

CASES FOR PART ONE

CASE 1.1 FRESH IMPRESSIONS—NUTRITIONAL LABELING

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This case presents a situation leading to a request for a research proposal from the Fresh Impressions grocery chain to Jose Martinez at Middle America Research. The request is a direct result of a recent loss of market share.

The objectives of the case are:

1. To help students understand the relevance of the decision-making environment to the specification of marketing research
2. To give students an introduction to the difficulties of problem definition
3. To give students practice in specifying research objectives and information needs
4. To introduce students to alternative research designs
5. To familiarize students with the components of a research proposal

This case allows for a discussion of the decision environment for marketing research and all the managerial necessities of good research; i.e., problem definition, research objective and information needs. After addressing these issues, alternative research designs can be discussed as a way of setting up the rest of the course. The instructor may want to give a short overview lecture of the course after using this case. The focus can be on the steps in the research process.

CASE QUESTIONS

Instructors please note that solutions to the questions are provided in the context of the Case Analysis section that follows this section.

1. *Translate the problems stated by the Fresh Impressions executives into specific project objectives and information needs. What kind of questions should be asked to determine each of these?*
2. *Is it necessary for the research firm to know who the decision-maker is in the Fresh Impressions organization? Why or why not? Identify the decision-maker in this case.*
3. *Considering the project objectives and information needs, identify appropriate data sources for this study. State the criteria for your selection, as well as what you anticipate learning from each.*
4. *Based on your answers to the previous questions, prepare a research proposal for this study.*
5. *If Martinez is assigned this study, what are the issues he should consider when selecting the research sample? What are your recommendations regarding each of the issues you listed?*

6. *What research errors should Martinez avoid? How might they be categorized? Finally, what should Martinez do to avoid them? Be specific.*
7. *What factors should Martinez examine to identify whether this is a “pseudo-research” project? Provide an example of the probable incentives beyond the pseudo-nature of the project. If the project does appear to be pseudo-research, how should Martinez proceed? Should the project be undertaken at all?*
8. *According to the American Marketing Association’s code of ethics for marketing research (see Chapter 1) and given the objectives of the project, what practices should be clearly avoided by Martinez and the decision-maker within the Fresh Impressions company? Are there any practices that seem unadvisable, even though they may not be explicitly prohibited by the ethics codes?*

CASE ANALYSIS

Decision Environment

Students should recognize that before adequately defining the problem and preparing a proposal, a researcher should understand the background of the problem and the nature of the decision-making environment. In this case, several points are relevant:

- If the marketing department is to gain cooperation from other departments in implementing its plan for providing nutrition information, research results must support the adoption of the program.
- Given Fresh Impressions has already compiled nutrition information, management may be looking for reinforcement of a decision to go ahead with the plan that has already been made. [If this is the case, the research may not be sought to help make the decision, but rather to convince others of the plan’s benefits. This would fit the definition within the text of “pseudo-research,” so some students may comment on the ethics of proceeding with the research at all (see Case Question #8).]
- The key decision criteria presented in the case are that Fresh Impressions will aid the implementation of the nutrition-information program (presumably footing the bill), but only if the research shows that customers will benefit and make use of the information.

Ask the students to speculate as to why the request for information was made. Possible answers include:

1. To verify a decision already made by senior management
2. To determine a method of presenting the information so that store managers and consumers will best accept it
3. To determine the usefulness of nutrition information to current and potential customers
4. To evaluate whether Fresh Impressions could gain a differential advantage over its competitors and increase its market share by posting nutrition information

Note that posting nutrition information would not be a sustainable differential advantage over the competition because it could be easily copied by other grocery stores. It would only be a successful strategy if Fresh Impressions created store loyalty among any new customers it gained as a result of the strategy.

Decision-Maker

Discuss the identity of the decision-maker in this case. The vague “Fresh Impressions executives” seem to be the decision-making body in this case, although this is not spelled out exactly in the case. “Michelle Stead, vice president of marketing” is the only executive actually mentioned. Stead is an acceptable answer, in that it is the closest that Martinez has gotten to the decision-makers, and she seems to be among them. However, it is also correct, perhaps more correct, that Martinez has failed to identify the decision-makers exactly. Discuss with the students

- how Martinez might go about finding this out (e.g., direct queries to Stead about the decision-making process)
- how the goals of the executives in the national office and the marketing department (both of which are represented in the case by Stead) may clash with those of managers of local stores (represented by district manager Bart Russell in the case) [Specifically, Russell has already expressed concerns about the posting of nutritional information potentially hurting store profits.]
- the difficulties involved in deciphering a decision-making process and hierarchy that is often less than entirely explicit [“Internal company politics” can determine the quality and effectiveness of research, yet it is often *tacit* knowledge of the people within the subculture of a firm rather than something easy to find out as someone coming in from outside.]
- how a researcher may not always have the option of eliciting all the information needed in a situation
- what kinds of communications could help (e.g., discussing the matter with a higher-up at MAR, requesting specific information from the client in writing)

Research Objectives

Students’ take on the situation and the appropriateness of specific types of research will vary. Research objectives that could be deemed appropriate for Fresh Impressions might include:

1. To determine the use and importance of labels in purchase decisions for food
2. To determine whether present label information is satisfactory
3. To determine what kind of nutritional information consumers would like to see
4. To determine the percentage of consumers that would use additional nutritional information
5. To determine the demographic/psychographic composition of those consumers who would use nutrition information
6. To see if shoppers’ perceptions about Fresh Impressions would be changed if Fresh Impressions posted nutrition information
7. To determine whether posting information would change consumer food preferences
8. To determine the level of cooperation that could be expected from grocery store managers

It should be clear to students that Mr. Martinez cannot be certain of Fresh Impressions’ decision problem, the management objectives, or the research objectives based on the information given to him. Fresh Impressions has not provided Mr. Martinez with enough of their thinking, and he

did not dig enough for it. Thus, the students' research proposals should be viewed as discussion documents that help to further clarify the decision problem and identify information needs.

