AN INFORMATIONAL APPROACH TO MARKETING RESEARCH

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ABSTRACT

The purpose of marketing research is to produce, manage, and distribute information. Too often, however, techniques and procedures are taught to the exclusion of informational evaluation. Examples of an informational approach to marketing research are given along with examples of how such an approach would prepare students for their careers, improve class structure, and give a new prospective to selling research, report writing and ethics.

INTRODUCTION

Recently, there have been several well publicized examples of marketing research that proved to be wrong. In each case, immense amounts of data were collected, and the appropriate analyses of the data were made. The principles taught so patiently in every marketing research class across the land were meticulous followed. In each of these cases, the ability of decision makers to make correct prognostications did not increase. In fact, the gathering of data actually decreased the probability of a correct decision being made.

There is a problem in the philosophy of how marketing research is taught. Technique and mechanical procedures have in many cases supplanted evaluation. The process has become so mechanical that the spirit of the work has been exorcised. Ironically, the computer and technological advances of the informational revolution that makes a mechanical approach to research possible has, at the same time, outdated it. This has been recognized by the AMA. In the early 80’s, a definition of marketing research that was regularly quoted was one given by Peterson (1982, p. 29). Marketing research is ".an objective, formal process for systematically obtaining analyzing, and interpreting data for the purpose of providing actionable information for marketing decision making."

Note the subtle and not so subtle differences in the definitions approved in 1986 by the AMA’s Board of Directors (Marketing News 1987; Marketing Educator 1988).

"Marketing research is the function which links the consumer, and public to the marketer through information -- information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performances; and improve understanding of marketing as a process. Marketing research specifies the information required to address these issues; designs the method for collecting information; manages and implements the data collection process; analyzes the results; and communicates the findings and their implications (italics mine)."

Marketing researchers produce, manage, and distribute information. Their product is information. This fact is easily overlooked. Note that in the earlier definition that marketing research is defined in terms of a "process". This definition has been reinforced by the type of work marketing research do, and the emphasis for many researchers on the function and not the product. It is as if a firm that produces computers spent their time working on production line problems and channels of distribution until no one in the firm could remember what a computer was, or even what a computer did. In the new definition, marketing research is seen as a function that ties business and the public to marketing by providing information.

INFORMATION IN MARKETING RESEARCH TEXTS

This change in definition has not been reflected in the training of researchers and managers, techniques are still emphasized over purpose. In the last four years there have been at least 13 marketing research text published, all claiming to be acceptable to some level of undergraduate education. Seven of these texts do not even mention the word "information" in their indexes in a definitional context. Only five texts give a firm definition of the word. The definitions are not consistent and indicate that little attention has been given to information as the product of marketing research.

Information is defined as "A body of facts that are in a format suitable for decision making." by Zikmund (1989, p. 18); as "...the output of the decision process." by Tull & Hawkins (1987, p. 6). Information, "...consists of digested data-knowledge and conclusions obtained from analyzing the data." according to Peterson (1988 p.4). Parasuraman (1986) does not give a formal definition except to say that data is not information. Information is, "...recorded experience that is useful for decision
making,” according to Green, Tull & Albaum (1988 p.13). They go on to use Peterson’s (1982) detailed analysis of the characteristics of information without adopting his definition of what information is. In fact, Green, Tull & Albaum’s definition could easily be confused with the definition for data or even for computer algorithms. Aaker & Day’s (1986, p.79) explanation is equally confusing. Information is defined in their text as that, “...which answers the specific questions of the decision maker.” These definitions become important because they reflect the thinking of those who are educating future marketers. And yet, stripped of all its complexities, a course in marketing research is really nothing more than an exercise in how to create, evaluate, and communicate information.

INFORMATION

Information is not a simple concept and could have several definitions. However, it is facilitating to think of information as a “delta-K” function. Information is a communicated knowledge. “We say that we have gained information when we know something now that we didn’t know before; when ‘what we know’ has changed. (MacKay 1969, p.10)” Information changes the state of knowledge of the person who receives it. Note that the definition implies activity. Passive “information” is simply a data base. A library, by this definition, contains information only if used; otherwise it is a repository for data. A marketing report, no matter how long or beautifully crafted, contains no information unless it changes the state of knowledge of the reader. In marketing research the purpose of information is to facilitate decision making through the appropriate change in knowledge of key decision makers. Kinneir & Taylor (1983) in an older text saw information as “...data which reduces the uncertainty of a decision situation (p. 10).” This emphasis, although technically correct, still creates a problem. Information can be seen independently of reducing uncertainty, and there are several advantages of seeing information as a communicated change in knowledge for which marketing research has a functional use.

