Exploratory Research Design: Syndicated Sources of Secondary Data

OPENING QUESTIONS

1. How do syndicated data differ from other types of secondary data?
2. How are syndicate d data classified?
3. What are the major methods of obtaining syndicated data from households/consumers?
4. How are syndicate d data collected from institutions?
5. Why should multiple sources of secondary data be used? What is meant by single-sour ce data?
6. What syndicated data are available for conducting international market ing research?
7. How does technology enhance the usefulness of syndicated data?
8. What ethical issues are involved in the use of syndicated data?

A Casual Affair

Even though clothing designs seem to be defying tradition as swiftly, most Americans seem to be opting for a more casual approach to their fashion needs. Today, companies are saying goodbye to three-piece suits, wrigglers, and high heels and welcoming a more casual dress style. The West Coast dot-com companies have definitely contributed to the trend in casual dress. More recently, consulting firms, law firms, and investment companies on the East Coast have joined this trend as well. A recent survey reported that a remarkable 67 percent of responding companies have a casual Friday or an everyday casual policy at their place of business. Companies such as Coca-Cola, Ford, J.P. Morgan, and Accenture have implemented full-time casual dress policies. At many companies today, when someone wears a suit to work, the question immediately asked is, "Are you going on a job interview?"

According to data from syndicated marketing research firms, the "business casual" segment is growing. As discussed in Chapter 1, syndicated data are made available for purchase by multiple clients on a subscription basis. For example, according to a recent survey by the NFO Group, a well-known source of syndicated services, almost 90 percent of U.S. workers said they were dressing down at least some of the time. The NFO study revealed that although sales in many categories of
tailed clothing, including dresses and mens suits, were down, sales of casual apparel, such as no-iron cotton slacks and sweaters, were on the rise. Several marketers of casual clothing have built their strategies based on these findings.

Haggar Clothing Co. (www.haggar.com) is not to convince its male customers that the company can do everything from tailored to casual. Based on syndicated data, Haggar realized that the trend is not in the direction of tailored suits, where for years the company has been the market leader. The company responded by introducing its "City Casual" line. Its wrinkle-free cotton trousers have been the line’s biggest success. Haggar supported all its lines, from its casual, with the slogan, "Haggar: Stuff You Can Wear," which was developed by Goodby, Silverstein & Partners.

Haggar’s internal research showed that Simon and WorldCore were not the only ones in corporate America allegedly tinkering with numbers. It seems most men do not like to admit their true waist size and end up buying pants that are too small. The production of this realization was Comfort Fit, a cotton khaki introduced in 2002 that expands up to 3 inches through hidden elastic embroidered in the waistline. The pant also appeals to more economically conservative men who, even if they have gained several pounds, hate to throw out pants that are in good condition. In keeping with this trend, Haggar adopted a new theme and in 2006 was marketing its clothing with the slogan, “Making things right,” emphasizing shrink-resistant fabric, unbreakable buttons and zippers, unbreakable seams, and bigger, unbuggable pockets.

In an effort to capitalize on this trend toward casual clothing, Levi Strauss (www.levis.com) is pushing both its Cohens and jeans lines. Although 90 percent of U.S. office permit employees to wear jeans, some employers are still reluctant to wear them to work because they consider them to be too casual. The company has had huge success
with the Dockers trouser line, which has become standard wear for the casual business
dresser. The success of Haggar’s Comfort Fit has not been lost on Dockers, which in 2003
introduced its own expandable version, called Individual Fit. As of 2008, in addition to
Dockers, Levi Strauss & Co. was also marketing Levi and Levi Strauss Signature lines of
dressing. This sort of cross-pollination is going on throughout the industry, and the time
seems near when consumers will be able to purchase virtually any garment in a slim-free,
wrinkle-free, expandable variant.1
As this vignette illustrates, even competing firms such as Haggar and Levi Strauss are
able to make use of the same data available from syndicate firms such as the IMS Group to
formulate their marketing strategies.

### Overview

Chapters 1 and 4 introduced the concept of syndicated sources of information. In this chap-
ter, we explain syndicated data in detail and distinguish them from other external sources
of secondary data. As shown in Figure 5.1, this chapter relates to marketing research sup-
pliers and services discussed in Chapter 1, tasks involved in problem definition and devel-
oping an approach covered in Chapter 2, exploratory and descriptive research designs
described in Chapter 3, and secondary data presented in Chapter 4. Thus, this chapter is
related to the first three steps of the marketing research process.

This chapter describes the three major methods of collecting syndicated data related to
consumers and households: surveys, panels, and electronic scanner services. Syndicated
data also are collected from institutions via retail and wholesale audits and industrial
services. The chapter also includes a discussion of single-source data. As the name indi-
cates, single-source data combine data from various sources to create a unified database
that contains information on consumer purchases, demographic and psychographic variables,
and marketing management variables. Finally, the applications of syndicated data to international marketing research, the impact of technology on syndicated data, and the ethics of collecting and using such data are presented. Figure 5.2 provides an overview of the topics discussed in this chapter and how they flow from one to the next.

**FIGURE 5.2**

Syndicated Sources of Secondary Data: An Overview

[Diagram showing the nature of syndicated data, classification of syndicated services, and various types of data sources such as demographic and lifestyle studies, advertising evaluations, and syndicated data from institutions.]

**OPENING VIGNETTE**

- The Nature of Syndicated Data
  - A Classification of Syndicated Services
    - Primary Data
    - Secondary Data
    - Syndicated Data
  - Demographic and Lifestyle Studies
  - Advertising Evaluation
  - Numerical

**APPLICATION TO CONTEMPORARY ISSUES**

- International
- Technology
- Ethics

**What Would You Do?**

- Be a DMI
- Be an MRI
- Experiential Learning

**Table 5.1**

Combining Data from Different Sources: Single-Source Data

[Figures 5.1 to 5.5]
The Nature of Syndicated Data

In addition to published data or data available in the form of computerized databases, syndicated sources constitute the other major source of external secondary data. Syndicated sources, also referred to as syndicated services, are companies that collect and sell common pools of data of known commercial value, designed to serve information needs shared by a number of clients, including competing firms in the same industry. This was illustrated in the opening vignette. Survey data collected by the NPD Group were useful to Haggar Apparel and Levi Strauss. These data differ from primary data in that the research objective guiding the study is common to several client firms. Syndicated firms make their money by collecting data and designing research products that fit the information needs of more than one organization. Often, syndicated data and services are designed for use by multiple clients from multiple industries.

Although classified as secondary data, syndicated data differ from other sources of secondary data in that syndicated data are collected because they have known commercial value to marketers. Both census data and other externally generated secondary data (Chapter 4) are general data collected for purposes other than the client’s specific research problem. In contrast, the types of data syndicated services collect have very specific marketing research applications that are of interest to a number of clients.

Any client, even two competitors in the same industry (e.g., Coca-Cola Company and PepsiCo) can purchase the same syndicated data, typically through a subscription process. This process reflects the ongoing nature of many syndicated projects. These projects provide data that enable the tracking of change over time as well as point-in-time measurements. The data and reports that syndicated services supply to client companies can be personalized to fit their specific needs. For example, reports could be organized on the basis of the client’s sales territories or product lines.

A Classification of Syndicated Services

Figure 5.3 presents a classification of syndicated sources based on either a household/consumer or institutional unit of measurement. Household/consumer data typically relate to general values and lifestyles, media use, or product-purchase patterns. Data can be collected through a survey process, recorded by panel respondents in diaries (paper or electronic), or captured electronically via scanners (Figure 5.4). Consumer surveys are used to obtain information on beliefs, values, attitudes, preferences, and intentions. Panels used in consumer research emphasize information on purchases or media consumption. Electronic scanner services track purchases at the point of sale or in the home through handheld scanners. These data collection techniques can also be integrated, linking electronic scanner data with panels, survey data, or targeted television advertising through cable.

When syndicated services obtain data from institutions rather than households, the primary subjects they track are product movement through the distribution
channel (retailers and wholesalers) or corporate statistics. An overview of the various syndicated sources is given in Table 5.1. These sources will be discussed in the following sections.

**Surveys**

We will begin our discussion with general surveys. The survey by the NPD Group discussed in the opening vignette is an example. The three types of general surveys are periodic, panel, and shared surveys (Figure 5.5).