Information Needs

Once the class has identified the potential research objectives, the students should recognize that a list of information needs flows directly from the statement of research objectives. The instructor should tie one directly to the other by having students who gave a particular research objective give the information needs related to that objective. Many possible information needs can be proposed, including:

1. Determine the demographic characteristics of people that use or would use nutritional information (e.g., are they calorie conscious? on medically prescribed diets?)
2. Identify the type of nutritional information consumers find most useful
3. Determine whether or not this type of information is currently gathered by consumers
4. Determine if consumers feel that existing information is adequate
5. Determine the information sources currently available to shoppers (e.g., advertising, friends, salespeople, labels)
6. Determine the most effective way of presenting nutritional information to consumers
7. Predict which products might lose sales and which might gain sales if nutrition information were posted on labels

Possible Research Designs

Given that this case is used early in the course, instructors should not expect students to be able to present or critically evaluate alternative designs in great detail. However, a general overview of possible approaches is covered in the chapters of the first part of the book. Possible designs, including ones not covered in the book, are:

- *Examination of Secondary Data*
It is possible that this idea has already been tried. However, consulting with managers of chain stores that are in competition with Fresh Impressions may not be wise, because Fresh Impressions' strategy could easily be duplicated.
- *Exploratory Research: Group Interviews*
It appears that neither Fresh Impressions nor MAR has a sufficient understanding of this decision problem. Focus group interviews may be a reasonable first step in determining consumer perception in order to identify hypotheses regarding the decision problem. (Mention cost to the students as a factor—typically between \$5,000 and 10,000.)
- *Survey*
Another approach is to question grocery store shoppers. Query the students on the specifics of their plan: sample population, selection method, sample size, etc. Although they may not have all the details at this point, it helps demonstrate the need for this material. By drawing out the specifics regarding the nature of the survey, the instructor can also put a cost estimate on this design. To do this roughly, multiply the sample size by a cost per interview. For example, telephone runs \$20-\$100 per interview, depending on the length (~\$40 average); mail \$10-\$50 (~\$25 average); email \$5-25 (~\$15 average);

and in-person interviews \$25-\$200 (~\$100 average). Note that this excludes other costs such as data processing, analysis and reporting.

- *Experiment*
Some students might suggest that a survey cannot accurately measure how people will behave and suggest an experiment. This allows for better control of variables and measurement of actual behavior.
- *Observation*
An additional approach is to observe shoppers purchasing products. Students should be asked to specify those behavior patterns to be observed and how they might be measured.

What is important at this point in the course is that students recognize the existence of alternative design approaches and something about the nature of each. Proposed designs should include appropriate data sources and a plan for controlling error.

Research Proposal

In preparing their proposal, students should include:

1. Statement of research objective
2. Explanation of research design and procedure
(sample size, interviewing procedures, data analysis, etc.)
3. Justification of design details above
4. Demonstration of how potential research findings can lead to action-oriented decisions
5. Proposed research budget including costs by stage of the process (interviewing, analysis, etc.)
6. Timetable of activities and completion date
7. Statement of professional qualifications of key personnel
8. A proposed questionnaire (if proposing a survey)

The actual proposal prepared by the student is not as important at this point as the recognition of what belongs in it.

This case invites discussion of pseudo-research and whether this case qualifies as such (see second item in the Decision Environment section above). If this discussion did not come up during the course of discussing the previous questions, you may wish to discuss potential ethical issues separately.

This case presents five short situations that raise issues concerning the working relationship between marketing research and marketing management. Each situation occurs within a multi-product, consumer goods company called Oberon Food Company. The five episodes relate to material presented in Chapter 1 on how lack of communication, miscommunications, misunderstandings, conflicts between various personal and organizational goals, and differences in perspective concerning professional roles can affect the day-to-day workings of a research project and sometimes undermine the success of the project.

The objectives of this case are:

1. To acquaint students with potential areas of conflict between marketing research and marketing management
2. To allow students to develop possible solutions to these areas of conflict
3. To demonstrate the importance of marketing researchers and marketing managers having defined roles and responsibilities when undertaking marketing research
4. To demonstrate the nature of the jobs of research director and research generalist

This class flows best by proceeding from episode to episode. The focus overall should be to build both a set of rules and procedures to allow the research-management interface to work effectively and a general approach for handling unanticipated situations. Aim to have the students essentially sketch out a rudimentary outline of the research department's charter as you proceed through the episodes.

The case can use a whole class session or be pushed to allow a short lecture overviewing some of the issues raised. These include:

- The use of project forms to direct research
- Symptoms vs. problems
- Exploratory vs. conclusive research
- Organization of marketing research
- Charter of the marketing research department

CASE QUESTIONS

For each of these episodes, consider:

- *What is actually going on in the dynamics between people and roles in the organization.*
- *Do the relations between researchers and managers facilitate effective research?*
- *What is working, and what is undermining research?*
- *What could be done differently to improve the situation?*
- *Which of these suggestions can be generalized into principles for establishing effective research-management relationships in an organization?*

CASE ANALYSIS

Episode A

In this episode, researcher Tom Murphy performs an extensive seven-week research project based on an inquiry of the advertising manager (Samantha Jones) about “customers’ perceptions, attitudes, and preferences toward our new line of diet products.” When presented with the results of the project, after seven weeks of research, Jones asks Murphy how any of the information will help the advertising department design a new campaign to switch buyers from competitive diet lines and entice potential dieters to try Oberon’s line.

This episode very clearly constitutes an ineffective job of marketing research. The class will reach this conclusion easily. Having determined this, it is useful to then ask the class to vote on who they think was responsible for the ineffective situation. Was it Jones, Murphy, or both?

Some class members will argue that Jones was at fault, because she did not clearly specify the reason for collecting the data. She specified the type of information needed, but not the purpose. Her statement regarding the purpose of the research should have been communicated earlier to Murphy. As the marketing manager, Jones was responsible for specifying how the research would be used and should have communicated this to the researcher. Instead, Jones asked too broad a research question. She did not convey the specific questions until the research project was complete. If her strategy was to be vague in order to get more data for her money, it backfired.

Others will argue that Murphy was at fault. He should not have expected Ms. Jones to define the problem quickly and completely without further discussion. Managers generally need help in defining a research problem exactly. As a researcher, it was Murphy’s responsibility to draw out a clear problem definition. He jumped at Jones’ first reference to the department’s “need to know customers’ perceptions.” Murphy assumed that he meant current users of Weston’s product. Jones’ later statement indicates that what she really meant was customers of competitors’ products. Murphy should have sat down with Jones to determine the decision situation and arrive at decision criteria as a framework for using the results of the research. Murphy also should not have spent seven weeks on the research without interacting with Jones regarding the project. Even if he failed to ask enough questions of the decision-makers at the time of the initial request, he should have gone back after a week or so to discuss the actual research design; he could have mocked-up some possible types of research results to see if they represented what Jones wanted.

It may also be argued that fault was a systemic one within Oberon Foods Company. The firm should have an established set of rules for defining when research needs to be undertaken, for example a project form to be filled out jointly by the manager and researcher specifying the background, problem definition, information needs, alternatives being considered, and suggested design with expected schedule and cost. A firm that takes research seriously as an ongoing activity, rather than as strictly ad hoc situations, would employ a systematic process that would help avoid the situation presented in this episode.

In the opinion of the authors, Murphy, Jones and the organization were all at fault for the failure of the research project.

Episode B

Jane Phelps, product manager for Oberon's scouring pads, consults Murphy about the products failure to meet its target market share by seven points. She believes it is because of the package design. Murphy recommends controlled experimentation and says that Barbara Kindle, an expert on experimental design, would be happy to come up with a proposal.

In general, it is the manager's responsibility to define the causes of a problem. In this instance, Ms. Phelps defined the problem as package design. Past research plus experience and judgment may enter into the statement of the problem definition.

