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Key terms for chapters 5 & 6

Chapter 5:

Marketing research- The systematic design, collection, interpretation, and reporting of information to help marketers solve specific marketing problems or take advantage of marketing opportunities.

Exploratory research- Research conducted to gather more information about a problem or take a tentative hypothesis more specific.

Customer advisory boards- Small groups of actual customers who serve as sounding boards for new product ideas and offer insights into their feelings and attitudes toward a firm's products and other elements of its marketing strategy.

Focus group- A study in which a small group of 8 to 12 people are interviewed often informally, without a structured questionnaire, to observe interaction when members are exposed to an idea or a concept.

Conclusive research- Research designed to verify insights through objective procedures and to help marketers in making decisions.

Descriptive research- Research conducted to clarify the characteristics of certain phenomena to solve a particular problem.

Experimental research- Research that allows marketers to make causal inferences about relationships.

Research design- An overall plan for obtaining the information needed to address a research problem or issue.

Hypothesis- An informed guess or assumption about a certain problem or set of circumstances.

Reliability- A condition that exists when research technique procedures almost identical results in repeated trials.

Validity- A condition that exists when a research method measures what it is supposed to measure.

Primary data- Data observed and recorded or collected directly from respondents.

Secondary data- Data compiled both inside and outside the organization for some purpose other than the current investigation.

Population- All the elements, units, or individuals of interest to researchers for a specific study.

Sample- A limited number of units chosen to represent the characteristics of a total population.

Sampling- The process of selecting representative units from a total population.

Probability sampling- A type of sampling in which every element in the population being studied has a known chance of being selected for study.

Random sampling- A form of probability sampling in which all units in a population have an equal chance of appearing in the sample, and the various events that occur have an equal or known chance of taking place.

Stratified sampling- A type of probability sampling in which the population is divided into groups with a common attribute and a random sample is chosen within each group.

Nonprobability sampling- A sampling technique in which there is no way to calculate the likelihood that a specific element of the population being studied will be chosen.

Quota sampling- A nonprobability sampling technique in which researchers divide the population into groups and then arbitrarily choose participants from each group.

Mail survey- A research method in which respondents answer a questionnaire sent through the mail.

Telephone survey- A research method in which respondents' answers to a questionnaire are recorded by an interviewer on the phone.

Telephone depth interview- An interview that combines the traditional focus group's ability to probe with the confidentiality provided by telephone surveys.

Personal interview survey- A research method in which participants respond to survey questions face-to-face.

In-home (door-to-door) interview- A personal interview that takes place in the respondent's home.

Shopping mall intercept interview- A research method that involves interviewing a percentage of individuals passing by "intercept" points in a mall.

On-site computer interview- A variation of the shopping mall intercept interview in which respondents complete a self-administered questionnaire displayed on computer monitor.

Online survey- A research method in which respondents answer a questionnaire via e-mail or on a website.

Crowdsourcing- Combines the words crowd and outsourcing and call for taking tasks usually performed by a marketer or researcher and outsourcing them to a crowd, or potential market, through an open call.

Statistical interpretation- Analysis of what is typical and what deviates from the average.

Marketing information system (MIS)- A framework managing and structuring information gathered regularly from sources inside and outside the organization.

Database- A collection of information arranged for easy access and retrieval.

Single-source data- Information provided by a single marketing research firm.

Marketing decision support system (MDSS)- Customized computer software that aids marketing managers in decision making.

Chapter 6:

Consumer market- Purchasers and household members who intend to consume or benefit from the purchased products and do not buy products to make profits.

Business market- Individuals, organizations, or groups that purchase a specific kind of product for resale, direct use in producing other products, or use in general daily operations.

Undifferentiated targeting strategy- A strategy in which an organization designs a single marketing mix and directs it at the entire market for a particular product.

Homogeneous market- A market in which a large proportion of customers have similar needs for a product.

Heterogeneous market- A market made up of individuals or organizations with diverse needs for products in a specific product class.

Market segmentation- Individuals, groups, or organizations sharing one or more similar characteristics that cause them to have similar product needs.

Concentrated targeting strategy- A market segmentation strategy in which an organization targets a single market segment using one marketing mix.

Differentiated targeting strategy- A strategy in which an organization targets two or more segments by developing a marketing mix for each segment.

Segmentation variables- Characteristics of individuals, groups, or organizations used to divide a market into segments.

Market density- The number of potential customers within a unit of land area.

Geodemographic segmentation- A method of market segmentation that clusters people in zip code areas and smaller neighborhood units based on lifestyle and demographic information.

Micromarketing- An approach to market segmentation in which organizations focus precise marketing efforts on very small geographic markets.

Benefit segmentation- The division of a market according to benefits that consumers want from the product.

Market potential- The total amount of a product that customers will purchase within a specified period at a specific level of industry wide marketing activity.

Company sales potential- The maximum percentage of market potential that an individual firm within an industry can expect to obtain for a specific product.

Breakdown approach- Measuring company sales potential based on a general economic forecast for a specific period and the market potential derived from it.

Buildup approach- Measuring company sales potential by estimating how much of a product a potential buyer and a specific geographic area will purchase in a given period, multiplying the estimate by the number of potential buyers, and adding the totals of all the geographic areas considered.

Sales forecast- The amount of a product the company expects to sell during a specific period at a specified level of marketing activities.

Executive judgment- A sales forecasting method based on the intuition of one or more executives.

Customer forecasting survey- A survey of customers regarding the types and quantities of products they intend to buy during a specific period.

Sales force forecasting survey- A survey of a firm's sales force regarding anticipated sales in their territories for a specified period.

Expert forecasting survey- Sales forecasts prepared by experts outside the firm, such as economists, management, consultants, advertising executives, or college professors.

Delphi technique- A procedure in which experts create initial forecasts, submit them to the company for averaging, and then refine the forecasts.

Time series analysis- A forecasting method that uses historical sales data to discover patterns in the firm's sales over time and generally involves trend, cycle, seasonal, and random factor analysis.

Trend analysis- An analysis that focuses on aggregate sales data over a period of many years to determine general trends in annual sales.

Cycle analysis- An analysis of sales for a 3 to 5 year period to ascertain whether sales fluctuate in a consistent, periodic manner.

Seasonal analysis- An analysis of daily, weekly, or monthly sales figures to evaluate the degree to which seasonal factors influence sales.

Random factor analysis- An analysis attempting to attribute erratic sales variations to random, nonrecurrent events.

Regression analysis- A method of predicting sales based on finding a relationship between past sales and one or more independent variables, such as population or income.

Market test- Making a product available to buyers in one or more test areas and measuring purchases and consumer responses to marketing efforts.