**Periodic surveys** collect data on the same set of variables at regular intervals, each time sampling a new group of respondents. Like longitudinal research, periodic surveys track change over time. However, the change due to variation in the respondent pool is not controlled in the way it is for true longitudinal studies. A new sample of respondents is chosen with each survey. Once analyzed, the data are made available to subscribers.

**Panel surveys** measure the same group of respondents over time, but not necessarily on the same variables. A large pool of respondents is recruited to participate on the panel. From this pool, different subsamples of respondents might be drawn for different surveys. Any survey technique can be used, including telephone, personal, mail, or electronic interviewing. The content and topics of the surveys vary and cover a wide range. Also known as omnibus panels, these panels are used to implement different cross-sectional designs at different points in time, generally for different surveys. For example, Synovate (www.synovate.com), a marketing research firm, offers a number of different omnibus surveys. Its eNation survey involves five weekly online surveys of a sample of 1,000 people that is nationally representative of the American adult population. Another Synovate omnibus panel is TeleNation, which involves two national telephone surveys each week that total 2,000 interviews. Omnibus panels are different from panels that use longitudinal designs, which were discussed in Chapter 3. Recall that in a longitudinal design repeated measurements on the same variables are made on the same sample. Such panels are sometimes referred to as true panels to distinguish them from omnibus panels.

Panel surveys are used primarily because of their lower cost compared to random sampling. These savings result due to streamlining of the data collection process, enhanced response rates, and readily available sample frames, which can be precisely targeted. Comprehensive demographic, lifestyle, and product-ownership data are collected only once as each respondent is admitted into the panel. The panel is used as a respondent pool from which the research organization can draw either representative or targeted samples.

**FIGURE 5.4**

A Classification of Syndicated Services: Household Consumers

<table>
<thead>
<tr>
<th>SYNDICATED SERVICES</th>
<th>PERIODIC SURVEYS</th>
<th>PANEL SURVEYS</th>
<th>SHARED SURVEYS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household Consumers</td>
<td>Surveys</td>
<td>Panels</td>
<td>Electronic</td>
</tr>
<tr>
<td>Psychographic</td>
<td>Perceived needs</td>
<td>Recruited</td>
<td>Services</td>
</tr>
<tr>
<td>and Lifestyles</td>
<td>Research</td>
<td>Recruited</td>
<td>Electronic</td>
</tr>
<tr>
<td>Advertising</td>
<td>Questions</td>
<td>Recruited</td>
<td>Services</td>
</tr>
<tr>
<td>Evaluation</td>
<td>Responses</td>
<td>Recruited</td>
<td>Electronic</td>
</tr>
<tr>
<td>Consumer</td>
<td>Media</td>
<td>Recruited</td>
<td>Services</td>
</tr>
<tr>
<td>Research</td>
<td>Internet</td>
<td>Recruited</td>
<td>Electronic</td>
</tr>
<tr>
<td>Media</td>
<td>Participants</td>
<td>Recruited</td>
<td>Electronic</td>
</tr>
<tr>
<td>Research</td>
<td>Sampling Data</td>
<td>Recruited</td>
<td>Services</td>
</tr>
<tr>
<td>Panels</td>
<td>Subscriber</td>
<td>Recruited</td>
<td>Electronic</td>
</tr>
<tr>
<td>Panels</td>
<td>Panels with TV</td>
<td>Recruited</td>
<td>Electronic</td>
</tr>
</tbody>
</table>

**SURVEYS**

Surveys that collect data on the same set of variables at regular intervals, each time sampling a new group of respondents.

**Panel surveys**

Surveys that measure the same group of respondents over time, but not necessarily on the same variables.
TABLE 5.1 Overview of Syndicated Services

<table>
<thead>
<tr>
<th>Type</th>
<th>Characteristics</th>
<th>Advantages</th>
<th>Disadvantages</th>
<th>Uses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surveys</td>
<td>Surveys conducted at regular intervals</td>
<td>Most flexible way of obtaining data; information on underlying motives</td>
<td>Interviewer errors; respondent errors</td>
<td>Market segmentation; advertising theme selection; and advertising effectiveness</td>
</tr>
<tr>
<td>Purchase Panels</td>
<td>Households provide specific information regularly over an extended period of time; respondents asked to record specific behaviors as they occur</td>
<td>Recorded purchase behavior can be linked to the demographic/psychographic characteristics</td>
<td>Lack of representativeness; response bias; maturation</td>
<td>Forecasting sales, market share, and trends; establishing consumer profiles and brand loyalty and switching; evaluating test markets, advertising, and distribution</td>
</tr>
<tr>
<td>Media Panels</td>
<td>Electronic devices automatically record behavior, supplemented by a diary</td>
<td>Same as purchase panels</td>
<td>Same as purchase panels</td>
<td>Establishing advertising rates; selecting media program or air time; establishing viewer profiles</td>
</tr>
<tr>
<td>Scanner Volume-Tracking Data</td>
<td>Household purchases are recorded through electronic scanners in supermarkets</td>
<td>Data reflect actual purchases; timely data; less expensive</td>
<td>Data may not be representative; errors in recording purchases; difficult to link purchases to elements of marketing mix other than price</td>
<td>Price tracking; modeling; assessing effectiveness of in-store promotion</td>
</tr>
<tr>
<td>Scanner Panels with Cable TV</td>
<td>Scanner panels of households that subscribe to cable TV</td>
<td>Data reflect actual purchases; sample control; ability to link panel data to household characteristics</td>
<td>Data may not be representative; quality of data limited</td>
<td>Promotional-mix analyses; copy testing; new-product testing; positioning</td>
</tr>
<tr>
<td>Audit Services</td>
<td>Verification of product movement by examining physical records or performing inventory analysis</td>
<td>Relatively precise information at the retail and wholesale levels</td>
<td>Coverage may be incomplete; matching of data on competitive activity may be difficult</td>
<td>Measuring consumer sales, market share, and competitive activity; analyzing distribution patterns; tracking of new products</td>
</tr>
<tr>
<td>Firm Syndicated Services</td>
<td>Data banks on industrial establishments through direct inquiries of companies, clipping services, and corporate reports</td>
<td>Important source of information on industrial firms; particularly useful in initial phases of the marketing research process</td>
<td>Data is lacking in terms of content, quantity, and quality</td>
<td>Determining market potential by geographic area; defining sales territories; allocating advertising budget</td>
</tr>
</tbody>
</table>

FIGURE 5.5  
Classification of Syndicated Survey Research
based on the relevant background characteristics of the panel members. Response rates to panel surveys, including mail panels, are substantially improved over the random sampling process because of the commitment panel members make to participate in surveys.

**SHARED SURVEYS** As the name implies, **shared surveys** are developed and executed for multiple clients, each of whom shares the expenses. The bulk of a shared survey deals with questions of general interest to the client group. These general questions are typically supplemented with proprietary questions from each participating client. Responses to the general interest questions are available to the entire group, whereas the answers to proprietary questions are held in confidence and provided only to the appropriate client. This survey might be repeated at regular intervals, or it might be a one-time study. The sample can be drawn from an omnibus panel or randomly from the population of interest. Shared surveys are one way for syndicated research organizations to offer customized reports to their clients.

The primary advantage of shared surveys, as with all forms of secondary research, is lower cost. The fixed cost of research design and the variable cost of data collection are shared by the participants, making the cost per question relatively low for each client. Popular ongoing shared surveys include TeleNation and Data Gage from Synovate and GfK Roger Omnitel Telephone Survey by GfK Custom Research North America (www.gkamerica.com). Although a number of clients share these surveys, a certain degree of customization is offered, as illustrated by GfK Custom Research North America.

### Research in Action

**GfK Custom Research North America: Customization via Syndication**

GfK Roger Omnitel (www.gkamerica.com) is a syndicated service offering customized survey reports. GfK’s public opinion research service collects data on a broad range of social, economic, political, and consumer issues every 5 weeks. The organization conducts telephone interviews with a national sample of 1,000 adults aged 18 and older. In addition to the standard questions that are common across clients, clients can add customized, proprietary questions. Thus, Ford Motor Company can purchase the general survey results related to automobiles. Ford can also request proprietary questions about its models, such as Taunus, to determine why sales are lagging behind major competitors, such as Toyota’s Camry and Honda’s Accord.

According to the GfK Custom Research North America, the ability to add proprietary questions along with customized report generation offers a unique combination of frequency, speed of report delivery, quality, low cost, large sample size, and extensive demographic breaks. This ability to customize surveys and reports has been a major factor in the popularity of the Omnitel survey.

