Tilburg University

Strategic marketing research

Bijmolt, T.H.A.; Frambach, R.T.; Verhallen, T.M.M.

Published in:
Journal of Marketing Management

Publication date:
1996

[Link to publication in Tilburg University Research Portal](#)

Citation for published version (APA):
Bijmolt, T. H. A., Frambach, R. T., & Verhallen, T. M. M. (1996). Strategic marketing research. *Journal of Marketing Management*, 12(1), 83-98.

General rights

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

- Users may download and print one copy of any publication from the public portal for the purpose of private study or research.
- You may not further distribute the material or use it for any profit-making activity or commercial gain
- You may freely distribute the URL identifying the publication in the public portal

Take down policy

If you believe that this document breaches copyright please contact us providing details, and we will remove access to the work immediately and investigate your claim.

Tammo H. A.
Bijmolt, Ruud T.
Frambach¹ and Theo
M. M. Verhallen

*Department of Business
Administration, Tilburg
University, The
Netherlands*

Strategic Marketing Research

This article introduces the term "strategic marketing research" for the collection and analysis of data in support of strategic marketing management. In particular, strategic marketing research plays an important role in defining the market, analysis of the environment, and the formulation of marketing instrument strategies. The concept of strategic marketing research allows research on important topics such as segmentation, positioning, new product development, and product/service quality to be placed into a broader framework.

Introduction

Strategy

Since the sixties, an increasing amount of attention has been given to the issue of the strategy followed by organizations. The oil crises, the economic recession and the transition from supply markets to demand markets taught many organizations that extrapolating developments from the past would no longer be sufficient. It had become essential to look ahead towards the future and to anticipate potential environmental developments. The formulation of alternative scenarios and strategic plans was the focus of attention from then on. Strategic planning thus became a major activity for many organizations. A central feature of strategic thinking is the adjustment between the company and its environment. In strategic decision-making, management has to anticipate promising and threatening developments in its environment, while taking into account the internal strengths and weaknesses of the organization. The aim is to secure existing competitive advantages and possibly to create new durable competitive advantages given these strengths, weaknesses, opportunities and threats (Day and Wensley 1988). Therefore, a strategy can be described as a course chosen by an organization either implicitly or explicitly, aiming at realizing the objectives formulated and considering the long-term fit between one's own organization and the environment. In the eighties, more attention was also paid to the implementation and evaluation of the formulated strategic plan. This led to the introduction of the term "strategic management".

The concept of environment must be taken in a broad sense in the definition of strategy provided above (Figure 1). Jain (1993) describes the organization and its direct environment by means of the three strategic Cs: corporation, customer and competition. To this rather narrowly-defined environment, Porter (1980) adds substitute products, potential new entrants and suppliers. Moreover, Kotler (1991) distinguishes between marketing intermediaries and end-users in his description of the marketing system. In this article, these three frameworks are combined. Therefore, the final customers (end-users), the current competitors, the substitute

¹Present address: Department of Marketing, Ghent University, Belgium.

Correspondence to be addressed to: Department of Business Administration, Tilburg University, P.O. Box 90153, 5000 LE Tilburg, The Netherlands.

Figure 1. Actors and forces that form the environment of an organization.

products, the potential new entrants, the marketing intermediaries, and the suppliers of means of production (such as raw material and semi-manufactured products) together constitute the micro-environment of the organization. In addition, the macro-environment is important. This consists of demographic, economic, legal, technological, social and cultural factors.

Strategic Marketing

From the seventies onwards, the planning function increased the awareness that a number of things were missing in the strategic planning approach. An important unknown factor was the adjustment to the market, causing the entire process to develop a static character, whereas the environment was increasingly dynamic. Due to the popular view within marketing that limiting to the consumer market was too narrow and that other aspects of the environment could have a substantial influence on marketing policy, a strategic market orientation developed in combination with the development in strategic thought. In this context, strategic marketing involves the question: what position an organization wishes to have in what markets with what resources at what points in time in the long term. In line with the description of strategy, a marketing strategy is aimed at distinguishing the organization in a positive way with respect to its competition in fulfilling customer needs. Strategic marketing management involves the process of formulation, implementation, and evaluation of a marketing strategy by an organization. In executing this process, several steps are taken iteratively (Figure 2). At the outset of the marketing planning process, the market must be defined and its basic structure and development must be described. Once the market in which an organization operates has been clearly defined, the external and internal analyses are carried out. The internal and external analyses are brought together in the SWOT analysis. Based on the strategic points for attention identified here, subsequent objectives and strategies at the level of the

organization, at the level of marketing, and at the level of the instruments (the 4 Ps: price, product, place and promotion) are formulated.

