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**A Causal Model of External Marketing Research Information Utilization in
British Companies**

by Wael Abdelrazek Kortam, B.Com., M.Sc.

Thesis submitted to the University of Nottingham
for the degree of Doctor of Philosophy, May, 1997

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TEXT BOUND CLOSE TO THE SPINE IN THE ORIGINAL THESIS

TO MY MOTHER

For everything

TO MY WIFE

For her passionate love and patience

TO MY FATHER

For his big loving heart

TO MY BROTHER AND HIS FAMILY

For their loving support

TO MY DAUGHTERS

For just being there

ACKNOWLEDGEMENT

All gratitude, credit, praise and submission be to ALLAH; the most merciful, the most compassionate, the all giving and the all forgiving for his exhaustless blessings on myself; his poor slave including the successful completion of this thesis.

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My gratitude is also to all my faithful friends with special regard to two of them who were always special to me as much as I was special to them Magdy Abd-El-Fatah and Ashraf Gamal.

As but by no means least, many thanks and a pledge of loyalty to my beloved country ;Egypt and its people, I hope my patriotism could match your generosity.

“If I have seen further,it is by standing on the shoulders of giants”

Isaac Newton

(1675,Letter to Robert Hook)

ABSTRACT

The main objectives of this research are to enhance the academic understanding and managerial practice of the utilization of external marketing research information with special reference to British companies. To achieve these objectives, this thesis proposes a causal model of external marketing research information utilization and tests its hypotheses empirically in British industry. This model builds on and develops existing theoretical and empirical work. The research evolved through three major phases.

The first phase of the research was conceptual concerned with demonstrating the practical and theoretical importance of researching the topic of utilization, determining the appropriate perspective to studying it and establishing a valid and reliable framework for its definition and measurement. This part has relied on review of the literature on utilization of information in marketing and other management areas along with available secondary data about the UK market research industry as the institutional context of this research.

The second phase of the research was concerned with model building which concentrated on conceptually constructing the proposed causal model. Building the proposed model has drawn on exploratory work undertaken through a series of unstructured in-depth interviews at the outset of the research with key marketing personnel in various British industries, a review of previous similar models in the marketing area, and independent deductive reasoning. Variables thought to have a significant impact on the level and quality of external marketing research information utilization (causality dimension) were identified and classified according to the parties controlling them (controllability dimension). A set of empirically testable hypotheses were derived based on the causal model.

The third phase of the research was concerned with empirical analysis, testing the proposed model's hypotheses empirically in a cross sectional context. This stage has

involved the design of a structured questionnaire that was subsequently completed by senior marketing executives in 258 British companies. Measurement scales were developed by a combination of advice from further semi-structured interviews and the modification of relevant established scales and the questionnaire was piloted to determine its suitability. Additionally, some secondary data were collected about respondents companies in order to obtain a profile of such organizations. The measures used were generally found to be reliable and valid and multiple regression analysis was used to analyze the data and test the model empirically.

The variables that were found to have the most significant impact on the level and quality of utilization were organizational culture, individual decision making style, nonprogrammability of the decision situation, technical quality of the research report, degree of competition, user experience in marketing decision making, exploratory research objectives and quantifiability of research information. The thesis concludes with some theoretical conclusions and policy implications with a view toward improving the academic understanding and managerial pursuit of the process of utilizing external marketing research information in British companies.

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CHAPTER ONE

Introduction to the research

1.1 Introduction

The main purpose of this introductory chapter is to present the general framework and line of thought governing the design and implementation of this research and to offer a brief account of the work that has been undertaken. The chapter will start by outlining the underlying themes and considerations behind this research including the general research design, motivations and main objectives. This will be followed by a summary of each of the subsequent nine chapters which comprise this thesis.

1.2 The General Research Design and process

The central consideration of this thesis is to establish and sustain a clear link between conceptual framework and empirical analysis and also between inductive and deductive approaches. The central importance of this consideration stems from the belief that unless the conceptual framework and the empirical study are strongly integrated, each part individually would present a partitioned and distorted picture of the external marketing research information utilization process. The major reason behind this belief is that both parts are mutually reinforcing in the sense that the conceptual part is supposed to lead and guide the empirical analysis (as will be evident in the methodology chapters) in return for the enrichment, support and refinement that are provided by the empirical work.

One of the distinctive features of the design adopted in this research is its reliance on both deductive and inductive evidence to develop theoretical propositions and derive testable hypotheses. This is clear from the fact that in addition to the literature review and deductive reasoning, the research has used extensive inductive analysis of empirical evidence collected primarily from exploratory in-depth interviews and secondary data available about the UK market research industry. Both types of evidence were heavily used in establishing the conceptual basis on which the proposed causal model was developed. This mutual adoption of induction and deduction in building theories in marketing is a much desirable research exercise as recommended by Deshpande (1983) and Bagozzi (1984) since it is believed to enrich the theoretical analysis with practical insight, thus making theoretical propositions more tenable to managerial relevance in the area of marketing. This constitutes a main concern in the research on marketing information utilization as seen through the work of several scholars (Deshpande and Zaltman 1982, 1984, Jobber and Watts 1986 and Moorman 1995).

Diagram 1-1 depicts the overall structure of this research and shows the stream of thought driving it to its targeted end and how the desirable links between the conceptual and empirical parts and deductive and inductive perspectives was maintained to streamline the flow of argument throughout the research and keep it as an integrated piece of work. The diagram shows that the starting point for building conceptual

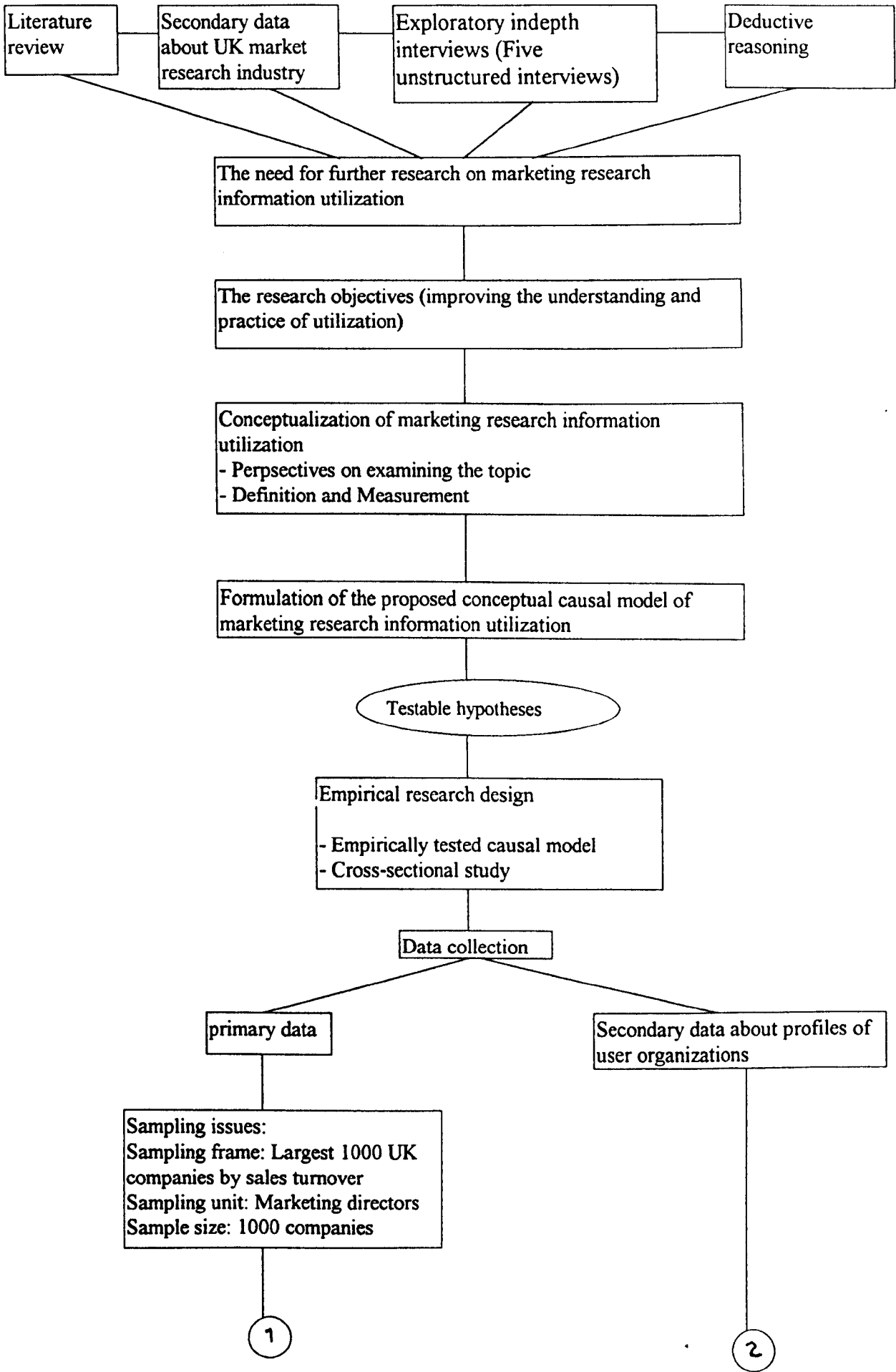
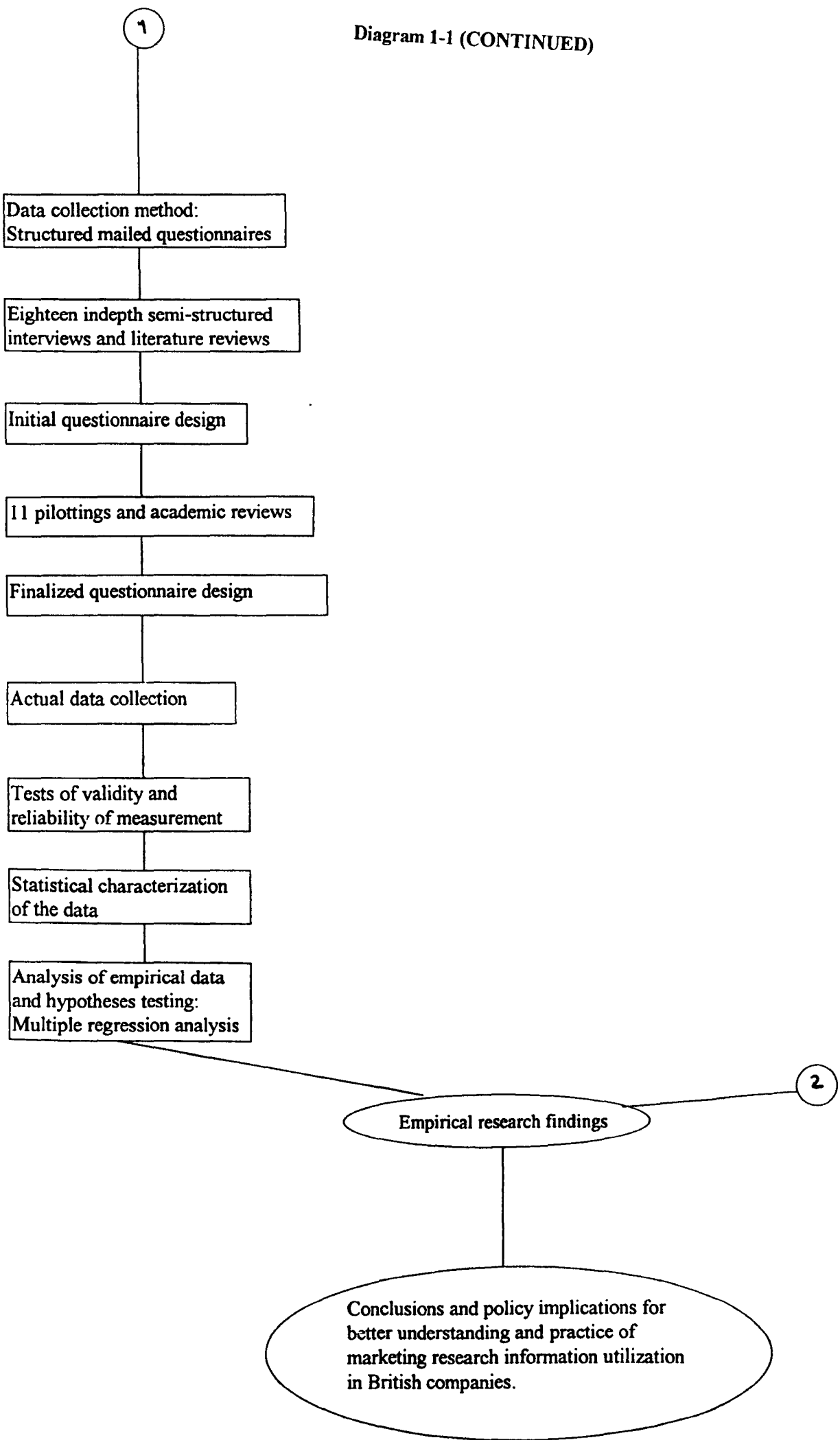


Figure 1-1 Skeleton of the overall research design and process.

Diagram 1-1 (CONTINUED)



base on which the model was premised originated from a variety of sources including deductive work from the literature review and inductive work through exploratory in-depth interviews and secondary data. This means that the resulting model and its testable hypothesis were a result of combined and interactive deductive and inductive processing. The diagram then, demonstrates how the empirical work was conducted through a mailed survey to a sampling frame of 1000 British marketing directors in the largest UK business firms and how the analysis of such survey results was fed back into the theoretical analysis to ensure that the resulting findings and their interpretations represent a balanced blend of rigorous theory and managerial insight.

1.3 The need for further research on marketing research information utilization

Effective marketing decisions are the key to overall marketing success. Marketing information is gaining growing recognition as one of the most important ingredients of effective marketing decisions (Kohli and Jaworski 1990) and marketing research is largely regarded as the main source of marketing information (Barabaa & Zaltman 1991, Parasuraman 1991 and Procter 1996). Accordingly, high quality marketing research information which is efficiently and effectively incorporated into the process of marketing decision making is increasingly thought of as an integral part of successful marketing decisions. Having said that, it should, however, be noted that the success of marketing decisions does not rely solely on generating high quality marketing information. Of equal, if not greater importance is the way in which such information is used by marketing decision makers as a tool for improving the quality of their decisions. This view, as will be shown in the next chapter, has granted the study of marketing research information utilization its high profile in contemporary marketing thought and practice.

Three main reasons underlie the motivation for this research. The first reason for undertaking this research is the relative importance of the subject and the relative shortage of empirical evidence and understanding (Deshpande 1982, Deshpande & Zaltman 1982, Menon & Varadarajan 1992, Sinkula 1994 and Moorman 1995). Equally important was the need to study this topic in British companies to reveal the major causal factors underlying the way in which British marketing decision makers utilize marketing research information in general and in comparison to their American counterparts. Little research work has been undertaken to explore this issue in a British context as noted by Jobber and Watts (1986) and Jobber and Elliot (1995). Third, there is an increasing trend among a considerable number of large British companies toward outsourcing their marketing research activities, i.e., relying on independent suppliers, versus another trend of establishing more internal marketing information and marketing research systems (Anonymous 1996, Freeman 1996 and Nawmery 1996). Both trends suggest that British companies are spending a substantial amount of their resources to secure reliable marketing information for their marketing decision makers which might indicate that such companies expect such information to be utilized in a way that is conducive to organizational effectiveness. Nevertheless, there is growing

concern among researchers in marketing, economics and information systems that the information revolution has not produced its expected boost in terms of global competitiveness as represented by productivity and market share (Laing 1995). Although, the UK spends 6% of its GDP on investment in information technology and ranks fifth world-wide in this regard and the British market for market research and the marketing research industry are among the largest in Europe and the world, there is no firm evidence concerning whether the British industry is taking the best advantage of this valuable resource. The available evidence suggests that most marketing information systems in British companies were used for operational rather than decision support purposes as evident from the fact that the role of most marketing information systems lies in the areas of data retrieval and monitoring rather than exception reporting, recommending action to management and prediction. Additionally the degree of sophistication of the system in the majority of companies was restricted to the use of arithmetic calculators and statistical analysis rather than model building and simulation (Jobber and Rainbow 1977). American evidence suggests similar conclusions regarding how marketing information is utilized (Turban 1995 and Barabaa & Zaltman 1991). This highlights the importance of investigating the utilization issue in British companies to judge if this massive investment in generating marketing information is matched by parallel gains in terms of organizational effectiveness. More specifically, the question that needs to be answered is "how far the output of marketing research and information systems is being effectively employed to improve the quality of marketing decisions made to justify the amount of resources committed to secure such output".

Accordingly, these reasons represented the major impetus for conducting this research on the utilization of external marketing research information and its determinants with special reference to the British case.

1.4 Main objectives of the research

Many scholars have argued (Menon and Varadarajan 1992 and Sinkula 1994) that better and more rigorous conceptualization, modelling and empirical investigation of the utilization of marketing research information would achieve two important goals. First, the academic goal of introducing a more insightful, comprehensive and empirically substantiated theoretical understanding of the phenomenon of utilization in general and in British companies in particular. The second main objective of this research is of a more practical nature since it is concerned with improving the managerial practice of utilizing marketing research information in British companies. This will be done through exploring critically the objectives and policies of each party that is involved in the process of utilization and revealing the degree of control each party can exercise over the extent and quality of utilization to produce useful policy guidelines that can help each of them better attain their objectives.

In order to achieve these objectives, this research was developed around the themes of causality and controllability respectively. The causality framework is concerned with identifying the most significant variables affecting the level and quality of utilization, thus improving our ability to understand how and why utilization is practised in British companies. The second major theme is controllability which aims to establish the degree of influence each party can exert to shape the level and quality of marketing research utilization. Both frameworks are believed to be cross-fertilizing since controllability provides causality with the logical directions for examining causal relationships and in return, causality provides controllability with the most important variables each party possesses to pursue its control over the process. In other words while controllability can draw the attention of causal analysis to possibly significant determinants of the level and quality of utilization, causal analysis, in a later stage, will show how far such determinants can be used to control the process, hence serving the case of controllability.

1.5 Summary of the research chapters

The main task of chapter two is to present a descriptive and analytical profile of the supply side of the utilization of external marketing research information process, i.e., the UK market research industry. This chapter essentially provides the institutional context for the research and highlights the importance of studying the topic. The chapter addresses the current status of the UK market research industry in terms of its structure, growth, customer base and globalization. In addition to that, five major challenges believed to be facing the industry were identified and discussed: these were concerned with quality, people, technology, perceived role and competition. The possible implications of the current situation in the UK market research industry and the challenges it confronts, for the level and quality of marketing research information utilization were discussed in the concluding section of the chapter.

Chapter three is devoted to demonstrating the academic and managerial importance of studying marketing research information utilization and the reasons for its highly prioritized place in the marketing research agenda. This was achieved through clarifying and explaining the various contributions that can be brought to various areas of marketing theory and practice if examined in conjunction with marketing information utilization. These areas included philosophy of marketing science, organizational marketing learning, organizational culture, marketing politics and ethics, marketing information economics, marketing mix decisions and marketing control. The chapter concludes by explaining how these contributions can usefully help marketing theory and practice and why better conceptualization of the utilization phenomenon represents a necessary background for fulfilling these promising contributions.

Chapter four examines the alternative perspectives that have been used to examine marketing information utilization. In doing this, the chapter commences by pinpointing the importance of perspective in improving understanding of utilization. This was followed by delineating the properties that should

characterize the most appropriate perspective for studying the subject. Then, the three most common perspectives for examining the subject area were discussed namely the producer perspective, the user perspective and the multiparties perspective. For each perspective there is an analytical description of its underlying logic, research objectives, research strategies, impact on literature and critique. Finally, the three perspectives were assessed against the previously stated criteria of appropriateness. The multi-parties perspective was found to be the most appropriate perspective for handling the phenomenon of utilization and was therefore chosen for the rest of the research.

Chapter five represents one of the most significant steps towards a better understanding of marketing information utilization through trying to find a valid and reliable definition and measurement of the construct. The chapter begins with a synthesis of previous research on definition and measurement in marketing and other related management areas. Second, the most important research endeavours to define and measure utilization are classified into two broad categories which are “process” and “impact” approaches. A critical analysis of both approaches was conducted and the “impact” approach was judged as the most appropriate method for accurate and useful operationalization of utilization. After that, Porter’s framework of the value chain and value system was used to define the boundaries of the utilization process and its impact as a part of the whole marketing information handling process. Porter’s framework was used because it has shown itself as an appropriate application of the multi-parties perspective to studying marketing research information utilization. The chapter concludes by introducing the operational definition and its subsequent measurement process that was adopted for operationalizing the various dimensions of marketing research information utilization for the sake of empirical analysis.

Chapter six provides the concluding part of the conceptual framework and is concerned with modelling the utilization of marketing research information building on the conceptualizations made in preceding chapters. The chapter begins with a critical review of some of the most influential models of marketing information utilization. This review covers both British marketing literature (including the works of Jobber and Watts (1986) and Jobber and Elliot (1995)) and American literature (including the works of Deshpande and Zaltman (1982, 1984), Menon and Varadarajan (1992) and Moorman (1995)). Relying on a combination of exploratory interviews, available secondary data, deductive deliberation and literature review, a causal model of marketing research information utilization is developed to extend current understanding of the phenomenon. The model’s underlying rationale, objectives, assumptions and limitations, variables, causal relationships and testable hypotheses are outlined in detail. The model’s hypotheses are the major means for testing the viability and generalizability of its arguments and propositions.

The main objective of chapter seven is to outline and explain the methodology for the empirical research.

The approach was selected to make the empirical data collection and analysis complementary with the conceptual framework. In order to do so, the suitability and usefulness of causal modelling as a genuine framework for examining the subject of utilization of external marketing research information was discussed along with the viability of using a cross-sectional design to investigate the causal model. Also, the sampling issues were examined showing how and why the sampling unit, sampling frame and sample size were determined. After that the data collection method was discussed along with the reasons for preferring a mailed survey. In this regard, the role of eighteen semi-structured in-depth interviews in designing the measurement scales used in the questionnaire was described in detail. Finally, the appropriateness of using multiple regression analysis as the main tool of statistical analysis for building the model and testing the hypotheses was explained.

The purpose of chapter eight is to discuss and examine critically all the important issues arising from the application of the research design suggested in chapter seven and to acknowledge their positive and negative influences on the subsequent analysis of empirical results. This chapter addresses three main points. First, a description of the sampling frame and the sample is presented along with a discussion of its strengths and limitations. Second, reliability and validity tests were administered on the measurement scales used to measure the dependent and independent variables to ensure that they capture the essence of these relevant constructs. Third, the appropriateness of data for analysis by multiple regression was considered by comparing the statistical profiles of the data with the underlying assumptions of the technique.

Chapter nine presents the empirical findings and their interpretations. This was carried out through constructing the causal model using multiple regression analysis and interpreting its outputs with a view toward furthering the two cornerstones of this research, i.e., the themes of causality and controllability. Consequently, the four main tasks of this chapter were to: first to provide a general descriptive profile of the demand side of the UK market research industry, second to outline the formal causal model along with all its relevant descriptive statistics, third to test all the research hypotheses using the same controllability-based classification scheme adopted in the conceptual model and fourth to interpret the outputs of the causal model and hypotheses.

The purpose of the final chapter was to show how far the research objectives have been attained. Accordingly, the chapter is divided into two major sections, each of which is concerned with one of the main research objectives. The first section was concerned with drawing the theoretical and empirical conclusions that contribute to academic understanding of the phenomenon of utilization of external marketing research information. Furthermore, some possible directions for future research were

suggested. The second section focused on extracting policy and managerial implications that can be based on the findings of this research concerning the relative influence and control of each party on the level and quality of external marketing research information utilization in British companies. These findings could offer practical guidelines to the parties interested and involved in the process of utilization to better manage the process and direct it more toward accomplishing each party's goals. This is why specific policy and managerial implications were made to each party individually and some general ones that are thought to be of interest to all parties.

1.6 Conclusions

The main purpose of this chapter was to provide a summarised account of what has been undertaken throughout this thesis and the rationale for doing it. The point that needs to be made clear in this regard is that there are various approaches to handling a subject like the utilization of marketing information and each of these approaches should present different benefits and impose different limitations. The basis for selecting the approach that was adopted are, first, the expected contribution it is believed to make to the theory and practice of the phenomenon, second, its novelty and distinctiveness in several respects as indicated above and third, its doability within the constraints of time and other resources made available to the researcher.

CHAPTER TWO

Trends and challenges in UK market research industry and their implications for marketing information utilization practice

2.1 Introduction

Although this research is primarily concerned with how marketing research information is utilized, and aims to pursue a user-centred analysis in its empirical investigation, the trends prevailing in the UK market research industry and their accompanying challenges are believed to have significant implications for how and why marketing research information will be utilized by marketing decision makers within UK companies. Accordingly, it can be argued that the UK market research industry represents the institutional context of this research (since its focus will be exclusively on externally-generated marketing information) which means that the importance of this research stems, in part, from the size of this industry and the role it is expected to play in making marketing decisions within British companies a more effective managerial pursuit. As mentioned previously, the market research industry absorbs in its own right a considerable part of GDP (and is presumably patronized by the largest British companies who are in turn responsible for a significant portion of this GDP) and consequently it is crucial to ensure that the output of such a vital industry (i.e. marketing research information) is being utilized effectively to make contributions in a way that is proportionate to this substantial commitment of national resources.

Accordingly this chapter is concerned with outlining and analyzing the context in which independent market research studies are conducted. The chapter will start by presenting a brief profile of the structure of the UK market research industry to offer a general idea of the supply side of marketing research information in the UK. A number of key trends and challenges to the UK market research industry will then be outlined and followed by implications for marketing research information utilization in UK companies. Through surveying relevant literature on the UK market research industry, it was possible to identify five emerging major trends that impose certain challenges on the industry. These are first, a trend toward increasing reliance on marketing research as a catalyst for helping marketing out of its alleged crisis as a science and functional area (i.e. a role challenge); second, a trend toward the increased dependence on modern information technology (i.e. a technological challenge); third, a trend toward institutionalizing quality assurance systems and quality standards within the market research industry (i.e. a quality challenge); fourth, a trend toward boosting the professionalism of the market research industry through employing better qualified market researchers (i.e. , a people challenge); finally, there is an observable trend toward intensifying rivalry between internally and externally generated marketing information as substitutes (i.e. a competition challenge).

2.2 Main characteristics of the UK market research industry

2.2.1 Structure

The UK market research industry is a relatively large, geographically concentrated industry serving a limited number of large firms and its client market is almost equally divided between consumer and nonconsumer businesses. This is the picture of the market research industry in the late eighties as shown by the study of Goodyear (1989). The UK Market Research Society (MRS) lists 401 companies and consultancies as suppliers of market research services in the UK and Ireland. The best estimates suggest that the market for market research in the UK in 1988 was worth in excess of £300 million. In the UK and Ireland, 346 of the 401 MRS-listed suppliers are based in London and the Southeast. Member companies of the Association of Market Survey Organizations (AMSO) accounted for £206 million of the £300 million revenue in 1988. Some 40% of this revenue was derived from consumer goods firms, with 60% coming from nonconsumer goods firms. This ratio represents a change from the pattern experienced in the 1970's when consumer goods firms were the main clients of the UK research industry.

Research for public services has grown from 2% of the total in 1981 to 11% in 1988, reflecting the increased market awareness of these organizations in a climate of privatisation. The large majority of the UK's research industry's revenues is accounted for by a relatively small number of major companies. These facts can be seen in figures 2-1, 2-2, 2-3 and table 2-1.

2.2.2 Growth

The UK market research industry is maturing. The great growth period for market research took place from about 1960 through the mid-1980's (Bailey 1990). The factors underlying such growth and success in the UK's market research industry, particularly in the 1980's included executive flair and the promotion of branded research products (Bowels 1991).

The recession, compounded by the Persian Gulf war, has affected the UK's market research industry (Hoggan 1991). Companies that are involved in new product development, advertising, and pre-testing, as well as retail and finance, have had a harder time than those with a broader business base. Hardest hit have been those companies that rely heavily on the domestic market. Companies with an even spread of business have some flexibility in a down turn and may even pick up new business to compensate for lost revenue. Market research firms with strong international business have done better than their domestic counterparts (Hoggan 1991). As the industry evolved into the 1990's real growth in marketing research declined to 2% a year, similar to the growth rate in the economy as a whole (Bailey 1990).

Accordingly, Callingham and Smith (1994) concluded that the market research industry in the UK is entering the phase of maturity. Equally, Since 1989, growth in Europe and the US market research

industries has slowed considerably. However, Europe now dominates world market research spend, with the UK itself accounting for some 10% of world expenditure. Compared with the level of economic activity, the UK market research industry is also particularly well developed, the proportion of Gross Domestic Product (GDP) accounted for by expenditure on market research is one of the highest in the world as depicted in Table 2-2 (Callingham and Smith 1994). The recent growth in the numbers of companies mentioned in the MRS Yearbook has been slowing, but the latest recession may have had an effect on the figures as shown in Table 2-3 (Callingham and Smith 1994).

2.2.3 Structural changes in customer base

The UK market research industry is faced with the service industries becoming its major client in a rapidly changing economic climate. Consequently, the industry is trying to respond with new product mixes including innovative packages of market research services. Using 1988 figures, the contribution of services to the GDP of the largest European countries was about 60%. The actual rate of change is increasingly towards services being the engine of European economies as in every one of the largest countries, services' contribution to GDP is growing faster than the GDP across the period 1980-1988 as a whole, with this relative growth being even greater than the average of the previous fifteen years. So, as shown in Tables 2-4 and 2-5, the economy in which the UK market research industry operates is not only dominated by the service sector but is currently becoming more so.

This huge change is profoundly affecting cultural attitudes and a reconceptualization is emerging, whereby what was formerly thought of as just a "physical product" is increasingly being conceived as having a "service" component(s). An example of the impact of service industries on the UK market research industry is the growing attention being paid to customer services which has led to a demand for instruments to measure and monitor it, and hence many market research agencies are offering expertise in this area. The editions of the Market Research Society's Yearbook, which lists market research agencies and their areas of expertise, shows that the proportion of agencies mentioning "customer service measures" as an area of speciality was 24% in 1993, while before 1991, this specialisation was not even listed (Callingham and Smith 1994).

Recent changes in the economic climate that have immense implications for the UK market research industry include (Levitt 1993) the facts that:

- The market was oversupplied by companies at the time of economic growth in the mid-1980's, many with unrealistic cost structures.
- The market collapse due to recession created a fiercely competitive environment.

- Buyers became much more discriminating and vigorous in their search for added value. All these changes have put severe pressure on the UK market research industry to come up with creative product lines to help companies survive in such a rapidly changing and turbulent marketing environment. Consequences of this awareness on the part of market research agencies in the UK and other European agencies is beginning to appear in the form of a number of product policies as depicted in Figure 2-5 by Jobber (1995) and indicated by Bailey (1990):
- Greater emphasis is being placed on behavioural research.
- Ethnographic research is increasing.
- As mentioned earlier, customer satisfaction surveys may be the fastest growing area in market research.
- Competitive intelligence systems are beginning to be on offer.

2.2.4 Globalization

The UK market research industry is operating within a globalized market. This means that the industry has the opportunity to expand internationally but at the same time is threatened by foreign competition in its own backyard that can be attributed to the changing global environment and the increased inclination among companies to compete in world markets. Accordingly, as companies expand into new territories there is an increased demand for commercial and marketing awareness on the part of marketing managers. The importance of such awareness for success in foreign markets has motivated marketers all over the globe to search for market research agencies that have the ability to help create such awareness through providing appropriate understandings of foreign markets based on high quality marketing information disregarding the nationality of such agencies.

The disappearance of internal trade barriers in the European Community (EC) in 1992 made it easier for companies to operate across the 12 member countries. Managing the marketing of brands shaped by well-informed decisions will be vital to the success or failure of marketing in this 320 million consumers market. There is no standard Euro-consumer, but consumer-driven marketing can be successfully practised for the continent as a whole, if a sensitive approach is used. Although there is no standard Euro-company, understanding companies' organizational frameworks and operating objectives can ensure that research is conducted and applied relevantly. Tailor-made approaches to marketing research will become more important in this complex and competitive world. The UK market research industry must develop and tailor its offering to meet the demands of this global market or it will be outrun by its

European and American rivals. Figure 2-6 shows the European market for market research and depicts its competitive nature which represents both a threat and opportunity to all European market research suppliers and Table 2-6 indicates the considerably strong competitive position of UK market research agencies and also the considerable competition they face from American and European competitors. Effective management of the market research and planning processes internationally will represent a major contribution to sustaining a competitive edge for the UK market research industry in the international sphere (Caller 1990). A number of key areas were identified by Broadbent (1993) where there may be an opportunity and scope of innovation for the UK market research industry to excel in world markets. These areas are: 1) Flexibility of service package offerings, 2) increasing business and consumer focus, and 3) international co-ordination among fellow British market research firms. As can be seen, the role of market researchers as planners, forming a link between consumers and companies in international markets is essential for the marketing success of those companies and market research as an industry.

2.3 Trends and challenges facing the UK market research industry

The previously mentioned characteristics and emerging phenomena in the market research industry in general and the UK market research industry in particular have generated a number of trends which in turn represent challenges that are increasingly being imposed on the industry. These challenges are constantly escalating in the strategic agenda of the UK market research industry and requires careful consideration. As indicated at the introduction of this chapter, those trends and challenges could be grouped under four distinct headings as follows:

2.3.1 Quality assurance systems and quality standards (the quality challenge):

As explained earlier the shrinking growth of the market for research along with the globalization of the industry coupled with the more demanding requirements of client companies have resulted in an intensely competitive environment. These competitive pressures were translated into a quest for producing high quality marketing research with a view toward satisfying customer companies' information needs and anticipating future needs thus increasing each market research firm's market share through building a quality-based market image.

Watkins (1994) administered sixteen interviews across a number of UK market research industry sectors and found a broad consensus that rapidly changing technology and fundamental shifts in the social and cultural framework and in consumer demands have meant that many decisions within the industry must be based more on quality. The ways in which the UK market research industry defines and deals with quality are currently being reappraised. For example, in January 1994, researchers introduced changes to their established interviewer quality control scheme (IQCS) (Gofton 1994). The market research industry

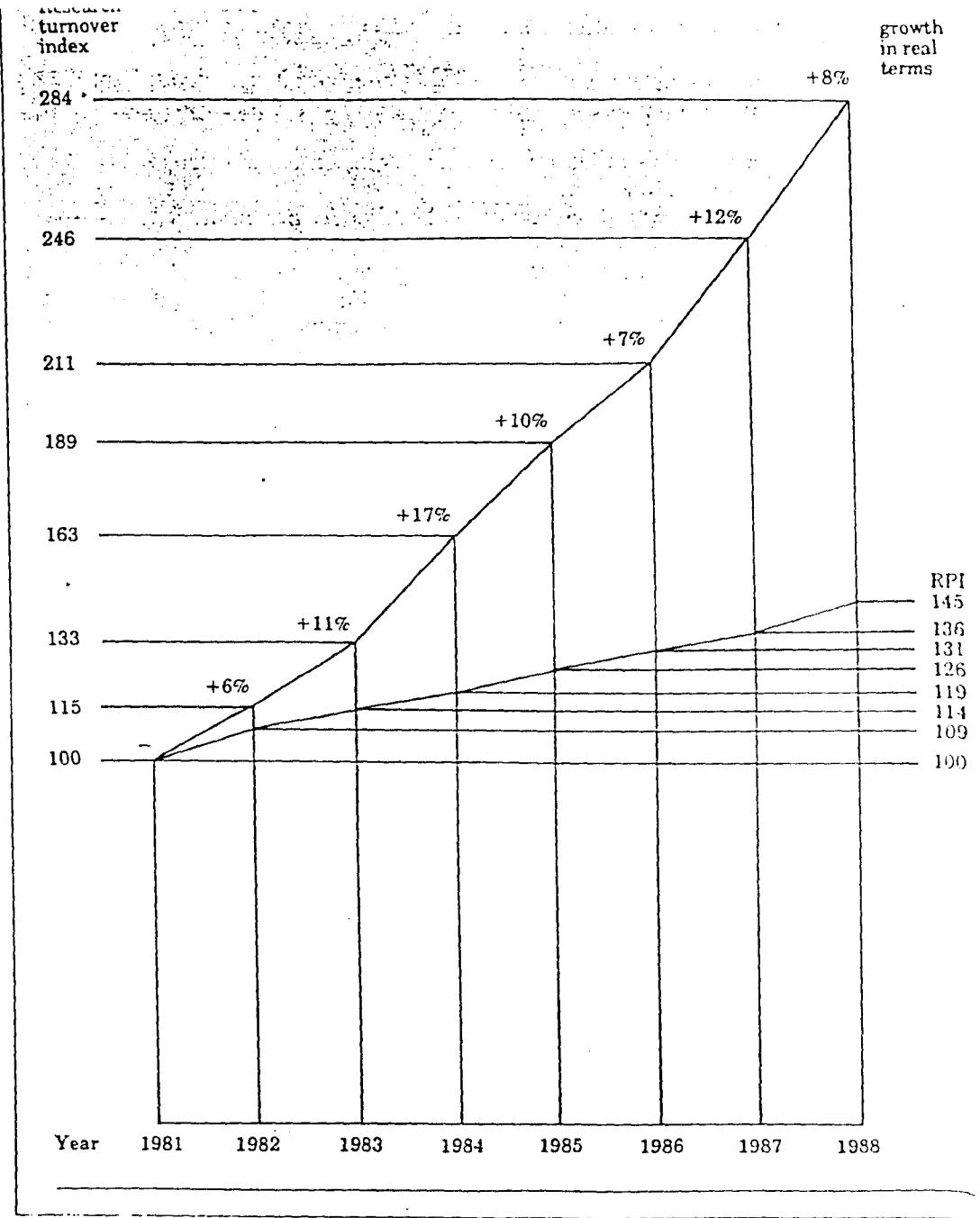


Figure 2-1

Growth of the UK market research industry in 1980's

Source: Goodyear, J.R., (1989) "The structure of the British market research industry"

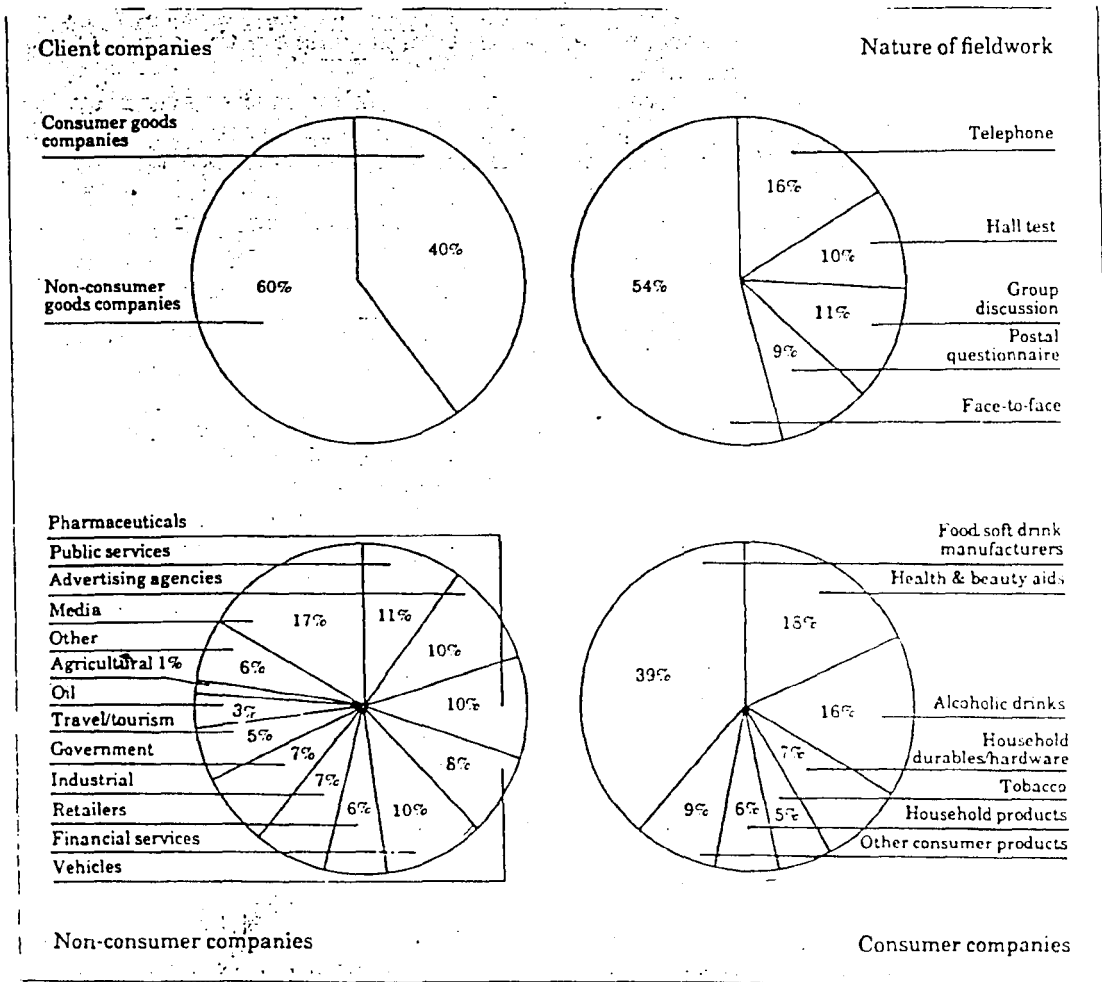


Figure 2-2

Segmentation of the client market of the UK market research industry in terms of sources of revenue

Source: Goodyear, J.R., (1989) "The structure of the British market research industry"

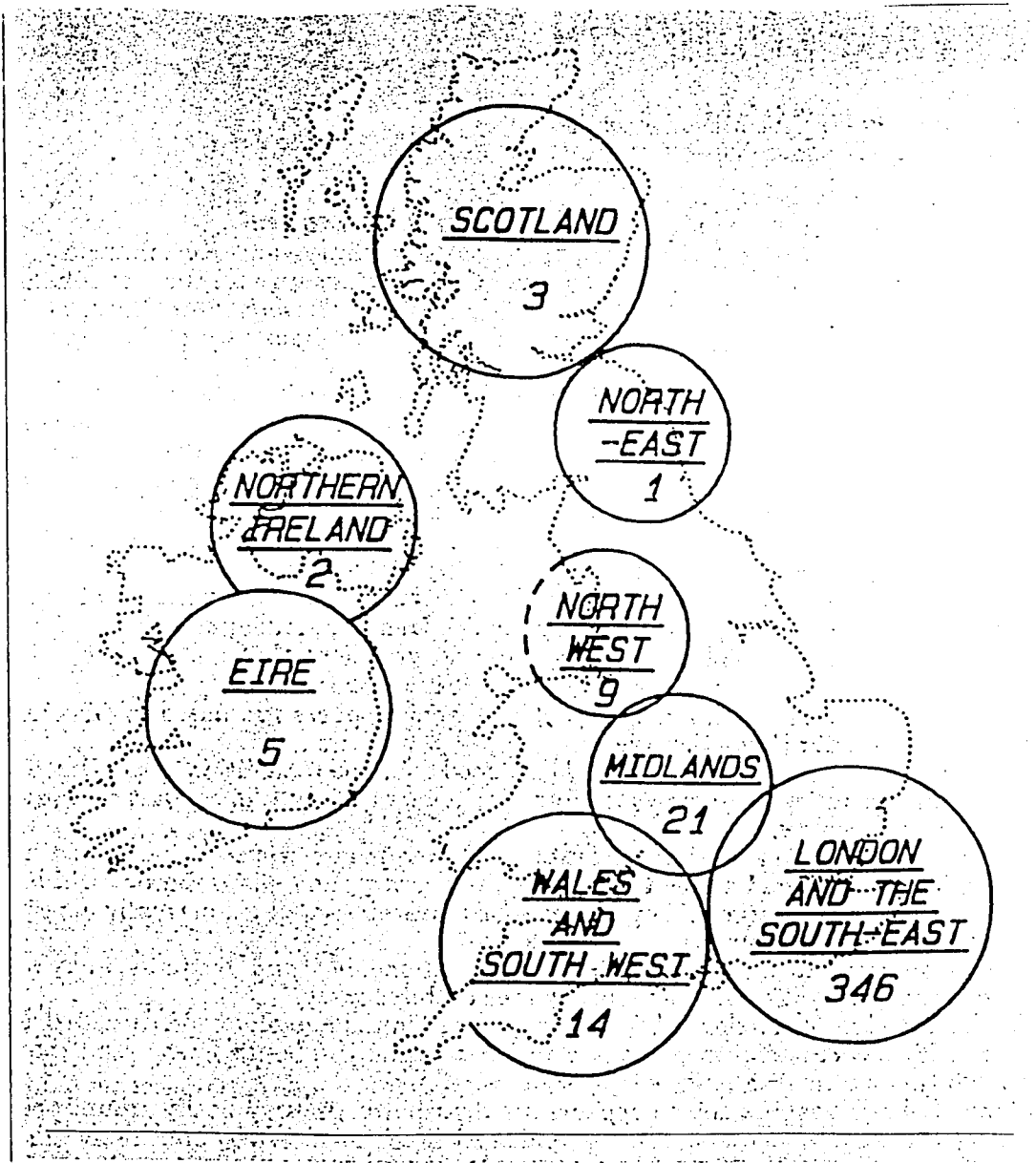


Figure 2-3

Geographical dispersion of the UK market research industry

Source: Goodyear, J.R., (1989) "The structure of the British market research industry"

Table 2-1

Performance of the top 20 UK market research agencies

| Rank order by turnover (UK only) | 1988 turnover £000s | 1987 turnover £000s | Change in turnover % |
|-------------------------------------|---------------------------|---------------------------|----------------------------|
| 1. AGB Research (inc ASL & RSGB) | 36,643 | 33,298 | +10.0 |
| 2. Nielsen Marketing Research | 26,185 | 22,077 | +18.6 |
| 3. Research International UK Group | 17,020 | 15,154 | +12.3 |
| 4. Taylor Nelson/M&S Group | 16,442 | 14,581 | +12.8 |
| 5. NOP Group (inc SRA) | 13,443 | 12,472 | +7.8 |
| 6. Millward Brown | 13,328 | 10,244 | +30.1 |
| 7. MIL Research Group | 12,500 | 11,200 | +11.6 |
| 8. MRB Group | 11,788 | 9,426 | +25.1 |
| 9. Research Services | 7,450 | NA | NA |
| 10. Research Business Group | 7,020 | 3,526 | +99.1 |
| 11. MORI | 5,379 | 4,843 | +11.1 |
| 12. Harris Research Centre | 4,755 | 4,888 | -2.7 |
| 13. The MBL Group | 4,739 | 4,429 | +7.0 |
| 14. Gordon Simmons Research Group | 4,061 | 3,521 | +15.3 |
| 15. Social Surveys (Gallup Poll) | 3,361 | 3,300 | +1.8 |
| 16. Burke Marketing Research | 3,140 | NA | NA |
| 17. Public Attitude Surveys (PAS) | 3,002 | 2,834 | +5.9 |
| 18. Martin Hamblin Research | 2,925 | 2,345 | +24.7 |
| 19. Research & Auditing Services | 2,633 | 2,426 | +8.5 |
| 20. Communication Research | 2,270 | 1,705 | +33.1 |

Source: Goodyear, J.R., (1989) "The structure of the British market research industry"

Table 2-2

The total share of market research expenditure of GDP in EC countries

| | Market Research Expenditure % | Advertising ² Expenditure ² % | Gross Domestic Product % | Population % |
|----------------|--|---|-----------------------------------|-----------------|
| United Kingdom | 23 | 21 | 17 | 17 |
| Germany | 23 | 23 ¹ | 26 | 23 |
| France | 23 | 17 | 20 | 16 |
| Italy | 12 | 12 | 17 | 17 |
| Spain | 6 | 15 | 7 | 11 |
| Netherlands | 6 | 5 | 5 | 4 |
| Belgium | 3 | 2 | 3 | 3 |
| Denmark | 1 | 3 | 2 | 1 |
| Portugal | 1 | 1 | 1 | 3 |
| Greece | 1 | 1 | 1 | 3 |
| Ireland | 1 | 1 | 1 | 1 |
| Luxembourg | * | na | * | * |
| | 100 | 100 | 100 | 100 |

* less than 0.5%

¹ excluding East Germany

² 1990 statistics were used

Source: ESOMAR, Doc E7c, September 1992, see p 6

Table 2-3

Growth of number of market research agencies in the UK

| | Organisations | Individuals/Consultants |
|------|---------------|-------------------------|
| 1980 | 181 | * |
| 1985 | 251 | * |
| 1990 | 375 | 48 |
| 1992 | 382 | 66 |
| 1993 | 386 | 75 |

* Not listed at that time

Sources: MRS Yearbooks 1980, 1985, 1990, 1992 and 1993

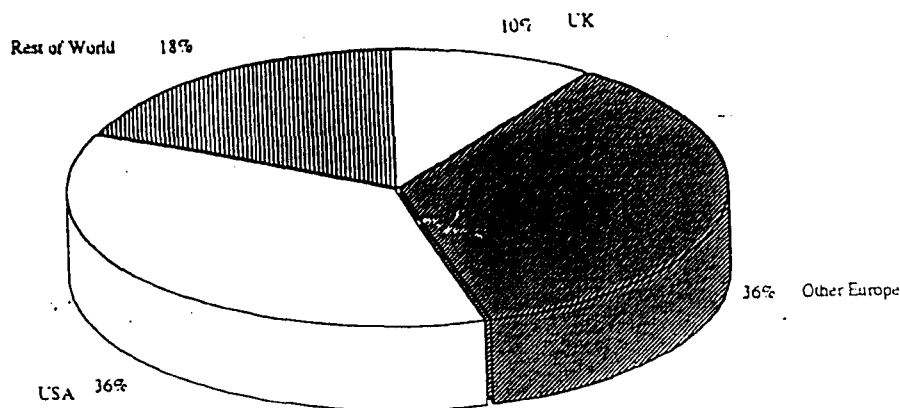


Figure 2-4

World expenditure on market research

Source: Bowels, T., (1991), "Issues facing the UK research industry"

Table 2-4

Contribution of various sectors to GDP in some European countries

| Country \ Sector | UK% | France% | Germany% | Spain% | Italy% |
|------------------|------|---------|----------|--------|--------|
| Agriculture | 1.4 | 3.6 | 1.5 | 5.1 | 3.8 |
| Manufacturing | 23.7 | 22 | 33 | 27 | 23 |
| Other industry | 12 | 10.1 | 9.7 | 10.4 | 11.5 |
| services | 62.9 | 64.3 | 58.8 | 57.5 | 61.7 |

Source: The Economist Book of Vital World Statistics, Hutchinson, 1990

in: Callingham, M. and Smith, G., (1994), "Quality come to the market research world: Just in time or just too late?"

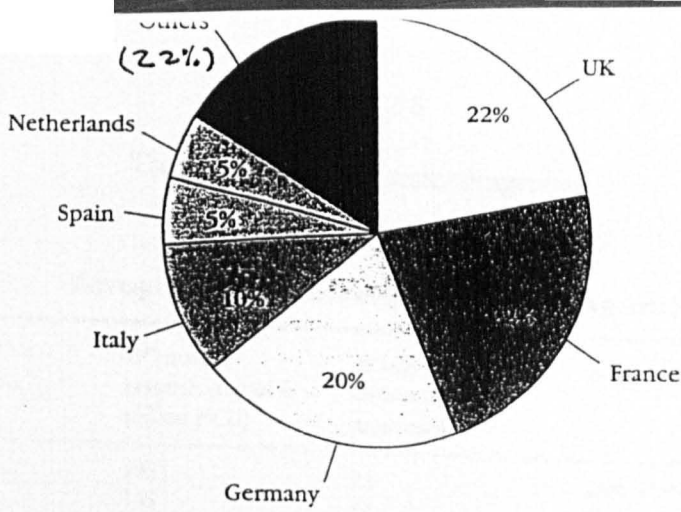
Table 2-5

Rate of growth in service sector in some European countries

| Country \ Time Period | 1980-1988 | 1965-1980 |
|-----------------------|-----------|-----------|
| UK | 1.14 | 1.05 |
| France | 1.47 | 1.07 |
| Germany | 1.71 | 1.12 |
| Spain | 1.08 | .89 |

Source: The Economist Book of Vital World Statistics, Hutchinson, 1990

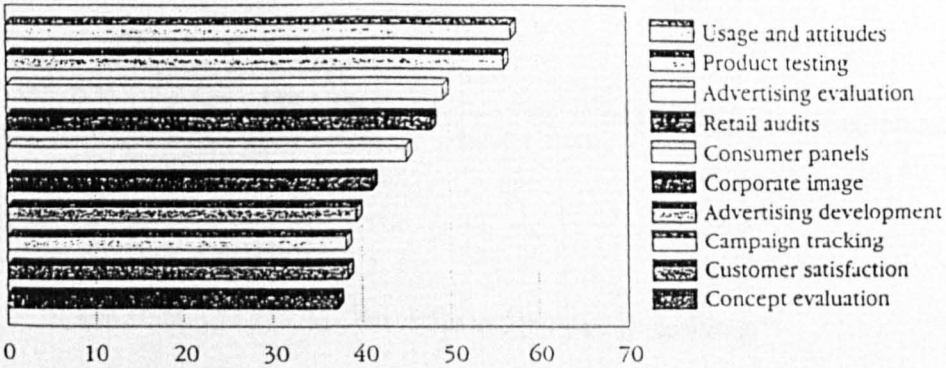
in: Callingham, M. and Smith, G., (1994), "Quality come to the market research world: Just in time or just too late?"



European market research markets, 1990 (total is approximately 2474 million ECUs). *Source:* OOSTREEN, J. and J. WOUTERS (1991) *The ESOMAR Annual Market Study, Marketing and Research Today*, November, 215. Reprinted with kind permission from Elsevier Science Ltd, The Boulevard, Langford Lane, Kidlington, OX5 1GB, UK

Figure 2-5

The European market for market research



The application of market research. *Source:* European Society for Opinion and Marketing Research, 1990

Figure 2-6

Most popular product lines of the European market research industry

Source: Jobber, D., (1995), "Principles and practice of marketing"

Table 2-6

The top ten EC market research agencies

Europe's top marketing research agencies

| Research Company | EC market research (turnover million ECU) | EC countries with office (inc. associates) | Acquired by/merged with |
|------------------------|---|--|--|
| Nielsen | 293 | 11 | Dun & Bradstreet, USA |
| IMS | 135 | 11 | Dun & Bradstreet, USA |
| GfK | 118 | 7 | No change (public association), |
| AGB | 113 | 10 | Maxwell Foundation, UK, 1988 (acquired AGB Research) Went private 1990 |
| Research International | 68 | 10 | The Ogilvy Group, USA, 1987 WPP Group (acquired TOG), UK, 1989 |
| Infratest Burke | 63 | 5 | Infratest (acquired Burke in Europe), 1980 (Infratest is private corporation) Proposed merger with Inter/View (NL) abandoned, 1988 |
| SOFRES | 58 | 5 | No change (SEMA Group) |
| Cecodis | 54 | 3 | No change (closely held corporation) |
| MAI | 52 | 3 | Acquired NOP & MIL, UK, 1989 |
| Millward Brown | 31 | 2 | WPP Group, UK, 1989 |

Source: OOSTVEEN, J. and J. WOUTERS (1991) The ESOMAR Annual Market Study, *Marketing and Research Today*, November, 217. Reproduced with kind permission of Elsevier Science Ltd

Source: Jobber, D., (1995), "Principles and practice of marketing"

in the UK according to Callingham and Smith (1994) had gone through two distinct phases in which it has considered very seriously the issue of quality. The first of these quality phases was concerned with the basic core values of the quality features of the final product, i.e., the final research report in terms of completeness, accuracy, presentation and cost-effectiveness. The second quality phase, currently in full force, is concerned with the middle ring of the market research process which is about delivery of the product and is driven primarily by a need to compete in a difficult market, in which buyers of market research are more value conscious.

The continuing move toward one large European market creates further pressure to address the quality issue in the UK market research industry. With the approach of the economic unification of Europe, many in the market research industry are calling for a uniform set of quality standards and collective objectives (Weitz 1989). As indicated earlier, examples of support for such uniformity of quality can be found in the UK's interviewer quality control scheme (IQCS). It is a separately constituted organization in which all member companies-including the major market research firms in the UK-conform to the same minimum standards of quality with regard to training, supervision, and back-checking of interviewers. The unique aspect of the IQCS is that each member company is visited annually by an independent inspector who makes sure that standards are being upheld in such areas as fieldwork, telephone interviewing, group recruiting, hall tests, retail audits and executive and depth interviewing. It is hoped that the work of such organizations will extend to all other areas of the market research process.

So, it is increasingly believed that a common quality control standard for Europe would both boost the quality image of the market research profession and give client companies a set of uniform criteria for selecting a market research agency in a given country (Weitz 1989). Accordingly, facing up to the quality challenge in the UK market research industry is becoming more of a necessity than a choice if the industry as a whole wishes to survive and flourish in contemporary world and local markets.

2.3.2 The technology challenge:

The advent of increasingly advanced information and other technologies to the area of marketing research has revolutionized the market research industry. These technological breakthroughs have had a significant impact on both quantity and quality of information produced. It should be noted however that such innovative technologies were not confined to "hardware" technologies which affect how marketing information is processed and produced (e.g. DSS, expert systems and neural networks). Software intellectual technologies are constantly introduced in areas such as the assessment of the information needs of potential users, data collection, presentation and dissemination of research findings within client organizations. The UK market research industry has to keep up with such a technological challenge if it wishes to remain competitive and market-oriented since these technologies play a major role in the

industry's quest for higher quality. Three major technological innovations will be mentioned as examples of the size of challenge such innovations put on the shoulders of the market research industry.

First, Desk market research which is not dependent on rigorously collecting and interpreting hard data but on the market research agency's own entrepreneurial ability is a growing sector of the market research industry as a an emerging type of intellectual technology. Examples of such types of research are anticipating the future new products in the industry, predicting competitors' actions and reactions and estimating possible macro changes in the attitudes of customers in the long term. The growing need for this type of research stems from: 1) increased demand for business intelligence, 2) deterioration of government statistical services, and 3) emphasis on original research. Particular areas in which this specialist type of market research is in demand are finance, retailing, food, and leisure (Dawson 1989). Desk market research companies are moving toward providing a consultancy and becoming full-service marketing research agencies. In addition, client demand is becoming more sophisticated and of a higher standard. They are also looking for further sources of information and for help in interpreting what the information means for them and their competitors. There is a general feeling, for example, that UK clients do not realize the full implications of European unity and are slow in knowing what sort of information to ask for and in understanding the relevant information (Dawson 1989). This should place an extra burden on the shoulders of desk market research in helping clients identify and anticipate their present and future information needs, i.e., they need to be more strategic in their production approach.

Second, technology now allows researchers to quantify and analyze almost any human activity, greatly broadening marketing research's usefulness. Computer-assisted telephone interviewing allows the input of data into terminals as it is received. Viewdata technology enables polls to be relayed instantly into companies' networks. There has been a huge growth in data collected and kept in-house by companies. Industry, commerce, and government increasingly recognize the value of marketing research. Massive world-wide statistics are complemented by researcher education in marketing, psychology, and related fields. One example of the impact of such technologies in finding new uses for research is as a personnel and communications tool, with employees polled to determine gaps in communication and to quantify the relationship between employees and their company. Another example is that marketing research can also be used to determine the effects of an advertisement before it appears in public (Underwood 1987). Third, microprocessors are becoming dominant in handling information. This has placed enormous computer power at everyone's fingertips. It is predicted that by the late 1990's most chief executives can be expected to have lap-top computers giving access to a set of linked databases embracing areas such as campaigns for products-services and promotional events designed to initiate inquiries, which will enable more precise business generation strategies to be devised. In addition to that, computer databases of questions will become the norm and will significantly speed up the art of questionnaire design. The delivery of survey

results is likely to move toward providing clients with the complete dataset and a self-contained tabulation system. The capacity to assess the quality of data through computer methods will enable present quality control activities to be more sharply focused (Roughton 1992).

2.3.3 Professionalism (People Challenge)

There are strong grounds for arguing that the personnel employed by market research agencies are the most valuable resource and influential asset these agencies have. There are several reasons for supporting this claim. First, it is those people that make the impact of using advanced technologies visible in terms of the efficiency and effectiveness of the market research process. In other words, the same technology can produce fruitful or disastrous results depending on who uses it. Second, it is the way those people carry out market research task that results in a certain perception among research clients of the firm as that of a high or low quality. In market research, quality is not simply technical but it is rather a highly personalized judgmental service which lends its customer-contact employees a central role in building the quality image of their organization. Third, there are certain vital tasks in the market research process that, to date, can only be performed by humans without any possible replacement in the foreseeable future.

The skilful and professional pursuit of these tasks should guarantee the success of the market research process as a whole. Two apparent examples of such tasks are identifying information needs of possible users and communicating and selling out the final report to a client organization's management and users.

Due to these reasons and previously noted pressures coming from increasing demand for quality, more fierce competition and escalating pace of technological innovation, there is a growing trend in the industry toward building a professional status through soliciting, attracting and retaining the most qualified personnel. However, it is evident from the literature that such trend is being hindered by a number of challenges.

For example, Thomas (1990) argued that the UK market research industry is losing its most precious resource: the field worker. According to the British Market Research Bureau (BMRB) and the Qualitative Workshop (QW), field workers are mostly women who work part-time. The average gross hourly wage for an interviewer in Greater London is £3.93 and 81% of workers leaving between 1980 and 1990 said that better pay would encourage them to stay. The Inland Revenue further complicated the situation when it ruled in 1988 that field workers earning above a certain amount could no longer be deemed self-employed. Market research firms claim that there are complicated factors in raising wages for the field workers. For example, clients are afraid larger research firms will raise prices and profits and even if the clients are sympathetic, they too are under pressure from their own markets because of the recession. Other reasons for the problem as expressed by the field workers themselves involve lack of improvements in motivation, feedback and quality of work life.

In support of the same argument for the troubled labour market of the market research industry, a study conducted by Turtle and Katryniak (1992) has shown that the image of market research firms as employers is not very attractive to career seekers. They examined the attitudes of recent graduates towards market research as a career. Nine group discussions were held with quantitative research executives in three large, full-service research agencies. Additionally, an analysis was made of 408 application forms received by one of those agencies. The evidence has shown that there was a slight preponderance of female applicants and this ratio was either maintained or increased at each stage of selection. Subject of degree appeared to make very little difference to an applicant's chance of success. Most notably, only one in three attending the preliminary selection boards claimed that market research was the first choice of career. The majority had not seriously considered market research until they finished their final exams and needed to find employment. Many perceived the market research work as being almost entirely cerebral or an extension of academic life. The consensus from the groups was that the career they have begun in market research was potentially very rewarding, but at present the rewards were yet to be realized.

These two studies suggest that the industry is facing a serious challenge in terms of staff recruitment and retention if it wants to remain competitive in terms of quality. In order to meet this serious challenge, it can be argued that the industry, collectively, must start an effective programme to promote itself, not to its clients, but to its targeted potential employees. The industry must create its image in the labour market as a promising industry offering a wide variety of rewarding career opportunities that can satisfy the economic and psychological aspirations of highly qualified career seekers. Once such people are employed, they need to be retained through the adoption of appropriate motivation, training, and performance appraisal policies.