The communication and statement of the problem definition are much better here than in Episode A. The participants are going to meet again and discuss the research proposal. However, are they certain that package design is the problem? There were many other possible causes. Here the manager and researcher jumped from problem statement to a conclusive research design (an experiment) when exploratory research may have been more appropriate.

Another concern is the possibility that Barbara Kindle has a technique in search of any problem. She could end up in an awkward situation if experimental design proves inappropriate for the problem situation.

Murphy again failed to be challenging enough regarding the definition of the problem and the need for research. Alternatively, he may be waiting for a second meeting to do this. Someone should press Phelps regarding how she formulated his problem statement. Again, the organization needs to employ a systematic approach using the project form discussed in the analysis of Episode A.

Episode C

Murphy, now director of research, has become cautious about vaguely stated research objectives and impresses upon Sid Alsen, a senior researcher, the need for written research proposals including management objectives, information requirements, and anticipated uses of expected results. Sid comes back from a meeting with the marketing department, feeling defeated and reporting that Marketing told him that it wasn't any of his business what they were going to do with the information; it was his job to just get the information.

There are a number of possible causes of this situation. It is possible that Sid has poor interpersonal skills and managed to alienate everyone in the marketing department. He may have been too pushy too soon. It is part of his job to listen and become a part of the management team.

Alternatively, the management group may not understand or respect marketing research and its role. Marketing research cannot function properly without top management support. This organizational status may be missing and thus the marketing manager may feel free to keep research at arm's length. Consequently, there needs to be a generally accepted charter of marketing research's role and procedures. Also, Research must have the latitude to refuse to do research until the right questions are answered.

Episode D

Murphy is trying to mediate another blowup between one of his senior analysts, Ellen Tod, and the marketing department. She spent six months on a research project involving the instant potato line. At the start of the research, the planning manager agreed to decision criteria; Marketing is now disregarding those criteria and the results of the research. The planning manager referred to the agreed-upon decision criteria as “playing with numbers.” The decision made instead of that stipulated by the decision criteria is the brainchild of an executive who was not in attendance at the planning meeting of the research project.

This episode describes a frustrating situation experienced at one time or another by all marketing researchers.

It could be that the research analyst has overstepped the limits of her job responsibility. One could argue that she is only familiar with the research results and not with the many other factors that bear on the management decision. The position can be argued that the role of the researcher is to relate meaningful information to the decision problem, but that it is the domain of management to make the decision.

The research departments’ charter should spell out the extent to which the researcher makes recommendations and participates in the final decision. For example, at Procter & Gamble the analyst can actively disagree in written form with the use made of his or her research results. It is possible here that management is purposely misusing the results to suit their own purposes.

Episode E

Murphy and Tod have a conversation with Jim Phiel, a product manager, regarding “product C-11.” When asked what management will do if the market feedback is good, Phiel immediately responds that the product will be introduced nationally. When asked what will happen if the feedback is negative, he replies, “Don’t worry about that” and goes on to tell Murphy and Tod that their job is merely to “back up” the marketing department with “good research,” clearly implying “research that tells management what they want to hear” rather than “*accurate* research that provides information needed to make a decision.”

This is a case of outright managerial bias and pressure on the researcher to reach a particular conclusion. This kind of political pressure is hard to resist unless the researchers are in an organizationally secure position. This means that the research department must be positioned high enough in the organization so that the director can win this type of internal political struggle. Effective marketing research will be lost if this kind of pressure is allowed to succeed.

Good questions to elicit further discussion are to ask the students what they would do next

- if they were in Tod’s position
- if they were in Murphy’s position

As a summer intern, Cindy Cole did some preliminary research using secondary sources on potential new markets for Field Modular Office Furniture for their office furniture and panel technology. Based on her sources, early childhood institutions (ECIs) looked the most promising, but primary research was needed before any action could be taken. Cindy's former professor, Professor Jenkins, allowed two student groups to submit proposals for performing the research as a class project. The winning group would do that project; the losing group would do a project about cultural effects on food choices at a fast food restaurant.

The case requires students to critically examine the two student research proposals and their relationship to the managerial problem. Field will ultimately make their student group selection based on how well each proposal meets their business objectives.

The objectives of this case are:

1. To familiarize students with research proposals and their components
2. To offer students the opportunity to critically evaluate competing research designs
3. To consider the value of marketing research
4. To examine potential sources of research data

This case is a good vehicle for student presentations to the class. Assign one team to defend and improve the proposal of Group 1; have another team defend and improve the proposal of Group 2; and have a third team serve as the Field management. This adds a great deal of life and realism to the class discussion. Have the class consider each proposal. In each instance where students criticize a proposal, they should be pushed for specific changes. This will illustrate the difficulty of specifying all details of a study a priori.

CASE QUESTIONS

Cindy and Jane adjourned to a local coffeehouse to read the proposals, after thanking the groups for the presentation. Jane looked across the marble table. "Well, Cindy, which proposal do you suggest we go with? And why?"

CASE ANALYSIS

Evaluation of Field's Needs

Field is still in the exploratory stage of market development. The organization needs to better understand the ECI market to determine the viability of Field products in this new segment. Field also wished to know how to design products that would have an advantage in this market, how to position them, and how to identify target customers. Note that Field's goals here are far reaching, including both exploratory and conclusive needs and thus requiring a two part study. Field is also operating on a "tight deadline," although the exact timing and budget is not disclosed.

Evaluation of Proposals

Generally speaking, both proposals lack elements of a complete proposal and would be easier to follow if they were more detailed and organized. Prior to analyzing each proposal, ask the class to identify a comprehensive checklist of the required elements:

1. Problem (or opportunity) definition
2. Statement of objectives
3. List of alternative courses of action
4. Information needs
5. Qualifications of personnel who will be assigned to the project
6. Evaluation of the project, including how data will be handled, the potential for duplicating the project in other parts of the company, and the likelihood of its success
7. Budget or cost estimate
8. Timetable

Proposal of Group 1

Strengths:

- Expert opinions and useful observations could be recorded.
- Product design information could be derived from this research.

Weaknesses:

- The problem definition is absent.
- The research objectives assume market acceptance and proceed directly to investigating the financial viability of a new product line.
- The statement of objectives also does not address market segmentation in a systematic way.
- The issue of product design is reduced to “desirable product attributes.”
- Alternative courses of action are not identified.
- Much of the information to be solicited by the focus groups and survey is not directly related to the stated objectives.
- No personnel qualifications are described.
- No cost estimate is provided.
- No timetable is provided.

Proposal of Group 2

Strengths:

- The proposal does seek to explore the extent of demand rather than assume market acceptance.
- The need for product design information is included.
- The information needs for the research are presented in the “Research Design” part of the proposal and describe how and what information is expected from each phase.
- A description of how the data will be handled (albeit limited) is included.
- Research personnel descriptions are included.

Weaknesses:

- The problem definition is absent.

- The need for product design information is limited to “product attributes” among other demand elements.
- The market segment identification is not included
- Alternative courses of action are not identified.
- No cost estimate is provided.
- No timetable is provided.

