

Sigma

COCA-COLA CENTER FOR MARKETING STUDIES

Fall 2002 MMR Newsletter

TERRY COLLEGE OF BUSINESS

UNIVERSITY OF GEORGIA

Continuous Improvement through Discontinuous Change

Latrice Cockett, MMR '03

Dr. Rajiv Grover, Department Head and Terry Professor of Marketing, took a few moments to share his thoughts on the direction of the MMR program and the constituencies that surround it.

Dr Grover, we are hearing a lot about the new and improved MMR program. Please tell us what is new and improved?

Well, Latrice, we are constantly seeking to add value to the program. Currently we are focusing on aspects of the curriculum that guarantee that graduates not only have technical skills but are also equipped with communication skills and contextual knowledge to help them succeed. Members of the Advisory Board have brought to our attention that being a technical market researcher is not enough. Communication before, during and after the project to ensure usage of Marketing Research projects is of critical importance. Therefore, we are updating the curriculum on three dimensions: These are: 1) the role of marketing research within the business context; 2) the current issues regarding data gathering, e.g., the web, and analysis, e.g., data mining and customer relationship management; and 3) the skills necessary for effective communication throughout the research process.



GROVER

Courses are being shaped and created to enlighten students on the role research plays within the big picture. These challenges in curriculum changes are being met by new courses, e.g., Executive Seminar Series and Special Topics, course content changes, and requiring other courses.

There are five companies that have created marketing research alliances with the class to carry out projects to help the company answer some marketing questions. What are the benefits of these projects?

The corporate projects play a central role in the curriculum. General Motors, Bush's Brothers, IBM, Master Foods, and Eli Lilly have given this year's class real world projects in Real Time. There are several important elements on which these projects differ as compared to regular student projects. First, the projects are carried over 2 full semesters, offering the flexibility of beginning and ending times. Unlike traditional student projects that follow the academic semester and cater to student needs, flexibility in timing allows sponsoring firms to execute projects that are in real-time and that are value-adding to the firm. Secondly, a faculty member is allocated to a project based on the particular strengths that the project demands. Lastly, firms pay for the projects. These three differences guarantee the seriousness on the part of all three parties resulting in a win-win situation.

Dr. Grover, we've heard that there have been changes in the board structure. Why is changing the structure of the board important?

The new board structure change is important for two very critical reasons. One, it ensures a level of commitment from Board members that we require for the effective and efficient operations of the program. And, two, it increases the much needed revenue for the program. We are very grateful to the commitment of our board members. Executive contributions are now at \$10,000 - and we have ten members at this level. Regular members contribute \$3,000. The executive committee members have some privileges. For example, they are given the first preference for the student projects. The

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Qualitative Research Course Gives Students Practice in the Field

Cara Peters

The MMR qualitative research course is designed to move students from an introductory to a more advanced level with respect to qualitative methods. Most students who enter the program have very little background with respect to qualitative research. Even those with strong work experience are usually only well versed in focus group techniques.

This year, I structured the course to first expose the MMR students to several fundamental qualitative research techniques, such as ethnography, focus groups, and content analysis. Next we practiced those techniques via “mini” application based exercises. For example, as part of the course, the students were required to do an hour-long observation of a consumption experience. They wrote up a summary of their findings, which were used to illustrate the appropriate use of the technique in a class discussion. The students conducted similar exercises for in-depth interviews and focus groups. Once the class appears to understand each technique and how to use it appropriately to collect data, we will move on to discuss the analysis and interpretation of qualitative data. This is going to occur in the latter half of the course.

To go beyond the introductory level of the assignments in the class, each student participated in a semester long research project that was designed to give the MMRs more comprehensive, field-based experience with qualitative research. This project took what each student has learned in the course and forces them to creatively implement those skills into a real world marketing research project. Most of the students opted to work in teams and focus on the topic of “road side stands.” The groups designed a research project from start to finish, which included developing a research question, creating the research design, collecting data, analyzing and interpreting the findings, and drawing meaningful, managerial conclusions.

Each group developed its own research question for the roadside stand project. These questions vary from, “why do people shop at road side stands?” to “what is the process of shopping at road side stands?” They completed a plan for data collection, including developing observation and interview protocols.



Above, two pictures of an observation of a roadside stand in rural Georgia.

Furthermore, many of the groups contacted owners and shoppers of roadside stands, initiating data collection. Below are a couple of pictures of an observation of a roadside stand in rural Georgia.