2.3.4 The competition challenge

There are suggestions in the literature, as mentioned in chapter one, that many American and British companies (especially larger ones) are leaning more and more towards outsourcing, (i.e., relying on external rather than internal suppliers) in managing their information systems and delivering their information needs particularly in the area of marketing research (Brabaa & Zaltman 1991, Laing 1996, Freeman 1996). On the other hand, there is conflicting evidence indicating that an increasing number of companies are expanding their internal marketing information systems and in-house marketing research departments at the expense of diminishing the external market research budget (Higby & Farah 1991 and Proctor 1996). This mixed evidence indicates that there is a growing competition between external and internal marketing research as two almost perfect substitute sources of marketing information. A number of factors are suggested by American studies (Sinkula 1990 and Barabaa & Zaltman 1991) as influencing

the decision to choose between using internal or external marketing research including: 1) Existence of an in-house market research department, 2) The kind of expertise needed for certain types of marketing research projects, 3) Requirements of a third party (e.g. a lending agency), 4) Cost effectiveness, and 5) Degree of objectivity required. This increasing competition can be said to represent a challenge to UK market research industry to excel in, and sell out its distinctive competencies in all these areas to its present and potential customers.

2.3.5 Marketing research and the crisis in marketing (the role challenge)

The perceived role of marketing research in achieving corporate objectives (particularly marketing) is not only being changed and transformed on the conceptual level as indicated in chapter three but on the practical level as well. Marketing research is increasingly thought of by marketing managers as an active player in making things happen. Dwek (1994) argues that the 1990's are witnessing a return of the market research industry to its roots as a change catalyst. This is why market research departments and external market research agencies are being given a new level of autonomy and responsibility for marketing strategy.

According to Freeling (1994) this recognition of the critical role of marketing research is due to the common belief that marketing research has a lot to offer to help marketing overcome its crisis as a functional area. Chief executives both in the USA and Europe have major frustrations with their marketing staff, especially managers. They believe that marketers no longer have a sufficiently deep or holistic understanding of the consumer or the economics of business or of different channels of distribution and in consequence they initiate marketing campaigns that reduce rather than increase profits.

In a number of cases, marketers have lost so much credibility that chief executives would not trust them with anything as important as the brand. Marketing will need to adopt both a broader and a deeper perspective in order to meet the challenge. Marketers should think about the industry as profit chain rather than concentrating purely on demand and market share. The concept of surplus can be viewed as an extension of the economic concept of the total profit in an industry, including elements such as manufacturers, their suppliers, and their distribution channels. The goal of the marketing activity within modern organizations should be to build the company's surplus. The specific objective will vary according to a wide range of strategic considerations (Freeling 1994).

In order for marketing research to aid marketers in rising up to this role, it should assume two challenging roles (Freeling 1994 and Birn 1994):

- **Decision support role**

In this backroom role, the increasing need for new, integrated decision support will provide a major opportunity for marketing researchers to move from "thinkers" to "doers". They will need, nevertheless, to change their working approach to achieve this. In particular, this could involve embracing the higher mission of decision support by developing skills beyond pure marketing research to market analysis providing more insightful diagnoses of the markets. This means that market research may be outsourced and partnerships with high quality research agencies will become the norm. Research designers will need to move much more proactively towards providing decision support.

- **Technical "front room" integrator role**

Of the new roles, the "front room" role of marketing technicians will emerge-e.g., pricing specialist, and advertising effectiveness specialists-with responsibility for leading teams and making decisions in their area of expertise thus moving out of the backroom and becoming the line marketing technicians of the future. To do this would require marketing researchers with an entirely different mindset. For example, they would need to move from reporting research results to recommending integrated business solutions. They will need to adopt a top management perspective through having the ability to influence people and decisions as well as making decisions by themselves and to personify and promote values of continual learning and improvement. To achieve this, market research agencies must be less driven by the purity of research techniques and more concerned to adopt a flexible customized approach, balancing the technical with the practical. They would need to move from a focus on the %95confidence interval to the 80% right directional recommendation. Many marketing researchers would need to be trained how to move from being "loners" to becoming "team players".

Meeting the expected role challenge involves facing challenges in the previously four mentioned areas of quality, technology, human development and competition.

2.4 Implications for the utilization of marketing research information

It is evident that the "golden era" of rapid growth in the market research industry and increasing expansion of organizational resources devoted to market research during the 1970's and 1980's has come to an end. Various explanations can be presented to justify such decline in the growth in spending on marketing information such as recession, excessive supply and idle capacity due to the relatively easy entry to the market research industry in the past two decades. At the same time as previously noted, outsourcing is growing which might indicate that utilization of external marketing research information is growing but not at such a high rate as previously.

Though, these explanations seem to bear acceptable elements of rational justification, there is, arguably, another reason that can more powerfully explain the alleged relatively slow growing level of utilization and that is directly related to the current challenges facing the UK market research industry. It might be argued that the major factor underlying the present level of utilizing marketing research information is that the UK market research industry is not perceived by its customers as producing the kind of marketing information that is appropriate for fulfilling their information needs. This view is supported by the fact that this low level of demand and, supposedly, utilization is accompanied by two phenomena that are inconsistent. First, there is an increasing awareness of the strategic and central role marketing research can pursue in building and sustaining marketing competitiveness and market orientation in rapidly changing and fiercely competitive environments. Second, there is an expansion in installation of modern information systems like DSS, expert systems and neural networks in marketing departments which pinpoints the apparent feeling among some marketing decision makers that they need to know more about their markets and even their own organizations. However, it is observable that most of these systems are not being operated by, or under the control of marketing research departments or external agencies (Hoggan 1991). These suggest that despite the perception among marketing managers that they need more information and that they are seeking it, they are dissatisfied with the packages of information services offered by the UK market research industry which is reflected in two symptoms. First, a low growth in demand for marketing research information and second, resorting to other information systems to bridge this information gap. This implies that there is a tendency among marketing managers to increase their level of utilization, but the nature of this utilization is changing.

The type of utilization pursued by marketing managers is one that is more sophisticated in order to conform with the complicated nature of their operating environments. This explains why demand for marketing research information is becoming more and more value-added seeking and quality-sensitive than ever before. Accordingly, the higher levels of utilization are conditional on generating marketing research information that conforms with the level of sophistication, quality and value required by information users. It can be argued that all the previously mentioned trends and challenges prevailing in the UK market research industry came as a response to the uncompetitive image of the industry. As will be argued in the proposed model, the most significant variable the UK market research industry as a marketing information producer, has is the bond of trust it can build and maintain with its customers so that they can rely on it in something that is as serious as knowing their markets for the sake of deciding on their future courses of action.

Table 2-7 shows how each of these challenges when met can help in building such a trusting relationship between the industry and its market so as to further the level of utilizing marketing research information.

Table 2-7
The role of current challenges facing the UK market research industry in increasing marketing research information utilization

| Current challenges | Role in increasing level of marketing research information utilization |
|---------------------------|--|
| The quality challenge | The market research industry is becoming more interested in focusing on the final phase of the quality process which is how the final research report is being used in the client organization (i.e., after-sale service). This should lead to high quality marketing research in its broadest sense which should encourage all three types of utilization (that will be later discussed) due to the user's trust that the final report would help him or her to achieve his or her goals sought from utilization. |
| The technology challenge | Well-devised technology used in producing marketing research information makes information users trust the technical and functional quality of the research. Thus, leading to behavioural outcomes which will result in, possibly, direct utilization of the research report. |
| The people challenge | If the individual marketing researcher is competent enough in conveying the image of his organization as professionally neutral and decision-support which is the doornail in creating belief outcome of trust which will be later argued to be more likely to produce a higher level of utilization and repeat business with the well-staffed market research agencies. |
| The role challenge | The more realistically, the market research agency realizes its roles as expected and acceptable by potential users and strive to pursue them deliberately, the more effective it should be able to get its research findings across the client organization and its recommendations implemented (i.e., utilized). |
| The competition challenge | The market research industry must be able to distinguish itself from other substitute sources of marketing information, especially in-house marketing research, through excelling in its competitive advantages and distinctive competencies in terms of objectivity, cost effectiveness, technological and intellectual sophistication and rigor. |

2.5 Conclusions

This chapter has tried to show the importance of pursuing further research into the utilization of external marketing research information through demonstrating the importance of its institutional context, i.e., the UK market research industry in three main aspects. First the industry size and the amount of resources invested in the output of such industry making it one of the largest in Europe and the rest of the world which makes the efficient and effective utilization of its output quite crucial to the competitiveness of British companies. Second, the serious challenges facing the industry and its need to live up to such challenges if its to be useful in establishing and sustaining a real market-oriented British industry through making the use of information a core component of this orientation. Third, the importance of studying the demand side of the industry (since the supply side has traditionally received more attention) in order to help the industry to assume the important roles it can play in boosting the organizational effectiveness of British companies if such roles are properly conceived and practised through informing the industry that it is expected to play these roles by its present and potential customers. The importance of studying the utilization side of the market research industry is best expressed by Kohli and Maltz (1996, p.47) as they argue:

“A key motivation for these studies (on utilization) is that organizations often fail to use the market knowledge readily available to them. This issue is likely to assume even greater importance, because competing organizations increasingly have access to the same market intelligence. Thus, competitive advantage increasingly lies in a firm’s ability to use market intelligence not in its access to market intelligence”.

Having outlined the practical importance of the topic of marketing research information utilization, the next chapter will be devoted to demonstrating its academic and managerial importance in the marketing area.

CHAPTER THREE

Importance of studying marketing information utilization to marketing theory and practice

3.1 Introduction

An important dimension of the practical importance of studying the topic of marketing research information utilization was highlighted in the previous chapter through showing the importance of its institutional context, i.e., the UK market research industry and the need for British companies to make the most of the output of such an important industry. In addition to that, before going through the conceptual phases of defining, measuring, identifying determinants of, and modelling the process of marketing information utilization, it might be useful to have an appreciation of its scientific and managerial importance and its central place in modern marketing thought. This will be achieved by discussing how the study of marketing information utilization can contribute significantly to marketing theory and practice. This is mainly because although the importance of researching the topic has been highlighted several times, it has not been examined and demonstrated in adequate depth or detail. It is important for such in-depth examination to be pursued in order to reveal the potential contributions of further research in the area to marketing theory and practice. Hence, this chapter is devoted in the main to exploring in some detail why the utilization of marketing information deserves a thorough theoretical and empirical analysis.

A further aim of this chapter is to demonstrate the multidimensional nature of the issue of marketing information utilization through showing its implicit and explicit interrelationships with a number of different areas in marketing theory and practice. As will become evident through the chapter, the phenomenon of marketing information utilization is not a merely functional (e.g. marketing budget) or philosophically interpretative (e.g. marketing as an exchange process) problem. Marketing information utilization can not, and should not be looked at in the framework of marketing as a unidimensional phenomenon comprising one aspect of marketing as a business activity or academic discipline. As will be illustrated, marketing information utilization, being a multidimensional marketing practice involving functional, rational, social and philosophical issues, thus implying that if properly conceptualized it can be useful to a wide range of areas in marketing theory and practice.

The chapter begins by examining the academic case for studying the phenomenon of marketing information utilization. After that a number of aspects of marketing that are thought to benefit most from research into information utilization will be examined in some detail. Such aspects will include a range of issues in marketing theory and practice. These include suggesting how research into marketing information utilization could boost pragmatic and normative philosophies of marketing knowledge, improve organizational learning, interact with organizational culture, develop research into marketing politics and ethics, broaden the area of marketing information economics, highlight the informational

dimensions of managing the marketing mix, and marketing control system. Finally, the chapter will end with a concluding note of the theoretical and practical promise of the issue.

3.2 Importance of marketing information utilization

An indicator of the importance of the topic of marketing information utilization can be obtained from the fact that The American Marketing Association (AMA) in 1988 formed a special task force to explore how marketing information is developed, disseminated and utilized. The task force report discussed all sources of marketing knowledge, emphasizing academic knowledge, and then examined the role of marketing doctoral programmes, academically reviewed journals, and career paths of marketing academics in enhancing or diminishing the development, dissemination and utilization of marketing information. The AMA in its assignment letter to the task force made it clear that it is the way marketing knowledge is developed, disseminated and utilized that will pave or block the way of marketing as an actively-rewarding social discipline (AMA Task Force 1988).

Similarly, the Marketing Science Institute (MSI), in its recent compilation of the ten research priorities for the 1990's listed "Improving the utilization of market information" at the very top (MSI 1990). The implicit reason given for this top ranking priority was the need to increase the recognition of marketing as an applied science. In further support of these efforts, Kohli and Jaworski (1990), described the organizationwide generation, dissemination of, and responsiveness to market intelligence as the critical elements of market orientation which in turn is a determinant of organizational performance. In effect, they argued the whole essence of market orientation is information-based (Houston 1986). This is mainly because, in their opinion, if market intelligence and marketing research-generated information are to play a critical role in a firm's quest to become more market-oriented, relevant information must be produced and communicated to the various departments and managers in the most appropriate form to enhance its use.

Menon and Varadarajan (1992) argued that better and effective use of marketing information is viewed as critical to being market oriented and to succeeding in an intensely competitive business environment, and that in the recent drive by corporations to become more competitive and more market oriented, utilizing market intelligence and marketing research-generated information has gained centre-stage status. This argument is supported by Glazer (1991) claiming that there is a major development in the evolution of business strategy, which is that in all cases the organization first puts in place an information technology infrastructure and then goes beyond the technology to view the management of information itself as an asset to gain competitive advantage. He further argues that despite the central theme that information is about to replace matter and energy as the primary resource of society, relatively little formal attention has been paid to the effect the information technology revolution on marketing theory and practice.

Though the previously cited studies address somewhat different issues and even sometimes different kinds of marketing information, it is not difficult to realize that all of them advocated that sound management of marketing information is central to marketing success in today's business environment, and that any real improvement in marketing as a science depends on improving the whole process of handling marketing information (i.e., searching, collecting, producing, disseminating, utilizing, and storing marketing information).

This high-profile view of marketing information will necessitate a radical change in the way the role of marketing research is perceived, studied and practised in business and research. From the researcher's point of view, as demonstrated by Blankenship and Breen (1993), there seems to be a common hidden logic underlying the highlighting of marketing information utilization and the changing role of the main generator of such information, i.e., marketing research. This logic seems to have evolved through the following sequence of reasoning:

1. The purpose of a business is to create and keep a customer. There can be no corporate strategy that is not in some fundamental fashion a marketing strategy and no purpose that does not respond to what people are willing to buy for a price. Accordingly, a marketing orientation and competitive advantages that are based on distinctive competencies in the conception and pursuit of marketing activities represent the only and inevitable way of corporate survival and growth (Levitt 1978).
2. In today's fast paced business environment, market information is an increasingly valuable asset. Today's companies are introducing more new products and services than ever before. They are switching markets more frequently and expanding into international markets. This means that to keep moving ahead, companies need wiser research supporting management planning and decision making than in the past.
3. There have been developments in research methods and information systems that have revolutionized the entire discipline of marketing research. These developments, such as decision support systems (DSS) and simulation can be used to produce and manage marketing information that is vital to more profitable marketing activity. This will lead to a realization that marketing and marketing research working together can greatly augment the economic strength of business.

4. In the past, marketing research has been viewed by many companies as an activity somewhat removed from the action of sales and marketing (i.e., a service department). Even by academics it was treated separately from the marketing mix scenario often without a clear explanation of its role. Marketing research was often called upon to measure the potential of proposed new products (often after the design had been completed and prototypes produced), to measure results, to solve day to day marketing problems, sometimes to help in planning and occasionally to point an unwelcome finger at those who committed mistakes that drained profits or created losses. The point is, marketing research spent most of its time involved in ex-post analysis, i.e., looking backward or, at best, at the present. Seldom, was it asked to look into the future and work with other marketing mechanisms to plan for future profits. This view finds its best reflection in Kotler's (1983, p.320) definition of marketing research as:

"The systematic design, collection, analysis and reporting of data and findings relevant to "specific" situation facing the company".

By contrast, the AMA offered a much broader, future-oriented and more comprehensive definition that indicated the changing role of marketing research in modern marketing (Bennet 1988, p.83):

"Marketing research links the consumer, customer and public to the marketer through "information". Information that is "used" to identify and define marketing opportunities and problems, generate, refine and evaluate marketing actions, monitor marketing performance and improve understanding of marketing as a process. Marketing research specifies the information required to address these issues, designs the methods for collecting information, manages and implements the data collection process, analyzes the results, and communicates the findings and their "implications" ".

It is this logic and the recent recognition of marketing research and information as the future of marketing that have granted the generation, communication and utilization of marketing information its central place in marketing orientation and competitiveness because this process, as indicated by the AMA definition, represents the backbone of market orientation and competitive advantage.

So, marketing research is, a continuing aspect of all areas of marketing providing timely and accurate information about specific and general marketing problems viewing past experience, the present situation and the probable future so that marketing managers can make effective and efficient decisions.

Having established the importance of the topic of marketing information utilization, the remaining sections of this chapter demonstrates the contribution of the subject to the understanding and pursuit of diverse areas of marketing theory and practice.

3.3 Marketing information utilization and the pragmatic and normative philosophies of marketing science

The systematic study of marketing information utilization can boost both the pragmatic and normative natures of marketing as a science. This is due to the fact that there are various types of utilization, each of which can make a substantial contribution to the generation and utilization of the different types of marketing knowledge which, in turn, will lead to reinforcing one or more dimension of marketing as a science. Fortunately, for the pragmatic and normative sides of marketing research, there are two corresponding types of utilization that are of real promise, i.e., instrumental and conceptual uses of marketing information. This corresponding relationship can be explained as follows:

1. The beginnings of marketing as a scientific area of inquiry suggested its potentials as an applied, problem-solving discipline that can handle real business problems. The philosophical origins of marketing lie in the historical German school of thought that dominated research at the universities of Harvard and Wisconsin, which embraced the first trials of rigorous marketing research in the early part of this century. This school is built on the principle that induction is the basic methodology of scientific inquiry to obtain verifiable, testable and reliable evidence or facts. This induction process rests entirely, as far as marketing science is concerned, on the accurate, enumerative, quantitative and statistically supported collection, analysis and interpretation of economic events, in order to describe the economic realm in a way that will help explain, predict, and hopefully manipulate this realm in the manner that conforms with the targeted research objectives (Jones & Monieson 1990). In other words, this school of thought was stressing the idea that theory can only be built through the rigorous induction of facts which is not preceded by any deduced theory. Despite this apparently pragmatic and applicability-biased start, there have been severe criticisms of marketing knowledge in recent years, arguing that marketing research is becoming more and more abstract, theoretical, and isolated from the real problems and challenges that marketing practitioners are striving to deal with (Garda 1988 & Webster 1988). To help marketing to get back to its pragmatic roots, instrumental use of

marketing information could provide part of the answer since, as will be clarified, instrumental use is a motivation for generating information systematically and rigorously as a complete response to actual practical problems and not to any anticipated or theoretically configured problems.

The direct application of research findings and conclusions to solve a policy problem is referred to as instrumental use. In other words, a problem exists and the solution depends on research filling the information gaps (Menon & Varadarajan 1992). In much of the research on knowledge utilization in the marketing discipline (e.g. Deshpande & Zaltman 1982, and John & Martin 1984), the term "research use" is employed in reference to instrumental use as will be shown in later chapters. Several examples of instrumental use can be cited as (Menon & Varadarajan 1992):

- When a decision to introduce a new product is based on marketing research findings and recommendations.
- Research studies that are sometimes intended as a basis for making major decisions within the organization and these decisions are explicit before the study is conducted. For example, the study findings may be used to decide whether a programme should be terminated, expanded, or completely overhauled, or as the basis for reviewing the policies of the organization with explicit alternatives in mind.
- Studies are sometimes conducted to culminate in a series of recommendations for specific changes in procedures, even though no major decision has been specified in advance. Examples of such studies are evaluation of the quality of service offered to customers and evaluation of the service programme so as to improve it.

It is clear that promoting this type of marketing information utilization will be fruitful to pragmatically-driven marketing research, since it concentrates on how to direct the marketing

research department and/or the marketing information system toward achieving specific marketing targets in meaningful terms, instead of just producing information without having a realistic outlook regarding its practical benefits. Thus, research in this area is relevant to practitioners as well as academics.

2. Deductive work in marketing aiming at building a conceptual foundation of basic research for marketing as a science came in a later stage (Anderson 1983, Peter & Olson 1983). It started out by examining how to make marketing more of a science than an art (e.g. Converse 1945, Bartels 1951, Hutchinson 1952, and Buzzel 1963). This was followed, afterwards, by the concern to find an agreed-upon definition of marketing and to set the boundaries of marketing as a discipline (Ferrell & Lucas 1987). In contemporary marketing thought, fully fledged deductive work or basic research is widespread in all areas. Examples of such areas are marketing services, product classification, market segmentation, and marketing information systems. Basic research in marketing has provided deductively configured models of marketing relationships that stimulated empirical testing and/or theoretical refinements. Nevertheless, basic research in marketing has received considerable criticism from two widely different views. First, some scholars have argued that basic research in marketing is a nice mental practice but it is naive and irrelevant to marketing practice (Webster 1988), and some of them, have even gone as far as to say that this type of research created a state of confusion, semantic conflict and indefinite boundaries in marketing literature that has an unfavourable impact on the identity, image and credibility of marketing as a science (Nichollas 1974). Second, by contrast, other scholars have complained that marketing research is turning into a "method" and "limited scope" science, i.e., using marketing research methods in very narrow and specific situations and thus harming the generalizability and universality of marketing knowledge and they called for intensive basic conceptual research in marketing (Hunt 1988, Arndt 1985, and Peter & Olson 1983).

Once again, there is a kind of marketing information utilization that has the potential to bridge the gap between these two extremes of view through proving the usefulness of basic research in marketing while ensuring its applicability. This type is the conceptual use of marketing information. Often, available research findings that are not directly applicable to a given situation or period in time tend to be used conceptually (Menon & Varadarajan 1992). Conceptual use of research results is indirect than instrumental use and can be considered as developing the managerial knowledge base (Beyer & Trice 1982). Such projects and studies commonly provide concepts, assumptions, models, and theories, which can enter into managers' orientations toward priorities, the manner in which they formulate problems, the range of solutions they convey, and the criteria of choice they apply. However, this process of use is subtle and indirect and therefore managers may not be able to identify specific effects or observe the influence (Menon&Varadarajan1992).

Examples of conceptual use of marketing information are (Menon & Varadarajan 1992):

- Where a project is conducted to evaluate certain organizational activities or programmes against an ideal or standard. These studies do not carry any recommendations. Examples of such information are quarterly reports of the customers served and services delivered.
- Projects and research studies are sometimes conducted to advance a general understanding of the organization and some of its processes (e.g.quality control process or customer service programme). Immediate decisions or policy changes are not expected, although improvement in the long term performance of the business is. An example of such a study is the development of an organizational model that attempts to predict and explain R&D/marketing interfaces. It seems clear that an increase in conceptual uses of marketing information can reinforce the position of basic research in marketing in two ways:

- It hints to practitioners that basic research not only contributes to the theory of marketing as a science but that it can also contribute to marketing practice through improving the mental skills, decision making skills and management style of marketing managers.
- It draws the attention of marketing theorists to the need for foresight when conducting basic research for the applicability dimension of that research and to demonstrate its possible conceptual uses.

It should be noted that there is no sharp delineation between the two types of utilization and the two types of research in marketing. The above analysis is based on common sense and general rules, but there can be instances of instrumental use of basic research (e.g. the use of a study that was not intended to recommend any changes in making a major policy alterations due to what it has revealed) and conceptual use of applied research (e.g. the use of an initially specific problem project to come up with general recommendations handling a common phenomenon discovered or implicitly improving the information search behaviour of involved managers). So, the examination of both types of use will individually and collectively boost the pragmatic and normative sides of marketing knowledge.

A final point that is related to the different philosophies governing the generation of marketing knowledge is the long term implications of such knowledge for the accumulated organization and individual experience and skills which is usually referred to as organizational learning and which will be handled in the following section.

3.4 The relationship between organizational learning and marketing information utilization

As will be explained, It can be argued that the study of marketing information utilization can enrich and improve theory and managerial awareness of the phenomenon of organizational learning in marketing since it is believed that the effective utilization of information represents the core substance of any individual and/or organizational learning.

The phenomenon of the learning and/or experience curve is not restricted to the area of production at the individual worker level. Organizations learn and what they know affects how they search, what they pay attention to, and how they interpret what they find (Sinkula 1994, Narver and Slater 1995). In their agenda setting article, Deshpande and Webster (1989, p14), said "It is time to move beyond structural explanations of marketing management of "what happens around here" to an understanding of "why things happen the way they do". More specifically, Deshpande and Webster proposed that a focus on organizations as cognitive entities centring on the concept of organizational memory, could prove to be an interesting way of understanding marketing knowledge development. Drawing on work in psychology, sociology, and organizational behaviour, Sinkula (1994) presented an organizational cognition perspective of market information use, framing its reasoning on the theory of organizational learning.

Organizational learning was addressed by Cyert and March (1963) as a process by which organizations as collectives learn through interaction with their environments. The organizational learning process is viewed as a cyclical one, in which "individuals" actions lead to organizational interactions with the environment, the environment responds, and environmental responses are interpreted by individuals who learn by updating their beliefs about cause-effect (i.e. action-response) relationships (Lee, Courtney, & O'Keefe 1992). Members of the organization share information, creating organizational memory in the form of shared beliefs, assumptions and norms (Argyris & Schon 1978). This organizational memory then guides individual and organizational actions. Individuals are fundamental to the development of organizational learning (Argyris & Schon 1978, p.20): "It follows both that there is no organizational learning without individual learning, and that individual learning is a necessary but insufficient condition for organizational learning". Despite their influence on organizational learning, individuals come and go and can have more (or less) knowledge than the organization. Organizational learning is the means by which knowledge is preserved so that it can be used by individuals other than its progenitor. Organizations must keep track of how they learn about markets. For marketing tasks in particular, in

charting the organizational learning curve, it is critical to note not only how much improvement takes place but how long it takes (Sinkula 1994).

After explaining the meaning of organizational learning, Sinkula (1994) mentioned five reasons that make market-based organizational learning unique in the creation of knowledge and different from other types of organizational learning:

1. It is a core competency pertaining to external foci and it is less visible than most internally focused organizational learning competencies (e.g. organizing work processes).
2. Market-directed organizational learning results in the fundamental bases of competitive advantage. Developing these bases of competitive advantage requires what Sinkula referred to as "higher-order learning".
3. Market-based organizational learning is distinct from other types of organizational learning in that the observation of others is essential, i.e., it is an open-minded inquiry relying on the ability and willingness to learn from the experiences of others including customers, competitors and channel partners (Day 1991).
4. The market information that resides in organizational memory is typically more difficult to access. Though productivity data and financial results are often readily accessible, customer loyalty, satisfaction, brand equity and image data traditionally have not been "placed" as effectively in retrievable memory. Only recently has information technology made it possible to store and retrieve details about marketing issues with the same level of efficiency that other functional areas of the firm have.

5. Market-based organizational learning is unique in that market-based information is more equivocal than other types of information (Daft & Huber 1987). Before an organization can act on the daunting volume of incomplete and flawed information on market trends and conditions unleashed by the inquiry activities it has to be interpreted (Day 1991). Interpreting market information is key to organizational learning.

Consequently, Sinkula (1994) set forth a hierarchy of organizational learning in marketing ascending from lower-order learning to higher-order learning as depicted in Figure 3-1.

After that he proposed a configuration of the relationship between organizational learning and what he called market information "processing" (i.e. utilization) based on its dependence on a number of independent variables which are organizational age and experience, information supply, information need, environmental change and level of organizational performance. Finally, Sinkula concluded (1994, p.43):

"Despite the considerable progress that has been made in understanding market information processing in the firm, marketing scholars appear to be seeking a deeper understanding of the forces behind the utilization of market research. A theory of market information processing grounded in organizational learning holds tremendous promise in accomplishing these ends. If we accept that the way an organization acquires, distributes, interprets and stores market information is tied fundamentally to the shared cognitions that constitute its memory, we can inaugurate whole new constructs and models of information processing, models that are premised on the sociology of organizations rather than on a pure structural functionalist perspective".

Sinkula's study and a similar one undertaken by Narver and Slater (1995) shows the substantial potential contributions that studying marketing information utilization can bring to the area of organizational learning in marketing. More precisely, studying utilization in relation to organizational learning could lead to building an integrated strategy for managing the intellectual capital within the organization. This would typically comprise the following policies:

- Adopting a policy of how best to attract and retain people with unique experiences and high managerial competencies within the organization, so that they can make significant additions to individual and organizational abilities (this might be an explanation of the generous

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| <p>7-Deuetro “How does the organization create knowledge and learn?”</p> <p>e.g.,Market researchers,brand managers and others examine the impact of organizational structure on the knowledge creation process in the firm.</p> |
| <p>6-Augmented “How should things be done?”</p> <p>e.g.,Market researchers join with brand managers to conduct analyses which result in the decentralization of the market research function.</p> |
| <p>5-Axiomatic “Why things are done the way they are?”</p> <p>e.g.,Overtime and perhaps unnecessarily,market research continues to acquire information because the organization takes stock in the marketing concept and considers itself “information-driven”.</p> |
| <p>4-Procedural “How things are actually done?”</p> <p>e.g.,Organizational members actually give greater attention to confirmatory research and avoid research which contains too many surprises.</p> |
| <p>3-Endorsed “What is the espoused way of doing things?”</p> <p>e.g.,When marketing research information is interpreted the “party line” which is to view both exploratory and confirmatory research equally objectively.</p> |
| <p>2-Episodic “What has been?”</p> <p>e.g.,Description of past sales,past causal relationships,and pheomena.</p> |
| <p>1-Dictionary “What is?”</p> <p>e.g.,Description of market segments,product movement and market semantics.</p> |



Figure 3-1 Sinkula’s Hierarchy of ascending levels of marketing knowledge

compensation packages offered to top corporate executives, particularly marketing vice presidents or directors).

- Establishing, strengthening and maintaining knowledge structures within the marketing area in organizations, that aim at structuring individual knowledge that is so pertinent and valuable to the organization, so that it can be used even in the absence of its originators. This policy can gradually lead to building a marketing expert system which comprises all rules of thumb, rational decision rules and conventional wisdoms which have been accumulated through time by exposure to different events and contributions of different individuals. This system will play the role of a knowledge base and organizational marketing memory that can make the decision making process in many marketing areas more structured and programmed, thus sparing marketing managers time and energy, while simultaneously guiding them, to be devoted to less-structured and non-recurring challenges and problems, i.e., promoting the principle of management by exception.
- Creating an organizational orientation and climate that is encouraging to marketing organizational learning in order to generate and renew the existing group of marketing experts and to offer what computerized expert systems and neural networks can not capture like human perception of, and responsiveness to changing conditions, creativity and innovativeness.
- Redefining and restructuring the marketing information system to allow it to include the various levels of inquiry necessary to get all types of marketing knowledge. Thus, fulfilling the hierarchy of learning as depicted in figure 3-1 and not just sticking to a certain type(s) of learning, and to include kinds of knowledge that was not considered before as marketing information like modern organizational breakthroughs and their implications to marketing decisions and environment.

3.5 The relationship between marketing information utilization and organizational culture

Organizational culture involves the shared beliefs, myths, meanings and accepted patterns of behaviour among organizational members, and it is used to guide the process of decision making and organizational communications. The processes of producing and utilizing marketing information involve a mutually causal relationship with organizational culture. Marketing information utilization is influenced by organizational culture (Deshpande & Webster 1989, Menon and Varadarajan 1992, Moorman 1995). Through utilizing marketing information, organizational members increase their knowledge about their organization and its environment. More importantly, obtaining such information helps organizational members to familiarise themselves with the established decision making style, management philosophy and sacred doctrines within the organization. Accordingly, the quality and orientation of this information can make a significant difference to the way in which new staff conceive organizational culture and may have an effective impact on existing staff. This can be attributed to the short and long term effects which the use of such information can have on the attitudes, beliefs and management styles of both groups of

organization members, hence, largely shaping their perceptions of the prevailing organizational culture and their managerial behaviour in response to it.

On the other hand, the way marketing information is solicited, produced, interpreted, used and stored, is largely affected by the beliefs shared among organizational members about the perceived quality, vitality and expected role of this information in decision making. Through its impact on organizational culture, marketing information utilization can play a significant role in improving three crucial marketing areas, namely marketing orientation and competitive advantage and quality of marketing decisions. However, since the relationship between organizational culture, utilization of marketing information and quality of marketing decisions were examined and reported by Moorman (1995), it will be left to be reviewed in greater detail in the literature review chapters and only the other two areas will be discussed immediately.

1. Kohli and Jaworski (1990) have conducted a comprehensive study relying on intensive literature review and a survey among marketing practitioners to come up with clearly-defined boundaries of the concept of market orientation. As mentioned earlier, they concluded that, market orientation consists of information-based behaviour involving generation, dissemination and responsiveness to marketing intelligence. They argued that this proposed definition of market orientation is the simplest way to trace the existence and degree of market orientation, through assessing the degree of intensity of these three activities. Though, it can be argued however that Kohli and Jaworski have confused the conceptualization of market orientation and its measurement. This is mainly because simply, using the way information is handled to measure the extent of pursuing market orientation does not mean that market orientation is reduced to a way of managing marketing intelligence, or it is like saying that a man or woman consists of his or her fingerprints because he or she can be identified by them. Nevertheless, their emphasis on the role of marketing information in building market orientation is certainly justified and important. In support for the role marketing information utilization can play in building a market orientation, Narver and Slater (1995) argued that a learning organization, with utilization of marketing information as one of its core competencies is more likely to be effectively and successfully market-oriented.

If market orientation is composed of its three traditional constituents (i.e., customer orientation, orientating employees toward customer satisfaction and profitability orientation), then marketing information utilization through its role in shaping the organizational culture can be of great value in building this orientation. Organizational culture should create a shared belief among all organizational members that their job whatever their respective position is to satisfy the target

customer in a profitable way and to direct their colleagues, subordinates and, if possible, their superiors in this direction.

2. **Marketing-based competitive advantage** means the ability of the organization to excel in its conduct of marketing activities so that, it can be superior to its rivals in satisfying its target market (Porter 1985). This excellence in dealing with the market can be created by comprehending and appropriately responding to information available about this market (Barabaa & Zaltman 1991), so that the competitive edge of the organization can lie in its image as the most sensitive to impulses from its target market. The only way to reach this sensitivity is having an organizational culture encouraging organizational members to recognize and anticipate needs and take appropriate action relying on an informed understanding of their market (Barney 1986).

So, further study of marketing information utilization will provide some insightful basis for understanding the complicated nature of the interaction between shared organizational cultural values, perceived organizational climate and responsiveness to marketing research activities which could hold considerable promise to better understanding and practice of vital marketing areas such as market orientation, competitive advantage and quality of marketing decisions.

3.6 Marketing information utilization and marketing politics and ethics

Although in practice, marketing is an area with significant political and ethical implications (Sinkula 1994, Brown & Ennew 1995, Deshpande & Webster 1989), marketing theory is less than adequate to circumscribe and explain political and ethical aspects of marketing practice (Sinkula 1994, Deshpande & Webster 1989). The study of marketing information utilization should allow for important political and ethical issues to emerge like information asymmetries, information-based power structures, and the use of research as a legitimizing tool to maintain the status quo and previously held dispositions. This will most probably shed some light on the intricacies of political uses, metaphorical meanings and hypocrisies in marketing practice. Fortunately there is a considerable scope for such type of analysis in the context of marketing information utilization through deeper and more deliberate examination of the third type of information utilization, which is the symbolic use.

While instrumental and conceptual use imply using research findings in a manner consistent with the intended purpose, research findings are sometimes distorted beyond their correct intent and used more symbolically (Menon & Varadarajan 1992). Research may be misused by taking conclusions out of their context and disclosing only those that confirm an executive's predetermined positions, or by oversimplifying findings, and/or by consciously ignoring any accompanying caveats or assumptions that may weaken the findings (Weiss 1977). Symbolic use could also be the partisan use of research findings

to legitimize and sustain previously held views. Research findings that are either distorted to justify actions taken for other reasons or are used selectively also signify symbolic use (Beyer & Trice 1982). Research findings may also be used to reinforce the commitment of one or more executives to a decision, reduce their uncertainties, persuade or neutralize critics, bolster supporters, shift responsibility to the "sometimes" politically acceptable shoulders of scientific research and legitimize decisions made on other grounds (Weiss & Bucavalas 1980). Some studies have already been conducted to show the political pursuit of marketing with special reference to the symbolic use of marketing research, such as:

- Brown and Ennew (1995) conducted a study to explore the political dimensions of the process of new product development. Through an in-depth analysis based on grounded theory of a case study they found that the prescribed formula for the success of new product development as delineated in theory was seemingly followed but not as a way for achieving corporate objectives, but as a "conventionally rational" camouflage of a pure political process. A part of this covert political undertaking was two marketing research studies that indicated poor chances for new product, but, nevertheless, the results (i.e., marketing information) were taken out of context and used as a rational justification for the launching of the new product. Brown and Ennew concluded (1994, p.12):

"This paper supports this view, (the possibility of political use of marketing tools), by illustrating how a select group of four individuals managed to render dominant its interpretation of key market research reports in order to further its interests through the careful selective use of information and myth-making. This has allowed us to recognize the extent to which the decisions to conduct market research were "symbolic" devices used in a "political" game to "legitimise" the team with respect to members of the holdings board".

- Brown (1994) has shown how the term "marketing" was used as a coverage of a political process to sell out the installation of a large-scale information technology system in a public hospital. The study proved how some marketing tools like niche marketing were used for pure political reasons to gain the support of each group of stakeholders through the introduction of a variety of packages of arguments tailored for each group. Once again, this was done to sustain the position of a certain group within the organization disregarding the true impact of the proposed system on the quality and cost of the services rendered.

As cited by Menon and Varadarajan (1992), several studies indicated that research may also be conducted for more covert and political reasons. Examples are:

1. Attempts to expand, maintain, undermine, or control the power of individuals or groups within the organization.
2. Efforts to produce compromise between warring factions.
3. Attempts to enhance prestige or displace blame.
4. Attempts to provide legitimacy for a decision that has been made but not announced, or to postpone a painful decision.

In addition to its political dimension, studying marketing information utilization can raise some very important ethical questions that can contribute to ethical research and practice in marketing, and marketing research in particular, (Murphy & Laczniak 1992A,B). Menon and Varadarajan (1992) hinted that because of the nature of the process of knowledge utilization in marketing, it can produce multifaceted ethical concerns. They mentioned two specific reasons for this ethical concern:

1. The process of knowledge utilization plays the role of an information linkage system within the firm and because of its potential for producing change, information can be controversial.
2. The process is political because it involves power relationships among the individuals and groups that are exposed to the information and those that are affected by the utilization of the information.

Therefore, in the final analysis, the knowledge utilization process involves the interplay of these various roles (i.e., instrumental, conceptual and symbolic) and the motivations and consequences of any knowledge use on the lives of the people within an organizational system. Hence Menon and Varadarajan recommended that efforts to study knowledge utilization should also focus on its ethical aspects.

It can be seen, without difficulty, how far studying marketing information utilization will contribute to our understanding of the political and ethical aspects of marketing practice. Such understanding should be useful in managing these aspects in the way that will reconcile individual aspirations with corporate goals, in a manner that does not ignore the realities of organizational conflicts and informal power structures, but at the same time, attempts to control and manipulate them in the direction of reconciliation.

3.7 Marketing information utilization and marketing information economics

Information is gaining increasing recognition as the most important asset, any modern organization could have. Looking at information as an asset has attracted the attention of accountants, economists, financial analysts and information specialists to measure the costs and revenues of this vital, yet difficult-to-assess and value, asset (Willcocks 1994). The increasing investment in management information systems, along with the emergence of information-driven companies and information-intensive industries has made the economic analysis and justification of information no longer a luxury but a necessity. In marketing, the picture is no different. In the last three decades, marketing research and marketing information systems have absorbed a significant portion of the marketing budget of many companies (Dodge et al 1982, Hanomishi 1981, and Glazer 1991).

Glazer (1991) conducted a comprehensive study on the state of the art of marketing information valuation. First, he demonstrated the importance of marketing information by claiming that the theoretical rationale for the explicit formal consideration of information and information technology by marketing scholars and managers is rooted in the generally accepted definition of marketing as the set of activities involved in the facilitation of exchange (e.g. Bagozzi 1975). As goods and services move along the value added chain (Porter 1985) from supplier to firm to distributor to consumer, increasingly a major component of exchange is the exchange of information. In that sense the value added chain can be viewed as a communication channel. After that, Glazer went on to argue that traditional attempts to measure the value of information have been inherently problematic, for clearly the construct is context-dependent and multidimensional. The formal or quantitative definition and measurement of information as that which reduces uncertainty or changes an individual's degree of belief (probability distribution) about the world has not provided the foundation for a practical measurement system in most applications, despite the fact that it appears to reflect our intuitive understanding of the proper role of information. As several observers have noted, the mathematical definition of information ignores any consideration of content, so that two "signals" that reduce uncertainty by the same amount (and are therefore equivalent) may have vastly different meanings to the receiver. Consequently, though measurement of any given stock of information in purely mathematical communication theoretic terms is straightforward, its use has been limited because measures of the meaning of the information to the relative users are ignored.

Finally, Glazer proposed a marketing transactions cost-benefit framework for valuing marketing information as follows:

1. Given the information, revenues from subsequent transactions are greater than what they otherwise would be (either because the number of future transactions is increased, e.g., through the ability to sell additional units or complementary products, or as a result of the ability to

command higher prices from future transactions, e.g., as a result of the ability to provide customized service).

2. Given the information, costs of subsequent transactions are lower than what they otherwise would be (e.g., through more efficient communications programmes or more economical distribution arrangements, inventory, delivery, etc.).
3. The information itself is marketed (e.g. sold to other firms).

Nevertheless, it seems clear that in spite of the precise definitions of information and its economic impact in Glazer's and his predecessors' work, there is a simple yet missing logic. Information becomes only of value when it is utilized by its intended user(s) and this value also varies to a great extent depending on the manner of utilization and its consequences. So, it is utilization that lends meaning, importance and economic value added to information. Accordingly, any valuation of information that ignores this logic, is lacking in sense, validity and reliability, since information is only of value when utilized. Otherwise if there is no revenue, information expenditures is merely a "sunk" cost. However, it should be noted that measuring the cost of producing information is not much of a problematic area, since existing cost accounting methods and techniques allow for a reasonably fair and accurate measurement of such costs. It is the measurement of the revenues or proceeds side of information that is problematic, controversial and to a large extent, subjective. This is due to the fact that most if not all of the benefits of information are intangible, indirect and of implicit economic value. This unpleasant fact is further complicated by the evidence that on most occasions information is not produced for direct use or specific purposes (i.e. instrumental) or to have a direct profound impact on one or more aspects of organizational effectiveness (Menon & Varadarajan 1992). Most of the time, the uses and influences of information are indirect and might only be observed on a rather long term basis.

Therefore, emphasis on measuring the utilization of marketing information can provide some more realistic and operational quantitative and qualitative basis for valuing information. This can be done through measuring all kinds of subjective and objective values of each type of use and its subsequent effects on individual and organizational effectiveness. Furthermore, aggregating across different sets of information can produce an estimate of the overall economic value added by information in the firm as a whole.

3.8 The impact of marketing information utilization on marketing mix and the process of marketing decision making

One of the ways to look at the marketing mix is to view it as a set of variables made available to, and controllable by the marketing manager to help him or her accomplish his or her objectives. In the light of this view, most of the marketing decisions are devoted to choosing the most appropriate form for each element in the marketing mix and the optimal blend of these elements collectively. These decisions should depend on information related to the marginal profitability and market sensitivity of each of the mix elements in order to reach the most efficient allocation of marketing resources among the mix components. Furthermore, there is another important area in marketing decision making, which is strategic decision making designating the direction of the firm's marketing orientation. Understanding the nature of the marketing system and the marketing environment is essential for this type of decision. By having a thorough knowledge of the factors that have a significant impact on the target market and the marketing mix, management can be proactive rather than reactive. A proactive management alters the marketing mix to fit newly emerging patterns in internal and external environment, whereas a reactive management waits for change to have a major impact on the firm before deciding to take action. Marketing information plays a key role in proactive management by anticipating changes in the market and consumer desires and then designing the marketing mix that matches those needs (Mcdaniel & Gates 1993).

Mcdaniel and Gates (1993) viewed marketing research and information as playing three functional roles to marketing management: descriptive, diagnostic, and predictive. In fact, another function may be added which is manipulative, as follows:

- The descriptive function includes gathering and presenting statements of fact. For example, what is the historic sales trend in the industry? what are consumers' attitudes toward a product and its advertising?
- The diagnostic function involves explaining marketing data. For example, what was the impact on sales when the design of the package was changed?
- The predictive function, is related to how can the researcher use the descriptive and diagnostic research to predict the results of a planned marketing decision.
- The manipulative function, refers to the use of research as an intended basis to recommend a course of action to deal with a predicted change. For example, how best can the company take advantage of the expected rise in demand? How can the company avoid the anticipated negative demand due to a new legislation?

Figure 3-2 depicts the role of marketing information in designing the marketing mix and in making crucial marketing decisions.

Studying marketing information utilization should help clarify and reinforce the integral ties between the marketing mix elements and their main supporting information system which is marketing research. By encouraging the utilization of information about each of these variables, better decisions that will shape the appropriate composition of the marketing mix components will be more efficiently made. Building this relatively missing link of causality between the various kinds of marketing research and the marketing mix in theory should create a richer understanding of, and deeper insights into the mechanisms governing the management of marketing mix in organizations.

On the other hand, it is evident that marketing information is one of the most powerful and influential inputs to marketing decision making (Glazer & Weiss 1993), both on strategic and tactical levels. Further investigation of how this information is actually incorporated in the process of marketing decision making, can aid in designing better criteria for making these decisions, arriving at more objective and measurable quality standards for such decisions and can aid in understanding how they can best be directed toward the attainment of marketing objectives in the long and short runs.

3.9 The impact of studying marketing information utilization on the area of marketing control

Research on the marketing control function is relatively scarce (Jaworski 1988), especially in conjunction with control of marketing information systems or assessment of marketing research performance. Research into the mechanism and outputs of the process of marketing information utilization will certainly provide some valuable guidelines for setting forth more realistic and positive control systems for marketing research. This might be of particular benefit in the following areas:

1. Setting criteria for evaluating the performance of the marketing information system and marketing managers. Most often, how marketing managers make use of available marketing information in making their decisions was not included in the process of their performance appraisal, though, this activity judges their abilities in taking advantage of one of the most valuable and often costly organizational resources. In addition, the measurement of utilization can be used as a criterion for judging how effectively the marketing information system is carrying out its communications job and how far it considers the needs of its customers, who are the marketing decision makers.
2. Examining marketing information utilization is most likely to increase the ability of the marketing control system in measuring dimensions that used to be out of reach such as

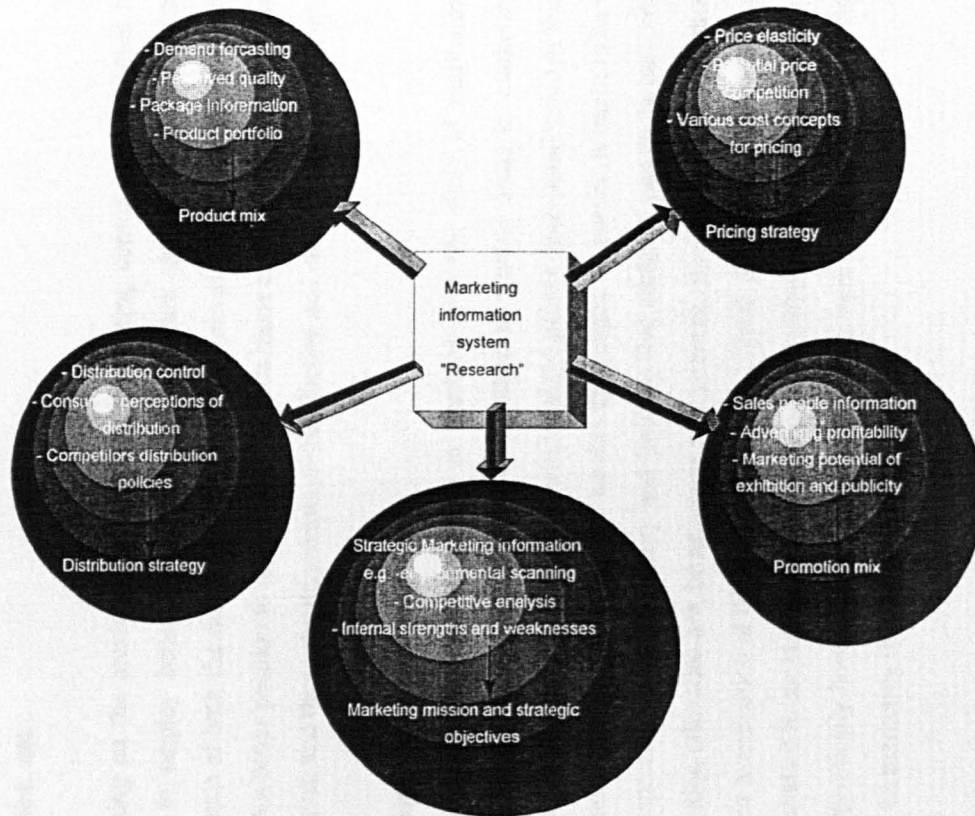


Figure 3-2 Marketing research as a marketing information support system for marketing mix and decisions

information value, attitudes toward use of marketing information, various purposes of using information...etc.

3. Capitalizing on the previous two points, the marketing control system should be in a better position to employ better criteria and more accurate and comprehensive measures of the performance of both the marketing information system and its users. Thus, the control system will be in a better position to diagnose any malfunctions causing deviations from targets to trace their origins, and thus, should produce more effective and efficient remedial actions.

3.10 Conclusions

In this chapter, an endeavour has been made to illustrate why the study of marketing information utilization is important in terms of its likely contribution to various areas in marketing theory and practice. This was done with a view toward showing that the proper conceptualization of the phenomenon can directly and indirectly serve other areas in marketing thought. However, it ought to be noted that the previously cited aspects of marketing theory and practice that could be positively enriched by studying marketing information utilization are, by no means exhaustive of all the probable contributions that can be gained from further examination of this subject. It can be argued, however, that these aspects will be the most to benefit if studied in conjunction with marketing information utilization. This can be illustrated by exhibiting more specifically how examining such aspects can have significantly favourable implications to, and influences on marketing theory and practice.

First, the benefits to marketing theory will be considered as follows:

- Lending consideration to the philosophical, political, organizational, rational (i.e. economical), sociological (e.g. organizational learning) and ethical dimensions of marketing information utilization can deepen further the theory of marketing through pursuing more insightful analysis of these aspects of marketing. This will be done in new theoretical settings that can offer creative and broader explanations of marketing theory and practice. This should be expected to increase the credentials of marketing as a science emphasising content and substance, i.e., a science that aims to discover new realities of marketing-based human behaviour with all its cognitive, emotional, rational and moral antecedents and consequences in the context of business organizations.
- Broadening the theory of marketing can also have a stake in studying the information utilization side of marketing and extending this study to the various possible areas of application of marketing as a social science. Marketing theory has been broadened to cover areas such as non-profit organizations, service industries, small businesses and project management. However, this broadening has been problematic and hotly debated (Luck 1969). The problem in transcending

marketing concepts and tools lies in that they were first used and refined in organizations that are profit-seeking, large, typically long lived, and in most cases manufacturing physical products. These concepts and tools were allowed to grow to be concrete, measurable and applicable in such an environment. The advent of informational aspects in marketing can be of advantage and ease this transition process and thus help in broadening the use of marketing theory. This is mainly because, these informational aspects are rather abstract and studying them will necessitate the employment of broadly defined marketing terms like marketing information utilities, implicit costs of marketing research and efficient management of marketing information resources. This will facilitate transcending these marketing concepts to these new areas to theorize new frameworks for conceptualizing and managing marketing information systems in them that will bridge the gap with other research work on marketing in these areas, which is expected to be of particular importance because marketing information in these new settings has, relatively, received less care compared to other marketing issues like promotion, pricing and distribution. In other words, studying a strongly pervasive marketing phenomenon like marketing information utilization should be expected to help in the ongoing process of coining new marketing constructs that are suitable for the new areas to which marketing discipline is beginning to disseminate for the sake of broadening its theoretical scope (Lovelock 1988).

- Marketing has always been a dependent discipline, drawing on other disciplines to formulate its theories, obtain its empirical evidence and present its interpretations and explanations. However, it can be said that marketing did not benefit as much from other administrative disciplines. From the researcher's point of view, there are three managerial disciplines that hold great potential for marketing theory, namely organization theory, management information systems, and managerial finance. These disciplines can bring a lot of insight and foresight in understanding and resolving a considerable number of marketing problems. Research into marketing information utilization is an interdisciplinary one by definition, involving all three disciplines because it concentrates on the informational side of marketing in an organizational context taking its financial consequences into consideration. This will lead to familiarizing the marketing literature with new constructs like organizational culture, marketing learning, information feedback and information economics, thus, signalling a significant improvement in our ability to identify, measure, explain, predict and may be, control marketing relationships.

Second, benefits to marketing practice will be considered. Three main benefits can be thought of as resulting from studying marketing information utilization as far as marketing practice is concerned. First, it can draw the attention of marketing practitioners to types of marketing knowledge that they traditionally, believed of no use to them. The conceptual and other indirect uses of marketing information, when highlighted, can increase the awareness of practitioners to the applicability and

intangible yet substantial benefits of basic research in marketing and general- purpose marketing research within the organization.

Second, studying marketing information utilization should be expected to increase the awareness of marketing practitioners of the hidden dimensions of marketing practice. As far as marketing managers recognize the existence of the political, sociological, ethical and cultural sides of marketing activities they will be able to set forth, adopt and enact marketing policies that will enhance their role in accomplishing organizational objectives, warrant the co-operation of other functional counterparts and improve the morale of marketing people in the organization.

Third, studying marketing information utilization can have also a direct positive impact on the abilities of marketing practitioners to perform their job. In vital areas like setting the marketing mission, ensuring marketing orientation, building competitive advantage and deciding upon the marketing strategies, marketing information if utilized properly can be of great benefit in these areas. Marketing practitioners can "learn" and acquire the utilization habits and skills needed to make the best use of marketing information in making sound decisions regarding these areas.

The aim of this research is to set the stage for such contributions by trying to help in providing appropriate conceptualization, description, prediction and whenever possible, manipulation guide to marketing information utilization process. Once, we have a clearly defined conceptual framework for understanding and managing the process of marketing information utilization, it should be easier to use such framework in conjunction with all previously mentioned and other promising areas in marketing theory and practice. A first necessary and logical step in building such a conceptual framework of the phenomenon would be to consider the perspective to be adopted for the study of marketing information utilization which is the main focus of the next chapter.

CHAPTER FOUR

Perspectives on the analysis of marketing information utilization

4.1 Introduction

As the previous chapters were directed toward drawing attention to the theoretical and practical significance of research into marketing information utilization, the next compelling question should be how to do so, i.e., how to study this topic. The aim(s) of any research effort concerning marketing information utilization should arguably be to improve our academic understanding of the phenomenon, increase the extent of such utilization (in an optimal way compromising its associated costs and benefits) and to improve its outcomes as reflected in various dimensions of organizational effectiveness. Nevertheless, as a prerequisite for any research endeavour to achieve this desirable goal(s), an operational and sufficiently rigorous conceptualization of marketing information utilization is needed to enhance the understanding and management of the process (Menon & Varadarajan 1992).

Such a conceptualization can be reached through two consecutive steps which are, first to decide upon the most appropriate perspective from which to study marketing information utilization and second to define, measure and identify significant determinants of the phenomenon of utilization in an operational comprehensive and accurate manner to reach a realistic configuration of the whole process.

Accordingly, this chapter is devoted to the first stage of this conceptualization process, i.e., identifying the most suitable perspective to be adopted when studying marketing information utilization. First, the importance of perspective for the proper conceptualization of marketing information utilization and how prevailing perspectives have actually influenced this process will be pinpointed. Second, the desirable properties of the appropriate perspective for studying marketing information utilization will be delineated. Third, a critical review of existing perspectives will be conducted emphasizing the underlying rationale, objectives, proposed strategies, and impact on literature of each perspective, followed by a critique of each of them. Finally, the previously suggested desirable properties of the appropriate perspective will be used to assess the appropriateness of each perspective to show their contributions and limitations in examining the subject of marketing information utilization.

4.2 The importance of perspective to conceptualizing marketing information utilization

Investigating the appropriate perspective through which to study marketing information utilization before attempting to define and measure the phenomenon may seem questionable and deserves a convincing justification.

A considerable number of marketing scholars have argued that our understanding of the determinants of, or barriers to marketing knowledge and information utilization within organizations, is far from adequate

(Menon & Varadarajan 1992, Sinkula 1994). Furthermore a review of the literature on knowledge utilization reveals a great diversity in the way marketing information utilization is defined, measured and/or categorized (Menon & Varadarajan 1992). This diversity can be attributed, to a large extent, to different schools of thought investigating the issue of marketing information utilization. So, it is clear that the confusion in conceptualizing marketing information utilization is due, among other things, to the way this process is looked at and approached by different researchers. This is argued in the sense that such conceptualizations are restricted by the boundaries of the view from which utilization is being tackled.

To substantiate this theme, the following points will briefly encompass the impact of the chosen perspective on each of the succeeding research stages in conceptualizing marketing information utilization. However, as the research evolves through the conceptualization process, the effect of perspective will be demonstrated in greater detail:

- Defining marketing information utilization was largely influenced by the perspective followed by each researcher or group of researchers handling the subject (Beyer & Trice 1982). Some approaches have actually resulted in too narrow and user-dominated definitions of utilization like "the extent to which a report is used directly to guide behavior and make decisions" (John & Martin 1984, p.173), while some other perspectives have led to overly-broad and producer-dominated definitions of utilization like "the extent to which information leads to the reduction in uncertainty in decision making" (Patton, p.50). Even worse, on other occasions, the lack of any explicit and conscious adoption of a certain perspective has resulted in the absence of any definition of the utilization process at all (e.g., Crowin & Louis 1982 and Lee, Actio&Day 1987). These imbalanced and biased examples of definitions make it evident that before attempting to define utilization, the desirable kinds and targeted extent of marketing information utilization should first, be decided upon. This latter decision depends to a large extent, on who is seeking to manage and manipulate marketing information utilization, i.e., it is a question of perspective.
- Measurement of the extent of marketing information utilization is a natural by-product of the way it has been defined. Accordingly, the same impact that perspective had on defining marketing information utilization is reflected in the process of measurement. Similarly, the result was an extremely wide array of proposed measurement schemes (which will be examined in the following chapter), that could not capture the real essence and/or the full spectrum of marketing information utilization (Beyer & Trice 1982, Menon & Varadarajan 1992). This is mainly because each perspective favours or advocates a certain type or a single dimension of utilization (e.g., instrumental use is favoured by user perspective while quantifiable reduction in uncertainty

due to marketing research is favoured by producer perspective). This in turn led restricting measurement to only one type and/or dimension of utilization, thus harming considerably the overall accuracy and completeness of the measurement of marketing information utilization.

- Each perspective, by necessity, represents a unique way of viewing the whole process of marketing information utilization and hence pinpoints and overemphasizes the determinants of utilization that are most relevant and central to its analysis from this very peculiar point of view. For example, the user perspective concentrates on user-related variables such as the user objectives, while the producer perspective highlights producer-related variables like the resources made available to providers of marketing information (Deshpande & Zaltman 1984). This may lead to some significant determinants of utilization being overlooked just because it is not in the best interest of the holder of this viewpoint that such factors be acknowledged (e.g. most users would not like to admit that they sometimes use marketing research information in a political game, thus ignoring the impact of organizational politics on utilization), or simply because such determinants are beyond his or her control (e.g., the nature of decisions or information). This might have a negative effect on the explanatory power of any research propositions formulated under such perspectives and also on the other conceptual processes concerning determinants of marketing information utilization like their identification, measurement or categorization.
- Due to the previously illustrated influences of perspective on defining, measuring and identifying determinants of marketing information utilization, the strategies prescribed in the final analysis are a logical consequence of the preceding conceptions. It is not surprising, that a considerable number of proposed strategies in dealing with marketing information utilization are concerned only with tackling one side of the whole picture, e.g., suggesting the need for intensifying investments in modern information technologies or supporting user dominance over the analysis and design of marketing information systems (Deshpande & Zaltman 1982, 1984). Such prescriptions, therefore, introduce remedies for just a limited set of problematic areas in the overall process of marketing information utilization.

It is in this belief, that it was decided to commence with a discussion of the two traditionally dominant perspectives and the emerging new perspective to studying marketing information utilization in a critical way to come up with the most appropriate perspective in the light of the features that ought to characterize such perspective. This discussion should ensure that subsequent research work on marketing information utilization (concerning its definition, measurement and identification of its main determinants and barriers) can develop into a clear conceptual framework of it.

4.3 Properties of the most appropriate perspective for the study of marketing information utilization

It is useful to begin by discussing the desirable properties of any perspective which is to be used for examining marketing information utilization. As mentioned earlier, these cited properties can be used later as an assessment tool to evaluate the appropriateness of each existing perspective. These properties are mentioned here prior to discussing the different research perspectives to point out to the fact that these properties should not stem from previous literature following one perspective or another; they rather should stem from the previously cited peculiarities of marketing information utilization as an organizational practice and as a research point in marketing literature. It is the inherent nature of marketing information utilization that has ensured that, for any perspective to be valid and reliable for examining such an issue, it should possess a distinctive set of properties. It is believed that the following features that can be deduced from the various aspects discussed in the previous chapter have a direct bearing on such properties:

1. Marketing information utilization is a **multidimensional** construct comprising various elements, and its literature is rooted in various philosophical schools of thought which indicates that it is rather difficult for any perspective with limited view to comprehend its various aspects.
2. It involves different parties **inside and outside** the organization. Though, utilization is carried out only by one party, the antecedents and consequences of such utilization are caused by and influence several parties other than the user.
3. Marketing information utilization is **not a visible organizational activity** that can be studied as a distinctive and concrete undertaking like most other marketing activities such as advertising, pricing or marketing research. This makes it more difficult to set boundaries for such an activity, so that it can be manageable and isolated in a way that permits the assignment of responsibilities and authorities concerning it **within the organization**.
4. Information utilization is a **common issue among several social sciences** like psychology, social policy, personnel and marketing. Yet, studying it in a marketing context necessitates that its analysis be oriented to coping with the peculiar nature of marketing knowledge and addressing the real challenges and needs of its users.
5. One of the most peculiar things about the process of marketing information utilization is that it seems like a very rational organizational practice since it involves marketing research which is

normally called upon to furnish the decision making process with a rational basis. But, it usually ends up as a process involving a great deal of organizational politics, myths and metaphors. Any perspective that fails to recognize this contradictory and dual nature of marketing information utilization is probably guilty of mistake of oversimplification.

Accordingly, a suggested set of six properties of the appropriate perspective includes the following:

1. Holistic

The appropriate perspective must be holistic in the sense that it must take account of and comprise all influences on the marketing information utilization process, all parties involved and all external and internal variables of significance, to incorporate them into the analysis. This property should lead to a complete, unrestricted and accurate configuration of the marketing information utilization process, which is a necessary condition for keeping all other subsequent research work on the right track.

2. Strategic

The appropriate perspective should be one that views marketing information utilization as an integral part of the overall strategic marketing process. This strategic nature of the appropriate perspective can be thought of as threefold (Anderson 1982; Day & Wensley 1983). First of all, it should have the ability to link the utilization of marketing information to other strategic undertakings like organizational and marketing mission, strategic marketing objectives and policies, and strategic role of marketing research. Second, it should always stress the long term outlook of the contribution of marketing information utilization as one of the major strategic marketing pursuits to achieve long term marketing objectives and not to confine the analysis to a limited number of cases or situations featuring certain type(s) of utilization. Third, since environmental analysis is one of the most important ingredients of strategic orientation, the appropriate perspective should place considerable emphasis on the environmental context in which utilization behaviour takes place and how such behaviour could be devised as an effective competitive weapon, distinguishing the organization from its rivals in today's information-intensive business environment.

