CHAPTER 2

Problem Definition, Exploratory Research, and the Research Process

LEARNING OBJECTIVES

- 1. To understand the problem definition process.
- 2. To learn the steps involved in the marketing research process.
- 3. To understand the components of the research request.
- 4. To learn the advantages and disadvantages of survey, observation, and experimental research techniques.
- 5. To become familiar with how the marketing research process is initiated.

KEY TERMS

Opportunity identification Situation analysis

Exploratory research Pilot studies

Experience surveys Case analysis

Marketing research problem Marketing research objective

Management decision problem Hypothesis

Research design Descriptive studies

Variable Causal studies

Dependent variable Independent variable

Temporal sequence Concomitant variation

Spurious association Survey research

Observation research Experiments

Probability sample Nonprobability sample

Research request Request for Proposal (RFP)

Research proposal

CHAPTER SCAN

This chapter outlines the marketing research process. The first and most important step in the process is the problem/opportunity identification process. If the problem/opportunity is not

understood distinctly, the value of the entire project may be in question. The second step is creating the research design. This is the plan to be followed in the research project. Step three involves choosing one of three basic methods of research: surveys, observations, or experiments. In the fourth step, the sampling procedure will be chosen, and then the data is actually collected in step five. The data must be analyzed, then communicated through a written and often oral report, which are steps six and seven respectively. Finally, the researcher should follow up to ensure that the client is satisfied with the results of the project and if he or she has any additional research needs.

In managing the research process, the researcher should always require a formal research request from the client. This helps the client determine exactly what information is needed and what decisions will be made from it. It also serves as a formal request for a bid from the researcher. Additionally, the researcher must understand that there will often be conflict between the manager and the researcher because their perspectives are often different.

CHAPTER OUTLINE

- 1. Critical Importance of Correctly Defining the Problem
- I. Study Results of a Packaged Goods Company
- II. Recognize the Problem or Opportunity
 - A. Opportunity Identification
- III. Find Out Why the Information Is Being Sought
 - A. Helpful Activities
- IV. Understand the Decision-Making Environment with Exploratory Research
 - A. Situation Analysis
 - B. Exploratory Research
 - C. Pilot Studies
 - D. Experience Surveys Analysis
 - E. Secondary Data Analysis
 - F. Case Analysis
 - G. Focus Groups

- H. Using Intranets for Exploratory Research
- I. Completing Exploratory Research
- V. Use the Symptoms to Help Clarify the Problem
 - A. Symptom
 - B. "What caused this to occur?"
- VI. Translate the Management Problem into a Marketing Research Problem
 - A. Marketing Research Problem
 - B. Marketing Research Objective
 - C. Management Decision Problem
- VII. Determine Whether the Information Already Exists
 - A. New versus Old Data
 - B. Research Objectives
 - C. Avoiding the Nice-to-Know Syndrome
- VIII. Determine Whether the Question Can Be Answered
 - A. Failure to Determine
- IX. State the Research Objectives
 - A. Research Objectives
 - B. Research Objectives Stated as Hypotheses

2. The Marketing Research Process

- I. Creating the Research Design
 - A. Research Design
 - B. Descriptive Studies
 - C. Causal Studies
- II. Choosing a Basic Method of Research
 - A. Surveys
 - B. Observations
 - C. Experiments
- III. Selecting the Sampling Procedure
 - A. Probability Sample
 - B. Nonprobability Sample

- IV. Collecting the Data
- V. Analyzing the Data
- VI. Writing and Presenting the Report
 - A. Judging the Quality of a Report
 - B. Using the Internet to Disseminate Reports
- VII. Following Up

3. Managing the Research Process

- I. The Research Request
 - A. Research Request
 - B. Components
- II. The Request for Proposal (RFP)

4. The Marketing Research Proposal

- I. Research Proposal
- II. What to Look for in a Marketing Research Supplier
 - A. Desirable Qualities in Marketing Researcher
 - B. Two Important Qualities
 - C. Good Communications

5. What Motivates Decision-Makers to Use Research Information?

A. Political Factors and Preconceptions

6. Summary

CHAPTER SUMMARY

Conducting marketing research involves a series of logical steps beginning with problem definition and research objectives. These steps are the focus of this chapter.

1. CRITICAL IMPORTANCE OF CORRECTLY DEFINING THE PROBLEM

See Exhibit 2.1 Problem Definition Process (p. 35) (This is an excellent tool to show the

students that the ultimate goal is to develop clear, concise, and meaningful marketing research objectives.)