**Be an MRI!**

Visit www.gkamerica.com and write a brief report about the company’s GfK Roger Omnitel Telephone Survey. How can you use the Omnitel Telephone Survey to obtain information that will help Sony increase the penetration of flat panel television sets in the United States?

**Be a DM!**

What marketing strategies should Sony adopt to increase the penetration of flat-panel television sets in the United States?

---

**Psychographics and lifestyles**

The term **psychographics** refers to psychological profiles of individuals and to psychologically based measures of lifestyle, such as brand loyalty and risk taking. The term **lifestyle** refers to the distinctive modes of living within a society or some of its segments, such as the DINKs (Double Income No Kids) lifestyle characterized as being money rich and time poor. Together, these measures are generally referred to as **activities, interests, and opinions**, or simply as **AIOs**. The firm of Yankelovich Research and Consulting Services (www.yankelovich.com) provides the Yankelovich Monitor, a survey that contains data on lifestyles and social trends. The survey is conducted for multiple clients, each of whom shares the expenses.

**Psychographics**
Quantified psychological profiles of individuals.

**Lifestyle**
A distinctive pattern of living that is described by the activities people engage in, the interests they have, and the opinions they hold of themselves and the world around them (AIOs).
at the same time each year among a nationally projectable sample of 2,500 adults, aged 16 and older, including a special sample of 300 college students living on campus. The sample is based on the most recent census data updates. All interviews are conducted in person at each respondent’s home and take approximately 2.5 hours to complete.

As another example, SRI Consulting (www.sric-bi.com), partner of SRI International and formerly the Stanford Research Institute, conducts an annual survey of consumers that is used to classify persons into VALS (values and lifestyles) types for segmentation purposes. Information on specific aspects of consumers’ lifestyles also is available. GfK Custom Research North America conducts an annual survey of 5,000 consumers who participate in leisure sports and recreational activities. Several firms conduct surveys to compile demographic and psychographic information at the household, sub-zip (e.g., 30306-3035), and zip-code level, which is then made available on a subscription basis. Such information is particularly valuable for client firms seeking to enhance internally generated customer data for database marketing.

**ADVERTISING EVALUATION** The purpose of these surveys is to measure the size and profile of the advertising audience and to assess the effectiveness of advertising using print and broadcast media. A well-known survey is the Gallup and Robinson Magazine Impact Research Service (MIRS) (www.gallup-robinson.com).

**Research in Action**

**Magazine Impact Research Service**

In the Magazine Impact Research Service (MIRS) by Gallup and Robinson (www.gallup-robinson.com), ads are tested using an ad-in-home, in-magazine context among widely dispersed samples. Interviewers screen respondents for eligibilitv, door-to-door, and ask them to read a current issue magazine as they normally would at home. The issue they receive contains a test ad. The following day they are recon- tacted and measurements are made on core variables such as intrusiveness, persuasion, brand rating and ad liking, without looking at the magazine. Next, the entire sample is asked to look at the test ad before they are administered diagnostic questions, which can be both standardized and customized. This information is very useful to companies that advertise heavily in print media, such as American Airlines, Gucci, and GM, for evaluating the effectiveness of their advertisings. MIRS has become an industry standard for magazine ad testing.

Evaluation of effectiveness is even more critical in the case of television advertising. Television commercials are evaluated using either the recruited-audience method or the in-home viewing method. In the recruited audience method, respondents are brought to a theater or mobile viewing laboratory. After viewing a series of advertisements, they are surveyed regarding product knowledge, attitudes, and preferences, as well as their reaction to the advertisements. With the in-home viewing method, consumers evaluate commercials in their normal viewing environment. New commercials can be pretested at the network level or in local markets. Audience reaction to the advertisements is recorded along with respondent demographics. Gallup & Robinson, Inc. offers testing of television commercials using both of these methods. These methods also are used for testing
the effectiveness of advertising in other media, such as magazines, radio, newspapers, and direct mail. Simmons Media/Marketing Service (www.simr.com) conducts four different surveys with a large sample of respondents to monitor magazine, TV, newspaper, and radio media. Mediamark Research (www.mediamark.com) is another firm that makes available information on the consumption of media, products, and services by households.

**GENERAL SURVEYS** Surveys also are conducted for a variety of other purposes, including examination of purchase and consumption behavior. Gallup (www.gallup.com) surveys a random sample of 1,000 households by telephone about a variety of topics. The weekly Harris Poll by Harris Interactive (www.harrisinteractive.com) also is based on a nationally representative telephone survey of 1,000 adults aged 18 or over. Again, a wide range of topics is considered. Another example of general surveys is provided by BIGresearch.

### Research in Action

**BIGresearch Syndicated Surveys Lead to Big Decisions**

BIGresearch (www.bigresearch.com) syndicated Consumer Intentions and Actions (CIA) survey monitors the pulse of over 8,000 consumers each month. The survey is conducted online and in a representative sample. It delivers fresh, demand-based information on where retail consumers are shopping and their changing behavior. In the context of automotive purchase, the survey is predictive of automobile sales at the national level 3 months in advance.

BIGresearch determines automobile market share each month by comparing the percentage of people who own a car (e.g., Chrysler, which came in at 5.0 percent for June 2006), and people who selected that vehicle as a first choice (e.g., Chrysler was 1.7 percent) and second choice (e.g., Chrysler was 2.7 percent). The first and second choices are averaged to 2.2 percent and compared to present ownership of a Chrysler (5.0 percent). Based on these numbers Chrysler’s market share decreased by 2.8 percent for June 2006. In addition, BIGresearch surveys showed that Chrysler was losing market share to Toyota during 2005 to 2008. Based on these findings, Chrysler made some strategic adjustments to build off its historic strengths, but not rely too much on them so as to be at a competitive disadvantage. The Chrysler Group added a more robust customer and brand focus while continuing to stress product leadership. It decided to continue the product offensive through 2009, with more than 20 all-new vehicles and 13 refreshed vehicles. In addition, Chrysler Group will introduce its first two-mode full hybrid with the 2009 Dodge/HEV Hybrid.²

### Uses of Surveys

Surveys that are designed to collect psychographic and lifestyle data can be used for market segmentation, developing consumer profiles, or determining consumer preferences, as with casual clothing in the opening vignette. Surveys also are useful for determining product image or positioning and for conducting price-perception analysis and advertising research.

### Advantages and Disadvantages of Surveys

Surveys are the primary means of obtaining information about consumers’ motives, attitudes, and preferences. The flexibility of surveys is reflected in the variety of questions that can be asked and the visual aids, packages, products, or other props that can be used during the interviews. Additionally, the sampling process enables targeting of respondents with very specific characteristics.

Because survey researchers rely primarily on respondents’ self-reports, data gathered in this way can have serious limitations. What people say is not always what they actually do. Errors might occur because respondents remember incorrectly or feel pressured to give the “right” answer. Furthermore, samples might be biased, questions poorly phrased, interviewers not properly instructed or supervised, and results misinterpreted.

Although surveys remain popular for both primary and secondary research, panels do a much better job of tracking consumer behavior.
Purchase and Media Panels

Purchase and media panels are composed of a group of individuals, households, or organizations that record their purchases and behavior in a diary or on the Internet over time. Households are continually being recruited and added to the panel as respondents drop out of the study or are removed in order to rotate respondents. The makeup of the panel is designed to be representative of the U.S. population in terms of demographics.

Although panels also are maintained for conducting surveys, the distinguishing feature of purchase and media panels is that the respondents record specific behaviors (e.g., product purchases or media usage) as they occur. This makes the information more accurate. Previously, behavior was recorded in a diary, and the diary was returned to the research organization every 1 to 4 weeks. Paper diaries have been gradually replaced by electronic diaries. Now, most of the panels are online, and the behavior is recorded electronically, either entered online by the respondents or recorded automatically by electronic devices. Panel members are compensated for their participation with gifts, coupons, information, or cash. Based on the type of information recorded, these panels can be classified as either purchase panels or media panels.