3. Cost-benefit based

The appropriate perspective must contain a deliberate cost-benefit analysis of each aspect, procedure and any major action in the course of analyzing, designing and implementing management information systems aimed at increasing the extent of marketing information utilization. This will eventually lead to boosting the rational side when studying marketing information utilization, which is crucial to trade off the apparently dominant socio-political side of the utilization process (Sinkula 1994, Brown & Ennew

1995), and to ensure that there is a minimum level of economic efficiency and objectivity that will be in line with the nature of the firm as a profit-seeking entity. Even in the case of non-profit organizations, organizational resources allocated to producing information must be efficiently managed in order to gain maximum tangible and intangible benefits (UN, 1985). This focus on rationality should not distract the attention from the many implicit costs and benefits arising from the irrational components of utilization, thus, making it essential to adopt broadly defined concepts and open minded approaches when measuring the costs and benefits of marketing information utilization.

4. Marketing-oriented

This property has, in fact, a dual nature. Its first facet is that the production and utilization of marketing information must be looked at, managed and evaluated as a full scale marketing process, consisting of all the necessary constituents of a marketing-oriented information strategy. Consequently, information must be considered as a service product that should be produced and marketed, based on a proper marketing philosophy, and put into effect through a carefully designed, actionable and sound marketing programme.

The second facet of this property is related to the nature of marketing as a discipline and as a functional area. The marketing information system has its own peculiarities and special specifications, that are different from other management information systems, due to the unique nature of the challenges confronting marketing on both academic and practical levels (Higby & Farah1991; Cespades & Smith1993). Any perspective to studying marketing information utilization should treat this special nature of the marketing area with careful consideration in order to reflect it on its analysis of the process. This should be expected to go along with the commonalties of information utilization in all settings in other administrative disciplines.

5. Recognizing various stakeholders

One of the most important features that characterize the appropriate perspective to studying marketing information utilization, is that it must be a balanced approach paying equal attention to the interests, objectives, capabilities and distinctive nature of all parties participating in the process. Therefore, such a perspective will achieve a maximum level of overall optimization. On the other hand, any perspective that sacrifices the interests of any party(s) for the sake of another's, will result in information strategies that can cause organizational conflicts and suboptimization. In this context, this means overemphasizing the attainment of a single party's objectives at the cost of the overall economic welfare of the organization.

So, the appropriate perspective must be able to identify all possible stakeholders involved in the process of marketing information utilization and recognize the kind of objectives they aim to achieve through exerting their influence on the process.

6. Effective measurement

The various dimensions of the process of information utilization are different in nature. Some of them can be measured in very objective and quantitative terms (e. g. cost of producing information), while some others can only be measured in subjective and qualitative terms (e. g. trust in the quality of marketing research). So, any valid perspective should allow for the measurement of the full range of marketing information utilization dimensions. The difficulty of measuring some dimensions of utilization must not discourage or be used as an excuse for not trying to measure them. After all, measuring 80%, 60% or even 50% of a certain aspect is still better than ignoring it entirely, while it is still affecting marketing information utilization.

4.4 Analysis and critique of the prevailing perspectives to studying marketing information utilization

Through reviewing available literature on information utilization in marketing and other administrative disciplines, it became evident that, with few exceptions, there are two major perspectives dominating research in this subject area (Beyer & Trice 1982, Brinbery & Hirschman 1986 ;Menon & Varadarajan 1992). Each of these two perspectives takes the view of one of the main parties involved in the process of marketing information utilization, namely the producer or the user of information. However, there seems to be a new emerging perspective to studying marketing information utilization that is beginning to occupy a place in recent literature. This perspective adopts the views of multiple parties involved in the process simultaneously. The purpose of the following critical analysis is to describe and evaluate these perspectives. This will involve through decomposing each perspective to the following elements:

- The underlying logic that has led to its adoption by researchers in the area.
- The implicit and explicit research objectives that advocates of each perspective are trying to attain.
- The suggested strategies for achieving these objectives as proposed by researchers following each perspective.
- The impact of each perspective on literature as evident in the research work done under its banner.
- Finally, a critique of each perspective showing its contributions and shortcomings.

But, before pursuing this analysis, it should be noted that in most cases, the adoption of one perspective or another is more of an implicit rather than an explicit undertaking. In other words, it is quite rare to find a researcher declaring right from the start that he or she is going to follow a certain perspective, but the implicitly hidden perspective can be traced from the line of research and thinking that is pursued. However, it is not unusual to find hints of producer perspective in user-dominated research and vice

versa, because the choice of perspective is a matter of degree, not of absolute extremes. The only exception to that was the three studies conducted by Deshpande and Zaltman (1982, 1984, 1987) in which they stated at the beginning of each one the perspective they intend to follow, and ended up using all three perspectives consecutively.

4.4.1 The producer (supply-side) perspective to studying marketing information utilization

This perspective adopts the view of the producer of marketing information whether internal (marketing research department, management information system, business think tanks, marketing intelligence unit ... etc.), or external (marketing research firm, academic sources .. etc.).

- Underlying rationale

This perspective is built on the argument that it is the producer of information that has the proper capabilities, responsibilities and authorities to generate information that is relevant, economical, accurate, complete and timely (Turban1995, AMA Task Force 1988; Benjamin & Majluf1993). This is due to the belief that the producer is the only party who is equipped with the technical knowledge, know-how, and access to data along with material and human resources essential to produce information of value.

- Objectives

In the light of the previously mentioned rationale, research efforts representing the viewpoints of producers of information in marketing and other administrative disciplines were directed toward achieving one or more of these following objectives:

- **Motivating producers to generate practical information that has relevance to the decision making process (Sinkula 1986, Menon & Varadarajan 1992).**
- **Improving and ensuring the quality of such information in terms of accuracy, timeliness and comprehensiveness (Kovacevtic & Majluf 1993 and Glazer & Weiss 1993).**
- **Enhancing the efficiency of information production through focusing on information economics (Willcocks 1994).**
- **Highlighting the importance of communicating this information to users in a way that will enhance the possibility of its potential use (Lee, Actio and Day 1987).**

- Strategies

To achieve these objectives a number of strategies were always somehow or another recommended. First, designing information systems that are basically concerned with the relevance of information in specific decision situations (e. g. decision support systems, expert systems and neural networks). Several applications of such systems have already been used by marketing managers in areas such as demand

forecasting, sales force compensation, marketing budget allocation and feasibility of advertising campaigns (Higby & Farah 1991). Second, increasing reliance on computerized or computer aided information systems to help produce and process vast amounts of high quality information (Keon 1987; Fletcher, Buttery & Deans 1988). Third, emphasizing the role of timeliness and time sensitivity of information in improving the quality of decisions, particularly marketing decisions (Glazer & Weiss 1993). Fourth, devising more accurate and quantifiable methods for effectively measuring, monitoring and increasing the economic value of information, e. g. using value chain and exchange processes to measure the value of the flow of marketing information (Glazer 1991). Finally, arriving at better, user-friendly modes of communication among producers and users of information (centralized vs. decentralized vs. distributed information communication systems).

- *Impact on literature*

This perspective has eventually led to a stream of literature on modern information systems and their possible applications in marketing, in an effort to accomplish one or more of the proposed strategies. Thus, Such literature inaugurated an information revolution increasing the capacity for producing marketing information with view toward the role it can play in improving decision making within the marketing function (e.g. Higby & Farah 1991, Martell 1988, Keon 1991, Wolford 1988; Buttery & Buttery 1991). The introduction of databases and decision support systems (DSS) have furnished marketing managers with a vast amount of information about their internal and external marketing environment that relates to specific marketing decision situations. Even beyond that, the advent of expert systems and neural systems helped by replacing marketing managers in some decision areas (like physical distribution and territory management) through structuring their knowledge, thus saving their time for other less programmable decisions as an application of the principle of management by exception (Loewe & Hanssens 1994, and Venugopal & Boets 1994).

- *Critique*

Despite the considerable contribution made by this perspective to the quantity and quality of marketing information being produced and besides its role in recognizing the economic value of information, it suffers from a number of shortcomings. First, relevance, applicability, and practical use were determined from the viewpoint of the producer, as if he or she were the decision maker, rather than the user. This has resulted in misleading and unrealistic definitions of relevance and applicability, which, in turn, have led to an incredible amount of "relevant" information that is "irrelevant" from the user's point of view, causing an unavoidable underutilization of such information. As Menon and Varadarajan (1992) put it, this is a product orientation in managing information systems.

Second, most of the methods developed, so far, for measuring the economic value of information started with an implicit presumption that all information produced will be utilized and in the most appropriate manner, and information value was measured accordingly. Unfortunately, in most cases this presumption did not hold true (AMA Task Force 1988, Glazer & Weiss 1993 and, Moorman, Deshpande & Zaltman 1993). Relaxing this, presumption, will make the validity of most proposed methods for valuing information and evaluating investments in information technology questionable.

Third, increased reliance on computer technology and modern modes of communication has, undeniably, improved the productive ability and accessibility of management information systems and provided decision makers in organizations with higher quality information that is beyond their highest aspirations. But, dumping users with an enormous amount of information and communicating this information to them is not an end in itself. A decision maker might be made aware of the information but awareness is a far cry from understanding, and "utilization".

So, it is necessary for the information system, as an integral part of its feedback mechanism to assure that effective and efficient use of information has occurred. Unfortunately the producer perspective stops short at the point of just communication, i.e., selling orientation in managing information systems.

Fourth, this perspective has laid all the blame/credit for underutilization or full utilization on the shoulders of information producers, disregarding the fact that information utilization is dependent on numerous factors not all of which are related to or controllable by the producer. In other words, a hidden assumption in studies on research use seems to be that there is something "right" with the research studies that are used and something "wrong" with the research studies that are not used (Weiss & Buceevalas 1980). Such an assumption is inherently biased because the use or nonuse of research is not solely the effect of, or dependent on the characteristics of the study (Weiss 1977). Use or nonuse of research also depends on several organizational characteristics (Corwin & Louis 1982 and Deshpande 1982), i.e. use of research is not synonymous or an indicator of the quality of the research.

4.4.2 User (demand-side) perspective to studying marketing information utilization

This perspective looks at the utilization process from the viewpoint of the user of information. It embraces all types of users in various organizational levels, within different functional areas in the organization and for all categories of managerial decisions.

- Underlying rationale

The logical reasoning behind this perspective is that the characteristics of the firm either inhibit or facilitate utilization. Instead of focusing solely on the supply-side of research (i.e. creating better practical research), this perspective also studies the demand characteristics (e.g. the user's ability and willingness to

seek and process research studies) for knowledge utilization and organizational processes that are conducive to knowledge utilization (Zinkhan, Joachimsthaler & Kinner 1987).

- *Objectives*

In accordance with this rationale, the user perspective has a number of research objectives. First, emphasizing user characteristics and informational needs as a starting point for designing management information systems (Roley and Farrow 1982). Second, creating and maintaining an organizational climate and culture that is encouraging to soliciting and utilizing information (Debarabander & Edstrom 1977). Third, accurate measurement and identification of users' characteristics and needs that have a bearing on the analysis, design and implementation of management information systems (Edstrom 1990, Zinkhan, Joachimsthaler & Kinnear 1987 and Culnen 1986).

- *Strategies*

In order to help achieve these latter objectives, several strategies have been advocated by the proponents of the user perspective. First, formulating design rules for information systems that lend most consideration to users' needs and features (Boland 1978 and King & Rodriguez 1988). Second, developing quantitative and qualitative methodologies for probing into and stimulating users to reveal their needs for information and come to grips with their characteristics as decision makers (Poley & Farrow 1982). Third, devising studies, drawing on organization theory, that view information utilization as a sociological, political and behavioural undertaking within organizations. Finally, examining how various types of decisions and organizational levels can reflect on designing and implementing information systems to increase the likelihood of utilization (Zinkhan, Joachimsthaler and Kinnear 1987).

- *Impact on literature*

This perspective has initiated a considerable flow of literature on political and organizational issues affecting information utilization (Deshpande 1982, Brown & Ennew 1995, Fletcher, Buttery, & Deans 1988, Jobber & Watts 1986 and Evans 1988), and the evolving of new methods for measuring and anticipating users' needs and traits. All these studies ended up consolidating an integrated philosophy of management information systems widely known as user-centred or dominated information systems (Poley & Farrow 1982, Debrabande & Edstrom 1977, King & Riguez 1988 and Edstrom 1990). It has also encouraged the release of considerable research work on measuring and describing dimensions of marketing information utilization.

- *Critique*

The user perspective offers a market oriented look at the process of information utilization. The user perspective has converted the information utilization from a product orientation to a marketing

orientation, by considering information as an innovation that ought to be marketed through a well planned, customer-minded awareness of users' needs (Zaltman 1986). On the other hand, a number of shortcomings and pitfalls have appeared due to the growing adoption of the user perspective.

First, although Barabaa and Zaltman (1991) and Moorman(1995) declared explicitly that the organization rather than the individual should be defined as the user(based on the argument that the organization is the main stakeholder in the utilization process), most of the user-dominated literature assigns almost all its attention and research focus on the individual user's needs(i.e.,interests and objectives), features and behaviour (Poley & Ferrow 1982), and even when the organizational context is brought into the analysis, it is merely examined through its impact on the attitudes and behaviour of users as individuals with a view toward maximizing,almost solely, the interests of users(Edstrom 1990, Sinkula 1994). These confused definitions of the user have caused a series of misconceptions in defining, measuring and identifying determinants of utilization.

Second, although the user's needs and characteristics are among the very crucial inputs to the design of management information systems, the multidimensional nature of information utilization, implies that they can not be the only inputs. However, there are other parties' needs and characteristics like the producer and the user organization that warrant their share of consideration and interest before embarking on the design of management information systems.

Third, confining the analysis to simply "tailoring" the information system to the peculiar demands and convenience of users, underestimates the rational side of management information systems. A significant component of the marketing orientation that the user perspective claims to advocate is the profit orientation which means that customers needs should be satisfied as fully as possible, but in a profitable way. In other words the pursuit of marketing orientation must be accompanied by a cost-benefit analysis. The user perspective in its enthusiastic search for user-centred information systems has overlooked, largely, the economic consequences of the proposed designs of management information systems. Thus, it lacks one of the building blocks of marketing orientation and rational information management.

Fourth, assuming that the user is the ultimate and sole source of information about his or her needs and features is controversial. Being highly professional and specialized decision makers, information users can sometimes encounter some problems in translating their informational needs in the jargon of information specialists. Even worse, they sometimes have some sort of latent demand for information, i.e., there is information that they do not know that they really need or if it can be made available to them, or its kind of relevance to the decision in hand (Boland 1978, Culnen 1986). This is precisely where the technical assistance and professionalism of systems analysts and designers seem most valuable.

Therefore, identification of the actual needs of information users is a collaborative and participative task among users and producers of information.

4.4.3 The multi-parties (organizational) perspective to studying marketing information utilization

This approach has appeared as a response to the dissatisfaction of many marketing scholars with the limited explanations provided by the other two prevailing approaches and the desire for a deeper exploration of the theory and practice of marketing information utilization (Jobber and Watts 1986, Deshpande & Webster 1989, Sinkula 1994). It adopts the views of all parties involved in the process and studies marketing information utilization by looking at it from the viewpoint of each party separately, and then combining all these views in an integrated policy toward utilization. This perspective has added two new parties to the analysis other than users and producers which are the organization and its external environment.

However, it should be noted that little research work has been undertaken from this perspective, consequently much of the following analysis is contingent on research that is still underway which makes it difficult fairly to evaluate the contribution of such perspective up to this point on an objective basis. Thus its critique and analysis are of tentative rather than conclusive nature.

- Underlying rationale

This perspective is built on the following sequence of reasoning:

- The user should be recognized as the only party actually carrying out the act of utilizing or not utilizing available marketing information.
- This does not negate the fact that the extent and quality of utilization affects and is affected by other parties involved in the process of managing marketing information flows within the organization. These parties include the producer of information (whether external or internal), the organization employing the user and the producer (in one way or another), and the external environment within which the organization operates (particularly those environmental characteristics affecting information systems).
- More specifically, it is the interrelationships among these parties that shape their interactions and subsequently determine the extent, type and quality of marketing information utilization.

The underlying rationale of this perspective can best be described in Piercy's words who is one of the early contributors to this perspective in marketing, (1979, p. 264-7):

"The MKIS problem is that it relies on individuals to supply summarise and extract and to disseminate and interpret data. Analysts have long drawn attention to imperfections in how organizations search for and use information. It is important

to recognize that the organizational climate and the management approach facing the MKIS are not merely surrounding influences, but are determining and defining factors as far as the scope and operation of MKIS is concerned..... Organizational relationships may block or shape the flow of information."

- *Objectives*

Due to this reasoning, the research objectives of this perspective must include and cover several areas of interest. First, reorienting the study of marketing information utilization toward considering the interests of various parties through adopting their views simultaneously. Second, maintaining a positive, constructive and workable relationship among all active parties. Third, finding new ways for recognizing, prioritizing and when necessary, reconciling the interests of each party. Fourth, emphasizing the fact that the increased extent of utilization is not the only aim of research in the area, but the quality of this utilization as well, i.e., how it contributes to overall organizational effectiveness and individual development.

- *Strategies*

In order to accomplish the previously cited research objectives several research strategies can be recommended. First, introducing new methods for discovering and recognizing the organizational realities and complexities of marketing information utilization and how it is actually incorporated in the marketing decision making process. Second, proposing policies to build and maintain organizational mechanisms that can help in establishing relationships of mutual trust and co-operation among the various parties of the utilization process. Third, pursuing more comprehensive and open-minded enumeration of all possible determinants of marketing information utilization and trying to determine the impact of each of them along with their interactions. In addition to this, there is a need to trace the controllability of each determinant to one or more party(s) if the manipulation of the utilization process is desirable. Fourth, providing better conceptualizations and measures of the extent and quality of marketing information utilization. Finally, designing information systems that takes account of the collective interests, interactions and constraints of all concerned parties.

- *Impact on literature*

As indicated earlier, a rather limited number of studies have been carried out in the light of this perspective. However, it is believed that considerable research work is underway but up to this point the marketing literature has shown three main streams of research in this direction:

- Agenda-setting, conceptual studies concluding with points for further research or research propositions to be tested empirically to achieve deeper understanding of marketing information

utilization in an organizational context (Piercy 1979, Deshpande & Webster 1989, Menon & Varadarajan 1992, and Sinkula 1994).

- Some empirical research aiming to describe and analyze the behavioural and organizational context within which the processes of commissioning external marketing research (Jobber and Elliot 1995) and utilization of marketing information systems (Jobber & Watts 1986 and Moorman 1995) take place.
- Research studies concerned with the dynamics of trust among users and providers of marketing information in the light of its causes and outcomes and how it can be improved through more effective organizational arrangements (Moorman, Deshpande & Zaltman 1992, 1993 and Peters & Fletcher 1995).
- Research studies that aim at describing the interactions taking place among managers and researchers and how they affect the utilization of marketing information using experimental designs (Hu & Toh, 1995).

- *Critique*

As mentioned earlier, due to the relatively little research work conducted following the multi-parties perspective, it may be difficult to evaluate it. However, the following comments are concerned with the basic logic of this perspective and its previously cited literature.

Despite the significant contribution made and promised by this perspective which is providing comprehensive overview of the process of marketing information utilization, it still suffers from a number of difficulties and limitations. First, it is difficult to measure a considerable number of the dimensions of utilization, e. g. , the political meaning of utilization and to sharply isolate the impact of each variable on the extent of utilization and/or to trace its controllability to one or more party(s). These methodological barriers represent important limitations on expected results. Second, the research work done so far, has largely overlooked the existence of two important parties, which are the nature of information and of the decision under analysis. Both of which have their own peculiarities that are inherent and uncontrollable by any other party (which will be detailed in later chapters). Their inclusion in the analysis will delineate the space available to other parties to manipulate utilization of marketing information. Finally, sometimes the interests and objectives of various parties become so divergent and conflicting that they can not be harmonized. This will raise severe difficulties to the prioritizing mechanism within the model, limiting its effectiveness, since some parties' interests would have to be sacrificed for the sake of others.

4.5 Comparison of the appropriateness of the three perspectives to studying marketing information utilization

The following Table (4-1) summarizes the assessment of the appropriateness of each of the previously cited perspectives to studying marketing information utilization, with the previously suggested properties of the most appropriate perspective use as criteria by which to judge them.

It can be easily seen from Table 4-1 that the multi-parties perspective is superior to producer and user perspective across all criteria of appropriateness for studying marketing information utilization. This conclusion added to the fact of relatively limited, yet promising research in the light of this perspective, was the motivating stimuli underlying its intended adoption throughout the remainder of this research.

4.6 Conclusions

It is evident from the previous analysis and evaluation that the different perspectives commonly used to study marketing information utilization are generally complementary rather than competing. This can be logically concluded from the fact that each perspective contributed differently to our understanding of marketing information utilization and suffers from different conceptual and methodological pitfalls. Indeed, it can be argued that the emergence of the user perspective came as a response to the overwhelming emphasis on technical and economic considerations when designing marketing information systems due to the dominance of producer perspective. Consequently, the development of the multi-parties perspective is just another recent response to the growing dissatisfaction among marketing scholars with the rather limited explanations of marketing information utilization offered by user and producer perspectives.

Accordingly, it should be made clear that the adoption of the multi-parties perspective throughout the rest of this research is not an endeavour to destroy, demolish or undermine the contributions made by the other two approaches. Rather, it is based on a constructive attitude through striving to add new insights to build up and accumulate on the significant contributions already made by them. In addition to this, following the multi-parties perspective does not deny the existence of its limitations and observing their effect on the validity and reliability of the research findings.

So, the next chapter will start conceptualizing marketing information utilization through reviewing research on its definition and measurement and evaluate critically this research from the multi-parties perspective and then use this perspective in looking somewhat differently at how to define and measure utilization.

Table 4-1

Comparison of the appropriateness of perspectives to studying marketing information utilization

| <p>Perspective</p> <p>Appropriateness properties</p> | <p>Producer perspective</p> | <p>User perspective</p> | <p>Multi-parties perspective</p> |
|--|--|--|---|
| <p>1-Holistic</p> | <p>“Limited” adopts the view of information producer only.</p> | <p>“Limited”adopts the view of information users only.</p> | <p>“Panoramic”takes account of the views of various parties.</p> |
| <p>2-Marketing oriented</p> | <p>Can not be considered customer oriented since it follows product or seller orientation.</p> | <p>Customer oriented but follows an overmarketing strategy and overlooks profit-orientation.</p> | <p>Attempts to adopt the full marketing concept through trading off among its components.</p> |
| <p>3-Cost effective</p> | <p>Concentrates on the cost effectiveness of information production disregarding the value of utilization.</p> | <p>Focuses on the benefits of utilization while ignoring its economic feasibility.</p> | <p>Purues an overall cost-benefit analysis of information generation.</p> |
| <p>4-Strategic</p> | <p>Technically oriented,concentrating on the strategic core of marketing information systems.</p> | <p>User short-term oriented through compliance with the immediate needs of current users.</p> | <p>Recognizes the strategic implications of the utilization process to the overall strategic core of all paries within the context of an organization-wide and environmental-wise analysis.</p> |
| <p>5-Effective measurement</p> | <p>Measures only rational dimensions ignoring the existence of sociopolitical dimensions.</p> | <p>Measures only dimensions related to user’s needs and characteristics.</p> | <p>Employ both quantitative and qualitative measurement to capture the real essence of utilization in terms of degree and quality.</p> |
| <p>6-Recognizing various stakeholders</p> | <p>Optimizes producers interests</p> | <p>Optimizes users interests</p> | <p>Compromises interests to reach overall optimality.</p> |

CHAPTER FIVE

Conceptualizing marketing information utilization: Definition and measurement

5.1 Introduction

The previous two chapters of this research were assigned with the task of furnishing the theoretical background needed for conceptualizing marketing information utilization. This involved, first, showing its practical and managerial importance and central place in modern marketing theory and practice and second, deciding upon the perspective from which to tackle it in order to increase our understanding of the phenomenon and subsequently our ability to improve it. As mentioned in the introductory part of the previous chapter the second logical step in reaching such a clear understanding is conceptualizing marketing information utilization through reaching a realistic and operational definition and measurement that are as close as possible to its real essence and to identify as accurately as possible, its most significant determinants. So, the aim of this chapter and its sequel is to provide this conceptual background which will serve as a basis for building the proposed causal model of marketing information utilization.

Accordingly, this chapter is devoted to reaching an operational framework for defining and measuring marketing information utilization. This will take place by: first, reviewing available marketing and related management literature on defining and measuring marketing information utilization. A classification of these definitions and measurements into " process" and "impact" types will be deduced, indicating the various schools of thought (i.e., perspectives) underlying each category of definition and measurement. This will be followed by a critique to evaluate the viability of these definitions and measurements as valid and reliable operationalizations of the concept of marketing information utilization. This critique will be concluded with the choice of the most operationally appropriate type of definition and measurement to be adopted for the rest of the research. Finally, as a positive conclusion of the chapter, the framework of value chain and value system as proposed by Porter (1985) , will be drawn on, as a logical structure for understanding, describing and operationalizing the definition and measurement of marketing information utilization.

5.2 The definition and measurement of marketing information utilization

The importance of finding an operational definition and valid, reliable measure(s) of marketing information utilization can not be overemphasized. As Menon and Varadarajan (1992) have pointed out, the need to discuss the problems central to conceptualization and measurement of knowledge utilization before expounding any model of the factors affecting it, is predicated on the logic that, before we can even begin to discuss how to increase knowledge use, we need to address what knowledge use is. Accordingly, they argued

"the use of various definitions of the construct "knowledge use" in prior research on knowledge utilization makes comparing results and findings within the literature problematic. Hence, research into knowledge utilization processes must begin with a clear circumscription of the construct "use". Without such clear constraints, the findings and conclusions are ambiguous and may lack generalizability across different situations. Similarly, the dimensions of the construct must be clearly defined and measured to permit appropriate comparisons between cases of professed knowledge utilization" (Menon & Varadarajan 1992, p.58).

Prior to that, Deshpande and Zaltman (1982) hinted to the fact that the issue of what is meant by the term "use" (or "utilization") is a major current concern in the field of marketing. Because of this awareness of the importance of finding an operational definition and measurement of marketing information utilization, both Deshpande and Zaltman (1982) and Menon and Varadarajan (1992) have carried out a synthesis of existing research work on defining and measuring information use as depicted in Figure 5-1 and Table 5-1.

In Figure 5-1, Deshpande and Zaltman have shown that multiple kinds of knowledge use have been identified in the limited work on the empirical operationalization of the use of information most of which has been conducted in non-business contexts such as public policy decision making and social policy evaluations. Basically, they have classified their literature review according to the source from which information is obtained and the possible uses or purposes of use and/or natures of information. Based on this classification Deshpande and Zaltman (1982) argued that information use can be defined in terms of the source of information (Professional versus common sense) or according to the purpose for which it is utilized (Nature of topic, nature of knowledge and instrumental versus conceptual knowledge).

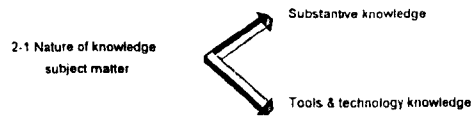
On the other hand, in table 5-1 Menon and Varadarajan used several bases for the categorization of all available measures of knowledge use. These bases included measurement focus (extent vs. form), measurement scope (unidimensional vs. multidimensional), measurement process (objective vs. subjective), and measurement scale (Nominal vs. ordinal vs. interval vs. ratio).

However, as noted earlier, most of these definitions and measurements were offered in nonbusiness areas as also confirmed by a similar review in the area conducted by Beyer and Trice (1982), while the perspective guiding this research is, by necessity, marketing oriented and aimed at reflecting the peculiarities of information utilization within the boundaries of the marketing discipline. Also, since the issue of knowledge utilization has undergone systematic and rigorous inquiry (empirical and conceptual) since at least 1982, these constitute strong enough reasons and a long enough period to justify granting the issue of defining and measuring marketing information utilization (as distinct from information utilization more generally) a synthesis of its own as expressed in Table 5-2. It should also be indicated



(Deshpande 1979, Holzner and Marx 1979, Lindblom and Cohen 1979, Campbell 1975, Cook and Campbell 1979, Dunn 1982, Myers, Greyer and Mary, 1977, Zman 1978)

2- Utilization of certain types of knowledge



(Kochen 1975, Rich 1977, Wriess 1980)



(Coplan, Morrison and Etambaugh 1975, Rich 1977)



(Larsen 1980, Zaltman 1979)

Figure 5-1 Deshpande & Zaltman's skeletal paradigm synthesis of research on conceptualizing information utilization.

Table 5-1

Menon and Varadarajan's review of the approaches to measurement of knowledge utilization

| Area of Reference | Illustrative Measures | Studies Reporting Illustrated Measures |
|--|---|---|
| Measurement Focus | | |
| Content of utilization | Degree of utilization scales Levels of Use (LoU) scale | Larsen (1982), Weeks (1979) Hall et al. (1975) |
| Form/type of utilization | Instrumental use Instrumental and conceptual use Instrumental and symbolic use | Deshpandé and Zaltman (1982, 1984), John and Martin (1984) Wilton and Myers (1986) Knorr (1977) |
| Content and context of utilization* | Stages of Concern (SoC) scale Overall Policy Impact scale | Hall, George, and Rutherford (1979) Van de Vall and Bolas (1982) |
| Content and form of utilization | Research Utilization Index Behavioral, cognitive, and affective use | Pelz and Horsley (1981) Anderson, Ciarlo, and Brodie (1981) |
| Measurement Scope | | |
| Number of dimensions measured (one dimension measured) | Degree of use (overall use tapped with one measure) Instrumental use (only one dimension of use, instrumental use, measured) Conceptual and instrumental use (for each respondent, use measured along only one of two dimensions) | Larsen (1982), Weeks (1979) Deshpandé and Zaltman (1982, 1984), John and Martin (1984) Wilton and Myers (1986) |
| Multiple dimensions— disaggregated measures | Conceptual and instrumental use Levels of Use (LoU) scale Research Utilization Index | Johnson (1980), Rich (1977) Hall et al. (1975) Pelz and Horsley (1981) |
| Multiple dimensions—disaggregated and aggregated measures | Depth of Utilization (DU) scale Overall Policy Impact scale | Dunn (1986) Van de Vall and Bolas (1982) |
| Measurement Process | | |
| Subjective | Review of documents Computer-assisted measures Count of uses | Caplan, Morrison, and Stambaugh (1975), Corwin and Louis (1982), Rich (1977) Wilton and Myers (1986) Wilton and Myers (1986) |
| Objective | Assignment of instances into categories of utilization ^b Participant observer approach ^c | Deshpandé and Zaltman (1982, 1984), John and Martin (1984), Wilton and Myers (1986) Pelz and Horsley (1981) |
| Measurement Scale Property | | |
| Ordinal—binary | Conceptual and instrumental use Adoption and nonadoption | Johnson (1980) Fairweather, Sanders, and Tornatzky (1974) |
| Ordinal—multiple categories | Stages of Concern (SoC) scale Overall Policy Impact scale Behavioral, cognitive, and affective use | Hall, George, and Rutherford (1979) Van de Vall and Bolas (1982) Anderson, Ciarlo, and Brodie (1981) |
| Ordinal | Degree of utilization ^d Levels of Use (LoU) scale | Larsen (1982), Weeks (1979) Hall et al. (1975) |
| Interval | Degree of utilization ^d Instrumental use | Larsen and Werner (1981) Deshpandé and Zaltman (1982, 1984), John and Martin (1984) |
| Ratio | Research Utilization Index ^e Count of utilization instances | Pelz and Horsley (1981) Caplan, Morrison, and Stambaugh (1975), Rich (1977), Wilton and Myers (1986) ^f |
| Interval measures converted to categorical measures | Degree of utilization scale converted into three categories: utilization, interest in idea, and no utilization | Larsen and Werner (1981) |

* context element here refers to the domain where utilization occurred: e.g., initiating policy, developing policy, implementing policy, or identifiable spinoffs (impacts) or latent spinoffs (impacts).

^b prespecified, researcher-imposed categorization of uses into instrumental, conceptual, or symbolic uses is the most common measurement process.

^c Research Utilization Index measures several dimensions of use; one set of measures was gathered by this subjective approach. degree of utilization measure by Larsen has been used as an ordinal as well as an interval scale (see Larsen and Werner 1981).

^d Research Utilization Index uses a count approach for measuring one set of behavioral uses.

^e Wilton and Myers (1986) study is based on both computer-aided and unobtrusive participant-observer count of uses.

Source: Menon, A., and Varadarajan, P. R., (1992), "A model of marketing knowledge use within firms".

Table 5-2
A synthesis of conceptualization of marketing information utilization

| Category and Authors | Major research interest |
|---|--|
| <p>1- "Process" definitions and measurements: -Beyer & Trice(1982)</p> <p>-Corwin & Louis(1982)</p> <p>-Perkins & Row(1990)</p> <p>-Menon & Varadarajan(1992)</p> <p>-Sinkula(1994)</p> <p>-Moorman(1995)</p> <p>-Hu(1986),Sinkula(1986),Lee,Actio & Day (1987) and Hu&Toh(1995)</p> | <p>How to describe utilization as a process composed of individual behaviours and organizational processes.</p> <p>How utilization process occurs as a part of administrative practice.</p> <p>How far can the utilization process be structured.</p> <p>What are the boundaries of the utilization process.(What is and what is not utilization).</p> <p>How can utilization be looked at as an organizational learning process.</p> <p>How can utilization be described as an organizational rather than individual process.</p> <p>How can experimentation help in describing the process of utilization.</p> |
| <p>2- "Impact" definitions and measurements: -Deshpande(1982) and Deshpande & Zaltman(1982).</p> <p>-Jobber & Watts(1986)</p> <p>-Menon & Varadarajan(1992)</p> <p>-Porter & Miller(1985),Kohli & Jaworski (1990),Moorman(1995),and Narver & Slater(1995)</p> | <p>Operationalizing instrumental utilization of marketing research information.</p> <p>Operationalizing the general level of marketing information use through adoption of multidimensional measurement process.</p> <p>Determining the influence of the various dimensions of market research use.</p> <p>Influences of utilization of marketing information on organizational effectiveness in terms of competitive edge,market orientation and quality of marketing decisions.</p> |

that the literature review in this research was not strictly confined to the marketing area. Related research work in organization theory research is cited as well, because it represents an important contribution to enriching the conceptualization of information utilization in a business management context. Additionally, the literature review also aims to draw attention to marketing research as a major source of information within modern organizations.

The review of the literature on information utilization in marketing and organizational research tends to suggest that it is possible to distinguish between two ways of defining and measuring marketing information utilization and accordingly, these were used as a basis for dichotomizing research in this area.

The first basis used to define and measure marketing information utilization is what might be called "process" definitions which attempt to describe marketing information utilization as a mechanism working through the minds of marketing information users in a specific organizational setting. The second one can be called "impact" definitions which aim at defining marketing information utilization through revealing its impact on various dimensions of organizational effectiveness, environment and practice. Table 5-2 depicts the proposed classification scheme. A comment that should be made, is that this dichotomy by no means reflects any dispute among different scholars on the inherent nature of marketing information utilization. Both groups of scholars agree that marketing information utilization is, naturally, a "process". This consensus is evident when quoting Deshpande and Zaltman (two of the most prominent advocates of "impact" definitions and measurements) describing the nature of marketing information utilization as (1982, p.14), *"a marketing exchange "process" involving a product "research results", a producer group "researchers", and a consumer group "managers"."* Therefore, the real difference lies in the way each group of scholars prefers to use to operationalize the phenomenon as accurately as possible, so that it can undergo systematic research.

The following two sections of this chapter will discuss in some length some of the most notable research work on defining and measuring marketing information utilization under each category.

However, before proceeding with such a synthesis, a basic problem of jargon or terminology should be sorted out. As noted by Menon and Varadarajan (1992), a cursory examination of the literature on knowledge utilization reveals that the terms "knowledge utilization", "information utilization", "research utilization", "research knowledge utilization", "utilization" and "use" are used interchangeably. Whilst Menon and Varadarajan(1992) considered these terms as signifying the same phenomenon, for consistency they used the term "knowledge utilization" or "knowledge use". This research tends to conform with this view that all these terms are essentially synonymous, dealing with the same issue which is the process of using information gathered through systematic research by and/or for decision makers. However, the term information "utilization" was preferred to information "use" for linguistic

reasons. Referring to Webster's dictionary the word "use" is defined as "to put or bring into action or service and employ for, or apply to a given purpose" (p.1564), while the word "utilization" is defined as "to put to use or make practical use of something to get profit or benefit from using it" (p.1566). Though, "use" is, by definition, still a valid term for expressing the meaning of the process, "utilization" is believed to capture more of its essence since it includes the common concept of use along with the existence of consequential utilities of use (i.e. benefits and/or profits) which is the overriding interest in studying the area of marketing information utilization. Accordingly the term "marketing information utilization" was adopted and will remain to be employed for the rest of this research.

5.3 "Process" definitions and measurements of marketing information utilization

This category of definitions and measurements aims at describing the various dimensions of the construct of information utilization as a sequence of steps or stages undertaken. Such steps are normally divided into two separate phases; the first is an internal or mental phase taking place within the mental system of information users while the second is organizational, showing how these mental processes turn into specific styles of organizational behaviour or courses of action followed inside the organization. The following are three of the most prominent examples of research studies which attempted to conceptualize utilization as a process.

5.3.1 Beyer and Trice (1982)

In their review of the empirical work on organizational research utilization, Beyer and Trice started out by suggesting a framework for conceptualizing information utilization as a process, in order to use this framework subsequently as a tool for reviewing the literature. Beyer and Trice commenced their conceptualization framework by stating that utilization of research entails people doing something with research results. What they do in using research can include a wide or narrow range of diverse behaviours over short or long periods of time. Clearly, utilization is a complex behavioural process, so, they argued that conceptual frameworks that fail to reflect this ignore some parts of the phenomenon. Drawing on Parsons' theory of action (1951), they identified four basic components of individual behaviour associated with utilization processes: Cognitions, feelings, choices and actions. In general terms, cognitions define which elements of situations people see as relevant to them. Feelings express the values that people place on alternatives. Choices integrate cognitions and feelings by expressing a selection between alternatives. Actions are the overt behaviours people engage in to implement conscious or unconscious choices. These four components of behaviour correspond to organizational processes emphasized by theories of organizations .

Beyer and Trice then moved on to say that the framework provided by the four components of behaviour and corresponding organizational processes suggests a number of specific behaviours that can be part of

utilization processes. These behaviours are similar to those involved in adopting and implementing any change or innovation (Beyer & Trice 1978). Like any change, research utilization ideally includes two conceptually but not necessarily behaviourally distinct phases: (1) the adoption of a prescription based on research and (2) its implementation. Separating adoption from implementation is desirable because these two phases often involve different users. Adoption includes the set of behaviours through which decision makers choose research to be used by them or by others in their organization. Implementation includes the set of behaviours through which managers and other users actually carry out research prescriptions.

Beyer and Trice seemed to be well aware of the irrational side of information utilization, so they declared that although the order in which specific behaviours are sequenced approximates to so-called rational models of decision making, they recognize that observations of actual decision making do not support such models (March & Olsen 1976, Beyer 1981), and they do not intend that their framework should imply such a rational, invariant ordering of behaviours. Consequently in order to illustrate that use of their framework does not require invariant ordering, they presented Figures 5-2, and 5-3 as two hypothetical examples of how adoption and implementation phases might occur. Figure 5-2 illustrates a possible rational ordering of the phases and specific behaviours. The first line of figure 5-2 represents the adoption phase, in which (1) a potentially useful research result is sensed, (2) a search for additional competing or confirming prescriptions and other information is carried out, (3) positive and negative feelings about the relevant prescriptions and information occur, (4) the alternatives are weighted and some prescriptions or their parts are selected as more useful than others, and (5) a choice is made and formally adopted. At this point, another part of the organization may be assigned the job of implementing the prescription that has been adopted by decision makers (Duncan 1976). A subsequent rational and complete implementation phase (the second line in Figure 3-2) would then include (6) the diffusion of information to involved actors, (7) their attitudinal reactions expressed in relative degrees of receptivity to the prescription, (8) actions taken to use the prescription, (9) an evaluation of its effects, (10) the generation of more or less commitment to its continued use and, (11) the institutionalization of the prescription into on-going social processes within the user system provided commitment is positive.

Of course, Beyer and Trice observe, adoption and implementation do not necessarily proceed in such a rationally ordered fashion; behaviours identified can occur in many different orderings, with omission repetition, recyclings, and truncations. Figure 5-3 illustrates a less rational implementation process in which (1) a single actor, having learned outside the organization about a prescription derived from research, liked the prescription, (2) used it, and (3) became committed to its use. Meanwhile, elsewhere in the organization, other actors (4) received information of what the first actor was doing, (5) evaluated his or her actions unfavourably, (6) searched for competing information but failing to locate easily any information supporting their negative evaluation, took no further action toward discontinuing use of the

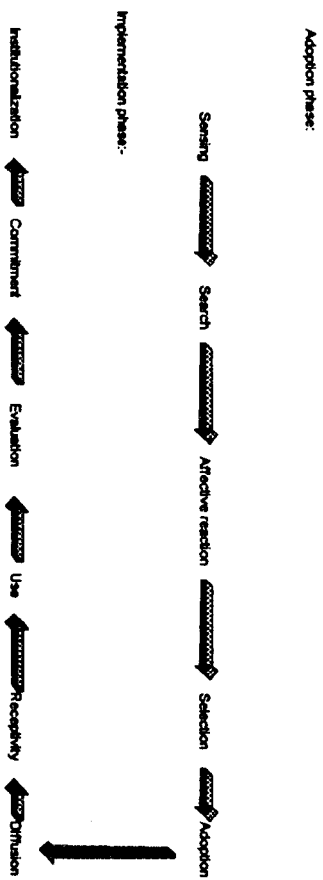


Figure 5-2 Beyer and Trice's hypothetical example of a rational and complete utilization process.

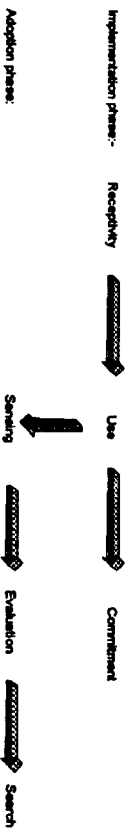


Figure 5-3 Beyer and Trice's hypothetical example of a less rational and complete utilization process.

prescription. Finally, Beyer and Trice concluded that they devised the second example to illustrate that formal adoption by decision makers is not necessary for utilization to occur and that relatively loose coupling between the two stages will not necessarily result in less utilization. In fact, in a marketing research context, for example, the rational ordering of information utilization might be considered as an incidence of instrumental utilization of marketing research information, while the other irrational example could be looked at as a political pursuit of marketing research information utilization.

Clearly, the most important contribution of Beyer and Trice's conceptualization of information utilization, is their constant recognition of the multidimensional nature of the process. With their background as organizational scholars, they were able to identify several organizational realities reflecting the various aspects of utilization. They started by showing the difference between utilization as an individual mental process and its transformation into organizational processes, and went through the differences between the act of utilization (i.e., adoption) and its outcome (i.e. implementation), also recognizing the fact that utilization influences more than one side of managers' behaviour through their four components framework and finally and most importantly, they illustrated the political side of utilization by clarifying the existence of a considerable irrational pursuit of information utilization, i.e., information is not utilized in its rationally intended manner but in a politically sensitive manner in order to send political signals.

Despite these contributions, Beyer and Trice were not able to show how their framework might be operationalized. In addition to this, they confused the processes of utilization with those of decision making, and implementing decisions by including the choices and actions in their framework while they are seemingly outcomes of utilization, rather than a part of it. Another questionable point, is their argument that the extent of utilization will not be affected by the rationality of the process, which is contradicted by their own second example, because other actors within the organization who had no other choice but following the chosen prescription will not show the same level of commitment and desire to institutionalize such a prescription, thus making a great variance in the degree and type of their utilization.

5.3.2 Menon and Varadarajan (1992)

The study by Menon and Varadarajan (1992) stands unique among all other research work on conceptualizing marketing research information, since it can be classified as both an "impact" and "process" conceptualization of the phenomenon. Because Menon and Varadarajan were among the first to realize the existence of competing perspectives toward studying utilization, and made a clear distinction and statement of these perspectives, they tried to remain neutral between them. This intended neutrality made them use a producer-oriented "process" framework for circumscribing what they called the boundaries of the construct of marketing information utilization. On the other hand, when they came to

operationalizing the construct they followed a user-oriented "impact" description of its dimensions, which will be discussed later. This is because "process" and "impact" definitions and measurements of marketing information utilization are argued to have their roots in the "user" and "producer" perspectives as will be argued later in this chapter.

Menon and Varadarajan stressed the idea that research into knowledge utilization processes should be explicit about what is and what is not being measured—that is, defining the construct or in terms of Churchill's (1979) paradigm for developing better measures, "specifying the domain" of knowledge utilization. Recognizing the fact that many recommendations and frameworks have been presented in the literature about the questions and issues that should be addressed in determining research use, they decided to adopt Weiss's (1981) framework in light of its explicit structure and comprehensiveness. Weiss notes that a rigorous and valid conceptualization of knowledge use should address the following issues:

1. What is used?
2. How direct is the derivation from the study?
3. By whom is it used?
4. By how many people is it used?
5. How immediate is the use?
6. How much effect is required to count as use?

Menon and Varadarajan went further to argue that in certain respects, issues central to conceptualization and measurement of knowledge utilization are similar to those central to conceptualization and measurement of organizational effectiveness.

To substantiate their opinion, they offered the example that Cameron's (1986) discussion of the multidimensional nature of effectiveness appears to be especially relevant for understanding the research utilization process. Hence, the framework proposed by them for evaluating the type and extent of knowledge utilization advocated that knowledge utilization needs to be evaluated along the following four dimensions:

1. **The individual or group of individuals from whose perspective utilization is being assessed:** The type and extent of utilization can vary dramatically, depending on the vantage point from which knowledge utilization is being evaluated- researcher, manager, individual user or group of users.

2. **The domain where utilization occurs:** Knowledge generated and disseminated can affect decision making at different stages (Van De Vall&Bolas 1982), such as problem recognition, analysis, generation of alternative solutions, evaluation of alternatives, selection of a decision, implementation of a decision, and control. Also, information may have an impact on overall policy development or on the development of strategies and/or tactics.

3. **The level of analysis for determining utilization:** It is conceivable that the type and extent of knowledge utilization will vary, depending on the level of analysis. The level of analysis refers to the identity of the actual user of marketing information. Alternative units of analysis for purposes of examining information utilization can include a research study, a policy or strategy decision, an individual decision maker, a group of decision makers, the firm, a business unit, or a division.

4. **The time frame within which utilization occurs:** Arguably, one of the most critical determinants of use is its temporal dimension (Larsen 1985). From a descriptive viewpoint, time provides a comparison or reference standard for measuring and determining level and type of use.

The most important contribution of this part of the work of Menon and Varadarajan is their stress on the crucial role of setting the boundaries of knowledge utilization in marketing by developing a proper conceptualization of the phenomenon and a clear delineation of its distinctive identity. Also, they have shown how various frameworks proposed to handle other multidimensional constructs such as organizational effectiveness can be useful in reaching a deeper understanding of marketing information utilization. Nevertheless, the framework of circumscription as proposed by Menon and Varadarajan did not fully achieve what was intended . Unfortunately, their framework did not set the right criteria or standards that can tell us what is, and what is not, utilization through distinguishing and isolating it from the whole process of handling marketing information. The proposed framework can serve the purpose of coming up with various bases for categorizing marketing information utilization, provided that a priori we already know what is meant by it. This is why despite their extensive review of marketing and non-marketing literature on defining information utilization, they did not introduce their own specific definition of the phenomenon or endorse a previously proposed one.

5.3.3 Sinkula (1994) and Moorman (1995)

In his study on the interrelationships between organizational learning and marketing information utilization (or what he called processing), Sinkula tried to describe utilization as a process using Huber's (1991) description of organizational learning as a process. Sinkula argued that understanding the nature of organizational learning is critical to our understanding of how organizations process market information. Information use, as noted by Sinkula, is a multidimensional construct, while constructs from organizational learning theory such as information acquisition, distribution, interpretation and memory are more unidimensional and, therefore, could be more consequential to our grasp of how market information is processed in organizations.

Sinkula, then, quoted Huber's (1991, p.90) description of the four organizational learning-related constructs:

"Knowledge acquisition is the process by which knowledge is obtained. Information distribution is the process by which information from different sources is shared and thereby leads to new information or understanding. Information interpretation is the process by which distributed information is given one or more commonly understood interpretations. Organizational memory is the means by which knowledge is stored for future use".

Sinkula, generally, avoided using the term market information use in favour of the term market information processing, a term that encompasses the acquisition, distribution, interpretation, and storage of market information. This information processing perspective assumes that as Hubber (1991, p.89) put it *"an entity learns if, through its processing of information, the range of potential behaviours is changed"*.

Therefore, Sinkula concluded that he does not view overt change or decision making as necessary conditions for learning through marketing information processing to have occurred. This is because it is possible for covert behavioural changes to happen due to implicit changes that are consequences of learning that might only be demonstrated in the longer term.

The best insight provided by Sinkula's view of marketing information utilization as an overall learning process is his highlighting of the long term impact of the utilization process through emphasizing the theme that information need not always be utilized directly for changing immediate behaviours or making specific decisions. It might rather be utilized for general learning and building a rich organizational memory that can be of benefit to the overall organizational performance over an extended period of time.

However, the two most questionable points in Sinkula's analysis are, first, his unrealistic presumption that a "multidimensional" construct like marketing information utilization can best be understood if decomposed to its constituents and examined by "unidimensional" constructs like those comprising organizational learning. As hinted several times earlier, examining a multidimensional construct necessitates the use of a holistic framework that can actually "grasp" the various dimensions in one context. The second problem is the confusion of information utilization and information processing. While processing refers to the whole range of activities carried out through the organization to handle information (including its utilization), utilization refers only to that part of the process carried out by users of information. So, some processes included by Sinkula in information use might be undertaken by other parties and/or in collaboration with users like information acquisition, distribution, storage, and in some occasions, even interpretation.

Moorman (1995) adopted exactly the same approach as Sinkula to defining and measuring the utilization of marketing information and argued that marketing information processing consists of four main processes which are information acquisition, information transmission, instrumental utilization and conceptual utilization. The main contribution of Moorman (1995) was that she went on to operationalize these processes in measurable terms through exploratory interviews with marketing information users which is a very unusual exercise among advocates of "process" definitions, but again, as Sinkula, she appeared to confuse utilization with other processes of managing marketing information like acquisition and transmission.

5.4 "Impact" definitions and measurements of marketing information utilization

The basic task of this type of definition and measurement is to trace the occurrence or non-occurrence of information utilization through endeavouring to reveal its influence on certain aspects of organizational behaviour, performance and effectiveness. It might then become desirable to classify such influences (impacts) and aim to attribute each homogeneous set of influences (impacts) to the individual and organizational factors thought to be causing them. This will increase our ability to understand, predict and, hopefully, manipulate the effects of information utilization. The following is a presentation of what are considered to be the most important research efforts viewed from this conceptual perspective.

5.4.1 Deshpande (1982), and Deshpande & Zaltman (1982)

Although Deshpande and Zaltman were not the first to conceptualize information utilization in terms of its impact, nor the first to deduce its categorization to various types (specifically, the one they used, i.e., conceptual and instrumental), they are still to be considered the pioneers in this area. This is due to the fact that they were the first to bring the basic themes, frameworks and measurements of the process of information utilization from other disciplines, adapt and then apply them in the marketing area. In doing

so they were successful in drawing the attention of marketing researchers and practitioners to the importance of the subject, and made a significant contribution by operationalizing the construct of marketing information utilization in a way that is acceptable from both a conceptual and methodological standpoint.

Deshpande (1982), noted that most of the work in defining and measuring what constitutes research use had been in nonmarketing areas, primarily political science and public administration. Accordingly, he adopted two definitions, one by Rich (1977) a political scientist, defining use as specific information coming to the desk of a decision maker, being read and influencing the discussion of particular policies. Deshpande argued that in this sense the use of information is analogous to the use of a marketing research report being examined by a manager. Another definition adopted by Deshpande was that of Caplan, Morrison and Stambaugh (1975), public administration researchers, defining use in terms of familiarity of the officials with pertinent research and a consideration of an attempt to apply the research to some relevant policy areas.

In his study, Deshpande defined and operationalized use of research information in terms of whether a decision could have been made without it or whether the decision, when made without research, would have been very different from the decision for which research information was considered. Two questions were asked to determine research use. The first asked respondents to agree or disagree (on a five point Likert scale) with the statement, "Without this research information, the decisions made would have been very different" and the second, using the same response format, stated, "No decision would have been made without this research information". Accordingly, Deshpande decided to focus on defining and measuring instrumental utilization exclusively, relying on previous operationalizations in non-business contexts, though he admitted that there is still much discussion as to how best to define research information use and the optimal way to measure it and that several alternative methods of operationalizing research use do exist. Nevertheless he appeared to be most concerned with the "so what?" or "impact" dimension of market research. Deshpande explained this "impact" dimension through asking a number of questions, i.e., Has there been any change caused by the presence of new information? Has the research affected managers' decision making in any way? What would have happened to the decisions if the research had not existed?. Additionally, Deshpande attempted to use rather more indirect questions on research use (as opposed to "Did you actually use the market research?") and was able to prove, using descriptions of the means and standard deviations of variables, that the tendency toward positive bias (i.e. the tendency of respondents to reflect unduly overestimated levels of research use) is limited when employing more inferential methods of measuring use.

Deshpande and Zaltman followed the same conceptualization initiated by Deshpande and again relied on the same definitions of Rich (1977) and Caplan, Morrison and Stabaugh (1975). However, they began by arguing that distinguishing between instrumental and conceptual use is the most major classification of information use. They defined instrumental use as the direct application of knowledge to solve a particular problem or make a particular decision. On the other hand, they defined conceptual use as information utilized for general enlightenment rather than for any current decision making problem. Through their review of the nonbusiness literature, Deshpande and Zaltman were able to conclude that there is consensus that the term "information utilization" generally is employed to refer to distinct concepts each with multiple dimensions. Thus, one researcher may employ the term to refer to conceptual use (with its multiple dimensions) and another researcher may apply it to instances in which specific, overt effects or impacts are evident (instrumental use), and so on. So, this innocuous term is given considerable complexity of meaning.

For several reasons, Deshpande and Zaltman decided to focus their study on the instrumental use of research. The first reason is that such use is "easier" to investigate than conceptual use, and they argued that this criterion is appropriate when one is exploring a new area. The second reason was that instrumental use was appropriate given their interest in "strategic", product-oriented decisions. A final reason was that instrumental research (in contrast to exclusively exploratory and theoretically-oriented research) is a common, and in fact probably the most common, type of research conducted in marketing, especially in the area of commercial research provided by outside suppliers which was the major focus of their study.

When they came to measuring research use, they desegregated the construct to what they referred to as "four conceptually distinct dimensions" which represented a hybrid mix of indicators of how far the use of research information had an impact on the decision making process. These dimensions were: decision relevance or the relevance of the information to the decision being made; information surplus or the amount of extraneous information provided; recommendations implemented or the proportion of recommendations made which were implemented; and general quality as reflected by overall satisfaction with the research. These dimensions were selected on the basis of both personal interviews with marketing managers and research suppliers and extant research and thinking. After that, Deshpande and Zaltman designed what they called "use index" which consisted of five statements that were later combined into a cumulative, equally weighted index. Although, they noted that there is an argument against combining the various dimensions of a complex construct such as research use in one index on the grounds that it is an oversimplification, Deshpande and Zaltman made two justifications for so doing. The most important reason, they argued, was that managers and research suppliers who were interviewed indicated that the conduct of market research seldom has only one objective. Consequently, the same research often is evaluated on a variety of dimensions, frequently by different client managers and

research suppliers working together on one project. Any investigation of the use of market research, therefore, should reflect the multiple evaluation objectives that managers and researchers employ.

Their second justification was that literature on decision making in complex organizations suggests that decisions are more organic than linear. So-called decision stages occur out of sequence with frequent short-circuiting at every stage. Additionally, empirical evidence suggests that important policy and strategy decisions are not made in a formal, clear-cut sense, thus research use should be investigated in terms of several underlying dimensions in an attempt to capture the different functions of the research. This is almost the same argument made by Beyer and Trice (1982) on the assumption of rational decision processes within modern organizations. Deshpande and Zaltman followed the same definition and measurement of market research use in their two subsequent articles (1984, 1987).

The most important limitation of the outstanding work of Deshpande and Zaltman is their overemphasis on instrumental use of research. Though this type of use remains of great significance, there are arguments made by Weiss (1980, 1981) and Menon and Varadarajan (1992) that instrumental use seems in fact to be rare, particularly, when the issues are complex, the consequences are uncertain, and a multitude of actors are engaged in the decision making process. So, they argued that studies examining only instrumental forms of use of a research study may not be valid because they can not capture other possible forms of use. In addition to that, the fact that it is relatively easy to examine is not a sufficient justification for concentrating exclusively on instrumental use; in fact it is just the opposite, an argument against it. Proper and comprehensive conceptualization of the most elusive dimensions of a new construct is essential in order to lead expected future research work to the right conceptual and methodological path. After all measuring other types of use with any degree of accuracy is better than not measuring them at all. Also, Deshpande and Zaltman's interest in strategic marketing decisions should have motivated them to explore the inevitable strategic potentials of conceptual use of marketing research. Finally, despite their apparent awareness of the impact of organizational factors on extent and type of marketing information utilization, they did not include the political use of marketing research in their conceptualization of the types of use in spite of their recognition of the irregularities of decision making in real organizations.

5.4.2 Jobber and Watts (1986)

In pursuit of their study of the behavioural dimensions of the use of marketing information systems in British companies, Jobber and Watts defined and operationalized the constructs of utilization in a British context for the first time. Another contribution was their pursuit of a creative approach to defining and measuring the level of marketing information utilization. They tried to base their measurement process on factual or secondary data instead of relying on users' perceptions of how they use marketing

information. Based on sixteen semi-structured interviews constituting their exploratory research they argued that there is no single measure that can adequately reflect the extent of marketing information systems usage and the behavioural patterns of the users. Therefore, Jobber and Watts constructed a group of usage variables that were identified through exploratory research which were:

1. The proportion of relevant information from marketing information systems that was used.
2. The proportion of all information from marketing information systems' reports which was used.
3. The number of verbal or written requests for information per month.
4. The number of VDU (visual display unit) requests per month.
5. The number of hours spent reading reports a week.
6. The proportion of relevant reports used.
7. The total number of requests for information made per month.

The clear advantage of such a measurement method is its obvious objectivity because it is most likely free from bias that can result from other kinds of primary and interval (rather than ratio) statements measuring dimensions of utilization. Another point of strength is Jobber and Watts' recognition of the multiplicity of dimensions representing utilization that is almost impossible to capture by a single measure, and their emphasis on the need for the use of multiple measures of the various utilization dimensions in order to comprehend its essence. One limitation with such a measurement approach is that it introduces a measure of the *level* rather than the *quality* of marketing information utilization. In other words, this approach would distinguish between heavy and light users but would not distinguish between instrumental, conceptual and symbolic uses, i.e., among the components of each level. This is because the objective nature of the previously mentioned seven dimensions of use could produce a good indicator of how much information was utilized but can not reveal (because of its objectivity) how and why this marketing information was utilized, i.e., the kinds of utilization that have occurred in the course of reaching a certain level of utilization.

5.4.3 Menon and Varadarajan (1992)

As detailed before, Menon and Varadarajan introduced a hybrid conceptualization of marketing information utilization comprising "process" and "impact" elements of definition. They viewed their framework as a first stage to set the boundaries of the construct. In the next stage of their

conceptualization which they referred to as concerned with developing the major dimensions of utilization, they used the classification of the types of information use as an "impact" context for understanding the phenomenon as depicted in Figure 5-4.

Menon and Varadarajan started by pointing out that knowledge utilization can be conceptualized in terms of the underlying forms or types of use and their extent of use in the decision making process. Specifically, they conceptualized research use along three dimensions: action-oriented use, knowledge-enhancing use and affective use. Thus, overall utilization is determined by these three types of use, which can be viewed as the underlying dimensions or components of the construct "research use". Menon and Varadarajan argued further that, though it is conceivable that all three forms of knowledge utilization might take place in a particular use context, the extent of use may vary across contexts of utilization. It is this differentiation that is critical and interesting when one is attempting to evaluate the type and extent of knowledge utilization in firms. Specifically, they conceptualized the construct "type of research use" as a third-order factor with three dimensions of use, each of which had subdimensions. Both knowledge enhancing and affective uses are conceptualized as having facets of product and process effect. The extent of use was viewed by Menon and Varadarajan as the degree to which these components affect the decision making process.

The following is a brief account of their definition of each dimension of research use and its subdimensions.

1. Action-oriented use:

Action-oriented use is demonstrated by changes in the user's activities, practices or policies that can be directly linked to the findings and implications of a study (e.g. conducting a feasibility study to decide whether an advertising campaign in a certain market should be initiated). Instrumental use is one of the subdimensions of action-oriented use. Instrumental use, in turn, can be viewed in terms of either congruous or incongruous uses. Congruous use is the use of information in a manner that is consistent with the intent and implications of the study findings. Incongruous use is the intentionally distorted use of information. Action-oriented use could also have a symbolic dimension from Menon and Varadarajan's viewpoint, when managers use information in their decision making for the sake of appearance rather than for any of the information's intrinsic qualities. Such symbolic uses can be benign, cynical, or positive. The benign form of symbolic use occurs when managers use information to make the supplier feel included in the decision making. Cynical use, which can be viewed as a type of ritualistic use, occurs when a manager cynically uses some information even though he or she does not see any value in it but thinks that some other audience may see value. Finally, a positive form of symbolic use occurs

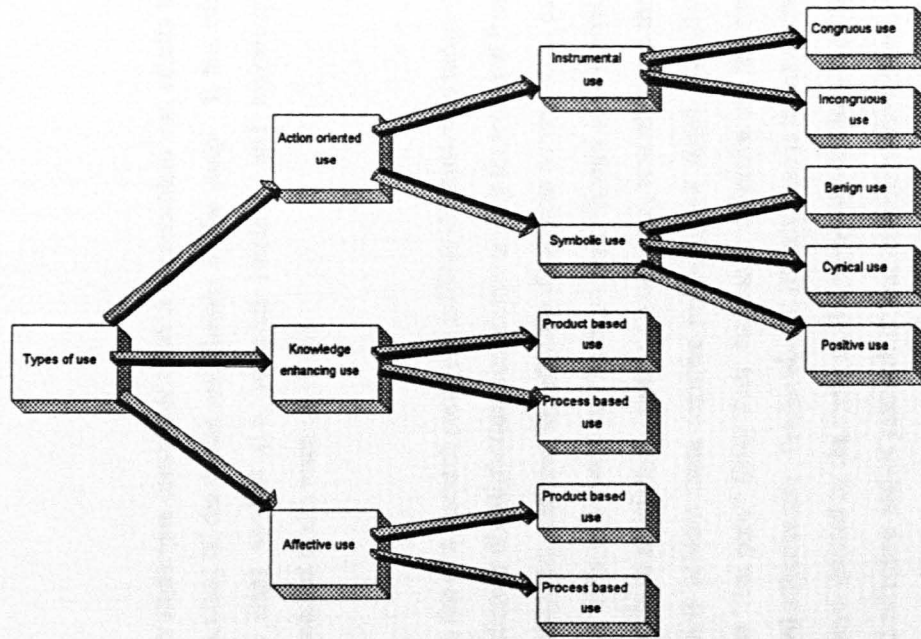


Figure 5-4 An exposition of Menon & Varodarojan's major* dimensions and subdimensions of research use.

* Menon and Varodarojan noted that extent of use can be viewed as a continuum along which these dimensions and subdimensions of use affect the decision making process.

when managers use information not so much for its value but because it sends a positive message within the firm (Brown & Ennew 1995).