As an example of an informational approach to marketing research, it is instructive to look at an example of the “amount” of information in a communication. Note that this definition makes it possible to combine the concept of “amount” with the ideas of uncertainty reduction. The amount of information can be summarized by an equation

$$\log \left( \frac{1}{p(S)} \right).$$

The information conveyed by a source $(S)$ is equal to the log of the inverse probability of the source. Suppose that product A had a 90% chance of success, but that product B had only a 10% chance. A communication indicating correctly that product A would be successful contains log $(1/0.9)$ or 0.15 bits of information. However, a communication correctly identifying product B as a success would contain log $(1/0.1)$ or 3.32 bits of information. A communication conveying information about the success of an unlikely event contains more information than a message about a more likely event. In other words, the amount of information contained in a message is inversely proportional to the probability of the message (or to the decisional probability). If a communication tells a decision maker only what is already known, there is no information in that message.

ADVANTAGES TO AN INFORMATION APPROACH

Using the informational approach has several advantages in the teaching of marketing research (Clayson 1989).

The Student’s Future

An informational approach prepares students for the world that they will actually enter. We are living though what many have called the “informational revolution.” Information is rapidly becoming the major commodity of business in this environment. Whereas the primary asset of the agricultural age was land, and the major asset of the industrial age was capital, the major asset of the world that our students will be inheriting is information.

The Student’s Careers

At this university, less than 10 percent of the students taking a marketing research class as undergraduates will actually do any work as marketing researchers. Every one of the students, however, will be required to handle, evaluate, and use information in their careers. It is essential that they know what they are dealing with and how to evaluate it. In many ways it is actually more important that they know the characteristics and potentials of information (and misinformation) than the characteristics and potentials of techniques. It is more important for most computer users, as an example, to know how to use a computer and its potential than to know how to repair a computer.

Class Structure

Professors who teach marketing research are proud of their technical abilities. Their knowledge of methodologies and statistical techniques are extensive and many express regrets that not enough of this knowledge can be imparted to the students in a single semester or term. However.
many students find the course too encyclopedic and do not seem able to tie the concepts together into a cohesive whole. Using information as the connecting element gives a structure to the course that may legitimately have more appeal than using the traditional marketing research project outline.

**Selling Research**

Managers have complained that researchers seem more interested in their techniques than they do in solving problems. As one vice president remarked, "They (the vendors) come in here and show me their perceptual maps, their conjoint analysis and beautiful reports, and all I really want to know is what useful information they can give me." Again, the end users know what they want, but sometimes the producers have forgotten.

**Reports Writing**

An informational approach to marketing research reexamines the reporting process. The goal of a report is to change the state of knowledge of the recipient with the goal of efficient decision making. What manager has not had the experience of reading a long report only to find one pertinent piece of "information" on page 251? Everything else in the report is "noise." In 1905, Einstein published an article in the Annalen der Physik that overturned all the accepted ideas of time and space. The article lacked notes and references and was about the length of an average chapter in a marketing research text. That short article changed the course of human history (Clark 1984). It contained no "noise." Parenthetically, some have wondered whether such a manuscript would be published in today's conceptually oriented academic journals which sometimes seem more interested in the tenth decimal place than they are in information. This may help to explain the low percentage of readership among practitioners.

**Ethics**

An informational approach to marketing research would also allow for a very pragmatic justification for ethical behavior. Whereas the producers of a more tangible product may be unethical and still produce a quality product, the quality of information is directly linked to the ethics of its producers. The truthfulness of information is difficult to separate from the veracity of its creators. If a user of information knows that the source of that information has in the past been guilty of unethical behavior, the quality of the information is brought into question. Unethical behavior in marketing research is directly comparable to sloppy workmanship and uncaring management in the production of other more tangible products.

**SUMMARY**

Although the AMA has reinforced the importance of information in marketing research, textbooks and teaching approaches still appear to emphasize procedures and techniques over substantive informational evaluation. An informational approach would require teachers and practitioners to re-evaluate their thinking about ethics, and the goals, procedures, and reporting of research. Pedagogically, it offers the advantage of relevancy to the majority of students now taking our classes. While it may be difficult to explain to a student with no present or future interest in research why he or she should understand multivariate statistics as techniques, it is relevant to the student to explain the importance of understanding how to evaluate and use the information created by such techniques.

**REFERENCES**


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