Purchase Panels

Survey data can often be complemented with data obtained from purchase panels, in which respondents record their purchases in a diary or on the Internet. The NPD Group (www.npd.com), which operates in more than 20 countries, is a leading provider of market information collected and delivered online for a wide range of industries and markets. The NPD Group combines information obtained via surveys with that recorded by respondents about their behaviors to generate reports on consumption behaviors, industry sales, market share, and key demographic trends. Consumer information is collected from its Online Panel on a wide range of product categories, including fashion, food, fun, house and home, technology, and automobile. Respondents provide detailed information regarding the brand and amount purchased, the price paid, whether any special deals were involved, the point of purchase, and the product’s intended use. The composition of the panel is representative of the U.S. population as a whole. Information provided by the panel is used by soft-drink firms, such as the Coca-Cola Company, to determine brand loyalty and brand switching and to profile heavy users of various brands.

Another organization that maintains purchase panels is TNS Global (www.tnsglobal.com). TNS Global maintains a number of panels, including a large interactive one. Special panels, such as Baby Panel, provide access to highly targeted groups of consumers. Each quarter, approximately 2,000 new mothers and 2,000 expectant mothers join the TNS Baby Panel.

Media Panels

In media panels, electronic devices automatically record viewing behavior, supplementing a diary. Perhaps the most familiar media panel is the Nielsen Television Index (NTI) by Nielsen Media Research (www.nielsenmedia.com). The NTI consists of a representative sample of approximately 11,000 households. Each of these households has an electronic device, called a storage instantaneous peoplemeter, attached to its television sets. The peoplemeter continuously monitors television viewing behavior, including when the set is turned on, what channels are viewed, and for how long. These data are stored in the
peoplometer and transmitted via telephone lines to a central computer. The data collected by the peoplometer are supplemented with diary panel records, called audilog. The audilog contains information on who was watching each program, so that audience size and demographic characteristics can be calculated. The NTI is useful to firms such as AT&T, Kellogg, J.C. Penney, Pillsbury, and Unilever who are looking for advertising media that are reaching their target markets. Nielsen has also developed a passive peoplometer that recognizes when a person enters or leaves the room and keeps track of the person’s activities as he or she watches television. In April 2007, Nielsen Media Research introduced the new commercial-minute ratings that allow advertising agencies, advertisers, and programmers to develop individualized minute-by-minute ratings of national commercials by demographic group for all national television programs.

Other services also provide media panels. Arbitron maintains local and regional radio and TV diary panels. Arbitron’s portable peoplometer is a panel-based measure of multimedia, including TV, radio, satellite radio, and the Web. In the ScanAmerica peoplometer ratings system, an electronic meter automatically collects continuous detailed measures of television set tuning for every set in the home. TV BehaviorGraphics, by Simmons Market Research Bureau (www.smrb.com) is a behavioral targeting system used to identify the best prospects for products and services based on consumers’ viewing of broadcast and cable television programs. The system was developed through an integration process that merges the NTI with the Simmons National Consumer Survey (NCS). It consists of a multisegment cluster system that classifies consumers into distinct groups based on their television-viewing behavior. The system, which is used by the top advertising agencies and television media, is available to subscribers. Syndicated services also collect the same type of audience data for radio. Radio audience statistics are typically collected using diaries two to four times per year.

Syndicated services are making use of the growing popularity of the Internet. Nielsen/NetRatings, Inc. (www.netratings.com) tracks and collects Internet usage in real-time. Arbitron claims the largest Internet panel, as of 2006, exceeds one million users. It tracks Internet use by domain, site, and user, and provides information on Internet user behavior such as the number of visits, number of pages viewed, the length of visits, the number of clicks, the number of visits, and the number of times a page is visited. The information is divided by demographic group to provide a more detailed picture of the audience.

Uses of Purchase and Media Panels

Purchase panels provide information that is useful for forecasting sales, estimating market shares, assessing brand-loyalty and brand-switching behavior, establishing profiles of specific user groups, measuring promotional effectiveness, and conducting controlled store tests. Media panels yield information helpful for establishing advertising rates by radio and TV networks, selecting appropriate programming, and profiling viewer or listener subgroups. Advertisers, media planners, and buyers find panel information to be particularly useful.

Advantages and Disadvantages of Purchase and Media Panels

The advantages of panel data over survey data relate to data accuracy and the generation of longitudinal data. Repeated measurement of the same variables from the same group of respondents classifies this as a form of longitudinal data. Longitudinal data enables manufacturers to measure changes in brand loyalty, usage, and price sensitivity over time. Involvement in a purchase panel represents a commitment on the part of the respondent. That commitment is thought to enhance the accuracy, and therefore the quality, of panel data. Purchase panels that record information at the time of purchase also eliminate recall errors. Information recorded by electronic devices is even more accurate, because the devices eliminate human errors.
The disadvantage of panel data can be traced to the fact that panel members might not be representative of the larger population and to increased response errors uniquely associated with the process of maintaining a diary. Recruiters for purchase and media panels attempt to mirror the population in the panel makeup. However, certain groups tend to be underrepresented, such as minorities and those with low education levels. The time commitment necessary to participate on panels contributes to the relatively high level of refusal and dropout rates. Additionally, response biases can occur because simply being on the panel might alter a panel member’s behavior. Because some purchase or media data are entered by hand, recording errors also are possible.

**Experiential Learning**

**Nielsen/Net Ratings**

Nielsen/Net Ratings reports nearly 70 percent of the world’s Internet usage to give a broad view of the online world. Nielsen/Net Ratings focuses its research on Internet usage in the following countries: Australia, Brazil, France, Germany, Italy, Japan, Spain, Switzerland, the United Kingdom, and the United States.

Go to Nielsen/Net Ratings’ homepage at www.niadmin.com. On the top menu bar, select “Resources” and then select “Free Data and Rankings.” Under “Internet Audience Metrics,” to view results for a country, double-click on the country name. For the following exercises, choose “Home Panel” and “Monthly Web Usage Data” to view the most recent month’s results for each country. If the Web site has been reconstructed, follow a similar procedure. Record your findings about each country’s “PC Time Per Person” in a table.

1. Which country posts the most “PC Time Per Person”?
2. Which country posts the least “PC Time Per Person”?

Now choose “Global Index” instead of “NetView Usage Metrics” in order to view the latest month’s Global Internet Index: Average Usage.

1. What is the average “PC Time Spent per Month” for the set of countries?
2. Which countries were above the average for “PC Time Spent per Month” for the latest month?
3. Which countries were below the average for “PC Time Spent per Month” for the latest month?

**Electronic Scanner Services**

Scanner data are obtained by using electronic scanners at the cash register that read the Universal Product Code (UPC) from consumer purchases. Among the largest syndicated firms specializing in this type of data collection are ACNielsen (www.acnielsen.com) and Information Resources, Inc. (www.infores.com). These companies compile and sell data, which tell subscribers how well their products are selling relative to the competition. This analysis can be conducted for each item with a unique UPC—that is, brand, flavor, and package size. Scanner-based companies represent formidable competition for both purchase panels and physical audit services. The accuracy and speed with which product movement at the retail level can be recorded using electronic scanners has reshaped the marketing research industry.

Three types of scanner data are available: volume-tracking data, scanner panels, and scanner panels with cable TV. Volume-tracking data are routinely collected by supermarket and other outlets with electronic checkout counters. When the consumer’s purchases are scanned, the data are automatically entered into a computer. These data provide information on purchases by brand, size, price, and flavor or formulation. Scanner panels with cable TV record purchases and other outcomes with electronic checkout counters. When the consumer’s purchases are scanned, the data are automatically entered into a computer. These data provide information on purchases by brand, size, price, and flavor or formulation. Scanner panels collect data from the checkout scanner tapes. However, this information cannot be linked to consumers’ background characteristics, because their identities are not recorded unless they are scanned. This information is collected nationally from a sample of supermarket stores with electronic scanners. Scanner services providing volume-tracking data include SCANTRACK (ACNielsen) and InfoScan (Information Resources, Inc.). The SCANTRACK service gathers data weekly from a sample of more than 4,800 stores representing more than 800 retailers in 52 major markets. It provides basic tracking information at multiple levels, ranging from category-level to total U.S. all-outlet sales volume to single-item performance in one market. The InfoScan Syndicated Store Tracking service monitors more than 34,000 supermarket, drugstore, and mass-merchandiser outlets. An example of the type of information available from Information Resources follows.
With scanner panels, each household member is given an ID card that can be read by the electronic scanner at the cash register. Scanner panel members simply present the ID card at the checkout counter each time they shop. In this way, the consumer’s identity is linked to product purchases as well as the time and day of the shopping trip. This enables the firm to build a shopping record for that individual. Alternatively, some firms provide handheld scanners to panel members. These members scan their purchases once they are home.