Error Control Issues

Sampling errors include:

- Achieving the appropriate mix of organization sizes for the ECIs—if necessary, the data should be weighted to account for varying levels of market importance.
- The information solicited from local ECIs in the focus groups or interviews may not be representative of nation-wide ECIs, because the sample is limited to one area of the country.
- Group 1’s sample size of 100 may be too small for statistically accurate information. The respondents may include very small ECIs that would not be a viable market segment, such as the in-home or family-run ECIs noted by Group 2.
- A phone description of the product (Group 1) may be interpreted differently vs. the presentation of a drawing of the product.

Non-sampling errors include:

- At all phases, answers may be inaccurate, usage inflated, etc. to reflect socially desirable responses. Question ordering can be sensitive to this issue so that respondents are not intimidated or insulted.
- Non-response errors may result if a distinctive segment or group does not return the questionnaire (Group 2). Similar errors occur if there is a high refusal or no-answer rate with the Group 1’s phone sample. Interviewers should be persistent in trying to contact ECIs. Incentives should be provided (as stated by Group 1) if necessary and confidentiality must be assured.
- The definition of user and non-user could be inaccurate if usage is inflated. The definitions should be clearly delineated. The questions designed to assess this must be carefully worded.
- Errors in the research design may result from a vague decision situation definition.
- A bias may result if the respondents are suspicious about how the results will be used and the true purpose of the research. The purposes should be made clear and the use of an independent research group should be emphasized. This is not a serious problem with the case, however; it could simply be noted for class discussion.
- Interviewer errors in verbalization and recording can occur. Competent interviewers should be trained in standardized procedures.
- Data coding, processing and interpreting errors can be avoided by quality control and the use of standardized procedures.

And the Winner Is...

Based on the state of both proposals within the text, Field should select the proposal from Group 2.

However, both proposals have positive and negative elements and could be effectively argued based on the student's suggestions for improvement. Have the "Management" team evaluate the proposals *as improved by* the two other student teams.

Improving the Research Design

Generate the list of strengths and weaknesses for display for the class. Have the students explain why a strength supports the proposal, and how a weakness could be altered to improve the proposal. In general, elements of a standard research proposal are missing and need to be included.

Defining Field's current management problem improves the students' understanding of the project, helping to guide them in formulating the research objectives. Encourage consideration of alternative methods of design. The design should show how the information will relate back to and be used by the organization.

This case illustrates multiple issues related to the decisions involved in undertaking research by a nonprofit organization. The context is United Way of America, a nonprofit membership organization of over 1,300 community-based United Ways across the United States. The case describes three research services offered by United Way: United Way State of Caring Index, the Community Involvement Survey, and Generations X and Y as Potential Philanthropic Investors. Students are asked to consider possible research objectives for these services.

The objectives of this case are:

1. To give students an opportunity to examine the elements of a management decision situation and how it coincides with the marketing research process
2. To allow students to objectively identify, formulate, and understand a nonprofit organization's need for marketing research
3. To introduce students to the use and value of varying research designs and data sources

Begin the class discussion by briefly reviewing the case facts and asking the class to come up with a list of the business decisions to be made. It's helpful to display the list for the class, so that students can refer back to it when analyzing the information needs and research designs. More time should be spent discussing the decision process and information needs than the research design itself.

CASE QUESTIONS

1. *Considering the nature of the United Way of America national organization, as well as its customers and markets, what are the challenges and the opportunities of the UWA research department?*
2. *Identify potential project objectives and information needs for the three research examples provided in the case.*
3. *Discuss the factors that should be examined to determine whether or not the sample used in the Community Involvement Survey was nationally representative. Evaluate the appropriateness of the research design used in this survey. What are the advantages and the disadvantages of using telephone interviews for this type of survey?*
4. *How could the customers of the UWA benefit from the surveys described in this case? What specific actions could be designed using each survey to materialize these benefits? UWA has segmented its emerging volunteer base according to age group and affiliation (e.g., Gen-X-ers, Millennials, etc.). Is this appropriate? Are there other meaningful groupings that cut across these lines, and are there important subgroups within the segments that already exist? What would be the implications for effective communication, recruitment, and targeting?*

CASE ANALYSIS

Challenges and Opportunities

The research division of United Way of America (UWA) faces both the ordinary challenges of a research department—identifying research needed to adequately respond to the problems and opportunities facing the national organization and its member organizations in order to inform management decisions—as well as the challenges of providing its three research services to its local affiliates and customers. An example of a specific challenge is that of achieving accuracy of research findings in view of possible representative sampling errors. An example of a specific opportunity is the credibility of this research data as a source of secondary data. Students' examples will vary.

A clear, concise statement of problems and opportunities is critical to the success of the formal research process. Managers need to be cautious about merely reacting to symptoms or vague feelings regarding a problem or opportunity. One problem is the UWA's constantly changing customer base and marketing environment that includes corporate donors, volunteers, people in need, and local United Way organizations. The UWA serves broad numbers and types of customers, and the services provided must therefore keep pace with the needs of this wide base as well as the needs of its own member organizations. In many situations, knowledge regarding the underlying cause of a decision situation will be unknown. In these cases, the United Way may use exploratory research to help facilitate the development of its statement of problems and opportunities.

Students responses may bring up a wide range of potential problems and opportunities; class discussion should generate a list of these to be displayed for the class. Some possible examples of problems and opportunities include:

1. Donor contributions from large businesses have decreased while medium to small businesses' contributions have increased
2. Total volunteer hours has increased
3. Total population of homeless persons outside of metropolitan areas have increased
4. Participation in recent training sessions has been declining.
5. The State of Caring index for a particular community has decreased 20 percent over the past three years.
6. 37 percent of Americans say they are thwarted from doing volunteer work by a demanding work schedule.
7. 62 percent of 18 to 34 year olds have not been asked to donate to or volunteer for charitable campaigns.

Once problems and opportunities have been clearly established and prioritized, research objectives and information needs can be specified and addressed.

Research Objectives

Many examples of potential research projects are possible, including:

State of Caring Index

- Compare the level of services provided to the homeless versus the need for those services in a certain county over a five year period.

- Compare the philanthropic contributions to cancer research by specific business and non-profit sectors of a community.

Community Involvement Survey

- Identify reasons for people finding difficulties in volunteering and make appropriate recommendations for improvement.
- Determine how retired U.S. high school teachers spend their free time.

Generations X and Y as Potential Philanthropic Investors

- Measure Generation Y response to specific charitable campaign messages.
- Test a hypothesis about why investors aged 18-34 respond more positively to charitable messages than their Baby Boom counterparts.

Information Needs

A few examples of information needs, related to the examples of the research objectives above, include:

State of Caring Index

- Research county records on vagrancy arrests over past five years.
- Compile list of cancer research philanthropies and their donors within the community.

Community Involvement Survey

- Write interview questions, including five-point scales for specific possible obstacles, as well as an open-ended question querying more generally, regarding obstacles encountered when seeking volunteer opportunities.
- Determine what percentage of their free time retired high school teachers spend watching entertainment (TV, movies, etc.)