After we completed the data analysis part of the course, the students proceeded to analyze their “road side stand” data, develop an interpretation, and draw managerial conclusions. Each group’s objective was to be able to tell a story from the data that could be useful for a client, such as a grocery store chain, that might be interested in knowing about their

potential competition. Finally, each group presented its findings at the end of the semester. Some groups did a video presentation, while others had a power point based format.

As you can see, the qualitative research course is designed to give students practice in the field. The assignments and project gave students enough structure to be able to implement the skill set that they have acquired from the course. My ultimate goal is to have each student leave my class with the ability to design, implement, manage, and use qualitative research in the field. ■

Learning Brought to Life

This year’s MMR class is learning in a way that is somewhat unconventional for most academic settings. The class, Overview of Marketing Research, is a seminar-filled class designed to teach students the “nuts and bolts” of the marketing research industry. In addition to the curriculum covered in the classroom, 10-15 seminars are scheduled throughout the Fall semester featuring industry professionals. Amongst these seminar speakers are business executives and MMR-alumni from both the client and supplier side of the profession.

The objective of the class is to prepare students to handle the every day tasks that they will be expected to undertake as they enter the industry. While the MMR faculty and staff continues to ensure the quality of its students’ skills by offering a rigorous class schedule followed by a hands-on internship, this class truly demonstrates the program’s ability to use ingenuity and creativity to further improve the overall quality of the program. Below are a few examples of the speakers that have presented, along with their respective topic of discussion.



Karen Hyver, Genactis – Market Research Project Management

This seminar dealt with several aspects of project management, and included descriptions of parts of the entire process such as pricing, timing, and client-supplier communications and relations. The comprehensive discussion gave students an understanding of the components and processes that encompass the entire spectrum of tasks that go into a marketing research project.

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What is Important to the Consumer?

Samir Mardolker

A marketer has fixed resources to his disposal to improvise on his offering. So which are the product/service attributes that he should work on? Expectedly, the ones more important to the consumer. Hence the need to understand the hierarchy of importance of attributes of a product/service.

This article deals with the various marketing research techniques used to determine the hierarchy of importance of attributes. For ease of explanation, bathing soap is referred to throughout the article as an example of a product. This soap would have attributes like strength of fragrance, lathering ability, packaging, price and so on. Further, each attribute could 'exist' at a particular level in the soap - for instance, the strength of fragrance in the soap would be mild, strong or very strong. (3 hypothetical levels).

Methods to determine the hierarchy of importance of attributes

A. Stated Importance

Perhaps the most obvious method of arriving at the importance structure is to list the various attributes and ask the consumer to rank them in order of importance. However, this method is fraught with problems:

1. It is definitely cumbersome to rank a large number of attributes (and it is very common for a marketer to come up with a large number - say more than 10)
2. Although we get the hierarchy of importance, we miss out on the magnitude of importance at each rank level. For instance, we can say that strength of fragrance is the most important followed by lathering ability and then packaging and lastly price. But we wouldn't know how important fragrance is relative to other attributes. Fragrance could be say 50% important and the remaining attributes would together account for 50% importance, or fragrance could be 99% important while other account for only 1%. We see that this has different implications for the marketer in terms of focus on product improvisation. Should he focus entirely on fragrance or do other attributes also deserve attention? or how much of the available resources should he invest in fragrance improvisation?
3. Research also has shown that when asked to rank attributes in order of importance, consumers tend to understate the importance of emotional attributes and overstate those of functional attributes. Hence, a 'makes me feel nice' may probably get lower ranking than it actually deserved than a 'smells good' attribute.

B. Derived Importance - Regression

Some of the problems are tackled by 'deriving' the importance of attributes instead of explicitly asking consumers. Consumers are asked to rate each attribute independently on a rating scale. In addition to the product attributes, an attribute which talks about overall goodness of the product and/or purchase intention is also rated. Then, we use a multivariate technique called regression to derive the underlying hierarchy of importance. Attribute ratings are used as independent variables and the overall measure (like purchase intent or an attribute like "overall is a good product") is used as a dependent variable.

Thus consumers now need not rank many attributes. They just have to rate them one at a time. Also, using the output of the regression analysis we can derive the importance of each attribute and attach an importance magnitude to them. Further, we can predict changes in overall measure (like purchase intent) with changes in attribute rating - hence see the effect of improving only one attribute to spreading resources and improving many. The problem of understating the importance of intangible attributes is also more or less taken care of by rating attributes one at a time.