Strategic Marketing Research

Within the discipline of strategic marketing, strategic analyses are playing an increasingly important role (Kerin *et al.* 1990; Urban and Star 1991). Much information necessary for the formulation and implementation of a strategic marketing plan is not available or not easily accessible within the organization. Consequently, marketing research can play an important role in the strategic marketing planning process. For this purpose, the term "strategic marketing research" has been introduced, which is defined as the collection and analysis of data in support of strategic marketing management.

A number of phases in the strategic marketing planning process involve analysis and research in preparation of the implementation. These phases—namely, the analysis of the initial situation; the external analysis; and the phase of formulating instrumental objectives and strategies—have been shaded in Figure 2. Research activities that are frequently carried out in these three phases of the strategic marketing planning process are presented in Table 1.

Figure 2. The role of marketing research in the strategic marketing planning process.

Table 1. Research activities performed to support strategic marketing management

	Marketing research activities
Initial situation	Market definition Market description (industry analysis)
External analysis	Macro-environment analysis Micro-environment: — Customer analysis — Competitor analysis — Analysis of new entrants — Analysis of substitutes — Analysis of suppliers — Analysis of intermediaries
Instrument objectives and strategies	Analysis of product decisions Analysis of distribution decisions Analysis of price decisions Analysis of communication decisions

Analysis of the Initial Situation

Market Definition

The initiation of the planning process (Figure 2) is generally a strategic marketing problem. The initial situation is characterized by the existing strategy and the policy resulting from it. It is necessary to define the market in which the organization operates as adequately as possible. Strategic analyses of the customers, the competitors, and the substitutes are only possible if the market has been delimited using an adequate market definition. In defining the market, one can make use of the method proposed by Abell (1980). In this method, three dimensions of the market are distinguished, namely: (1) the various groups of customers; (2) the customer functions or the distinguishing needs of customers; and (3) the alternate technologies by means of which these needs may be satisfied. Depending on the manner in which the various dimensions are filled, the market is defined at a level of varying detail. In this way, the market in which the organization operates, in a broad sense, is determined. The target market served by the organization is obtained by specifying in each dimension what components belong to the domain of the organization. By means of defining both the market in a broad sense and the target market according to the method by Abell, the organization gains insight into the market in which it is actually operating. The Abell analysis also provides a good starting point for the analysis of the position of one's own organization in relation to the competitors and the substitutes by analysing the dynamics on the various distinguished dimensions. The positions and potential changes of competitors may also be considered in the schema. It becomes clear, moreover, what segmentation possibilities exist with regard to the three market dimensions. Therefore, the Abell analysis offers an important starting point for the external analysis.

Market Description

After the market has been defined and before research into the various separate aspects of the market is conducted, the market needs to be studied in its entirety

(industry analysis). Relevant features of the market that may be investigated are (Cravens 1994): market size; profitability of the market; development of the market; industry strengths and weaknesses; and typical marketing practices. Use of secondary data will be possible to a much greater extent than in the elements of strategic marketing research still to follow. Potential sources of secondary data are, for instance, marketing research companies and several governmental institutions, such as the Central Statistical Office and branch organizations. The analysis of the data will, in general, be restricted to the tabulation of indexes and the execution of simple trend analyses.

External Analysis

Analysis of the Macro-environment

Developments in the macro-environment affect all parties within a market. Macro-environmental analysis is, therefore, an important part of the strategic marketing planning (Ginter and Duncan 1990). Depending on the market in which one operates, some developments will be of higher importance than other developments. In general, six groups of macro-environmental developments are identified to be reckoned with by companies in formulating a marketing strategy. These concern technological, economic, demographic, legal and socio-cultural developments as well as developments in the physical environment. Leeflang and Van Raaij (1993) illustrate the analysis of the macro-environment by discussing the developments in the Netherlands. Marketing research into macro-environmental developments comprises the collection of information regarding the environmental developments, and the identification and evaluation of the most important developments.

The first activity, scanning the environment, involves systematically collecting information on developments in various fields in the environment. A company can carry this out in several ways. Line managers can be held responsible for identifying environmental developments. In such situations, environment scanning will be more of an *ad hoc* activity than one which will take place regularly. If the environment is more complex and dynamic, however, one might think of setting up a strategic planning department or appointing one or several individuals in charge of environmental analysis.