ACNielsen’s (www.acnielsen.com) Homescan consumer panel records the purchases of approximately 125,000 households throughout the world. The consumer scans the bar codes on purchases with a handheld scanner, which records the price, promotions, and quantity of each item. The information in the handheld scanner is then transmitted to ACNielsen through telephone lines. ACNielsen uses the information from the scanner and additional information gathered from the consumer to determine such things as consumer demographics, quantity and frequency of purchases, percentage of households purchasing, shopping trips and expenditures, price paid, and usage information. Manufacturers and retailers use this information to better understand consumers’ purchasing habits.

An even more advanced use of scanning technology, scanner panels with cable TV, combines scanner panels with new technologies that have grown out of the cable TV industry. Households on these panels subscribe to one of the cable TV systems in their market. By means of a cable TV “split,” the researcher targets various commercials into panel members’ homes. For example, half the households might see test commercial A during the 6 o’clock newscast, while the other half views test commercial B. This enables marketing researchers to conduct fairly controlled experiments in a relatively natural environment. The technology also offers a way to target marketing effort. For example, it is possible to transmit a Dannon yogurt commercial only to Yoplait consumers to determine if they can be induced to switch brands. Information Resources’ BehaviorScan system contains such a panel.
Systems have been developed to allow transmission of advertising into participating households without the use of a cable TV system. Because these panels can be selected from all available TV households, not just those with cable TV, the bias of cable-only testing is eliminated. Using this type of system, General Mills, for example, can test which one of four test commercials for Total cereal results in the highest sales. Four groups of panel members are selected, and each receives a different test commercial. These households are monitored via scanner data to determine which group purchased the most Total cereal. Scanner services incorporate advanced marketing-research technology, which results in some advantages over survey and purchase-panel data.

Uses of Scanner Data
Scanner data are useful for a variety of purposes. National volume-tracking data can be used for tracking sales, prices, and distribution and for modeling and analyzing early warning signals. Scanner panels with cable TV can be used for testing new products, repositioning products, analyzing promotional mix, and making advertising and pricing decisions. These panels provide marketing researchers with a unique controlled environment for the manipulation of marketing variables.

Advantages and Disadvantages of Scanner Data
Given that the large grocery chains have largely completed the conversion to electronic scanning, and drugstores are following suit, electronic data collection is likely to continue to grow. The prompt feedback about point-of-sale product activity enables managers to evaluate existing marketing programs as well as to formulate new ones.

Scanner data are not only available more quickly, but they are typically more accurate than data collected through either surveys or purchase panels. The response bias that plagues manual data collection is lessened, because the respondents are much less conscious of their role as members of a scanner panel. Errors due to failures in recall also are eliminated with electronic data collection. Scanners also offer the ability to study very short time periods of sales activity.

Another advantage of scanners is that in-store variables, such as pricing, promotions, and displays, are also recorded. Finally, a scanner panel with cable TV provides a highly controlled test environment for alternate promotional messages.

A major weakness of scanner data is its lack of representativeness. Only retailers equipped with scanners are included in the research. Entire retail categories, such as food warehouses and mass merchandisers, might be excluded. Likewise, the availability of scanners might be lacking in certain geographical areas.

The quality of scanner data is only as good as the scanning process itself and can be limited by several factors. All products might not be scanned. For example, a clerk might use the register to ring up a heavy item to avoid lifting it. If an item does not scan on the first try, the clerk might key in the price and ignore the bar code. Sometimes a consumer purchases many flavors of the same item, but the clerk scans only one package and then rings in the number of purchases. Thus, the transaction is recorded inaccurately.

With respect to scanner panels, the available technology permits the monitoring of only one television per household. Hence, there is a built-in bias if the household has a second or third television, because the viewing of these additional sets is not considered. Also, the system provides information only on the television in use rather than actual viewing behavior. Thus, the television might be turned on, but the people might not be paying any attention to it. Although scanner data provide behavioral and sales information, they do not provide information on underlying attitudes, preferences, and reasons for specific choices.

Be a DM! Be an MR!
As the marketing manager for Lay's potato chips, how would you determine the right price?
Visit Azenheim at www.azene... and write a brief report about its SCANTRACK service. How can you use SCANTRACK to determine the optimal price for Lay's potato chips?
Syndicated Data from Institutions

We have already discussed syndicated data collected from consumers and households. Parallel electronic and manual systems also are used to collect institutional and industrial data. As Figure 5.6 shows, syndicated data are available for retailers and wholesalers as well as industrial firms/organizations.

Retailer and Wholesaler Audits

Collecting product-movement data for wholesalers and retailers is referred to as an audit. These periodic audits can be a physical count of the inventory or managed through a link to the scanning process. These audits track inventory flow, current inventory levels, and the impact of both promotional and pricing programs on inventory levels.

A physical audit is a formal examination and verification of product movement carried out by examining physical records or analyzing inventory. An example of the traditional audit is the ACNielsen Convenience Track (www.acnielsen.com), which is a retail audit of convenience stores in 30 local markets. Another example is the National Retail Census by GfK Audits & Surveys (www.gfkauditsandsurveys.com), which provides updated measurements of product distribution in all types of retail and service outlets. Conducted annually since its inception in 1953, it is based on a national probability sample of approximately 30,000 outlets of all kinds throughout the country in more than 500 different geographic areas. The audit is conducted by personal store visits, making GfK Audits & Surveys’ Retail Census the largest annual product availability measurement in the United States. For high speed and accuracy, these in-store audits use handheld computers to capture UPC information electronically. Retail audit data can be useful to consumer product firms. For example, say that Colgate Palmolive is contemplating introducing a new toothpaste brand. A retail audit can help determine the size of the total market and distribution of sales by type of outlet and by different regions.

Wholesale audit services, the counterpart of retail audits, monitor warehouse withdrawals. Participating operators, which include supermarket chains, wholesalers, and frozen-food warehouses, typically account for more than 80 percent of the volume in this area. Audits are now being increasingly conducted by using scanner data and electronic records rather than by physical examination and verification.

USES OF AUDIT DATA Standardized as well as customized reports are available to help subscribers manage their brands. These reports provide information that can be used to (1) determine market size and share for both categories and brands by type of outlet, region, or city; (2) assess competitive activity; (3) identify distribution problems, including shelf-space allocation and inventory issues; (4) develop sales potentials and forecasts; and audit from physical records or inventory analysis. Data are collected personally by the researcher or by representatives of the researcher, and the data are based upon counts, usually of physical objects.

FIGURE 5.6
Classification of Syndicated Services: Institutions
(5) develop and monitor promotional allocations based on sales volume. Scanners are now used to collect data that cross the wholesale, retail, and customer levels. The information they offer has had a profound impact on the marketing process.

ADVANTAGES AND DISADVANTAGES OF AUDIT DATA. Audits provide relatively accurate information on the movement of many products at the wholesale and retail levels. Furthermore, this information can be broken down by a number of important variables, such as brand, type of outlet, and size of market.

A major disadvantage of physical audits, however, is the limited retail coverage and delay associated with compiling and reporting inventory data. Typically, a 2-month gap exists between the completion of the audit cycle and the publication of reports. Another disadvantage of physical audits is that, unlike scanner data, audit data cannot be linked to consumer characteristics. In fact, it can be difficult to relate audit data to advertising expenditures and other marketing efforts.

Research in Action

Hispanic Small Food Store Audit

The Hispanic Small Food Store Audit is a bimonthly audit conducted by UN Audits & Surveys (www.ungauditsandsurveys.com). Marketers targeting the burgeoning Hispanic segment in the United States can now measure the results of their campaigns through the Hispanic Small Food Store Sales Index. A measurement of sales in a channel for which there is little sales data, this study is conducted through personal visits to over 400 stores in high-density Hispanic markets. Manual audits are conducted by trained bilingual local-market field personnel. Store participation on an ongoing basis is secured through the payment of cooperation fees to each individual outlet. Inventory measurements are taken on a bimonthly basis, six times per year (January-February, March-April, etc.), invoice and other purchase memoranda might be recorded more frequently, as jointly determined with the store owners/managers. The audit tracks the following:

- Sales and brand shares
- Distribution
- Inventories
- Pricing
- Casual data

Marketers, such as P&G, attempting to penetrate the Hispanic market, can make use of the audit findings to determine distribution outlets, product mix, inventories, advertising campaigns, and prices.¹

Be an MR! Be a DM!

