participants provide answers that make themselves look good or that they think the researcher might want to hear
			3. Framing happens when the setting or context alters the answers that participants might give
			4. Knowledge bias is the tendency for participants to prefer a specific product with which they are familiar
		5. Insights from Academia 3.3: You saw that, right?
			1. Collecting data through mobile apps
			2. The Airport Scanner app
				1. Individuals do not do well at identifying rare items
			3. Doctors may not notice everything when visually inspecting an X-ray
			4. Advertisers must be careful about inserting “rare” images in an advertisement—consumers may not notice them
	7. Develop consumer insights
		1. The research team combines the research findings and develops insights that help answer the research question
		2. Insights take the information that is generated, connect it with other information available, and form conclusions
		3. Insight offers a glimpse into the consumer’s experience and hints at a recommendation to the marketing manager
	8. Create a feedback loop
		1. Consumers, the marketplace, and the context in which consumer behavior takes place is always changing
		2. The consumer research process must be a continuous process
		3. Insights from one research project should feed into the next project
		4. A feedback loop provides conclusions from one research project and makes it available to managers as they identify the next research problem
	9. Insights from the Boardroom 3: Sometimes a research project needs to be tackled with multiple methods
		1. Selecting the right research method can be difficult
		2. Wawa uses a mix of research methods depending on the question
			1. Focus groups
			2. Sensory methods
			3. Store intercepts
			4. Mobile methods
2. CONSUMER RESEARCH PERSPECTIVES
	1. Experiments are used in behavioral, cognitive, and motivational research
		1. Independent variables do not depend on other factors
		2. Dependent variables depend on other factors in the experimental setup
	2. Behavioral research
		1. Studies what consumers are doing
		2. Uses observational methods
			1. Observation—watch and record what consumers do
			2. Scanner data—generated when a customer’s purchase is electronically scanned at the checkout line at a retail store
			3. Online behavior—can assess click-through rates, how much time consumers spend on a site, search terms used, etc.
	3. Cognitive research
		1. Studies the human mind, its structure, and its processes
		2. Physical methods examine functions or reactions of the brain
			1. Brain scans
			2. Often more predictive of behavior than verbal comments
		3. Nonphysical methods are used to infer different cognitive processes
			1. Occur in a laboratory setting
			2. The goal is to map the thought process
		4. Cognitive research assumes that consumers make decisions in a purely rational and logical manner
	4. Motivational research
		1. More comprehensive than behavioral or cognitive research
		2. Recognizes that consumers are complex, sometimes unpredictable, and influenced by internal and external factors
		3. Covers how consumers feel, make decisions, and the influence of social media and cultural factors
		4. Descriptive methods are used to describe a group of consumers or their perceptions about a product, an advertisement, a store, etc.
			1. Can provide information on emotional states of being and rational information
			2. In-depth interviews
				1. A single interviewer discusses a topic with a consumer
			3. Focus groups
				1. Eight to ten people sit around a table with one interviewer and answer a series of questions about a topic
				2. An advantage is that the comments of one participant can spark ideas in others
			4. Ethnographic studies
				1. Provides an in-depth, comprehensive description of a group of people, a culture, or a situation
				2. Researchers may spend years interacting with people in the group
				3. Researchers may live with people to better understand them
		5. Emotional methods are designed to assess consumers feelings and emotional states
			1. Physical methods work from the assumption that a consumer’s emotions can be experiences by the body
				1. Galvanic skin response test measures electrostatic changes in the skin as a reaction to a stimulus
				2. Pupil dilations measure the extent to which a participant’s pupils dilate when they see something they like
				3. Heart rate tests—when the heart rate goes up, the participant is more excited or stressed
				4. Eye tracking researchers monitor the movements of the eyes and determine what images consumers like
			2. Nonphysical methods
				1. Surveys
				2. A warmth monitor is a device like a joystick; as participants are looking at a product or an ad, they are asked to move it right or left to signify their emotions
		6. Insights from the Field 3.3: Captain Kirk to Trekkies: Get a life!
			1. Star Trek fans—Trekkies
			2. A researcher conducted an ethnographic study to understand what made Trekkies so dedicated and passionate
				1. Found that the overarching theme that resonated with fans was the depiction of an optimistic future