We have technically solved the problems with the method described above. But have we accurately modeled reality? The buying process does not involve rating each attribute separately/independently. Rather, a tradeoff is made where all attributes are evaluated simultaneously, i.e. the product is evaluated as a 'whole'.

C. Derived Importance - Conjoint

Another method of arriving at the hierarchy — while simulating consumer purchase in a more realistic manner — is conjoint analysis. To understand this, consider that each product can be

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In the Limelight: Architecture, Mozart, Opera...and Comedy?

Charles Swann

Built in the pre-depression 1920's, the Fox Theatre in Atlanta was a monument to the often excessive opulence of the time. This mosque-like theatre is complete with minarets, striped canopies overhanging the balcony, castle walls on either side of the stage, and, one of the most beautifully distracting features, a sky full of flickering stars and magically drifting clouds. Taking our seats we could not help but to look in awe at how every functional piece of a theatre was transformed into an artistic façade.



SWANN

This was the beginning of four MMRs trip to see the Marriage of Figaro, an opera by Wolfgang Amadeus Mozart. An opera? Yes, but not the slow, boring operas that often come to mind. This is a comedy and, with the help of superscripts that translate the opera as it is sung—a truly entertaining one at that!

The storyline is familiar to anyone who watches sitcoms or soap operas. While planning for their wedding the valet Figaro learns from his fiancée, the maid Susanna, that the philandering count wants to restate the droit du seigneur—the right of a noble to take the place of the husband on the wedding night—just for her. Figaro decides that he will outwit the count. From here it gets interesting. Susanna doesn't want the count, but the countess is scheming to get her unfaithful husband reeled back in. Figaro has a debt with a nobleman Bartolo, who wants it repaid by having Figaro marry his housekeeper, Marcellina. The amorous page Cherubino enters to announce his infatuation with all women—including the countess, Susanna, and Barbarina, the gardener's daughter. Still with me? The count finds out about Cherubino flirting with Barbarina and decides to ship him off to his regiment. By the end of the opera, the countess gets her husband back, Figaro and Susanna are married, along with Bartolo to Marcellina and Cherubino to Barbarina. And who said opera was boring!

All in all, the Marriage of Figaro breaks many of the stereotypes of opera. Add to this the uniqueness of watching a 200 year old opera in a 80 year old theatre and by the end of the evening we had thoroughly enjoyed ourselves. It was a great artistic experience and, at the same time, we were able to learn more about one another. After all, that is what this evening was all about! ■

— Charles Swann, MMR '03

Emotional Sell

By Annie Hou

If you ask people in China to tell you their favorite boy group, a 40-year-old lady may say the same thing as her 14-year-old daughter: F4. The debut of the Taiwan boy group F4 was just last April with the launch of the soap opera *Meteor Garden*. Now, they are the most popular and successful group in the entertainment industry in Asia. Although they are neither the best singers nor the best dancers, the four young guys attracted millions of fans with their good looking face, nice smiles, hot bodies, fantastic hair and “romantic love spirit” presented in their show.

The interesting part for me is to examine what marketing research has done in the success story. The creation of F4 came from a marketing research that found Taiwanese always admire boy bands from other cultures (Japanese, American, and European) and teenagers needed a domestic boy band to worship. In selecting the boys, the production company did another research and then created a profile for the qualified candidate: good-looking, a height of 1.8 meter, basic performance skills, and neutral appearance -- for teenagers, he is a caring brother; for young women, he is an attractive lover; for middle-aged women, he is lively boy. The soap opera *Meteor Garden* was developed into a romantic fairytale where a poor girl hooks up with a member of a rich brat-bully pack at an elite Taipei high school. This content was also based on a research which found in Taiwan, 93 per cent of couples said they were unhappy in matrimony and one third of marriages end in divorce; In Mainland China, the transitional marketing economy brings many unstable factors, including materialism, to marriage. People are thirsty for “True Love”, which is rarely seen in real life. The creation of F4 and the show *Meteor Garden* just caters to people’s emotional needs. According to the production company, F4’s target market segments are women from ages 14 to 50.

The result: the strategy is extremely successful. Without a tattoo or pierced body part among them, these neat boys are being held up as model spouses wherever in Taiwan, Mainland China, Hong Kong or other Asian regions. Young people imitate the clothing and hairstyle of F4, even the slang they used in the show. Moreover, almost every product endorsed by F4 became the best seller in these regions, for example, Siemens cellular phone

and Legend digital camera.