Visit the UN Audits & Surveys Web site at www.ungauditsandsurveys.com and write a brief report about the firm’s audit services. How can you make use of retail audit data to determine new store locations for Paul Stuart Custom Jewelers?

As the marketing chief for Paul Stuart Custom Jewelers, how would you determine the best store locations?

Industry Services

Industry services provide syndicated data about industrial firms, businesses, and other institutions. Financial, operating, and employment data also are collected by these syndicated research services for almost every North American Industry Classification System (NAICS) category. These data are collected by making direct inquiries from clipping services that monitor newspapers, trade press, or broadcast, and from corporate reports. The range and sources of syndicated data available for industrial goods firms are more limited than those available to consumer goods firms. Dun & Bradstreet can provide reports of businesses located in the United States and abroad.

The Dun & Bradstreet International Business Locator (www.dnb.com) provides one-click access to more than 35 million public/private companies located around the world. After locating a business, the Locator will provide key business data, including full address information, NAICCode of business details, business size (sales, net worth, employees), names of key principals, and identification of this location’s headquarters, domestic parent company, and/or global parent company.
These data are very useful in developing business-to-business sales plans and direct-marketing lists, estimating market potential and share within industries, and devising overall marketing strategies. Business statistics related to annual sales, geographic coverage, supplier relationships, and distribution channels are just a few of the categories of information available to business-to-business market planners. These secondary sources also serve as a source for sampling frames when conducting business-to-business research.

USES OF INDUSTRY SERVICES Information provided by industrial services is useful for sales management decisions, including identifying prospects, defining territories, setting quotas, and measuring market potential by geographic areas. It can also aid in advertising decisions, such as targeting prospects, allocating advertising budgets, selecting media, and measuring advertising effectiveness. This kind of information also is useful for segmenting the market and designing custom products and services for segments in the target markets.

ADVANTAGES AND DISADVANTAGES OF INDUSTRY SERVICES Published industrial information provides a valuable first step in business-to-business marketing. The information is typically limited to publicly traded firms, however, and dissemination of that data is typically controlled by the reporting firm itself. A researcher has to be wary of the completeness of reported data as well as the bias introduced by this form of respondent self-report. These data are limited in the nature, content, quantity, and quality of information.

Combining Information from a Variety of Sources: Single-Source Data

As discussed in Chapter 4, combining data from different sources can enhance the value of secondary data. This practice in syndicated services is referred to as single-source research. Single-source research tracks the full marketing process from initial advertising communication through product purchase. The process links a person’s demographic and psychographic information with television, reading, and shopping habits. A combination of surveys, diaries, and electronic scanners is used to integrate such information. Manufacturer pricing and promotional activities are overlaid on this consumer data as well. Thus, single-source data provide integrated information on household variables, such as media consumption and purchases, and on marketing variables, such as product sales, price, advertising, promotion, and in-store marketing effort.

Information Resources, Inc. (www.infores.com) collects consumer purchase information from a nationally representative household panel of approximately 70,000 recruited households with coverage at the regional, national, and individual market level. It is designed to supply strategic direction to marketers by focusing on the consumer dynamics that drive brand and category performance. Complete multi-outlet purchase information on these households is tracked electronically. Panel households use a simple in-home scanning device, called a ScanKey, to record their purchases from all outlets. Panelists are not required to record any causal information except for manufacturer coupons. Price reductions are recorded by scanner, and features and displays are captured by Information Resources’ in-store personnel, ensuring an accurate and unbiased record of sales. Other examples of single-source data include CACI Marketing Systems (www.caci.com), MRI Cable Report by Mediavark Research (www.mediamark.com), and PRIZM by Claritas (www.claritas.com). The MRI cable report integrates information on cable television with demographic and product usage information. PRIZM, discussed in Chapter 4, combines census data, consumer surveys about shopping and lifestyles, and purchase data to identify segments. The following example illustrates Campbell Soup Company’s application of single-source data.
Summary Illustration Using the Opening Vignette

Syndicated research firms specialize in designing research systems that collect data of commercial interest to multiple users. This was seen in the opening vignette, where the results of the NPD survey were used by multiple firms in the same industry: Haggar and Levi Strauss.

Syndicated sources can be classified based on the unit of measurement (households/consumers or institutions). Syndicated data from households can be obtained via surveys, purchase or media panels, or electronic scanner systems. Although a survey was used in the opening vignette, data on purchases of business casual clothing can also be collected using purchase panels and electronic scanners (or similar systems) installed in department stores. When institutions are the unit of measurement, the data can be obtained from retailers, wholesalers, or industrial firms. It is desirable to combine information obtained from different secondary sources to get a more complete picture of the marketplace. Thus, one could combine data on casual clothing obtained from consumers with data from retailers (e.g., Macy’s, Sears, etc.) and manufacturers (e.g., Haggar, Levi Strauss, etc.) to get a better understanding of the casual clothing market. Figure 5.7 offers a concept map for syndicated data.

Experiential Learning

Syndicated Firms

Identify and describe syndicated firms, other than those listed in this chapter, that offer the following services. Briefly describe each service. Cite all URLs and references.

a. Lifestyle surveys
b. Advertising evaluation surveys
c. Omnibus panels
d. Purchase panels
e. Media panels
f. Scanner data (in-store tracking)
g. Scanner panels
h. Audits
i. Information on business firms
INTERNATIONAL MARKET RESEARCH

U.S. syndicated research firms are an important source of information on overseas consumer and industrial markets. For companies considering expansion internationally or managing existing international ventures, one of the first steps toward understanding and monitoring these markets can be through syndicated sources. The need for relatively inexpensive, comprehensive data related to international markets, consumer and social trends, as well as existing market structures creates a built-in demand for international syndicated services. Many of the same major syndicated firms operating in the United States have invested heavily in creating data collection systems to support their internationally operating clients. Gallup International is just one of the U.S. syndicated firms that have expanded their services to include international research.

Research in Action

Euroconsumers Go for Spending Splash

Gallup (www.gallup.com), which specializes in survey research obtaining both lifestyle and psychographic data, recently conducted interviews with more than 23,500 adults across the European Union. The results point to an exploiting consumer durable market, particularly for convenience items, such as remote control TVs, microwave ovens, VCRs, and cellular phones. The educational level and the standard of living among this consumer group are generally improving. Europeans also are displaying higher levels of discretionary purchasing, demonstrated in growing demand for travel packages, which continued to be strong through the year 2003. In the personal care market, the number of European women using perfume is declining, offset by growing demand for deodorants.

Such syndicated data are useful to marketers such as Motorola, GE, and AT&T which are looking to further develop European markets. For example, when renting an apartment in Germany, the renter must install all the major appliances and lighting fixtures. GE has developed value packages offering significant savings in appliances and lighting fixtures that are carefully targeted at apartment renters.30

Like Gallup, ACNielsen has made huge investments in European markets over the past 30-plus years, introducing scanner and tracking services at the retail level. With international operations almost as large as that of the United States, more than 45 percent of Nielsen’s business is outside the United States. Of that overseas business, 50 percent is in Europe.
Technology and Marketing Research

As technology develops, syndicated firms will establish newer types of panels using sophisticated data collection methods. One distinct possibility in the near future is panels based on two-way TV and on interactive TV and video services. In fact, such technology has been developed and is being refined and tested.

AT&T (www.att.com) and Verizon (www.verizon.com) have already conducted market trials of their interactive video service and made such services available to consumers. Marketers that participated in the testing and launching of these services included Lands’ End, Nordstrom, J.C. Penney, Nissan Motor Cars USA, and Visa International. Verizon Video Services spokesman told marketing researchers to be prepared, because interactive TV will be here much sooner than people expect. “The leaders will establish themselves very fast,” he said. “The rest will have trouble ever catching up.”

In addition, technology used in existing panels, such as scanner and media panels, is being continuously refined. Both Nielsen and its main competitor, Arbitron, have developed new “passive peoplemeters.” With this type of system, the viewers only need to turn their televisions on or off. Using computer-image recognition technology, which is a more advanced version of the scanner technology used in supermarkets, the passive peoplemeter scans the room to identify all preprogrammed viewers. The new system also detects whether the viewers are looking at the television or at something else in the room.

