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Marko Sarstedt
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A Concise Guide to Market Research

The Process, Data, and Methods
Using IBM SPSS Statistics

Third Edition

 Springer

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To Alexandra, Charlotte, Maximilian, and Johannes

– Marko Sarstedt –

To Irma

– Erik Mooi –

About this Book

In the digital economy, data have become a valuable commodity, much in the way that oil is in the rest of the economy (Wedel and Kannan 2016). Data enable market researchers to obtain valuable and novel insights. There are many new sources of data, such as web traffic, social networks, sensors that track suppliers, customers and shipments, online surveys, and others. A Forbes (2015a) survey of senior executives reveals that 96 % of the respondents consider data-driven marketing crucial to success. Not surprisingly, data are valuable to companies who spend over \$44 billion a year on obtaining insights (Statista.com 2017). So valuable are these insights that companies go to great lengths to conceal the findings. Apple, for example, is known to carefully hide that it conducts a great deal of research, as the insights from this enable the company to gain a competitive advantage (Heisler 2012).

This book is about being able to supply such insights. It is a valuable skill for which there are abundant jobs. Forbes (2015b) shows that IBM, Cisco, and Oracle alone have more than 25,000 unfilled data analysis positions. Davenport and Patil (2012) label data scientists *The Sexiest Job of the 21st Century*.

This book introduces market research, using commonly used quantitative techniques such as regression analysis, factor analysis, and cluster analysis. These statistical methods have generated findings that have significantly shaped the way we see the world today. If you search for market(ing) research books on Google or Amazon, you will find that there is no shortage of such books. However, this book differs in many important ways:

- This book is a bridge between the theory of conducting quantitative research and its execution, using the market research process as a framework. We discuss market research, starting off by identifying the research question, designing the data collection process, collecting, and describing data. We also introduce essential data analysis techniques and the basics of communicating the results, including a discussion on ethics. Each chapter on quantitative methods describes key theoretical choices and how these are executed in SPSS. Unlike most other books, we do not discuss theory *or* application, but link the two.
- This is a book for non-technical readers! All chapters are written in an accessible and comprehensive way so that readers without a profound background in statistics can also understand the introduced data analysis methods. Each chapter on research methods includes examples to help the reader gain a hands-on feeling for the technique. Each chapter concludes with an illustrated case that demonstrates the application of a quantitative method.
- To facilitate learning, we use a single case study throughout the book. This case deals with a customer survey of a fictitious company called Oddjob Airways (familiar to those who have seen the James Bond movie

Goldfinger). We also provide additional end-of-chapter cases, including different datasets, thus allowing the readers to practice what they have learnt. Other pedagogical features, such as keywords, examples, and end-of-chapter questions, support the contents.

- This book is concise, focusing on the most important aspects that a market researcher, or manager interpreting market research, should know.
- Many chapters provide links to videos, further readings, and other websites. We also include a comprehensive Web Appendix with information on additional analysis techniques and datasets.
- The book makes use of the Springer Nature More Media App (<http://www.springer.com/gp/marketing/springer-multimedia-app>), which allows you to scan an image tagged with the Play Button and stream videos directly to your mobile device. The App allows saving the documents on your device and keeps track of your 50 most recently accessed media. This unique merger of offline and online content offers readers a broad spectrum of additional and readily accessible information. You can download the Springer Nature More Media App from the Apple App Store or from Google Play.
- Lastly, we have set up a Facebook page called *Market Research: The Process, Data, and Methods*. This page provides a platform for discussions and the exchange of market research ideas.



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Facebook

■ How to Use this Book

The following will help you read this book:

- Variable and file names in the main text appear in *italics* to distinguish them from the descriptions.
- Items from SPSS's interface are shown in **bold**, with successive menu options separated. For example, the text could read: "Go to ► Analyze ► Descriptive Statistics ► Frequencies and enter the variables *s1*, *s2*, and *s3* into the **Variable(s)** box." This means that the word **Variable(s)** appears in the SPSS interface.
- Keywords also appear in **bold** when they first appear in the main text. We have used many keywords to help you find everything quickly and define them in the glossary at the end of the book. Secondary keywords that are only in the index list appear in *italics*.
- If you see "► Web Appendix → Downloads" in the book, please go to <https://www.guide-market-research.com> and click on Downloads.
- All chapters include different types of boxes and text elements that highlight important aspects, contain tips (e.g., on using SPSS more efficiently), or offer further information for the interested reader.