2. Knowledge-enhancing use

Knowledge-enhancing use, which Menon and Varadarajan considered as akin to conceptual use, results in changes in the user's knowledge and understanding of the issues and themes of the study. It has two facets, knowledge enhancement due to the final product (i.e. research results) and knowledge enhancement due to the research process (i.e. conduct of the research study).

3. Affective use:

Menon and Varadarajan admitted that affective use of a research study is a difficult dimension to measure because it is related to general levels of satisfaction or dissatisfaction, confidence or lack thereof, and trust or mistrust. As a remedy to these difficulties, they proposed that the affective dimension be viewed as use of research with the intent of "feeling good". This was based on the logic that, though it is entirely possible that using research can lead to low levels of satisfaction, trust, or confidence, it is also true that managers do not intentionally use information to achieve these negative psychological states. In other words, managers sometimes use information to "feel good" about their decisions. Affective use has two subdimensions, product-based and process-based affective use. Product-based affective use is based on the manager's overall satisfaction and confidence level created by the study findings and implications (i.e., by what the study has produced). Process-based affective use of research is the overall positive level of satisfaction and confidence because research was done. These effects occur during the conduct of a research study and over a period of time thereafter and they also have a major influence on the researcher-manager relationship and interaction, which is critical for knowledge use.

The particular strength of Menon and Varadarajan's description of the various types of information utilization is that they were the first to expose the full range of influences which utilization can cause over various time frames, on different people and in various organizational settings and decision situations. Also, their focus was on the marketing discipline, they frequently referred to examples of the occurrence of each type when utilizing marketing research information. Strange as it may seem, their most strong point was the source of their most serious point of weakness. Because of their strenuous attempt to reveal every dimension and subdimension of information of utilization, they proposed types of utilization that are overdichotomized. For example, there is hardly any dividing line among the three types of symbolic use or between symbolic use as a whole and incongruous use; in fact they are all signalling the use of research results for purposes other than those disclosed publicly and can be grouped under the heading of political use of research. In addition to this, it is difficult to comprehend why symbolic use which is the most indirect type of use be classified as an action-oriented use and similar to the most direct type of use which

is instrumental use. Furthermore, affective use defined as the general level of satisfaction, confidence or trust due to utilizing research can never be considered a "type" of research use. This "feel good" outcome can be the result of any of the cited kinds of use. A last point is that Menon and Varadarajan did not try to show how any of their types of use (especially the ones initiated by them) may be operationalized.

5.4.4 Porter and Miller (1985) and Kohli and Jaworski (1990)

Although neither the studies of Porter and Miller, and Kohli and Jaworski nor similar studies (e.g., Narver & Slater 1995 and Moorman 1995) attempted to conceptualize marketing information utilization, these studies emphasized the "impact" of such utilization on the existence of two vital recent corporate phenomena, i.e., competitive advantage and market orientation as indicators of organizational effectiveness. This makes it possible to include them in the studies recognizing the existence of information utilization by its "impact", particularly because both phenomena are applied organizationwide and so, their existence suggests that there is a large degree of information utilization of various types and utilization is believed by the above mentioned scholars to be one of the main driving forces that help establish and maintain competitive advantage and market orientation.

Porter and Miller examined the impact of the use of information technology on the major constants of competitive advantage (i.e. differentiation advantages and cost advantages). They concluded that using available information can alter positively a company's costs in any part of its activities through controlling the cost drivers of activities in ways that can improve the company's relative cost position. On the other hand, they found that utilizing marketing information can enhance differentiation through making it possible to customize products to customer needs, thus enhancing the perceived value of the product to customers, and also by bundling more information with the physical product package sold to the buyer. The new information utilized affects a company's ability to differentiate itself from its rivals in the market place.

As mentioned in chapter three, Kohli and Jaworski (1990), following a careful theoretical and empirical analysis, defined market orientation formally as (p.6), *"the organizationwide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and (organizationwide responsiveness) to it"*. By responsiveness to market intelligence they meant utilizing marketing information and more specifically they were referring to the instrumental utilization because they, eventually, defined responsiveness as taking action based on marketing intelligence. The most notable thing about Kohli and Jaworski's analysis is their insistence that in order to create market orientation, marketing information needs not only to be utilized by marketing decision makers but also to be taken into account when making other corporate decisions and that is what they were implying, by their persistent use of the term "organizationwide". In addition to this they hinted

implicitly that using market intelligence is not the sole responsibility of potential users, but that the extent and type of use are also contingent on how such information was generated and disseminated in the first place.

Since conceptualization of marketing information utilization was not the aim of either study any critique of them would be inappropriate at this point.

Similar work on defining and measuring utilization through recognition of its influence on organizational effectiveness as judged by market orientation or success of marketing decisions was carried out by Narver and Slater (1995) and Moorman (1995).

5.5 Critique of research on the definition and measurement of marketing information utilization

Despite the important insights provided by “process” and “impact” definitions and measurements of marketing information utilization both approaches suffered from a number of shortcomings that represent barriers to a clear conceptualization of marketing information utilization.

From the researcher's point of view, “process” definitions seem to reflect a producer-biased view toward the process of marketing information utilization. This was apparent when Beyer and Trice (1982) expressed their opinion that many believe that lack of utilization stems from characteristics of research and that “generating” different, more useful research would solve the problem when coupled with their belief that lack of utilization also stems from characteristics of organizations. This is arguably, the producer perspective with its underlying rationale arguing that the core of the utilization problem is producing irrelevant information and the heart of a solution lies in producing information that is consonant with user's expectations and characteristics as perceived by producers of information. Consequently, advocates of the producer perspective invariably seek to describe information utilization as a process from their point of view. Even, if these descriptions in some way or another, captured some of the truth about the way in which marketing information is actually utilized, they miss some realities on both individual user and organizational levels. Once again, this is evident in the presumption of Beyer and Trice (1982) that irrespective of how utilization occurs (rationally or irrationally), the outcome of the utilization process will still be the same in extent and quality, thus ignoring the effect which the nature of the process may have on its end result(s).

This unrealistic view of utilization is likely to have an adverse effect on the descriptive ability of any model formulated and based on “process” definitions and measurements, not to mention the predictive and manipulative abilities. Furthermore, even if the process of marketing information utilization could be modelled and simulated, as accurately as possible it would still be of limited help because it can not,

reliably, indicate the expected extent and quality of the process or recommend the best course of action to improve its malfunctions. Another problem with "process" definitions and measurements of marketing information utilization is that of the difficulty of operationalization. Looking at utilization as a mental process taking place within the mental system of decision makers, though acceptable as a matter of common sense, makes it quite difficult to measure and express utilization in real terms in either a quantitative or to a lesser extent, a qualitative sense. This might be the underlying explanation for the limited number of empirical studies on information utilization adopting "process" definitions. These studies are mostly confined to experimental studies focusing on a limited part of the whole process and sometimes even relying on some "impact" indicators, or case studies conducting an in-depth analysis of very limited and narrowly defined decision situations, e.g., a specific research project or a training programme, which limits significantly the possibility of making any valid generalizations based on their results and conclusions (e.g., Hu 1986, Sinkula 1986, Lee, Acito & Day 1987 ; Hu & Toh 1995).

On the other hand, "impact" definitions and measurements can be said to be based on the conceptions of a user-dominated perspective. The cited examples of the "impact" view of marketing information utilization were conducted by scholars explicitly adopting marketing orientation, i.e., a consumer (in this case information user) dominated perspective. This is obvious for example in the claim of Deshpande and Zaltman at the outset of their first article (1982, p. 14), that *"both the knowledge system of marketing and the behavior of managers as "consumers" of research have been neglected ... and that studying elements of the profession's knowledge system may provide insights which could lead to improvements in that system"*, i.e., the solution is to tailor the marketing knowledge system to users' needs. In addition to that, Porter and Miller (1985), and Kohli and Jaworski (1990) have been pressing and the notion that building the marketing information system around the needs and characteristics of marketing decision makers to motivate them to use such information is the only way to gain competitive advantage and to maintain market orientation respectively. Though Menon and Varadarajan (1992) attempted to stay impartial towards both perspectives they also concluded with the recommendation that the design of marketing information in order to be successful, should come as a response to characteristics of users and nature of information.

Despite this bias toward information users, "impact" definitions proved to be more viable for operationalization in empirical analysis. Two limitations to such studies were, first, that almost none of them attempted to measure any impact other than the instrumental or direct and second, they all relied exclusively on structured questionnaires as a measurement device (this research is no exception) with their associated methodological pitfalls along with the difficulty to isolate the "impacts" that are exclusively attributable to utilization of marketing information. However, while recognizing the potential limitations of structured questionnaires, it should be noted that often there might be no other available means for

gathering such "inside" and "intangible" data about such an invisible behaviour, i.e., utilization. Furthermore research based on structured questionnaires has been undertaken by Deshpande and Zaltman (1982, 1984, 1987) and Jobber and Watts (1986), with a considerable degree of success and strongly reliable outcomes. Clearly, these two limitations (type of impact and method of data collection) are related to the conduct of "impact" research and the nature of the phenomenon itself, and not inherent in the logical foundations of "impact" definitions and measurements of marketing information utilization. Disregarding these problems, "impact" definitions and measurements are believed to be useful in understanding and handling marketing information utilization since they enable us to take a careful analytical look at the extent and quality of utilization which are the desirable ends of managing the utilization process and if incorporated properly into a viable model they can take us further to identify the determinants underlying each type and degree of utilization. This should enhance our ability to manipulate and direct the whole process of marketing information utilization.

5.6 The use of Porter's value chain and value system as a framework for conceptualizing marketing information utilization

A review of the literature on conceptualizing marketing information utilization suggested that there were shortcomings in present conceptualizations, particularly the lack of a coherent and suitable framework needed to grasp the multiple dimensions of the construct. To the best of the researcher's judgement, it is the absence of such a framework that led to the impossibility of following the multi-parties perspective outlined in the previous chapter. This has led to following other single-party perspectives which, as indicated, was the major cause underlying most shortcomings of available definitions and measurements. For example, Deshpande and Zaltman's (1982,1984;1987) constant focus on instrumental use can be attributed to their following of the user perspective which invariably advocates the view of many information users that information is only valuable if it has a direct bearing on their problems in practice.

Contemplating the literature, the framework of value chain and value system as proposed by Porter (1985) as a part of his competitive analysis was found to be appropriate for the purpose of providing a comprehensive and sound conceptualization of marketing information utilization. The reasons for this assumed appropriateness will be mentioned after a brief statement of Porter's framework.

As proposed by Porter (1985) a company's value chain is a system of interdependent activities which are connected by linkages. Linkages exist when the way in which one activity is performed affects the cost or effectiveness of other activities. Linkages can create trade-offs in performing different activities that should be optimized. This optimization may require trade-offs. For example, a more costly product design and more expensive raw materials can reduce after-sale service costs. A company must resolve

such trade-offs, in accordance with its strategy to achieve competitive advantage. Linkages also require activities to be co-ordinated. For example, on-time delivery requires that operations outbound logistics, and service activities (installation, for example) should function smoothly together. Good co-ordination allows on-time delivery without the need for costly inventory. Careful management of linkages is often a powerful source of competitive advantage because of the difficulty rivals have in perceiving them and in resolving trade-offs across organizational lines. The concept of a value chain is shown in Figure 5-5.

The value chain for a company in a particular industry is embedded in a larger system of activities that Porter termed the value system (depicted in Figure 5-6). The value system includes the value chains of suppliers, who provide inputs (such as raw materials, components, and purchased services) to the company's value chain. The company's product often passes through its channels' value chains on its way to the ultimate buyer. Finally, the product becomes a purchased input to the value chains of its buyers, who use it to perform one or more buyer activities. Linkages not only connect value activities inside a company but also create interdependencies between its value chain and those of its suppliers and distributors. A company can create competitive advantage by optimizing or co-ordinating these links to the outside members of its value system. Before explaining how this framework can be adopted to configure what might be called marketing information value chain and system, it is better to answer the logical preceding query of why is it appropriate to do so. The following Table (5-3) is a brief justification of adopting Porter's framework through evaluating it against the criteria of perspective appropriateness suggested in the previous chapter.

The value chain and value system can be applied to the process of managing marketing information in general and marketing information utilization in particular. In fact, it can be argued that using this framework is a direct application of the multi-parties (organizational) perspective as a way of configuring utilization, since it does not look at it from any single party's point of view but it rather looks at it from a broadened organizational view embracing the full spectrum of activities and structures involved in handling marketing information throughout the organization. It also shows the role of each party in each stage, thus demonstrating the boundaries, dimensions, antecedents and consequences of utilization as one of those stages. Figures 5-7 and 5-8, respectively, demonstrate how marketing information utilization can be examined through creating the value chain and value system of marketing information. The basic logic underlying such configuration, is that information gains value as it evolves from one stage in the chain to another due to the pursuit of certain activities and that this large value chain can be subdivided into three separate (but not isolated) value systems which are those of users, producers and the organization.

As an illustration of this new framework, consider the example of a company that enjoyed the market position of an established monopolist of dairy products in a centrally planned economy. The company was

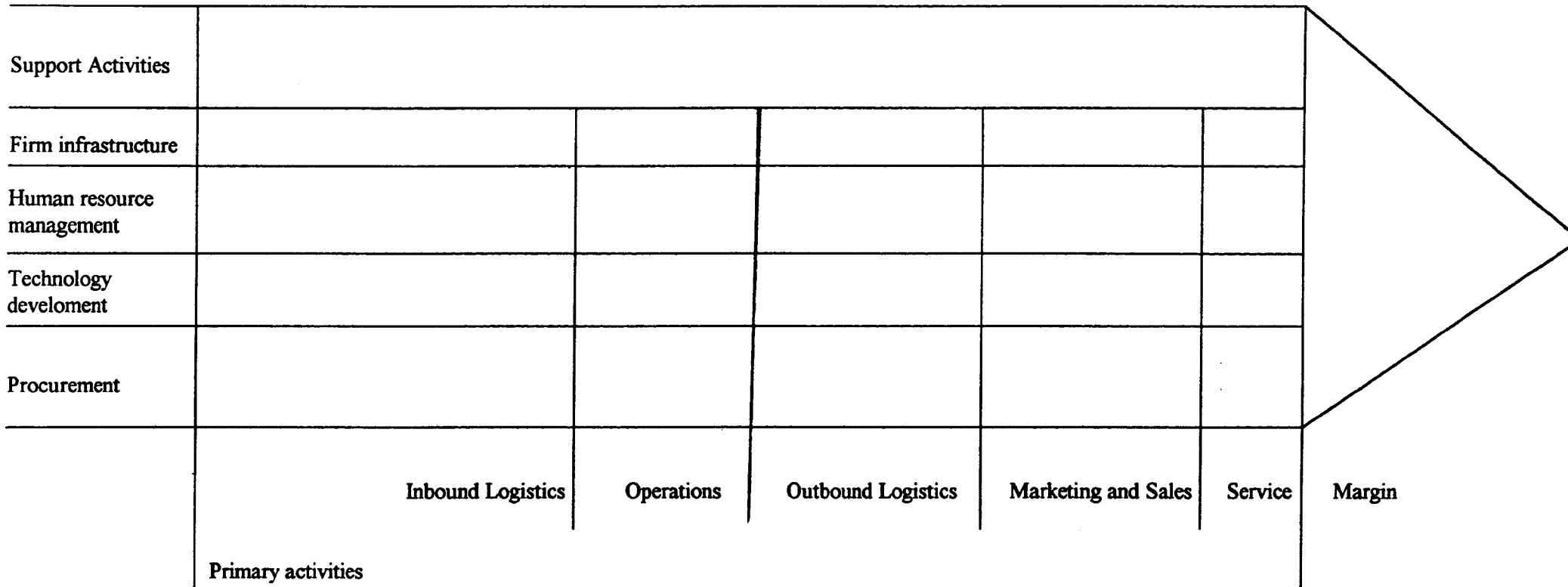


Figure 5-5 The Porter's Value Chain

Source: Porter, M.E., (1985), "Competitive advantage"

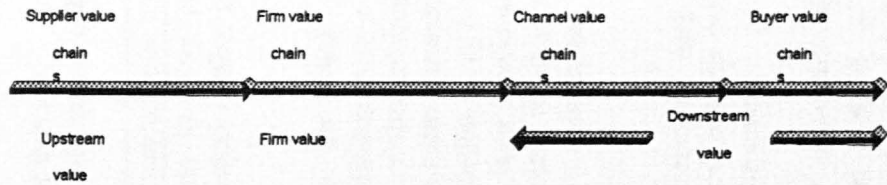


Figure 5-6 Porter's value system

Source: Porter, M.E., (1985), "Competitive advantage"

Table 5-3
Reasons for the appropriateness of Porter's
framework for conceptualizing marketing information utilization

| Criteria of appropriateness | Conformance of Porter's framework with the criteria |
|--------------------------------------|--|
| 1-Holistic | It looks at the information handling process(including utilization)in its broad context,as it takes place throughout the whole organization. |
| 2-Marketing oriented | It gives consideration to the needs of information users(i.e.,customer minded)making them a natural starting point through the inclusion of their strategic objectives at the beginning of the chain and also orientates every member in the chain toward that direction.It can also deal with the challenges facing marketing as a functional area and as a discipline because of its view of marketing as a total philosophy with all its sociological and political implications. |
| 3-Strategic | It is, by necessity, strategically long term oriented comprising the organizational mission and strategies and relating them to external environment. |
| 4-Cost effective | Adopts a broad concept of value embracing all types of benefits and costs (whether tangible or intangible) and defines the marginal contribution of each activity(including utilization). |
| 5-Effective measurement | Recognizes all types of variables and relationships and emphasizes their importance.Therefore, necessitates the measurement of all variables disregarding their nature (i.e.,Quantitative or qualitative), thus ignoring ease of use as a way of qualifying variables for measurement and inclusion in any proposed models. |
| 6-Recognizing different stakeholders | It stresses the importance of coordination and compromising optimization of each activity for the sake of overall optimization at the end of the chain (i.e.,recognizing the interests of all parties. |

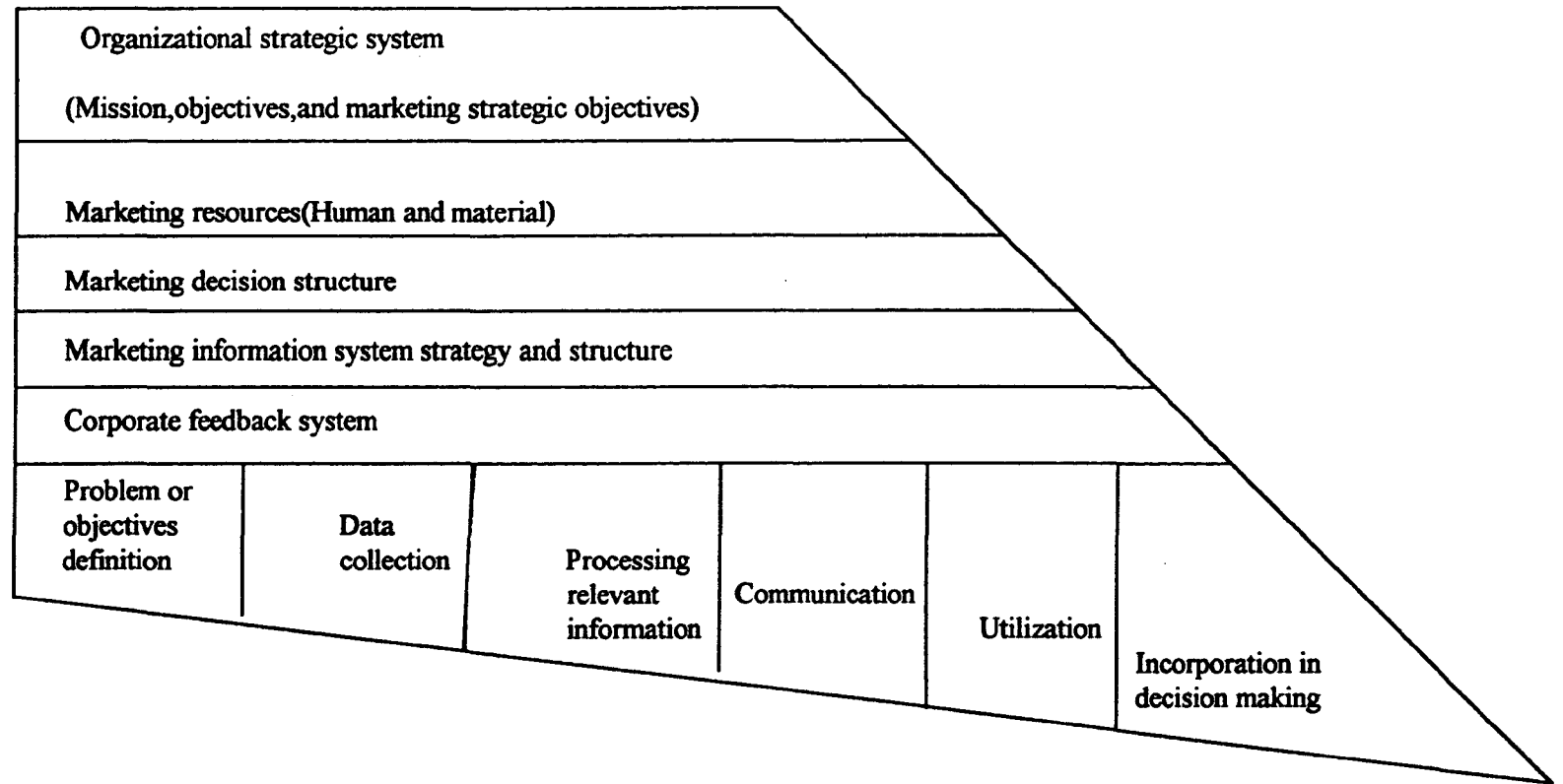


Figure 5-7 Marketing information value chain

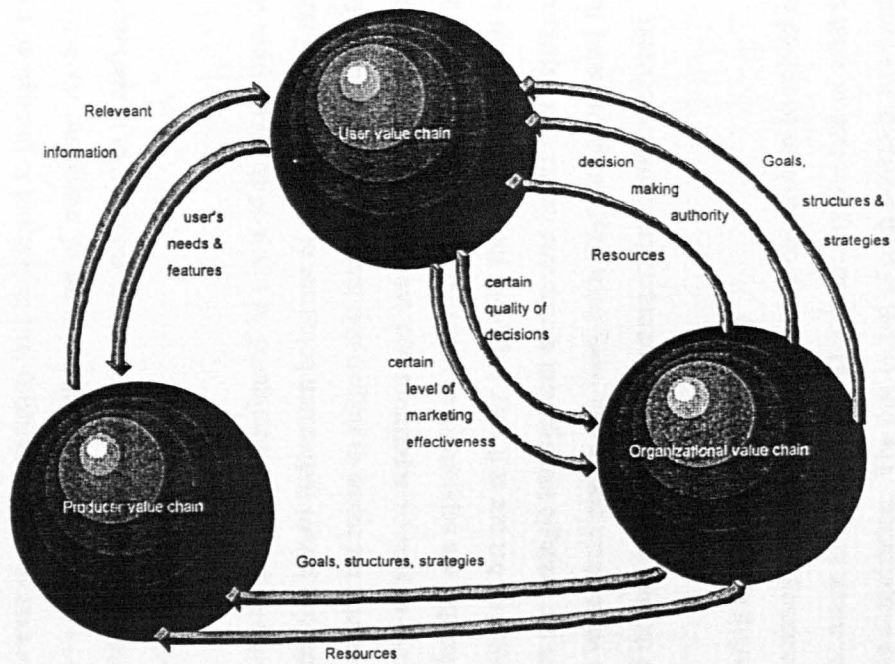


Figure 5-8 *The value system of Marketing information*

facing threats of deregulation and liberalization as a consequence of privatisation and the introduction of market mechanism (Anonymous, 1994). The example of this company will be referred to through all the stages of explaining how the concept of value chain applies to the process of managing marketing information. Because of unavoidable intensive competition the company is resorting to a marketing research firm for advice on maintaining its competitive status.

The whole process of handling marketing information when configured in terms of the framework of value chain can be decomposed into four distinctive phases (utilization being one of them). However, this decomposition is only for the sake of analysis and is not meant to suggest that these phases are discrete. In fact, they are continuous and sometimes involve recyclings, repetitions and overlappings. In addition to that there are systems, structures and activities that are supportive, i.e., they do not contribute directly to the main stream activities of information handling but are still very important for the proper pursuit of such activities. Examples of such systems are the strategic management system and the feedback system. The following is an explanation of how the value chain system can work from originating the need for marketing information to its incorporation of its final product in the marketing decision making process.

1. Problem definition phase (Originating the need for information)

This is the group of activities aimed at formulating a well-defined problem which needs to be solved or identifying a clearly delineated objective that needs to be achieved. This is usually the task of what is called the strategic management system of the organization. The first output of such system is an overall organizational mission and strategic objectives. These strategic objectives normally get translated into functional strategic objectives assigned to each functional area within the organization, and since interest in this research is in the marketing area, explanation will be confined to marketing strategic objectives. These strategic objectives of marketing function, are then detailed to tactical, operational, short term, visible objectives. This should be followed by setting forth strategic policies and action plans in order to accomplish such objectives. It is at this last stage that most decisions are needed to choose the course of action(s) that ought to be followed to achieve the objectives, but what are those decisions really about?. The marketing function is equipped with a certain amount and quality of material and human resources (e.g. marketing budget and marketing personnel) to use in achieving marketing objectives. A core marketing decision making is how best to allocate such resources in an optimal way among competing marketing activities (promotion, distribution ... etc.), product mix elements, and various market segments (customers, territories ... etc.). It is at this point that marketing decision makers feel that such crucial decisions with severe consequences of success or failure to the organization should rely on sound knowledge of the decision situation (i.e. marketing information), and because of the vast amount of information required and the sophisticated nature of modern management information systems, they

delegate such a specialized job to either a marketing research department or a marketing research external agency to do it on their behalf.

In our example, the company faced the threats of severe competition and shrinking market share, so its organizational mission was defined as keeping its grip on the local dairy products market through ensuring its status as an established market leader. This mission was translated into a strategic objective of building and sustaining a corporate image of high quality and reasonably priced products through an aggressive marketing and production programme sponsored by the financial resources accumulated through its large profits as a monopolist over a long period of time. The strategic objective of the marketing department was to maintain the largest market share in the market at a growing rate for the next five years, and a generous marketing budget was introduced with a full authority to hire any number of marketing experts needed for the job. The problem with the marketing department was to build a strong marketing orientation to replace the existing production orientation resulting from a dominant monopolist organizational culture that used to view marketing as an activity of physical distribution. In addition to that, an effective marketing mix ought to be designed to help build a marketing competitive advantage. Such vital decisions required considerable information about the organization and its market environment, particularly given that in the past no such information was ever felt to be needed because of the monopolistic position of the company. Since, due to production orientation, there was no internal marketing research unit, a large marketing research firm was called upon to make a complete marketing environmental scanning of the dairy products market and recommend how to deal with it, if the company wishes to attain its goals.

Thus, value was added in this stage through the transformation of broad strategic decisions that need to be made within the marketing function into operational and well-defined marketing informational needs.

2. Information processing phase (generating and communicating relevant information)

The first activity in this phase is recognizing and assessing the needs and characteristics of potential information users. Information suppliers have their own strategies and structures which are used in defining those needs and characteristics of users and their employing organizations. Through a clear needs assessment, information suppliers start the next logical step which is collecting the necessary raw data for producing such information from different sources including the marketing department itself, other value chain members (i.e. other departments), other value system members (suppliers, distributors and customers), competitors, and other external environmental sources (trade agencies, governmental bodies. . . etc.). After collecting all relevant data, its analysis, interpretation and refinement take place through a specific information processing technical structure (Decision support systems, expert systems. . . etc.) to produce information that is thought to be relevant to the decision(s) in hand. Finally, the report

comprising this information is presented to relevant decision makers through managing a full-scale dissemination process including undertakings of participations, persuasions and "marketing".

In the cited example, the marketing research firm carried out all these activities and finalized a report with very specific recommendations and was able to convince the marketing management to adopt it, i.e., to utilize it which is our main focus.

Thus, value was added in this stage through translating marketing decision makers' informational needs into efficiently-generated and effectively-communicated high quality marketing information.

3. The utilization phase (how value is actually extracted from information)

There is little evidence on what actually happens in this phase when marketing decision makers actually accept a research report and declare that they are going to commit themselves to its findings, in other words, announce that they intend to utilize it. Some evidence suggests that this declaration is about a different type of utilization from that normally perceived as adopting study recommendations (e.g. Brown & Ennew 1995). As argued before, it is almost impossible and impractical to try to reveal how marketing decision makers actually use marketing information. Nevertheless, it is possible to find out what they have done with it through discovering its impact on their decisions and behaviour.

Drawing critically on the work of previous scholars, marketing decision makers could have three types of goals that they aim to achieve through utilizing marketing information and thus their utilization behaviour reflects a high or low degree of their reaching such goals, but nonetheless reveals why and how was marketing information utilized. These sets of goals can be classified into pragmatic or functional goals, educational goals and political goals (Menon and Varadarajan 1992 and Barabaa and Zaltman 1991).

The first set of goals are concerned with minimizing the possibility of making a wrong decision and/or maximizing the possibility of a right decision through making better "informed" decisions leading, most probably, to the choice of the most appropriate alternative and even in the less expected occasion of an unfavourable outcome, the possibility of a severe, catastrophic loss becomes less because informed decisions rarely lead to selecting the worst alternative. In other words, this set of goals is related to instrumental use to decrease the degree of uncertainty in a very specific decision situation.

A second set of goals of marketing information utilization, is that related to the marketing decision makers' desire to "learn" and develop their information search behaviour and improve their decision making style and skills in the long run to add to their expertise individually and to their organizations'

learning and memory in general on long term basis. Conceptual use is the type associated with such goals, and it can be argued that the positive impact of this kind of utilization is more explicit in subsequent decisions than in the present decision making process.

The third type of goals are said to be the most common and prevailing (Weiss 1980, 1981; Brown & Ennew 1995), which are the political ones. From the researcher's point of view, any goal that is not educational or functional can be counted as a political one. To be more exact, any utilization of marketing information that is not in conformance with its publicly announced, explicit objectives, can be described as mainly political. As explained earlier, symbolic use is the means towards such political ends, giving certain impressions that decision makers believe will be in the best interest of their image within the organization. Examples of symbolic use would include research-oriented managers, using information to demolish opponents' views and status in an ethically acceptable way or making the organizational climate more tolerant to accepting the claim that even if the decision proved to be wrong, it was not their fault, they have done every thing possible and relied on "experts", thus decreasing the severity of personal loss in that case.

As a matter of fact, our example can witness the three types of utilization goals, since first, marketing decision makers due to lack of previous market research, do need information about the market on which they can build their decisions in that critical stage of the organization's life cycle. In addition to that, since most, or almost all, of the present marketing decision makers had never have the opportunity to participate and obtain the final results of such a large-scale marketing research project, they considered it a unique experience that ought to be seized and taken advantage of for their own managerial development.

Finally, knowing that there are greater risks in making such vital decisions in a rapidly changing business environment means, for marketing decision makers, that the personal cost of a wrong decision could be real high. Also, on the other hand there is a need to eliminate or at least neutralize resistance to spending so much on marketing in a company that used to be production oriented. So, adopting findings and recommendations of such a major marketing research study conducted by a highly creditable and reputed marketing research firm can help much in achieving such a political goal.

In fact, it can be claimed that the value added or created in this stage is the most important and, arguably, the largest of all. Value in this stage is the sum and highest expression of all other values added in other preceding stages and it can be said that if no value is added in this stage other value (s) added will not be reflected to a significant extent. Value is added in this stage through using the marketing information in shaping and changing the attitudes, skills and behaviours of marketing managers in the present, and possibly future, decision situation(s).

4. The decision making phase (incorporating information)

In this phase, the final decision is made with the utilized information affecting it from different aspects as explained above. The final product of this process is the marginal contribution information has made to improve the quality of such decisions and thus, the degree to which the "informed" selected alternative when implemented, contributed to the overall organizational effectiveness. The feedback system then does the recycling required by reflecting all the weaknesses and strengths of the information handling process to the concerned parties throughout the organization.

The marketing research study in the illustrative example proved to be a remarkable success, because when its recommendations were transformed to an actual marketing programme, the company was able to sustain its competitive position as a market leader. Thus, value was added in this stage through making the marketing information that was utilized, somehow or another, an integral part of better-informed and accordingly higher-quality marketing decisions.

It can now be safely concluded that marketing information passes through a value chain, even before it comes into being, starting with creating a need for it and ending with assessing its value through feedback. Passing through the chain it gains value constantly from each activity related to it performed by different parties inside and outside the organization. Through this framework, the boundaries of marketing information utilization were determined, its various objectives and influences revealed, thus paving the way to define it, and measure its resulting extent and quality in operational terms as will be evident in the following chapters. It should be noted that the use of the value chain framework was pursued, exclusively, for providing a useful description and analysis of the construct of marketing information utilization, and that it is not intended to be carried forward to next stages where other frameworks would be used.

In the light of the above analysis and as a kind of positive conclusion, marketing information utilization can be defined as follows:

"It is the process taking place after the marketing information is disseminated to potential users. The process is carried out by marketing decision makers consisting of awareness, comprehension, interpretation and incorporation of this information in the process of marketing decision making either explicitly and/or implicitly, directly and/or indirectly, and in the short and/or long-term. This utilization process aims at achieving pragmatic (functional) objectives through instrumental utilization, and/or educational objectives through conceptual utilization, and/or political objectives through symbolic utilization. "

The first part of this definition is concerned with ensuring the "process" nature of marketing information utilization. On the other hand, the second part is intended to give an operational meaning to this process, in order to facilitate its measurement, through highlighting the "impact" side of utilization. This measurement process is expected to rely on asking marketing decision makers, as indirectly as possible, about the goals underlying their information utilization behaviour and the kind of utilization they employ to achieve such goals.

5.7 Conclusions

Before moving to the next chapter concerned with the causal model, a number of concluding comments need to be made to shed some light on some queries and arguments that may arise due to the several controversial issues raised throughout the chapter.

First, the description of marketing information utilization in terms of Porter's framework might reflect a tendency toward "process" definitions and measurements which seems in contrast with the conclusion of the previously mentioned critique of literature on the definition and measurement of the phenomenon. However, if the use of value chain and system framework indicates the "process" nature of the phenomenon, this is true because it is argued to be rightly so. But, the purpose of using such a framework was to, properly, conceptualize the process by setting its boundaries and locating its place among other information handling processes, and to use this in operationalizing it through exhausting, isolating, and measuring its different "impacts", thus remaining committed to adopting an "impact" approach to defining and measuring it.

Second, the notion of the value system of marketing information has a very important implication. It is an added assurance that the existence of a separate value chain for information user does not suggest that users are the only party providing value out of utilization, but other value chains of the organization and information producers are involved, actively, in adding value through encouraging the right extent and type of utilization as well, thus creating an integrated value system of marketing information.

Third, the division of the marketing information value chain into four phases might leave an inaccurate impression, that there is a sharp demarcation among these phases. As hinted earlier, this division was made just for the sake of analysis and explanation, but in reality, there is no clear dividing line among these phases. In fact, due to the participation of different parties in different phases and the existence of various control points, the chain can be configured as a closed loop rather than a straight line, but it would then become too confusing and difficult to comprehend.

Finally, the conceptualizations made in this chapter form a necessary base for deducing the proposed causal model of marketing information utilization in the next chapter and testing its hypotheses empirically, since it is important to ascertain that consistent concepts, definitions, and measurements are being addressed.

CHAPTER SIX

Modelling marketing research information utilization

6.1 Introduction

This chapter constitutes the concluding part of the conceptual framework of this research. The aim of this chapter is to present the proposed causal model of marketing research information utilization and the resulting hypotheses which will be the subject of empirical testing and analysis in the following chapters. This model will build on the conceptual work already undertaken in the previous chapters. Specifically, it will adopt a multi-parties perspective toward studying marketing research information utilization and will operationalize the concept using an "impact" approach. The proposed model will partially and critically draw on the relevant models suggested in the American literature by Deshpande and Zaltman (1982, 1984), Menon and Varadarajan (1992), Moorman (1995) and the available models in British literature and research work done on British companies by Jobber and Watts (1986) and Jobber and Elliot (1995) . Therefore, these studies will be reviewed in some detail in the first two sections of the chapter. This will be followed by a detailed account of the proposed causal model and consequent testable hypotheses. The issue of how to operationalize the model's variables and their interrelationships will be considered in the chapter devoted to outlining research methodology. The focus of this chapter, therefore, will rest on how to establish logical causalities and controllabilities among the numerous variables involved in the model.

Three major sources have been used to develop the model, namely the existing models, literature in other related areas and, third, a series of in-depth interviews.

In total, a series of five in-depth interviews was conducted (through personal and sponsor's contacts) with senior marketing personnel in large multinationals in different industries, (namely oil, food manufacturing and distribution, electronics, financial services and transportation) to provide insights into what affects marketing research information utilization. These were unstructured interviews with marketing decision makers (the marketing director or equivalent). Two meetings were held with each interviewee resulting in discussions of 2-4 hours in length. The focus of the discussion was the factors that influence the utilization of marketing research reports. These interviews helped to identify a number of factors affecting the utilization of marketing research information that were not examined in previous literature and also suggested different conceptualization of some causal relationships.

Accordingly, the chapter will start by reviewing American and subsequently British literature. Then, the model and its hypotheses will be developed drawing on these and other relevant literature reviews and the exploratory evidence obtained through in-depth interviews.

6.2 Review of American studies

6.2.1 Deshpande and Zaltman's causal model of the use of market research information (1982, 1984)

As mentioned earlier, Deshpande and Zaltman were the first scholars to bring the concepts of information utilization from other nonbusiness disciplines and examine it in a marketing context. In addition to that, they were the first to formulate a causal model of research information utilization and subject it to empirical testing.

On the basis of literature in the knowledge use field and findings from 16 personal interviews, Deshpande and Zaltman concluded that there are six sets of variables that were deemed to have an impact on the use of market research information. These variables and their possible impact on market research information use was explained by Deshpande and Zaltman as follows:

1 The purpose for which the research was conducted

The personal interviews conducted by Deshpande and Zaltman indicated that managers and researchers perceive research as having two purposes, exploratory and confirmatory. Research which is exploratory in purpose is intended to identify new or previously unconsidered courses of action. Confirmatory research is intended to affirm a predetermined direction or course of action. Exploratory and confirmatory purposes are not mutually exclusive. Most research is likely to have both components (Rein 1976). Because exploratory research has a greater chance of producing surplus information, so, managers will resist using such information because it might represent a challenge to their established rules of thumb, thus, resulting in a lower degree of utilization. Additionally, confirmatory objectives will lead to research that fits the preconceptions of managers thus increasing the likelihood of its use.

2 Organizational characteristics of the user firm

Deshpande and Zaltman adopted the Deshpande (1982) conceptual framework and methodology to explain and measure the relationship between organizational variables and market research information use. They pointed out that much of the literature on knowledge use stresses the importance of the organizational embeddedness of particular research projects and that in investigations of organizational structure, it is helpful to consider the dimensions of formalization and centralization. Formalization was defined as the degree to which rules define roles, authority relations, communications, norms and sanctions, and procedures following Hall, Haas and Johnson (1967). It is an attempt to measure a manager's flexibility in handling a particular task such as the implementation of research recommendations. On the other hand, they relied on the work of Aiken and Hage (1968) in defining centralization as the delegation of decision making authority throughout an organization and the participation of managers in decision making. Research in organizational behaviour shows that firms

which are more decentralized and less formalized are likely to make greater use of new information (Hage & Aiken 1970, Moch & Morse 1977, Zaltman, Duncan & Holbek 1973). Thus Deshpande and Zaltman concluded that high formalization and centralization have a negative impact on the extent of research use.

3 *Attributes of the research report:*

Deshpande and Jeffries (1981) argued that market research can be thought of as a commodity being exchanged between buyers and sellers and that the specific physical form of this commodity is the final report presented by researchers to managers. Because managers are likely to prefer final reports that are perceived to be of high quality (in both presentation and technical adequacy) and political acceptability and to offer implementable recommendations (actionability), Deshpande and Zaltman hypothesized that the greater the degree to which these attributes characterize the final report, the greater the use of information contained in this report.

4 *The extent of surprise in results*

The final report may or may not confirm the prior notions of managers. Accordingly, Deshpande and Zaltman suggested that surprise causes an increase in uncertainty, and the heightening of uncertainty implies increased risk and if the purpose of research information is to reduce uncertainty (and thereby the risk associated with making a hitherto unsupported decision) then surprise (even so-called "positive" surprise) may be an inhibitor of research use.

5 *The life cycle stage of the product or service on which research was conducted*

Deshpande and Zaltman's personal interviews data suggested that the use of research varies by the product's life cycle stage. As more is generally known about a product that has been in the market for a while more mature products would be likely to engender confirmatory research whereas new products might lead to more exploratory research.

6 *The degree of researcher-manager interaction*

Deshpande and Zaltman indicated that the value of interaction between the producers and users of information has been emphasized repeatedly by most writers on the subject of research use (Barbara 1978, Brown 1972, Ernst 1976, and Kunstler 1975). Accordingly, they argued that a higher degree of perceived interaction between managers and researchers during the research project should result in a higher degree of research information utilization.

In a later article, Deshpande and Zaltman (1984) tested almost the same model among marketing researchers to see how they perceive that such factors can affect utilization and they called it the

researcher model. The only two differences from the "manager" model were, first, user organizational variables were excluded from the model because the formalization and centralization of the managers' organization are not researcher-specific factors or one about which the researcher might be knowledgeable. Second, their hypothesis concerning the purpose of the research project, surprise in results, and stage of the product or service in its life cycle were different, because their personal interviews suggested that market researchers are likely to see themselves as seekers of new avenues and directions for the client firm. They often felt managers valued such information. Hence, contrary to the direction of the manager model, they hypothesized that exploratory research, greater surprise and less mature products should lead to higher levels of perceived market research information utilization. Figure 6-1 depicts Deshpande and Zaltman's model.

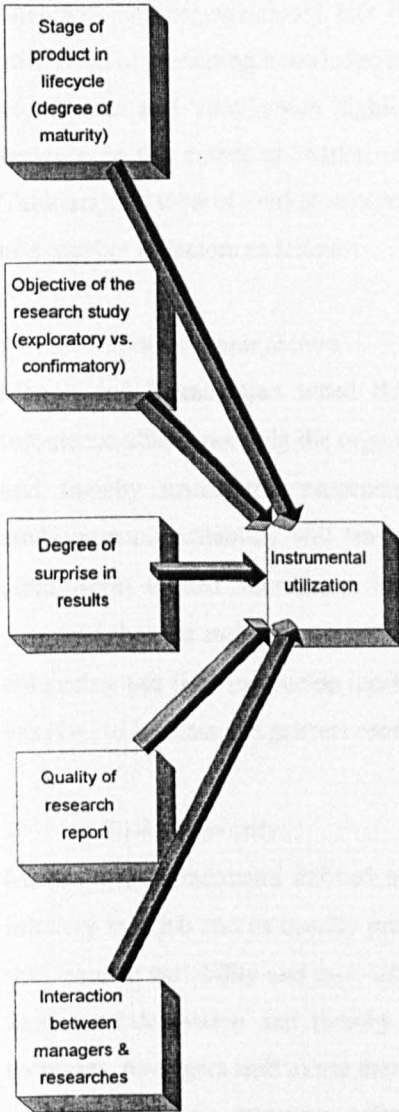
Deshpande and Zaltman tested the hypotheses of their suggested model using a path analysis. They collected all relevant data through structured mail questionnaires and then analyzed such data using a correlation matrix and regression analysis exploring the significance of interrelationships between their dependent variable (namely instrumental use of market research) and independent variables included in their model. The main results of their work were that factors that were found to have the most significant effect on the use of market research information were organizational structure, technical quality, surprise, actionability and research-manager interaction.

The most apparent criticism of Deshpande and Zaltman's model is their exclusive emphasis on instrumental utilization. This meant that they lost the opportunity to enrich their analysis by examining the impact of the independent variables on the other two types of utilization in order to incorporate not only the extent of utilization but its quality as well.

6.2.2 Menon and Varadarajan's model (1992)

The model developed by Menon and Varadarajan (1992) is essentially a conceptual model that has not been tested empirically. The authors noted that though there is a substantial body of empirical research on the relationship between organizational and informational variables and information utilization, only a few studies (i.e., the work of Deshpande and Zaltman 1982, 1984 and 1987) have examined both informational and organizational factors. Consequently, they argued that there was a need for a systematic, integrated model delineating the interrelationships between informational factors, organizational factors and information utilization is needed. Menon and Varadarajan made it clear that their objective was neither to propose a model that delineates all of the relationships underlying knowledge utilization in organizations nor to generate a longer list of possible organizational and informational factors that affect knowledge utilization in organizations. Rather, they draw on literature

(A) The Manager model



(B) The Researcher model

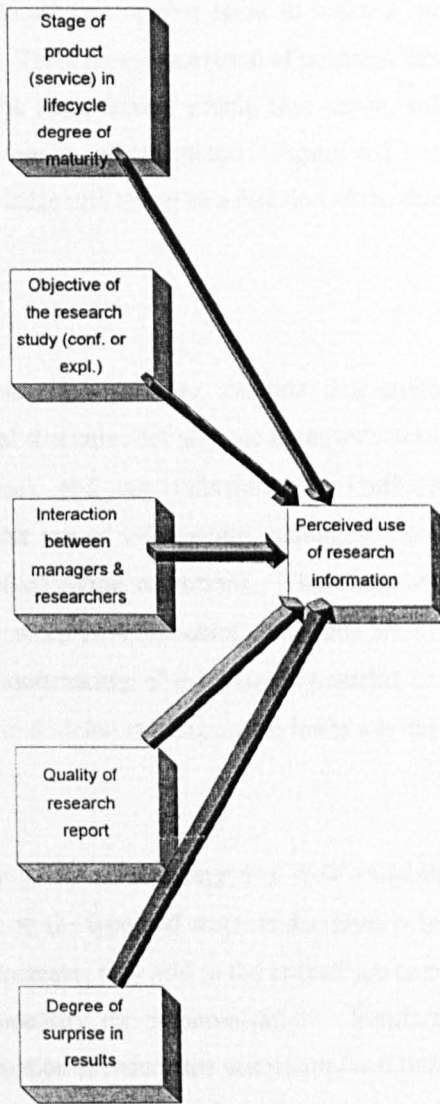


Figure 6-1 Deshpande and Zaltman's model of market research use

on knowledge utilization and organizational information processing to develop a parsimonious model that integrates key organizational and informational factors that seem to make a major difference in the utilization of marketing knowledge in firms. Thus, though a myriad of potential factors affects knowledge use, Menon and Varadarajan highlighted the main factors which, they argue, will explain most of the variance in the extent of market research use in organizations. Figure 6-2 summarizes Menon and Varadarajan's view of market research knowledge utilization as a function of the direct and indirect effects of a number of factors as follows:

1 Environmental factors

Menon and Varadarajan noted that the strategy literature suggests that environmental stability or turbulence affects not only the organizational structure, but also the manager's need for more information and thereby managerial propensity to seek and use information. Furthermore, though greater environmental instability will lead to greater use of information, managers are also more likely to be circumspect toward information because of changing conditions. Therefore, Menon and Varadarajan proposed that the major components of use when environmental conditions are unstable are knowledge-enhancing use (i.e., to develop increased understanding of the changing market conditions) and affective use (i.e., to increase the general confidence in decision making and to lower any cognitive dissonance).

2 Task complexity:

Menon and Varadarajan defined task complexity as the degree of task variability and task difficulty inherent in a job and as usually predicated on the type and stage of decisions being made. They argued that, as task variability and task difficulty increase, they add to the overall job complexity, increasing the need for information and thereby the propensity for communication. Similarly, as task complexity increases, managers tend to use more information to reduce the uncertainty and lack of clarity. Therefore, as task complexity increases, information is more likely to be used to increase understanding and to reduce uncertainty. Nevertheless, this proposed relationship between complexity and information use is contrary to most work in this area which suggests diminishing proportional information use as complexity increases (Brabaa and Zaltman 1991).

3 Organizational factors

- Degree of organizational structure:

Menon and Varadarajan agreed with Deshpande and Zaltman that the key variables underlying this construct are formalization and centralization, but quite differently, they argued that, though a large number of authors have found a decentralized organizational structure to be conducive to knowledge utilization, some authors have reported findings to the contrary such as a centralized structure encourages top managers to collect and use as much information as they can from lower levels to help them in their

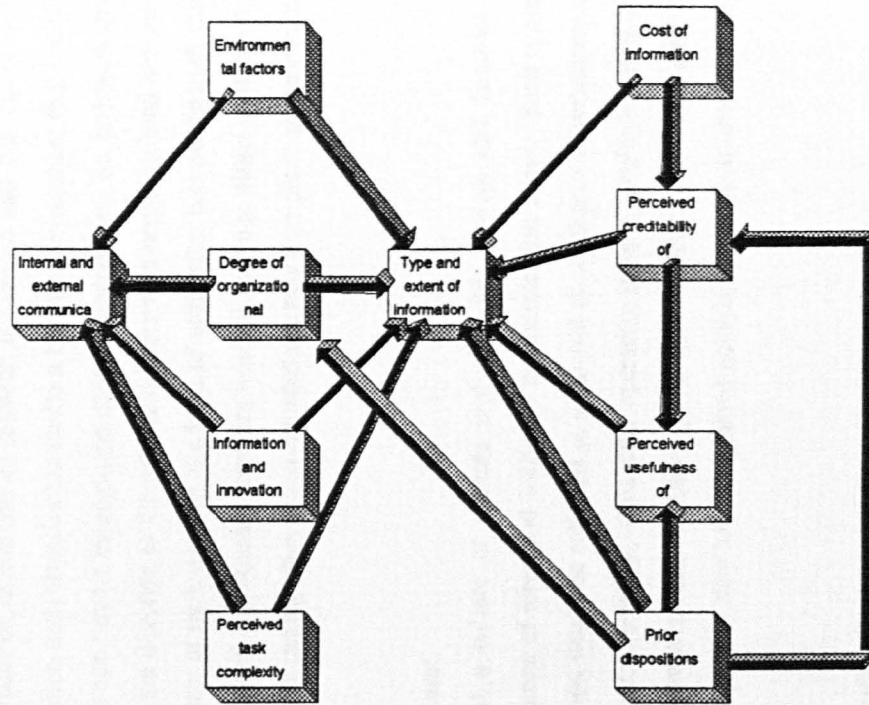


Figure 6-2 *Menon and Varadarajan's conceptual model of organizational and informational factors affecting marketing knowledge utilization.*

job as the sole decision makers within the organization. They thought that, however, it is realistic to posit that when an organization is rigidly structured, utilization of research is lowered and any use is more likely to be symbolic. Also, if centralization and formalization create a holistic environment that inhibits research use, it is conceivable that some use may be incongruous action-oriented use. So, although they agreed with Deshpande and Zaltman on the direction of the relationship between organizational structure and utilization, they differed in their view of its impact on the kind of utilization because though they agreed that a more centralized and formalized organization structure would discourage direct instrumental use, they argued that other types of use like incongruous action-oriented use may take place in the context of such organizational settings.

- **Information and innovation culture:**

Menon and Varadarajan proposed that a culture or climate that promotes change and innovative behaviour would encourage active exchange of ideas and increased communication flows. Such a pro-information and pro-innovation orientation would be reflected in a general atmosphere of inventiveness, creativity, and willingness to take chances. Therefore, a manager operating in such a culture would not only actively promote exchange of information and boundary-spanning behaviour, but would also be willing to adopt and use ideas and concepts that may have originated outside his or her immediate work group.

- **Internal and external communication flows:**

Communication flows were described by Menon and Varadarajan as consisting of the amount of information gathered from internal and external sources and exchanged within an organizational system. The quality of the information is determined by not only the source, (internal or external) but also by the way such information is disseminated within the organization. Thus, the amount of communication flows within an organization is affected by the extent of boundary-spanning activities and the types of information sources used. Hence, they proposed that organizations with greater levels of general communications have less of the "not invented here syndrome" and, therefore, greater proclivity to collect and use new information.

4 Informational factors

- **Cost of information**

Menon and Varadarajan promoted the idea that, the value of a study (i. e. , its perceived credibility and usefulness) to the manager is affected by the costs incurred in conducting the study. The costs of a study are perceived in both monetary and nonmonetary terms such as time and energy expended in conducting the study or in collecting the information. Studies that are expensive may be perceived to be of higher quality and value (or simply obliged to be used). Accordingly, they concluded that if the costs incurred in

conducting a study are high, the use is more likely to be action-oriented, instrumentally and/or symbolically.

- **Perceived credibility and usefulness of information**

Through their examination of prior research findings, Menon and Varadarajan found that, terms such as "usefulness", "usableness" and "credibility" have been employed rather inconsistently. Though these concepts are similar, they argued that they have very different effects on information use, and if these effects are to be isolated, the concepts must be operationalized and measured explicitly. Consequently, they conceptualized credibility and usefulness as the perceived potential the information has for usage. They went further to say that, though philosophers of science and marketing researchers stress the importance of credibility, one conclusion that can be drawn from the literature on research utilization is that though credibility of information is important, its usefulness is a necessary and, in many cases perhaps even a sufficient condition for use. So, though they proposed that the more credible a study is judged to be, the more likely it is to be judged useful, they also recognized that this relationship may not always hold because judgements of credibility and usefulness can be made independently of each other. More explicitly, Menon and Varadarajan argued that if users believed that a certain marketing research report is useful for their decision making process, there is a strong possibility that they will use it (i.e., it enjoys a high degree of usability), irrespective of their personal trust in the producers of such report. It ought to be noted that Menon and Varadarajan seemed to associate "usefulness" and "usableness" as strongly consequentially associated which is apparently questionable because some useful information might not be usable for different reasons (e.g., political) as suggested by a number of scholars (e.g., Jobber 1995).

5 *Individual factors*

Menon and Varadarajan conceptualized prior dispositions to the issues investigated by a research study of managers as those attitudes based on individual differences such as level of experience, level of knowledge, cognitive styles and decision making level. They noted that Berg et al. (1978) reported higher utilization of research findings among people who felt they were better informed, and that literature reviewed by Strenthel and Craig (1982) suggests that this finding holds true regardless of whether the new information is supportive or nonsupportive of the individual's initial position. They also quoted Wilkie (1990, p.572) as saying:

"It also appears that managers who hold strong positions (negative or positive) on the research issues are less likely to seek additional information. One of the main reasons people search less is to avoid psychological costs that can be incurred when additional information causes uncertainty and dissonance".

Accordingly, they concluded that managers who have strong prior dispositions are likely to search less and more selectively, thereby leading to lower communication flows. Therefore, the relationship between prior dispositions and communication flows is expected to be negative. Furthermore, they proposed that managers are likely to discount new information that is not consistent with their prior beliefs, and also downplay the credibility and usefulness of the research study or new information. Managers who are positively predisposed to a certain type of information are likely to downplay the value of information because it is consistent with their prior beliefs. For example, some managers will consider a certain research project a waste of time and money if the report recommended a course of action that they have been following or recommending for a long time. In contrast, managers who are negatively predisposed to the information, study, or issue are likely to reject any new information and, to downplay its usefulness and credibility because it is inconsistent with their attitudes and opinions. Moreover, depending on their predispositions, managers are likely to use the information differently.

With respect to Menon and Varadarajan's model as a whole, it can be argued that its major shortcoming is that its propositions were not empirically tested. Thus, none of the insightful proposed causal relationships and their variables were given the advantage of operationalization and refinement through empirical testing. One possible explanation of Menon and Varadarajan's declining to put their propositions to empirical testing, might be that there were empirical problems in conducting such a test due to their overdichotomizing of the dependent variable (types of utilization) and the intervening overlappings among a number of their propositions. Also, there are other possible criticisms to the way in which they classified their independent variables and conceptualized their relationships with market knowledge use but this will be explained when such points are discussed within the context of the proposed causal model.

6.2.3 Moorman's model of cultural antecedents and product decision outcomes of utilization (1995)

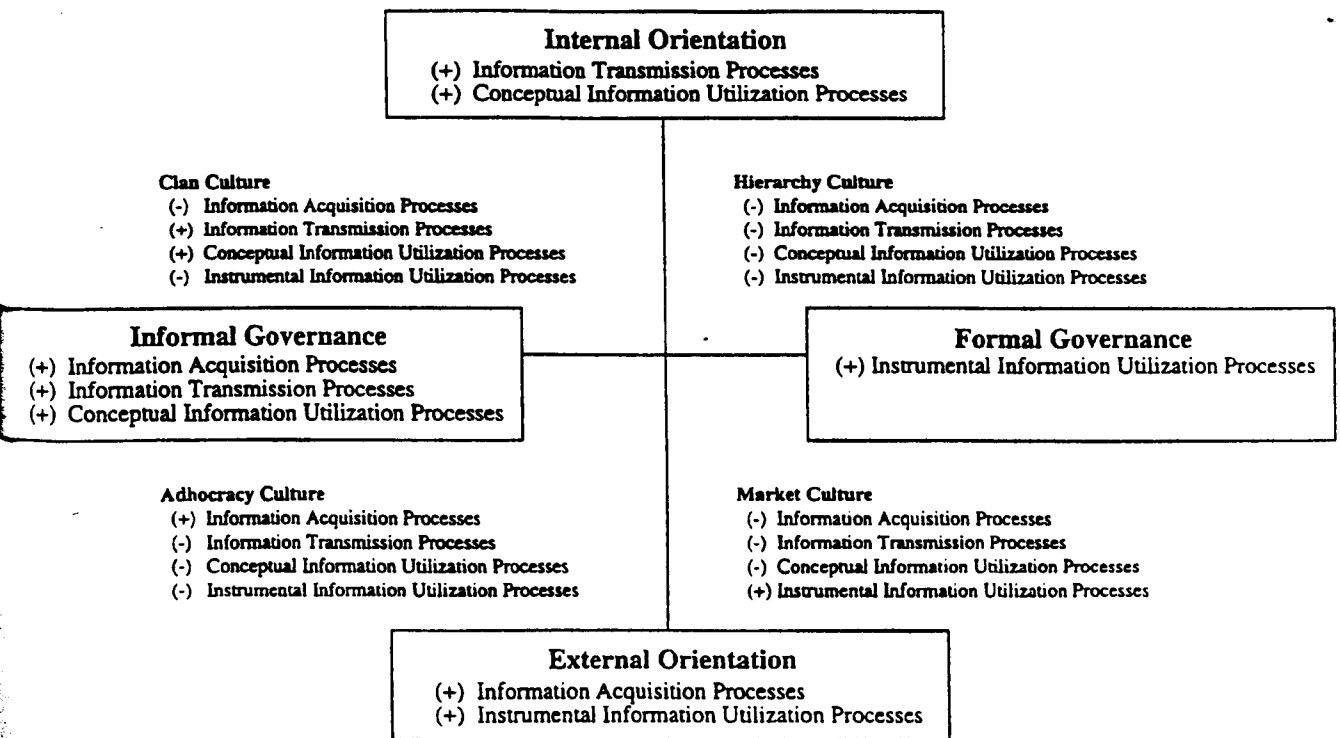
Moorman (1995) developed a new perspective on modelling utilization through looking at it as a dependent variable caused by organization culture and an independent culture affecting the quality of marketing decisions with special reference to new product decisions. This unique perspective followed by Moorman enabled her to achieve a number of contributions like examining the impact of organizational culture as an influence on the level and quality of utilization thus also furthering the cause of multi-parties approach to studying the phenomenon (through highlighting the fact that there are other important parties like the organization, besides the user, that can affect utilization significantly), operationalizing conceptual utilization for the first time in marketing literature and providing empirical evidence on the positive influences of utilizing marketing information (instrumentally and conceptually) on the quality of marketing decisions and subsequently, organizational effectiveness. This is why, though Moorman did

not propose an integrated model of marketing research information utilization, her study is reviewed here.

Moorman aimed to study the impact of organizational culture on marketing information processing and the consequences of such information processing on the quality of marketing decisions as exemplified in new product decisions. Moorman started by criticizing most of the previous marketing literature in the area of utilization arguing that marketing has historically studied information processing and utilization from the individual decision maker's approach and overlooked the organizational context of pursuing such processes. Thus, drawing on diverse literature, she sought to study marketing information processing as a mediating or intervening organizational process between cultural antecedents and new product outcomes. However, it should be noted that the focus of this review will be on the first part of Moorman's work devoted to the causal impact of organizational culture on the level and quality of utilization as depicted in figure 6-3, which is more relevant to the objectives of this research.

Subsequently, Moorman has determined four key organizational marketing information processes: 1) Information acquisition, 2) Information transmission, 3) Conceptual utilization and 4) Instrumental utilization processes. In order to examine the influence of organizational culture on marketing information processes, Moorman adopted the competing values model of culture which consists of two predominant dimensions by which cultures vary. Organization cultures differ according to two dimensions which can be used form a four cell-model of culture. The first dimension is the informal-formal dimension which reflects preferences about the importance of organizational structure and involves a continuum from organic to mechanistic structures, i.e., how important it is for organization members to abide by the communication flows, lines of command and formal hierarchy relationships imposed by the existing organizational structure . The second dimension is the internal-external dimension which is concerned with whether the emphasis is on sustaining the organization's internal sociotechnical system or the improvement of its competitive position within the external environment. The four cultures resulting from the intersection of the two dimensions have been labelled by Moorman as adhocracies, markets, hierarchies and clans. In order to test the hypotheses concerning this causal association, a mailed survey was completed by 92 marketing vice presidents. A two-factor confirmatory analysis was used on subsets of competing models to judge the discriminant validity of the measurement process. Thereafter, a series of regressions was applied to determine which cultures are more predictive of the organizational information processes . The same methodology was adopted for examining the relationship between marketing information processing as a predictor variable and outcomes of product decisions.

Three main findings were drawn by Moorman as a result of her analysis of empirical data. First, the results suggested that clan culture (which is a highly organic and internally oriented culture) emphasizes



(+) denotes that the culture emphasizes the information process.
 (-) denotes that the culture de-emphasizes the information process

Figure 6-3

Moorman's model of cultural antecedents of marketing information processing

more organizational marketing information processes than other cultures, hence, suggesting that information processes involve commitment and trust among organizational members. Second, information processes might act as knowledge assets that can be leveraged to achieve competitive advantage in new products. Third, the most valuable organizational market information processes in increasing the performance, timeliness and creativity of new products marketing decisions (i.e., quality of decisions) are instrumental and conceptual utilization processes.

There are three points in Moorman's work that can be criticized. First, as previously argued, Moorman's process approach to defining and measuring utilization (like Sinkula 1994) has resulted in a confusion between other organizational information processes (e.g., transmission) with utilization which is a largely individual process affected by organizational factors. This confusion has led Moorman to criticize previous literature on the ground that it has not dealt with utilization as an organizational process rather than an individual undertaking. This criticism is questionable since previous literature has handled utilization (which is an individual behaviour) exclusively and not other organizational information processes. Hence, the information processes Moorman was studying are not comparable to previous work since the scope of her constructs is much broader than utilization. This has also led Moorman to include scale items that are measuring other information processes as measurements of instrumental and/or conceptual utilization like "giving information to other functions" (i.e., dissemination) and "summarizing information and reducing its complexity" (i.e., processing). Because of this confusion, the contributions of other information processes (preceding utilization) to the quality of marketing decisions were underestimated because such contributions were investigated in comparison with those made by utilization (instrumental and conceptual), regardless of the fact that the value of these earlier processes is reflected through utilization, thus overestimating the contributions made by utilization processes. This is most evident in the findings of the study that instrumental and conceptual utilization processes were found to be the most relevant and useful to quality of marketing decisions. These findings indicate that other organization information processes of acquisition and transmission can only bring their benefits through effective and efficient utilization and the latter is a mainly individual behaviour strongly related to personality and attitudinal factors in addition to organizational factors (Jobber and Watts 1986). Second, Moorman has measured organizational culture in a way that highlighted structures (organic versus mechanistic) and linkages like (external versus internal) which though relevant to utilization, are not directly related to how far organizational culture encourages or discourages marketing decision makers to utilize marketing information. Furthermore, there are other operationalizations of organizational culture available in the marketing and organizational analysis literature that relate it more directly to the adoption of new knowledge (e.g., Sharma 1994, Deshpande and Webster 1989; Brown and Starkey 1994). This has led Moorman to emphasize organizational structures rather than organizational processes which is inconsistent with the focus of her study. Finally, the model does not consider symbolic utilization

although it would have been interesting to include this aspect of utilization in order to compare the impact of different types of utilization on the quality of marketing decisions.