Generations X and Y as Potential Philanthropic Investors

- Use five-point agree-disagree scale to sample of Generation Y regarding the message “Give back to your community.”
- Measure responses of investors to specific charitable messages blocked by age cohort group.

From these statements of information needs, focus group guidelines, formal questionnaire questions, and interview questions can be established. Each line of questioning should correspond directly to the research objective and information need.

Evaluation of Research Design

The UWA’s Community Involvement Sample uses a nationally representative sample of more than 2,000 American adults conducted by telephone. The case text does not give any information about the sampling frame or the basis for the claim that the sample is “nationally representative.” Students may therefore bring up issues with telephone samples in general, including those to do with the sampling frame. For example, if the sample is a quota sample, where “nationally representative” means polling until certain demographic percentages are achieved, it might be unrepresentative in a dimension that is key to a specific study.

The advantages of using a telephone survey are its efficiency, economy, and scalability. The disadvantages is that truly random sampling has become much more difficult with the rise of cell phones and internet phone services.

Customer Benefits

UWA customers could benefit from the surveys mentioned in the case in a great many ways; a few examples include:

- Helping organizations make volunteer work better targeted to the highest-priority needs in communities
- Improving solicitation of charitable donations to causes most valued in the communities
- Improving the community involvement experience for their volunteers
- Initiating more efficient programs targeted to matching the right volunteers with right opportunities
- Gaining the satisfaction felt by making a positive impact on their communities

Specific actions to materialize these benefits might include:

- Using data on expressed needs to extract which ones are considered most pressing, and the demographics associated with each. In this way, it may be possible to use segmentation (and, using material later in the text, cluster and discriminant analysis) to match key consumer needs to the communities in which respondents reside, and other demographic variables.
- It may be possible oversee charitable donation patterns and link them to other key variables, including which causes are most persuasive.
- Surveys or focus groups of volunteers could point to especially inspiring or trying activities, with ways to leverage the former and enhance the latter.
- Using segmentation, targeting, and positioning, it would be possible to determine which sorts of volunteers – based on simple demographics like age, income, education, etc. – might be best matched to which program opportunities.
- There are a wide array of techniques to assess satisfaction, both before and after participating in any program activity; these measures could be linked to various outcome variables for particular communities.

It is appropriate for UWA to segment its volunteer base according to age group and affiliation, because this information is vital for organizations seeking to activate volunteer resources for the welfare of their respective communities. Other meaningful groupings can cut across these lines, such as geographic area and economic class. Subgroups within the segments will also exist; how important they are to the dimensions of interest to the UWA and its customers would be a subject of further research. Some of the subgroups might include combinations of affiliations such as political affiliation with demographic information. The implications for effective communication, recruitment, and targeting would depend on the relevance of the subgroups to the dimensions of interest.

This case presents 20 different situations where one or more ethical conflict is involved. Easy answers may not always be possible. The purpose is to stimulate dialogue and debate to elicit general principles of ethical behavior, not to reduce ethical issues to formulaic answers.

The objectives of this case are:

1. To give students an idea of some of the ethical concerns encountered in the marketing research world by both researchers and managers
2. To initiate class discussion and debate about very real issues that must be resolved in daily practice
3. To show students, through discussion and debate, that situations become much more complicated when more than one person has input into the assessment of ethics

Instructors may wish to discuss each episode individually or focus on some of them in greater depth. If the ethical principle involved is strong enough (for example, on reporting a major error in research performed), try to facilitate the class reaching a general consensus. Write the established principles for display to the class. For issues that are more complex, with two or more reasonable ethical stances possible, try to elicit the ethical principles that are in competition and add all of these to the written display. Allowing the students to role-play the different perspectives is one way to view a given issue from its many angles. Current social issues may also be considered and examined, as applicable to the situation. At the end of the period, have the class examine the principles established to see how consistent they are and how they relate to one another.

CASE QUESTIONS

For each situation or question, identify what you believe to be the ethical issue and indicate what you would do in place of the decision-maker, manager, or firm in question. Give thought as well to how such situations could have been avoided in the first place with proper planning, as well as to how both the sponsoring organization and future clients might react to your proposed course of action.

CASE ANALYSIS

1. Competitive Proposals

Some professional marketing research societies hold that using research suppliers to provide research designs during the proposal process is professionally unethical. Others hold that the firms submitting bids were not obligated to make proposals, so they have freely given their ideas to the firm receiving the bids. If the basic issues are similarly identified by all bidders, the practice may be seen as relatively ethical. If the practice involved a deliberate lack of honesty on the part of the contracting firm in order to gain free labor from the suppliers, the practice may be seen as relatively unethical.

2. Reuse of Questionnaire Questions

Using questions developed for one client in designing a questionnaire for another client is generally considered ethical when the appropriate questions have already been developed. Developing well-formed questions for surveying is a specialized skill of a researcher. Such questions belong in a researcher's general toolbox, regardless of the circumstances of their development. This is distinct from double-billing more than one client for the same work, which is dishonest and unethical.

3. Minor Error and Organizational Politics

The dilemma here is a common one, when an organizational interest may conflict with a clear ethical obligation. The students may divide on the ethics of this situation, due partly to the common confusion of conformity to group criteria as an ethical obligation in itself. The researcher is obligated to report the error and the imputation of the missing demographic data, but may be forbidden to do so—or, more likely, strongly pressured to not do so—by superiors in the firm. This situation is a good opportunity to discuss the potential *cost* of ethical choices. Although it is true that the researcher is obligated to report the error and the procedure for creating the data, it is also true that doing so might end up costing the researcher the job or the possibility of advancement within the firm. The treatment of whistle-blowers within society may be brought up during the discussion.

4. Major Error

When errors are discovered, suppliers have an ethical obligation to point them out to the client. Errors must be uncovered and discussed to maintain research quality. When a client is dependent upon a supplier for information, there is a clear responsibility to report errors, because it may affect the resulting decisions. Again, as in the preceding situation, there may be a personal cost of behaving ethically, depending on how the management treats the situation. Ironically, the pressure to cover up the error may be less in the case of a major error than for the minor error, in that management will also be aware of the threat of potential lawsuits or bad press.

5. Studies for Competing Firms

Although research suppliers are ethically obliged to keep data sets and studies confidential and separate, the practice of conducting studies for competing clients is considered ethical. The marketing community in a given area is often too small to expect exclusive arrangements.

6. Dishonesty to Public

In this situation, the firm has embarked on a project that is unambiguously unethical (finding the most plausible public relations story to excuse and minimize substantial damage to communities and the environment caused by the company's practices). Classroom debate can be expected to again touch on how ethical principles can conflict with the interests of the individual upholding them. In this case, the cost to the community for disregarding those principles is great, so this perhaps will allow the class to reach consensus on the ethical obligation more easily. On the other hand, to some students loyalty to the firm, and the obligation to do the job one is hired to do, may weigh against the broader concern with the health of the community and the public's right to know about such dangers and damages.

