UNIT 5: PRIMARY AND SECONDARY DATA

UNIT STRUCTURE

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5.1 LEARNING OBJECTIVES

After going through this unit, you will be able to:

- learn the difference between primary data and secondary data
- classify the different types of secondary data and its sources
- discuss the uses, advantages and disadvantages of secondary data.
- discuss the different primary data collection methods like Observation Method, Focus Group Discussion , Personal Interview Method

5.2 INTRODUCTION

In this unit we are going to discuss the concepts of primary data and secondary data, classify the different types of secondary data and its sources, the uses, advantages and disadvantages of secondary data.We will also able to learn the different primary data collection methods like

Observation Method, Focus Group discussion and personal Interview Method.

5.3 CONCEPT OF PRIMARY DATA AND SECONDARY DATA

An early outcome of the research process is to define the marketing research problem and to identify specific research questions and hypotheses. When data are collected to address a specific research problem, they are referred to as **primary data**. Obtaining primary data can be expensive and time-consuming because it involves all six steps of the marketing research process. Before initiating primary data collection, a researcher should remember that the problem under study might not be unique. It is possible that someone else has investigated the same or a similar marketing research problem. A search through existing data might lead to relevant information. **Secondary data** represent any data that have already been collected for purposes other than the problem at hand. Relative to primary data collection, these data can be located quickly and inexpensively. The differences between primary and secondary data are summarized in Table 5.1.

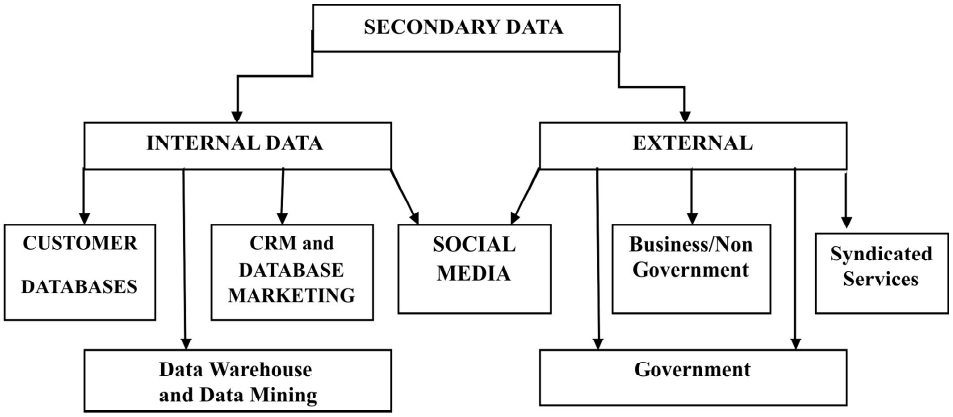
	Primary Data	Secondary Data
Collection purpose	For the problem at hand	For other problems
Collection process	Very involved	Rapid and easy
Collection cost	High	Relatively low
Collection time	Long	Short

Table 5.1: Comparison of Primary and Secondary Data

5.4 SECONDARY DATA COLLECTION METHOD

As represented in Figure below, the two primary sources of secondary data are internal and external data. **Internal data** are data generated within the organization for which the research is being conducted. Many organizations are engaged in building large customer databases, data warehousing and data mining, and customer relationship management (CRM) and database marketing. They are also using social media to generate internal secondary data. **External data** are data generated by sources outside the organization. These data are available in the form of business/non government sources,

government sources, syndicated services, and social media. Thus, social media are sources of both internal and external secondary data and are discussed later in this chapter. We next focus on the sources of internal secondary data.



A. Internal Secondary Data: Before collecting external secondary data, it is always useful to analyze internal secondary data. Internal data are typically generated as part of the ongoing process of doing business. These data can come from accounting records, sales reports, production or operation reports, or internal experts. Although it is possible that internal secondary data might be available in usable form, it is more typical that considerable processing effort will be required before such data can be used. For example, cash register receipts of a department store might contain a wealth of information, such as sales by product line, sales by specific store, sales by geographical region, sales by cash versus credit purchases, sales in specific time periods, sales by size of purchase, and so on. To derive this information, however, data must be transcribed from the paper-based sales receipts to a computer database and analyzed extensively. Many organizations are building sophisticated customer databases as platforms for their marketing efforts.