Not all environmental developments will have an equally important effect on one's own business activities. Therefore, it is essential to determine the probability that an environmental development is either an opportunity or a threat to the organization, and what influence the development can have on the organization. A large number of methods are available by means of which environmental developments may be analysed. Jain (1993) mentions the following: trend extrapolation; historical analogies; intuitive reasoning; scenario analysis; cross-impact analysis; morphological analysis; network models; and Delphi analysis. Cross-impact analysis, for example, studies the effect of one development on other developments. Given observed developments, the probability is determined that a specific development will occur. Next the effect of one development on the other developments had to be assessed. This involves the use of a two-dimensional matrix with one trend in a row and another in a column. The effect of one trend on another

development can be described both in qualitative terms (such as critical effect, very strong effect, strong effect, little effect and no effect), and in quantitative terms as probabilities. In the latter case, the probability that a particular trend occurs given the event of another development is indicated. The Delphi method can be used in order to find out the degree of effect and/or the probabilities. This concerns consultation of experts in a systematic manner (in several rounds) about contingent environmental developments.

Customer Analysis

A crucial component of each strategic marketing plan is the customer analysis. The identification and subsequent adaptation to the desires and needs of customers is central in marketing. An extensive strategic marketing research into the customer market supports both the strategic choices and their concrete elaboration by means of the marketing instruments. In order to determine possible reactions of customers to the changes in the marketing instruments, insights into the buying process is essential. In particular, knowledge regarding the motives and preferences is important. In addition, it should be investigated whether it is possible to identify customer groups that are relatively homogeneous with respect to particular segmentation criteria. In this section, these two components of customer analysis, that is the buying process and segmentation, will be discussed in more detail.

Analysis of the buying process. Customers generally face one or more suppliers (brands). In buying, they go through a decision-making process that is complicated to a greater or lesser degree. Research on this process provides the marketing management information from which the customer market can be approached. The "consideration set" model (Shocker *et al.* 1991) is an extremely useful framework in research on the decision-making process during purchase. The entire group of suppliers within the market (the "total set") is its starting point. Only a part of this group is known by an individual customer (the "awareness set"). The customer will rate the brands known higher or lower. Such degree of preference for the various alternatives will depend on three factors, namely: (1) the way in which the customer perceives the various alternatives concerning a number of product attributes; (2) the way in which the product attributes are synthesized in a single rating; and (3) the needs of the customer. Given the preferences for the well-known brands, the customer will consider a number of brands in purchasing (the "consideration set"), whereas the other brands do not meet the customer's needs sufficiently. Finally, the customer will have to make a selection from the group of brands that he deems acceptable. In general, this decision is made by the customer in a particular buying situation. Hence, characteristics of the buying situation also play a role in the final choice (Belk 1975; Miller and Ginter 1979). Strategic marketing research on the customers could therefore provide an answer to the following questions:

- (i) What is the familiarity with the various brands and by what is this affected?
- (ii) How are the brands perceived?
- (iii) What product attributes are of importance?
- (iv) What are the needs of the customers?

- (v) How are the final selections made, given the preferences?
- (vi) What is the role of situational characteristics in purchase and use?

Questions i and ii relate to how the customers view the various suppliers, and therefore relate to both customer analysis and competitor analysis. The collection of data regarding the (aided and/or spontaneous) familiarity of brands is relatively simple. Such a question will be included in much telephone, written, or face-to-face research. For each brand, the percentage of respondents, who know the brand concerned, can be determined. These percentages give an impression of the strength of the brand. In a later section (competitor analysis), the analysis of the brand perceptions is discussed in more detail. The product attributes can be subdivided in concrete, directly measurable attributes (e.g. price) and latent, not directly measurable attributes (e.g. image and quality). The manner in which marketing research on the importance of the product attributes will be carried out (Question iii), will depend on which of these two types of product attributes is more important. Conjoint analysis (Vriens 1994) and regression analysis are appropriate methods for determining the importance of these attributes, if a list of concrete attributes can be constructed beforehand. This approach is less appropriate for measuring the importance of latent attributes. Preferences could then be analysed by means of multi-dimensional scaling (Green *et al.* 1989).

The preferences for the brands and the importance that customers attach to certain product attributes are ultimately based on customer needs. The needs of the customers can be discovered using a research method known as "laddering" (Reynolds and Gutman 1988). It involves finding out, by means of in-depth interviews with the customers, why a specific brand is preferred and why a specific attribute is important.

The last step in which the final choice has to be made, given the preferences and the choice situation, can be studied by means of experimental or observational research. In experimental research, the respondent is presented with a choice task. By varying this task, for instance in the brands between which to choose or in the situation description, the effects of the various brand and situation characteristics on choice can be determined. A drawback of the experimental approach is that the choice situation is no real-life setting. In observational research, for instance by registering purchases in a shop, the choice situation is more in line with reality. A drawback of the observational approach is, however, that it is more difficult to vary the characteristics systematically, as a result of which the effects can be confounded.