I. Study Results of a Package Goods Company

II. Recognize the Problem or Opportunity

It is critical to accurately define the problem or opportunity; otherwise, the investigator risks researching the wrong thing.

A. Opportunity Identification

- 1. External environment
- 2. Marketing mix
- 3. New opportunities

III. Find Out Why the Information Is Being Sought

A. Helpful Activities

- 1. Discuss what the information will be used for and what decisions might be made as a result of the research.
- 2. Try to get the client or manager to prioritize the questions.
- 3. Rephrase the questions in several slightly different forms and discuss the differences.
- 4. Create sample data and ask if such data would help answer the questions.
- 5. Remember that the more clear-cut you think the questions are and the more quickly you come to feel that the questions are straightforward, the more you should doubt that you have understood the real need.

IV. Understand the Decision-Making Environment with Exploratory Analysis

Once the motivation for conducting research has been established, researchers often need additional background information to fully comprehend the problem.

- A. **Situation Analysis**—studying the decision-making environment within which the marketing research will take place
- B. **Exploratory Research**—conducted to obtain greater understanding of a concept or to help crystallize the definition of a problem
- 1. Used to identify important variables to be studied
- 2. Used as preliminary research, not the definitive research
- 3. Takes several forms: pilot studies, experience surveys, secondary data analysis, case analysis, focus groups, Intranet searches

- C. Pilot studies—use a limited number of respondents and less rigorous sampling techniques
- D. **Experience surveys**—interviewing knowledgeable individuals both inside and outside of the organization
- E. Secondary data—data that has been gathered for some other purpose than the problem at hand
- F. Case analysis—reviewing information from situations that are similar to the current one
- G. **Focus groups**—in-depth discussions, usually consisting of eight to 12 participants, led by a moderator and generally limited to one particular concept, idea, or theme
- H. **Using Intranets**—organizations' Intranet allows researchers to determine whether needed or relevant information is available somewhere inside the organization. They provide easy access to internal data.
- 1) **Internet**—research can use online search engines to find information needed—faster than going to the library plus allows access to information that cannot be found in a library
- **I. Completing Exploratory Research**—when the researcher is convinced that he or she has found the major dimensions of the problem—he/she has defined a set of questions that can be used as specific guides to a detailed research design. The researcher may end exploration because further research is not presently possible due to time, money, or other constraints. The best approach is to explore first and then measure.
- V. Use the Symptoms to Clarify the Problem
- A. **Symptom**—phenomenon that occurs because of the existence of something else
- 1. **Iceberg principle**—focusing on the symptoms and not the true problem
- B. "What caused this to occur?"—When this question can no longer be answered, the true problem has been found.

Corporate researchers ultimately are responsible for the research-yielding action. This role should not be relegated to marketers (who are not as well-versed in research) or research suppliers (who are less familiar with the business as "outsiders" and do not know how the research fits into a larger research and business plan). Therefore, to design actionable research, researchers must play both marketing and market research roles. If you ran the business, then what would you need to know to make it successful? Starting with this question—and knowing how to answer it—will help you better define management objectives in the absence of clear definition from others.

Three basic objectives and corresponding strategies can gain volume, depending on the business's nature:

- Increase penetration: Grow awareness and trial of new or existing low-penetration products.
- Increase buy rate: Grow usage or loyalty among current customers for high-penetration products.
- Steal/stave off competitive volume: This usually occurs as a share-defense strategy or a way to increase buy rate in a competitive, mature product category.

Discussion Questions:

- 1. Is it the sole responsibility of marketing researchers to define the management problem? Why?
- 2. What happens if the management problem is defined incorrectly?
- VI. Translate the Management Problem into a Marketing Research Problem
- A. **Marketing Research Problem**—specifies information needed to solve the problem and how that information can be obtained efficiently and effectively
- B. **Marketing Research Objective**—goal statement—defines the specific information needed to solve the problem
- C. **Management Decision Problem**–specifies the type of managerial action required to solve the problem

VII. Determine Whether the Information Already Exists

A. New versus Old Data

- 1. Developing new information is more interesting than delving through old reports and data files.
- 2. New data allows researchers more control over the format and greater comprehensiveness of the data.
- 3. However, using existing data can save managers time and money if such data can answer the research question.
- B. Research Objectives—as specific and unambiguous as possible
- 1. After the development of the research objectives—check with the committee or individual in charge and determine if this is really the information needed to solve the problem or reach their objectives