1. Customer Databases: For many companies, the first step in creating a customer database is to transfer raw sales information, such as that found on sales call reports or invoices, to a personal computer. Customer information is also obtained from other sources, such as warranty cards and loyalty programs (e.g., frequent flier programs of airlines). This

is augmented with demographic and psychographic information about the customers obtained from external secondary sources. **Psychographics** refers to quantified psychological profiles of individuals. Several companies in this business, such as Experian (www.experian.com), have compiled household lists that include names, addresses, and a great deal of individual-specific data. The size of these customer databases can be staggering. Sears, for example, has more than 75 percent of Indian households in its customer database. These customer databases reside in a data warehouse.

2. Data Warehouse and Data Mining: A **data warehouse** is a centralized database that consolidates companywide data from a variety of operational systems. The analysis of such large databases requires special skills and resources and has been termed *data mining*. **Data mining** involves the use of powerful computers with advanced statistical packages and other software to analyze large databases to discover hidden patterns in the data. The patterns discovered can be very useful for targeting marketing effort. For example, data mining revealed that husbands tend to buy additional life insurance immediately after the birth of their first child. Therefore, LICI's slogan, "Zindegi ke Saath bhi, Zindegi ke bad bhi," is particularly appropriate for targeting first-time fathers with life insurance products.

3. CRM and Database Marketing: Customer databases and data mining are the building blocks for **customer relationship management (CRM) systems.** A CRM is a decision support system that is used for managing the interactions between an organization and its customers. **Database marketing** is the practice of using CRM databases to develop relationships and highly targeted marketing efforts with individuals and customer groups. For example, recently Whirlpool used its massive database to identify families of four or more who had bought Whirlpool washers and/or dryers five years ago and offered them special discounts to replace their machines with newer models. This effort was successful as the targeted household realized that their machines had lived the average life span and needed to be replaced.

B. External Secoundary Data: As mentioned earlier, external secondary data may be classified as business/nongovernment, government, and

syndicated services as shown in the figure above. External secondary data, particularly those available from business/nongovernment sources, have grown dramatically over the past twenty years. This growth has been stimulated, in part, by the Internet and personal computers in the workplace, which gives employees easy access to commercial databases. The following section provides an overview of some of the business/ nongovernment sources of external secondary data.

1. Business/Nongovernment Data: Business/nongovernment sources are used as a broad category and encompass non profit organizations (e.g., chambers of commerce), trade and professional organizations, commercial publishers, investment brokerage firms, and for-profit firms. Most of these data can be accessed conveniently over the Internet. Businesses publish a great deal of information in the form of books, periodicals, journals, newspapers, magazines, reports, and trade literature. Moody's (www.moodys.com) and Standard & Poor's (www.standardandpoors.com) provide information on Indian , U.S. and foreign companies. Another useful source for industrial brand and trade information is ThomasNet (www.thomasnet.com). Valuable marketing and marketing research information can be obtained from SecondaryData.com (www.secondarydata.com). A variety of business-related sites can provide sales leads, mailing lists, business profiles, and credit ratings for Indian businesses. Many sites supply information on businesses within a specific industry. For example, all of the Indian Marketing Association's publications can be searched by keywords at www.marketingpower.com. Encyclopedia Britannica provides free online access to its entire thirty-two-volume set (www.britannica.com). Data on U.S. manufacturers and key decision makers can be obtained from Hoovers (www.hoovers.com), a D & B company. Another good source is Infogroup (www.infogroup.com).

2. Government Sources: The Indian government is the largest source of secondary data in the country and in the world. The data the government collects could not feasibly be collected by private industry. Its value ranges from use in developing sales forecasts and market potential estimates to simply locating specific retailers, wholesalers, or manufacturers. The breadth and accuracy of government sources make it a rich source of secondary data. Government sources can be divided into census data and other types.