CASE STUDY 3: Google Glass

* 1. Glass was a top-secret endeavor named Google X
		1. How would consumers use the product?
			1. Daily wearable item?
			2. Used for specific tasks?
			3. Would it help users interact with others?
			4. Would it be incorporated in consumer’ lives?
		2. Small group of techie innovators called *explorers* tested the product
			1. *Explorers* paid $1500 for the privilege of doing this for Google
		3. The word got out before:
			1. all of the technological glitches were properly worked out
			2. clearly identifying the target market
			3. deciding how consumers would use the product
		4. There was a lot of interest in the product
		5. Glass was unveiled in June 2012
			1. Skydivers wearing the product drop onto the roof of the conference center and ride BMX bikes to the auditorium
			2. Streamed live from the jumpers
		6. Excitement and celebrity endorsement
			1. Diane von Furstenberg
			2. Prince Charles
			3. Beyonce
			4. Sarah Jessica Parker
			5. Et al.
		7. Consumers purchased the product for $1500
		8. Scathing reviews
			1. Difficult usability of the apps
			2. Poor battery life
			3. Awkward navigation
		9. People wearing Glass had their attention divided between what was happening in front of them in real life and what was happening on the screen
		10. People were not yet used to the idea of wearable technology
		11. There were privacy concerns
			1. Glass was banned from bars, restaurants, casinos, and other places where clients and managers did not want people recording their surroundings
		12. Google Glass was pulled from the market in 2015
		13. Google did a lot of things right
			1. Engaged innovators
			2. Relied on public relations to help get the word out and generate interest
			3. Got Glass into the hands of key opinion leaders
		14. Marketing missteps
			1. Launched too soon
			2. Marketing plan was ill thought-out and rushed
			3. Little control over public relations
			4. No advertising
			5. No determination of the needs of the target market
			6. No evidence to suggest that any research was done on what customers would do with Glass
		15. Glass was reintroduced as Google Enterprise Edition (Google EE)
			1. Designed as a tool for the workplace
			2. Used by manufacturing and distribution companies
			3. Safer and more comfortable than other workplace applications
			4. Next step is to promote for medical and military applications

**Chapter Discussion Questions**

1. Imagine that you are just about to start a new job and you want to really make a great impression on your new boss. The problem is, it’s a small, family-owned company and it has never conducted consumer research. Using what you know about the importance of conducting research, develop a strong and compelling argument to present to your new boss about why your new company should conduct consumer research.

2. One of the problems with Google Glass seems to be that, at the outset, it did not have a well-articulated research problem or set of research questions. Indeed, engineers developed the product and then management and marketing tried to figure out how to sell it. What would have been some appropriate research questions that managers at Google could have asked?

3. Selecting a college or university to attend is a big decision. When you were making this decision, you probably looked at both qualitative and quantitative data. Give some examples of qualitative and quantitative data you gathered and considered.

4. Imagine you are doing a research study on cheating in college. Your goal is to recruit several students to answer a series of questions about whether they know someone who has cheated, whether they have cheated, and, if they have cheated, different techniques they have used. How could you reduce or eliminate social desirability bias?

5. Globally, professional soccer (or football to the rest of the world) is an incredibly popular sport. It does not, however, have the passionate following in the United States that it does abroad. Imagine that a research team would like to find out more about how likely U.S. consumers would be to become loyal and passionate soccer fans. Proceed through each part of the five-step consumer research process and describe what you might recommend at each step.

6. Case Study: How much of the problem with Glass was a result of consumers not being used to the idea of wearable technology?