The new passive systems allow researchers to monitor families at a much cheaper rate than possible with the previous technology. With the older meters, it cost thousands of dollars to monitor a single family. The new technology is expected to decrease this cost to somewhere in the hundreds of dollars. With this dramatic reduction in the average cost per household, researchers are able to increase the size of the samples, and hence the accuracy of the data, while keeping overall costs at a constant level.12

Ethics in Marketing Research

Ethical issues in formulating a research design, which were discussed in Chapter 3, also are relevant in collecting syndicated data. Respondents’ rights, particularly their privacy, are another salient issue. Obtaining data from respondents without their full knowledge or consent is an invasion of privacy. Consider, for example, the frequent shopper cards that supermarkets issue. These cards provide a variety of services, such as check cashing identification, special notification of sales, and cash discounts or rebates, at no apparent cost to the cardholders. Although this might sound like a good deal, many cardholders are unaware of the hidden costs involved.

When applying for a card, each shopper provides data on demographic and shopping-related variables and is assigned a UPC code. The shopper’s card, which contains the UPC code, is scanned before the grocery purchases are scanned. Thus, a shopper’s purchases are linked to that shopper’s demographic and shopping-related data collected at the time of card application. This information results in a database that contains rich information on shoppers, including a demographic profile, when they shop, how much they spend, how they pay for purchases, and what products they buy. As discussed in Chapter 4, this database can be used to target consumers and formulate effective marketing strategies. Often, these data are sold to syndicated firms, who in turn sell them to multiple clients, resulting in much wider dissemination and use. Most consumers, however, are unaware that the supermarket has all this information about them simply because they are cardholders.

The supermarkets and other firms engaging in this practice of collecting data without the respondent’s direct knowledge or consent are violating the ethical principle of informed consent. According to this principle, researchers have the ethical responsibility to avoid both uninformed and misinformed participation by respondents in market research projects. On a positive note, syndicated firms are playing a significant role in researching ethical issues and sensitizing marketing firms, the marketing research industry, and the general public about these concerns.
Research in Action

Reaching Kids but Alienating Adults: Ethical Repercussions

According to a recent survey by OKR Roger Public Affairs & Media, a syndicated marketing division of OKR Custom Research North America (www.xmlamerica.com), the general public is skeptical about advertising aimed at children. Eight of 10 adults agree that business marketing and advertising exploit children by convincing them to buy things that are bad for them so that they do not need. Adults do not necessarily object to all advertising, only to that perceived to be harmful to children. Eight of 10 adults see it as “all right” to advertise products such as toys, cereal, and clothing on television during children’s programming. Adults are more likely to object to commercials that “sell” sex and poor nutrition, such as PG-13 movies and candy bars. Thus, marketers who engage in such practices in an attempt to reach children run the risk of alienating adults. Several syndicated firms, including OKR Roger Public Affairs & Media, are playing a significant role in addressing ethical issues in marketing research by sensitizing researchers, clients, and the general public to such issues and providing reasonable solutions.14

What Would You Do?

Boston Market: Sizing the Market

The Situation

Richard Aras, president and CEO of Boston Market (www.bostonmarket.com), is well aware of the fact that according to syndicated data, home meal replacement (HMR) will be the family dining business of the century. HMR is portable, high-quality food that is meant for take-out, and it is the fastest growing and most significant opportunity in the food industry today. According to ACNielsen’s consumer panel data (www.acnielsen.com), 53 percent of respondents purchased a meal for all-home consumption several times a month. Convenience and type of food were the two most influential factors when purchasing an HMR. Also, 77 percent of these respondents preferred their meals to be ready in one minute.

Another recent study by the NPD Group at www.npd.com projected that between 2005 and 2010, virtually all growth in food sales will come from food service, defined as food prepared at least partially away from home. Estimates of total HMR market size, as well as future potential, vary widely. Numbers ranging from $50 billion to $150 billion have been given for the year 2010. Sara Lee projections show HMR accounting for as much as 60 percent of food industry growth by 2010. Findings by McKinsey & Company support that premium from two perspectives: (1) the fact that virtually all food sales growth by the year 2010 will come from food service and (2) that by 2010 many Americans will never have cooked a meal from scratch. HMR is the most important trend to hit the food industry since the advent of frozen food.

Boston Market is the HMR leader. As of August 2006, Boston Market had about 600 locations in 26 states, with more than 12,000 employees. Richard Aras wants to capitalize on the HMR trend. Boston Market is testing new-HMR products that could be introduced in 2006. The products being tested include prepackaged “take-and-go” lunch boxes, expanded catering services, enhanced drive-through operations, and call-ahead pick-up services.

The Marketing Research Decision

1. Given the wide estimates of $50 billion to $150 billion for HMR potential sales for 2010, how can Boston Market get a more reasonable estimate? What sources of syndicated data should be consulted? (Check all that apply)
   a. Information Resources, Inc.
   b. ACNielsen
   c. McKinsey & Company
   d. NPD Group
   e. All of the above

2. How will the type of research you recommend enable Richard Aras to size the HMR market and determine what new products and services Boston Market should introduce?

The Marketing Management Decision

1. What new products and services should Richard Aras introduce? (Check all that apply)
   a. Opening of new restaurant concepts
   b. Expanded catering services
   c. Enhanced drive-through operations
   d. Launching of a new advertising campaign
   e. All of the above

2. Discuss how the marketing management decision action that you recommend to Richard Aras is influenced by the syndicated sources of data that you suggested earlier and by the information they provide.

What Richard Aras Did

Boston Market worked with Arnold Worldwide of Boston to produce a new advertising campaign. In an effort to energize its brand, Boston Market reminded consumers that the restaurant fulfills their need for quick, convenient, wholesome meals. Portraying real-life, recognizable situations Americans often encounter concerning dinner, the tagline was, “Wish Always Cooking,” which was later replaced by “Time for something good.”14
Summary

Syndicated research firms specialize in designing research systems that collect data of commercial interest to multiple users. Collecting data to serve a known commercial purpose is one of the primary differentiators when comparing syndicated services to other types of secondary data (discussed in Chapter 4). Syndicated data are timely and cost-effective. Given the need for an impartial monitor of market-wide trends, as well as consumer reactions or behaviors, syndicated researchers provide a unique and valuable service.

Syndicated sources can be classified based on the unit of measurement (households/consumers or institutions). Syndicated data from households can be obtained via surveys, purchase or media panels, or electronic scanner systems. When institutions are the unit of measurement, the data can be obtained from retailers, wholesalers, or industrial firms. It is desirable to combine information from different sources, resulting in single-source data.

U.S. syndicated research firms are an important source of information on overseas consumer and industrial markets. As technology develops, syndicated firms will establish newer types of panels that collect data from panel members using sophisticated methods. One distinct possibility in the near future is panels based on two-way television and interactive television and video services. A major ethical issue in collecting syndicated data is the invasion of privacy of the respondents by obtaining data without their full knowledge or consent.

Key Terms and Concepts

<table>
<thead>
<tr>
<th>Syndicated sources,</th>
<th>Lifestyle, 131</th>
<th>Scanner panels, 137</th>
</tr>
</thead>
<tbody>
<tr>
<td>Periodic surveys, 129</td>
<td>Purchase panels, 134</td>
<td>Scanner panels with cable TV, 137</td>
</tr>
<tr>
<td>Panel surveys, 129</td>
<td>Media panels, 134</td>
<td>Audit, 139</td>
</tr>
<tr>
<td>Shared graphics, 131</td>
<td>Scanner data, 136</td>
<td>Industry services, 140</td>
</tr>
<tr>
<td>Psychographics, 131</td>
<td>Volume-tracking data, 136</td>
<td>Single-source data, 141</td>
</tr>
</tbody>
</table>

Suggested Cases and Video Cases

**Running Case with Real Data**

1.1 Hewlett-Packard

**Comprehensive Critical Thinking Cases**

2.1 American Idol 2.2 Baskin-Robbins 2.3 Akron Children’s Hospital

**Comprehensive Cases with Real Data**

3.1 Bank of America 3.2 McDonald’s 3.3 Boeing

**Video Cases**

5.1 eGO 8.1 AFLAC 9.1 P&G 11.1 Dunkin’ Donuts

12.1 Mazda 13.1 Subaru 19.1 Marriott

---

**Live Research: Conducting a Marketing Research Project**

1. Visit the Web sites of syndicated firms to identify the relevant information, some of which can be obtained without cost.
2. If the project is supported by a budget, then relevant information can be purchased from syndicated sources.
3. One, a few, or all the teams can be assigned the responsibility of collecting and analyzing data from the Internet.
4. Encourage the students to visit relevant Web sites of the client and its competitors as well to conduct a thorough online search using search engines.
Acronym

The salient characteristics of syndicated data may be described by the acronym SYNDICATED:

S: surveys
Y: yields data of known commercial value
N: number of clients use the data
D: diary panels
I: institutional services
C: cost is low
A: audits
T: timely and current
E: electronic scanner services
D: data combined from different sources: single-source data

Review Questions

1. How do syndicated data and data available from other secondary sources differ?
2. List and describe the various syndicated sources of secondary data.
3. What is the nature of information collected by surveys?
4. How can surveys be classified?
5. Explain what a panel is. How do purchase panels and media panels differ?
6. What are the relative advantages of purchase panels over surveys?
7. What kinds of data can be gathered through electronic scanner services?
8. Describe the uses of scanner data.
9. What is an audit? Discuss the uses, advantages, and disadvantages of audits.
10. Describe the information provided by industrial services.
11. Why is it desirable to use multiple sources of secondary data?
12. Explain what is meant by single-source data.