a. Census Data : Census data are useful in a variety of marketing research projects. The demographic data collected by the Census Bureau include information about household types, gender, age, marital status, and race. Consumption detail related to automobile ownership, housing characteristics, work status, and practices as well as occupations are just a few of the categories of information available. What makes this demographic information particularly valuable to marketers is that it can be categorized geographically at various levels of detail. These data can be summarized at various levels, such as city block, block group, census tract, metropolitan statistical area (MSA), consolidated metropolitan statistical area (CMSA), and region (Northeast, Midwest, South, and West), or they can be aggregated for the nation as a whole. In general, the quality of census data is high, and the data are often extremely detailed. Important census data include Census of Housing, Census of Manufacturers, Census of Population, Census of Retail Trade, Census of Service Industries, and Census of Wholesale Trade. Nielsen (www.nielsen.com) has created a number of research tools using census and other lifestyle data. Integrating enhanced census data with internal company databases is a useful application of multiple secondary sources.

3. Syndicated Services: In addition to data available from business and government, syndicated sources constitute the other major source of external secondary data. **Syndicated sources,** also referred to as *syndicated services*, are companies that collect and sell common pools of data of known commercial value and designed to serve information needs shared by a number of clients, including competing firms in the same industry. These data differ from customized research in that the objective guiding the research is common to several client firms. Syndicated firms make their money by collecting data and designing research products that fit the information needs of more than one organization. Any client, even two competitors in the same industry (e.g., Coca-Cola Company and PepsiCo) can purchase the same syndicated data, typically through a subscription process. Syndicated data purchased by Starbucks were also available to its competitors, namely, Nestle and Kraft Foods. The data and reports that syndicated services supply to client companies can be personalized to fit their specific needs. For example, reports could be organized on the basis

of the client's sales territories or product lines. The cost of syndicated data is marginal compared to the cost of collecting primary data. Hence, it is useful to examine applicable syndicated data before collecting primary data.



CHECK YOUR PROGRESS

Q.1: Define Secondary Data?

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Q.2: Classify the different types of Internal Secondary Data ?

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5.5 ADVANTAGES AND DISADVANTAGES OF SECONDARY DATA

The main advantages of secondary data are the time and money they can save because the researcher does not have to go through the six steps of the marketing research process; someone else has already done that. The collection of some secondary data, such as those provided by the Department of Labor or the Census Bureau, would not be feasible for individual firms such as Maruti Suzuki or Tata Motors. In some projects, particularly those with limited budgets, research may be largely confined to the analysis of secondary data because some routine problems may be addressed based only on secondary data. Although it is rare for secondary data to provide all the answers to a non routine research problem, analysis of secondary data should always be the first step taken toward solving any research problem. Given these advantages and uses of secondary data, we state a basic rule of research:

Examine available secondary data first. The research project should proceed to primary data collection only when the secondary data sources have been reasonably exhausted or yield marginal returns. Analysis of

secondary data can provide valuable insights and lay the foundation for conducting more formal research, such as focus groups and surveys.

However, the researcher should be cautious when using secondary data because they have some disadvantages as well. The value of secondary data is typically limited by their degree of fit with the current research problem. Because secondary data have been collected by someone else for purposes other than the problem at hand, they may have only limited applicability to the current problem. The objectives, nature, and methods used to collect secondary data might not be compatible with the present situation. Also, secondary data might be lacking in terms of accuracy, compatibility of units of measurement, or timeframe. Before using secondary data, it is important to evaluate their usefulness and fit.



CHECK YOUR PROGRESS

Q.3: What are the advantages and disadvantages of secondary data?

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5.6 PRIMARY DATA COLLECTION METHOD

1. OBSERVATION: Observation methods are the second type of methodology used in descriptive research. **Observation** involves recording the behavioural patterns of people as well as data on objects and events in a systematic manner to obtain information about the phenomenon of interest. The observer does not question or communicate with the people being observed. Information can be recorded as the events occur or from records of past events. The major observation methods are personal observation and mechanical observation.

a. Personal Observation: In personal observation, a trained observer collects the data by recording behavior exactly as it occurs. A real

life case showed how Heinz used personal observation to introduce “Dip and Squeeze” ketchup packets. The observer does not attempt to control or manipulate the phenomenon being observed but simply records what takes place. For example, a researcher might record traffic counts and observe traffic flows in a department store. This information could aid in determining store layout, the location of individual departments, shelf locations, and merchandise displays. **Humanistic inquiry** is a special form of personal observation in which the researcher is immersed in the system under study. This is in contrast to the traditional scientific method, in which the researcher is a dispassionate observer. In yet another application, called on-site observation, observers are positioned in supermarkets and presented as shoppers who need advice from another shopper in making purchase decisions.