Segmentation research. It is preferential to investigate whether the market can be segmented in groups of customers that are highly comparable with respect to relevant characteristics. Not all customers go through the buying process described earlier in the same way. Moreover, customers vary in their reaction to marketing instruments. For segmentation to be effective, the segments must meet a number of criteria, viz.: identifiability; substantiality; accessibility; heterogeneity among the segments; stability; responsiveness to marketing instruments; and actionability (Wind 1978; Wedel 1994).

The characteristics from which customers can be divided into segments are called segmentation bases. These segmentation bases can be subdivided into general versus specific bases, and directly observable versus derived bases. The frequently

used aspect of lifestyle is an example of a derived, general segmentation basis. Directly observable and product-specific, is, for instance, the frequency of use of a brand. Van Raaij and Verhallen (1994) propagate the use of so-called domain-specific segmentation bases, by which customers can be segmented within a specific domain of the market. Beane and Ennis (1987) and Wedel (1994) provide very useful overviews of the segmentation bases possible, and the extent to which the different bases result in segments that fulfil the criteria mentioned above.

Following data collection concerning the segmentation bases, analyses will have to be carried out by means of which the customers are classified and the segments are described successively. In some cases, the researcher can construct the classification of customers *a priori* (for instance by residence or income). It is more customary, however, to base the classification of the customers on analysis of multiple characteristics. Frequently-used methods are cluster analysis (Punj and Stewart 1983) and automatic interaction detection (Assael 1970). By means of these methods, each customer is assigned to only one of the non-overlapping segments. If it is more realistic to assume that the same customer can belong to several segments, for instance depending on the buying situation or the goal for use, overlapping or so-called "fuzzy" segments can be derived. Such segments can be obtained by means of latent class analysis (Green *et al.* 1976; Wedel 1994). After classifying the customers, the obtained segments are described. It is also possible to verify whether relevant marketing phenomena, such as reactions to marketing instruments, can be predicted by means of the segments. The segmentation classification being a categorical variable, methods such as variance analysis, discriminant analysis and loglinear models qualify for the descriptive and predictive analyses. It needs to be noted that in the case of many research methods, for instance latent class analysis and automatic interaction detection, the discovery and interpretation of the segments take place more or less simultaneously. Furthermore, research methods have been recently developed which include segmentation in combination with market structure analysis or reactions to marketing instruments (DeSarbo *et al.* 1994; Wedel and DeSarbo 1994).

Competitor Analysis

Customers can nearly always choose from several alternatives and will compare these when making a choice. Therefore, strategic marketing management has an interest in gaining insight into the strengths and weaknesses of competing organizations, and the use of marketing instruments by competitors and its effects. Marketing research on the competitors can be divided into three varieties. First, a positioning study can be carried out based on customers' judgements. Second, data on brand sales can be analysed by means of econometric models. Third, the possible individual competitors can be studied as far as their strength and weaknesses, objectives and strategies are concerned.

Positioning research. The goal of positioning research is two-fold. First, the relative positions (strengths and weaknesses) of one's own brand and the brands of the competitors need to be examined. Second, the product attributes that are used by the customers when judging the competing brands have to be identified. A positioning

study usually results in a spatial figure, the brand space, from which it can be derived what the positions of the brands are and what product attributes are of importance. The brand space is obtained on the basis of perception and/or preference data collected from the customers. Two groups of methods exist by means of which a brand space can be obtained, namely on the basis of similarity or preference data (decompositional methods) and on the basis of attribute scores (compositional methods).

For the use of decompositional methods, customers are asked to judge the brands in their entirety. This judgement may entail a preference judgement for the different brands or a judgement of the degree of similarity between the different brands. These "overall" preference or similarity judgements are subsequently analysed by means of multi-dimensional scaling (Green *et al.* 1989). During the rating of the brands, no product attributes are handed to the customers. The advantage is that the researcher does not need to know in advance what the important product attributes are. The decompositional approach is therefore particularly appropriate when it is not known what characteristics are of importance, and when non-verbal or image-like attributes play an important role for the brands to be positioned.

For the compositional methods, it is necessary that customers rate the brands with respect to product attributes (selected beforehand). For an excellent overview of decisions to be made in this type of positioning research see Dillon *et al.* (1985). Based on these ratings, the brands are compared indirectly and represented in the brand space. For the analysis of such data, use can be made of factor analysis, correspondence analysis and discriminant analysis.