C. **Avoiding the Nice-to-Know Syndrome**—findings must be actionable—determine how the research results will be implemented

VIII. Determine Whether the Question Can Be Answered

- A. **Failure to Determine**—If the research question cannot be answered, the credibility of the project is jeopardized. To discern in advance the likelihood of success, identify the following:
- 1. Instances in which you know for certain that information of the type required exists or can be readily obtained
- 2. Situations in which you are fairly sure, based on similar prior experiences, that the information can be gathered
- 3. Cases in which you know that you are trying something quite new and there is a real risk of drawing a complete blank

See Practicing Marketing Research: The Importance of Top Management's Definition of the Management Problem (p. 41)

The researcher needs to have direct interaction with the final decision maker when determining what information is being sought through this study. Example: Mid-level manager said that the research was being conducted to learn about the market. However, the senior manager really wanted to know which version of the product would gain the largest market share.

The information obtained from the project was irrelevant to the senior manager.

The researcher should insist on talking with the final decision makers to determine the information needed to make informed decisions. The researcher should not waste the organization's resources if he or she does not know the goals of the final decision maker.

Discussion Questions:

- 1. Should top management always be involved in defining the management problem?
- 2. What tactics might marketing researchers use to get top management involved in problem definition?

IX. State the Research Objectives

- A. **Research Objectives**—should be stated in terms of precise information necessary to address the marketing research problem/opportunity.
- 1. **Road Map**—well-formulated objectives provide the direction in pursuing the research project
- 2. Serve as a standard that later will enable managers to evaluate the quality and value of the work

B. Research Objectives as Hypotheses

- 1. **Hypothesis**—conjectural statement about a relationship between two or more variables that can be tested with empirical data
- 2. Should contain clear implications for testing stated relationships
- 3. Development of the research hypothesis sets the stage for creating the research design

2. MARKETING RESEARCH PROCESS

See Exhibit 2.2 Marketing Research Process (p. 42)

- I. Creating the Research Design
- A. **Research Design**—the plan to be followed to answer the research objectives or hypothesis
- 1. Research design can lead to an array of choices with advantages and disadvantages. There are trade-offs involved such as:
- a. between research cost and the quality of the decision-making information provided. The more precise and error-free the information obtained, the higher the cost.
- b. between time constraints and the type of research design selected.
- B. **Descriptive Studies**—answers the questions who, what, when, where, and how.
- 1. Variable—a symbol or concept that can assume any one of a set of values
- 2. Descriptive research can shed light on associations or relationships. It helps the research select variables for a causal study.
- C. Causal Studies—investigate whether one variable causes or determines the value of another
- 1. **Dependent variable**—to be predicted or explained
- 2. **Independent variable**—the variable that affects or causes the dependent variable—can be manipulated, changed, or altered
- 3. **Temporal sequence**—effect follows closely the hypothesized cause—an appropriate causal order of events. It is the criterion for causality.
- 4. **Concomitant variation**—the degree to which a presumed cause and a presumed effect occur together or vary together
- 5. **Spurious association**—variables are actually causing changes in the dependent variable
- II. Choosing a Basic Method of Research
- A. **Surveys**—this involves an interviewer using a questionnaire to interact with respondents to obtain facts, opinions, and attitudes

- B. **Observations**—research that monitors respondents' actions without direct interaction. Using video cameras to monitor how consumers use a product are a good example of this.
- C. **Experiments**—Changes one or more variables while observing the effects of those changes on another variable
- 1. The objective of experiments is to measure causality
- 2. To control factors that might influence the dependent variable is to use a laboratory experiment

III. Selecting the Sampling Procedure

- A. **Probability sample**—subset of a population that can be assumed to be a representative cross-section because every element in the population has a known nonzero chance of being selected
- B. **Nonprobability sample**—subset of a population in which the chances of selection for the various elements in the population are unknown.

Researchers cannot statistically calculate the reliability of a nonprobability sample.

- IV. Collecting the Data-data collection is usually done by marketing research field services
- V. **Analyzing the Data**—the purpose of this analysis is to interpret and draw conclusions from the mass of collected data.
- VI. Writing and Presenting the Report—the researcher must prepare the report and communicate the conclusions and recommendations to management
- A. **Judging the Quality of a Report**—basis for measuring a report's quality lines in the research proposal.
- 1. Does the report meet the objectives established in the proposal?
- 2. Has the methodology outlined in the proposal been followed?
- 3. Are the conclusions based on logical deductions from the data analysis?
- 4. Do the recommendations seem prudent, given the conclusions?