6.3 Review of British studies

As previously mentioned, the only two studies that were found to be relevant to the use of marketing information were those conducted by Jobber and Watts (1986) and Jobber and Elliot (1995). It can be claimed that these studies are complementary to this study in reaching a total profile of the way marketing information is being used in British companies. The justification for this claim lies in the fact that the first of these studies, (Jobber and Watts, 1986) is dealing with the other major type of marketing information which is internally generated marketing information either by in-house marketing research or marketing information systems. On the other hand, the second study (Jobber and Elliot, 1995) examines the stage preceding the utilization process which is the commissioning or purchasing of external marketing research and which has important implications for the level and quality of subsequent utilization as was evident when profiling the the UK market research industry and will be more evident when profiling its demand side in chapter nine. The conclusions of this research will be compared to those of both studies whenever relevant and valid.

6.3.2 Jobber and Watts' model of behavioural factors associated with the use of marketing information systems (1986)

Jobber and Watts (1986) examined some behavioural aspects of marketing information systems in British companies. This study was the pioneering British study in the area. It included new factors like personality and attitudinal factors, and highlighted the user as the appropriate unit of analysis when modelling factors affecting utilization. Exploratory empirical research was used to develop measures of the utilization phenomenon with subsequent testing of the validity of these measurement scales and reduction of the number of variables to a smaller number of underlying dimensions (i.e. factors). In order to investigate the association among some organizational, attitudinal and personality factors and the use of internal marketing information systems, they used stepwise multiple regression to explore the significance of correlation between criterion and independent variables and to identify the most significant factors and dimensions related to marketing information systems usage as suggested by their exploratory work (Figure 6-4). For that to happen, Jobber and Watts (1986) conducted a survey of 84 users in 33 British companies. The purpose was to determine the relationship between usage of their systems and attitudinal factors, perceived organizational factors and personality dimensions with a view to compare the results with those of research in the USA. They used principal components analysis to derive underlying attitudes and organizational factors as measured by response to a series of Likert scale statements. Personality dimensions were measured by means of the Eysenck personality inventory. Usage of the system was measured by seven usage variables constructed to capture the various dimensions of

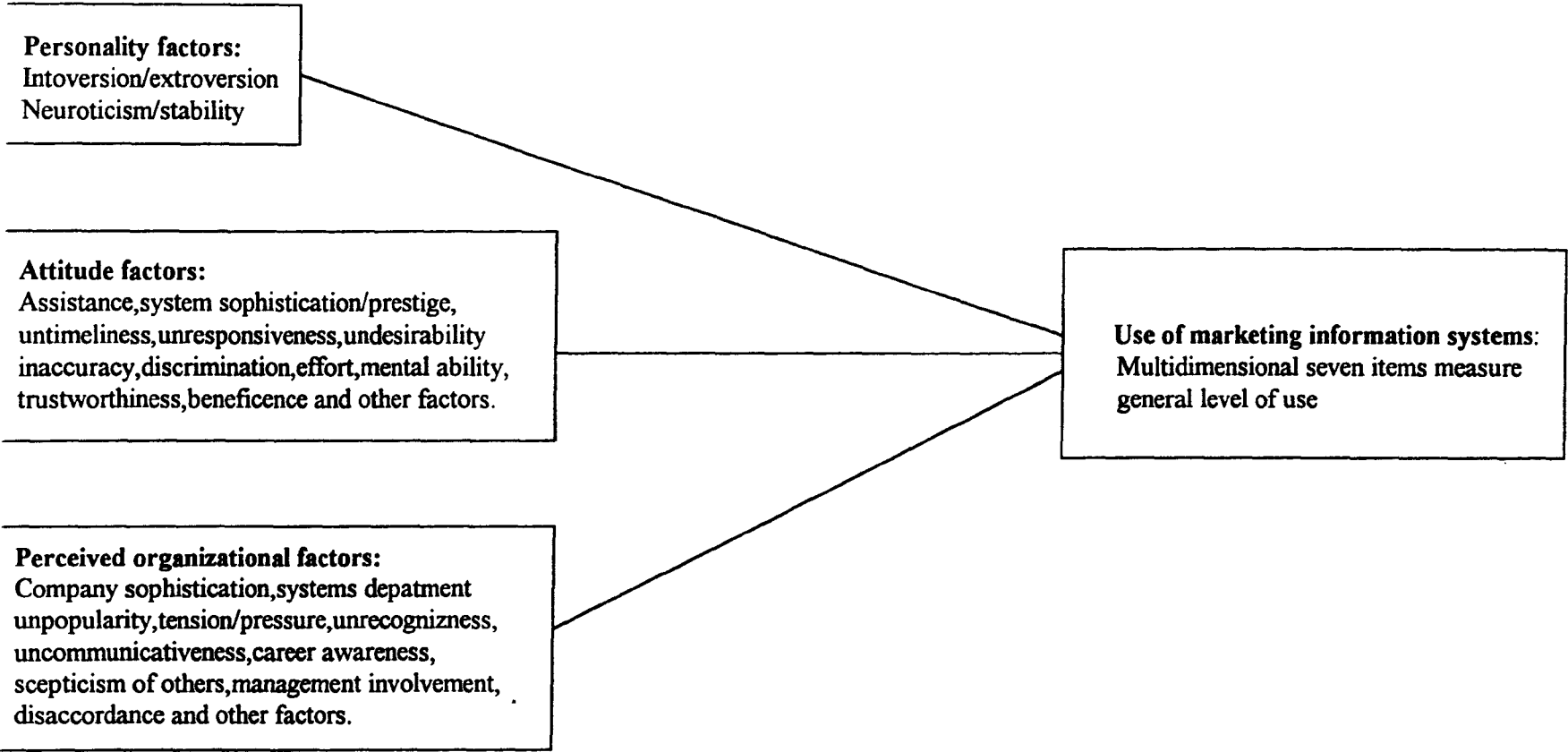


Figure 6-4

Jobber and Watts' model of behavioural aspects of MKIS use

usage identified at the exploratory stage of the research. Principal components analysis was used to judge the construct validity of the measurement scales used to represent the model's factors and to determine the main underlying dimensions of the variables measured. Then, a series of regressions was used to relate the criterion variables (usage dimensions) to each of the predictor variables (perceived organizational, attitude, and personality factors). Jobber and Watts concluded that their evidence was quite similar to that reached through research on the use of marketing information in American companies. The two major conclusions of their study according to Jobber (1995) were as follows:

- 1 **Marketing information systems are more likely to be used when:**
 - The system is sophisticated and confers prestige to its users
 - Other departments view the system as a threat
 - There is pressure from top management to use the system.

- 2 **The system takes more of the marketing executives time, and hence is less likely to be used when:**
 - It provides information indiscriminately
 - It provides less assistance
 - It is changed without consultation.

Despite its apparent contributions to organizational and behavioural explanation of the use of marketing information in British companies, it can be argued that there is one drawback of the work of Jobber and Watts (1986). As previously argued in chapter four, no specific type (s) of utilization were identified as the subject of examination and accordingly the seven dimensions of usage came as of the general level of utilization rather than its quality as represented by the relative components of the different types of usage constituting this general level. This makes the results somehow less comparable to some American research which has exclusively concentrated on studying instrumental research (e.g., Deshpande 1982, Deshpande & Zaltman 1982, 1984).

6.3.2 Jobber and Elliot's model of organizational buying of external marketing research services (1995)

This study is relevant because the motivations which lead to the purchase of marketing research are in many cases good indications of the way it is expected to be utilized afterwards, and this is especially true if the authority for decisions to buy and utilize external marketing research rests largely with the same person (marketing director) or party (marketing department) .

Jobber and Elliot (1995) attempted to deliver an understanding of the influences of attitudes and corporate culture on the decision to purchase independent marketing research using the theory of reasoned action as proposed by Ajzen and Fishbein (1980). They used an integrative model suggesting that personally salient beliefs (attitudes) and the influence of significant others in the organization (corporate culture) have important implications for any attempt to understand the purchase of external marketing research in British companies. Consequently, they carried out seventy face-to-face interviews with a purposive sample of 70 respondents from a wide range of companies (selected on the basis of firm size expressed in sales turnover and number of employees) but with equal numbers of users and non-users. They used regression analysis to analyze and interpret their data and the two major findings reached were as follows.

First, although the marketing director was found to be the key decision maker regarding the commissioning of external marketing research and therefore the individual whose attitude would be the best indicator of the company's behaviour, the decision-making unit extends beyond the marketing department to include the managing and financial directors. Therefore, a key managerial implication of this study is the important influence of corporate culture, in that a marketing director is more likely to buy external marketing research if he or she believes that fellow directors, in particular the managing and financial directors, are in favour of such a decision.

Second, there is a clear difference in beliefs about the benefits of commissioning independent marketing research among users and non-users of the service. The analysis of personally salient beliefs has shown that non-users regard external marketing research as an unjustifiable expense, not something which is effective as utilizing own contacts, nor which can improve on their expert knowledge of the market; rather which tells them what they already know. In contrast, users are distinctive particularly in their beliefs that external marketing research will increase their market and customer knowledge, help in new product development and provide the added benefit of specialist expertise.

The conclusion of Jobber and Elliot (1995) was that both attitudes and corporate culture as constituents of the theory of reasoned action can be used reliably to predict organizational buying behaviour for external marketing research. This supports their initial assumption that the commissioning of external marketing research is a rational, systematic and thoughtful behaviour. Consequently and as a possible by-product, this study through demonstrating the professional and political dimensions of the decision to commission external marketing research might be implying that all three types of utilization, i.e., instrumental, conceptual and symbolic uses, take place in British companies in which is an interesting proposition that is going to be tested empirically in this research.

Finally, it should be made clear that though the proposed causal model will capitalize to some extent on the contributions made by each of these previous British and American models, it will aim to differ significantly from them in order to augment rather than merely replicate such contributions. This will be evident in the causal model's underlying rationale, classification scheme, the independent and dependent variables included and the way such variables and the direction of their causal relationships are conceptualized and operationalized. Such differences will be delineated in due course during the explanation of the model.

6.4 The proposed causal model of marketing research information utilization

The explanation of the model suggested in this research will consist of its underlying rationale, i.e., why there is a need for an extra model in this area, and the logic governing its formulation, the objectives it aims to fulfil, assumptions and limitations, and finally, a description of its variables and their hypothesized causal relationship.

6.4.1 Underlying rationale

As observed above, the implicit and/or explicit overriding interest of any research work in the area of marketing research information utilization is to improve utilization consistent with the objectives of the parties involved. In order for such an improvement to be made possible, an appropriate and comprehensive understanding of the phenomenon should be reached. Developing such understanding requires knowledge of what is meant by utilization and its possible outcomes and how it can be measured and its antecedents (i.e. determinants).

At this point, a logical query arises, if it is claimed that there are several good models available already in the marketing literature, why is there a need for one more?. This question has been answered partially by referring to some of the shortcomings of existing models. Nevertheless, the definite answer is that there are important academic and practical goals that can be attained through proposing another different model in the area of marketing information utilization. Academic goals are concerned with improving the conceptualization of the phenomenon and increasing the academic ability to explain it, i.e., improving our understanding of utilization. On the other hand, practical goals are concerned with increasing the ability of research on the area to produce actionable policy guidelines that should help practitioners to manage the process of utilization more effectively; i.e., improve the managerial practice of utilization.

Whilst this model aims to add to the descriptive and predictive capacities of previous models by drawing attention to other variables and interpreting some causalities in a different way. It aims also to go beyond

this and address the issue of equipping itself with some manipulative or control capacity to be able to contribute to improving the actual practice of marketing research information utilization as well as its understanding. From the researcher's point of view, this manipulation issue can be looked at as a question of classification of variables. This is built on the argument that, in order to translate the appropriate understanding into an action tool that can be used by any party that is interested in influencing utilization, the determinants of utilization should be classified on the basis of controllability, i.e., which party controls which variable or group of variables. This classification can be thought of as a true application of the multi-parties perspective, since it will allow each party involved in the process to identify which variables and accordingly which part of the utilization process is under its control, which ones are under the control of other parties but are capable of being indirectly influenced by its variables, and finally which ones are beyond its control entirely and must be taken as given.

It is in this way that each party can set a clear strategy to follow toward utilization through using the variables under its control and also pursue its possible influence on variables controlled by other parties to produce the extent and type (s) of utilization that is consonant with its goals. Also, this kind of analysis should generate economies by conserving resources that might otherwise have been wasted trying to improve areas of utilization that are beyond the control of that particular party. In other words, there are areas of utilization that are due to factors governed by non human entities (like decisions and information). The impact of such factors on utilization is inherent in the objective nature of such entities, i.e., exogeneously determined by factors outside any proposed models of utilization. Therefore, such areas should be recognized as the noncontrollable zone of utilization and remain exempt from any efforts by other active parties to influence because this will be simply useless and wasteful. Variables under the control of such parties should be treated as the parameters of utilization models.

This classification should prove to be an addition to those of previous models. This can be substantiated by the fact that Deshpande and Zaltman (1982, 1984) classified the very same variables under two different categories (i.e. manager and researcher) and that Menon and Varadarajan (1992) had to set some of their variables out of their proposed organizational and informational categorization such as environmental, task-related and individual factors, i.e., they could not find a classification scheme that accommodates all possible antecedents of utilization proposed by their model. These overlappings suggest that there is a need for more comprehensive, discriminating and meaningful basis for classifying determinants of marketing research information utilization.

Another building block of this proposed model is that, though the above analysis leaves no doubt that this is not meant to be a user (or any other party) -dominated model, it is still a user-centred analytical model.

This means that this model recognizes the focal and pivotal role of information users because they are the

only party actually practising utilization. Consequently, if any other party wishes to achieve its objectives through utilization, it can only do so by making the user perceive the variables under its dominance or indirect influence in the way that will motivate the user to resume and produce the extent and type of utilization that is supportive to the accomplishment of these objectives. So, it is the user's perception of these variables that bring about their influence on the utilization process and the quality of its outcomes into effect. This is in contrast with the underlying logic of the researcher model of Deshpande and Zaltman (1984), when they examined how researchers perceived determinants of utilization, which is in fact, an examination of the impact of such variables on generating and disseminating, rather than utilizing, information, since generation and disseminations are the processes carried out by researchers and thereby governed by their perceptions.

A final and important substance of the underlying rationale of this model is its emphasis on the behavioural and organizational dimensions of the utilization process. The reasons and logic behind this emphasis can best be demonstrated by drawing on the framework set forth by Piercy and Morgan (1995) when they were studying the adoption and implementation of customer satisfaction measurement (CSM) systems as a marketing information system. It is believed that their same argument can apply to the utilization of marketing research information (with CSM as one of its main components) if taken in a broadened context of adopting and implementing marketing information collected from customers and other information sources (e.g. distributors). This model proposes that the process of adopting and implementing (in other words, utilizing) customer information (i.e. broadly defined, marketing information) should be studied as "multidimensional" issue, recognizing an analytical dimension of techniques, procedures and systems, but also a behavioural dimension concerned with attitudes perceptions and motivation, and an organizational dimension concerned with management styles, corporate culture, structure and information flows. The underlying proposal is that greater insight into the operation and process of such systems is achieved through making explicit these different aspects of process and the question of consistency between them.

Thus, following Piercy and Morgan's argument and the call for further examination of behavioural and organizational contexts of marketing information utilization in British companies by Jobber and Watts (1986), the conclusion is that in studying marketing research information utilization, in pursuit of market orientation and information-based marketing strategies, the research and managerial agenda should extend beyond the analytical/technical dimension of the process and uncover the behavioural and organizational dimensions of the process. Piercy and Morgan's framework adapted to marketing research information utilization is depicted in Figure 6-5. So, the intention of this model is to highlight the variables reflecting these organizational and behavioural dimensions, since it is previously argued that,

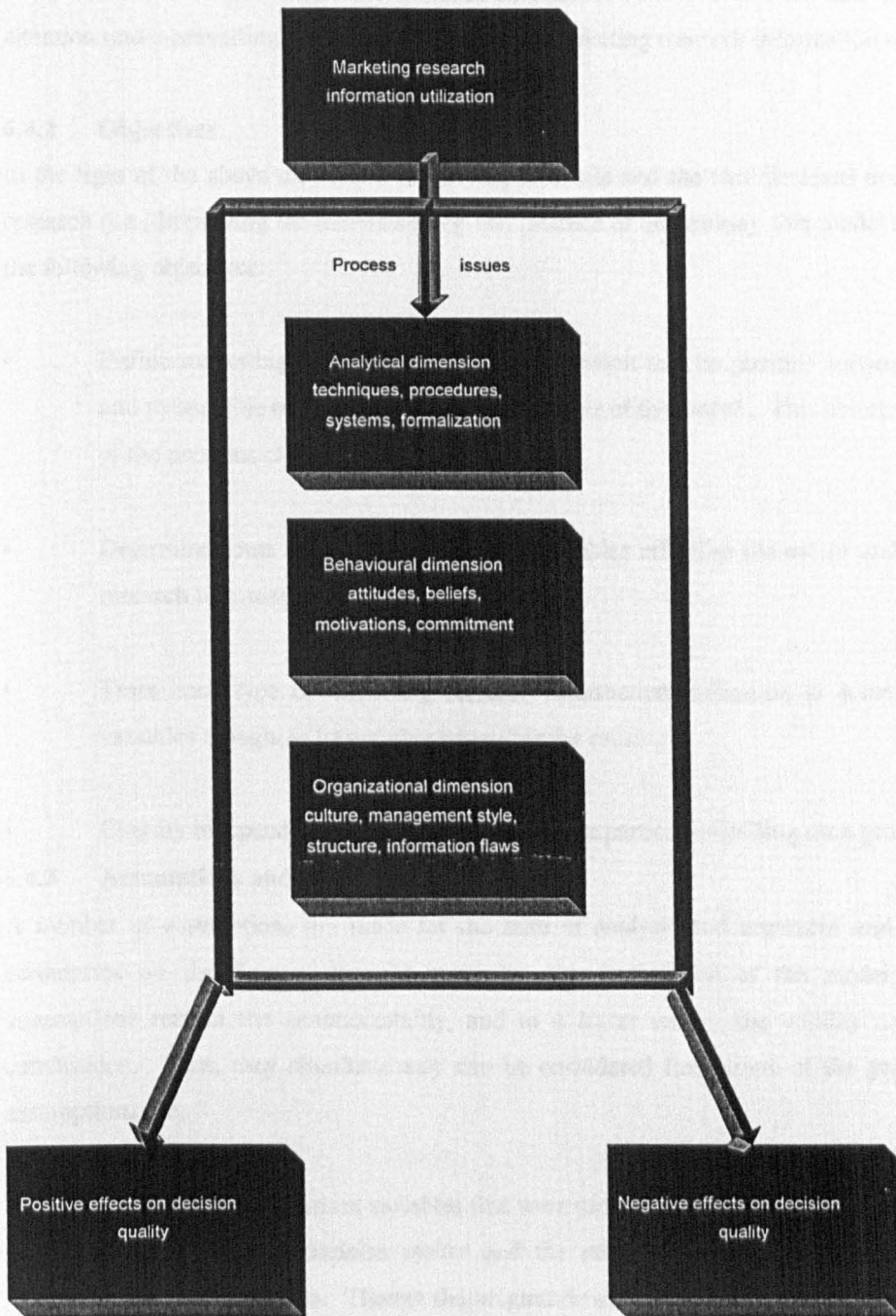


Figure 6-5 Piercy and Morgan's conceptual model of customer satisfaction measurement process as adopted to marketing research information utilization.

unlike technical dimensions, these dimensions did not receive their fair and well-deserved share of attention under prevailing perspectives to studying marketing research information utilization.

6.4.2 Objectives

In the light of the above mentioned underlying rationale and the two disclosed overall objectives of this research (i.e., improving the understanding and practice of utilization), this model should aim to achieve the following objectives:

- Define marketing research information utilization and its possible consequences in operational and measurable terms as the dependent variable of the model . This objective was the main focus of the previous chapter.
- Determine some of the most significant variables affecting the extent and quality of marketing research information utilization.
- Trace each type of marketing research information utilization to some specific independent variables thought to be mainly responsible for causing it.
- Classify independent variables according to the parties controlling each group of variables.

6.4.3 Assumptions and limitations

A number of assumptions are made for the sake of analysis and argument and in order to set some boundaries on the flow of thought governing the formulation of the model. Unfortunately, such assumptions restrict the generalizability, and to a lesser extent, the validity and reliability of these conclusions. Thus, they simultaneously can be considered limitations of the proposed model. These assumptions are:

- There are two important variables that were dropped out of the analysis which are the individual objectives of the decision maker and the ethical value system of the organization and its marketing managers. Though the magnitude of both factors might remain to be seen, they were not incorporated in the analysis because they are viewed as "backstage" or "infrastructural" variables transmitting their impact to various aspects of organizational behaviour like utilization, through other independent variables, particularly, organizational culture, individual decision making style and objectives of the research study.
- Each group of independent variables is assumed to be controlled by one party. This might not be always the case. Variables like organizational culture and trust between users and producers of marketing information might be affected by a multitude of parties. However these groupings

were made on the premise that each variable was assigned to the party believed to be the one having most influence on it.

- It is assumed in this study, as in previous ones, that marketing research information is utilized solely by marketing managers and decision makers. Nevertheless, there are other decision makers inside and outside the organization who might seek some sort of marketing research information when contemplating a decision (Kohli and Maltz 1996), e.g., production managers and external financial analysts. However, the concept of marketing research information user was confined to marketing people since they are the main population for which marketing research projects are usually conducted to serve in the first place.
- Emphasis in this model will be placed on marketing research projects carried out by external and independent marketing research firms. This is not meant to undermine the importance of projects assigned to internal marketing research departments, but it is built on two facts. First, in most firms, large and expensive marketing research projects are typically assigned to external specialized firms (Goodyear 1989, Deshpande and Zaltman 1982; Barabaa and Zaltman 1991). Second, external marketing researchers are believed to be exempt from the influence of some organizational and user-dominated variables, thereby, diminishing the number of potential interdependencies in the proposed model.
- Organizations that this model seeks to examine, are assumed to be profit seeking business organizations. This is mainly because marketing research activities might not be so concrete in non-profit organizations and the considerably different concepts of benefit, cost and organizational setting.
- This model will concern itself only with marketing information generated by marketing research, although it is well recognized that, as a matter of fact, there are other important sources of marketing information. This is assumed to enable the model to circumvent a specific major defined occasions and/or situations and explore how such information was utilized. Additionally, there is almost a consensus among marketing scholars that marketing research is the most critical and capital-intensive source of marketing information (McDaniel and Gates 1996).

6.4.4 Variables, causal relationships and hypotheses of the proposed model

In order to articulate the hypothesized causalities of the proposed model, each variable will first be explained and defined, then its proposed impact on marketing research information utilization will be illustrated and this impact will finally be put in the form of testable hypothesis. Figures 6-6 depicts the

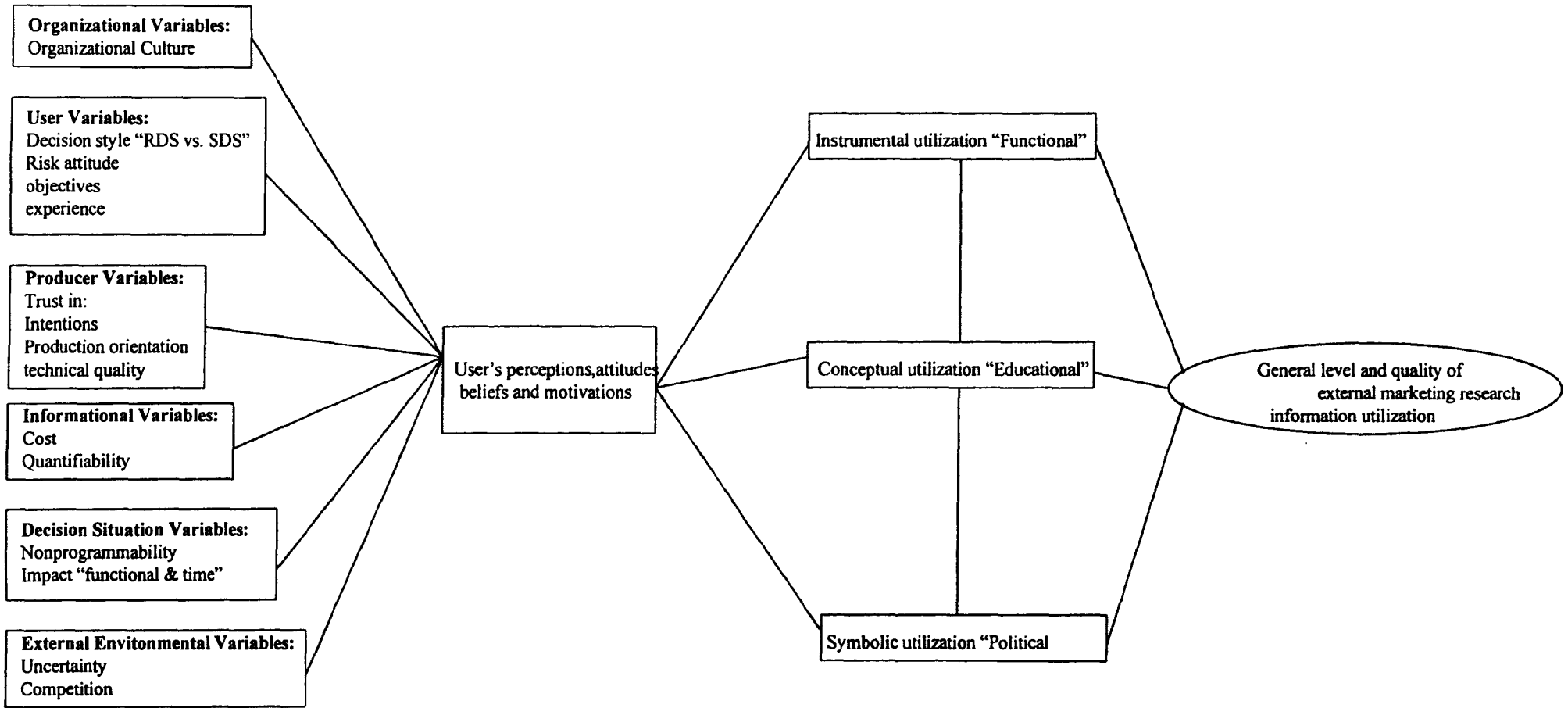


Figure 6-6 The proposed causal model of external marketing research information utilization

proposed model and the causal relationships suggested by it. The model is structured according to the controllability-based classification scheme used to dichotomize the independent variables. It suggests that there are six groups of variables affecting the extent and quality of utilization, namely, the organizational variables, user variables, producer variables, informational variables, decision situation variables and external environmental variables. It is suggested that the independent variables bring their impact on the general level and quality of marketing research information utilization through influencing the user's perceptions, attitudes, motivation and subsequently his or her utilization behaviour.

1 The extent and quality of marketing research information utilization (the dependent variable)

The previous chapter was exclusively devoted to the conceptualization of this variable, so further extended discussion is inappropriate. The only remaining point that deserves to be added is that the extent of utilization refers to the total sum of utilization that has actually occurred regardless of the relative weight or percentage of each kind of utilization contributing to this sum. On the other hand, quality of utilization refers to the relative share of each kind of utilization in the total composition of the overall level of utilization. Accordingly, a higher or lower level of utilization can not stand as a sufficient indicator of how far any party's objectives have or have not been reached, since this also depends on how the relative composition of utilization types within this level matches the goals of each concerned party. Accordingly, the causal analysis in this model will try to address the impact of each independent variable on the general level of utilization as well as on the individual types of utilization, though this might not be possible in every case because of the interdependencies and overlappings among the different types of utilization making them sometimes inseparable. This coexistence of the three types of utilization was evident throughout the interviews as most interviewees expressed that they practice, simultaneously varying degrees of all three types of utilization exemplified in the following statements of one marketing director:

"I sometimes use information for making decisions that were not contemplated without such information..... I came across a number of market research projects that have had useful implications for my professionalism as a marketing manager..... It is not always a bad practice to use market research reports to get your message across the board"

2 Organizational variables

Although this model finds itself in almost total agreement with the analysis of previous models regarding the impact of their proposed organizational variables on marketing research information utilization, its conceptualization of such variables will differ significantly from theirs. The degree of organizational structure (as expressed in the degree of formalization and centralization), information and innovation culture, and internal and external communication flows, although they have a profound impact on knowledge utilization, might not be considered as real independent organizational variables. This is due

to the fact that these factors can be considered as organizational symptoms of another major organizational causal variable which is, organizational culture. It is now believed by several scholars including Moorman (1995), and Deshpande & Webster (1989), that organizational culture is the most dominant organizational factor setting the rules and core philosophy of all aspects of marketing practice in today's organizations. This well argued case should be accompanied by the recognition that these previously mentioned organizational variables represent a reflection of the underlying organizational culture that they came into being to represent (Webster 1992 and Moorman 1995). So, if the analysis of previous models succeeded in shedding light on some of the organizational antecedents of marketing research information utilization using these variables, it can be argued that they did so because such variables were a true and fair translation of their roots, i.e., their prevailing organizational culture as argued by Moorman (1995).

Adhering to this argument and to the recommendations of several scholars (e.g. Moorman 1995, Deshpande & Webster 1989, Webster 1992, Sharma 1994, Sinkula 1994, and Meldrum 1995), this model will aim to examine the impact of the prevailing organizational culture on marketing research information utilization. Before that a clear conceptualization of what is meant by organizational culture should be made and then its influence on marketing research information utilization will be demonstrated. The importance of organizational culture to the way marketing managers use marketing research information was strongly demonstrated in the interviews as one marketing director puts it:

"The overriding concern for me when using information arising from a research report is the contribution expected from such information as outlined by implicit and explicit company policies and norms..... Honestly, this is important for your career prospects along the management ladder within the company"

- Organizational culture

As defined and explained by Meldrum (1995, p.510), organizational culture is "the pattern of shared values and beliefs that help individuals make sense of their functions and which provides them with norms of behaviour". A marketing culture is one which emphasizes beliefs and values about those aspects of the business which will deliver success in the market place (Webster 1992). Thus, a marketing culture fosters a strong market orientation which leads as argued by Narver and Slater (1990, p21) to "behaviours for the creation of superior value for buyers and, thus continuous superior performance". The significance of this for marketing is that if employees with marketing responsibilities work in an environment with a functional orientation different from that of their own discipline, they are less likely to act in ways which will promote effective marketing (Pearson, 1993). This explains why organizational culture received a wide recognition as a potential barrier to effective marketing (Peters & Waterman 1982 and Deal & Kennedy 1982). So, Meldrum (1995) and Amsa (1986) concluded that the right sort of culture can, therefore, be established as a significant factor for effective marketing performance (including utilizing

marketing research information) given its impact on behaviour and therefore, the allocation of resources (which is the heart of marketing decision making as argued in the previous chapter).

This central role of organizational culture in determining marketing success, necessitates the exploration of its impact on each aspect of marketing performance. The emphasis in this research is on its impact on utilizing marketing research information. The kinds of organizational culture adopted as independent variables in this research will rely on the classification scheme of organizational culture suggested by Sharma (1994) when he was studying the impact of organizational culture on the adoption of high-technology products which seems quite similar to the utilization (i.e. adoption) of marketing research information as a high-information technology service product.

Sharma (1994) developed a classification scheme based on the research of Shrivastava (1981), Fahey and Dutton (1982), Shrivastava and Mitroff (1983), Shrivastava and Grant (1985), and Mintzberg and Waters (1985). The classification of the organizational cultures are as follows:

A Entrepreneurial-oriented organization:

Entrepreneurial organizations normally have no formal decision making and information management policies. There are one or two primary decision makers and the entire decision process revolves around their preferences and actions. If other members of the organization participate, it is to provide information solicited by the key members. The decision making is dependent on personal intuition, judgmental evaluation procedures, and very few management systems to evaluate alternatives. Mintzberg and Waters (1985) have described entrepreneurial strategies as reflecting the personal vision of a single decision maker.

Such kind of culture could be expected to produce a very low general level of marketing research information utilization, and may be of the pursuit of marketing research as a whole. The reason behind that is the general feeling of entrepreneurial decision makers that they already have the inertia and gifted business talent that will enable them to make the right decision without relying on systematic research information, as expressed by one marketing director: *"I have been doing business successfully in this market for twenty years, I do not need someone costing me money to tell me what is going on or what I should do"*. This hypothesized low level of utilization will be basically instrumental covering any gaps in the decision makers' knowledge if they felt that they are facing a relatively different decision situation. There is not much room for conceptual use because decision makers are obsessed by the idea that they know it all better than anyone else, and since there are relatively few decision makers who are

undisputedly dominant within the organization, there should be no need for using research information as a political weapon. Thus,

H.1 : Organizations with entrepreneurial-oriented organizational culture tend to exhibit a low level of marketing research information utilization which is basically instrumental.

B Planning-oriented organizations:

Planning organizations make decisions based on long range considerations, including problem familiarization and solution development. Needs of the organization are carefully assessed and planned. Plans are modified to changed organizational and environmental conditions. Central to the planning model is the premise that choice is the outcome of rational activity, sufficient information is available and decision criteria are known, clear and consensual. This type of decision making is based on group interactions and the satisfaction of functional area needs. There is evidence by Wind and Cardozo (1974) that planning oriented organizations are more receptive to objective information. From a marketing researcher's point of view, this type of organizations is their ideal client. They strive to seek specialized marketing research services to satisfy the functional information needs of their marketing decision makers, and decision makers are willing to rely on such information as a rationalizing tool and justification for their choices and also to capitalize on such information, whenever possible to learn and improve their decision making skills, information utilization behaviour and enhance their general knowledge of their functional area as a long range investment for their careers and their organization.

Accordingly, planning-oriented organizations exhibit a very high level of marketing research information utilization, particularly instrumental and conceptual uses. Yet, it should be noted that pure planning-oriented organizations are too good to be true, except in Economics and Management textbooks, so there will still be a chance for political use to exist, when objective information is used out of its context to support an already decided-upon choice in an organizationally acceptable rational way. Thus,

H.2: Organizations with planning-oriented culture should show a very high level of marketing research information utilization composed mainly of instrumental and conceptual uses, with some infrequent occasions of symbolic use.

C Bureaucratic-oriented organizations:

Decision making in these organizations is characterized by limited information availability, reliance on historical data, precedence and decomposition of complex problems into manageable sub-problems. Organizational systems and official rules and regulations largely determine the activities, information flows, and interactions that constitute the decision making process. In this decision style, forms and procedures are more critical for decision making than any information for decision making. Such sort of

organizational cultures should result in a very low level of marketing research information generation, let alone, utilization. This is mainly because decision makers devote all their information search and utilization efforts to learning about established conventional decision rules and acceptable modes of decision making behaviour and even in the rare incidence of spotting a need for information, this is usually done through bureaucratic routes to determine the extent to which, new information should be sought and utilized. Most probably there is no conceptual use of information, because it will not make any contribution to the personal upgrading of decision makers in the organization or to organizational effectiveness in the long run. Also, political use is not likely to occur, because the political game in such organizations is dependent on the various interpretations of the formal procedures and forms to get around their rigidity. The only chance left for use of any kind is the instrumental one in a very restricted manner according to the generally accepted rules. Thus,

H.3: Organizations with bureaucratic-oriented culture are expected to show a very low level of marketing research information utilization which is instrumental in nature.

D Politically-oriented organization:

In organizations dominated by this kind of organizational culture, decision making is seen as a stream of actions in a political power game involving the manoeuvres and influence efforts of powerful individuals and coalitions. Decision makers form coalitions around issues; they manage, champion and promote a decision that they try to justify with information. It is not difficult to see which type of utilization will prevail in these organizations. A very constantly high level of political use of information will usually be evident. Marketing research information will usually be used symbolically to reflect implications that go beyond, and may be against, its real objective substance in order to reinforce the political image and/or position of one individual or coalition or another in a semantically rational and acceptable organizationwide manner.

Utilization of marketing research information in a political sense is normally high and frequent under such a culture, because this type of seemingly rational information can become a very powerful political weapon to use, without having to appear explicitly political which is not tolerable in most modern organizations (Brown 1994). In such situations, instrumental and conceptual use are expected to be quite scarce, since the aim of utilizing information is to support previously held dispositions and to promote a specific understanding of the organization irrespective, and if necessary in spite of, any new information. Thus,

H.4: Organizations with a politically-oriented organizational culture should result in a very high level of symbolic utilization of marketing research information for political reasons and a very low level of instrumental and conceptual utilization of marketing research information.

A final important comment is that in most cases there is no one type of culture dominating an organization entirely. It is more realistic to assume that each organization exhibits varying degrees of each of the four types of cultures with some cultures being more prevalent and dominant than others. Accordingly the role of information in decision making is expected to be a manifestation of the combined effect of the varying degrees of different organizational cultures interacting to form the dominant culture within the organization. This was most obvious when one marketing manager was describing the various situations in which he uses information and it was clear that all four types of culture can be found in his company and do have a bearing on his utilization behaviour:

“Although it is a political requirement that such vital marketing decisions be supported by credible market research reports (Political), I am also expected to show that I have used market research information to make a tangible contribution to the effectiveness of decisions made (Planning)..... Unfortunately, it is not unusual that such information play a very minor role in making certain decisions for which there clear and definitive policy guidelines (Bureaucratic) or simply because the top people think they know best (Entrepreneurial)”

2 User Variables:

The impact that the marketing information user has on the extent and type of utilization is likely to be particularly important. This is premised on the fact that the user is the only party that is actually pursuing utilization in the way he or she perceives that it will achieve individual and organizational objectives. Thus, user's variables should have the most profound impact on marketing research information. Nevertheless, the potential users of marketing information do not usually carry out their utilization behaviour in a vacuum. Several variables dominated by other parties influence their perceptions and motivations and govern their anticipated behaviour, thus controlling to some extent their output of utilization. These latter variables will be examined in due course. However, in this section of the analysis attention will be concentrated on those variables that are related to the information user as an individual decision maker rather than as a member of an organization including his or her research objectives, experience, and individual decision making style.

1 User's individual decision making style:

The variable discussed here is not the decision making style that is supposed to be adopted by all decision makers in the organization as a response to the prevailing organizational culture. The point of concern in this context is that part of the decision making style exempt from the impact of organizational culture and is left to the discretion of each individual decision maker. Thus it is heavily influenced by his or her managerial style, personal judgement, decision making skills and risk characteristics. Accordingly, individual decision making style is the way managers go through the various stages of the decision

making process and how they perform the tasks required within each stage (Harrison 1995). One vital component of this decision making style is the role of information in each stage as perceived by the decision maker and the manner in which information should be incorporated in the decision making process (O'Rielly 1983 and Saunder & Jones 1990).

It can be argued that there are four commonly recognized stages of decision making which are, problem definition, determining alternatives, evaluating alternatives and choosing an alternative. Decision makers who see information as most relevant in defining the problem and evaluating alternatives are assumed to be instrumental and/or conceptual users of information, because it is in these stages that objective information is thought to be needed to bridge any knowledge gaps limiting decision makers' ability to get to know the real essence of the problem they are facing rather than its symptoms and/or to make an exhaustive and accurate estimation of the potential costs and benefits of every alternative (Simon 1987). On the other hand, decision makers who seek information to help them substantially in the stages of determining possible alternatives and making the final choice, can be considered more of symbolic users. This is argued on the logic that it is these two later stages that mostly require managerial judgement and creativity (Simon 1987), so relying on objective information as a normative tool in such stages will, most probably, be carried out for finding an acceptable justification for choice done in these two stages. Additionally, relying heavily on information in these two stages can be used as an acceptable political shelter against any allegations of overlooking a viable alternative or picking out the wrong choice, if things turned out unfavourably.

A clear distinction between the two types of decision styles were demonstrated by two marketing directors saying: *"I feel most ill-informed when contemplating possible courses of action and how to pick up one of them"* and *"Good market research information can be most useful in turning symptoms into well-defined problems and assessing the alternative solutions to such problems"* Thus,

H.5: Decision makers who see information as most crucial in the stages of problem definition and evaluating alternatives tend to show higher levels of conceptual and instrumental marketing research information utilization.

H.6: Decision makers who see information as most crucial in the stages of determining alternatives and choice of an alternative tend to show higher levels of symbolic utilization of marketing research information

One of the most important components of the individual decision making style is that of the risk characteristics or attitudes toward the potential results of their decisions (Singh 1986). Drawing on the

theme of utility functions, some decision makers fear the possibility of a wrong decision and its consequences more than they value the possible advantages of making the right decision. This type of marketing decision maker is considered to be a risk-averse manager who seeks to avoid the perils of making the wrong decision rather than aiming to reach the most appropriate one. Another type of decision makers is one who enjoys the outcome of a correct decision much more than he or she regrets the possible losses of a wrong one. These decision makers are known as risk-takers, i.e., they are willing to take every chance to make a greatly successful decision even if this means assuming greater risks through departing from conventional wisdom (Figenbaum & Thomas 1988 and Mark & Shapira1987). It can be expected that risk-averse managers will try to ensure that they are making every step in their decision making process based on calculated risk and objective information as a protective means against making an inappropriate choice at any stage as expressed by one marketing director: *"Information would not always guarantee you the best decision but it will at least keep you from going for the worst one"*. Quite differently, risk-taking managers are expected to give little regard to any information supporting bounded rationality because they are basically relying on their natural risky instinct in coming up with their alternatives and making their choices. Thus,

H.7: Risk-averse marketing decision makers are expected to show a much higher level of marketing research information utilization than their risk-taking counterparts.

2 Objectives of the marketing research project:

Although the formal announced objectives of most marketing research projects are a result of collaboration of researchers and managers, the true nature of such projects are largely determined by managers because such objectives originally stemmed from their anticipated information needs. Though this model agrees with some previous American evidence (Deshpande & Zaltman 1982 and Menon & Varadarajan 1992, Lee, Actio&Day 1987) in the two common types of marketing research projects, i.e., exploratory and confirmatory, it finds itself in disagreement with their analysis of their impact on utilization. It seems logical that confirmatory marketing research should lead to higher levels of utilization since its resulting information would be consistent with the prior dispositions of decision makers but this kind of utilization can not be counted as an instrumental one as argued by Deshpande and Zaltman (1982). Since information produced by marketing research is used to confirm, justify and support already held positions and decided upon courses of action it can only be regarded as an incidence of symbolic use of marketing research information.

On the other hand, since exploratory research is normally initiated by interested decision makers who feel in need for new information to aid them in a specific decision situation (i.e. instrumentally) or increase their understanding of their market in the long run (i.e. conceptually) it should be assumed that such kind of marketing research information would enjoy a very high level of utilization. This conclusion is in

contrast with previous models which assume that exploratory new information will not be utilized because it might contradict prior dispositions of managers. The point made against this argument here, is that exploratory research is usually conducted in relatively new decision situations where managers do not have strongly-held prior dispositions. Thus,

H.8: Confirmatory marketing research projects usually lead to higher levels of symbolic utilization of their information.

H.9: Exploratory marketing research projects usually lead to higher levels of instrumental and conceptual utilization of their findings.

3 Experience of information user:

In their study on the role of experience in information use and decision making in marketing, Perkins and Rao (1990) argued that experience makes a substantial difference in the way marketing decisions are made and marketing information is used. They have shown through their review of the literature that studies comparing experts and novices suggest that experts have more developed cognitive structure, i.e., the organization of information in memory and the repertoire of rules for using that information which allow for effective problem structuring and successful problem solution. They also advocated the idea that experience determines the amount of information sought and its valuation, because when managers are provided with information, they will differ in their valuation of the information. Specifically, more experienced managers can be expected to place more weight on relevant (functional) cues and less on irrelevant (peripheral) cues. So, they concluded that experience affects managerial decisions, and more so when it influences information valuation and subsequent use. In accordance with such logically sound analysis, it can be proposed that experienced users are expected to show a lower level of marketing research information utilization as a whole than less experienced information users. This proposition is predicated on the argument that, first, experienced users have experienced a wide variety of decision situations, so it is less frequent that they will confront an entirely new situation where they will need to use information instrumentally. Second, experienced users are usually highly esteemed managers with supposedly polished decision making skills and thorough understanding of their internal and external environment, so there is little for marketing research to add conceptually to them, and third experienced users can defend and justify their decisions, politically, on the ground of their long experience and their proven record of success in similar situations without resorting to the symbolic use of marketing information. This argument is clearly supported by a marketing director who pointed out: *"As I go along my career gaining more practical experience, I feel, increasingly, that the market research reports I read have nothing to say that is worth listening to"*. On the other hand, it should be expected that less

experienced information users will need more information support in the three above mentioned areas, thereby resulting higher levels of utilization. Thus,

H.10: More experienced marketing decision makers are expected to show lower levels of marketing research information utilization than less experienced ones.

3 Producer Variables:

Great caution must be taken when examining producer dominated variables in order to avoid being drawn to the technical details and mechanisms of information generation which has received a fair amount of research attention so far. This confusion can occur if producer's perceptions of the variables affecting utilization were sought, as done by Deshpande and Zaltman (1984) in their researcher model. The problem with that is that such perceptions govern and guide the process of generating information (because they are those of the producers), since this is how producers think utilization occurs. Accordingly, following this methodology will constitute a return to a producer perspective. The real power and influence of producer variables can only be effective on the extent and quality of utilization, if producers successfully used such variables in shaping the perceptions, attitudes and motivations of users in a way that encourages them to utilize information in the manner desired by information producers. This argument is in line with the marketing orientation of the perspective employed in this research since it proposes that producers objectives can only be achieved through satisfying the needs of their customers (i.e., information users). Consequently, producer variables will be examined in this study, not as devised by producers but as reflected by the perception of users on the extent and quality of marketing research information utilization.

Bearing this user-centred analysis in mind, it can be argued that there is one variable that can best reflect how well producers took advantage of their controllable variables to influence utilization, i.e., the trust that information users have in information producers. Although trust is often thought of, properly, as the end result of the collective efforts of information users, producers and the concerned organization and also, although it is the user who holds the attitude, and commits the act of trust, it is the producer that has the greatest interest in building such trust and has control over the most significant variables affecting it (Moorman, Zaltman & Deshpande 1992, 1993). Accordingly, trust can be considered as the final product of the producer's efforts through the use of his or her variables to get users to utilize information in the way deemed appropriate from his or her standpoint. So, trust will be treated here as what might be called a "blanket" variable through which all other producer dominated variables disseminate their influence on marketing research information utilization. This central role of trust in creating and facilitating user-producer interaction and its implication for utilization was delineated by a marketing manager: "At the

outset, it is the marketing researchers who can make me trust them or not, and then everything that follows goes right or wrong”

- **Trust in marketing research relationships**

The concept and dynamics of trust in facilitating information exchange between marketing researchers and managers, and marketers and their customers have received a considerable amount of research interest (e.g., Moorman, Zaltman & Deshpande 1992, 1993, and Peters & Fletcher 1995).

Moorman, Zaltman and Deshpande (1992, p.315) defined trust as, "a willingness to rely on an exchange partner in whom one has confidence". Butler (1991) points out that trust between parties is a necessary condition in information sharing, reducing each party's vulnerability to opportunistic behaviours, and guarantying the accuracy, timeliness, relevance and quantity of the information exchanged. Dasgupta (1988), looked at trust as commodity having several features and argued that trust among persons and agencies is interconnected and that the value of trust can be measured (similar to the value of information). Peters and Fletcher (1995) argued that the presence of trust is not only an economising factor with regard to opportunism, it is also an economising factor with regard to bounded rationality, because trust is particularly relevant in conditions of ignorance or uncertainty . They further argued that, the building of a reputation for trustworthiness is not seen as sufficient for acting on reliance on trust in a business relationship. This reliance on trust by business partners (like marketing researchers and managers), will emerge only when they have successfully completed transactions in the past "perceived" by the party whose trust is sought as "satisfactory".

Zucker (1986) distinguished between three modes of trust production, A (1) process-based (tied to past or expected exchange, such as reputation of gift giving), (2) characteristic-based (tied to a person and related to attributes such as family background or ethnicity), and (3) institutional-based (tied to formal societal structures which make use of individual or firm specific attributes, such as professional qualifications). Peters and Fletcher (1995), hinted that this latter mode of trust is of particular value when large networks of interdependent transactions and information exchange are created. It is this type of trust that is most pertinent in marketing research relationships although the other two modes may be, occasionally, experienced in such relationships. Drawing on the concept of institution-based trust, Moorman, Zaltman and Deshpande (1992) made a distinction between two major types of trust outcomes.

First, belief outcome viewed as a sentiment or expectation about an exchange partner's trustworthiness that results from the partner's expertise, reliability or intentionality. Second, behavioural outcome expressed as a behavioural intention or actual behaviour that reflects a reliance on a partner and involves vulnerability and uncertainty on the part of the trustor. Accordingly, they argued that both outcomes must be present for trust to exist, i.e., if an information user believes that an information producer is

trustworthy without being willing to rely on that partner, trust is limited. However, if the user is willing to rely on the producer without holding a belief about that producer's trustworthiness, reliance may be more a function of power and control (e.g. organizational policy) than trust, which is unlikely to produce the kind of utilization desirable by any interested party. Institutional trust is relevant to this research, since the proposed model is focused on the relationship between organizational users and independent marketing research firms.

It is argued that behavioural and intentional trust can be maintained through the effective use of variables, basically controlled by marketing information producers as follows:

- If the potential user of marketing research information perceives the intentions of the information producer as being supportive and helpful to the decision situation encountered, the inclination of the user to co-operate in conducting the study and later utilizing it will increase. In other words, the more the information user perceives the information producer as neutral or on his or her side, the greater the likelihood of trusting and utilizing the resulting information. In the adverse case of perceiving the producer as biased to one party or the other inside the user organization, the user will not be willing to use such information or distort its utilization if he or she is forced to look like utilizing it, as one marketing manager, from the interview sample, put it, *"I know, they brought those people in, to prove that we are not doing our job in the right way"*. Thus,
H.11: The more the intentions of the marketing research firm is perceived by the user as professionally neutral and helping intentions, the higher the expected level of marketing research information utilization.
- If the information producer could promote its organization's orientation in generating marketing information as that of decision support system providing decision makers with relevant information aiding them in dealing with the alternative courses of action they are facing, it would encourage the user to increase his or her utilization (of all types) of such information. So, it is important for the producer to ensure that the potential user perceives this self image of its production orientation in the way that will boost his or her intentional and behavioural trust. In most cases, it is not favourable that the user perceives producer's production orientation as an expert system or a neural system (even if this is the true self image of the producer), because this could provoke the user's hostility to an external information system that is trying to replace him or her and make decisions for him or her, thus challenging their expert status within the organization, as expressed by a marketing director, *"Those people (i.e., external marketing researchers) like to think of themselves as having a monopoly on the truth of making sound marketing decisions"*. Thus,

H.12: The more the marketing research firm's orientation in production (self image) is perceived by potential users as a decision support system rather than an expert system the higher the expected general level of marketing research information utilization.

- Though trust in information producers, as indicated, is far from just being a matter of technical quality, the perceived quality of the marketing research report in terms of criteria like accuracy, timeliness, completeness, and relevance still has got an important role to play in building trust in, and subsequent utilization of marketing research information. This model advocates the argument of previous models that a final report that is considered of high technical quality should lead to a generally higher level of all kinds of utilization. Thus,

H.13: The higher the perceived technical quality of the final marketing research report the higher the expected general level of utilization of information included in that report.

4 Informational factors:

Although information might be looked at as a passive party subject to the control of other parties and taking its form as a consequence of their actions, e.g., the needs of the information user and the production strategy of the marketing research firm, it still can have its own peculiar features that have a bearing on the utilization process. As mentioned earlier, such inherent features of information ought to be taken into account by the various parties as a totally noncontrollable areas of utilization that must be taken as given in order to avoid pursuing any efforts aiming to influence such areas. Two significant inherent attributes of information are its cost and quantifiability.

1 Cost of information:

As proposed by Menon and Varadarajan (1992) information that is perceived as costly is more likely to be utilized because it is usually judged as being of high quality. Another possible explanation to support this proposition is that when the organization incurs a considerable amount of money to secure certain information for marketing decision makers, they feel obliged to utilize such information (or even pretend to do so) to justify such costly undertaking and to avoid being hold accountable for wasting organizational resources as one marketing director said *"I would not dare telling the board that such vast amount of money were spent in vain"*. The first argument of Menon and Varadarajan, related to quality is supposed to cause more instrumental and conceptual utilization while the second argument related to justification, is expected to lead to more symbolic utilization. Accordingly, perceived high cost of marketing

information should result in higher general level of utilization. Finally, it should be noted that high cost is a relative concept that might mean different things to different people in different organizations and decision situations. Thus,

H.14: Marketing research information that is perceived by potential information users as produced at a high cost tend to be more utilized generally.

2 Quantifiability of information:

One of the most important aspects of the nature of information accuracy is its quantifiability, i.e., its expressability in the form of hard figures. There are types of information that can not be expressed in accurate, absolute and reliable figures. Examples of such information is customers' attitudes, stages of their buying decisions, internal feelings and salespeople satisfaction with certain incentive schemes. Such information is usually presented to marketing decision makers in a qualitative form such as general trends, opinion modes, morale levels and grounded interpretations. This is not the case with information like demand forecasts, macroeconomic indicators (e.g.inflation, interest rates and percapita income). It can be argued that marketing decision makers will tend to rely more on quantifiable information since they will conceive it as more objective reflecting solid facts (though this might not be always the case) and not the subjective views of marketing researchers as is the case with qualitative information that is more susceptible to the intervention of the personal judgement of the marketing researcher. Despite the fact that there are some contradictory evidence to this proposition in the literature(Lee,Acito and Day 1987)such argument found some support in the interviews as one marketing manager pointed out: "we hire professional market research agencies to hear the voice of the market in terms of hard figures not verbal speculations"Thus,

H.15: The more accurately quantifiable the marketing research information produced the higher the expected general level of its utilization.

5 Decision situation variables:

The same argument for the noncontrollability of the impact of informational variables on the extent and quality of marketing research utilization, applies also to variables imposed by the nature of the decision situation for which information is needed. Two features of the decision situation that are believed to be most relevant to this analysis, are the programmability and the potential impact of the decision in hand.

1 The extent of programmability of the decision:

Programmability as one of the characteristics used in classifying managerial decisions has received a good deal of research attention in literature on decision sciences or expert systems and artificial intelligence

(Kayaalp 1987). Perkins and Rao (1990) argued that a useful classification of decisions is that based on the criterion of programmability as proposed by Simon's framework (1960). Simon proposed that, programmed decisions are characterized as being routine and structured with a well-defined starting point, a clear goal and standardized rules for reaching the goal. They are repetitive enough to permit the establishment of definite procedures to process them. According to Simon, methods for making programmed decisions include habit, standard operating procedures and a common set of expectations established by the organization. In contrast, nonprogrammed decisions are ill-structured and have few guidelines. They are novel, not being amenable to processing by a prespecified method and often require the decision maker to rely on general problem-solving abilities. When making nonprogrammed decisions managers must exercise judgement relying on, in some undefined way, experience, insight and intuition.

This kind of decisions dichotomy in relation to information utilization can be easily simulated in marketing through the type of buying decision situations in their relation to buyers' information search behaviour. Buying decision situations are divided into three categories on the basis of novelty, straight re-buy, modified re-buy and entirely new buying situation. There is a considerable degree of consensus among researchers in consumer behaviour that information search behaviour reaches its peak in new buying decision situation and almost ceases to exist in straight re-buy situations. It can be argued that the same conclusion stands for marketing research information utilization in programmed and nonprogrammed decision situations. In nonprogrammed decision situations, where marketing managers feel there is little they know about this unprecedented and nonrecurring decision situation (e.g., expanding in a foreign market) they will try to make the utmost utilization of information available to them. Vice versa, in repetitive and routine decision situation where there is a good deal of accumulated experience and widely agreed-upon decision rules, managers will rarely if ever, turn to relying on marketing research. In fact, some marketing decision makers use the severity of their needs for information to distinguish between new and repetitive decision situations as one of the interviewees said: *"I judge the newness of a certain decision situation by how much I feel I need to know about it"* Thus,

H.16: Marketing managers facing nonprogrammed decision situations will show a much higher general level of marketing research information utilization than when facing programmed decision situations.

2 Potential impact of the decision:

The potential impact of the decision refers to the possible influence the decision, once made, might have in two specific terms. First, how many departments and functional areas in the organization will be significantly affected by the success or failure of this decision, (e.g. compensation plan for marketing people in a certain branch vs. globalization of the company's markets) (Jobber & Elliot 1995 and Kohli & Maltz 1996). This point was made very clear by one marketing director as she mentioned: *"A well-*

argued case must be sold out to other colleagues in the board if the planned action would have serious implications for their areas and one of the best ways to do so is to have a persuasive market research report to back you up". Second, the expected long term commitments and implications of this decision to the organizational objectives and resources. In other words, how long would it take the organization to be able to get rid of the damaging effects of this decision if found to be wrong. Therefore, it is quite expected that crucial decisions with wider and far reaching impact on the organizational sustainability and mission will motivate marketing decision makers to seek and utilize marketing research information in order to eliminate the possibility of making a catastrophically improper decision. Thus,

H.17: The more cross-functional and long term the potential impact of a certain decision, the more marketing decision makers will seek to utilize marketing research information as a basis for making such a decision.

6 External environmental Variables:

As can be assumed, the external business environment should have some significant impact on the generation, flow and utilization of marketing research information. Two important characteristics of external environment that might have an important influence on the extent and type of utilization are the degree of environmental uncertainty and the competitive nature of the surrounding environment.

1 Degree of environmental uncertainty:

The more unstable the business environment and the more escalating its pace of change, the more marketing managers find themselves in need of up to date and relevant information to help them understand what is going on and what they should expect in order to decide on their future directions. Marketing is one of the functional areas that are most vulnerable to environmental changes because of the multiplicity of external environmental legal, political, economic and technological factors affecting it. Although it is argued by Menon and Varadarajan (1992) that uncertain environments might make information lose its value, this uncertainty also fuels the managers' needs for new information on regular basis to help them in handling marketing decisions in such turbulent environments (Glazer & Weiss 1993). So, it can be concluded that in highly uncertain environments marketing managers will have strong tendency toward instrumental and symbolic utilization (no decision in such environments can be defended without information). Conceptual utilization is less likely to occur in such situations because information will lose most of its long range educational impact because of the rapidly changing circumstances. Thus,

H.18: Decision makers conceiving their own business environment as having a high degree of uncertainty will show a higher level of instrumental and symbolic marketing research information utilization, and a lower degree of conceptual utilization.

2 Degree of Competition in the business environment:

One of the major considerations that is usually of great concern when making marketing decisions is the possible reactions of competitors and their consequential effect on the concerned firm's market share. This is why, as evident in the detailed example in the preceding chapter, that when competition becomes more explicit and vigorous the need for marketing research becomes more pressing. In order to survive and remain superior to its competitors, organizations working in highly competitive markets need to know a great deal about their own market, competitive standing among its competitors, the weaknesses and strengths of its major competitors, their intentions. ..etc. The role of the degree of competition in creating a need for utilizing marketing research information was explained by one marketing director saying: "Whenever I feel the heat of competitors' breath on my neck, I realize that something must be done about it and this means that I need information which I do not already have". Because of this feeling of the continuous need to know in order to succeed marketing managers tend to utilize marketing research information more intensively, particularly in an instrumental sense to understand the competitive implications of each alternative, and conceptually to increase their competitive analysis skills which is becoming one of the main basic marketing skills. Thus,

H.19: Marketing managers working in a highly competitive business environment will usually show a higher degree of instrumental and conceptual utilization of marketing research information.

6.5 Conclusions

It might be useful to present a brief summary of the proposed causal model of marketing research information utilization in order to make some sort of condensed and concise outline of its various aspects.

The proposed model is premised on the logic that in order to improve utilization of marketing research information, an appropriate understanding of the process of such utilization is, first, necessary. This understanding entails making a sound conceptualization of marketing research information utilization which comprises, properly defining, operationalizing and measuring it, which was the major concern of the previous chapter. Then, the most likely causes of utilization (i.e. its antecedents) and their consequences on its level and quality must be identified. This logic meant that the aim of the model was to identify causal factors of marketing research information utilization and their possible influences on its extent and quality. The analysis was guided and led through a specific path by starting with a number of assumptions, however, the limiting effect of such assumptions was recognized. As mentioned earlier the model has drawn on three major sources. First, some empirical exploratory guidelines as collected from a number of unstructured personal interviews conducted with key marketing decision makers in some

British companies about the factors underlying their attitudes and behaviour toward marketing research information. Second, the previous empirical and theoretical research in British and American marketing literature on modelling marketing research information utilization. A third source was, other research work in related issues in marketing.

Furthermore, the concept of controllability was introduced and used as basis for classifying independent variables affecting utilization. As previously hinted, this was done with the intention of supplying the model with some manipulative power in a later stage after its empirical testing through identifying how every party that has a stake in marketing research information utilization can deal with it.

Finally, a number of concluding remarks ought to be mentioned here before moving to the research methodology of the empirical study in the next chapters to put the hypothesized causalities to empirical testing.

First, in several occasions the nature of the relationship between certain independent variables and marketing research information utilization might take the form of a two-way causality, i.e., there is possibly a mutual impact among utilization and its antecedents. For example, as much as marketing research information utilization is shaped by organizational culture, organizational culture can be altered through time due to certain types of utilization. The same is true for individual decision making style which might be influenced by conceptual utilization. In fact, it can be said that the majority of variables considered in this model gained their current status, among other things, through past utilization and/or underutilization of marketing research. However, the logical reason for the model to follow this direction of causality looking at utilization as the dependent variable is that the independent variables are thought to be controllable directly by interested parties unlike utilization and also, hoping that enhancing and improving utilization through using these variables could have a positive impact, in turn, on the current status of independent variables. Also, whilst the possible impact of the proposed variables on utilization of external marketing research information can be identified immediately in a cross sectional design (which will be adopted for the rationale explained in the next chapter), the possible impact of utilization on such variables is expected to be brought about in the longer term and accordingly can only be observed in a longitudinal design.

Second, it should be made clear that it was, by no means the aim of this model, as that of Menon and Varadarajan's (1992), to introduce a complete enumeration of all the determinants of marketing research information utilization, since this is a most unrealistic goal when examining such a multidimensional behavioural and organizational phenomenon. The aim of this model was to identify variables that are

most significant in explaining variations in the extent and quality of utilization among individual managers and organizations.

An additional and most important point to be made is about the dynamic or static nature of the model. A proposed causal model of a constantly changing behavioural phenomenon (which is due to the dynamic nature of its determinants) like marketing research information utilization should be expected to be dynamic one. However, the proposed causal model in this research bears mostly static elements in its analysis just like its predecessors. This is mainly because it was believed that it is simply impractical to endeavour to study the influence of the variables affecting the extent and quality of marketing research information utilization across a reasonable range of time due to two reasons. First, variables like organizational culture, individual decision making style, environmental uncertainty and trust among marketing researchers and marketing managers and subsequently utilization are not subject to significant and observable changes in a foreseeable time period (a year or two) because such variables once shaped into their present form, they develop a resistance mechanism against any immediate changing forces. Second, contemporary state of the art in data collection in social sciences does not permit a sufficiently reliable and valid observation of such implicit behavioural phenomena like utilization and most of its causal factors. Accordingly, it is logically pre-supposed that the present state of the extent and quality of marketing research information utilization is a reflection of how the impact of its proposed determinants progressed, evolved and accumulated through time to shape the phenomenon and make it reach its current status at a certain point in time. It is on this logic that the static analysis adopted for the proposed causal model, was justified.