Econometric models. Thanks to the development of "scanning" in shops and in the homes of customers, an enormous quantity of data on the purchase and the use of products and brands is available. In the case of scanning in shops, it is known what products were bought at what price in what shop and what was the other supply. By whom the product was bought is not normally known, unless so-called customer cards are used. In the case of scanning at the customer's home, it is not known what the set of alternatives in the shop was. On the other hand, it is now known by whom the products were bought and what was bought in other shops. After these scanning data have been collected, fairly complicated but very elucidating analyses are possible. Usually regression equations are formulated and estimated by means of which market shares or the sales of the brands are explained by the marketing instruments of the brands [see Naert and Leeflang (1978) for an overview]. Such analysis provide the organization with insight into who are its most important competitors, how they use their marketing instruments, what effect this has on the results of the organization, and what effect application of one's own marketing instruments has. For a detailed example of the econometric approach of competitor analysis from scanning data, the reader is referred to the study conducted by Leeflang and Wittink (1992).

Analysis of individual competitors. The most important competitors can be analysed and evaluated on their relative position in the industry, their objectives and current strategy, their premises concerning operation in the market and their capability profile (c. Grant 1991). By rating the competitors in terms of the factors that are important in the market, a profile is obtained for each competitor. It will be clear that

in order to determine the strategy of competitors, as well as for the identification of their relative strengths and weaknesses, information on competitors is required. Many sources of information can be named that can generate information for the analysis of individual competitors, viz.: annual reports; advertisements; press releases; staff advertisements; and former employees. A judgement takes place as to what extent a competitor is relatively better, worse or equivalent to one's own organization. This may be indicated by using numbers (for instance, varying from -2 to +2, or from 1 up to and including 10) or symbols (for instance from --, through 0 to ++). Such analysis can be carried out for the present, but it can also be done for a future situation based on data and/or estimate of the direction of developments.

Analysis of Substitutes

In executing an Abell analysis (1980), the market in which the organization operates is defined. Substitution as a threat of competition can originate from the danger that the product on offer is substituted by another product, or by products based on another technology. In particular, those products or technologies that have a better price/performance ratio, or are produced in industries with high(er) margins form a real danger. In order to study the extent to which risk of substitution occurs, the extent to which the function of the product on offer can also be fulfilled by other products and/or technologies must be examined. A method of analysis that may be instrumental is Abell's domain specification model (see above). On the technology dimension in this model, alternate methods to satisfy needs are represented. Linked to the dimension of customer needs, this provides insight into the question "What technologies satisfy the same needs and therefore are direct substitutes?"

The substitutability between product categories may also be elicited directly from the customers or derived from actual purchase data (Srivastava *et al.* 1981; Fraser and Bradford 1983; Ratneshwar and Shocker 1991). For example, one may ask a customer to indicate in which situations s/he uses a particular brand or product, and next which brands or products s/he would use if the original choice were unavailable. On the basis of these substitution data, one may structure the industry by means of multi-dimensional scaling or a cluster analysis. Both analyses yield insight into the relative substitutability between the various brands or products.

Analysis of Potential New Entrants

By identifying the determinants of the competitive forces, insight is obtained into the possibilities that organizations have to engage in competition with the organizations present in an industry. Potential competition (Porter 1980) concerns the possible entry of organizations outside the industry into one's own field of activities. If new competitors enter an industry, the structure and profitability of the industry may be affected seriously (Haverty and Kyj 1991). The threat of competition from potential competitors can be found by the determinants that specify their position and competitive force. Insight into possible competition from potential new entrants to the industry can be obtained by conducting research on the extent to which entry

barriers exist and thus complicate the entry of organizations. To investigate this in more detail, it is necessary to collect more specific information on those organizations that may induce a new or potential competition risk (Porter 1980; Hooley and Saunders 1993). This demands an analysis of factors such as scale advantages, product differences, capital needs and cost advantages among organizations present in the industry (Porter 1980).

Analysis of Suppliers

The threat of competition from suppliers is related to their degree of bargaining power. The more power suppliers have, the more forward integration is a threat. As the suppliers of raw materials, semi-finished products, and components to manufacturing companies are smaller than their customers and their products are comparatively undifferentiated, their bargaining power tends to be weak. Determinants of the position and competitive force of suppliers are in fact approximately the mirror images of that of customers. They comprise, for instance, the importance of the product for the buyer, the presence of substitutes for the product supplied, the degree of concentration in the supplying industry, and the degree of differentiation between the products of suppliers.