B. Using the Internet to Disseminate Reports

- 1. Publishing report on the Web has a number of advantages:
- a. The reports become immediately accessible to managers and other authorized and interested parties worldwide.
- b. The reports can incorporate full multimedia presentation, including text, graphs, various types of animation, audio comments, and video clips.
- c. The reports are fully searchable.

VII. **Following Up**—management should determine whether the recommendations were followed and, if not, why not

3. MANAGING THE RESEARCH PROCESS

I. The Research Request

A. **Research Request**—used as the basis for determining which projects will be funded. An internal document used by large organizations that describes a potential research project, its benefits to the organization, and estimated costs; it must be formally approved before a research project can begin

B. Components:

- 1. **Action**—describes the action to be taken on the basis of the research
- 2. **Origin**–state the events that lead to a need for a decision
- 3. **Information**—list the questions that need to have been answered to take action
- 4. Use–explain how each piece of information will be used to help make the actual decision
- 5. **Target groups and subgroups**—describe those from whom information must be gathered to address the research problem
- 6. **Logistics**—approximations of the amount of money available and the amount of time left before results are needed
- 7. Comments-other comments relevant to the research project must be stated
- II. **Request for Proposal (RFP)**—solicitation sent to marketing research suppliers inviting them to submit a formal proposal, including a bid
- A. Information provided by a RFP:
- 1. Background data on why a study is to be conducted
- 2. Outline of the research objectives
- 3. Description of a methodology
- 4. Suggested time frame
- 5. Detailed cost breakdown
- 6. Supplier's experience in relevant areas
- 7. References

see Exhibit 2.3 Benefits of a Good Proposal (p. 50)

see Practicing Marketing Research: Where Do I Send the RFP? (p. 48)

It is best to pinpoint suppliers through extensive research or professional referrals. By pinpointing five or six suppliers who offer the specific services you are looking for or have completed similar projects in the past, you are not wasting their time, and they are not wasting yours.

4. THE MARKETING RESEARCH PROPOSAL

I. Research Proposal

- A. **Research Proposal**—document developed usually in response to an RFP, that presents the research objectives, research design, timeline, and cost of a project—contains the following elements:
- 1. **Title Page**—includes the title of the project from the RFP, the names of the preparers of the proposal, contact information of individuals for whom the proposal is being prepared, and the date
- 2. **Statement of the Research Objectives**—usually stated in the RFP—if not they must be determined as described
- 3. **Study Design**—a statement of how the data will be gathered, who will be sampled, and the sample size
- 4. **Areas of Questioning**—not found in all proposals—however, it may be helpful and is a tentative list of survey topics based on the research objectives
- 5. **Data Analysis**—which techniques will be used to analyze the data
- 6. **Personnel Involved**—provides a list of all people involved in the project and short CV of each
- 7. **Specifications and Assumptions**—to make sure that supplier and potential client are on the same page—good idea to list the specifications and assumptions that were made when creating the proposal
- 8. **Services**—spell out exactly what the research supplier will do
- 9. **Cost**–specify the cost and payment schedule
- 10. **Timing**–state when various phases of the project will be completed
- II. What to Look for in a Marketing Research Supplier
- A. Desirable Qualities in Marketing Researcher:
- 1. Maintains client confidentiality
- 2. Is honest

- 3. Is punctual
- 4. Is flexible
- 5. Delivers against project specifications
- 6. Provides high-quality output
- 7. Is responsive to the client's needs
- 8. Has high quality-control standards
- 9. Is customer-oriented in interactions with client
- 10. Keeps the client informed throughout a project
- B. Two Important Qualities—confidentiality and honesty—these are ethical issues
- C. **Good Communications**—successful marketing research organization requires good communications both within the research company and with clients
- 1. Managers spend at least 80 percent of every working day in direct communication with others (48 minutes of every hour)

5. WHAT MOTIVATES DECISION MAKERS TO USE MARKET RESEARCH?

- A. **Political Factors and Preconceptions**—influence the decision to use research information—determinants of whether or not a manager uses research data are
- 1. Conformity to prior expectations
- 2. Clarity of presentation
- 3. Research quality
- 4. Political acceptability within the firm
- 5. Lack of challenge to the status quo

6. SUMMARY

QUESTIONS FOR REVIEW & CRITICAL THINKING

1. The definition of the research problem is one of the most critical steps in the research process. Why? Who should be involved in this process?