Finally, it should be made clear that statistical means could be used only to substantiate and prove the causal relationship between marketing research information utilization and its proposed determinants while, unfortunately, the same can not be done for the proposed controllability relationships. This explains why the formulated hypotheses were devoted to establishing causalities while controllabilities were assumed relying on exploratory evidence, deductive logic and common sense.

CHAPTER SEVEN

The research methodology and design

7.1 Introduction

The aim of this chapter is to outline how and why the methodology used in conducting the main empirical part of this research was adopted. Furthermore, it will try to justify and clarify the positive influences of this methodological approach on the validity, reliability and generalizability of the empirical findings and conclusions and accordingly the extent to which the research objectives have been accomplished. Also, the disadvantages of this approach and its accompanying limitations will be mentioned along with a discussion of how far it was possible to address such limitations. Consequently, the structure of this chapter will be in the form of a number of questions, the answers to which will indicate the underlying logic and working mechanism of the research design and methodology.

Specifically, section one will examine the research design and will seek to explain the use of a causal model and cross sectional data. Section two will deal with issues relating measurement, sampling and data collection while section three will discuss the method of analysis.

7.2 The general research design

There are various frameworks used to examine marketing phenomena and their outcomes. The choice of the form of a causal model for handling the issue of marketing research information utilization is based on the belief that this form is most appropriate for achieving the academic and practical goals of this research. On the other hand, how this causal model is going to be tested and validated is yet another governing factor in determining how far the motivations underlying this research has been satisfied. The following two sub-sections discuss these two aspects respectively.

7.2.1 Why a causal model of marketing research information utilization?

From the researcher's point of view the importance of marketing as an academic discipline stems from its ability to contribute to two areas. First, causal models help marketing researchers and practitioners better to understand the marketing phenomena that they encounter when either conducting research or pursuing various marketing activities. Second, causal models help develop actionable recommendations that can improve either further future research or actual marketing practice. The role of marketing models in enabling the discipline to come to grips with its a aforementioned mission has been recognized by several marketing scholars.

Through reviewing the literature on model formulation in marketing it was possible to identify three major motivations underlying the construction of marketing models:

1. Handling complexity of marketing situations

Lilien, Kotler and Moorthy (1992) argued that the need for marketing models stems from the fact that marketing systems and environments are too complex to manage, predict and/or control in all their detail and accordingly, marketing managers and researchers need to deal with models that can express these systems and environments in a comprehensible and easy-to-handle manner. They attributed this complexity to several characteristics of the marketing environments that make it difficult to predict and control the effect of marketing actions. Examples of these include, first, Difficulty of predicting and/ or isolating the response of a single marketing performance indicator (e.g. sales or market share) to a single marketing instrument (i.e. variable). Second, the difficulty of understanding interaction among marketing mix activities. Third, the difficulty of predicting competitive effects and reactions.

Through formulating valid models such complexities can be addressed either through recognizing them in a diagnostic and analytic way that makes them manageable (i.e. impulse response modelling) or ignoring them for the sake of analysis while keeping aware of the limitation they impose on the model's output (i.e., noise dampening modelling) (Bagozzi 1980).

2. Bridging the gap between marketing planning and marketing analysis. In her study of the use of marketing models in strategic marketing planning, Pavia (1991) argued that corporate marketing planning requires free flowing information, but, due to many factors, there is little direct contact between the marketing planners and the analytic market researchers, and the contact that does exist often results in confusion. Misunderstanding occurs particularly if marketing planners are not familiar with quantitative analysis and recent marketing theories. However, if there are available models that focus on the questions posed by planners, communication will improve since such models address the concerns of planners. Pavia (1991) recommended that marketing planners and analysts should concentrate on four topics when building models:

First, the purpose of the model; second, the level of detail and accuracy the model's variables; third, what the available data can and can not do; and fourth, the repeated refinement of the model building project's goal. On the other hand, the marketing analyst should be encouraged to describe three themes, namely, the underlying assumptions and the applicability of the model in various situations, the different ways to interpret the data, and which variables, when changed, greatly affect the model's outcome. So, marketing models that are built through the early and continued involvement and open dialogue between marketing researchers and planners can provide the marketing planning process with the most applicable and accessible model output.

3. **Creating Synergy between managerial experience and theoretical knowledge in marketing decision making.**

Fraser and Hite (1988) stressed the idea that there is a crucial need to integrate information from managerial experience with information provided by marketing models when making marketing decisions, so that a synergistic effect is created that can significantly magnify the contribution of both types of information to the quality of marketing decisions . Accordingly, managers should learn to value those marketing control variables that have been linked, in theory, to favourable changes in performance in order to make more effective and profitable marketing decisions. Decision calculus approaches are limited by the underlying causal models relied upon to approximate market behaviours. Causal models provide invaluable information about market responses to marketing control variables and also enable marginal analysis to be used to indicate reasonable control variable values. On the other hand, in theoretical contexts, where no economic or behavioural cohesive models exist to guide researchers or where there are competing model alternatives, it is important to explore approaches to compare competing model configurations. In such cases recourse to managerial experience for testing and consequently refining such models becomes inevitable (Balasubramanian and Jain 1994).

This ongoing closed circle of improving managerial experience with theoretical models and enriching theoretical models with managerial experience should, in the final analysis, help formulate more powerful models that can put information from both sources on course toward serving the end of integrating them to make better marketing decisions (Bagozzi 1980).

There are two basic methodologies for causal modelling in marketing: verbal and mathematical or statistical. Verbal modelling, as the name suggests, is cast in prose, and is basically rooted in logical reasoning, conceptualization of the interrelationships among relevant marketing variables and the deductive ability of the marketing researcher(s). The variables, the relationships between them, and the arguments are all verbal. Most of the models (like the proposed one, so far) in the behavioural and organizational literature in marketing fall under this category. On the other hand, quantitative models aim to express marketing variables and their relationships in quantifiable terms so that they can be the subject of rigorous quantitative analysis using quantitative techniques. In such models, symbols are used to denote marketing variables and their relationships are expressed as equations or inequalities. The analysis-when pursued properly-follows the rules of mathematical and statistical logic. Examples of such models are demand forecasting models and some models of diffusion of new products and channel structure (Lilien, Kotler & Moorthy 1992, Bagozzi 1980).

However, it should be made clear that models are not an end per se but means to other ends which are often mentioned as purposes of modelling. There are three most common and well established purposes of model building often cited by management scientists which are explanation of the phenomena under study, improving the predictability of such phenomena and providing guidance on how and to what extent it is possible to control such phenomena.

In addition to these purposes, there are three further purposes of modelling that are more relevant to marketing (Lilien, Kotler & Moorthy 1992, Bagozzi 1980):

- **Measurement:** There is a significant number of marketing variables and phenomena that are difficult to measure, For example customer satisfaction, attitudes of sales people, and marketing research information utilization. Models that can help in producing reliable measures for such phenomena and variables would be of great benefit for validating and facilitating future marketing research.
- **Decision Support:** The marketing models that are designed to help marketing managers make decisions through recommended certain courses of actions that will be optimal or near-optimal under certain market conditions. For example, models recommending when and how advertising campaigns should be used, or the appropriate distribution policies in each type of market.
- **Theory building:** Some models are formulated as an aid to building a theory. A theoretical model is a group of assumptions that describes a marketing situation. Some of these assumptions will be entirely mathematical, introduced to make the analysis tractable, but others will be substantive assumptions with real empirical essence and implications. These latter assumptions will aim to describe aspects such as who the actors are, how many of them there are, what they care about, the external and internal conditions under which they make decisions, what their decisions are about, and so on. Validating and rigorously testing these assumptions can make a real contribution in explaining the marketing phenomenon in question and in building a reliable theory about it.

The need to express the phenomenon of marketing research information utilization in the form of a causal model is evident in each of the above mentioned aspects of modelling in marketing. The following table 7-1 shows why all the reasons for modelling, methodologies of model building and modelling purposes are all relevant to the phenomenon of marketing research information utilization and therefore represents an impetus for modelling it.

Table 7-1
Rationale for building a causal model of marketing research information utilization

| Aspects of modelling in marketing | Corresponding benefits in modelling marketing research information utilization |
|--|---|
| <ul style="list-style-type: none"> • Reasons for modelling in marketing: • Complexity of marketing situations. • The gap between marketing analysis and planning • The gap between theoretical knowledge and managerial experience in decision making. | <p>The phenomenon of utilization is so complex involving many variables with numerous interactions among them and multiple parties with multiple goals and accordingly it is difficult to assess the impact of single marketing actions on it.</p> <p>Due to many factors, there is an apparent communication gap between marketing researchers and marketing decision makers that represent an important barrier to effective utilization of marketing research information.</p> <p>Marketing decision makers sometimes view information arising from their managerial experience and theoretical knowledge based on marketing research as mutually exclusive and there is a need to mix both if high quality decision making relying on utilization of both types is to occur.</p> |
| <ul style="list-style-type: none"> • Model building methodologies: • Verbal modelling • Quantitative modelling | <p>As a behavioural and organizational phenomenon, a causal model of marketing research information should be initially verbally formulated using deductive logic, conceptual frameworks in the literature and theoretical reasoning to configure the relevant variables and their relationships.</p> <p>In order to empirically test, validate and refine the verbally proposed model, it ought to be formulated in a form that is appropriate for statistical testing and analysis. Thus, the causal model of marketing research information utilization will be expressed in equation indicating the relationships among its different variables.</p> |
| <ul style="list-style-type: none"> • Modelling purposes: • Explanation • Prediction • Control • Measurement • Decision support • Theory building | <p>A causal model will enhance understanding of why utilization occurs in a certain way, on certain levels and with varying degrees of quality in different companies.</p> <p>Knowing the most significant determinants of utilization through the causal model would enable all interested parties in predicting, with an acceptable degree of accuracy, the level(s) and type(s) of utilization that will take place in the light of the existing levels of causal control variables.</p> <p>The proposed causal model would indicate to each party the extent and type of control, it can exert on utilization according to the significance of causal variables controllable by it.</p> <p>Modelling marketing research information utilization would allow for measurement of variables and relationships that are in need for valid scales like political and conceptual use of marketing research information and the degree of trust among marketing researchers and managers.</p> <p>Through indicating why utilization occurs the way it does and which party(s) control which area(s) of utilization, the causal model should be able to recommend certain guidelines for decisions regarding utilization to each interested party that are well-supported empirically and theoretically.</p> <p>Formulating assumptions of real deductive and inductive substance that are sound both conceptually and empirically explaining a significant portion of the phenomenon of utilization will be an important step toward reaching a reliable theory of such an important marketing phenomenon.</p> |

7.2.2 Justification for using a cross-sectional study design

No theoretical structure can be of real benefit and relevance to either theory or practice unless it is validated through empirical testing in the real world. This empirical validation can serve two purposes: first, it will help in refining this theoretical structure through enriching its arguments with empirical support or modifications to its underpinnings, thus making it a more generalizable theory. Second, it could reveal areas of possible improvements in practice, that can make use of the insights suggested by the theoretical structure. This is particularly true and relevant to causal models in general, and especially the one proposed in this study. In order to be useful, any proposed causal relationships must hold in a significant number of real-life settings and should prove, to an acceptable extent, that they are actually operating in real terms, otherwise they would not have any sensible and meaningful implications to theory and/or practice. This is more obvious in the case of marketing research information utilization because, unless the impact of each suggested causal variable on the level and quality of utilization is grounded on reasonable empirical evidence, none of the model building purposes, would be served. So, the question which arises is: Why is a cross-sectional study the most suitable design for testing and validating this proposed causal model?

A cross sectional study involves data collection at a single period of time from a group of sampling units that are assembled according to carefully selected criteria heterogeneous enough to represent and reflect the common features of the population under research and are drawn specifically and solely for data collection at a single point in time (Parasuraman 1991, and Churchill 1995).

Before going through the argument supporting the appropriateness of cross sectional study as general design for this research, the criteria used for choosing it should first be mentioned. The major criteria governing this choice were twofold, first, how far it complies with the nature of the validation process needed for causal models in general and second to what extent would it help in achieving the specific objectives sought from formulating this model as outlined in chapter five. Both considerations are discussed respectively.

First, validation is a well-defined concept in statistics and many other scientific disciplines, but it is not clearly defined for social sciences in general and managerial research in particular (Coates, Finlay & Wilson 1991). There is an apparent gap between the academic view of validation and its practical application. Finlay and Wilson (1987) suggested that, in the more quantitative research and management science projects, the conceptualization process of modelling should comprise two validation stages. First, a statement of the range of the application of the model, and second, the

precision and accuracy required of the outputs. Furthermore, Coates, Finlay and Wilson (1991) argued that the nature of marketing as a discipline and its modelling process would seem to require additional attention to, first, the validation of the specialized statistical modelling technique, second, the point at which a new situation gets out of step with the one in which the model was proposed, third, the accuracy and value of the data model, and fourth, the simplifications and short cuts taken.

Second, the two major objectives of the proposed causal model are to improve understanding of marketing research information utilization and to improve the practice of utilization. The first objective is to be achieved through adding new causal factors or making different conceptualizations of previously proposed ones that can provide stronger explanations and deeper insights into the phenomenon. The second objective should be reached through examining these understandings as proposed by the causal model and finding out how strong they hold and consequently translating them into actionable recommendations. Accordingly, the present causal model can be classified as a conclusive, descriptive type of research, i.e., it is a model that aims to describe the causal factors underlying a certain phenomenon and generate data according to predetermined requirements that supports this description in order to attain the clearly defined model objectives to be capable of suggesting specific courses of action to concerned decision makers (Parasuraman 1991).

There are arguments against the use of cross-sectional studies for proving causality because of the static nature of the data collected and the difficulty of pursuing an in-depth causal research through survey data. The remedy for both problems is the conduct of longitudinal studies and experimentation respectively (Churchill 1983). Although the methodological essence of these arguments has some merit, they can be refuted on both a practical and a methodological basis. From a methodological perspective, the existence of a causal relationship across time can not be taken as a firm evidence because time trends could be created by the invisible influence of other intervening variables or unobservable trends (i.e. autocorrelation in statistical terms) which might make the true content of the observed causal relationship superficial. On the other hand, experimentation is usually pursued relying on a relatively small number of cases divided into experimental and control groups which makes the generalizability of the resulting questionable because they might be due to situation-specific variables or to any deficiencies in the control process despite the available controls built in experimental designs (Lee, Acito & Day 1987 and Strenthal, Tybout & Calder 1996). From a practical viewpoint a behavioural and organizational phenomenon like utilizing marketing research information is a very difficult one to follow across time or to pursue tightly-controlled experimentation on those involved. These problems in testing causal models using a longitudinal or experimental design are possible justifications for the fact that cross-sectional studies are the most popular design within the domain of descriptive and conclusive causal research in marketing (Parasuraman 1991, Bagozzi 1980). Furthermore, as argued at the concluding section of chapter six the

static nature of the model and research design will not deprive the model from gaining a dynamic insight of the causalities proposed because data obtained in a single point of time could be looked at as an expression of its accumulative development through time, particularly in behavioural and organizational marketing research, or in Parasuraman's terms (1991, p. 138):

"The scope of the data collected is not necessarily limited to the time at which a cross-sectional study is conducted"

Further support for this theme can be found in the reasons for which Mcdaniel and Gates (1993) trace the popularity of surveys which is their ability to answer certain questions that are strongly tied and supportive to causal research, (p.229):

"Surveys have a high rate of usage in marketing research compared to other means of collecting primary data for some very good reasons: 1. The need to know why; 2. The need to know how, and 3. The need to know who".

Additionally, the in-depth interviews conducted for substantiating the conceptual model and designing and piloting the questionnaire should provide a deeper insight into the proposed causal relationships similar to those that can be obtained through experimentation.

The following table 7-2 depicts how the cross-sectional design satisfied the criteria mentioned above for selecting the most appropriate design.

Table 7-2
Viability of a cross-sectional study for testing and validating the proposed causal model

| Criteria of research design appropriateness | Compliance of a cross-sectional design to the criteria |
|--|---|
| <ul style="list-style-type: none"> - Validation Criteria: • Scope of the model's applicability and its adaptability to various situations. • Validity of statistical analysis and accuracy and precision of data and outputs • Awareness of simplifications and cutbacks | <p>The use of a cross-sectional sample increase the generalizability of the model outputs and makes its implications of broader applicability to a wider assortment of organizational contexts and environmental settings and also it will pinpoint the limiting assumptions that ought to be relaxed in order to adapt and enhance the fitness of the model to different situations.</p> <p>The use of a cross-sectional study would allow a valid use of multiple regression analysis which is one of the most powerful and commonly used modelling techniques in marketing with all its testing and validation mechanisms that will stipulate and ensure the degree of accuracy and precision of the data and outputs of the model.</p> <p>As mentioned above, a cross sectional study would make effective use of regression analysis techniques which in turn is expected to pinpoint any cutbacks or simplifications as inherent in the model's assumptions and their limiting effects as expressed in error terms and other indicators of deficiencies in the model's explanatory and predictive powers thus making the generalization process reserved and careful.</p> |
| <ul style="list-style-type: none"> - Objectives of the proposed causal model: • Improving understanding of utilization • Improving the practice of utilization | <p>In order to enhance the current level of understanding utilization, there is a need to examine the phenomenon through a cross sectional sample of companies in different industries with different corporate cultures, individual decision styles, and operating in varying market environments and patronizing various market research suppliers, thus giving rise to more enriched and broadened understanding of the phenomenon in British companies.</p> <p>The recommendations that will be contingent on the model's output can only have practical implications if they were instated on empirical data that has been collected from a cross sectional sample enjoying the above mentioned features of variety thus making the evidence arising from it and reflected in the recommendations more relevant to the actual needs of parties involved in making utilization-related decisions in British companies.</p> |

A crucial point resulting from this discussion of the viability of using a cross sectional design to help build a causal model of the phenomenon under investigation, is the idea of proof of causality in marketing and other areas of management research. This point ought to be sorted out prior to setting out to build empirically the proposed causal model .

- **Proof of causality-revisited:**

In strict philosophical terms causality is “a principle by which a cause and effect is established between two variables. It requires that there be sufficient degree of association (correlation) between the two variables, that one variable occur before the other (i.e., one variable is clearly the outcome of the other), and that there be no other reasonable causes for the outcome” (Hair, Anderson, Tatham and Black 1995, p. 619). Building causal models of all important multidimensional marketing phenomena like utilization is a much appealing exercise in marketing research since it furthers the achievement of the desirable ends of improving the academic understanding and managerial practice of such phenomena (Bagozzi 1980) as previously explained. The problem with this is that the proof of causality is a very questionable issue that is often refuted and sometimes even demolished by some philosophers of science. The most highly profiled critic of the principle of causality is the prominent Scottish philosopher of science David Hume who laid the genesis for such criticism in his work “Treatise of human nature” first published in 1740 which is widely regarded as a central text of British empiricism. Starting from a sceptical point of view, Hume questioned and disputed all claims to knowledge including the idea of cause and effect which he argued lack logical justification and rigorous scientific verifiability. Hume concluded that since “we can not prove causality in any way” knowledge has to be based on either perceptions of the senses or logical relationships between ideas.

It can be argued that, if Hume were to witness the birth of highly pragmatic, positivistic and sometimes normative academic disciplines(e.g.,marketing), he might have changed his mind about the role of causality in knowledge creation and the way it should be proved. This argument is built on the belief that knowledge based on perceptions of the senses and logical relationships between ideas, as suggested by Hume, can only be useful for such problem-solving oriented disciplines if it can be used to explain how and why things are happening the way they do and, how they will happen in the future. This can only occur through building causal relationships that will show researchers and managers alike, the possible underpinnings of the phenomena they investigate and how they can explain and predict the behaviour of such phenomena to accomplish their goals. So, the overriding concern of causal models of marketing phenomena is not and should not only be determining which variable(s) causes the other because it is not only hard to prove but in many cases, marketing variables exhibit a two-way causation or mutual-effect relationship. Instead of that, the main concern of causal modelling in marketing which is adopted in this research should be which variables represent desirable ends that marketing managers wish to attain and

then classify them as criterion (dependent) variables and which variables represent tools with which the marketing manager was equipped and put in control of to achieve his or her target organizational and individual objectives and hence classify such variables as predictor (independent) variables. In other words the question of proving causation in marketing research ought to be revisited.

There is an increasing demand to prove causation in marketing relying on statistical sense to prove correlation or association through exploring and establishing the significance of relationships statistically, while leaving the causal direction of such relationships to be based on managerial sense supported by theoretical research and empirical and exploratory evidence to augment causation as argued by Bagozzi (1980, 1996), Parsuraman (1991) and Olson(1983) and as clearly supported by Hair, Anderson, Tatham and Black (1995, p.619):

“Although in its strictest terms causation is rarely found, in practice strong theoretical support can make empirical estimation of causation possible”.

Accordingly, marketing researchers should not be discouraged from building causal models based on cross sectional data collected (Bagozzi 1980) in fear of difficulty to prove causation statistically . They can embark on building such models as long as they are able to lead their cross sectional generalizable quantitative models to the right useful direction of causation using qualitative methods like experimentation, in-depth interviews, and grounded theory (Calder 1996 and Strenthal, Tybout & Calder 1996) . As a matter of fact and, of special support to this research’s approach to statistical model building, multiple regression in particular, is considered particularly appropriate for building causal models in marketing due to the richness and variety of interpretations it can bring (Bagozzi 1980, Jain 1996). However the viability of using multiple regression analysis to further and support causal models hinges on the researcher’s ability to craft the right conceptual and methodological framework to help regression analysis to produce its expected benefits as clearly delineated by Jain (1996, p.191-194):

“The usefulness of a regression cause and effect model is contingent on the appropriate specification of the criterion variable and the explanatory variables and also on the specification of the functional form that shows how the criterion variable is related to the independent variables. . . . by the term appropriate specification of the variables in a regression model we mean that it includes issues about the definitions and measurements of the criterion as well as the explanatory variables, the set of relevant explanatory variables, and the nature of appropriate data required for the analysis”.

Consequently, causality in this research is premised on the belief the appropriate level and quality of external marketing research information utilization is a desirable end for all parties involved in the process as a means to achieve other important goals like higher decision quality (organization), better long term skills (user), sustainable market position (producer). On the other hand, the model’s

independent variables are controllable by one party or another or at least ought to be taken into consideration when managing the process of utilization. The available theoretical, empirical and exploratory evidence suggests that all these variables are potential determinants of the level and quality of utilization that if properly devised will help improve the understanding and practice of utilization.

7.3 Empirical data collection

The actual collection of empirical data is one of the most important stages in the production of any piece of academic research. Consequently, careful and thoughtful preparation for this stage of the research process is necessary to ensure that the data collected are appropriate. There are two vital decisions involving data collection; first, deciding which data are relevant to the research purposes and the sources from which to obtain this data and second choosing the most appropriate tool(s) for collecting such data. In fact, although both decisions seem distinctive, they ought to be made simultaneously. The reason for this inseparability is simply because the major criteria for selecting a certain method(s) of data collection is the nature of data to be collected and the research purposes for which this data was collected in the first place. Accordingly, making the first decision would lay the ground for making the second one. In the following sections all these decisions and their justification will be discussed in some detail.

7.3.1 Choice of data collection method

The decision regarding the use of structured mailed questionnaires as the basic method for data collection in this research was grounded on the nature of the relevant data and the purpose of their collection . Generally, there are three types of data that are collected for management research purposes:

1. Data about solid facts that are recorded and organized in a generally accepted manner and could be available in various data bases (e.g. interest rates, Number of employees... etc.). For this type of data, its collection is a straightforward process through resorting to the relevant sources of such data.
2. Data that are not readily available in reliable records because of their primary nature, often referred to as primary data which can be subdivided into two groups:
 - Data about visible phenomena that are expressed in overt and explicit behaviours, e.g. Sales people working habits, buyer's shopping behaviour..... etc. Observation is usually the generally accepted method for collecting this type of data.
 - Data concerning motivations, attitudes, feelings, cognitions, beliefs and covert and implicit behaviours arising from intangible phenomena. Examples include customers

attitudes, sales people motivations and utilization of marketing information. The only available means for gaining access to this type of data is through questioning respondents either through interviews, telephone or mail.

It can be easily made clear that most of the data needed for this research falls in the second category. First, most variables that are hypothesized to affect marketing research information utilization in this research and previous literature are of behavioural and/or organizational nature. Second, all variables are argued to get their causal impact across through the user's perception of the information and translate these perceptions into utilization behaviour. That is why the analysis in this research is said to be user-centred and accordingly sets out to reveal these perceptions which can only be done through questioning. Third, marketing research information utilization is largely an invisible and intangible type of organizational behaviour and accordingly can not be a subject of observation. Fourth, since this research is relatively novel according to recent literature (i.e. Jobber & Watts 1986 and Jobber & Elliot 1995), there can be no reliable records on data about utilization and its determinants as a secondary source. However, secondary data were used for obtaining some relevant information about the UK market research industry and some respondents' companies. Accordingly, the use of the questioning approach for collecting the empirical data, despite its shortcomings, became an inevitable decision taking into account that observation and secondary sources have their own limitations as well.

The subsequent decision was to choose between the different methods available to carry out the questioning approach. This decision was made with a view toward the accomplishment of this research purposes. As illustrated in table 7-2 the two major objectives of this research can only be achieved through obtaining model outputs that enjoy a reasonable degree of generalizability. The collection of cross sectional data necessitates that such data be collected from a wide variety, relatively large and well-dispersed sampling units which, given time and resources constraints, can best be done through reliance on structured mail questionnaires. Nevertheless, a limited number of in-depth interviews (18) were also conducted as a supplement to mail questionnaire as will be explained later in the chapter and also 11 pilotings were conducted on the initial version of the questionnaire. The appropriateness of structured mail questionnaires for collection of this research's empirical data can best be justified while going through the advantages and disadvantages of this method as cited by Blankenship and Breen (1993).

- Advantages:

1. Low cost per respondent

The cost of mail surveys is largely restricted to printing and postage costs which are low compared with other survey methods. However, this low cost advantage is accompanied by a basic qualification which is the necessity to achieve a high response rate which is a rather difficult outcome in mail surveys.

2. No potential interviewer bias

Since no interviewers are used in the mail survey, there is no chance for interviewer bias to creep into the responses. In methods where interviewers are used, there is always the possibility of the interviewers's unconsciously affecting the response through voice and body language.

3. High sample size

Mail survey makes it possible to gain access to a relatively large number of the target population . This is especially important for studies that aim to obtain a reliable degree of generalization in its results like this one.

4. Ability to collect a broad range of data

Generally, it is possible to ask about and get answers to a significant breadth of topics through mail surveys because the respondent will have a better chance to plan for the most appropriate time to fill in the questionnaire and will also have enough time to consider each question before answering it. Once again, this is useful to this research, since it is interested in gathering a moderate amount of a data about a wide range of topics related to marketing research information utilization.

- Disadvantages:

1. Low flexibility

Because of the standardized nature of mail questionnaires they necessitate the use of simply standard questions.

2. Low ability for handling complex questions

Since there is no assistance available to explain any complex questions to respondents, the ability to get reliable answers for complex questions through mail questionnaires should be low. However, this disadvantage was dealt with through using multiple simply formulated scales expressed in clear statements to cover each variable.

3. Low response rates

Due to the numerous questionnaires to which respondents are exposed and the time limitations, response rates for mail surveys are usually low ranging around 20%. One way of getting around this advantage that was followed in this research is increasing the sample size. Also there are

other methods for encouraging responses like nonmonetary incentives (sending a copy of the research findings), return envelope and postage, proper timing, follow-ups, stimulating covering letters, and preserving anonymity, that were found to have a positive impact on the response rate (Jobber 1986, Jobber & O'Reilly 1995) and were, accordingly, followed in this research.

4. Time-consuming data collection process

The off-line nature of mailed questionnaires makes the data collection process rather slow. However, in a study like this, devoting four to six weeks for the purpose of data collection is not a real disruption to its time scale. However, it should be pointed out that these disadvantages can not be entirely avoided.

In conclusion, it can be said that this research has relied on three major sources of primary data:

- The five in-depth and unstructured interviews conducted at the very early start of the research before formulating the conceptual model.
- The eighteen semi-structured in-depth interviews conducted before designing the questionnaire.
- The structured questionnaire mailed to the sampling frame in a cross sectional manner.

7.3.2 How were the sampling issues decided on?

In simple terms, sampling refers to the selection of a fraction of the total population under research for the ultimate goal of being able to draw general conclusions about the entire population through reliance on the data collected from this fraction (Parasuraman 1991). It can obviously be seen that when the purpose of any research work is to reach generalizable conclusions, the sampling issues become of immense significance since it is the precision of the sampling procedures that will determine the extent to which the research findings are generalizable. Accordingly, every effort must be made to ensure that the sample is a fair representation of the population from which it was drawn. There are three vital decisions arising from sampling that ought to be considered which are the population and the sampling frame, the sampling unit, and the sample size. For the purpose of these research, these decisions were made as follows:

1. The population and sampling frame:

The population under research in this study is straightforward; it is all British companies commissioning external marketing research and of particular importance, those companies spending most on external marketing research and accordingly expecting most of its utilization.

So, ideally, the researcher aimed to find data on the companies commissioning external marketing research and then use the percentage of external marketing research expenditures to the total marketing budget as a yardstick for picking out the largest spenders on external marketing research. Unfortunately, such data were not available through any source and accordingly there was a need to search for an alternative criterion to identify the research population. Considerable evidence in the literature suggests that there is a positive correlation between firm size (often expressed in sales turnover) and the commissioning of external marketing research (Jobber & Elliot 1995, Schlegelmilch 1991, Moorman 1995, Boyle and Therivel 1986 and Mckibbin & Gutmann 1986). Accordingly, it was decided to use the firm size as a criterion for determining the population through assuming that the largest British companies (in terms of turnover) are the major purchasers. The sampling frame was extracted from FAME (Financial Analysis Made Easy) database and it included both publicly quoted companies (PLC's) and limited companies (LTD).

2. The sampling unit:

The sampling unit means the person from whom relevant data are sought and accordingly to whom the questionnaire should be directed. This is a critical decision because asking the right questions to the wrong person could mislead the whole research process. Consequently, the choice of sampling unit should be directed to that person within the marketing department who actually controls the largest portion of the utilization process in the light of actual practices within British companies. Through their cross sectional study of a wide range of British companies, Jobber & Elliot (1995) concluded that the marketing director (the "top" marketing person) is the key project champion regarding the commissioning of external marketing research and therefore the individual whose attitude would be the best indicator of the marketing department's behaviour toward utilization of marketing research information. It emerged from the interviews that the exercise of this powerful role of the marketing director takes two forms; first, it is the marketing director who ought to be convinced that there is a need for marketing research and then he or she acts as a champion for the project and sells it out to the other members of the board of directors and second, he or she is the one who conveys the way the company expects this research information to be utilized to his or her subordinates and actually dominates the utilization process. The central place which the top marketing person plays in the utilization process suggests that this represents the best source from which to seek information, a view also supported by American evidence (Moorman 1995). These conclusions are quite similar to the impressions revealed during the conduct of in-depth interviews. It was also evident that the top marketing person is the one who has the answers to most of the questions contained in the questionnaire except for the questions concerning environmental aspects

regarding the degrees of uncertainty and competition. Nevertheless, most marketing directors have a good knowledge of how they affect the utilization level since they are always kept aware of the motivations underlying utilizations of external marketing research with the environmental issues including competition and uncertainties as an integral part of this communication process and therefore they can give a good picture of this interactive relationship. Finally, though asking people in lower levels of the marketing department might provide some useful insights into the realities of utilization this process might be hindered by their narrow approach on strategic issues and their limited influence on the overall utilization process along with the practical difficulty of locating those people due to the widely different and inconsistent titles they hold in different companies.

3. The sample size

The precision of the survey result is a function of the sample size and precision is related to the square root of the number in the sample, i.e., the accuracy of results increase proportionately to the square root of the sample size. In this research the sample size was determined as the largest one thousand British companies in terms of sales turnover for the purpose of posting the questionnaires. Along with cost and time constraints, there were two overriding considerations in determining this sample size. The first related to the number of cases that ought to be available to make the multiple regression statistical analysis and testing valid which is 100 at least according to Neter and Wasserman (1974) and Mcdaniel and Gates (1993). Second, the common response rate to mail surveys in the UK which is between 10% and 20% and accordingly sending 1000 questionnaires should warrant the receipt of at least 150 completed questionnaires that are valid for analysis.

7.3.3 How was the questionnaire designed?

The design of the questionnaire as a measurement device for this research has gone through three major phases.

First, the relevant questions that need to be asked in order to test the hypotheses were extracted according to the variables contained in the 19 research hypotheses. At this stage, it emerged that there were scales that were already used in the marketing literature (e.g. instrumental use and trust) and scales offered by other disciplines but not really adapted to a marketing context (e.g. risk aversion and quantifiability of information) and scales that have not been formulated or used in any research work (particularly conceptual and symbolic utilization).

Second, eighteen in-depth interviews were conducted with marketing directors in British companies, operating in various industries including heavy engineering, food manufacturing and distribution, telecommunications, consultancy, financial services, automobiles manufacturing and computers, to achieve a multitude of objectives. These include; first, to substantiate and enrich some of the theoretical arguments made in the model (as mentioned in chapter 6), second, expressing the different scales in simple standard statements through translating them into actual practices or attitudes existing in British companies, particularly for those scales that were never operationalized for research purposes before (mainly conceptual and symbolic utilization), third, bringing into focus issues related to utilization that might be of help in interpreting results fourth, collecting some secondary data that were not available otherwise. Finally, bearing in mind that the questionnaires will be posted to respondents with no further opportunity for explaining any ambiguities, the researcher used the interviews to review the question wording to ensure that they were measuring what they were designed to measure and that they mean the same thing to different people in different organizations.

Third, the questionnaire was reviewed and refined by 8 academics in various universities to ensure its validity in form and substance.

Fourth, the initial version of the questionnaire was re-sent to the eighteen interviewees for piloting purposes to ensure that the questionnaire largely reflects the operationalizations reached through the interviews and eleven piloted questionnaires were commented and returned along with two other pilotings were done by marketing managers that were not interviewed.

To sum up, the overall end of conducting these in-depth interviews as the major stage in designing the questionnaire and the preceding and succeeding stages is to compensate for some of the depth that might be lacking due to the use of mailed structured questionnaires. Subsequently, this depth acquired from interviews along with the flavour of organizational realities of utilization was incorporated into the questionnaire to give it more substance. In other words, these procedures were undertaken to ensure that depth and insight were not sacrificed for generalization purposes.

It is important, at this point, to distinguish between these eighteen interviews and the five interviews conducted at the outset of the research. The purpose of the first series of interviews was conceptual, i.e., to reveal the factors underlying the extent and quality of external marketing research information utilization and the direction of causalities involved. This is why such interviews were basically unstructured and rather lengthy. On the other hand, the second series of interviews have had a more specific purpose which is to help operationalize the research constructs. Accordingly, these interviews were more structured, (i.e., semi-structured) and focused toward discussing the impact of factors argued

by the proposed model to have a significant influence on utilization. A brief description of both series of interviews is presented in appendix 2.

The following is a detailed explanation of how the dependent variable and each of the independent variables were measured through the questionnaire with special reference to the input from the in-depth interviews.

1. **Measurement of marketing research information utilization**

As argued in chapter four, an attempt will be made in this research to adopt an "impact" approach to the definition and measurement of the level and quality of marketing research information utilization. In compliance with this goal, the ultimate impact of utilization will be used as evidence in proving to what extent a certain type of utilization has or has not taken place.

It should, however, be noted that there can be no one measure of the overall level of utilization (Jobber and Watts 1986); rather this level is the aggregated result of the actual levels of the three common types of utilization while their relative composition can be taken as an indicator of the quality of utilization. By this token, each type of utilization was measured separately by a number of statements with the intention that afterwards they will all be combined collectively and summed up in different ways in the stage of analysis to indicate the current levels of utilization in British companies. For the sake of operationalizing marketing research information utilization in terms of its "impact", this "impact" was translated into the reasons or motivations underlying each type of utilization behaviour. This has been thought of as a reliable and valid measure of each type of utilization in the sense that the objectives that marketing directors seek to achieve through utilizing marketing research information are best encompassed in the reasons and motivations they mention for commissioning and subsequently utilizing external marketing research. Consequently, these reasons or motivations may be regarded as an implicit yet fair expression of the influence marketing directors wish to exert on their organizations and/or on certain groups within their organizations and /or on themselves as individuals. In further support of this measurement approach, it was evident from the interviews that the most effective strategy in getting marketing directors to talk openly about the types of utilization they pursue was to ask them about their aspirations, reasons, motivations and objectives lying behind their utilization behaviour.

• **Measurement of instrumental utilization**

The interviews revealed clearly that there are two kinds of situations where instrumental use of marketing research information is most prominent. First, the situation where marketing research pointed to a particular course of action although this was not its intended purpose and it had not

been commissioned with this in mind. For example, a company commissioned a marketing research study with the general purpose of evaluating its distribution policies but the report envisaged important market opportunities that can be taken advantage of, if the pricing policies of the company were changed in certain markets. Second, a situation where a decision is intended to be made and yet marketing decision makers feel that in order to make decisions they need a great deal of information that is not available to them and without this information, the decision's quality could be seriously damaged. Most marketing directors stressed that this situation is most evident in new product development situations where the company has little or no past experience about the potential market for the new product and accordingly need a great deal of information that are produced in a professional way and as one marketing director put it: *"If we did not have this external marketing research information, we would have been building castles in the air"*.

Accordingly, the scale used for measuring instrumental use was quite similar to that used by Deshpande (1982) and Deshpande and Zaltman (1982) because their interviews on instrumental use came up with very similar findings. There were two clear statements asking about instrumental utilization because marketing directors have few sensitivities in expressing their views about this type of utilization because they consider it the major and most widely accepted reason for commissioning external marketing research.

- **Measurement of conceptual and symbolic utilization**

As indicated above, to the best of the researcher's knowledge, there have been no previous attempts to operationalize either conceptual (Except for Moorman 1995) or symbolic utilization of marketing research information. Therefore, the only reliable way to formulate scales concerning these factors was to go to marketing directors and ask them about the practices that indicate the occurrence of conceptual and symbolic utilization. The problem with the conceptual utilization was that a considerable number of marketing directors were not aware that they actually practice this sort of utilization until they were asked if any of the external marketing research projects they have gone through have had long term implications for their skills as managers or for the accumulated marketing experience of their companies as a whole. Five conceptual reasons or educational objectives were mentioned as a justification for the pursuit of conceptual utilization and were translated into five statements in the questionnaire: 1. Improving managers' long term decision making skills; 2. Improving managers' handling of marketing information, 4. Building a reliable marketing experience data base for the company, and 5. Providing a better understanding of the company and its operating environment.

Symbolic utilization was the most difficult type of utilization to convince marketing directors to discuss or even to admit to its existence in their companies. As a marketing director expressed it: *"We do not have a hidden agenda for commissioning external marketing research"*. However, through building relationships and rapport with interviewees and reassuring them in terms of confidentiality, a significant number of them were encouraged to talk about the political objectives which they or their counterparts in other companies seek to attain through the conduct of symbolic utilization of marketing research information. Five motivations underlying the symbolic use of marketing research were mentioned and later expressed in five statements in the questionnaire: 1. Persuading or at least neutralizing potential opponents of a certain decision; 2. Grounding managers' views about the market on rational information; 3. Complying with the company's policy guidelines; 4. Sharing the blame or laying it all on the shoulders of external marketing research if the decision turned out unsuccessfully. and 5. Establishing and/or sustaining the marketing director's image as a professional and rational decision maker.

Table 7-3 indicate the scale items that were used to measure the three types of utilization.

Table 7-3

Measurement scales of utilization of external marketing research information

| Scale name | Scale item |
|------------------------------------|--|
| 1 Instrumental utilization (IU) | <ul style="list-style-type: none"> -To make decisions that otherwise would not have been made. -To improve the quality of decisions that otherwise would have been made less effectively. |
| 2 Conceptual utilization (CU) | <ul style="list-style-type: none"> -To add to our decision making skills in the long run. -To enhance our understanding of how our company operates. -To enhance our general understanding of the environment in which the company operates. -To build up and accumulate a long-term marketing data base for the company. -To improve the way in which market research information is handled in future situations. |
| 3 Symbolic utilization (SU) | <ul style="list-style-type: none"> -To convince or appease expected opponents of a decision. -To confirm our instincts and understanding of a market. -To adhere to the general guidelines of decision making as outlined by company policy. -To decrease the possibility of making a wrong decision by consulting a creditable outside agency. -Because it is important to show that decisions are well-informed and rational. |

2. Measurement of organizational culture in relation to marketing research information utilization
 When asked about the most important factor governing the way they utilize marketing research information, sixteen of the eighteen marketing directors interviewed responded that it is way the organization expects them to use and incorporate this information into their decision making process and all directors agreed that the organizational impact on their utilization behaviour can be summed up under the label of organizational culture, *"Yes, the organizational culture is the*

unifying theme for our understandings of what is expected from us (as directors) regarding the use of external marketing research and all othe decision making issues". The measurement of organizational culture per se deserves a separate questionnaire, but this research is restricting its focus to measuring those aspects of the overall organizational culture that represent the guidelines under which marketing directors utilize marketing research information. As far as marketing research information utilization is concerned and as emerged from the interviews, the two most relevant aspects of organizational culture were, first, the basis on which any critical decisions made within the organization (including marketing) are grounded in general and second, the specific expected role and relative weight of external marketing research information in making critical marketing decisions as explicitly disclosed within the organization.

The scale used by Sharma (1994) aiming to measure organizational culture in relation to the adoption of new technologies was adapted and used for the purpose of utilizing marketing research information due to the similarities between both areas as argued in chapter six as shown in table 7-4. Another more marketing-specific question were asked about the relative importance of external marketing research information from an explicit and disclosed organizational policy point of view as indicated in table 7-4.

Table 7-4

Measurement scales of organizational variables

| Scale name | Scale item |
|-----------------------------|--|
| Organizational culture (OC) | 1 The importance of the following bases for decision making in the company: - The personal judgement and intuition of key decision makers. - Established formal rules and guidelines for organizational decision making. - Relevant information from research projects. - The particular interests of various internal stakeholder groups. |
| | 2 To what extent is there agreement with: - It is an established organizational practice that critical marketing decisions be supported by independent marketing research. |

• **Measurement of user variables:**

There are already several measure of individual characteristics of decision makers in business organizations mostly formulated and used in organizational and behavioural research. It was important to measure these individual characteristics as independently as possible from the specific topic of marketing research information utilization to ensure that the responses reflecting these characteristics are not biased by the respondent being questioned about his or her utilization

behaviour. At the same time, it was necessary, that these questions do not appear as out of context. This is why the basic source of scales for measuring these variables was a careful mix of those measures available in the literature and the output of interviews.

- Measurement of individual decision making style:

- Perceived role of information in stages of decision making:

It was quite apparent from the interviews that external marketing research information is mostly used by marketing directors at the stages of problem definition and evaluation of possible alternatives. They do believe that external marketing research helps them *"redefine the problem"* and *"better formulate their objectives"* and as argued by one marketing directors *"In several occasions external marketing research helped us to focus our decision responses on the causes rather than the symptoms"*. They also claimed that external marketing research is extremely helpful in making a rational and well-argued cost-benefit analysis of each alternative.

On the other hand most marketing directors felt that marketing research is often of limited assistance at the stages of determining alternatives or choosing the best alternative because they feel that at these stages are largely decided on using *their "managerial algebra, experience, and personal judgement"* and it is they who will bear the responsibility for the tough choices made during these stages. Accordingly, there was a separate question on the perceived importance of marketing research information utilization in the different stages of the decision making process.

For the sake of operationalization, the decision style emphasizing the use of information in the stages of problem definition and evaluation of alternatives will be referred to as "rational decision style" while the decision style emphasizing the use of information in the other two stages is going to be referred to as "symbolic decision style".

- Risk attitudes:

Before going to respondents through the in-depth interviews and asking them about their risk attitudes, it was essential to find out first how risk attitudes are measured, as reflected in management decision making in organizational contexts. Fortunately, there were reliable operationalizations of the construct in the context of decision making by several scholars in marketing and decision sciences and a general agreement on how risk attitudes affect the decision making process. Geweke (1992), Mark and Shapira(1987) and Horden and Singleton (1987) all argue that the decision maker's risk attitude is best reflected in the riskiness and optimality of the alternative he or she chooses as compared to other available alternatives. It appeared from the interviews that the influence of the risk attitude on decision making differs according to the situation in hand. Most interviewed marketing directors said that they go for the safest alternative if the decision is concerned with achieving a new objective like opening a new

market or a new product development "*there is no need to trouble a calm water*". On the other hand they go for the optimal alternative if they are searching for a remedial measure to a serious problem like a sharply shrinking market share because they feel that only radically optimal solutions can resolve the problem and that after all they have nothing to lose in an already bad situation "*Any solution, no matter how risky, could only improve these kinds of situations*" and utilization of marketing research information is most desirable in such cases.

Accordingly, a separate scale for measuring the risk attitude of marketing directors was developed relying on scales existing in the literature, but worded according to the terms that emerged during the interviews.

This scale aimed to measure risk-aversion directly through explaining the concept of risk explicitly to respondents and then asking them to rank their attitudes toward risk on a five point scale which is the opposite approach to some more indirect approaches to measuring risk-aversion (Mark and Shapira 1987).

As argued in the literature on risk measurement (e.g., Geweke 1992) the advantage of measuring risk attitudes directly lies in its strong validity because respondents know exactly what they are asked to declare, so not running the danger of indirect measures that respondents might miss the point and respond indiscriminately to various risk categories. On the other hand, the disadvantage of direct measures of risk is in the observed natural prejudice among decision makers to look like "risk takers" even if they are not so, thus possibly resulting in a negative bias toward risk-aversion. However, the direct method was preferred to the indirect one in the virtue of the argument that recognizing and accommodating negative bias is more plausible than running the risk of having entirely invalid measurements (Geweke 1992).

- **Measurement of individual research objectives:**

The conclusions drawn from the interviews came as a strong support to the argument made in the conceptual model regarding the influence of this variable on the level and quality of marketing research information utilization. As was proposed previously and in contrast to the argument made by Deshpande and Zaltman (1982), both types of objectives, either confirmatory or exploratory lead to an increased level of utilization but the major difference lies in the types of utilization they increase. In other words both kinds of research objectives were found to affect the level of utilization but have a quite different influence on its quality. This is because these objectives initiated the impetus for commissioning external marketing research and accordingly marketing directors made it clear that they are going to use its information to achieve their intended purposes. However, it appeared through the interviews that when marketing directors have exploratory objectives, i.e., they are encountered by a decision situation about which they have little knowledge, they tend to utilize marketing research information instrumentally and possibly conceptually. In fact, it was made clear by interviewed marketing directors that in such cases newness of information is usually considered the most important criterion in judging the

quality of the final marketing research report. Similarly, when the objectives of marketing directors are confirmatory, for example they have an already favourite choice (i.e., a decision) but still, from a political point of view, it has to be based on more than their intuitive preferences, their utilization becomes of a more symbolic nature trying to *“extract what matches their experience and support their views”*.

Two statements were made to measure this variable through exploring what marketing managers think about marketing research results that contradict their long-held views and how far they appreciate novelty in marketing research findings.

- Experience:

Although the number of years a person spends in a certain work area is not always an accurate index of experience, it is still the most straightforward and reliable measure we have (Perkins & Row 1990). Through the interviews, three types of experience that are all relevant to marketing research information utilization emerged, first, experience within the company, i.e., to what extent is the marketing director familiar with the organization and its culture, norms..... etc., second, experience within the marketing function and third, experience in the process of making critical marketing decisions.

Accordingly the respondents were asked to mention their years of experience with their present employers, as marketing specialists and as strategic marketing decision makers. Table 7-5 comprises all the scales used to measure user variables.

Table 7-5
Measurement scales of user variables

| Scale name | Scale item |
|---|---|
| 1 Individual decision making style: | How valuable is external marketing research information in each of the following stages of the decision making process: |
| - Rational decision style(RDS) | -Defining the problem or objective which requires a decision response. -Evaluating the viability of possible alternatives. |
| Symbolic decision style(SDS) | -Searching for possible alternative courses of action. -Deciding on a certain course of action. |
| 2 Individual research objectives: | What is the extent of agreement with: |
| - Confirmatory objectives(CONFOBJ) | -Marketing managers should think twice before relying on marketing research information that is inconsistent with long-held views reached through practical experience. |
| - Exploratory objectives(EXPLROBJ) | -The novelty of results arising from a market research study can be taken as an indicator of its quality. |
| 3 Risk aversion(RISKAVR) | How would the respondent characterise his or her preferences as decision maker on a five point scale ranging from high risk and high return to low risk and low return. |
| 4 Experience of user: | |
| - Experience in organization(EXPORG) | -Number of years with present employer |
| - Experience in marketing(EXPMKTG) | -Number of years in the area of marketing |
| - Experience in marketing decision making(EXPMKTGD) | -Number of years of being actively involved in making crucial marketing decisions. |

3. Measurement of producer variables:

As indicated in the conceptual model due to exploratory interviews and review of the literature all producer-controlled variables were combined in the index of trust between marketing researchers and marketing managers. The three major types of trust that express this degree of trust are trust of intentions, production orientation, and research quality.

- Trust of intentions:

Through the interviews, it was quite evident that marketing directors generally trust the intentions of external marketing researchers and see them as purely professional since they (the marketing directors) are usually responsible for bringing them into the organization or, as described by one marketing director, they are the marketing department's "subcontractors". There are only two important occasions when the

marketing directors become suspicious of the intentions of marketing researchers. The first of these, when the initiation of the external marketing research project comes from outside the marketing department, e. g. other members of the board express certain worries about specific marketing aspects or other departments require an external research support before a certain marketing decision is made. In these cases the marketing directors strongly feel that the performance of their departments or even their own performance as individuals is being checked on or assessed by a third external party or that their experience and efficiency is in question. Accordingly they may act in the least co-operative, sometimes even hostile, manner in response to utilizing the information arising from such marketing research projects. The second case which was classified by marketing directors as "rare" is when the marketing researchers themselves behave in a way that appears to be biased or unprofessional which then sheds doubt on their intentions. Therefore, two statements were asked to see how far marketing directors trust intentions of external marketing researchers based on how frequent they think these two previously mentioned situations of intentional mistrust do happen.

- Trust of production orientation:

The interviews transmitted quite mixed signals regarding this source of trust in the production orientation of the external marketing research agency. Almost half of marketing directors interviewed said that they prefer the final marketing research report to come up with definitive results and conclusions and recommend specific courses of actions and they actually described research reports that are inconclusive as *"a waste of time and money"*. On the other hand the other half of marketing directors strongly argued that they conceive the role of external (and even internal) marketing research as one of merely decision support. Their argument was based on the fact that *"at the end of the day, we are solely responsible of the decisions we make"* and also that there are *"managerial considerations that can not be taken into calculation by an external party, no matter how expert he or she might be"*. Accordingly, marketing directors holding this view said that the role of external marketing research should end at the stage of evaluating possible alternatives and called marketing research agencies that aim to go beyond that as *"overestimating their abilities or underestimating ours"*. Consequently, the general level of this type of trust and its influence on marketing research information utilization seems to be a function of the homogeneity and matching between the perceived role of marketing research by the marketing director and the production orientation adopted by the external marketing research agency in each individual case.

Therefore, two equally weighted statements were asked, each of them expressing a different side of the argument to reveal the common view among British marketing directors.

- **Trust of final research report quality:**
 The importance of this source of trust was immensely evident throughout the interviews because it leads to behavioural trust which motivates the trusting party to behave actively according to the trustee's recommendations which is the highest expression of marketing research information utilization. All marketing directors said that if the final marketing research report contained points of interest and if the external marketing research agency has a high quality profile in technical terms, they would utilize it irrespective of their own personal degree of trust in the intentions and/or production orientation of the external marketing research agency. This was best expressed by one marketing director when he said *"If I have a final research report on my desk that is accurate, timely and comprehensive, I will use it for sure even if it was produced by the KGB"*. So, one statement aimed at revealing how far this distinction between intentional trust and behavioural trust regarding the utilization of external marketing research report exists in British companies was asked. Scales used to measure producer variables are shown in table 7-6.

Table 7-6
Measurement scales of producer variables

| | Scale name | Scale item |
|---|--|--|
| 1 | Trust of intentions (INTENT) | -External market research is usually used as a tool for assessing the performance of the marketing department. -External marketing researchers generally act in a neutral and professional manner and isolate themselves from any organizational conflicts. |
| 2 | Trust of production orientation (PRORIENT) | -External market research should recommend a course of action to the decision maker. -External market research is valuable even when it does not recommend a specific course of action. |
| 3 | Trust of technical quality (TECHQUAL) | Market research reports which are of a high quality in technical terms (e. g. accuracy and completeness) should be treated as reliable irrespective of the extent to which the market researchers involved are trusted. |

4 Measurement of informational variables:

- Cost of information:

The concern in measuring this variable was not directed toward the cost of external marketing research information as an absolute figure. The major issue raised during the interviews related to how the perception of the cost of information resulting from a certain marketing research project as relatively high or low would affect the level and quality of its utilization. A significant number of marketing directors interviewed said that they would expect a relatively expensive marketing research study to produce a final research report with an exceptionally high level of quality in technical terms. This belief is due to the expectation that external marketing research firms charging higher fees imply that they hire the best expert staff, use the most advanced and sophisticated technologies and use the most rigorous methods and employ reliable research and information production strategies all contributing to the quality of their output. However, marketing directors insisted that they do not have prejudices based solely on relative cost in assessing the quality of such studies, i.e., they do rely on their findings (i.e. utilize) until they consider the whole report carefully and make sure that the research conclusions make sense to them. On the other hand, some marketing directors said that they have experienced occasionally costly marketing research projects that did not fulfil their promise and vice versa "*the price-quality controversy is sometimes evident in the market research industry*". Most importantly, a significant number of marketing directors admitted that relatively expensive marketing research reports ought to be utilized or "at least appear to be so" to justify the significant amount of organizational resources invested on them to other interested parties. This is especially true if the demand for the external marketing research project originated from within the marketing department and in this case the utilization of such information is mostly, as one marketing director actually put it, one that is "*superficial and largely political*". In the light of these findings, two statements were asked about the extent to which marketing directors use cost of information as an indicator of final research report quality and how often this symbolic use of expensive marketing research projects takes place.

- Quantifiability of information:

Once again, the major consideration in measuring this variable was to examine how the quantitative or the qualitative nature of data influences the general level of marketing research information utilization. The marketing directors being interviewed seemed very divided in their views concerning this issue into three almost equal groups. The

first group tended to see quantitative analysis and information as most neutral, reliable, factually based and conclusive and all members of this group use the quantitative information contained in an external marketing research group as one of the most important criteria for judging the quality of this report *"I do not pay them to talk and tell me what they think, but to give me hard facts that I need to know"*.

On the other extreme of the argument, there were marketing directors who saw qualitative information as an invaluable and insightful input to their decision making process because they are the result of deliberate analysis and interpretation carried out by professional specialists. In addition to that, they thought that quantitative analysis could be very deceiving and the figures could be played with cleverly and also *"it could dampen the noise of the market's voice that they would like to hear"* and deprive them of the opportunity to get a deeper insight of their markets. A third group of marketing directors took a stand in the middle viewing both types of information as complementary and that each of them has its strengths and weaknesses and that a high quality marketing research report should consist of a skilful mix of both. According to this diversity of opinions concerning this variable, four statements were formulated to discover how dominant is each of those three attitudes among marketing directors in British companies. Table 7-7 indicates the scales adopted to measure both informational variables.

Table 7-7
Measurement scales of informational variables

| Scale name | Scale item |
|--|--|
| 1 Quantifiability of information (QUANINFO) | <ul style="list-style-type: none"> -A high quality research report will contain a lot of quantitative data. -Quantitative research information is usually a fair presentation of facts and accordingly is most reliable in making marketing decisions. -Qualitative research information bears a significant component of the market researchers' own biases and prejudices. -Qualitative information offers deeper insights into a market than quantitative analysis. |
| 2 Cost of information (COSTINFO) | <ul style="list-style-type: none"> -Relatively expensive types of external market research usually produce a high quality final report. -The findings of an expensive independent market research study must be incorporated somehow in the decision making process to justify the money spent. |

5. Measurement of decision variables:

As a general conclusion drawn from the interviews, external marketing research is usually commissioned in support of major, strategic and long-term marketing decisions like new product development, entering new markets (especially overseas) and launching large-scale promotional campaigns (especially advertising). More routine and day to day marketing decisions are often supported by information produced by internal marketing research departments or any other form of built-in marketing information system. This conclusion lends support to the argument made in the conceptual model that decisions with far reaching implications and less programmability normally lead to a higher level of external marketing research information utilization. Consequently the decision impact variable was measured by a statement exploring the need for marketing research information to back up marketing decisions that have significant influences on other functional areas. It was quite evident that the consent of other directors within the company's board is necessary for making major marketing decisions including the commissioning of large scale external marketing research projects, particularly the managing and finance directors which is consistent with the findings of Elliot and Jobber (1995).

In addition to that, the marketing director is expected to brief the board on how the external marketing research project fed into the decision process through a short presentation or a summarized report. On the other hand, a straightforward question on the time horizon of decisions for which external marketing research is needed was asked to examine the time impact on the level of utilization. Decision programmability in practical terms according to marketing directors can best be measured in terms of how often they are confronted with each marketing decision and how radical are the changes needed to the decision making process each time the decision need to be made. So, the scale developed by Kyaalp (1987) and Simon (1987) was adapted for measuring this variable through measuring the repetitiveness and standardizability of decisions in relation to the need for external marketing research information.

Table 7-8 presents the scales devised to measure both decision situation variables.

**Table 7-8
Measurement scales of decision situation variables**

| Scale name | Scale item |
|---|---|
| 1 - Impact of decision: Functional impact (FUNIMPAC) | -A persuasive market research report is required if the objectives and/or policies of other functional areas are expected to be substantially influenced by a marketing decision. |
| - Time impact (TIMPAC) | -What are the time horizon of decisions for which marketing research is usually used |
| 2 Nonprogramability of decision (NONPROG) | -How far is the degree to which the support of external marketing research is important (on a five point scale): -Totally new -Relatively new -Repetitive but with moderate changes -Repetitive but with minor changes -Straightforwardly repetitive |

6 Measurement of environmental variables:

The problem in measuring environmental variables of uncertainty and degree of competition is that they differ widely even within the same company (particularly large ones) according to product lines and specific markets in hand. Accordingly in large companies producing hundreds of products and operating in dozens of markets, a question concerning these factors might seem meaningless unless it is directed to the concerned product or market manager in each individual case, but this was not possible because of the reasons mentioned when discussing how the sampling unit were determined. In the light of this dilemma, it was decided that the best way out was to ask marketing directors two questions about the degrees of uncertainty and competition that exist in situations where they are approached by their subordinates to commission external marketing research. The logic behind doing this is that during the interviews marketing directors said that they get easily persuaded to resort to external marketing research when their subordinates prove that the outcomes are most uncertain or that this decision might provoke significant competitive reactions. Measurement scales of environmental uncertainty and degree of competition are shown in table 7-9.

Table 7-9
Measurement scales of external environmental variables

| Scale name | Scale item |
|--------------------------------------|---|
| 1 Environmental uncertainty (UNCERT) | -The greater and faster the pace of change in the conditions of a market the less valuable and more obsolete the marketing research information available about this market becomes. -The greater the degree of environmental uncertainty surrounding a decision the more it needs to be based on market research information. |
| 2 Degree of competition (COMPET) | -Since it is difficult to predict accurately the actions of competitors, it is impractical to rely on external market research information in fiercely competitive markets. -External marketing research is most needed for making decisions concerned with highly competitive markets. |

7 Measurement of miscellaneous relevant aspects:

Through the literature review and in-depth interviews several topics that might have a bearing on the level and quality of marketing research information utilization seemed to be relevant enough to be worthy of measurement through the questionnaire. These aspects might have certain indications of or implications for the types of utilization being pursued or their consequences. The explanation of how these aspects would feed into the analysis would be left to subsequent chapters concerned with the analysis of the results. These aspects are, first, the reasons for commissioning and not commissioning external market research; second, the decision areas for which external marketing research is used to support; third, the comparative growth and/or decline of both internal and external marketing research; fourth, the criteria used by British companies for choosing their external suppliers of marketing research.

A final and general point to be noted is that the interdependent nature and mutual interrelationships among several variables in this study proved to be of substantial benefit in at least one respect. This strong interrelated nature meant that the scales used for measuring each variable can serve as means of validating response for other variables which gives more reassurance and strength to the findings. Such validation will be mentioned in their due places when interpreting research findings.

7.4 Statistical analysis

The choice of the most appropriate method of statistical analysis is one of the most serious decisions confronting any management research process relying on quantitative analysis and when the question of causality is involved, this decision becomes of greater magnitude due to the difficulties experienced in proving it. This is mainly because, it is the statistical method of analysis that allows the hypothesis to be tested in a way that enables researchers to and make the best use of the data in order to make

interpretations and draw conclusions. Consequently, the chosen method of statistical analysis must be consistent with characteristics of the data collected and must conform with the aims of analysis. In the case of this research, it was found that for a cross sectional data with one dependent variable and a multitude of independent variables, multiple regression would be the most suitable statistical method of analysis. The following discussion pinpoints the benefits of using multiple regression in marketing research in general and causal modelling research in particular . Additionally, the limitations of the technique will be discussed.

7.4.1 The use multiple regression analysis

Multiple regression analysis can be defined as a statistical procedure for predicting the level or magnitude of a dependent variable based on the levels of more than one independent variable (McDaniel & Gates 1993). Multiple regression analysis is argued by several marketing scholars to be the most frequently used multivariate technique in marketing research generally and with particular intensity in model-building and causal research (Oumlil & Balloun 1990). The rapid adoption of multiple regression analysis techniques in causal modelling in marketing research is due to their applicability to a wide range of marketing problems and their usefulness in answering important causal marketing research problems (Green and Tull 1978).

Multiple regression analysis can be used to serve one or a mix of two basic causal research objectives which are of relevance to this research; first, understanding the causal relationship that exists between the dependent variable and the independent variables and second, predicting the level of the dependent variable based on given levels of the causal variables and how far this explains the variations in the level of the dependent variable. Another practical reason for the ever-expanding use of multiple regression analysis is the wide availability of computer user-friendly software applications of the technique that are substantially user-friendly and labour-saving (Oumlil & Balloun 1990 and Jain 1996).

7.4.2 Problems with the use of multiple regression analysis in causal research in marketing

Despite its well-recognized strengths, multiple regression analysis suffers from a number of limitations when used in causal modelling in marketing research. It is quite crucial to remain alert to these problems that are inherent in the nature of the technique in order to either find a way to get around them or recognize their limiting influences on the inferences made. The following three problems are the most common and significant ones resulting from the use of multiple regression analysis.

1 Multicollinearity:

One of the key assumptions underlying multiple regression analysis is that the independent variables are statistically independent of each other. If there is a significant correlation among some or all independent variables, then the estimated regression parameters will have a high

standard error(due to having an unduly high degree of variance),hence resulting in underestimated t statistics and overestimated coefficient of determination

Unfortunately, this is the case in most marketing research projects (this one is no exception) due to the interactive and intervening nature of most marketing variables and the fact that they are all parts of one integrated system. Conventional wisdom suggests that this is not a major problem if the causal model is developed strictly for predictive purposes. But, if the model's goal is to identify how each of the independent variables affects the dependent variable, the fact that the regression coefficients does not represent the best linear estimates because of multicollinearity becomes a serious problem that deserves consideration. The simplest way to check for multicollinearity is to examine the correlation matrix of the model's variables (McDaniel & Gates 1993).