The main advantage of personal observation is that it is highly flexible because the observer can record a wide variety of phenomena. It is also highly suitable for use in natural settings. For example, the sales manager of General Motors can observe the attitudes of dealers toward a new inventory policy at one of the regular sales meetings.

The main disadvantage is that the method is unstructured: An observation form is generally not used for recording the behavior as it occurs. Rather, the observer records the phenomenon after completing the observation in a free, unstructured format. This leads to high observation bias and recording bias. Also the data and their interpretation are highly subjective, leading to high analysis bias, i.e., bias in data analysis and interpretation.

b. Mechanical Observation: Mechanical observation, as one would expect, involves the use of a mechanical device to record behaviour. These devices might or might not require respondents’ direct participation. Such devices are particularly useful for recording continuous behavior, such as traffic flow in a grocery store. Nielsen’s (www.nielsen.com) peoplemeter is an example of indirect observational devices that do not require active participation on the part of the respondents. Respondents do not need to change their behaviour in any way to be involved in this type of observational study. The peoplemeter is attached to a television and continually records not only the channels the television is tuned to, but also who is watching.

Arbitron (www.arbitron.com) has developed the portable peoplemeter, a wearable device that measures what television and radio programming a person watches or listens to during her or his waking hours. The PreTesting Group (www.pretesting.com) uses the People Reader, which unobtrusively records reading material and reader's eye movements to determine the reader's habits as well as the stopping power and the brand recall associated with different sizes of ads.

Other common examples of indirect mechanical observation include turnstiles that record the number of people entering or leaving a building and traffic counters placed across streets to determine the number of vehicles passing certain locations. On-site cameras (still or video) are increasingly used by retailers to assess the impact of package designs, counter space, floor displays, and traffic-flow patterns. The Universal Product Code (UPC) is a built-in source for mechanical observation. For those retailers equipped with optical scanners, the UPC system allows for the automatic collection of consumer purchase information, classifying it by product category, brand, store type, price, and quantity.

The Internet can be a very good source for observation and can provide valuable information. The observations can be made in a variety of ways. The primary observations can be made by the number of times a webpage is visited. The time spent on the page can also be measured through more advanced techniques, such as a timer that starts when a person visits a page and clicks on a certain icon. The timer then stops when the person clicks the next icon. Various other links can be provided by the researcher on the webpage, and the research can observe which links are accessed more often. This will provide the researcher with important data on the information needs of the individuals and also the interests of the target segment.

Table 5.2 Relative Advantages of Observation Methods

Personal Observation	**Most flexible** **Highly suitable in natural settings**	**High observation bias** **High analysis bias**
Mechanical Observation	**Low observation bias** **Low to medium analysis bias**	**Can be intrusive** **Not always suitable in natural settings**



CHECK YOUR PROGRESS

Q.4: What are the different types of observation method ?

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Q.6) What are the advantages of observation method ?

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2. FOCUS GROUP DISCUSSION: A **focus group** is an interview conducted by a trained moderator in an unstructured and natural manner with a small group of respondents. The moderator leads the discussion. The main purpose of focus groups is to gain insights by listening to a group of people from the appropriate target market talk about issues of interest to the researcher. The value of the technique lies in the unexpected findings often obtained from a free-flowing group discussion.

Focus groups are the most important qualitative research procedure. They are so popular that many marketing research practitioners consider this technique synonymous with qualitative research. An application of focus groups was illustrated in a Case Study where Nabisco developed their 100 Calorie Snack Pack. Several hundred facilities around the country now conduct focus groups several times a week. The typical focus group costs range between $6,000 to $8,000. Given their importance and popularity, we describe the salient characteristics of focus groups in detail.

Characteristics of focus group: The major characteristics of a focus group are summarized in Table 5.2. A focus group generally includes eight to twelve members. Groups of fewer than eight are unlikely to generate the momentum and group dynamics necessary for a successful session. Likewise, groups of more than twelve may be too crowded and may not be conducive to a cohesive and natural discussion. The focus groups conducted by Nabisco conformed to this guideline.