7. Inability to Make Deadline

Accepting an assignment while knowing that the time constraints cannot be met is unethical. As it is, suppliers must often beg for extensions for truly unexpected delays.

8. Entertainment and Gifts

Although accepting expensive gifts and kickbacks is not an ethical practice, the line dividing what is and isn't ethical in this area can be very fine. Business-social lunches or tickets to sporting events, for example, are difficult to judge. One rule is to treat clients or prospective clients as one would treat friends or social acquaintances; another is "one does not buy clients." Often either the client's or the supplier's firm has policies in this regard that should not be violated. If either believes that their relationship revolves around continued favors, the arrangement is unethical. However, if neither expects favors or preferential treatment, it can be argued that the situation is ethical. Perceptions, expectations, and assumptions determine what is and is not ethical behavior in a given situation, not hard and fast rules.

9. Dishonesty with Respondents

This situation deliberately contrasts what is ethical with what can be gotten away with. Breaking a promise to keep personal information confidential violates any ordinary standard of honest behavior. In addition it violates the code of ethics presented on page 28 of the text (for research practitioners to hold personal information confidential rather than allow it to be used for non-research purposes). The conflict is again between the interests of the company (and therefore of the individual researcher) and the ethical obligation. Note that individual students will not always fall on the same side of the different versions of this conflict presented in this case; not all ethical obligations will be weighed equally, and not all social or organizational pressures will be weighed equally.

10. Footnoting True Author

Unless it was contracted that a particular person write the report, a report represents corporate product, so footnoting is considered ethical. If the issue is raised, the main contributors should be given appropriate recognition.

11. Dishonesty about Online Identity

In this situation, the possible consequence to the research is more than an ethical question. In addition to it being a deliberate misrepresentation for the focus group moderator to pretend to be the opposite gender, it is also possible that he will not succeed at behaving believably as a female. The focus group participants may not notice this consciously, and may not say anything if they do; but the difference in his behavior from an actual woman may skew the results of the focus group from what it would have been if the moderator had been a woman.

12. Ultraviolet Ink

This situation is another case of a firm breaking an express promise to respondents that their questionnaires will not be identified. In this case, it could be argued that the ethical violation is not so great, given that the ultraviolet ink will only be used to determine which respondents did not respond to the first mailing and therefore need a follow-up mailing. On the other hand, the rights of the respondents have been dismissed in what could easily

become a slippery ethical slope. (It is easier to violate an ethical principle in a big way after rationalizing the violation of it in a small way.) When respondents are assured that their responses are confidential, that expectation should not be violated. Such a practice undermines the honesty and integrity of the research firm.

13. Opportunity for Espionage

Although the opportunity for espionage arrived without premeditation on the sales manager's part, she clearly behaved unethically in using that opportunity to gather confidential information about a competitor and relay that to her firm's marketing research director. The advertising agent is also culpable for leaving the material in a place accessible to members of the public. Another topic of discussion could be the reputation the sales manager is likely to create within her own firm with this behavior.

14. Dishonesty about Length of Interview

The issue is whether it is ethical for an interviewer to lie about the interview length. This is common practice, and some researchers feel that it is justified by the increase in response rates. Others, however, feel that any type of lie to respondents is unethical and should not be used in practice. By grossly understating the length of the interview, an interviewer runs the risk of irritating the respondent, which may reduce the quality of the responses near the end of the interview. Also, this practice may increase refusal rates in the long run if the respondent builds a mistrust of interviewers and the interviewing process.

15. Power Struggle in Client Firm

The example presents a case of a firm sabotaging good research practices due to a power struggle within the firm. It also presents two competing examples of pseudo-research, in that both sides of the struggle have already decided on the correct course of action and have no interest in letting the research truly inform this decision. The supplier firm is therefore in a situation that is very difficult to navigate and may find itself burned in any case. Ask the class to discuss possible options of the research team, including a sit-down meeting with representatives of both sides of the struggle to present the value of good research in this situation and the need for both sides to cooperate with the process of collecting useful information. Don't sugar-coat the situation, however. Entrenched interpersonal politics rarely clear up in the face of a single logical appeal.

16. Hidden Recording Devices

Some researchers feel that recording people as they shop does not present an ethical problem, as long as the recording device does not tape conversations that could not be heard by the human ear alone. They argue that because the family is in public, the researcher is not being exposed to behaviors he or she should not be observing. On the other hand, many people feel that respondents have a right to know they are being recorded and a right to refuse to be in the study. A middle ground opinion shared by many researchers is that hidden recordings are acceptable research tools as long as respondents are informed (after the fact) that they were recorded and they are given the option of whether or not to be included in the study. Note also, that in some states hidden recording is subject to legal restrictions.

17. Fallacious Advertising Claims

The client firm is behaving unethically in making the fallacious claims. However, the research firm's reputation is also endangered by these claims, and it faces the dilemma of how to respond to its name being present as a source for the fallacious claims. Encourage the students to consider a range of possible responses, from legal action to no action at all, and evaluate both the ethics and potential consequences to the research firm.

18. Garbology

The researcher should first check with the proper authorities about the legality of looking through peoples' trash. On the positive side, this is common practice in sociological research on culture. A precedent has been set for including trash-sorting in research. On the other hand, many researchers view this as an invasion of privacy and thus an unacceptable research methodology.

19. B2B Confidentiality

This is another example of a conflict with promises made to respondents. In this case, the research supplier promised that the supplier would not contact the respondents based on the answers, but the client is insisting on doing so. Relying on such a technicality does not match "the spirit of the law" and could also harm the supplier firm's reputation.

20. Selling Inappropriate Research

In this case, the client's demand is for research that is inappropriate to the decision situation. The supplier is facing a conflict between the financial incentive to make an easy sale and the ethical consideration that the research will not actually serve the client's purposes. Again, in addition to the ethical consideration are considerations about long-term reputation as a research supplier.

CASE 1.6 TWIN PINES GOLF AND COUNTRY CLUB

pg 173

The Capital Planning Committee of Twin Pines Country Club needs to make recommendations about capital expenditures for the club. To inform this recommendation, it conducted a survey of club members about the improvements under consideration. The case material includes the research design, the questionnaire, the survey results, and a demographic profile of the committee members.

The objectives of this case are:

1. To show the research and decision-making difficulties arising from poor problem definition
2. To show the need for firmly established decision criteria prior to undertaking research and what can happen when this aspect is neglected
3. To give students experience interpreting one-and two-way tables and specifying possible additional analysis
4. To give students experience in critically evaluating a questionnaire

Objectives 1 through 3 should take priority over 4. As a way out of addressing “real” issues in the case, students may jump to a critique of the questionnaire. The instructor should lead the discussion back to the issues around the managerial preliminaries to undertaking research.