Potential threat of forward integration may be analysed by assessing the degree to which the industry is specifically attractive to certain suppliers. This may be in terms of control over distribution channels, the profitability of the industry, and the degree to which the technologies used in the industry match those of the supplier firm. This calls for both identification of the suppliers that are most likely to integrate forward and analysis of their organization. Research methods used for analysing competitors, such as positioning research, the use of econometric models, and the use of dynamic competitor profiles, can prove very useful in this respect (see above).

Analysis of Strategic Instrument Decisions

After the external analysis has been carried out based on strategic marketing research, it is confronted with the internal analysis in the SWOT analysis. Then business and marketing objectives and strategies are formulated. In these steps of the strategic planning process, no new data are collected and analysed. Therefore, strategic marketing research plays no role or only a modest one. Based on the choice of strategy, instrument objectives and strategies are formulated. Whereas many instrument decisions may be described as tactical, other instrument decisions contain clearly strategic elements. The strategic marketing instrument decisions do stem from strategic considerations and have an objective in the longer term. In this section, it is discussed how marketing research can aid these decisions.

Product Decisions

The product has several characteristics that are unalterable for a longer period, such as the brand name, the image and the price level, which amounts to whether the

product belongs to a high or low price segment. Research on these aspects, as well as on that component of product and packaging research concerning central product advantage and product positioning, may be viewed as strategic marketing research. Continuous research on the use of products in aid of product improvement and product innovation may also be treated as such. Product characteristics causing a product to distinguish itself from competition, and packaging elements that promote this, belong to the long-term product characteristics. Due to tactical considerations, they cannot be adapted without altering the product concept in any fundamental way.

In particular, strategic marketing research will take place in research concerning the development and launch of new products. In product development, four phases are distinguished in which marketing research can take place: idea generation; concept development; product testing and market; and volume share prediction. Particularly in the first two phases, market positioning and product positioning play an important role and are, in this sense, predominantly of a strategic nature. In product testing, the marketing Ps are studied and the best mix is specified. For a further discussion of marketing research in aid of product development, see Ortt and Schoormans (1993), and Urban and Hauser (1980).

Recently, interest has grown for research on the strategic meaning of the brand and on the quality of service. Research concerning brands has been discussed above. Research on the quality of service can take place in various ways: through customer reactions directly after delivery (by means of a reply-card); registration of complaints; mystery shopping; satisfaction research; lost customers research; quality image research; research on customer problems; and SERVQUAL. This method has even been developed specially for research on the quality of service.

Distribution Decisions

In the light of the distribution objective of product availability, it is very important for a supplier to have insight into his own supply in order to formulate and elaborate strategic distribution decisions. Availability can be measured by means of the unweighted (numerical) market coverages, or by means of the weighted (effective) market coverage. The numerical distribution shows the percentage of distribution outlets where one's own product/brand is to be found in relation to the total number of distribution outlets where products from the same product category are to be found. The weighted distribution takes into account the differences in sale between distribution outlets by multiplying the numerical distribution by the selection indicator, being the ratio between the average sale of a product at the distribution outlets at which one's own supply is offered and the average sale for that product of all potential distribution outlets. Continuous distribution research can provide the information necessary to specify these strategic distribution indexes.

Price Decisions

Regarding marketing research in aid of strategic price decisions, a distinction can be made between two objectives of price as a marketing instrument; namely price

behaviour, which concerns the consequences of executing price decisions; and price perception, which comprises price knowledge, price perception and perceived price sensitivity. Research on price behaviour focuses on the effects of price decisions on customer behaviour. Use can be made of observational methods, such as controlled experiments, laboratory tests and analysis of historical data. The effects of price decisions on price perception can be investigated by means of communication methods. The Gabor Granger monitor (Tinn 1982; Wedel and Leeflang 1993) is a research method aimed at measuring the price perception. The effects of various price levels in relation to other marketing instruments can be evaluated by means of research methods such as the brand price trade-off monitor and conjoint analysis (Vriens 1994). This type of research can, however, only be qualified as strategic if it is used in determining long-term price position of a product. In general, price research will be aimed at limited changes or reactions to price changes within the range that belongs to the current product position, and is therefore tactical by nature.