A focus group should be homogeneous in terms of demographics, psychographics, and product usage characteristics. Commonality among group members avoids conflicts and interactions among group members on side issues. Thus, a women's group should not combine married homemakers with small children; young, unmarried working women; and elderly divorced or widowed women because their lifestyles are substantially different. If the marketing research project covers distinct segments, then focus groups should be conducted separately for each segment.

The focus group participants should be carefully screened to meet certain criteria. The participants must have had adequate experience with the object or issue being discussed. People who have already participated in numerous focus groups should not be included. These so-called professional respondents are a typical, and their participation leads to serious validity problems.

The physical setting for the focus group is also important. A relaxed, informal atmosphere encourages spontaneous comments. Light refreshments should be served before the session and made available throughout. Although a focus group may last from one to three hours, a duration time of 1.5 hours is typical. This period of time is needed to establish rapport with the participants and explore, in depth, their beliefs, feelings, ideas, attitudes, and insights regarding the topics of concern. Focus group interviews are invariably recorded, often on video, for subsequent replay, transcription, and analysis. Video recording has the advantage of capturing facial expressions and body movements, but it can increase the costs significantly. Frequently, clients observe the session from an adjacent room using a one-way mirror. Video transmission technology enables the clients to observe focus group sessions live from a remote location. For example, Stamford, Connecticut– based FocusVision Network, Inc. (www.focusvision.com) offers such a videoconferencing system.

The moderator plays a key role in the success of a focus group. The moderator must establish rapport with the participants, keep the discussion moving forward, and probe the respondents to elicit insights. In addition, the moderator may have a central role in the analysis and interpretation of the data. Therefore, the moderator should possess skill,

experience, knowledge of the discussion topic and the marketing research project, and an understanding of the nature of group dynamics.

a. Planning and Conducting Focus Groups: The procedure for planning and conducting focus groups is described in Figure 4.4. Planning begins by specifying the objectives of qualitative research. This involves an examination of the objectives of the marketing research project. In most instances, the problem has been defined by this stage and, if so, the general statement as well as the specific components of the problem should be carefully studied. Given the problem definition, the objectives of the qualitative research should be clearly determined. These objectives must be specified before conducting any qualitative research, be it focus groups, depth interviews, or projective techniques. In the Case featuring Nabisco, the objectives of qualitative research were to understand the motivations and snack purchase behavior of mothers.

The next step is to develop a detailed list of objectives for the focus group. This may take the form of a list of questions the researcher would like answered. In the case of Nabisco, the objectives for the focus group were to uncover how mothers felt about lunches and snacking for their children. Then a questionnaire to screen potential participants is prepared. Typical information obtained in the screening questionnaire includes product familiarity and knowledge, usage behavior, attitudes toward and participation in focus groups, and standard demographic characteristics.

A detailed moderator's outline for use during the focus group interview should be prepared. This involves extensive discussions among the researcher, client, and moderator. This outline should specify the topics that will be discussed, the sequence in which they will be covered, and the amount of time that will be spent on each. Topics that will be explored in more detail and the use of flipcharts, other visual aids, products, and other stimuli should be identified. Use of a moderator's outline reduces some of the reliability problems inherent in focus groups, such as those caused by different moderators not covering the same content areas in comparable ways.

After a detailed outline is formulated, participants are recruited and the focus group interview is conducted. During the interview, the moderator

must (1) establish rapport with the group members, (2) state the rules of group interaction, (3) set objectives, (4) probe the respondents and provoke intense discussion in the relevant areas, and (5) attempt to summarize the group members' responses to determine the extent of agreement.

Following the group discussion, either the moderator or an analyst reviews and analyzes the data and prepares the focus group report. The analyst not only reports specific comments and findings but also looks for consistent responses, new ideas, concerns suggested by facial expressions and body language, and other hypotheses that may or may not have received confirmation from all of the participants. Because the number of participants is small, frequencies and percentages are not usually reported in a focus group summary. Instead, reports typically include expressions like "most participants thought" or "participants were divided on this issue." Meticulous documentation and interpretation of the session lays the groundwork for the next step, which usually means doing additional research. The major findings of the focus groups for Nabisco were that families, especially mothers, were trying to portion out snack foods to their children to cut down on caloric intake. Mothers especially appreciated snacks in small portions with fewer calories. Also, convenience was very important.