The definition of the research problem specifies the exact nature of the information that is needed for the client to make the marketing decision in question. If the problem is defined incorrectly, the wrong information could be obtained, which defeats the purpose of the process. The manager who must make the decision, those who must implement the decision, and the marketing researcher should be involved in the problem-definition process

2. What role does exploratory research play in the market research process? How does exploratory research differ from other forms of marketing research?

Exploratory research is used by the researcher to investigate the research problem in depth. This may lead to better definition of the problem, better understanding of the situation, and better communication between the manager and the researcher. Exploratory research is different from other research in that it is qualitative not quantitative. The results of qualitative research cannot be used to generalize assumptions to other situations, but only to better understand the current situation. It also may take less time and be less expensive than more rigorous quantitative research.

3. Give some examples of symptoms of problems and then suggest some underlying real problems.

Declining sales revenue may be an outward symptom of 1) poor positioning strategy, 2) possible pricing problem, 3) a promotional strategy error, or 4) a product/service that is not competitive. Declining profits may be an outward symptom of a) reduced sales revenue, b) inadequate cost control in operations, or c) too much debt (hence, debt service) in the capital structure.

4. Give several examples of situations in which it would be better to take a census of the population rather than a sample.

If your target market is small, it would be better to take a census. If your target market is new homeowners in a small city in any given month, a census would be better. If your target market is parents of babies born in December in a particular county, a census might be better.

5. Critique the following methodologies and suggest more appropriate alternatives:

a. A supermarket is interested in determining its image. Cashiers drop a short questionnaire into the grocery bag of each customer prior to bagging the groceries.

This method has the advantage of potentially reaching all customers. However, the customer might not find the questionnaire in the bottom of the grocery bag. The customer also might not know how or when to return it if he or she did find it. A better alternative might be to hand each customer a questionnaire as he or she enters the store, provide a specific location for returning it, and provide a coupon or other reward for completing the survey. The store might also want to consider whether it is interested only in what customers think, or whether a better method might be to determine the opinions of the general population surrounding the store.

b. To assess the extent of its trade area, a shopping mall stations interviewers in the parking lot every Monday and Friday evening. After people park their cars, interviewers walk up to them and ask them for their zip codes.

One of the first problems identified with this method is interviewing customers only on Monday and Friday evenings. How many different customers might be missed? Many people take shopping trips on weekends, particularly on Saturdays. Also, many customers would be frightened and then offended by being approached in the parking lot, particularly in the evening. This might also put the interviewers in danger. A better solution might be to station interviewers at the major entrances to the mall at different days and times throughout the week.

c. To assess the potential for new horror movies starring alien robots, a major studio invites people to call a 900 number and vote yes if they would like to see such movies or no if they would not. Each caller is billed a \$2 charge.

Your sample will probably not be representative of the target market. Only those with extreme feelings would call to answer this question. Many people would have an opinion, but will not be willing to pay \$2 to voice it.

A better alternative might be to film short sequences that would be typical of the films in question, and then invite a random sample of people to view the film clip in a theater or a private room in a shopping mall. Those viewers could then be interviewed regarding their opinions.

- 6. You have been charged with determining how to attract more business majors to your school. Outline the steps you would take, including the sampling procedures to accomplish this task.
- A. Identify the problem and state the marketing research objectives.

The problem is that there are not enough business majors. The research objective is to find out why students are not enrolling and what can be done to encourage more students to enroll in the College of Business.

B. Create the Research Design.

What will be the planned method of obtaining answers to the research questions? Case studies, descriptive studies, or causal studies might be used. In this case, a descriptive study seems to be indicated.

C. Choose the Basic Method of Research.

Surveys, observation, or experiments. In this case, a survey could give good results. If you ask the right people the correct questions, surveys can obtain specific answers to the research questions. Almost certainly the research will be done in the form of a survey of the target market to measure attitudes and perceptions concerning the College of Business.

D. Select the Sampling Procedure.

First define the population of interest, then decide whether to conduct a census or a representative sample. Will you use a probability or nonprobability sample? How large will the sample be? In the College of Business question, there are probably at least four relevant segments in the population of interest: current students, students in high school whom the school could be recruiting, transfer students, and non-traditional students.

E. Collect the Data.

By now we have written and tested the survey instrument and selected the sample. We might hire a field service firm to administer the survey or train a research team composed of in-house resources.