Communication Decisions

The desired image of a company in the long term will always be central to business communication. Particularly within marketing communication, advertising is aimed at positioning the company or product. Research on the brand image will have to provide the desired information. The marketing communication plan is a component of the marketing plan, and it consists of a number of phases. From a positioning chosen, the target group is specified, after which an advertising strategy is worked out, given a preliminary budget and objective. For that purpose, the media selection is determined and the campaign is developed. Finally, given the final budget, the campaign is put into execution. Advertising research for the benefit of the initial positioning and the target group specification, either *ad hoc* or continuous by nature, serves the strategic planning process and in this way is strategic marketing research. Advertisement pretesting involves the execution of communicative utterances and is predominantly of a tactical nature. For a further detailed discussion of advertising research, see Rossiter and Percy (1987).

Final Conclusions

In this paper, the question as to what strategic marketing research entails has been addressed. To this end, strategic marketing management was chosen as a customer from this part of marketing research. Much of every day marketing research is, however, of a tactical nature: it involves research on the execution of the marketing Ps or *ad hoc* information, which are not collected in a strategic planning process. Moreover, tactics and strategy show an interaction: more than once, a successful communicative utterance has induced the positioning and target group specification of a brand to be adjusted. Providing information for the strategic planning process might induce the required marketing research to be executed more continuously and strategically, so that it is possible to anticipate developments more adequately.

We view the role of defining strategic marketing research as a multiple one:

- It underlines the important role of marketing research, including research for strategic long-term decisions in companies.
- It can help to establish how research such as positioning, segmentation and quality research can be instrumental, if not necessary, in strategic planning. The order and adjustment of information provided by this type of research may benefit from it. As a result, a better use of research can take place.
- Finally, marketing research must be able to make marketing decisions soundly based. Many decisions must be made instantly and swiftly: the market brooks no delay. Marketing research usually takes the role of an *ad hoc* information supplier and referee. A more strategic marketing approach, which is advisable in strategy specification, provides strategic marketing research with a more anticipating background function.

References

- Abell, Derek F. (1980), *Defining the Business: The Starting Point of Strategic Planning*, Englewood Cliffs, NJ, Prentice-Hall.
- Assael, H. (1970), "Segmenting Markets by Group Purchasing Behavior: An Application of the AID Technique", *Journal of Marketing Research*, 7, pp.153–158.
- Beane, T.P. and Ennis, D.M. (1987), "Market Segmentation: A Review", *European Journal of Marketing*, 21, No.5, pp.20–42.
- Belk, Russell W. (1975), "Situational Variables and Consumer Behavior", *Journal of Consumer Research*, 2, December, pp.157–164.
- Cravens, David W. (1994), *Strategic Marketing* 4th Edition, Burr Ridge, Irwin.
- Day, George S., Shocker, Allan D. and Srivastava Rajendra K. (1979), "Customer-oriented Approaches to Identifying Product-markets", *Journal of Marketing*, 43, Fall, pp.8–19.
- Day, George S. and Wensley, Robin (1988), "Assessing Advantage: A Framework for Diagnosing Competitive Superiority", *Journal of Marketing*, 52, April, pp.1–20.
- DeSarbo, Wayne S., Manrai, Ajay K. and Manrai, Lalita A. (1994), "Latent Class Multidimensional Scaling: A Review of Recent Developments in Marketing and Psychometric Literature". In: *Advanced Methods of Marketing Research*. (Ed) Bagozzi, Richard P. (Cambridge), Blackwell.
- Dillon, William R., Frederick, Donald G. and Tangpanichdee, Vanchai (1985), "Decision Issues in Building Perceptual Product Spaces with Multi-attribute Rating Data", *Journal of Consumer Research*, 12, June, pp.47–63.
- Fraser, Cynthia and Bradford, John W. (1983), "Competitive Market Structure Analysis: Principal Partitioning of Revealed Substitutabilities", *Journal of Consumer Research*, 10, June, pp.15–30.
- Ginter, Peter M. and Duncan, W. Jack (1990), "Macroenvironmental Analysis for Strategic Management", *Long Range Planning*, 23, No.6, pp.91–100.
- Grant, Robert M. (1991), *Contemporary Strategy Analysis: Concepts, Techniques, Applications*, Cambridge, Blackwell.
- Green, Paul E., Carmone, Frank J. and Wachpress, D.P. (1976), "Consumer Segmentation Via Latent Class Analysis", *Journal of Consumer Research*, 3, December, pp.170–174.