There are two standard strategies for dealing with multicollinearity. First, if two independent variables are so significantly correlated, one of them can be dropped from the analysis depending on the researcher's judgement. Second, the two deeply correlated independent variables can be merged into one variable (e. g, an index) to form a new independent variable to be used in subsequent regression analyses (Jain 1996 and McDaniel & Gates 1993).

2 Proof of causality:

Causation, in statistical terms, refers to the inference that a change in one variable is due, partially or fully to an observed change in another variable(s). Although multiple regression analysis can prove that variables, either dependent or independent, are associated or correlated with each other, it can not prove causation reliably. Causation can be confirmed only in a few number of cases through the use of certain experimental designs (McDaniel & Gates 1993). This does not mean that multiple regression analysis can not or should not be used to build causal models or to configure how causal relationships work. It simply means that when proving causality multiple regression analysis should not stand alone but should be preceded by the researcher's logical analysis and scientific common sense determining the direction of causality (i.e. which variables are dependent and which are independent) and grounded on and supported by a strong theoretical and empirical basis.

3 Autocorrelation:

The multiple regression models assume that the random error terms, i.e, the unexplained part of the variation in the dependent variable, are uncorrelated random variables. If this is not the case, then autocorrelation is present.

However, in this research the autocorrelation problem is not a major worry since the data used are not time series, though they might bear some time-accumulated effects.

4 Metric nature of data:

The proper application of linear multiple regression analysis as a parametric technique necessitates that the data used should be of metric nature, i.e., expressing the behaviour of independent and dependent variables as continuous rather than discrete probability distributions. This means that the scales used to measure the variables under study should be either interval or ratio scales. Unfortunately, a considerable number of variables in marketing and other managerial disciplines can only be measured using nominal or ordinal scales which produce nonmetric data that can only be analysed through nonparametric techniques. This problem was solved in the context of this research, by using a five point Likert scale to measure all the proposed model's variables assuming equal intervals between scale items, thus, making it a good approximation to interval data which can be treated as near-metric data which is possible to analyse using ordinary least square multiple regression.

7.5 Conclusions

The major task of this chapter was to outline the methodology of the empirical part of this research and to justify why and how it was developed in its current form. In doing this, it was necessary to discuss all issues related to the different components of this methodological approach including the basic research design, the data collection process and the method of analysis. Nevertheless, this structure would have been far from complete unless it was developed with the conceptual part kept in mind. To ensure that such a link between the conceptual and empirical part is established and sustained, the two overriding considerations governing the choices made to design the research methodology were; 1) The two main research objectives and 2) the nature of empirical data needed to test the hypothesis and build the causal model. Accordingly, this methodology was designed with a view toward making the empirical analysis as complementary as possible to the output of the conceptual part and to accomplish the desirable cross-fertilization that is usually sought between the two parts. It may be appropriate to sum up the outcomes of the decisions that have been made regarding the design of the empirical research, thus:

"The aim is to build a causal model of external marketing research information utilization in British companies based on cross sectional data. Such cross sectional data will be collected through mailing a structured questionnaire (that has been designed relying on previous literature and 18 in-depth interviews) to marketing directors in the largest 1000 British companies in terms of sales turnover. Multiple regression analysis is the major statistical technique employed for constructing the model and testing its hypotheses".

The next chapter will be devoted to discussing the methodological concerns and considerations that have resulted from the application of this proposed research design and methodology to collect, analyze, and interpret the empirical data.

CHAPTER EIGHT

Analysis of empirical results: Methodological considerations

8.1 Introduction

This chapter and its sequel are meant to describe, present, interpret and draw conclusions from the empirical data with a view toward testing the proposed conceptual model. The specific focus of this chapter is to discuss the methodological issues arising from the discussion in the previous chapter. While the purpose of Chapter Seven was to outline and explain the logic governing the design and implementation of the empirical study ex-ante, the aim of this chapter is to examine ex-post the methodological issues that have arisen during the conduct of the empirical data collection and subsequent analysis. Specifically, it is important to address issues such as the nature of the sample response, the validity and reliability of the measurement process, and the appropriateness of the statistical method of analysis. These three points will be dealt with respectively.

Accordingly, this chapter will consist of three major sections to discuss, first, characteristics and implications of the sample, second, reliability and validity of the measurement process (the structured questionnaire) and third, appropriateness of the statistical method of analysis (linear multiple regression).

8.2 Characteristics and implications of the sample

As previously planned, the sampling frame consisted of the mailing addresses of the marketing directors (or the senior marketing personnel), of the largest 1000 British companies in terms of sales turnover as an average of the last available five years (1991-1996). Addresses were extracted from FAME and the smallest firm in the sample had sales turnover of £278 million.

The important point that deserves a special remark here is the operational concept of the response rate in this study. As far as statistical significance is concerned, because generalizability of the findings rests on the adequacy of the sample size, (as an absolute figure not as a proportionate one) and its representitiveness, for the method of analysis employed and not on the relative size of the sample to the size of the population from which the sample was drawn (Hair, Anderson, Tatham & Black 1995). Accordingly a relatively high response rate is not a sufficient or even, in some cases, a necessary condition for safely generalizing from sample data. Since it was neither essential nor possible to enumerate all British companies purchasing external marketing research due to unavailability of such data and because a meaningful application of multiple regression in cross sectional studies would require, in most conservative estimates, 100 to 150 observations (Emory 1987), the size of the sampling frame was decided on the basis of the required sample size and common response rate (normally around 20%). However, it should be noted that response rate is a vital issue if there is the possibility of some form of

non-response bias which is not much the case in this research since the target companies are thought to be homogeneous in one important aspect, which is making considerable use of external marketing research.

The first mailing of the questionnaires yielded 162 completed and valid questionnaires and a follow-up reminder was administered and yielded another 96 completed and valid questionnaires. Thus, a total of 258 questionnaires were returned resulting in an aggregate response rate of 25.8% response rate which complies with the average response rate to mail questionnaires in the UK. On the other hand, 166 companies replied negatively that they could not complete the questionnaire for different reasons. Thirty five of these negative replies mentioned that it was not possible to complete the questionnaire due to constraints on managers' time or company policy or very similar reasons. The other 131 companies gave almost the same reason for not completing the questionnaire which is simply because they do not buy external market research for a whole set of different reasons (which will be discussed later). The notable thing that came out of these negative responses is that 95% of these 131 companies not purchasing independent market research were smaller in size, in terms of both sales turnover and number of employees than the 258 companies that completed the questionnaire which is a further indication of the association between firm size and the purchase of external market research suggested in the literature.

In order to provide a descriptive presentation of the sample, the following bases of classification were followed and the outcome can be summarized in table 8-1.

These cited structural features and profile of the sample of responding companies have important implications for the use of external marketing research which will be explained in the next chapter.

However, it should be mentioned here that there are clear similarities between the structures of the sample and the sampling frame which might suggest that the structural profile of the sample is representative of that of the sampling frame. Having said that, some important conclusions can still be made from the sample structure due to some notable differences (especially in type of business activity) and since the structure of the sampling frame itself is believed to be meaningful to the market for market research industry because it is assumed to include its largest customers since the relationship between size and buying external marketing research is supported as will be evident in the next chapter.

The above description of the sampling procedures and features of the resulting sample serves to highlight strengths and limitations which this sample brings to the findings of the empirical study.

**Table 8-1
Structure of the sample and sampling frame**

| Characteristics | Sample % | Sampling frame % |
|-------------------------------------|-----------------|-------------------------|
| 1-Legal form of ownership: | | |
| -PLC | 67 | 62 |
| -LTD | 33 | 38 |
| 2-Type of demand market: | | |
| -Industrial companies | 45 | 48 |
| -Consumer companies | 55 | 52 |
| 3-Type of business activity: | | |
| -Service companies | 66* | 54 |
| -Manufacturing companies | 34 | 46 |
| 4-Geographical location: | | |
| -South England | 42* | 51 |
| -Midlands | 22 | 23 |
| -North of England | 25 | 20 |
| -Scotland & Wales | 11 | 6 |

*Financial services companies alone(e.g.banks and insurance companies) accounted for 34%of the sample.

*33%of the sample came from London area exclusively.

- **Strengths**

- 1 The most apparent (and evident) strength of this sample is its relatively large size in terms of the number of cases desirable for multiple regression analysis and also compared to similar studies with significantly lower sample sizes yet aiming to achieve similar research objectives, e.g., Deshpande (1982), Deshpande and Zaltman (1982, 1984, 1987) and Jobber and Watts (1986). This relatively substantial sample size produces a greater statistical power of the statistical tests and modeling being carried out on the data and thus allowing safer generalizations of the model's outcomes and decreasing the probability of type 1 error (i.e., failure to reject the null hypothesis when it is false) or in simple terms the chance of not finding a correlation or mean difference when it does exist which is a frequent problem in smaller sample sizes. Nevertheless this attractive sample size is not a risk free input into the analysis since it can have its dangers as will be discussed very shortly.

- 2 Another strength of this sample is its diversity. As can be easily seen from its structure, the sample is sufficiently well-dispersed among different industries, types of markets, forms of ownership and geographical locations which limits the effect of any industry, market, regional, legal or other company-specific variables not included in the model on the dependent variables and enhances its ability to generalize the findings. Furthermore, such degree of diversity provides coverage of all kinds of customers to the market research industry which would result in a better profile of the demand side of this industry which is one of the desirable ends of this research.

- 3 The sampling units in this research are largely homogeneous because they are simply the top marketing persons in terms of one in each company. This has resulted in homogeneous and largely consistent responses across companies which will be discussed when examining the validity and reliability of the questionnaire. The major benefit this homogeneity in sampling unit has brought to the empirical analysis is making data more comparable since it is not always appropriate to compare data from managers at different organizational levels who might have entirely different perspectives and levels of knowledge of the internal workings of their companies.

Yet again, such a strategy in choosing sampling units has its pitfalls which will be explained very shortly.

Limitations:

- 1 As hinted above, relatively large sample sizes can be a two edged sword because though it is good for handling type 1 error, it can increase the probability of type 2 error. In contrast to type 1 error, type 2 error refers the probability of rejecting the null hypothesis when it is true, which means saying a difference or correlation exists when it actually does not. The probability of achieving statistical significance is based not only on statistical considerations but also on the actual magnitude of the effect of interest in the population. So, increased sample sizes can produce “too much” power, i. e., smaller effects will be found to be statistically significant. However, the negative influence of the relatively large size of the sample is limited and the likelihood of having type 2 error does not represent a real danger to the analysis. This is mainly because, first, the sample size is not large enough to make any correlation significant since some people argue that type 1 error is more likely to happen in sample sizes exceeding 300 (Neter and Wesserman 1974) and second, when studying a multidimensional and complicated phenomenon like utilization, it is important to get to know the effect of each variable in the model on this phenomenon, no matter how slight it might be and thus to add to the already limited explanatory power of existing models.

- 2 The fact that the sample is drawn from the largest 1000 British companies can make the results biased by the practices and size-related variables and deprive it from the enrichment that could have been gained through examining the degree of variation utilization can exhibit in medium and small sized firms. Nevertheless, the justification of this was that company size proved to be the only reliable and effective criterion for designing the sampling frame and also the fact that smaller firms are light users of external marketing research which makes collecting data from them a costly and probably unrewarding undertaking. Also, these large companies account for a substantial proportion of private sector output (in the light of the absence of public sector organization from the sampling frame).

- 3 As argued above, the sampling technique of taking only one person at the top of the marketing function in each company has its advantages as well as its shortcomings. Besides the possible loss of some depth and insight which might be obtained from lower organizational levels, there is a danger in considering one person’s perceptions of particularly organizational and company-wide variables as representing the whole reality of these variables in the organization. Though, it is true that the position of marketing directors and their experience put them in a better position to outline the organizational policy and profile (Moorman 1995), responses will still be shaped by their individual perspectives and personal agenda. Once again, the cross-sectional nature of the

study and the relatively large size of the sample can help dissolving such individual impressions through dampening them in the general trends emerging.

8.3 Reliability and validity of the measurement process (the structured questionnaire):

The importance of testing and subsequently assuring the existence of a reasonable degree of validity and reliability in any measurement process in general and the process of attitude measurement in particular can not be overemphasized. Validity refers to the degree to which a measurement tool is actually measuring what it aims to measure, while reliability refers to the consistency of the outcomes of the measurement process across time and different levels of the subject of measurement. Thus validity is concerned with measuring the right constructs and reliability is concerned with the accuracy of the measurement process.

In spite of the importance of testing validity and reliability in measurement of various multi-faceted and highly intangible marketing phenomena, it seems that this issue has to date received little attention in the marketing literature as clearly reported by Mcdaniel and Gates (1993, p.372-373):

“Despite the critical importance of assessing the reliability and validity of measurement instruments, most research articles written by marketing academics avoid the issue. Of all articles published from 1980 to 1990 in the Journal of Marketing, Journal of Marketing Research and the Journal of Consumer Research that utilized survey research measures, only 40 percent reported reliability and validity estimates. Although an improvement over the previous decade, more researchers and practitioners must address measurement issues. This is a necessary requirement to improve the decision-making information provided to management and advance the science of marketing.”

Unfortunately, the measurement of marketing research information utilization was no exception to this neglect of reliability and validity tests. All previously cited literature in the area, though relying heavily on survey research measures, failed to include any explicit attempt to evaluate the reliability and/or validity of any measurement instrument of utilization or its determinants with few exceptions (Deshpande 1982, Jobber and Watts 1986, and Moorman 1995). This was further impetus to try to conduct as much reliability and validity tests of the measurements used in this research in the belief that marketing researchers need to concern themselves more with such tests to boost their ability to understand and explain complicated marketing phenomena like the utilization of marketing research information.

Prior to showing and explaining how and why the reliability and validity of the structured questionnaire (shown in appendix one) used in this research as the major measurement tool were tested, it is important to refer to three points of significance. First, a five-point Likert scale was used in asking most questions, especially those related to the model's variables. There were several reasons for this choice including desire for an interval scale delivering semi-metric data. However, the suitability of using data generated by Likert scale for the adopted method of statistical analysis will be further examined in the next section concerned with analysis issues. Another reason for preference of the Likert scale, is that such a scale if designed properly can be one of the most widely used tools for measuring implicit attitudinal variables of managers affecting their use of marketing and other types of management information (Jobber & Watts 1986 and Jobber 1995). The most noteworthy reason for using the Likert scale in this context is that it makes the effective administration of several reliability and validity tests possible and meaningful which enabled the researcher to ensure reasonably the measurement feasibility of the questionnaire for the purposes of data collection and subsequent analysis.

Second, although reliability and validity are easily distinguishable themes, there are certain areas of considerable intersection between them. The most clear of those areas is that reliability is a necessary but not sufficient condition for validity but not vice versa. If a measure shows a substantial degree inconsistency over time without any observed change in the variable being measured, then the measurement instrument is said to be unreliable and most probably invalid. This is mainly because, the significant irregularities in measurement suggest that the unreliability of this instrument is an indication that it is probably not measuring the same target phenomenon each time or otherwise it would have produced much more consistent results. On the other hand a reliable measure may not necessarily be valid if it is generating consistent results but of the wrong phenomenon. This is why the reliability of the questionnaire was appraised before its validity as a response to this logical precedence.

Third, all conducted reliability and validity tests were confined to the questions intended to measure the dependent and independent variables. This was due to the fact that these questions were the ones dealing with attitudes of managers while other questions were asking about facts concerning various aspects of the demand for external marketing research services (e. g. types of agencies, concerned decision areas and amount of money spent on marketing research). Accordingly their straightforward nature assumes the existence of a considerable degree of reliability and validity. Finally, there are many largely comprehensive and operational coverages of reliability and validity types and their available tests in business research methods and market research texts; this research will draw on classification and testing procedures set forth by Mcdaniel and Gates (1996) , Bagozzi (1984, 1996), Nachmias (1992) and Bearden, Netemeyer and Mobley (1993).

8.3.1 Reliability of the questionnaire

The major question that any test of reliability is trying to answer is whether we are going to have identical or nearly identical results if we used the same measurement instrument to measure the same phenomenon in a time span during which this phenomenon is not likely to change radically. In other words, the more a measure is free from random error, the more it is judged to be reliable. Reliability can be tested across either different time periods or similar samples or similar measurement instruments. Accordingly there are three different approaches to testing reliability which are: 1) Test-retest reliability, 2) Equivalent form reliability and, 3) Internal consistency reliability.

1 Test-retest reliability of the questionnaire: (Different time periods)

Test-retest reliability is obtained by repeating the measurement process using the same instrument under as nearly the same conditions as possible in different time periods during which the item measured is not likely to change substantially. This kind of test is most suitable for evaluating the reliability of measures concerned with basic attitudes of managers that are formed and consolidated across long time spans and are not expected to witness considerable changes in the short run which is the case in this research.

An indicator of the test-retest reliability was obtained through piloting the questionnaire with the same sampling units twice. The first time was after it was initially designed during the eighteen interviews conducted and the second time was when the questionnaire was further refined and reaching towards its final version. Eleven of the previously interviewed marketing directors returned the second version that was mailed to them and their attitudes toward the model's variables remained almost unchanged. Despite some slight discrepancies between the two versions of the measurement scales used in each of the two tests the main essence of each scale remained very much the same. Consequently, correlations between the responses in both occasions to similar scales measuring the same variables were calculated for the eleven sampling units and were found to be quite high ranging from a minimum of .92 to 1.0. This result is further supported by the fact that the five months period that have elapsed between the first and second test is arguably a short period for significant and observable changes to happen in attitudes concerning fundamental matters like underlying motivation for utilizing marketing research information, organizational culture, decision making style....etc. The similarity of conditions was simply maintained by the fact that the questionnaire was tested with same sampling units who were still working for the same employer in the same position.

2 **Equivalent form reliability of the questionnaire: (Different measurement instruments):**

Equivalent form reliability means the ability to obtain similar outcomes using differently formed instruments with their substance as similar as possible when measuring the same object under the same conditions.

Due to the impracticality and extreme difficulty of designing two equivalently accurate instruments for measuring a multidimensional phenomenon like marketing research information utilization and its related variables and also because of the fact that all the various tests conducted on the scales were directed toward the development of one set of measurement scales for the model's variables, this type of reliability test was not conducted.

3 **Internal consistency reliability of the questionnaire: (Similar samples)**

Internal consistency reliability refers to the ability of the measurement device to come up with similar results using different samples to measure a phenomenon during the same time period. The most commonly used technique for testing this kind of reliability is the split-half technique where the homogeneity of a whole set of items used to measure a phenomenon and its antecedents is divided into two halves and then the total sum of both halves is correlated. The limitation of this technique is that since the scale items are to be randomly assigned to one half or the other, the resulting coefficient of reliability is entirely contingent on how the items were split, which means that different splits would give varying degrees of reliability but should not. As a remedy to this limitation of the split half technique, another extension of the technique called the Cronbach Alpha was developed and is now the most commonly used test of internal consistency.

This technique calculates the mean reliability coefficient estimates for all possible ways of splitting the total set of measurement items into two halves. Any considerably weak correlation of an item with other items in the scale is an indication that the item is less relevant to the variable being measured and must be omitted. The limitation of this technique is that it requires the scale items to have equal intervals or otherwise a different test like KR-20 is required. As previously explained, a five point Likert scale was used to measure all variables to, among other reasons, facilitate and validate the conduct of powerful reliability tests like Cronbach Alpha (Peter 1979).

Administration of the Cronbach Alpha technique using the SPSS for the scale items measuring the three dependent and nineteen independent variables produce a mean reliability coefficient estimate of .7628 which is a rather good indication of the existence of a satisfactory degree of internal consistency reliability among the scales used to measure the model's variables. The individual Alphas for all scales measuring dependent and independent variables are reported in table 8-2.

8.3.2 Validity of the questionnaire

Unlike reliability tests which are designed to judge the same concept but in different settings (e.g. different time periods or similar scales), validity tests are designed to assess the content of the measurement instrument. So, validity tests are not different approaches aiming to evaluate the extent to which a unified concept of validity exists in a certain scale, but they rather constitute different tests each detecting the level of a different concept of validity. Although, all kinds of validity are, to some extent, interrelated, they reflect distinctively unique components of the overall concept of validity. The four major types of validity tests are face validity, content validity, construct validity and criterion-related validity. In the light of this diagnosis of validity, it can be argued that the basic question that various validity tests endeavor to answer is “whether the used measurement scale seems to measure (face validity) what it is assumed to measure in a comprehensive (content validity), cohesive or congruent (construct validity) manner that allows a reasonably accurate prediction of the future value of criterion or phenomenon under investigation (criterion-related validity)”. Accordingly validity tests work to ensure that the measurement scale is free from systematic error that might lead to obtaining systematic results but of the wrong phenomenon (Mcdaniel and Gates 1996).

The fact that the utilization of marketing information in general and its conceptual and symbolic types in particular have relatively scarcely if ever been measured, let alone its validity and reliability tested should be a major motivation for pursuit of such tests. If the current measures of utilization (including those used in this research) proved to be invalid, then their subsequent efforts of explanation and interpretation are in vain. On the other hand, if present measurements of utilization bear a significant amount of validity, this should be an encouragement for continuous efforts to improve these scales through including more dimensions of utilization and more refocusing of available ones on the dimensions being measured. To sum up, research on utilization needs a rigorous signal that it is actually on the right track toward tracing and identifying its core phenomenon and the best way to do it is through ensuring the validity of its measurement process. This is why the major concern of the validity tests carried out on the questionnaire was to check on the validity of the scale items used to measure the extent of marketing research information utilization. The validity of other scales measuring independent variables was also checked but since all these scales were established measures from marketing and other administrative disciplines with a considerable degree of reliability and validity, they did not need the same attention as the relatively recently measurement scales for the dependent variables.

Table 8-2
Cronbach Alpha of split-half test of measurement scales

| Variables measured | Cronbach Alpha |
|--------------------|----------------|
| IU | .9481 |
| CU | .9632 |
| SU | .9355 |
| OC | .8601 |
| RDS | .7930 |
| SDS | .8266 |
| RISKA VR | .6043 |
| CONFOBJ | .6372 |
| EXPLROBJ | .6511 |
| EXPORG | .9622 |
| EXPMKTG | .9739 |
| EXPMKTGD | .9721 |
| INTENT | .6790 |
| PRORIENT | .6174 |
| TECQUAL | .7770 |
| COSTINFO | .6997 |
| QUANINFO | .6557 |
| NONPROG | .8815 |
| TIMPAC | .6497 |
| FUNIMPAC | .7002 |
| UNCERT | .8136 |
| COMPET | .8649 |

1 Face validity of the questionnaire

Face validity is characterized as the least strong form of validity because its focus is on the degree to which a measurement scale “looks like” it measured what it was designed to measure. This tests hinges entirely on the subjective judgment of the researcher. Checking for face validity was conducted during the course of designing the questionnaire, especially with regard to the scales assigned for measuring the utilization of external marketing research information. The deductive thinking and personal judgment of the researcher were used all throughout the design and refinement of the questionnaire along with revisions from other academics familiar with the subject, previous literature measuring the same constructs and most importantly interviews with those practicing it in real life situations. The most important indication of the existence of face validity came in the comments made by respondents that did not include suggestion of ambiguities concerning what the questionnaire is investigating or inability to understand the purpose of any questions asked.

2 Content Validity of the questionnaire

Content validity reflects the degree to which the instrument items embrace the whole spectrum or universe of the construct being measured. The judgment of whether specific items of a scale deliver adequate coverage of the target construct is far from a straightforward process. So, like face validity, content validity remains largely a matter of judgment. However, the amount of subjectivity in this judgment process can be significantly kept to a minimum if a number of systematic steps suggested by Mcdaniel and Gates (1993) were followed which should increase the stake of objectivity in the final assessment of content validity. These steps were applied on the scales used to measure dependent and independent variables as follows:

- Carefully defining precisely what is to be measured. This step was done through the initial survey of the literature, tentative unstructured interviews and deductive thinking which resulted in the operational definition of the constructs that this research aims to examine critically. A special concern of this stage was to set the boundaries of an operational definition of the use of marketing information to be investigated in the context of this study.
- Conducting an exhaustive review of the relevant literature and focus groups to identify all possible items that ought to be included in the scale. In this step, an intensive literature review of the marketing and other related literature on the use of marketing information was carried out with deliberate emphasis on how utilization was defined

and measured followed by a comparative analysis of the adequacy and accuracy of each measurement approach and deciding on the appropriate perspective to measure it in this research. Additionally, interviews with five British marketing directors were conducted in an in-depth and open-minded way to help define the various aspects that represent incidents of utilization.

- Asking a panel of experts for their opinions on the adequacy of the scale items. This step was done through conducting another series of interviews that were of a more structured nature with eighteen British marketing directors and revisions of the initial draft of the questionnaire by eight academics after the initial design of the scales and one of the major aspects they were asked to judge was if there are any missing dimensions of all variables, and feedback was reflected in the substance and form of the scales items designed.
- Pretesting the measurement scales. The previously mentioned piloting of the questionnaire by eleven marketing directors of the interviewed panel in addition to another three pilotings by other marketing directors provide for the essence of this step. Such piloting delivered more input and further checks on the universality of the scales and assured an acceptable degree of comprehensiveness.

The most positive signal in this sequential process of testing the content validity of the questionnaire was that the marginal number of added items to the scales was continually reduced through the stages which reveals the contribution that each stage has made to the adequacy of the scales used and the usefulness of this approach to evaluating and ensuring content validity.

3 Criterion-related validity of the questionnaire

Criterion-related validity refers to the extent to which a measurement instrument can predict a variable that is designated a criterion. Consequently, the main concern here is the ability of a measurement scale to detect the presence or absence of the target phenomenon using a certain criterion or criteria. There two types of tests for this kind of validity Predictive validity test and concurrent validity test. However, as previously explained , the difficulty of obtaining recorded data of the past and future levels of marketing research information utilization hinders the possibility of pursuing a longitudinal examination of its behaviour. As a consequence of this limitation, it is not possible to obtain a criterion that could indicate the present or future level of utilization of marketing research information except the measurement scale actually used in the questionnaire. The same argument applies to all other organizational and behavioural

independent variables for the same aforementioned reasons. However, the only way to get around this dilemma for testing the criterion-related validity of the scale used to measure utilization was to consider, for the sake of analysis, that the percentage of marketing budget allocated to external marketing research and the increase or decrease in the external marketing research are good indicators of the past and future level of utilization respectively.

Though, such assumption may be questionable and in some cases even dangerous it was the only available way to relate the level of utilization to another criterion that might be reasonably related to it. Another problem with the use of such data was that the questions concerning such financial data was naturally the least answered questions with only 58% of respondents answering it which can give negatively or positively biased estimates of correlation between the measurement scale and the designated criterion. So though acknowledging its serious limitations, this argument seems to make some sense because marketing directors companies spending more on external marketing research have larger chance to utilize it and the increase or decrease in the external marketing research budget can be a signal of the marketing directors' plans to expand or diminish their future utilization of such information. Consequently, the two types of criterion-related validity were administered as follows:

- 1 The predictive validity test examines the degree to which the future level of a criterion can be forecast by a current measurement scale. This test was conducted through calculating the coefficient of correlation between the three types of utilization and the corresponding increase or decrease in the external research budget. The resulting coefficients were 0.65 for instrumental utilization, 0.58 for conceptual utilization and 0.48 for symbolic utilization which might suggest that the measurement scale had some ability to predict future levels of various types of intended external marketing research information utilization.
- 2 The concurrent validity test is concerned with assessing the degree to which a construct measured at the same point in time as the construct of interest, can be predicted by the measurement instrument. For the sake of carrying out this tests, coefficients of correlation between the three types of utilization and their corresponding percentages of marketing budget devoted to external marketing research were calculated. The coefficients of correlation were 0.78 for instrumental utilization, 0.74 for conceptual utilization and 0.79 for symbolic utilization which shows, among other things, that the measurement scale was able to predict present level of utilization of external marketing research information as expressed in terms of the relative size of external marketing research budget. It also shows that the adopted measurement scale is significantly more valid for detecting the present level of external marketing research information utilization

than predicting its future value and/or that the criterion used for expressing the present utilization level is more indicative than that used for expressing future levels of utilization.

Accordingly, these tests suggest that there is some evidence of criterion validity in the measurement process of the utilization of external marketing research information undertaken by this research.

A point that ought to be noted is that although both types of criterion-related validity tests assume the existence of a causal relationship with the construct being measured as the independent variable and the designated criterion as the dependent variable, this was by no means the case in this research. The purpose of conducting and reporting the results of both above mentioned tests was to find out how far can the scale used for measuring utilization can be used to detect the presence or absence of utilization as expressed in both criteria and not to argue that the level of utilization can be used to predict the current or future budget of external marketing research. This is why the coefficient of correlation was crudely used to signal the existence of a relationship without any other sort of causal analysis giving any clues of its direction because this would be a premature conclusion about a relationship that is not explored in this research.

4 Construct validity

Construct validity reflects the extent to which a measurement scale conforms with and logically relates to the underlying theory of the phenomenon and other constructs under study. The importance of this type of validity stems from its potential to identify and pinpoint the more invisible and unobservable dimensions of the construct being measured. Despite its importance in evaluating a vital dimension of validity, it is rarely addressed by marketing researchers (McDaniel & Gates 1996). There are two statistical approaches to judge the construct validity which test for two different traits of the measurement scale that should lead to the same conclusion about its construct validity. The first of these approaches is convergent validity which aims to determine the degree of association among different measurement instruments that purport to measure the same concept. On the other hand, the second approach which is called discriminant validity is designed to signal the lack of association among constructs that are supposed to be different (Churchill 1979).

In the main, the tool used for testing both types of construct validity was factor analysis as often suggested by the literature (Iacobucci 1996). Factor analysis of measurement scale items is often considered one of the most appropriate techniques for data reduction and/or testing the extent of convergent and discriminant validity. This technique has been used for both purposes several

times in the area of modeling factors affecting the level and quality of marketing information utilization (Deshpande 1982, Jobber and Watts 1986, and Moorman 1995). The principal component analysis was preferred to common factor analysis to be used in this study for two reasons (Hair, Anderson, Tatham, and Black 1995): First, the main concern is about the minimum number of factors needed to account for the maximum portion of the variation represented in the original set of variables, and second, there is prior knowledge from previous literature and exploratory research suggesting that specific and error variances represent a relatively small proportion of the total variance. This judgment is based on the outcome of the previously mentioned reliability and validity tests that have been conducted to ensure that the influence of the variance associated with only a specific variable, measurement process and random components is kept within tolerable levels. Thus it can be claimed that the major focus is on factors that are believed to relate to total variance (which is the main concern of component analysis) and certain small proportions of unique and error variance.

Factor analysis was done through rotating (following a VARIMAX orthogonal rotation procedure as recommended by Jobber and Watts (1986) and Iacobucci 1996) the scale items used to measure the extent and quality of utilization and following the same procedure for other scale items measuring independent variables. Tables 8-3a and 8-3b show the variable loadings resulting from factor analysis of all measurement scales as they relate to the factor they were designed to measure which show a reasonably high degree of validity for all scale items (all values greater than 0.35 which is the minimum acceptable variable loading for sample sizes ranging from 250 to 349 as suggested by Hair, Anderson, Tatham and Black 1995). Also, suggested factors accounted for a relatively high percentage of the total variance for both dependent and independent variables (83.9% and 72.8% respectively). This can be a further assurance of the positive contribution of the eighteen in-depth interviews to ensuring that the scale items used are measuring logically and rather comprehensively the constructs (variables) they were assigned to measure.

In conclusion it can be claimed, that despite some incidents of weakness in the reliability and validity of the scales used in the questionnaire to measure utilization and its determinants, these scales could be judged as enjoying a methodologically acceptable degree of reliability and validity in measuring their target constructs. Thus, the outcome of the measurement process is a valid description of the status quo of the model's variables for the purposes of subsequent analysis.

Table 8-3a
Factor analysis of utilization (dependent) variables

| Variables (Scale items) | Factor 1 IU | Factor 2 CU | Factor 3 SU |
|----------------------------|----------------|----------------|----------------|
| 9-1 | .76386 | | |
| 9-2 | .89025 | | |
| 9-3 | | .79254 | |
| 9-4 | | .87399 | |
| 9-5 | | .85373 | |
| 9-6 | | .78017 | |
| 9-7 | | .76301 | |
| 9-8 | | | .88517 |
| 9-9 | | | .79062 |
| 9-10 | | | .89006 |
| 9-11 | | | .83334 |
| 9-12 | | | .75486 |
| Eigenvalues | 1.37 | 3.30 | 3.55 |
| % of variance* | 14 | 33.7 | 36.2 |

*Cumulative variance explained by the factors is % 83.9

Table 8-3b
Factor analysis of determinants of utilization
(independent variables)

| Variables (Scale items) | Factor 1 OC | Factor 2 (Decision style)* | Factor 3 (User objectives) | Factor 4 (User experience) | Factor 5 (Trust in producer) |
|----------------------------|----------------|-------------------------------|-------------------------------|-------------------------------|---------------------------------|
| 10-1 | (.74489) | | | | |
| 10-2 | (.69065) | | | | |
| 10-3 | .58444 | | | | |
| 10-4 | .89065 | | | | |
| 12-5 | .73788 | | | | |
| 11-1 | | .41023 | | | |
| 11-2 | | .61439 | | | |
| 11-3 | | .68047 | | | |
| 11-4 | | .55341 | | | |
| 12-1 | | | .70207 | | |
| 12-2 | | | .70857 | | |
| 16 | | | | .50344 | |
| 17 | | | | .90822 | |
| 18 | | | | .90746 | |
| 12-3 | | | | | (.57123) |
| 12-4 | | | | | .48591 |
| 12-6 | | | | | (.85040) |
| 12-7 | | | | | .64823 |
| 12-14 | | | | | .59009 |
| Eigenevalues | 3.07 | 1.30 | .99 | 1.87 | 1.61 |
| % of variance | 12.2 | 5.6 | 4 | 7.3 | 6.3 |

Table 8-3b(CONTINUED)

| Variables (Scale items) | Factor 6 Costinfo | Factor 7 Quaninfo | Factor 8 Nonprog | Factor 9 (Decision impact) | Factor 10 UNCERT | Factor 11 COMPET |
|----------------------------|----------------------|----------------------|---------------------|-------------------------------|---------------------|---------------------|
| 12-12 | .75920 | | | | | |
| 12-13 | .69313 | | | | | |
| 12-8 | | .67638 | | | | |
| 12-9 | | .57572 | | | | |
| 12-10 | | .70648 | | | | |
| 12-11 | | (.62259) | | | | |
| 15-1 | | | .86976 | | | |
| 15-2 | | | .85876 | | | |
| 15-3 | | | .87122 | | | |
| 15-4 | | | (.75902) | | | |
| 15-5 | | | (.75648) | | | |
| 12-15 | | | | .73254 | | |
| 19 | | | | .72287 | | |
| 12-16 | | | | | (.82780) | |
| 12-17 | | | | | .83653 | |
| 12-18 | | | | | | (.73099) |
| 12-19 | | | | | | .70039 |
| Eigenevalue | 1.04 | 1.65 | 3.34 | 1.07 | 1.36 | 1.02 |
| % of variance* | 4.2 | 6.5 | 13.2 | 4.3 | 5.3 | 4.1 |

*Cumulative variance explained by the factors is %72.8

*Risk aversion was the only factor not to be tested for construct validity since it was measured straightforwardly by a single question asking about it directly.

*Factors in parentheses are the total aggregation of Some variables that ,though are treated separately in the causal model as will be evident in the next chapter, are believed to represent the same underlying dimension(i.e.,factor).

*Numbers in this column denote the number of each scale item measuring a certain variable of each factor in the questionnaire as indicated in appendix one.

Note: An alternative version of factor analysis that has been used in the literature in the area(Moorman 1995) to evaluate discriminant validity is the confirmatory two-factor analysis using LISREL.The reasons it was not used in this research were:1)The ratio of sample size to parameter estimates is higher than 5-to-1(6.24-to-1),thus violating one of the important constraints of confirmatory factor models,2)The proposed causal model is exploratory in nature aiming to provide more explanation of the utilization phenomenon through inclusion of new and/or differerently conceptualized and measured dependent and independent variables through relying on the empirical data and method of analysis to determine the direction and significance of its causal relationships.So,it does not seek to prove that it out performs other models(Competing models strategy) or assume that there are no other exogeneous factors affecting the phenomenon other than those included in the model(Confirmatory modeling strategy).and 3)Employing such a procedure necessitate that the model be divided into subsets of models to highlight the aspect of unidimensionality which is the major concern of this confirmatory procedure,hence,demolishing the multidimensionality side of utilization that the proposed model seeks to address through using -multiple regression to demonstrate how all predictor variables work together collectively to influence the phenomenon as is the case in real terms.Thus the use of confirmatory procedures in a structural equation models was not appropriate for either the nature nor the purposes of this research causal model.

8.4 Appropriateness of the statistical method of analysis (linear multiple regression)

The appropriateness of linear multiple regression as the major tool devised for analyzing and interpreting the data collected was discussed in chapter seven. The conclusion reached was that linear multiple regression is the most suitable analytical framework for attaining the specified research objectives. Nevertheless, there is still another important dimension of the suitability of conducting a linear multiple regression that needs to be considered, which is its compatibility to the nature of the research data and the way in which it was collected. The importance of this side of appropriateness and its diagnosis can not be overemphasized to ensure a meaningful application of any multivariate technique like linear multiple regression (Hair, Anderson, Tatham and Black 1995).

The nature of data collected raises two important questions, as far as the appropriateness of the chosen statistical technique is concerned, which should be answered to show the strengths and limitations of using linear multiple regression in the analysis of this research's data. These two questions are, first, how far does the behaviour of collected data conform with or violate the underlying basic assumptions of multiple linear regression? and second, to what extent does existing violations have a negative bearing on the significance and meaningfulness of the final output of results of linear regression analysis?

Linear multiple regression, like any other statistical technique, is based on certain assumptions that need to hold true to a large extent to ensure the power of the results generated. The basic issue is whether, in the course of calculating the regression coefficients and predicting the dependent variable, the assumptions of linear multiple regression have been satisfactorily met. In other words, are the errors in prediction a result of an actual absence of a relationship among the variables, or are they repercussions caused by some characteristics of the data not accommodated by the regression model? (Hair, Anderson, Tatham & Black 1995).

In spite of this significant role of such underlying assumption, one major misconception that ought to be avoided is that a limited deviation (ϵ) from one or more of them would render the output of the final analysis useless. Such assumptions are so mathematically rigorous by necessity, but it is impractical to expect any single set of data to comply perfectly with all of them. This is particularly true for data collected about organizational, behavioural and other managerial variables as is often the case in marketing. This is why there is an escalating trend among both statisticians and management researchers that (Emory 1987 and Hair, Anderson, Tatham and Black 1995) such techniques be used as long as the data concerned exhibits no significant degree of discrepancy from the basic assumptions of the technique.

Their point is that the valuable analytical interpretations and conclusions that could be drawn through relying on such techniques should not be abandoned because of slight violations provided that the limitations imposed on the results due to these violations are acknowledged and taken into account.

Another point of distinction that ought to be pointed out is the difference between the limiting impact of assumptions and the limitations of linear multiple regression mentioned in chapter seven. The previously cited limitations of linear multiple regression as a statistical technique of analysis are inherent in its very nature and accordingly are inevitable or unavoidable. The only thing that can be done about them is to acknowledge the degree to which they exist or at best aiming to diminish their impact on the results. But, conversely, the limitations examined in this chapter are due to the nature of the data collected and its possible violation of the assumptions of linear multiple regression. There are increasingly a growing number of diagnostic and remedial measures to such limitations that can in some cases minimize their unfavourable impact. These measures include statistical procedures like linearization, normalization and compensating for missing data. Nevertheless, limitations of such procedures (e.g. dampening desirable peculiarities of data behaviour) and their lack of maturity remain to be seen and most of them are in the stage of trial. As a matter of fact, some statisticians argue that these remedial procedures should not be a first option but only serve as a last resort if there are considerably serious violations of the assumptions of the involved technique that prohibit its useful application without carrying out such procedures (Hair, Anderson, Tatham and Black 1995).

Each of the following points will be devoted to discussing each of the four basic assumptions underlying linear multiple regression as outlined and explained by Hair, Anderson, Tatham and Black (1995, p:62-68, 110-115) and Parasuraman (1991, p:712-715) and how far the data collected in this research confirms with or departs from each assumption and the limitations of the conducted analysis as a result of existing violations of these assumptions.

1 **Linearity of the phenomenon and its correlations:**

Linearity (in some form) is an implicit assumption of all multivariate techniques based on correlational measures of association, including multiple regression, logistic regression, factor analysis, conjoint analysis, and structural equation modeling. The most common way to assess linearity is to examine scatterplots of the variables to identify any nonlinear patterns in the data. In multiple regression, partial regression plots are used to show the relationship of a single predictor variable to the criterion variable with the line running through the centre of the points sloping up or down depending on the direction of the relationship. It is inconceivable that correlations expressing organizational and behavioural relationships would show an exactly linear form as a natural outcome of the multidimensional nature of these variables and their relationships. Another hurdle to conforming precisely to the assumption of linearity is the fact of the existence of other independent variables affecting the dependent variables that were either not included or held constant. Scatterplots for every independent variable in relation to each of the

three dependent variables were examined and no important departures from linearity were observed especially for the relationships that were found to be most significant. This outcome is generally satisfactory taking into consideration that the core goal of examining such correlations is to reveal the general trend governing them and to explore the direction and strength of the relationships between independent and dependent variables. Consequently, linear multiple regression analysis is appropriate because it is basically a noise-dampening technique, discovering general trends of data, rather than an impulse response technique reflecting every minor change as is sometimes required for example for some demand forecasting situations.

2 **Constant variance of the error term (homoscedasticity):**

Homoscedasticity is an assumption linked primarily to dependent relationships between variables. It refers to the assumption that the error term has a constant variance. Homoscedasticity is a desirable condition because the variance of the dependent variable being explained in the dependence relationship should not be confined to only a limited range of the independent values, otherwise it will result in inefficiency. The test of homoscedasticity for metric variables (as used in this research) is best administered through graphical means. Because the focus of regression analysis is on the regression variate, the graphical plot of residuals is used to reveal the presence or absence of homoscedasticity. The presence of unequal variances is one of the most common assumption violations in cross sectional analysis. Diagnosis is made with residual plots compared to the null plot (residuals against predictions) which shows a consistent pattern if the variance is not constant. Another statistical test for homoscedasticity is the Levine test for homogeneity of variance, which measures the equality of variances for a single pair of variables. Its use is particularly recommended since it is not very much affected by departures from normality which is another frequently recurring problem in regression. Both graphical and statistical tests, i.e., residual plots and Levine tests were conducted on the data and no significant heteroscedasticities were detected except for some of producer and information controlled variables which, as will be discussed in the next chapter in details, were the least significant relationships in terms of correlation and t and f tests of significance.

3 **Normality of the error term :**

The most fundamental assumption in multivariate analysis, yet the most frequently violated, is the normality of the data, referring to the shape of the data distribution for an individual metric variable and how far it corresponds to the normal distribution, the benchmark for statistical methods. If the variation from the normal distribution is sufficiently large, all resulting statistical tests are invalid, as normality is an essential prerequisite to use the f and t statistics. In a simple sense, multivariate normality (the combination of two or more variables) means that the

individual variables are normal in a univariate sense and that their combinations are also normal. Thus if a variable is multivariate normal, it is also univariate normal but not necessarily vice versa. However, a situation in which all variables exhibit univariate normality will help assure multivariate normality to a large extent but would not guarantee it. This indicates that multivariate normality is difficult to test. Even though large sample sizes like the one used in this research, tend to reduce the detrimental effects of nonnormality, the normality for all variables incorporated in the analysis still ought to be assessed. The simplest diagnostic test for normality that is more appropriate to large samples than smaller ones is a visual check of the histogram that compares the observed data values with a distribution approximating the normal distribution. Histograms for the three dependent variables and the nineteen independent variables were obtained using SPSS. Most distributions of variables, particularly those of dependent variables, user and organizational variables approximated quite substantially to the general shape of a normal probability distribution. This outcome is due to two factors, first, the relatively large sample size which is usually conducive to normality as previously mentioned, and second, the use of a Likert scale as an interval scale to produce an approximation to metric expression. The deliberate use of multiple- item Likert scale can be justified on a couple of reasons. The first reason is that the Likert scale as an interval scale reflect the very actual essence of the behavioural pattern of variables included in the model which is basically moving on a continuum of varying degrees of utilization and attitudes toward its determinant and not taking mutually exclusive, discrete and extreme points (one or zero). The marketing research information utilization and its causal factors are not a case of all or none, it is rather a matter of degree or proportion, hence, requiring an interval scale rather than a nominal or ordinal scale. This is why there are many incidents in the marketing literature of using Likert scale in collecting data concerning the use of management information and other marketing phenomena with a view toward analyzing the data collected using linear multiple regression (Deshpande 1982, Jobber & Watts 1986, and Moorman 1995). The most notable of these studies that were reviewed in some detail in chapter six is that of Jobber and Watts (1986) who have studied the impact of some organizational, attitudinal and personality factors on the use of in-house marketing information systems using a Likert scale to measure both use and other variables and subsequently analyzed data using linear multiple regression. Jobber and Watts (1986) have also cited several studies examining the use of management information systems using a Likert scaled data with linear multiple regression. This point ought to be stressed here because it is the near metric nature of data that lends it its ability to approximate normality and fitness for running a useful multiple regression analysis.

4 Adequacy of the scope and range of data:

As previously hinted when discussing sample size, the existence of a number of observations that are sufficient to the selected statistical technique is a necessary condition for the technique to produce useful results. There are no strict rules of thumb or definitive statistical standards for answering the question of what can be considered large enough number of observations. However, there are three major pitfalls encountering any regression analysis that does not reasonably satisfy this assumption of adequacy:

- 1 A regression model may not yield a trustworthy prediction of the dependent variable when the value of the independent at which the prediction is desired falls outside the range of values used in constructing the model. This point is not quite relevant to the data collected in this research because the constant use of a Likert scale in measuring all independent variables will prevent the occurrence of any outliers falling outside the range of the scales if the same measure is used each time such variables are used for prediction. In fact, this elimination of the influence of outliers on the predictive ability of the regression model is one of the apparent strengths of using a Likert scaled data with multiple regression (Oumlil and Balloun 1990).
- 2 A regression model based on relatively few data points can not be trusted. Sample size and, hence, the number of data points available are especially critical in multiple regression analysis because the inclusion of several independent variables when the sample size is small will lead to an artificially overestimated coefficient of determination (unless adjusted R square is alternatively used). A rule of thumb is to have at least 10 observations for every independent variable in the model (Parasuraman 1991). The large sample size of this research is quite satisfactory to this assumption and as will be seen in the next chapter it has helped in reaching more accurate estimates of the coefficient of determination for the regression equations that were formulated to test the hypothesis and construct the model.
- 3 The ranges of data on the dependent and the independent variables alike can have an impact on the meaningfulness of a regression output. The ranges of values which both types of variables can take must be sufficiently wide and well-dispersed if the regression equation is to be meaningful. Derivation of a meaningful regression model when data on either variable span only a narrow range will be difficult and in some cases could prove impossible. This assumption was aimed to be complied with through including more than one statement in each scale designed to measure a certain variable so that there would be a wide enough range for each variable to vary within. Most dependent and independent variables are measured by either five, four or at least two statements thus making the minimum range for most variables range from one to twenty five,

twenty or at least ten which are reasonably wide ranges for data to vary which was the case as was evident in the tests of linearity, homoscedasticity and normality which have shown an acceptable degree of variation in all variables. However, this limitation exists for the very few variables which could not be measured by more than one statement but as will be shown in the next chapter it did not prohibit them from showing a degree of variation that allowed the provision of some significant correlations.

To sum up, it can be argued that the use of linear multiple regression for analyzing this research data was an appropriate undertaking since no serious violations of its underlying assumptions were detected and the impact of detected violations could be acknowledged and accommodated without threatening the ability of the analysis as a whole from attaining the major research objectives for which it was deemed appropriate to accomplish.

8.5 Conclusions

This chapter has attempted to present and discuss the methodological issues arising after the actual implementation of the empirical data collection and analysis. This has included first, examining the strengths and limitations resulting from structure and characteristics of the sample. Second, finding out to what extent do the scales of the dependent and independent variables represent a reliable and valid measurement process. Third, exploring the appropriateness of using linear multiple regression for testing the research hypotheses and constructing the model as judged by the suitability of the nature and form of collected data for this kind of technique and its underlying assumptions. It was concluded that as far as methodology is concerned, the application of the proposed research method has shown more strengths than weaknesses and limitations and proved to be a valid methodology for tackling this research topic.

Finally, it can be said that the validation process to which this methodology has been exposed throughout this chapter has helped to prove that the process of implementing the methodology is consistent with achieving the major goals of this research. This mission was to establish and sustain a strong link between the conceptual and empirical parts of this research in order to further the two main research objectives concerned with enhancing the understanding and improving the practice of external marketing research information utilization. Since, the proposed methodology was carried out as planned and due to the reliability and validity of its results, this link will be created and developed through the description and interpretation of these results. This process of reciprocal synergy between both parts to reach meaningful conclusions and useful policy implications of the phenomenon of external marketing research information utilization in British companies will be the main crux of the next chapter.

CHAPTER NINE

Analysis of empirical results: Findings and interpretations

9.1 Introduction

The driving theme underlying the design of this chapter is to help achieve the research objectives of improving the understanding and practice of external marketing research information utilization behaviour in British companies. This will be brought about through testing the arguments proposed in the conceptual model delineated in chapter six. This process of analysis and interpretation will be pursued by drawing on all sources of evidence used throughout the chapters which are deductive thinking, relevant literature review, in-depth interviews and analysis of survey data. This chapter will tackle three major tasks which are profiling the demand side of the British marketing research industry, the testing of hypotheses and model interpretation. This chapter will be subdivided into four main sections.

The first section will be concerned with profiling the demand side of the UK market research industry. Despite the considerable amount of research work done on the supply side of the UK market research industry, little work has been carried out to examine the demand side of the industry as noted by Elliot and Jobber (1995). Accordingly, in the belief that such a descriptive profile would have important implications for all parties interested in improving the utilization of external marketing research information, the research will present some general aspects of the demand side of the market research industry.

The second section will aim to outline the formal causal model as consisting of three regression equations for each type of utilization. This model will be accompanied by some descriptive statistics that are considered necessary for testing the hypotheses, interpreting the model's output and checking for some important aspects of the model like multicollinearity.

The third section is assigned the job of testing the nineteen hypotheses stated in chapter five as conclusive statements using multiple regression analysis. The results of such analysis will be presented according to the same controllability-based classification scheme adopted to dichotomize the independent variables included in the model.

The fourth section will concentrate on interpreting the results of the causal model of the utilization phenomenon in British companies to determine the extent of explanation introduced by the model for the level and quality of utilization and the most significant variables affecting each kind of utilization.

9.2 Profiling the demand side of the UK market research industry

As repeatedly suggested in the literature (e.g. Jobber & Elliot 1995 and Deshpande & Zaltman 1982), though the decision to purchase external marketing research and the decision to utilize it are made independently and sometimes even by different parties, there are certain interdependencies between both decisions. This is mainly because the need for commissioning external marketing research almost always stems from the top or lower managerial levels within the marketing department (Jobber and Elliot 1995). Consequently, the kind of needs that underpin a demand for external marketing research information should be expected to indicate in advance the kind (s) of utilization that is going to take place afterwards. This logical sequential association along with the obvious lack of studies on the demand side of the UK market research industry constituted the rationale for asking some questions and collecting some secondary data that were deemed helpful in drawing up a general profile of the demand for independent marketing research services in the UK. It should be noted, however, that this profile is quite general and tentative since it was not among the major deliberate focuses of this research.

The following nine aspects of the demand side of the UK market research industry were covered, relying on data collected using the structured questionnaire in the survey and some secondary data collected from FAME data base about the companies included in the sample. These aspects include general level of utilization and its antecedents, profiles of user companies, market segments, intensity and density of demand, areas of demand, buying and patronage motives and competitive position. It ought to be noted that the ranking of the relative importance of some of the aspects asked about in the survey like uses of external marketing research and buying and patronage motives was made on the basis of the mean value supported by the percentage of respondents giving each time a score of 5 or 4 on the Likert scale. Table 9-1 presents some of the important profiles of the demand side of the UK market research industry according to these calculations. The table includes most popular areas of demand, most dominant buying and patronage motives, and the competitive position of UK firms in comparison to their overseas counterparts.

An important limitation on the conclusions drawn relying on the structure of the sample is that various types of organizations in the sample could exhibit very different purchase patterns. For example though 66% of the sample came from service industries this does not necessarily mean that they are more intensive patronizers of the market research industry because manufacturing companies might be heavier purchasers of the service. Having said that, the relatively high and largely consistent intensity of demand across the sample suggests that it is possible for such conclusions to be reasonably and safely drawn.

Table 9-1
Profiles of the demand side of the UK market research industry

| Aspect od demand | Mean | % of sample |
|---|-------------|--------------------|
| 1-Areas of demand: | | |
| -New product development | 4.8 | 87 |
| -Evaluation of new markets | 4.4 | 81 |
| -Competitive analysis | 4.2 | 80 |
| -Customer satisfaction | 4.2 | 82 |
| -Overall marketing strategy | 3.8 | 76 |
| 2-Buying motives: | | |
| -Lack of relevant experience for certain types of market research studies | 4.3 | 86 |
| -Non-existence of an internal marketing research department | 4.2 | 84 |
| -Cost effectiveness | 3.7 | 78 |
| 3-Patronage motives: | | |
| -Quality of the submitted research proposal | 4.6 | 86 |
| -Past experience with the market research firm | 4 | 79 |
| -Proposed cost of the research | 3.6 | 75 |
| -Nature of the research project in hand | 3.5 | 75 |
| 4-Competitive positions: | | |
| -UK firms | 5 | 99 |
| -EC firms | 2.6 | 10 |
| -US firms | 1.6 | 2 |

- General level and quality of utilization and its proposed determinants in British companies**

The probability distributions of the three types of utilization tend to take approximately the shape of a normal curve, thus indicating that the majority of companies are average users of external marketing research information for all kinds of utilization. Nevertheless, the near-normal curves of the three types of utilization were notably skewed to the right implying that the general level of utilization for external marketing research information is relatively high or at least above average. This is evident from the means of all three types of utilization as a percentage of the maximum total sum of the scales used to measure each type of utilization. These percentages were 56% for instrumental utilization, 57% for conceptual utilization and 54% for symbolic utilization which indicates that British companies utilize external marketing research information almost equally for its three major utilization purposes which supports the argument of the mutual reinforcement among the three types of utilization. Table 9-2 shows the average level (mean) and extent of variation (standard deviation) in the level and quality of utilization and its proposed causal factors suggested by the model. The table also indicates that all dependent and independent variables exhibit a reasonable degree of variance across companies in the sample which may suggest that there is a good case for arguing that there are significant variation in the levels of the three types of utilization across British companies that could subsequently be attributed to variations in the levels of proposed causal variables across such companies.
- General features of customer companies:**

Aiming to reveal possible relationships between utilization and some general features of companies purchasing external marketing research, correlations between all types of utilization and some of these features were calculated, resulting in the following findings. First, there is a reasonably positive and almost equal correlation between all three types of utilization and diversity as expressed by the numbers of SIC index centring around .55 as an average for all kinds of utilization. This is also pinpointed by the fact that 75% of respondents said that the usage of external marketing research varied substantially or moderately across various product classes/lines in their companies. This indicates that the varying nature of the markets within which the company operates motivates marketing decision makers to seek specialized information about these markets.

Second, there is a very strong positive correlation (.83 as an average for all three kinds of utilization) between firm size as measured by sales turnover and number of employees. This is an additional strong support to previously cited findings that large companies have more inclination to purchase external marketing research than medium or small sized firms. This

Table 9-2

General description of the utilization of external marketing research information and its causal factors in British companies in the sample

| Variables | Mean | Standard deviation | Minimum | Maximum |
|---|-------|--------------------|---------|---------|
| IU(Instrumental utilization) | 5.59 | 2.04 | 2 | 10 |
| CU(Conceptual utilization) | 14.18 | 4.66 | 5 | 24 |
| SU(Symbolic utilization) | 13.52 | 4.79 | 5 | 22 |
| OC(Organizational culture) | 14.19 | 2.75 | 5 | 20 |
| RDS(Rational decision style) | 6.19 | 1.19 | 2 | 10 |
| SDS(Symbolic decision style) | 6.33 | 1.93 | 2 | 10 |
| RISKAVR(Risk aversion) | 2.7 | 1.07 | 1 | 5 |
| CONFOBJ(Confirmatory objectives) | 3.39 | 1.11 | 1 | 5 |
| EXPLROBJ(Exploratory objectives) | 1.92 | .97 | 1 | 5 |
| EXPORG(Experience in organization) | 9.57 | 8.22 | .25 | 35 |
| EXPMKTG(Experience in marketing) | 12.25 | 8.51 | .25 | 38 |
| EXPMKTGD(Experience in marketing decisions) | 8.38 | 6.81 | .25 | 30 |
| INTENT(Trust of intentions) | 7.86 | 3.31 | 2 | 10 |
| PRORIENT(Trust of production orientation) | 6.02 | 1.76 | 2 | 10 |
| TEQUAL(Trust of technical quality) | 2.17 | 1.1 | 1 | 5 |
| COSTINFO(Cost of information) | 4.44 | 1.79 | 2 | 10 |
| QUANINFO(Quantifiability of information) | 10.22 | 2.76 | 4 | 17 |
| NONPROG(Nonprogrammability) | 17.09 | 5.11 | 5 | 23 |
| TIMPAC(Time impact) | 4.16 | 3.6 | 1 | 15 |
| FUNIMPAC(Functional impact) | 2.81 | 1.14 | 1 | 5 |
| UNCERT(Uncertainty) | 6.35 | 1.74 | 2 | 10 |
| COMPET(Competition) | 6.33 | 1.85 | 2 | 10 |

strong correlation is consistent with the facts that: 1) 67% of the sample were PLC's which are usually larger than limited companies and 2) 95% of the companies which declined to complete the questionnaire because they do not commission external marketing research are smaller than the companies that have filled in the questionnaire.

Third, no significant correlations were found between any type of utilization and both profitability (measured by return on investment ROI) and growth (measured by growth rate) which might suggest that both features are not antecedents and/or consequences of external marketing research information acquisition and utilization at least during the shorter visible time scales. However, an important reservation is that a proper evaluation of this relationship requires a longitudinal analysis because an activity like utilizing external marketing research information is more likely to bring many of its benefits in the long term (Glazer 1991) and may not always be observed in a cross sectional design.

- **Market segments**

Judging by their relative size in the sample (66%) service companies seem to be heavier users (or at least more concerned with) external marketing research than their manufacturing counterparts.

This finding is a supporting evidence for the argument made in chapter six that the transformation toward a more service society is one of the major challenges facing the UK market research industry. In addition to that, it seems that the severity of competition and uncertainty within each industry is among the decisive factors in purchasing external marketing research (as suggested by the model) since 34% of the sample came from the fiercely competitive and highly uncertain financial services industry. In fact, 86% of marketing directors in this sector of the sample declared that the most important decision area for which they need the contribution of external marketing research are competitive analysis and customer satisfaction which are two sensitive issues to such industries.

On the other hand external marketing research looks like being almost equally important to companies working in consumer markets or industrial markets or a combination of both markets.

Apart from this, external marketing research tends to be purchased by companies doing business in a wide array of manufacturing and service industries as evident from the fact that the sample included companies from the following sectors; heavy engineering, oil exploration and production, chemicals, pharmaceuticals, food and beverage, telecommunications and computers, automobile manufacturing, military equipment, household and office furniture, textiles and ready made garments, toiletries, entertainment, public utilities, banking, insurance, building

societies, construction, consultation services and retailing (large chain department stores and supermarkets).

- **Intensity of demand:**

Most British companies buying external marketing research tend to be regular and frequent users of the service as can be observed from the fact that 77% of the sample said that their companies purchased marketing research services from independent agencies either very or fairly frequently.

This is of special importance to an industry where market size and share, and sales volume rely heavily on repeat business as the market research industry.

- **Density of demand:**

The density of demand for the UK market research industry looks quite high. The most interesting finding is that the geographical spread of the purchasing companies in the sample approximates the geographical dispersion of the UK market research agencies exhibited in chapter six. The largest portion of the sample came from the south of England (especially London area) followed by Northern and Central England respectively and almost equally and the lowest number of responses came from Scotland and Wales. This could be explained by arguing that either the UK market research agencies tend to concentrate their activities or locate themselves near their potential markets and/or that companies are more encouraged to buy external marketing research services if catered by suppliers in their neighbouring areas. This lends special importance to more thorough examination of issues like catchment areas, location and branching for the UK market research industry if it is planning to extend its business locally, nationally and internationally.

- **Areas of demand:**

As indicated in table 9-1, new product development (NPD) is still the most important decision area for frequent users of independent marketing research information as often traditionally suggested by the literature (Bagozzi 1996). NPD is followed very closely by evaluation of new markets, competitive analysis and customer satisfaction. Another emerging important area for using independent marketing research is the overall marketing strategy. On the other hand, the lowest level of using marketing research information were respectively associated with pricing, distribution and promotional decisions. This suggests an increasing trend among companies to make more use of external marketing research for strategic rather than technical marketing decisions which shows the changing image of the role of marketing research that requires a dramatic change in the production technological and managerial strategies and product offerings of UK market research agencies.

- **Buying motives:**

As depicted by table 9-1, the two most important reasons given for purchasing external marketing research were lack of relevant expertise for certain types of market research studies and the non-existence of an internal marketing research department. The next most important reason was cost effectiveness of hiring an independent research agency. All other reasons did not appear to be really important for hiring external market research agencies (not exceeding a mean of 1.5).

On the other hand, three major reasons for not buying external marketing research were mentioned by the companies who did not respond to the questionnaire because of that. These reasons were respectively: 1) The existence of a large and well-equipped in-house marketing research department, 2) Viewing external marketing research as an unduly very expensive service and 3) Perceived uselessness of external marketing research either because lack of trust in marketing researchers' capabilities or because of the belief that these companies already know everything they need to know about their markets.

There are three conclusions of interest that was revealed by these findings, first, specialized expertise of the marketing research agencies is the most attractive asset they have in persuading their customers that they can meet and satisfy their informational needs. Second, internal marketing research departments are largely conceived as an almost perfect substitute to external marketing research. Third and most meaningfully, the fact that research cost was mentioned as an important motive for buying and not buying external marketing research, means that the question of whether to buy the service is not merely a question of cost but of the value expected to be obtained in return for this cost. Most probably, companies that perceived external marketing research as cost effective believe that they get value for their money (whatever value stands for) while those who considered it too expensive believe that they are not going to get real value that is worth spending such money. So, UK market research firms must plan their marketing strategies and promotional campaigns to convey the usefulness of their products rather than compete intensively on a price basis.

- **Patronage motives:**

The most frequently cited criteria to be used in choosing between alternative marketing research agencies, were respectively as shown in table 9-1, : 1) quality of the submitted research proposal, 2) past experience with the marketing research firm, 3) proposed cost of the research and 4) nature of the research project in hand. The remaining criteria which were asked about, did not show much importance in making the decision to patronize (means of 1.8 or less). These results give support to the argument of Jobber and Elliot (1995) that commissioning independent

marketing research is basically a form of rational buying behaviour by British companies. This is quite evident from the highly rational nature of each of the four major most used criteria for selecting a marketing research agency. The dimension of trust is also present as indicated by the importance of past experience with the research firm.

- **Competitive position:**

As suggested by table 9-1, UK market research agencies seem firmly in control of the UK market for marketing research services, far ahead of any other international competitors and also frequently called upon to conduct important research projects overseas. However, European market research firms came second but far behind their British rivals, to be followed distantly by American research agencies. Such evidence is supported by the findings of Jobber (1995) as mentioned in chapter two regarding the competitive position of the UK market research industry.