CASE QUESTIONS

- 1 *What action should the committee take?*
- 2 *Why?*

CASE ANALYSIS

A good way to begin is for the instructor to ask the class what decisions the committee should make and why. Some students may try to duck this question by criticizing the questionnaire or some other aspect of the research. The instructor should halt this tactic by pointing out that the committee has a deadline to meet, and it is too late for them to attack these other issues. Decisions sometimes need to be made with incomplete information and even some bad information. Ask the students for their decision.

Usually a diversity of opinions will be expressed by the students as to which project to select. The class will often include conflicting interpretations of what the findings of the survey mean about what the membership wants, with arguments along the following lines:

- “The swimming pool was most favored with 37.1 percent saying yes to it. The members are saying they want a swimming pool.”
- “It looks to me that the membership has said no to the swimming pool. Sixty percent to be exact. No other project got as many no responses. When close to two-thirds say no to a project, it should not proceed.”
- “The golf and tennis club house tied for second most positive at 33 percent. The difference between 37 and 33 percent isn’t meaningful. These two options are also looked upon less negatively than the pool.”

- “The new nine holes is almost as positive as the pool and the least negative. I think the committee should seriously consider recommending the golf alternative. After all, the organization was founded as a *golf* club.”
- “If we look at the preferences that each type of membership holds, the intermediates want the pool whereas the seniors want the golf.”
- “It comes down to which membership category the club should please. Young people are very important to the long-run well-being of the club. The pool was most preferred overall, will attract younger members, and will allow young people to use the club more. The committee should recommend the pool.”
- “It’s the senior members who contribute the most money to the club. They don’t want all the trouble and kids running around, etc., that a pool will bring. That’s exactly what the senior members have told the committee in the survey. Just look at the numbers.”
- “Maybe the real answer is that the members want the club to do nothing. After all, no project was picked by a majority of the members. Doing nothing is a viable alternative. The club can always undertake capital projects when the members really want them.”

This kind of class discussion can bring home the lesson about the need for better problem definition and decision criteria better than any lecture on the topic. (A later lecture could reinforce this class experience.)

When the discussion on project selection and the underlying reasoning has run its course, the instructor should interject to steer the discussion to the issues of problem definition, decision criteria, data analysis, questionnaire construction, and the fact that this was a census.

Bill Douglass's request was motivated to ask for Rightway Research's help due to the sales decline and consequent decrease in profit. He did not have a specific decision in mind for the subject of the research other than "What can I do to keep the business from failing?" The more appropriate subject of research would have been to find the immediate causes of declining sales. He expected Rightway Research to adopt his untested theory about the cause of the decreased sales (i.e., foreign imports) as a given while designing research tangential to the problem at hand.

The objectives of this case are:

1. To show the importance of correctly defining the decision problem before undertaking a research project
2. To demonstrate the importance of clearly identifying information needs and research objectives so that they accurately reflect the decision problem
3. To illustrate the variety and availability of secondary data
4. To illustrate the difference between information and data
5. To give students experience in evaluating a research design and data collection framework
6. To examine the appropriateness of exploratory and conclusive research

Guide the discussion so that students clearly identify the major problems in the research design. The issue of greatest concern is the failure to identify and specify the decision problem. If students do not recognize this at the outset, let the analysis proceed for a while and then bring up the issue. Once the major problems have been identified, it is useful to discuss in depth the formulation of an appropriate research design.

CASE QUESTIONS

1. *What developments in HGA performance led Bill Douglass to ask for Rightway Research's help? What is the decision-making process that Mr. Douglass expects to be facilitated with the insights provided by the research findings?*
2. *Evaluate the stated research objective. Does it thoroughly address HGA's core problems?*
3. *Evaluate the information needs stated in the proposal. Have these been correctly identified? Should any be altered, deleted, or added?*
4. *Consider the data sources listed in the proposal. Are these sources appropriate for the stated information needs and research objective? Why or why not? What other data sources could be used? Consider accessibility, accuracy and cost in making source suggestions.*
5. *Evaluate the data collection framework.*

6. *What other possible research design and data sources could be used? How would these fit the information needs relative to the given design?*
7. *Considering the research proposal, do you think Rightway Research truly understood why the information was needed, and for what eventual purpose? Explain your answers.*
8. *Building on your previous answers, prepare a new research proposal for the HGA research project.*

CASE ANALYSIS

Bill Douglass's request was motivated to ask for Rightway Research's help due to the sales decline and consequent decrease in profit. He did not have a specific decision in mind for the subject of the research other than "What can I do to keep the business from failing?" He did have a theory about the cause of the decreased sales (i.e., foreign imports).

HGA's sales decline was a symptom of a problem, not the problem itself. Douglass' assumption that the symptom was caused by an influx of foreign imports is not necessarily true. Parts sales could be down for several reasons: a decline in domestic auto sales, an increase in the number of competitors, low company awareness, poor company reputation, or changing market needs. Students should recognize the need for a situation analysis and exploratory research to uncover and better understand the real problem(s). Exploratory research would provide Douglass with additional insight and knowledge of the problems and opportunities. Hypotheses about the cause of the symptoms could then be formulated as the basis for further conclusive research.

Research Objective and Information Needs

The two research objectives stated in the proposal are:

- To accurately forecast demand for autos
- To make proper inventory decisions

The information needs stated in the proposal are:

- Total demand for autos
- Demand by make and model
- Proportion of new versus used sales
- Diesel car sales
- Projected gasoline prices
- Availability of parts from manufacturers
- Government regulations
- Population growth
- Population age and sex composition
- Number of dual-career households
- Employment, payroll, and sales of the major industries in market area
- Labor market
- GNP for market area
- Availability of money for loans; status of interest rates

- Current government position on imports—quotas versus free trade

The stated objectives and information needs imply a causal relationship: that accurate demand forecasts and sufficient inventory cause success as measured by sales. Many other factors affect sales and success. Forecasts and inventory decisions may be accurate, yet HGA may still experience flat or declining sales. The research objectives should include identification of possible causes of the sales decline and alternative remedies. In order to address HGA's core problems, the research objectives should indicate the need for both exploratory and conclusive research.

Although the stated information needs do relate to stated research objectives, they merely represent data collection goals for any marketer and do not appear to be customized to meet HGA's needs. The major problem with the information needs is that they are not based on an accurate formulation of the decision problem.

Data Sources and Data Collection Framework

The secondary data sources provide Douglass with information about demand patterns and general demographic trends. For the *stated* information needs and research objective, the data are appropriate. For HGA's actual needs, as already discussed, the data sources may not be sufficient and may not be used to meet the real information needs even if sufficient.

For the needed exploratory research, secondary data are appropriate. It is possible to conduct descriptive research of the available data that might shed light on the cause of the sales slump. However, given that the proposed research design assumes that the cause of the sales slump is foreign imports, and that demand and inventory information cause improved sales, this search would not happen and any illuminating information within the named data sources on that subject would not be found.

HGA may well benefit from research beyond the use of secondary data. The use of interviews and case histories could yield useful information as well. The information sought should relate to HGA's real decision problem. When the problem is not clearly defined, or is defined incorrectly, large amounts of data can be collected without having value. During conclusive research, the data sources must provide information linking relevant variables in order to be of value.