Advantages and Disadvantages of Focus Groups: Focus groups are popular because of their many advantages. The immediacy and the richness of the comments, which come from real customers, make this technique highly useful. The group interaction produces a wider range of information, insights, and ideas than do individual interviews. The comments of one person can trigger unexpected reactions from others, leading to a snowball effect in which participants respond to each other's comments. The responses are generally spontaneous and candid, providing rich insights. Ideas are more likely to arise out of the blue in a group than in an individual interview and are likely to be unique and potentially creative. However, some of the qualities that make focus groups so strong also create some of their more serious limitations. The disadvantages of focus groups should not be overlooked. The clarity and conviction with which group members often speak lead to a tendency for researchers and managers to regard findings as conclusive rather than as exploratory. Focus groups are

also difficult to moderate. The quality of the results depends heavily on the skills of the moderator; unfortunately, moderators who possess all of the desirable skills are rare. The unstructured nature of the responses makes coding, analysis, and interpretation difficult.



CHECK YOUR PROGRESS

Q.6: What are the characteristics of a Focus Group?

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Q.8: What are the advantages and disadvantages of the Focus Group Method ?

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3. PERSONAL DEPTH INTERVIEW: Depth interviews are another method of obtaining qualitative data. We describe the general procedure for conducting depth interviews and then discuss their advantages, disadvantages, and applications.

a. Conducting Depth Interviews: Like focus groups, depth interviews are an unstructured and direct way of obtaining information, but unlike focus groups, depth interviews are conducted on a one-to-one basis. A **depth interview** is an unstructured, direct, personal interview in which a single respondent is questioned by a highly skilled interviewer to uncover underlying motivations, beliefs, attitudes, and feelings on a topic.

A depth interview may take from thirty minutes to more than one hour. To illustrate the technique in the context of shopping in department stores, the interviewer begins by asking a general question such as “How do you feel about shopping at department stores?” The interviewer then encourages the subject to talk freely about his or her attitudes toward department stores. After asking the initial question, the interviewer uses an

unstructured format. The subsequent direction of the interview is determined by the respondent's initial reply, the interviewer's questions for elaboration, and the respondent's answers. Suppose the respondent replies to the initial question by saying, "Shopping isn't fun anymore." The interviewer might then pose a question such as "Why isn't it fun anymore?" If the answer is not very revealing ("Fun has just disappeared from shopping"), the interviewer may ask a probing question, such as "Why was it fun before and what has changed?"

While the interviewer attempts to follow a rough outline, the specific wording of the questions and the order in which they are asked is influenced by the subject's replies. Probing is of critical importance in obtaining meaningful responses and uncovering hidden issues. Probing is done by asking questions such as "Why do you say that?" "That's interesting; can you tell me more?" or "Would you like to add anything else?"

Advantages and Disadvantages of Depth Interviews: Depth interviews can uncover greater depth of insights than focus groups. Also, depth interviews attribute the responses directly to the respondent, unlike focus groups, where it is sometimes difficult to determine which respondent made a particular response. Depth interviews result in a free exchange of information that may not be possible in focus groups because there is no social pressure to conform to a group response.

Depth interviews suffer from many of the disadvantages of focus groups and often to a greater extent. Skilled interviewers capable of conducting depth interviews are expensive and difficult to find. The lack of structure makes the results susceptible to the interviewer's influence, and the quality and completeness of the results depend heavily on the interviewer's skills. The data obtained are difficult to analyze and interpret, and the services of skilled psychologists are typically required for this purpose. The length of the interview combined with high costs means that the number of depth interviews in a project will be small. Despite these disadvantages, depth interviews do have some applications. They can be useful when detailed probing is required (e.g., automobile purchase), the topic is sensitive or subject to strong social norms (e.g., attitudes of college students toward dating), or the consumption experience is sensory or

complicated (e.g., perfumes, bath soap). They are also effective with respondents who are professionals (e.g., industrial marketing research) and in interviewing respondents who are competitors (e.g., travel agents' perceptions of airline package travel programs).