■ For Instructors

Besides the benefits described above, this book is also designed to make teaching as easy as possible when using this book. Each chapter comes with a set of detailed and professionally designed PowerPoint slides for educators, tailored for this book, which can be easily adapted to fit a specific course's needs. These are available on the website's instructor resources page at <http://www.guide-market-research.com>. You can gain access to the instructor's page by requesting login information under Instructor Resources.

<p>Chapter 1: Introduction to Market Research Why and when does Market Research (not) work?</p>	<p>Chapter 1: Introduction to Market Research What Exactly is Market Research?</p>
<div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%; border: 1px solid black; padding: 5px;"> <p>Achievement through Market Research...</p>  </div> <div style="width: 50%; border: 1px solid black; padding: 5px;"> <p>Failure for lack of Market Research...</p>  </div> <div style="width: 50%; border: 1px solid black; padding: 5px;"> <p>Achievement despite Market Research...</p>  </div> </div>	<div style="border: 1px solid black; padding: 5px;"> <p>The function that links the consumer, customer, and public to the marketer through information. Information used to...</p> <ul style="list-style-type: none"> • identify and define marketing opportunities and problems • generate, refine, and evaluate marketing actions • monitor marketing performance • and improve the understanding of marketing as a process </div> <div style="border: 1px solid black; padding: 5px; margin-top: 5px;"> <p>Marketing Research...</p> <ul style="list-style-type: none"> • specifies the information required to address these issues • designs the method for collecting information • manages and implements the data collection process • analyzes the results • and communicates the findings and their implications <p style="font-size: small; margin-top: 5px;">Source: American Marketing Association</p> </div>

The book's web appendices are freely available on the accompanying website and provide supplementary information on analysis techniques not covered in the book and datasets. Moreover, at the end of each chapter, there is a set of questions that can be used for in-class discussions.

We also designed a separate website at <http://www.oddjobairways.com>, which includes background information on the company and videos for teaching and learning (e.g., on experiments and different interviews techniques). We plan on further extending the website, so visit the site regularly.

If you have any remarks, suggestions, or ideas about this book, please drop us a line at erik.mooi@unimelb.edu.au (Erik Mooi) or at marko.sarstedt@ovgu.de (Marko Sarstedt). We appreciate any feedback on the book's concept and contents!

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What's New in the Third Edition?

We've revised the third edition thoroughly. Some of the major changes compared to the second edition are:

- The third edition comes in a new design template, which allowed us to implement further **pedagogical elements**, such as excurses, tips, case studies, and review questions. We also organized chapters in a more reader-friendly way, with more sections to facilitate navigation.
- Learning market research vocabulary is essential for understanding the topic. We therefore added a **glossary** in which we define each keyword. Descriptions offer further information on selected topics.
- To facilitate learning, the third edition uses a **single case study** throughout the book. This case deals with a customer survey of a fictitious company called Oddjob Airways. All illustrations of statistical methods draw on this one example. We also designed a separate website at <http://www.oddjobairways.com>, which includes background information on the company and videos for teaching and learning.
- We fully revised the sections on **survey design**, which now covers the latest research on survey administration (e.g., smartphones and tablets), item generation (e.g., item content and wording), and the properties of different scale types.
- The third edition contains substantial **new material** to reflect the **latest research** on each topic. There is additional content in the context of regression analysis (e.g., model selection via information criteria), factor analysis (e.g., further details on the similarities and differences between principal component analysis and principal axis factoring), cluster analysis (e.g., sample size recommendations), results communication (e.g., how to present statistical data), and many more.
- All the examples have been updated and now use **SPSS 25**. All the material reflects this new version of the program.

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Contents

1	Introduction to Market Research	1
2	The Market Research Process	11
3	Data	25
4	Getting Data	47
5	Descriptive Statistics	91
6	Hypothesis Testing and ANOVA	151
7	Regression Analysis	209
8	Principal Component and Factor Analysis	257
9	Cluster Analysis	301
10	Communicating the Results	355
	Supplementary Information	
	Glossary	378
	Index	392

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