- Green, Paul E., Carmone, Frank J. and Smith, Scott M. (1989), *Multidimensional Scaling: Concepts and Applications*, Boston, Allyn and Bacon.
- Harverty, John L. and Kyj, Myroslaw, J. (1991), "What Happens When New Competitors Enter an Industry", *Industrial Marketing Management*, 20, pp.73-80.
- Hooley, Graham J. and Saunders, John (1993), *Competitive Positioning*, Hemel Hempstead, Prentice Hall.
- Jain, Subhash C. (1993), *Marketing Planning & Strategy*, Cincinnati, South-Western.
- Kerin, Roger A., Mahajan, Vijay and Varadarajan, Rajan R. (1990), *Contemporary Perspectives on Strategic Market Planning*, Boston, Allyn and Bacon.
- Kotler, Philip (1991), *Marketing Management: Analysis, Planning, Implementation, and Control* 7th Edition, Englewood Cliffs, NJ, Prentice Hall.
- Leeflang, Peter S.H. and van Raaij, W. Fred (1993), "The Changing Consumer in the Netherlands; Recent Changes in Environmental Variables and their Consequences for Future Consumption and Marketing", *International Journal of Research in Marketing*, 10, December, pp.345-363.
- Leeflang, Peter S.H. and Wittink, Dick R. (1992), "Diagnosing Competitive Reactions Using (Aggregated) Scanner Data", *International Journal of Research in Marketing*, 9, March, pp.39-57.
- Miller, Kenneth E. and Ginter, James L. (1979), "An Investigation of Situational Variation in Brand Choice Behavior and Attitude", *Journal of Marketing Research*, 16, February, pp.111-123.
- Naert, Philip A. and Leeflang, Peter S.H. (1978), *Building Implementable Marketing Models*, Leiden, Martinus Nijhoff.
- Ortt, Roland J. and Schoormans, Jan P.L. (1993), "Consumer Research in the Development Process of a Major Innovation", *Journal of the Market Research Society*, 35, No.4, pp.375-388.
- Porter, Michael E. (1980), *Competitive Strategy*, New York, The Free Press.
- Punj, Girish and Stewart, David W. (1983), "Cluster Analysis in Marketing Research: Review and Suggestions for Applications", *Journal of Marketing Research*, 20, May, pp.134-148.
- Ratneshwar, S. and Shocker, Allan D. (1991), "Substitution in Use and the Role of Usage Context in Product Category Structures", *Journal of Marketing Research*, 28, pp.281-295.
- Reynolds, Thomas J. and Gutman, Jonathan (1988), "Laddering Theory, Method, Analysis, and Interpretation", *Journal of Advertising Research*, 28, No.1, pp.11-31.
- Rossiter, John R. and Percy, Larry (1987), *Advertising and Promotion Management*, New York, MacGraw Hill.
- Shocker, Allan D., Ben-Akiva, Moshe, Boccara, Bruno and Nedungadi, Prakash (1991), "Consideration Set Influences on Consumer Decision-making and Choice: Issues, Models, and Suggestions", *Marketing Letters*, 2, No.3, pp.181-197.
- Srivastava, Rajendra K., Leone, Robert P. and Shocker, Allan D. (1981), "Market Structure Analysis: Hierarchical Clustering of Products Based on Substitution-In-Use", *Journal of Marketing*, 45, Summer, pp.38-48.
- Tinn, Ian (1982), "Some Problems with Pricing Research", *Journal of the Market Research Society*, 24, October, pp.317-334.

-
- Urban, Glen L. and Hauser, John R. (1980), *Design and Marketing of New Products*, Englewood Cliffs, NJ, Prentice Hall.
- Urban, Glen L. and Star, Steven H. (1991), *Advanced Marketing Strategy: Phenomena, Analysis, Decisions*, Englewood Cliffs, NJ, Prentice-Hall.
- Van Raaij, W. Fred and Verhallen, Theo M.M. (1994), "Domain Specific Market Segmentation", *European Journal of Marketing*, 28, No.10, pp.49-66.
- Vriens, Marco (1994), "Solving Marketing Problems with Conjoint Analysis", *Journal of Marketing Management*, 10, pp.37-55.
- Wedel, Michel (1994), "Market Segmentation Research: A Review of Bases and Methods with Special Emphasis on Latent Class Models". In: *ESOMAR/EMAC/AFM Symposium on: Information Based Decision Making in Marketing*, Paris, November 1993, pp.191-222.
- Wedel, Michel and DeSarbo, Wayne S. (1994), "A Review of Recent Developments in Latent Class Regression Models". In: *Advanced Methods of Marketing Research*. (Ed) Bagozzi, Richard P. (Cambridge), Blackwell.
- Wedel, Michel and Leeflang, Peter S.H. (1993), *A Pricing Decision Model for Grabor-Granger Price Experiments*, University of Groningen, Institute of Economic Research, Research Memorandum 506.
- Wind, Yoram (1978), "Issues and Advances in Segmentation Research", *Journal of Marketing Research*, 15, pp.317-337.