Applied Problems

1. Visit www.npd.com and write a description of the panel maintained by NPD.
2. Visit www.acnielsen.com and write a report about the various services offered by AC Nielsen.
3. Visit www.infores.com and write a report about the products and services offered by Information Resources, Inc.
5. Visit www.arbitron.com and write a report about Arbitron's syndicated services.
6. Select an industry of your choice. Contact one of the syndicated firms to obtain industry sales and the sales of the major firms in that industry for the past year. Estimate the market shares of each major firm. From a published source, obtain information on the market shares of these same firms. Do the two estimates agree?

Group Discussion

Discuss how the Nielsen TV ratings can affect the price that advertisers pay for a commercial broadcast during a particular time.

Hewlett-Packard Running Case

Review the Hewlett-Packard (HP) case, Case 1.1, and questionnaire given toward the end of the book. Answer the following questions.

1. What information available from syndicated firms would be useful to HP as it seeks to increase its penetration of U.S. households?
2. How can HP make use of lifestyle information available from syndicated services?
3. What information is available on consumer technology usage from syndicated firms? How can HP make use of this information? Hint: Visit www.npd.com and under "Industries" select "Consumer Technology."
4. What information available from www.netratings.com can help HP evaluate the effectiveness of its Web site?
eG0 Vehicles (www.egovehicles.com), based in Cambridge, Massachusetts, was founded in 1999 by its current president and CEO, Andrew Kahlich. Its produces light, electric vehicles and claims to be the leading manufacturer of “fun, easy-to-ride, eco-friendly personal transportation.” eG0 cycles do not require gas or oil and produce zero emissions. They run entirely on electricity and have a range of 20 to 25 miles while traveling at 20 to 25 miles per hour. The company is constantly monitoring market conditions to find opportunities to expand globally, for example, shifting its production site from the United States to Taiwan.

Based on marketing research the firm has conducted, eG0 is the design of the cycle. The team at eG0 was very particular about the cycle not having a motorcycle-like look and feel. In addition, the team did not want the technology and the engine to be visible. Andrew Kahlich described the designing goal as “Make it almost like a magic carpet.” The cycles are distinctive looking. The designers sought such distinctiveness. They did not want people to think, “Oh, a motorcycle” (bad for the environment), or “Oh, a bike” (you have to pedal). The idea was to have a mode of transportation to make small trips without using three tons of steel to do it. After a year and a half of product testing, the eG0 cycle gained the approval of the National Highway and Transportation Safety Agency. With this approval, eG0 was able to register the cycle in every state.

The eG0 is a new and different concept and its looks should—and do—reflect that. This specific niche provides eG0 with its greatest strength and its greatest challenge. Although consumers might want the product, no distribution channels were available. Bike stores did not want a new product taking up floor space, and motorcycle shops did not want a bicycle in their stores. The solution to this problem was found through marketing research. eG0 needed to find how to distribute the product and with whom to distribute the product through. Marketing research showed that customers wanted to test the cycle even though it was unavailable in many stores. eG0 responded by bringing the bikes to football games, shows, and events for people to test-drive. In addition, research showed that articles in trade journals and appearances on popular television shows would help customers become more familiar with the product without actually seeing it first hand. eG0’s bikes have appeared in Time and on TV programs such as Good Morning America and the Today Show. eG0 believes these appearances provide customers with the assurance they need to pay $1,430 on their credit card to a Web site to buy a product they have never seen. A survey of existing eG0 owners revealed that the vehicle is used for commuting, recreation, business, and errands. Finally, research showed these products would also be successful in markets where golf carts are already used for transportation and in resort areas for rentals.

The team at eG0 found, to great pleasure, that the cycle was a instant hit, burning leads and fast becoming the topic of hot discussion—in effect marketing itself. Jim Hammer, founder and president of marketing and sales, recounts, “When (eG0) cycle would create a buzz everywhere you went. People would be taking out of their cars to you at a stop sign and ask where did you get that? How does it work? How much is it? It created such a buzz that there was certainly something there.”

Strong customer reaction led to strong demand, and in a short space of 2 years eG0 grew its orders from zero to hundreds of products shipped globally each month.

The eG0 Cycle2, already in its second version, is eG0’s core product. It comes in three models: features vary based on local requirements and marketing research. For instance, three options are available in the U.S. market: the eG0 Cycle 2 classic, SE, and LX. For the European marketplace, the brand name was changed to Helios and three different models are available. The price for an eG0 Cycle ranges from $1,399 to $1,999. The price is determined by the model and the country of purchase by applying product and geographic price segmentation. The pricing strategy takes into account not only product costs, but also consumer price sensitivity (elasticity of demand) based on marketing research.

The eG0’s energy costs do not exceed half a cent per mile. Warranties are provided for the battery (6 months), the chassis (10 years), and all other parts for up to one year. Furthermore, customers are able to individualize their eG0 Cycle. Across all models one can customize the cycle and choose from four colors upon request. This customization strategy was adopted after marketing research revealed strong desire of consumers to have a role in configuring the cycle. eG0 also offers additional accessories, such as eG0 clothing.

With no established marketing or distribution model to follow, eG0 had to develop its own model and perfect it as it went along, learning from experience and feedback. The direct marketing and direct distribution model has been the hallmark of eG0’s marketing and distribution process, although it is slow and time-consuming and requires a lot of creativity. The eG0 Cycle is sold by authorized dealers, and accessories can be purchased online. In cases where there is no authorized dealer available in non-U.S. markets, eG0 provides shipping as an exception. In North America, distributors are only found in the United States, but plans for Canadian dealers are in the works. The expansion into the Asia-Pacific (APAC) region only covers Japan. Korea, Taiwan, and Australia. Since 2004, contract dealers have sold eG0 cycles in seven European countries, including the Czech Republic, Germany, and the United Kingdom. Referring to the Electric Bikes Worldwide Reports (2007) the eG0 Vehicles Company is on the right track and is likely to succeed and cope with future challenges. This is certainly due to the company’s ability to quickly adapt and sense consumer needs as determined by marketing research. First, eG0 Vehicle produces a core model of electric bicycle that can comply with local restrictions as well as local consumer tastes. Second, the manufacturing site has been relocated to Taiwan, where industry concentration takes place. Thus, various location advantages can be exploited because the environment enhances innovation, knowledge and expertise as well as cheaper production costs.
Conclusion
The case presents an engaging example of marketing a new, innovative, and in some ways, unconventional product. The case demonstrates how the marketing effort at evGo overcame challenges such as lack of established media to reach customers and novelty of the product to develop evGo’s brand equity and establish its brand image. Strategies and initiatives such as marketing research, customer feedback, direct marketing, and online sales are exemplary for any small startup trying to establish a strong market image for its product or service.

Questions
1. evGo would like to increase its U.S. sales. Define the management decision problem.
2. Define the marketing research problem corresponding to the management decision problem you identified.
3. What type of research design do you think the company adopted in conducting marketing research to determine consumer preferences for evGo vehicles?
4. Can evGo make use of a panel? If so, what type of a panel for what purpose?
5. How would you use the Internet to determine men’s preferences for electric vehicles?
6. What sources of syndicated data would be useful to evGo in projecting future demand for its vehicles?

References