The successful launch of F4 implied that marketing research in China has entered another stage, in which marketing research was adopted in developing the cultural product and identifying people’s emotional needs.

Moving from a centralized to a market economy, the Chinese market has become more complicated. As an imported concept, the marketing research in China has experienced several stages. The first stage was in the 1980s, when many internationally well-known products had no local reputation in China. The role of marketing research was to help international companies determine consumer tastes/wants and build strategy based on market information.

Soon, the domestic enterprises found the invasion of multinational companies in various industries and tried their best to defend their own market. The competition motivated both the domestic and multinational companies to study the Chinese market. Among the thousands of research programs, the study about “income and expenditure” of Chinese people is the most common and fundamental one for

most enterprises because this kind of study give a better understanding of the market size of a product and also helps companies to decide about investment feasibility, pricing strategy, regional strategy and so on.

In the third stage, the marketing research was expanded to find out people’s culture and emotional needs. Marketing research was used in more non-traditional fields, such as entertainment and media industry. The boy band F4 is such a culture significant product. Another example was the launch of “Beijing Times”, a metropolitan newspaper targeted toward local people. The newspaper’s circulation hitting 300,000 in the first month of publishing in 2001 should be attributed to having the right content and marketing strategy based on a completed marketing research project. The essential is “to listen what the readers (customer) need”. This is a significant change in China because ten years ago, whether to launch a newspaper depended on the need of the government, rather than on the market.

I am glad to see how marketing research has helped companies in tapping the world’s largest market and how it has helped marketers in satisfying people’s needs. Taking care of people’s culture and emotional needs is especially important. Because once you have a highly acceptable product, it usually is an emotional sell. ■

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Sandy Douglas, Coca-Cola — *Case Study of Coca-Cola Brand*

The focus of the presentation centered on the marketing strategy employed by Coca-Cola, along with an overview of the portfolio of products that the company markets to consumers. Students learned how senior level management combines marketing concepts with research results to introduce new products and continue to build brand equity. Sandy also talked to students about the importance of proper problem identification, and how the implication of improperly defining this will result in faulty and misleading conclusions.

Charles Eden, Burke — *Research Pricing*

Money...clients have it, suppliers want it. The presentation given on research pricing described the various factors and considerations that should be analyzed when deciding on the right price for clients. Not only did Mr. Eden explain to students the particular components that go into a project’s price, but he also described how the price fits into the big picture of client/supplier relationships. After giving students a thorough presentation of pricing, a mock case was given and students were assigned to create formal research proposals, including pricing for the project.

Bob Van Dam, Knowledge Networks — *Research on the Web*

As the Internet emerges and becomes more prevalent in our society, marketing research will follow this trend, and a larger proportion of research projects will have some sort of web orientation. While some methods may not be feasible at this point in time, Mr. Van Dam illustrated to students how some techniques, such as surveys and ad testing, CAN be done online. While many skeptics of web research claim it is not representative of the population, the speaker explained how Knowledge Networks created a database of respondents that is, indeed, reflective of the U.S. population. Furthermore, this new technology allows the company to provide valid results to clients in a timely and efficient manner. ■

— Evan Williams

CONSUMER*continued from page 3*

described by different “levels” of the attributes associated with it. For instance, in our example, the soap may be assumed to be completely described by 4 attributes mentioned in the introduction and each attribute may be assumed to have say 3 levels. Hence, we can, hypothetically have $3 \times 3 \times 3 \times 3 = 81$ different products. The conjoint technique asks the consumer to rank all of these products in order of preference. Then, conjoint algorithms can derive the hierarchy of the attributes and also the value of an attribute being at a particular level. Yes! We know that ranking 81 products can be cumbersome. So instead a fractional design is setup and a ranking of a lesser number product description can effectively model the results for us.

Although the conjoint method simulates buying processes very closely, it again raises up the problem of consumers having to rank many products. Ranking more than 5 or 6 products would definitely be cumbersome. This is solved by using methods like asking the consumer to sort the products in, for example, 3 piles in order of importance and then taking ranking within these 3 piles. This results in fewer alternative to be ranked at a time.