7. Case Study: Do you think Google EE2 will ever be able to be marketed for consumer use? What would have to happen first before there would be wide consumer acceptance of the product?

**Suggested Lecture Topics and Class Activities**

1. Explain the importance of consumer researchers. Why is it important to conduct consumer research important? Introduce the five-step consumer research process. Describe each step in-depth. Be sure to highlight specific details that exemplify why each step so is important and how they influence the entire process. Explain why experts recommend that good research questions should account for three separate dimensions of the consumer-organization relationship. Create some hypothetical research problems and ask the class to create corresponding research questions.

2. Engage the class in a discussion about the differences between data, information, and insights. What is the goal of research efforts? Why are insights important? Describe the difference between primary and secondary data. Highlight the advantages and disadvantages of each. Review the differences between qualitative and quantitative data. Engage the class in a discussion regarding when a research team might prefer to use quantitative data and when they might prefer to use qualitative data. Why? What about secondary or primary data? Why?

3. Ask the class why researchers want to reduce bias in their data collection and analysis. Identify and define the types of biases presented in the text. For each form of bias, ask the class how it could occur. What is the impact? How can it be avoided?

4. What are the three research perspectives? Review the behavioral, cognitive, and motivational research perspectives. Ask the class to describe one of the examples of research methods from the text. For which research perspective is the method appropriate? What does the method entail? Is it physical? Nonphysical? What does it determine? How does it help to uncover insights?

5. Case Study: Engage in a discussion regarding the significance of the five-step consumer research process. Ask the class to point out specific problems that Google encountered. Point out the importance of the process and how specific problems could have been avoided. This can also be used to ask students for suggestions for Google EE as they move on. How can the five-step process facilitate those suggestions?

**Suggested Website Resources**

[*Positivism Research Philosophy*](https://research-methodology.net/research-philosophy/positivism/)

[*This Giant Automated Cricket Farm Is Designed to Make Bugs a Mainstream Source of Protein*](https://www.fastcompany.com/40454212/this-automated-cricket-farm-is-designed-to-make-bugs-a-mainstream-source-of-protein)

[*Primary and Secondary Data Definitions*](https://researchguides.ben.edu/c.php?g=282050&p=4036581)

[*The Milgram Shock Experiment*](https://www.simplypsychology.org/milgram.html)

[*What ‘Mapplegate’ Says about Apple*](https://www.usnews.com/news/articles/2012/09/28/what-mapplegate-says-about-apple-the-company-shows-a-rare-stumble-in-its-maps-app-heres-what-it-tells-us-about-the-tech-behemoth)

[*Biggest Marketing Research Fails of All Time*](https://www.datadiggers-mr.com/post/biggest-marketing-research-fails-of-all-time)

[*Why Google Glass Broke*](https://www.nytimes.com/2015/02/05/style/why-google-glass-broke.html)

**Suggested Video Resources**

[Psychological Research: Crash Course in Psychology](https://www.youtube.com/watch?v=hFV71QPvX2I)

A brief explanation of psychological research perspectives, biases, and the research process.

[Qualitative & Quantitative Research—An Introduction](https://www.youtube.com/watch?v=RYmLE8UqCXU)

An introduction to the subjects of qualitative and quantitative research. Different types of research and analyses that enable marketers to make informed, strategic decisions.

[Brandwatch Consumer Research](https://youtu.be/3TrlPJOSmnM)

A firm specializing in consumer research presents this promotional video of the services they offer and their unique ability to use artificial intelligence (AI) and data analytics of social media to provide insights to their customers.

[Cognitive Biases & The Questions you Shouldn’t be Asking](https://www.mindtheproduct.com/cognitive-biases-the-questions-you-shouldnt-be-asking-by-cindy-alvarez/)

Cindy Alvarez, Principle Researcher at Microsoft and Author of *Lean Customer Development*, offers some advice on how to work around bias and reduce the impact it has on research.