The data collection framework employs secondary data that are readily available from journals, government publications, and local sources. The proposed data sources can provide useful information for descriptive research. Some of the advantages of using secondary data include the ease of access and collection, low cost, and fast retrieval. Overall, however, secondary data seldom suffice and are insufficient for the task at hand. Because the data are collected for other purposes, its accuracy is not guaranteed; there is rarely a complete fit; and disaggregation is not possible. Therefore, although it is a good idea to include secondary data, a research project based entirely upon it may not provide adequate information.

Internal data may be analyzed vis-à-vis the knowledge of industry standards gathered from secondary data analysis. This internal data is highly accurate, accessible and costs almost nothing

in retrieval. The comparison with industry data may help in identifying likely causes of the slump in sales.

Other Research Designs

Other possible research designs include the use of exploratory, conclusive, and performance monitoring research. Appropriate supplemental data sources include interviews with industry experts, the use of case histories, and internal company data. The causal model (that imports caused the sales decline) could also be tested via causal research.

Overall Evaluation

Rightway Research either did not understand the real need for research or chose not to delve beyond Douglass' assumptions.

Students' proposals should include all the requisite parts and address the research objective and information needs much better than Rightway did. They should be free of the causal assumptions in Rightway's proposal.

The case presents some background on CDW Corporation, its history, brand and business model. A particular decision to acquire Micro Warehouse is described in some detail.

The objectives of this case are:

1. To introduce students to a real company that introduced an innovative and highly successful business model
2. To introduce dimensions of brand-building
3. To get students to analyze specific business decisions and their consequences
4. To connect class material and ideas (such as MDSSs) to real situations

Start with discussing the reasons for the success of CDW's model. Common themes will be the significance of database management in anticipating client needs and improving performance and the building of client trust as essential to business development. Ask the students to brainstorm other examples of customized service being key to business success. This may segue into a discussion of "community building" through blogs and social networking tools.

CASE QUESTIONS

1. *Considering CDW's business model, what sort of information should be collected and warehoused in CDW's customer databases? In what ways could this information be used to help their customers succeed by understanding their world, anticipating their needs, or offering solutions to their problems? Provide your reasoning for the information you propose collecting.*
2. *What types of typical marketing management scenarios/problems can CDW's customer databases help clarify and improve? What types are specific to CDW, and how do they differ from standard ones?*
3. *What are the technical requirements and costs associated with the development of these types of databases? How often will they need to be updated, and with what sort of additional information over time?*
4. *Given CDW's business model, in what ways might their cost analyses differ from those under a more typical model for their industry? What would be reasonable criteria for determining whether specific services are cost effective for CDW?*
5. *How might a marketing decision support system (MDSS) interface with these types of databases? What kinds of models can one reasonably expect to deploy to help CDW with its business processes?*
6. *How could Micro Warehouse's regional customer databases have been used to CDW's advantage? Give specific examples.*

7. *Suppose that the internal CDW databases and the (acquired) Micro Warehouse databases not only fail to provide identical information, but that their overlap is not even substantial. As a marketing manager of CDW, how would you deal with this matter? What if the unit of analysis (e.g., customer, account, purchase occasions, household) is different in the two databases?*
8. *Are there any ethical questions raised by CDW's maintaining such customer databases, and accessing those collected by other organizations for different purposes? If so, what are they, and how should they be dealt with?*
9. *How would you propose that CDW evaluate information in the new database so as to maximize its ability to provide critical, specialized help to its customers? Would it be best to disregard information evaluated as not crucial to this ability? Why or why not?*

CASE ANALYSIS

CDW's business model emphasizes one-on-one relationships between account managers and customers, enabling the account managers to anticipate customer needs and serve them better. CDW's customer information databases therefore need to include geographic information as well as detailed information about technologies employed by the client firm., technical performance requirements from the product, purchasing behavior, consumption patterns, brand performance, customer satisfaction, product and service quality and performance, and other features of the business (e.g., number of employees, industry, clientele, etc.)

An example provided in the case was the account managers anticipating customers' need for battery and back-up storage during a blackout. By understanding in greater detail what the customer's business life is like, it is more possible to anticipate opportunities to provide technology that can streamline actions. As with the example of the blackout, it is not simply anticipating general needs, but anticipating the *timing* of those needs. Customers always have a potential need for battery and storage backups for computers and servers; anticipating a particular need requires imagining the customers' world and how a blackout will impact it in the present time.

Typical marketing management scenarios that CDW's customer databases might improve include:

- Identifying prospective clients and market size
- Determining the share of business with each client depending on their total demand
- Anticipate consumption patterns/ demand of customers
- Improvement of service quality levels by shortening of reaction times
- Better product and service customization
- Identifying market growth and trends

The technical requirements and costs associated with these types of databases may not be much greater than most databases. However, they will need to be updated much more frequently in order to provide accurate detailed information on the activities and status of the client firm in a timely manner.

Cost analyses would have to allow for the labor and communication costs required to maintain close enough relationships to customers to be privy to this level of information. The acquisition of Micro Warehouse would add to costs of merging and maintaining databases, and customization of services incurs additional costs. Criteria for determining cost effectiveness might include customer satisfaction, retention of customers, sales levels of account managers, and new business development weighed against these costs. Sales managers might also keep track of the hours they have spent maintaining these contacts.

An MDSS interface for a CDW account manager might interface with the customer information databases by creating an information center of diverse data sources for decision making that fit needs of the organization. Performance monitoring research can be expected to work reasonably well in the given situation. This would help monitor the key indicators of performance on an ongoing basis in order to relate inputs to outputs.

Micro Warehouse's regional customer databases could have provided information on new customers that enabled CDW to offer services customized to their needs. For instance, Micro Warehouse may have been collecting data pertaining to an array of new customers like educational institutions who may have been sourcing their requirements from CDW's competitors till now, or they might get insight into service contracting business that happens after sales. This may help in providing avenues for vertical/horizontal integration and etching out a long term strategy.

If the acquired Micro Warehouse database did not provide the same information fields, CDW could analyze the information it contains for possible relevance to the fields that CDW needs. Units of analysis are usually fairly easy to translate with minimal database skills.

CDW's acquisition of the customer databases of other organizations would raise ethical questions if the customers were assured by the original organization that their information would not be shared or sold. One way CDW account managers could deal with this is to send an introductory communication to the customers explaining the acquisition, explaining CDW's services and approach to customers, and offering the customer the opportunity to opt in or opt out.

To maximize its ability to use the new information to provide critical, specialized help to its customers, CDW should evaluate the information in new databases with aggregation levels analogous to those in the existing database. This should be done first for information fields that match existing fields and second for information that can aid the establishment of trustworthy helpful relationships with new customers. Other information should not be discarded until actual account managers have a chance to look it over for usefulness. It is hard for an automated evaluation to anticipate the meaningfulness of information to the building of relationships.