F. Analyze the Data.

This may also be done in-house or contracted to an outside agency. Cost, speed, and capability are considerations.

G. Prepare and Write the Report.

This step will probably be done by the team originally designated to conduct the research. It is essential that the report convey to decision makers the answers to key research questions and the management action suggested to resolve the issue.

7. What can researchers do to increase the chances that decision makers will use the marketing research information they generate?

Be sure that the marketing manager is on board with the research from the very beginning. The manager needs to agree that the information sought by the research will help make a decision. Be sure the research clearly answers the research questions and that these answers are in a form that the decision maker can use. Be sure that the decision maker understands the research methodology well enough to have confidence that the answers are correct. On the other hand, do not overwhelm the decision maker with mathematical and computer information that is neither understood nor appreciated. Follow up after the research report has been presented to reinforce the main points established by the research and to answer any questions the decision maker may have.

8. Explain the critical role of the research proposal.

The research proposal is the contract or the charter that defines the scope of the research project. It contains the specific statement of the research question that the project is to answer. It provides an inventory of resources required (money and support), the timeline for delivery of results, and a brief statement covering the proposed research methodology. By defining the scope of the project, it is insurance against addition of unnecessary work after the initial agreement has been reached.

- 9. (Team exercise) Divide the class into teams of four or five. Half of the teams should prepare short RFPs on the following topics:
- 1. Food on campus
- 2. Role of fraternities and sororities on campus
- 3. Entertainment in your city
- 4. Your university website
- 5. Role of student internships in education
- 6. Online purchasing of school supplies
- 7. Purchasing music on the Internet

The RFPs should state clearly and precisely the research objectives and other pertinent information. The remaining teams should create proposals in response to the RFPs.

Student responses will vary.

WORKING THE NET

1. Go to the Internet and search on "intranet + future." Report your findings to the class.

In January 2006, we found 175 "hits." Most were worthless. The best of them got at the issue concerning how firms could use intranets to disseminate information within their own structure, including results of marketing research.

2. Describe how putting research reports on the Web can benefit managers.

Once research reports are on the firm's website, they are available for other managers to review at any time in the future. This means instant access to information that can help managers to make better decisions without the usual lag time involved in a research process. It also means that there will be fewer instances in which research is inadvertently repeated. This can save the manager the cost of redundant information as well as the cost of missed opportunities.

3. Go to a search engine and type "writing RFPs." Explain what kind of help is available to prepare RFPs.

There are approximately 237,000 hits when searching this term using Google. There are free help/advice sites, consulting/pay sites, and more.

Case 2.1– Cessna Aircraft (p 55)

Key Points

This case illustrates the classic case of misdirected research effort. Information is
presented that is based upon an erroneous assumption and has little to do with the real
problem faced by Cessna's management.

Questions

1. What is the management decision problem?

Cessna wants to sell more aircraft. Based upon previous research, they think they understand that 20 percent of the people who hold private pilot's licenses eventually buy aircraft. Women hold only a small percentage of pilot's licenses. So, they think that promoting pilot training for women might increase the number of aircraft sales to women. They need to learn a lot more about buyer behavior for aircraft before they begin promoting private pilot training for women, or men for that matter. They need to clearly establish the relationship between the numbers of private pilots and the level of new aircraft demand.

Due to product liability issues, the manufacture and sale of light aircraft to individuals has drastically declined. The vast majority of Cessna's sales during the past generation have been to businesses for business use. Increasing the number of private pilots will not have much impact on that demand. There is supposed to be some legislative relief for this problem, but it may be years down the road.

2. Define the marketing research problem(s).

Cessna needs to gain understanding about buyer behavior in the light aircraft market. In 2000, Cessna mostly sold business aircraft. These are very different products than the light, general aviation aircraft they sold a generation ago to private pilots. They are purchased for very different reasons.

There may be a renewal of demand for general aviation aircraft if there is significant legislative relief granted from product liability lawsuits.

3. Develop the marketing research objectives.

Objective 1. Identify the market segments that demand the product line offered by Cessna Aircraft.

Objective 2. Estimate the level of demand that each segment could reasonably represent.

Objective 3. Determine the important elements of buyer behavior for each of the significant segments.

Objective 4. Develop and test the acceptability of market offerings for each of the target segments.

4. Explain how a marketing researcher should use the problem definition process to answer the above questions.

The market researcher should determine strategies that will differentiate Cessna's market offering to important market segments. Answers to the research questions will give corporate managers the information they need to develop these strategies.