CHECK YOUR PROGRESS

Q.8: What are the advantages and disadvantages of the Personal Depth Interview Method ?

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5.7 LET US SUM UP

In contrast to primary data, which originate with the researcher for the specific purpose of the problem at hand, secondary data are originally collected for other purposes. Secondary data can be obtained quickly and are relatively inexpensive. However, they have limitations and should be evaluated carefully to determine their appropriateness for the problem at hand. The evaluation criteria consist of specifications, error, currency, objectivity, nature, and dependability. A wealth of information exists in the organization for which the research is being conducted. This information constitutes internal secondary data. External data are generated by sources outside the organization. These data may be classified as business/ nongovernment, government, and syndicated services. Government sources may be broadly categorized as census data and other data. Syndicated sources are companies that collect and sell common pools of data designed to serve a number of clients. Syndicated sources can be classified based on the unit of measurement (households/consumers or institutions). Household/consumer data may be obtained via surveys, purchase and media panels, or electronic scanner services. When institutions are the unit of measurement, the data may be obtained from

retailers, wholesalers, or industrial firms and organizations. It is desirable to combine information obtained from different secondary sources.

Qualitative research can reveal the salient differences between the domestic and foreign markets. Whether focus groups or depth interviews should be conducted and how the findings should be interpreted depends heavily on cultural differences. Social media have enhanced both the quality and quantity of qualitative research. When conducting qualitative research, the researcher and the client must respect the respondents by conducting research in a way that does not embarrass or harm the respondents.



5.8 FURTHER READING

1. Malhotra, N.K. and Dash, S. (2011). *Marketing research: An Applied Orientation* (6th edition), New Delhi: Pearson Education.



5.9 ANSWERS TO CHECK YOUR PROGRES

Ans to Q1: Secondary data represent any data that have already been collected for purposes other than the problem at hand.

Ans to Q2: Internal Secondary Data are: Customer Database, data warehouse and data mining, CRM and database marketing

Ans to Q3: Advantages and disadvantages of secondary data are: The main advantages of secondary data are the time and money they can save.Because secondary data have been collected by someone else for purposes other than the problem at hand, they may have only limited applicability to the current problem.

Ans to Q4: The types of Observation methods are:

a. Personal Observation b. Mechanical Observation

Ans to Q5: Advantages of Observation methods:

Personal Observation	Most flexible Highly suitable in natural settings	High observation bias High analysis bias
Mechanical Observation	Low observation bias Low to medium analysis bias	Can be intrusive Not always suitable in natural settings

1. A focus group generally includes eight to twelve members.
2. A focus group should be homogeneous in terms of demographics, psychographics, and product usage characteristics.
3. The participants must have had adequate experience with the object or issue being discussed.

Ans to Q7: Advantages of focus group method:

1. The immediacy and the richness of the comments, which come from real customers, make this technique highly useful.
2. The group interaction produces a wider range of information, insights, and ideas than do individual interviews.
3. The comments of one person can trigger unexpected reactions from others, leading to a snowball effect in which participants respond to each other's comments.

Ans to Q8: Advantages of Personal Depth Interview method:

1. Depth interviews can uncover greater depth of insights than focus groups.
2. Depth interviews attribute the responses directly to the respondent, unlike focus groups, where it is sometimes difficult to determine which respondent made a particular response.

Disadvantages of Personal Depth Interview method:

1. Skilled interviewers capable of conducting depth interviews are expensive and difficult to find.

2. The data obtained are difficult to analyze and interpret, and the services of skilled psychologists are typically required for this purpose.



5.10 MODEL QUESTIONS

1. Why should secondary data always be assessed before primary data?
2. What are the differences between primary and secondary data?
3. What is the difference between a data warehouse and data mining?
4. Differentiate between internal and external secondary data.
5. List and describe the various syndicated sources of secondary data.
6. Describe the different types of observation method with their advantages and disadvantages
7. Why is the focus group the most popular qualitative research technique?
8. Why is the focus group moderator so important in obtaining quality results?
9. How are focus group participants selected?
10. Why should one safeguard against professional focus group respondents?
11. Give two ways in which focus groups can be misused.
12. What would be an integral part of a skilful moderator's process of conducting a depth interview? Why?
13. What are the major advantages of depth interviews?

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