Marketers may still find issues with this modeling of reality. We know that in the real world consumers see many products and have an option of not buying any! or buying multiple units of any one. Our technique described above, however, does not consider this. Hence, this is a shortcoming. Further, the conjoint technique breaks down when there are

‘interactions’ between attributes. This means that the value of a particular level of an attribute may depend of what level the interacting attribute is - for instance, consumers may have a different value attached to packaging depending on what price the soap sells for. At a lower price packaging may not be as important as it would have been at a higher price.

D. Derived Importance - Discrete Choice

A step ahead is a slight variation of the conjoint method called discrete choice modeling. This modeling techniques takes into account the finer aspects of the buying process and then analyses data to give the hierarchy of importance of attributes.

Product descriptions are given to consumers. They do not have to rank the product but just have to do what they do in the actual market place — say which they will buy and how many of each. They have the option to say “none.” Then, using complex modeling techniques we can derive the hierarchy of importance of attributes. Interactions are statistically taken care of in this technique.

So much for quantitative techniques to understanding the consumer. Qualitative researchers will still vehemently argue that there is no better technique to understanding the consumer than to have a long chat with a few consumers, a few focus groups & some observations ! However, somewhere down the line, you have to put a number to it! ■

GROVER*continued from page 1*

program’s worth and value are growing, and the fact that board members are willing to support us at these levels is a perfect indicator.

Speaking of changes, the MMR Alumni Association’s website is almost up and running — thanks to Mark Jones. Students are eagerly waiting to interact with alumni through the website where questions can be posted and responded to on the bulletin board — just as Alumni are. The site will allow for both networking among alumni and mentoring of students.

This all sounds great, Dr. Grover. Is there anything else you’d like to share with us?

I’d like to close by saying how impressed I am with this year’s batch of students. We are not simply graduating “geeks”, but proactive professionals who are motivated and who are a pleasure to work with. To continue quality recruiting efforts, we count on the alumni to spread the word so that the program will grow in quality, stature and value-add.

Also, the 4th AMA Advanced School of Marketing Research, organized by Tom Leigh was a huge success. We sold out at 50 attendees. Because of this success, arrangements have been made for the next offering during this Spring itself rather than waiting for next year. For more information on this program, visit www.ama.org.

HOMEcoming 2002



(L-R) Master of Marketing Research students Todd Adrian, Jonathan Lepisto, Samir Mardolker and Shirley Hu joined Srinivas Reddy, director of the Coca-Cola Center for Marketing Studies, at the MMR alumni reception during Homecoming.

Finally, congratulations and thanks to Srinivas Reddy and the faculty for doing such a wonderful job. Sincere thanks are also due to our alumni, staff, and board members. I’m looking forward to continuous improvement.

Thanks Dr. Grover, the students enjoy your enthusiastic and welcoming personality as our professor. You encourage us to be the outstanding representatives of the Terry College MMR program. Congratulations to you as well! ■

Announcements

Professor of Economics, **Christopher Cornwell**, received a \$176,000 NSF grant to study the effects of merit-based financial aid programs (like Georgia's HOPE Scholarship) on college stratification by ability, race and gender.

Cornwell was also selected to be in *Who's Who in Economics*, 4th Edition by virtue of being one of the 1,200 most frequently cited economists in the years 1990-2000 using the Social Science Citation Index. The 4th edition will be published by Edward Elgar Publishing and available in early 2003.

And finally, Cornwell won the 2002 The George P. Swift Award. The Swift Award is presented for Outstanding Teaching in Undergraduate Economics.

Dr. Richard Fox and Srinivas K. Reddy, Professors of Marketing, were awarded the 2002 AMA Donald Lehmann award for the best dissertation-based article published in the Journal of Marketing and Journal of Marketing Research in the last two calendar years. Officers of the AMA Marketing Research SIG voted the article titled, "The Impact of Brand Extension Introduction on Choice" was presented at the AMA Summer Marketing Educators' Conference in San Diego.

George Zinkhan, Professor of Marketing and holder of the Coca-Cola Company Chair in Marketing and UGA, has recently been named Editor Elect of the Journal of the Academy of Marketing Science (JAMS). He will begin his three-year term effective June 1, 2003 with editorial responsibility for Volumes 32, 33 and 34 (Years 2004, 2005 and 2006) of JAMS. Dr. Parsu Parasuraman, immediate past Vice President for Publications, Academy of Marketing Science, served as Chair of the JAMS Editor Search Committee along with Bob Peterson, Roger Kerin and Rajan Varadarajan. ■

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