- **Current and potential demand:**

The two least answered questions in the questionnaire (only 58% answered both questions) were those concerned with the percentage of external marketing research expenditures as a proportion of the marketing budget and the planned expansions or cutbacks in internal and external marketing research which is understandable because of their possibly classified financial nature. According to those who answered both questions, the average percentage of the marketing budget that is annually allocated to buying external marketing research is 10%. On the other hand, 88% of those answering these questions disclosed that they will be increasing external marketing research expenses, while only 7% said they will decrease them and only 4% said they intend to stabilize them. Regarding internal marketing research expenses, 32% said that they are increasing their spending on their in-house marketing research departments, 51% said that they intend to ration them and 17% declared that they are not planning for any changes in them. The average planned increase in external marketing research budget was 25% and only 7% for internal marketing research. By contrast, average planned rate of decrease in external marketing research expenses was 12% and 33% for internal marketing research expenses.

These figures are a clear indication that as above noted, external and internal marketing research are in many cases viewed by marketing directors as perfect substitutes. Therefore, the increase in money spent on one of them is often at the cost of decreasing the money devoted to the other. Nevertheless, an important caution must be made against using the substantial differences between planned increases and decreases in budgets of external and internal marketing research to suggest that there is a greater demand for external marketing research than its internal counterpart. This caution is based on the fact that companies responding to the questionnaire are strong believers in, and subsequently heavy users of

external marketing research and are not representative of the opinions and plans of those that are not in the sample because they are occasional or non-users of external marketing research and are most probably heavy users of internal marketing research. Nevertheless, these figures imply that most British companies buying independent marketing research are planning to increase their marketing research budgets in the following years, hence supporting the view that there is an increasing trend toward outsourcing the marketing research activities (Lawrie 1996). This trend can be an opportunity for UK market research agencies to spare no efforts to increase their share in their customers' marketing budgets through directing their production and marketing strategies toward retention of their present customers and attracting new customers by demonstrating the usefulness of the product they provide.

In order to take this analysis of British companies propensity to spend a step further correlations were calculated among the percentage of marketing budget spent on external marketing research and its planned change and some dimensions like types of utilization (as explained in chapter eight), profitability, growth and company size. While again no correlation was detected between both indicators of external marketing research budget and profitability and growth, relatively high positive correlation were found between them and company size (.73 and .69 respectively). This strongly suggests that commissioning external marketing research is related to the company having the financial resources needed to buy such a service. Again, this positive correlation between independent marketing research expenditures and company size lends support to the growing trend toward outsourcing among larger companies (Namery 1996). Nevertheless, the positive correlation between present and future spending on independent marketing research and the three kinds of utilization suggest that since the decision to commission the service is dominated by marketing directors they tend to make use (for one purpose or another) of the service their companies are paying for.

9.3 Outlining the causal model and its descriptive statistics

This section aims to outline the proposed causal model in the form of multiple regression equations. Accordingly multiple regression was used to build a causal model of external marketing research information utilization in British companies. Testing this causal model will involve two important stages. First, determining the aggregate impact of the nineteen independent variables that were suggested by the research hypotheses on the level and quality of utilization. Second, identifying those individual variables which have the greatest impact on each type of utilization. Third, assessing the viability of such a model through examining the correlation among independent variables to recognize the extent of the existence of multicollinearity and how far it places limitations on the results.

Before outlining the model and its descriptive statistics in tables 9-3, 9-4, 9-5, 9-6 and 9-7, a number of important points of explanation and illustration are worth mentioning. First, as previously explained, though the general level of utilization can be conceptually tackled as a single dependent variable, it is neither logical nor practical to do the same when examining it empirically. It emerged from the in-depth interviews that the different types of utilization are not mutually exclusive but in fact, in many occasions mutually reinforcing (as shown by the correlations in table 9-6) and thus an increase in any type of utilization can be considered as an individual and/or collective rise in the overall level of utilization. This synergy among different kinds of utilization makes the aggregation of the total outcomes of their scales possibly a misleading indicator of the general level of utilization, because for example a marketing director who is utilizing marketing research information exclusively and yet intensively in a symbolic manner can be said to have a higher general level of utilization than another director who pursues all three types of utilization quite lightly.

In conclusion, though all types of utilization can not be isolated in practice, they ought to be segregated for the purpose of analysis. The clear strength of this division is the increased ability to determine the impact of each independent variable on the level of each type of utilization. The problem with adopting this divisive treatment of utilization, is that the coefficient of determination particularly for variables that are hypothesised to affect the general level of utilization rather than a specific type, might be lower than what it might have been (i.e., underestimated) if it was possible to have one dependent variable resembling the general level of utilization. Consequently, since the different types of utilization can not be aggregated and also because some of the independent variables are argued to affect types of utilization differently, the aim would be to come up with a causal model that consists of three multiple regression equations for each type of utilization.

A second consideration is that Beta coefficients rather than ordinary B coefficients are used in formulating the model and comparing the relative explanatory powers of independent variables. Also, though R square is used to show the overall explanatory power of the model, adjusted R square is used to compare between the relative explanatory powers of the model's three equations. The reason for this is that both beta and adjusted R square are more appropriate comparative measures as far as explanatory power is concerned because they represent independent of units of measurement.

Third, In order to determine the overall explanatory power of all nineteen independent variables for each type of utilization, all independent variables were entered together for every kind of utilization i.e., the regression procedure referred to as "simultaneous regression modelling". Subsequently, forward, backward and stepwise regressions were all applied to the three equations to identify the most significant explanatory variables for each type of utilization and all of these three methods of entering independent

Table 9-3
Multiple regression analysis of the proposed causal model of
external marketing research information utilization
in British companis

| Dependent variables | IU (Instrumental utilization) | CU (Conceptual utilization) | SU (Symbolic utilization) |
|---|-------------------------------------|-----------------------------------|---------------------------------|
| Regression statistics | | | |
| R square | .38482 | .42840 | .40777 |
| Adjusted R square | .33571 | .36118 | .34969 |
| OC(Organizational culture) | ** .2584 (4.478) | ** .2556 (4.517) | ** .1979 (3.466) |
| RDS(Rational decision style) | ** .0896 (2.224) | ** .1154 (2.608) | ** .1126 (2.555) |
| SDS(Symbolic decision style) | ** .2460 (3.233) | ** .2182 (2.924) | ** .2956 (3.927) |
| RISKA VR(Risk aversion) | * -.0426 (-1.789) | * -.0613 (-1.857) | * .0478 (1.684) |
| CONFOBJ(Confirmatory objectives) | * -.0659 (-1.634) | -.0039 (-.740) | -.0130 (-1.247) |
| EXPLROBJ(Exploratory objectives) | * .0185 (1.602) | * .0846 (1.655) | * .1010 (1.810) |
| EXPORG(Experience in organization) | * -.0669 (-1.734) | * -.0376 (-1.607) | * -.0410 (-1.633) |
| EXPMKTG(Experience in marketing) | * .0927 (1.637) | * .0952 (1.79) | * .0638 (1.688) |
| EXPMKTGD(Experience in marketing decisions) | -.0415 (-.510) | ** -.1518 (-1.9) | * -.1055 (-1.631) |
| INTENT (Trust of intentions) | * .0716 (1.836) | * .0435 (1.626) | -.0077 (-.845) |
| PRORIENT(Trust of production orientation) | * -.009 (-1.659) | * .0975 (1.746) | * -.0262 (-1.665) |
| TECQUAL(Trust of technical quality) | * .0057 (1.6) | ** .0832 (2.486) | ** .0998 (2.767) |
| COSTINFO(Cost of information) | -.0016 (-.029) | * -.0614 (-1.712) | * -.0387 (-1.695) |
| QUANINFO(Quantifiability of information) | .001 (.018) | * -.0442 (-1.764) | ** -.075 (-2.283) |
| NONPROG(Nonprogrammability) | ** .1534 (2.639) | ** .1174 (2.059) | ** .1148 (1.995) |
| TIMPAC(Time impact) | .0143 (.263) | .0207 (.388) | -.0091 (-.170) |
| FUNIMPAC(Functional impact) | * .0772 (1.737) | .0229 (1.404) | * .0421 (1.637) |
| UNCERT(Uncertainty) | * .0431 (1.605) | .0194 (.326) | * .0474 (1.789) |
| COMPET(Competition) | .0104 (.761) | ** .1272 (1.996) | .0121 * (.889) |
| F | 7.83575 | 8.64754 | 8.27349 |

-Coefficients are beta regression coefficients

-Values in parentheses are t statistics

*Significant at %95 **Significant at %99.

Table 9-4
Multiple regression analysis of the most significant determinants
of external marketing research information in British companies*

| Regression statistics Dependent Variables | R square | Adjusted R square | Most significant variables(backward regression) | | | | | | | | |
|--|--------------------|--------------------|---|-------|-------|---------|---------|--------|----------|----------|-----------|
| | | | OC | SDS | RDS | NONPROG | TECQUAL | COMPET | EXPMKTGD | EXPLROBJ | QUANTINFO |
| IU | .35817 (.38482) | .34802 (.33571) | .2584 | .2460 | .0896 | .1534 | | | | | |
| CU | .38202 (.42840) | .36472 (.36118) | .2522 | .1893 | .1678 | .1227 | .0912 | .1299 | (.0986) | | |
| SU | .38471 (.40777) | .36748 (.34969) | .2077 | .2974 | .1230 | .1318 | .1111 | | | .1121 | (.1063) |

*Empty cells do not imply that there is no significant relationship between the concerned dependent and independent variables, but it denotes that the independent variables were not included among the most significant independent variables affecting this criterion variable by the backward regression procedure.

- Values in parentheses are R square and adjusted R square for the complete simultaneous regression model described in table 9-3.

Table 9-5
Reduction in the model's explanatory power due to exclusion of
groups of variables through regression restrictions***

| Reductions Restricted variables | IU | | CU | | SU | |
|--|----------------------------------|----------------------|---------------|----------------------|---------------|----------------------|
| | % Reduction in R square | Adjusted R square | % R square | Adjusted R square | % R square | Adjusted R square |
| Organizational culture | 13.4 | .05295 | 16.5 | .05787 | 10 | .02997 |
| User variables | 22.9 | .07082 | 27.7 | .08251 | 32.7 | .10805 |
| Producer variables | 1.25 | .00489 | 8.5 | .00961 | 4.6 | .00124 |
| Informational variables | .15 | .00447 | 5.8 | .0001 | 3.9 | .00097 |
| Decision variables | 6.7 | .01568 | 9.1 | .00384 | 5.3 | .00437 |
| Environmental variables | .30 | .00485 | 8.7 | .00792 | 2.9 | .01211 |
| Controllable variables "active" | 54.2 | .18265 | 56 | .1957 | 57.9 | .20139 |
| Noncontrollable variables "Contextual" | 8.5 | .01139 | 12.2 | .01606 | 7.8 | .00464 |

*The percentages are expressions of the relative reduction in R square due to excluding a certain group for comparing vertically among the relative impact of each group on the explanatory power of each regression equation for the three kinds of utilization,calculated as

$$\text{follows} = \frac{\text{Reduction in R square due to restriction of a group}}{\text{R square of the full model for a certain kind of utilization}}$$

*Reduction in adjusted R square are used for horizontal comparison of the relative impact of each group of variables across the three types of utilization

*In order to test for the significance of deletions of causal relationships,a nested hypotheses testing procedure using the general Wald test as recommended by Ramanathan (1992) was followed to test the significance of differences between the various resulting models due to the restrictions made.The differences expressed in terms of error sums of squares for the unrestricted model and restricted models were tested for significance using the following equation for calculating F and subsequently comparing it with tabulated F corresponding to the appropriate degrees of freedom for the numerator and the denominator:

$$F_c = \frac{(\text{Difference in error sum of squares/difference in degrees of freedom})}{(\text{Error sum of squares of the unrestricted model/degrees of freedom of the unrestricted model})}$$

The restriction procedure complies with the only requirement for following such a testing procedure which is that the number of constructs and indicators remains the same,so that the null model is the same for all models,i.e.,they are nested models.All differences proved to be significant except those resulting from the deletion of the causal relationships of informational variables in the three regression equations.

Table 9-7
Tolerance and Variable Inflation Factor(VIF) diagnostics for multicollinearity among the model's independent variables*

| Independent variables | Tolerance | VIF |
|-----------------------|-----------|------|
| OC | .78 | 4.54 |
| RDS | .49 | 1.96 |
| SDS | .45 | 1.81 |
| RISKA VR | .89 | 9.09 |
| CONFOBJ | .85 | 6.8 |
| EXPLROBJ | .82 | 5.5 |
| EXPORG | .88 | 8.3 |
| EXPMKTG | .39 | 1.6 |
| EXPMKTGD | .39 | 1.6 |
| INTENT | .90 | 10 |
| PRORIENT | .80 | 5 |
| TECQUAL | .80 | 5 |
| COSTINFO | .82 | 5.5 |
| QUANINFO | .74 | 3.8 |
| NONPROG | .77 | 4.3 |
| TIMPAC | .87 | 7.6 |
| FUNIMPAC | .88 | 4.5 |
| UNCERT | .71 | 3.4 |
| COMPET | .62 | 2.6 |

*The few cases of relatively low tolerance or large VIF values (though within acceptable levels) could be explained by the fact that they refer to variables that are logically correlated due to their inherent nature. For example, use of research information in different decision making stages (RDS and SDS) and experience in marketing (EXPMKTG) and experience in marketing decisions (EXPKTGD).

variables almost yielded identical results. Hence, backward regression was chosen as the method used for identifying the most significant determinants of utilization. These procedures of simultaneous regression were supported by the checks undertaken to detect multicollinearity which suggest a low degree of correlation between most independent variables as shown in tables 9-6 and 9-7. However, it should be noted that the regression Beta coefficients shown for every independent variable in table 9-5 are those appearing in the overall regression equations where all variables were entered simultaneously and not those resulting from backward regression equation while the R square and adjusted R square are those reached by both the backward and simultaneous regression equations. The reason for this is that backward regression was exclusively used for the purpose of identifying most significant independent variables but the explanatory power of each significant variable must be presented using the regression statistics representing these powers when all independent variables are incorporated in the model to reflect a more realistic estimate of these variables' ability to explain the level and quality of utilization in conjunction with the influences of all other variables which is the case in real world situations. On the other hand, ordinary and adjusted coefficients of determination were shown as calculated by backward regression procedure in order to show how far these significant factors alone can explain the variation in the level and quality of utilization as a further indication of their significance and to serve the research purpose of possibly more focused (or more qualitative) future examination of a limited number of factors affecting utilization substantially.

Fourth, table 9-5 reports the outcome of running a series of restrictions on the three model's equations. This procedure involved alternatively excluding the groups of variables controlled by each party or number of parties, i.e., active versus contextual parties (or controllable versus noncontrollable variables). The purpose of such procedure was to find out how far the overall explanatory power would be affected by the exclusion of each group of variables. The higher the R square reported for each group of variables in table 9-5 the greater their impact on the level and quality of utilization since this indicated that the explanatory power of the model would be significantly reduced if such a group of variables were excluded and vice versa. The usefulness of such restrictions is clear for furthering the case of the controllability dimension when testing the hypotheses as will be clarified in the next section.

Finally, two main procedures were followed to assess the extent of multicollinearity in the model. The first procedure was calculating a correlation matrix of all model's variables (table 9-6) which showed that except for the association between the three dependent variables and between the significant independent variables and their criterion variables, the associations among all independent variables are quite low. The other procedure was calculating tolerance and variance inflation factor (VIF) for each independent variable which are commonly used measures of multicollinearity examining how far each independent variable can be predicted by other independent variables in the regression model. Tolerance values

approaching zero and large VIF values (a usual rule of thumb is 10) indicate a high degree of multicollinearity and vice versa (Hair, Anderson, Tatham & Black 1995). Table 9-7 demonstrates that in terms of both tolerance and VIF values the model suffers from a very limited degree of multicollinearity. The outcomes of both procedures suggest that the explanatory power of the most significant variables chosen by backward regression and of the model in general, is due to the actual influence of all independent variables on the three criterion variables rather than their correlations with each other. Another advantage of this low degree of multicollinearity is evident in that despite the high association among the three dependent variables, the most significant variables for each of them was different which shows the individuality of impact of each significant determinant of utilization. Consequently, in a cross sectional context this has meant that the residuals for the model's three equations were not highly correlated which is a further support for the statistical appropriateness of using linear multiple regression for the purpose of building this causal model.

9.4 Hypotheses testing

The aim of this section is to test the research hypotheses proposed by the conceptual model in chapter five using linear multiple regression analysis. The objective of such testing is to reveal the relative influence of each group of variables as classified on the basis of controllability. Each of the hypotheses will be stated again before being tested as a reminder of the major propositions argued by the conceptual model.

Before that, it should be pointed out that all the arguments that are going to be made about the relative influence of each independent variable across the three dependent variables and in comparison to other independent variables will be grounded on the basis of Beta coefficients, t statistics (table 9-3) and coefficients of correlation (table 9-6) which represent valid bases for drawing comparisons between the explanatory powers of independent variables in multiple regression models (Hair, Anderson, Tatham & Black 1995).

9.4.1 The impact of organizational variables (organizational culture) (Hypotheses 1-4)

Four distinct types of organizational culture were defined and discussed in chapter five. Each type of culture was assumed to have a different impact on the utilization of marketing research information and accordingly the impact of each culture deserved and was subsequently allocated a separate hypothesis. But, according to Deshpande and Webster (1989) and as revealed from the in-depth interviews despite their contradictory nature and conflicting perspectives and goals, all four types of organization culture tend to coexist in every modern organization, but with varying proportions.

The overall culture of any organization is shaped by the end result of this combination of varying degrees of each type of culture and the final influence of this culture on any organizational behaviour like

utilization is an outcome of the collective effects of this mix rather than the single impact of any existing kind of culture. This is most evident in tables 9-6 and 9-8 which show the correlation among the types of utilization and the aggregate index of organizational culture to be much stronger than those among types of utilization and individual types of organizational culture. However, in most cases, one and sometimes two kinds of cultures are dominant to others and thus convey greater influence on the level and quality of utilization.

This is why, though there was one separate statement for each type of culture and another statement for the disclosed organizational culture toward utilization, the outcomes of all five statements were aggregated in one variable indicating the conduciveness of the prevalent organizational culture to utilizing marketing research information. Subsequently, this sum was used as an independent variable called OC with all types of utilization in a regression analysis as shown in the model's regression equations. Unlike the need to segregate utilization, the need to aggregate organizational culture created the problem of testing each hypothesis separately. This problem was overcome by including the scales measuring entrepreneurial and organizational cultures as negative statements since they are hypothesised to discourage all types of utilization while treating other statements measuring planning, political and disclosed cultures as positive due to their hypothesised conduciveness to all kinds of utilization, hence making the total sum of the overall index of conduciveness of organizational culture a reflection of the coexistence each culture, which conforms more with actual realities in modern organizational settings as demonstrated by the exploratory evidence presented in chapter six.

In other words, this was done in the belief that the prevailing attitude toward the organizationally expected role of marketing research information in marketing decision making as perceived by marketing decision maker is an end product of the interaction between the varying degrees of different kinds of cultures coexisting within the organization. Such summative approach to the measurement of organizational culture is supported by several scholars (e.g., Brown and Starkey 1994 and Jones 1995). Furthermore, the direction of relationship among each type of culture and each sort of utilization was supported by creating a correlation matrix of associations among the five scales measuring organizational culture and the three scales measuring utilization as depicted in table 9-8, thus also taking the individual and unique existence into account when testing their related hypotheses.

However, as a further check on the appropriateness of the procedure of combining the scale items used to measure organizational culture in one aggregate index, the five scale items were incorporated in the three models of utilization as five distinctive variables to reveal any significant differences that might emerge as shown in appendix three. Except for minor increases in the R square which is expected as a result of the increase in the number of independent variables in the regression equation, other regression statistics

(including adjusted r square) remained largely unchanged which lends support to the procedure that was followed in measuring organizational culture.

Table 9-8

Correlation between types of utilization and types of organizational culture

| Variables | IU | CU | SU | EOC Entrepreneurial | BOC Bureaucratic | PLOC Planning | POOC Political | DOC Disclosed |
|-----------|----|-----|-----|------------------------|---------------------|------------------|-------------------|------------------|
| IU | 1 | .66 | .66 | .1155 | .0613 | .3418 | (.0898) | .4795 |
| CU | | 1 | .69 | (.0782) | (.0067) | .3958 | .1264 | .4787 |
| SU | | | 1 | (.0403) | (.0659) | .3569 | .3667 | .4757 |
| EOC | | | | 1 | .2554 | (.1667) | .2427 | (.1374) |
| BOC | | | | | 1 | (.0775) | .0299 | (.1765) |
| PLOC | | | | | | 1 | .1595 | .4534 |
| POOC | | | | | | | 1 | .0361 |
| DOC | | | | | | | | 1 |

It is quite evident that organizational culture is significantly associated with all types of external marketing research information utilization. This result conforms with the outcome of the interviews that ranked organizational culture as the most important determinant of marketing directors' utilization behaviour. As will be shown when examining the total explanatory power of the proposed causal model, organizational culture stands out from all other variables as the most significant single variable. When a single variable can decrease the model's ability to explain variation in a complex and multidimensional phenomenon like the utilization of external marketing research information by almost a sixth of its explanatory power as indicated clearly in table 9-5, this indicates strongly how influential it is in shaping the level and quality of utilization. Also the fact that the strongest correlations with all types of utilization were with the disclosed organizational culture toward utilization (DOC), is in line with what has emerged from the interviews, that managers lend top priority to the explicit expectations of their organizations when utilizing external marketing research information. The significance of the relationship between organizational culture and all three types of utilization is further supported by the strongly significant t statistics as shown in table 9-3. Another important point is that through comparison of R square for the three regression equations and also through comparing beta for the regression coefficients of organizational culture in these equations, it is clear that organizational culture affects instrumental utilization more than conceptual utilization and substantially more than symbolic utilization which is consistent with the strong positive causal association found by Moorman (1995) between organizational culture and both instrumental and conceptual utilization. The possible explanation for the greater explanatory power of organizational culture for instrumental and conceptual pursuits of utilization rather

than symbolic ones, is that instrumental utilization is more of a matter of individually-driven rather than organizationally-driven behaviour. Accordingly, the decision of each marketing director to use external marketing research information for achieving political ends is motivated basically by his or her own individually set agenda rather than by explicit organizational culture and policy guidelines. This is also supported by the reluctance of most directors to talk about symbolic utilization in the in-depth interviews (some even denied its existence) and the evidence in previous literature that "politics" is not a popular word for explicit use in organizational context and that it is always replaced by more organizationally acceptable terms (e.g marketing) (Brown & Ennew 1995 and Brown 1994). On the other hand, the professional and organizationally tolerable nature of instrumental and conceptual utilization makes them more of a product of an organizational culture that is creating a conducive climate for their pursuit. Again, this was evident in the interviews in that marketing directors were enthusiastic to show that they practise both of these later types of utilization intensively and that the organizational culture is committed to creating an atmosphere that would encourage them to keep doing so. Support for this is also available in the literature that marketing directors tend to camouflage their political use of external marketing research information with a seemingly rational (i.e. instrumental and/or conceptual) cover (Brown & Ennew 1995). Thus, organizational culture not only influences the general level of utilization but also the relative weights of its components, i.e. its quality as encompassed in its types. Consequently, it can be said that the four hypotheses concerned with the impact of organizational culture on the level and quality of utilization can not be rejected, i.e., there is evidence of a significant relationship between organizational culture and all three types of utilization. The next point that needs to be verified is the direction of relationship between the various types of organizational culture and the different types of marketing information utilization. The following results can be extracted from table 9-8 regarding hypotheses 1-4:

H1: "Organizations with entrepreneurial-oriented organizational culture tend to exhibit a low level of marketing research information utilization which is basically instrumental".

Entrepreneurial organizational culture is negatively related to both conceptual and symbolic utilization and has very weak positive association with instrumental utilization which conforms with what hypothesis 1 is proposing and accordingly the hypothesis can not be rejected in this case. This result lends support to the argument proposed by the causal model that entrepreneurial cultures discourages all types of utilization and the very few incidents of utilization that might take place will be instrumental to satisfy the very few information gaps conceived by entrepreneurial decision makers. The negative correlation between entrepreneurial culture and disclosed culture toward utilization is a further indication that such culture is less likely to produce an explicit encouragement to any sort of utilization.

H2: "Organizations with planning-oriented culture should show a very high level of marketing research information utilization composed mainly of instrumental and conceptual uses, with some less frequent occasions of political use"

Planning oriented culture has shown the strongest positive correlations with all types of utilization which is a strong support for not rejecting hypothesis 2. The point that needs some explanation is that it was more strongly related to conceptual utilization than to symbolic utilization and surprisingly more to symbolic utilization than instrumental utilization. The obvious explanation can be that in such organizations managers are more keen to improve their professionalism and decision making skills (conceptual utilization) since it is the best way for surviving in such a professionally rational environment.

On the other hand, as argued in chapter six, even in such rational climates, politics still exists and it shows up in the need of decision makers to base their decisions on apparently rational grounds even if they were of political substance and this may be why symbolic utilization came ahead of instrumental utilization. In other words, since planning oriented organization requires managers to use marketing research information rationally, i.e, instrumentally, managers strongly feel that they need to be doing so sometimes and/or "look like" doing so most of the time, i.e, behaving symbolically toward external marketing research information. This is consistent with the findings of Sharma (1994) and Moorman (1995) concerning the positive correlation between professional, innovative and knowledge-based organizational culture and the adoption of new information, especially in an instrumental and conceptual sense.

H3: "Organizations with bureaucratic-oriented cultures are expected to show a very low level of marketing research information utilization which is instrumental in nature"

Bureaucratic culture, just like its entrepreneurial counterpart, is negatively associated with symbolic and conceptual utilization and very weakly positively related to instrumental utilization which means that hypothesis 3 can not be rejected. This indicates that bureaucratic organizational cultures demotivate all kinds of utilization except the very few instrumental cases of utilization where they are carried out exclusively in compliance with the formal bureaucratic rules of decision making within the organization.

H4: "Organizations with a politically-oriented organizational culture should result in a very high level of symbolic utilization of marketing research information for political reasons and a very low level of instrumental and conceptual utilization of marketing research information"

Politically oriented culture is positively and strongly correlated to symbolic utilization and negatively correlated to instrumental utilization which is the main argument of hypothesis 4; hence, the null hypothesis for this case can be safely rejected. However, a weak positive correlation exists between

politically oriented culture and conceptual utilization which is rather contradictory to the argument made by hypothesis 4. Nevertheless, a potential cause for this is the desire of managers to learn some decision making and information handling skills that will enable them to make more effective political utilization of information and/or long run outlook to the possibility of using such skills if they moved to an organization with less politically oriented culture.

A general point of support for all four hypotheses is first, the negative correlation between entrepreneurial and bureaucratic cultures and the two other types of culture along with the disclosed organizational culture (DOC) and the positive correlations within similar cultures in terms of their conduciveness or nonconduciveness to utilization which is also consistent with the results of the factor analysis shown in the previous chapter. This supports the decision to include both entrepreneurial and bureaucratic cultures as negative statements when summing up to judge the conduciveness of the overall organizational culture to utilization. In conclusion, it can be said that the testing and subsequent non-rejection of the hypothesis related to the impact of organizational culture reveals its vital role in understanding the various ways in which marketing directors utilize external marketing research information.

In conclusion, these findings provide considerable support for the strong ties suggested in the literature between organization culture and quality and effectiveness of marketing decisions (Moorman 1995, Deshpande, Farley & Webster 1993, and Dunn, Norburn & Birley 1988).

9.4.2 The impact of user-controlled Variables (Hypotheses 5-10)

As depicted in table 9-3, eight variables were regressed on the three different types of utilization to identify the possible impact of the proposed user controlled variables on the level and quality of external marketing research information. The only two things that need to be illustrated before interpreting the results of analysis are that; first the marketing director's experience could not be included as one variable because summing up the three different types of experience would be misleading. For example, if a marketing director has a total sum of experience of 19 years that came originally from 15 years experience in marketing, 3 years in marketing decisions and one year with his present company and another marketing directors has the same total sum of experience but was a result of 5 years experience in marketing, 5 years in marketing decisions and 9 years with his present employer they have entirely different kinds of experience and accordingly are expected to exhibit different utilization behaviours. For this reason three different variables for the three different types of experience were included in the model and as depicted in table 9-3 the previous argument proved to be sound because both the direction and significance of the three variables varied across different kinds of utilization. Second, the two variables measuring the individual decision making style were labelled Rational Decision Style (RDS) to denote the propensity of decision makers to use external marketing research in the more rational stages of problem

definition and evaluation of alternatives and Symbolic Decision Style (SDS) to refer to their propensity to utilize such information in the more politically sensitive stages of determining alternatives and final choice.

As should be logically expected, it is clear from table 9-3 that user controlled variables were the most significant group of variables explaining the largest portion of variation in all types of utilization far ahead of any other group of variables as evident from table 9-5 indicating that such variables account for almost quarter to third of the explanatory power of the model across all kinds of utilization. This logical consequence is a natural outcome of the aforementioned fact that the user is the party who actually exercises the action of utilization and, as argued by the conceptual model, the variables controlled by other parties bring about their influences through affecting the user's attitudes, motivations, cognitions and skills. Another very important and meaningful result that is consistent with the causal interpretation of the impact of organizational culture is that user variables are most dominant in determining symbolic utilization, less dominant in affecting conceptual utilization and least dominant in influencing instrumental utilization which is exactly the reverse order of the causal power of organizational culture which means that both user and organizational variables affect utilization significantly but in different ways. This is explained by the same line of argument put forward in the previous section, which is that while instrumental utilization is a kind of behaviour that is largely due to organizational considerations, symbolic and conceptual utilization are more of an individually motivated set of behaviours. The possible reason for this is that instrumental utilization contributes directly and positively to the quality of decision made and accordingly to the better attainment of organizational objectives, i. e., the organization is the main beneficiary of instrumental utilization. In contrast, conceptual and symbolic utilization generate more benefits to the skills and/or political gains of the user him/herself and accordingly their pursuit is in the main serving individual objectives to the best interest of the user.

This is not to suggest that organizational culture can not influence symbolic and/or conceptual utilization because there is evidence to suggest that it does or that user variables have no impact on instrumental utilization because it appears from the findings that they have. This is just to say that they cause utilizations of different qualities because of their different influences on the three types of utilization. The relationship between most user variables and the three types of external marketing research information utilization was deemed comfortably significant through using t tests for all three equations as demonstrated clearly in table 9-3. However t tests proved some variables to be insignificantly related to some kinds of utilization as shown in table 9-3 which will be discussed when the results of hypotheses testing are presented. The six hypotheses (5-10) proposed about the impact of user variables on the level and quality of utilization were tested in the light of these empirical results and the following outcomes about their arguments were made:

H5: "Decision makers who see information as most crucial in the stages of problem definition and evaluating alternatives tend to show higher levels of conceptual and instrumental marketing research information utilization."

Rational decision style was found to be significantly and positively related to all types of utilization but is most influential on conceptual and symbolic utilization respectively. This conclusion is strongly supportive to hypothesis five and indicates that the null hypothesis should not be rejected. This result is also substantiated by the opinions expressed by interviewed marketing directors about the much needed help of external marketing research in the stages of problem definition and evaluation of alternatives. However the strong correlations between conceptual and symbolic utilization and RDS could suggest that even rational marketing decision makers might have important educational and political goals to achieve in these two highly rational stages of decision making.

H6: "Decision makers who see information as most crucial in the stages of determining alternatives and choice of an alternative tend to show higher levels of symbolic utilization of marketing research information."

Symbolic decision style emerged as the most significant and influential causal factor among the user variables with Beta values considerably greater than all other variables in its group. It inflicts its largest impact on symbolic utilization which is in direct support to the line of argument proposed by hypothesis 6, indicating that it can not be rejected. Nevertheless, there is an important added dimension that this hypothesis fails to reflect which is that symbolic decision style also influences instrumental and conceptual utilization and more so than any other user controlled variable. This outcome is contradictory to the opinion expressed by most managers in the interviews that external marketing research information is not of much assistance in the stages of determining alternatives or choice of the best alternative.

There can be two possible reasons for this contradiction, first, the reluctance of marketing directors to admit that they do rely heavily on external marketing research in such sensitive decision making stages demanding their own judgement and for which they assume responsibility. Accordingly any disclosure of intensive dependence on such information in these stages will be a confession of symbolic use which they tend to deny. This view is supported by the fact that a number of marketing directors did mention frankly that they make intensive use of external marketing research information in these stages to safeguard their status in the organization in the case of any catastrophic decision failures. Second, the importance of symbolic decision style in these two stages where the marketing directors have to make a choice is substantiated by the fact that marketing directors in the survey seem to prefer that the marketing research agency assume the role of an expert system suggesting specific solutions and courses of action rather than a decision support role for the provision of relevant information, hence participating more actively in the stages of determination of alternatives and final decision.

H7: "Risk-averse marketing decision makers are expected to show a much higher level of marketing research information utilization than their risk-taking counterparts"

Risk aversion is positively but very weakly associated with symbolic utilization while a weak but significant negative correlation was detected between it and both instrumental and conceptual utilization.

This suggests that there is insufficient ground for supporting hypothesis seven and that it ought to be rejected. Despite this, the positive contribution of risk aversion to symbolic utilization in particular, however limited, may imply that risk averse marketing directors tend to be more politically sensitive and accordingly are more likely to show a slightly higher degree of symbolic utilization. On the other hand the negative association between risk aversion and instrumental and conceptual utilization might suggest that risk taking managers tend to rely more on external marketing research information than their risk averse colleagues to improve their decisions' quality and managerial skills as a reassurance that their risky behaviour is more of a calculated risk rather than gambling decision making process. This view is supported by the argument of Jobber and Elliot (1995) who argue that the real contribution expected from independent marketing research is its ability to diminish uncertainty in managing a business organization.

The outcome of the test of this hypothesis reflects largely the compromising and vague risk attitudes expressed by marketing directors in the interviews. Another possible cause of the weak significance of risk aversion's correlation with all types of utilization is the way in which it was measured. The possible danger of aiming to measure risk aversion directly is the general tendency among decision makers to seek to look like risk takers and accordingly the possibility of them giving negatively biased responses when asked about their risk aversion. This may have happened in this study because most managers identified themselves on the scale as either risk takers or at best risk neutral and only very few identified themselves as risk averse with most of this latter group even saying that it is their companies' policies not their own attitude, as if it is a charge that ought to be defended. This narrow range of variance in any independent variable will most probably diminish its explanatory power substantially as is the evident case with the risk aversion variable. This a further indication to the difficulties whenever an attempt is made to systematically define and measure risk attitudes.

H8: "Confirmatory marketing research projects usually lead to higher levels of symbolic utilization of their information."

Confirmatory objectives have not shown any significant impact on either conceptual or symbolic variables while but appeared to have a weak negative impact on instrumental utilization. This result suggests that hypothesis 8 should be rejected since confirmatory objectives appear to have no effect on symbolic utilization which is in contrast with the main proposition of this hypothesis. However, the negative impact of confirmatory objectives on instrumental utilization is consistent with the results of Deshpande and Zaltman (1982) and Lee, Actio and Day (1987) that confirmatory objectives affect instrumental

utilization adversely. This result shows that external marketing research that is done just to confirm what marketing directors know is hardly if at all actually utilized and is merely a waste of organizational resources. However, the fact that some directors said that they would extract from the research report what only supports their pre-held views implies that if the report contains nothing supportive it would not be used at all which is apparently the case.

H9: "Exploratory marketing research projects usually lead to higher levels of instrumental and conceptual utilization of their findings."

Although exploratory objectives proved to have a significant and positive, yet limited, impact on both conceptual and instrumental utilization, the acceptance of the argument of hypothesis 9 is largely in question. This is due to the fact that exploratory objectives have shown a greater and more significant impact on symbolic utilization than on the two other kinds of utilization which is contradictory to the underlying rationale of hypothesis 9. Accordingly, this hypothesis can not be rejected, but with an important reservation that the existence of exploratory objectives does not only raise the levels of conceptual and instrumental utilization, but more significantly the level of symbolic utilization. The order of the explanatory power for this variable across the three types of utilization can be explained by arguing that external marketing research information need to be more symbolically utilized in new decision situations where both the likelihood and political cost of making a wrong decision is high. Additionally, such objectives may motivate more conceptual utilization due to the managers' feelings of lack of knowledge and the more pressing need to be educated about decision making in these new situations. The relatively weak influence on instrumental utilization despite the need for such type of utilization to improve the quality of decisions in such situations supports the view that marketing directors may on occasion set their own personal agenda through pursuing more symbolic and conceptual utilization above the interest of their organizations which might benefit from more instrumental utilization in such exploratory decision situations.

H10: "More experienced marketing decision makers are expected to show lower levels of marketing research information utilization than less experienced ones."

The argument of hypothesis 10 for an adverse correlation between experience of user and the utilization of external marketing research information was supported partially through the regression analysis. As expected, the different kinds of experience have shown different influences on the level and quality of utilization. Experience in the organization was negatively associated with all types of utilization particularly instrumental utilization which implies that as marketing directors' acquaintance with the organization's internal and external environments increases the possibility of confronting an entirely new situation decreases and with it the need to utilize external marketing research information particularly instrumentally. In accordance with that and more explicitly, experience in making crucial marketing

decisions seemed to have a stronger negative impact on both conceptual and symbolic utilization and no significant impact on instrumental utilization. As argued in the conceptual model, the perceived need of marketing directors to educate themselves or to use external research information as a political shield dwindles significantly if they feel they have long enough experience in general and in marketing decision making in particular. Thus, the hypothesis can not be rejected but with only one important exception. The only apparent contradictory exception to this latter argument is, the positive impact of experience in marketing on all types of utilization. The greatest impact of experience in marketing is on conceptual utilization followed by instrumental utilization possibly explained by arguing that going through more and more marketing dilemmas, experienced marketing directors may start to value the educational and functional role of external marketing research and the kind of improvements it can contribute to their long term decision skills and the quality of their present decisions. The relatively lower positive impact of experience in marketing on symbolic utilization is a further indication that though experienced managers might use external marketing research information for political reasons, their need to do so decreases as they become more experienced. Nevertheless, since experience in marketing is of a professional and technical kind and does not bear important elements of political experience like experiences in organization and marketing decision making, those directors who have long experience in marketing as a function but are recent recruits to their organizations and/or top management positions and accordingly unfamiliar with the inner intricacies of organizational and decision making mechanisms will still seek some political protection through the symbolic utilization of external marketing research information. This peculiar nature of experience in marketing possibly explains the different direction of its impact on utilization from that of the other two types of experience. This finding pinpoints the importance of distinguishing among different types of experience in contrast to the unidimensional view of marketing managers' experience as advocated by Perkins and Rao (1990).

9.4.3 Impact of producer-controlled variables (Hypotheses 11-13)

As indicated in chapter five, users' trust of the marketing research agency was believed to be one of the most effective weapons possessed by the producer to shape the level and quality of external marketing research information utilization. Three specific kinds of trust were chosen to be tested, i.e., trust in intentions, production orientation (self image) (i.e., DSS vs. expert systems orientations), and technical quality. The only thing that needs to be made clear before presentation of results is how leading questions were avoided because they are problematic when asking about sensitive issues like trust and the best way of avoiding this danger is through striking a balance between positive and negative statements when designing scales for measuring trust (Bagozzi 1996). Trust of intentions was measured by two statements, one positive and the other negative. The same approach was followed for measuring production orientation with one positive statement measuring preference for a decision support orientation

(hypothesised to increase utilization) versus one negative statement measuring preference for an expert system orientation.

The power of producer controlled variables in explaining variations in the level and quality of utilization proved to be one of the lowest (though significant according to t tests) among all other groups of variables and only second to that of information variables. As indicated in table 9-5 producer controlled variables if excluded can only decrease the explanatory power of the model for different types of utilization by substantially less than 10%. This suggests that the producer can only exercise very limited influence on the process of utilization compared to other active parties, i.e, the user and the organization.

The possible justification of this relatively weak position of the producer in the utilization process is that users and their employing organizations formulate their objectives and policies concerning the level and quality of utilization for considerations that are determined independently from the degree of their trust in the intentions and/or capabilities of the marketing research agency. This attitude is supported by the relatively high degree of trust in all aspects especially intentions (the mean was 7.86 of 10) most respondents have expressed toward their marketing research agencies and also in the in-depth interviews as previously mentioned in chapter seven. This is a natural outcome of the fact that the information producer is chosen through a decision process that is almost entirely manipulated by the user (marketing director) and the organization (managing and financial directors) as described by Jobber and Elliot (1995). Accordingly, users and their organizations will only choose to patronize producers that they can trust and accordingly will use their research reports in any manner of utilization they wish, in order to achieve their organizational and/or individual objectives. Hence trust is a prerequisite that its existence is ensured before any attempt to utilize the marketing research information produced. So, it can be said that significant variations in the level and quality of utilization might be due to other factors other than trust in the producers' intentions and/or capabilities because this trust is a condition for commissioning marketing research in the first place as revealed by the comments of so many respondents to the questionnaire.

In terms of quality of utilization, producer controlled variables seem to affect positively both conceptual and symbolic utilization respectively considerably more than symbolic utilization. Again this is a third indication to be added to those coming from testing organizational and user variables that users are more concerned with conceptual and symbolic utilization because they relate more strongly to the achievement of their own objectives than instrumental utilization that is often linked to organization objectives. This is evident from the increasing importance that users lend to trust if they are about to utilize the research information conceptually and/or symbolically to make sure such information would not fail them, but this issue of trust does not seem to make much difference when it comes to utilizing research information instrumentally for the sake of the organization as a whole. Technical quality was shown to have the most powerful impact on utilization followed by intentions and production orientation respectively which

conforms with what came up from the interviews that the most important foundation for trusting the producer is the perceived quality of the final research report.

The superiority of quality to the other two producer controlled variables is due to the fact that high quality research reports can be used effectively and “safely” for pursuing any kind of utilization with considerable assurance that this would result in the fulfilment of desirable functional, political or educational ends. It is also logical that trust of intentions will be more significant than the production orientation because it is the logical starting point for choosing to do business with a certain research supplier. The results of testing the three hypotheses related to this group of variables relying on the data contained in table 9-3 were as follows:

H11: “The more the intentions of the marketing research firm is perceived by the user as professionally neutral and helping intentions, the higher the expected level of marketing research information utilization.”

Intentional trust was found to be significantly and positively correlated with the instrumental and conceptual types of utilization and was not found to be significantly related to symbolic utilization which means that the null hypothesis ought to be rejected for hypothesis 11. Trust of intentions has most impact on instrumental utilization followed by conceptual utilization. This might suggest that intentional trust is a necessary condition for utilizing information instrumentally because its lack might lead to the user’s belief that such information could be misleading and damaging to the situation in hand. The adverse effects of lack of trust are probably less important for conceptual and symbolic utilization and easier to avoid.

H12: “The more the marketing research firm’s orientation in production (self image) is perceived by potential users as a decision support system rather than an expert system the higher the expected general level of marketing research information utilization.”

The decision support orientation is negatively associated with both instrumental and symbolic utilization and only has weak positive association with conceptual utilization which suggest that hypothesis 12 must be rejected.

This indicates that when utilizing marketing research information instrumentally and/or symbolically marketing directors would prefer the marketing research agency to assume the role of an expert system rather than that of the decision support system. The obvious explanation for that in the case of instrumental utilization is the lack of directors’ knowledge of many decision situations in the contemporary rapidly changing marketing environment and accordingly their need not only for relevant

information but also for some one to recommend a specific decision to be made. By the same token, symbolic users of external marketing research need either the report to recommend the course of action they want so that it can be sold out to others in the organization as a rational decision, or to show that the final decision was suggested by an external professional party to protect themselves politically by laying the blame for any failures on the shoulders of that party. In contrast, conceptual utilization is more likely to happen when the marketing research report is informative and presents an objective analysis of the possible alternatives rather than aiming to render a certain point of view dominant throughout the report because the earlier type of reports (decision support) might be more conducive to learning than the latter types (expert systems).

H13: "The higher the perceived technical quality of the final marketing research report the higher the expected general level of utilization of information included in that report."

As mentioned earlier, technical quality of the final marketing research report proved to be the most significant producer controlled variable affecting the level and quality of utilization. Perceived technical quality is positively, significantly and almost equally related to conceptual and symbolic utilization while considerably less associated with instrumental utilization. This outcome is in strong conformance with the argument of hypothesis 13 which is therefore, not rejected. As previously mentioned, this is an additional firm indication that marketing directors give weight to the quality of information they utilize for their own political and educational interests and become less keen or more lenient on ensuring this quality if the information is to be used for strictly functional reasons boosting organizational interests. This finding on the importance of technical quality on the level of utilization gives support to the importance of behavioural trust among all other types of trust, as advocated by Moorman, Deshpande and Zaltman (1992, 1993) in marketing research relationships and also to the mounting evidence in the literature of the positive contribution of high quality research reports to the rates of their usage (Deshpande & Zaltman 1982 and Menon & Varadarajan 1992).

9.4.4 Impact of informational variables (Hypotheses 14 & 15)

Two informational variables were incorporated in the conceptual model and tested empirically for their impact on the level and quality of external marketing research information. These two variables are the perceived cost of information and the degree of quantifiability of information. Each variable was measured by a number of statements comprising negative and positive statements to comprehend and properly reflect the wide ranging differences of marketing directors' opinions concerning these variables that were evident in the interviews.

It can be easily noticed from t tests for the regression coefficients of information variables shown in table 9-3 and from the restrictive regressions in table 9-5, that this group of variables provides the lowest degree of explanation for, and significant association with all three types of utilization. This was quite evident by the fact that the impact of the deletion of their causal relationships was insignificant according to the nested model testing undertaken. The possible reason for this minimal explanatory power of informational variables can be based on, and attributed to the same justification made for the similar (yet lower) weaknesses exhibited by producer controlled variables. This suggests that information and all its inherent characteristics like its cost and quantifiability are background or contextual variables that ought to exist anyhow for any kind of utilization to take place. Information is increasingly becoming more and more of a tailored service that can be largely adapted and shaped according to the very peculiar needs of marketing managers. This is endorsed by the emergence of what might be called demand-tailored software information technology and the intensifying rivalry among marketing research agencies for market share in a constantly changing market indicated in chapter six. This quest for customer satisfaction in the market research industry means that the nature of research information is largely manipulated by users' needs, thus making the suitability of information in terms of cost, quantifiability...etc., a necessary precondition for any utilization of such information to take place. So, the information contained in the final research report will almost always be put in the form requested by the user and/or his or her organization disregarding the level and quality in which this information is going to be utilized. However, information variables seem to be rather more powerful in explaining instrumental and symbolic utilization than conceptual utilization suggesting that marketing directors could learn from any type of information but the way they use information to improve the quality of their decisions or to send certain signals across the organization is slightly more affected by the nature of such information.

Additionally, cost and quantifiability of information seems to have a negative influence on the level and quality of utilization which can be traced to two obvious reasons first, cost (price) is not usually treated as an indicator of quality in the case of marketing research as an industrial service (Webster 1991). Second, the important signals that can be transmitted to others in the organization through utilizing rather more qualitative information that can be more easily twisted and distorted than quantitative information.

In conclusion, using the regression data in table 9-3 to test the two hypotheses proposed for the impact of informational variables resulted in the following results:

H14: "Marketing research information that is perceived by potential information users as produced at a high cost tend to be more utilized generally."

The perceived cost of information has a very small, yet negative and significant impact on conceptual and symbolic types of utilization, i.e., marketing research studies that are perceived by prospective users as

expensive are less likely to be used for conceptual and symbolic purposes of utilization and not significantly related to instrumental utilization. However, cost of information is more influential in explaining conceptual than symbolic utilization. Thus, hypothesis 14 can be rejected in statistical terms.

This might indicate that a considerable number of marketing directors still look at external marketing research as an unduly expensive industrial service that does not always provide value for money as suggested by Jobber and Elliot (1995) and Harrari (1994). At the extreme of such attitudes, some marketing directors may believe that cost is not only a misleading indicator of information quality but also take it as an indicator of poor quality as argued by some industrial marketing researchers suggesting that marketing directors in some companies feel hostile towards industrial services that they judge it to be too pricey and thus a negative correlation between price and perceived quality become quite probable in such situations (Webster 1991). This could serve as a possible justification for marketing directors being discouraged to utilize information that they perceive as costly for educational purposes since they think it does not contain value that is comparable to its cost and the same logic goes for political goals but with a lesser degree for the occasional political need to justify high cost of information through symbolic utilization. Furthermore, it seems that marketing directors are indifferent to cost of information when utilizing external marketing research instrumentally which is logically expected because it becomes a sunk cost that is irrelevant to the decision situation in hand. The apparently low-profile role of cost of information in explaining variations in the level and quality of utilization can also be partially explained by the rather marginal portion of marketing budget that is allocated to external marketing research according to survey data (around 10% in average) when compared to other marketing expenses like promotional or product-related expenditures. This view is best demonstrated by one of the interviewed marketing directors when she said *"I tend to view The cost of any marketing research project as a sunk cost that would not compare by any means to the substantial organizational (instrumental) and personal (conceptual and symbolic) costs of making a catastrophically wrong decision for which the project was commissioned"*. This finding can be considered an empirical challenge to the conventional wisdom about the traditionally assumed positive relationship between cost of information and the level and quality of its utilization (Menon and Varadarajan 1992) which is also evident in the fact the importance of cost of information in judging the quality of information or in determining the level and purpose of utilization was downplayed by the majority of marketing directors in the survey giving it one of the lowest means for independent variable (4.44 of 10).

H15: "The more accurately quantifiable the marketing research information produced the higher the expected general level of its utilization."

No significant relationships were found between quantifiability of information and instrumental utilization while very weak and slightly significant negative relationship was found between quantifiability and symbolic and conceptual utilization respectively. Consequently, there is a case for not

rejecting the null hypothesis. The explanation for this is most evident in the clear diversity of marketing directors' attitudes toward the comparative usefulness of quantitative and qualitative information in the interviews which indicates that both types of information can be used effectively in any manner of utilization that is needed by the decision maker, thus making the level and quality of utilization indifferent to the whether the bulk of information in any research report is qualitative, quantitative or a bundle of both. Nevertheless, the negative association between quantifiability of information and symbolic utilization tends to suggest that qualitative information is more suitable for political purposes since verbal statements can be more easily and flexibly taken out of context and granted different meanings than rather hard and rigid figures characterizing quantitative data which is consistent with the findings of Lee, Actio and Day(1987). Also, the weaker negative association between quantifiability of information and conceptual utilization might mean that qualitative information provides a broader base of knowledge that is more suitable for learning purposes as suggested by Slater and Narver (1995).

9.4.5 Impact of decision-related variables (hypotheses 16 & 17)

The two decision related variables that were hypthesised in the conceptual model as having a significant effect on the level and quality of external marketing research information utilization are programmability of decisions and potential impact of decisions. However, there are two important points that need clarification before presenting regression results and test the hypotheses related to these two variables. First, though the term programmability was the term used in chapter five to refer to the degree to which the decision making process can be structured, the actual subject of measurement was nonprogrammability, virtually measuring the same construct. Though both variables are evidently directly related, nonprogrammability was preferred because it is the variable believed to be positively related to the use of marketing research information, i.e, nonprogrammability prompts the need to marketing research information utilization. Accordingly, the three nonrepetitive types of decision situations were treated as positive statements and vice versa for repetitive types of decision situations. The decision impact variable had to be broken down into two variables, one measuring the time impact of the decision and the other its cross sectional impact. This was a result of the dual nature of the impact of any decision which is reflected across time for the marketing department and across functions for the whole organization. Although, both types of influence address very much the same issue, i.e., the far and organization-wide repercussions and irreversibility of the decision, they are of entirely different nature that would make summing them up produce a meaningless figure.

In aggregate, decision related variables were found to be the third most powerful group of variables affecting the level and quality of external marketing research information utilization next to user and organizational variables respectively. As depicted in table 9-5, this finding is supported by the fact that this group of variables, if excluded, can diminish the model's capacity to explain variations in the level of

the three different kinds of utilization and this is confirmed by the significance of the coefficients evident in table 9-3 for the three regression equations relating these variables to utilization. It is also clear from table 9-5 that decision related variables exhibit their greatest impact on conceptual utilization followed by approximately equal impact on instrumental and symbolic utilization. This can be straightforwardly explained by the argument that variables like nonprogrammability and decision impact have significant influences on conceptual utilization because crucial and nonrecurring decision situations offer an opportunity for learning and developing managerial capabilities. In addition to this, such situations represent a strong impetus to marketing directors to seek political shelter against their possibly serious outcomes. Also, nonprogrammability and decision impact are largely objective, technical and professional factors that must be taken into account to warrant a minimum level of quality in the decisions being made, thus encouraging instrumental utilization.

Nonprogrammability stands out clearly as the most influential and significant single variable among the three decision related variables. A possible explanation may be that if marketing directors failed to commission and utilize external marketing research information when dealing with unfamiliar situations, the chance of making serious mistakes would be much greater. This may not be exactly the case with both time and functional impacts of a wrong decision which may not surface immediately after making the wrong decision (sometimes such influences are not even anticipated until they actually start to show up). So, nonprogrammability is slightly more powerful in explaining variations in conceptual utilization because of the need to learn relevant and objective information and develop new skills in such often ill-informed decision situations. However, nonprogrammability remains a significant explanatory variable for symbolic and instrumental utilization because of the political necessity of showing to important others in the organization that such decisions which rarely confront the organization were based on ostensibly high quality information from a reputable marketing research firm. Furthermore, nonprogrammability also encourages instrumental utilization since it creates a situation where most marketing directors feel that there is a lot that they need to know not only for the present circumstances but for similar future conditions as well if they wish to make decisions of reasonably high quality that such situations deserve. Along with that, both functional and time impact remains significantly effective to all types of utilization due to the above mentioned reasons of the general importance of decision related variables to level and quality of utilization.

The two hypotheses that are concerned with the impact of decision related variables were tested according to the regression data available as follows:

H16: "Marketing managers facing nonprogrammed decision situations will show a much higher general level of marketing research information utilization than when facing programmed decision situations."

Nonprogrammability is significantly and positively correlated with all types of utilization and accordingly hypothesis 16 could not be rejected since programmability was hypothesised to relate negatively to utilization. The rationale for this relatively strong association is embodied in the above mentioned reasons for utilizing external marketing research information in highly nonprogrammable decision situations. This influential causal impact of nonprogrammability is an additional support to the vast literature in decision sciences and management information systems suggesting that ill-structured decision situations represent one of the major motivations for increased use of systematically produced research information for all possible ends (Kyaalp 1987, Simon 1987 and Turban 1987).

H17: "The more cross-functional and long term the potential impact of a certain decision, the more marketing decision makers will seek to utilize marketing research information as a basis for making such a decision."

Functional impacts of a decision are positively and significantly enough associated with instrumental and symbolic kinds of utilization and not significantly associated with conceptual utilization. On the other hand, no significant correlation was found between time impact and all three types of utilization. This suggests that the null hypothesis for hypothesis 17 should be rejected as far as the functional impact of decisions with a main reservation due to the insignificance of time impact of decisions. Generally functional impact was found to be more significant than time impact, probably because marketing decisions that will affect other functions in the organization need to be more strongly substantiated than those that have long term implications but for the marketing department exclusively. Functional impact is more relevant to instrumental and symbolic utilization respectively while not significantly associated with conceptual utilization due to the need to show a high level of decision quality and reasonable rational justifications for decisions made to others within the organization whose objectives and/or policies are affected by the cross functional nature of the decision for which external marketing research information was generated. On the other hand, time impact has no significant correlation with all kinds utilization possibly because marketing directors have all three kinds of functional, educational and political objectives in all decision situations with long or short term implications and hence, would like to further such goals through utilizing external marketing research information in all possible means.

The results arising from the regression analysis and hypotheses testing of the impact of decision related variables on the utilization of external marketing research information is in, to a large extent, conformance with the opinions expressed by marketing directors in the interviews toward such variables and also with the arguments made by Perkins and Rao (1991) concerning the relationship between ill-structured decision situations and the need for marketing research information specifically.

9.4.6 Impact of external environmental variables (hypotheses 18 & 19)

The possible impact of the external marketing environment on the level and quality of external marketing research utilization was incorporated in the proposed model as encompassed in two variables; environmental uncertainty and degree of competition. Two statements, one positive and the other negative were used for measuring each of the external environmental variables. This mix of negative and positive statements was meant to reflect the two contradictory generally-held views by most marketing directors about the influence of uncertainty and competition on the perceived role of external marketing research information in the decision making process within the marketing function.

As table 9-5 indicates, external environmental variables have a significant but small impact on both the level and quality of external marketing research information. It can be drawn from the above table and regression statistics in table 9-3 that external environmental variables can be used to explain a slight but significant part of variations in the level of the three kinds of utilization. This group of variables is most significant and influential in conceptual utilization, perhaps because marketing directors conceive their external environment as highly uncertain and fiercely competitive, they are more likely to envisage a need to acquire new information handling skills and improve their existing decision making capabilities to cope with this ever-changing environment. However, external environmental variables also exert some influence on instrumental utilization because of the logical need for continuously updated information to deal with turbulent environments and fiercely aggressive competitors as argued by Glazer and Weiss (1993). Also, such variables have a bearing on symbolic utilization because of the need to satisfy the understandable organizational expectation that marketing decisions in such dynamic environments must be grounded on objective and dependable evidence that will help the organization look carefully before it defines its policy in any area under these fluctuating conditions. In broad terms, competition is slightly more significant in explaining the level and quality of utilization than uncertainty which could be traced to the argument that competition impose more threats and opportunities for marketing decision makers than any other possible source of environmental uncertainty (Porter 1985).

Testing the two hypotheses that were proposed regarding the influence of uncertainty and competition on utilization resulted in the following findings:

H18: "Decision makers conceiving their own business environments as having a high degree of uncertainty will show a higher level of instrumental and symbolic marketing research information utilization, and a lower degree of conceptual utilization."

Uncertainty is positively and significantly correlated with instrumental and symbolic types of utilization while not significantly correlated with conceptual utilization. This means that hypothesis 18 is not to be rejected with one reservation that the degree of uncertainty was also found to be insignificantly correlated

to conceptual utilization. The possible reason underlying the stronger association between uncertainty and symbolic and instrumental utilization could be that political protection is most needed when due to a higher degree of uncertainty there is a reasonable possibility the outcome of a certain decision might turnout unfavourably, hence a good political explanation must be ready for use in such cases and also a minimum level of decision's quality must be ensured by all possible means in such uncertain environments including the instrumental utilization of research information.

H19: "Marketing managers working in a highly competitive business environment will usually show a higher degree of instrumental and conceptual utilization of marketing research information."

Degree of competition is positively and significantly correlated with conceptual and symbolic types of utilization and not significantly associated with instrumental utilization. Thus, hypothesis 19 can not be rejected with one reservation concerning the insignificant relationship between competition and instrumental utilization. It ought to be noted that there is a high degree of correlation between competition and conceptual utilization compared to symbolic utilization. A possible explanation for this, is that competition can be a fruitful source of real objective and relevant information that can enrich marketing directors' mentality through equipping them with a permanently deep and broad understanding of their industry. Hence making a marketing director possessing such knowledge well-valued not only by his or her present employer but by the industry in large. It should be added that competition has a significant influence on symbolic utilization probably because of the previously mentioned reasons for the general positive association between external environmental variables and this kind of utilization. The possible justification for the insignificant association between competition and instrumental utilization might be that marketing directors base their instrumental utilization on internal environmental consideration, e.g., organizational culture as was evident in the interviews rather than on external environmental circumstances. In other words, marketing decision makers would utilize external marketing research information instrumentally if their organizations expect them to do so disregarding if this required because of external environmental conditions like uncertainty which might be harmful to the quality of marketing decisions in some situation if such external consideration are important.

Table 9-9 provides a summary of the results of hypotheses testing for all the model's propositions that were subjected to test.

Table 9-9
Summary of the results of hypotheses testing for each type of
external marketing research information utilization

| Hypotheses | IU | CU | SU |
|--|-----|----|----|
| 1-Organizational culture: | | | |
| H1: Organizations with entrepreneurial-oriented culture tend to exhibit a low level of marketing research information utilization which is basically instrumental. | A* | A | A |
| H2: Organizations with planning-oriented culture should show a very high level of marketing research information utilization composed mainly of instrumental and conceptual use, with some less frequent occasions of symbolic use. | A | A | A |
| H3: Organizations with bureaucratic-oriented culture are expected to show a very low level of marketing information utilization which is instrumental in nature. | A | A | A |
| H4: Organizations with a politically-oriented organizational culture should result in a very high level of symbolic utilization of marketing research information for political reasons and a very low level of instrumental and conceptual utilization of marketing research information. | A | A | A |
| 2-User variables: | | | |
| H5: Decision makers who see information as most crucial in the stages of problem definition and evaluating alternatives tend to show higher levels of conceptual and instrumental marketing research information utilization. | A | A | A |
| H6: Decision makers who see information as most crucial in the stages of determining alternatives and choice of an alternative tend to show higher levels of symbolic utilization of marketing research information. | A | A | A |
| H7: Risk-averse marketing decision makers are expected to show a much higher level of marketing research information utilization than their risk-taking counterparts. | R** | R | A |
| H8: Confirmatory marketing research projects usually lead to higher levels of symbolic utilization of their information. | R | R | R |
| H9: Exploratory marketing research projects usually lead to higher levels of instrumental and conceptual utilization of their findings. | R | R | R |
| H10: More experienced marketing decision makers are expected to show lower levels of marketing research information than less experienced ones. | A | A | A |

Table 9-9(Continued)

| Hyptheses | IU | CU | SU |
|--|----|----|----|
| 3-Producer Variables: | | | |
| H11:The more the intentions of the marketing research firm is perceived by the user as professionally neutral and helping intentions,the higher the expected level of marketing research information utilization. | A | A | R |
| H12:The more the marketing research firm's orientation in production (self image) is perceived by potential users as a decision support system rather than an expert system the higher the expected general level of marketing research information utilization. | R | A | R |
| H13:The higher the perceived technical quality of the final marketing research report the higher the expected general level of utilization of information included in that report. | A | A | A |
| 4-Informational variables: | | | |
| H14:Marketing research information that is perceived by potential information users as produced at a high cost tend to be more utilized generally. | R | R | R |
| H15:The more accurately quantifiable the marketing research information produced the higher the expected general level of its utilization. | R | R | R |
| 5-Decision situation variables: | | | |
| H16:Marketing managers facing nonprogrammed decision situations will show a much higher general level of marketing research information utilization than when facing programmed decision situations. | A | A | A |
| H17:The more cross-functional and long-term the potential impact of a certain decision,the more marketing decision makers will seek to utilize marketing research information as basis for making such a decision. | A | R | A |
| 6-Environmental Variables: | | | |
| H18:Decision makers conceiving their own business environments as having a high degree of uncertainty will show a higher level of instrumental and symbolic marketing research information utilization,and a lower degree of conceptual utilization. | A | R | A |
| H19:Marketing managers working in a highly competitive business environment will usually show a higher degree of instrumental and conceptual utilization of marketing research information. | R | A | A |

*Accepted, **Rejected

9.4.7 Impact of controllable versus noncontrollable variables

The proposed model, as clarified in chapter five, consists of two types of independent variables which are active independent variables and contextual independent variables. Active independent variables refer to this group of variables that are controlled by one of the three active parties involved in the utilization process which are the organization, user and producer. On the other hand, contextual variables are those variables that are controlled by or due to variables that are intangible but constitute the contextual setting or framework within which the utilization process occurs which are the information, the decision and the external environment. It was considered a desirable goal to identify how much of the utilization process is subject to the control of the three active parties and how much falls beyond their control to reveal the room available for the three active parties to manipulate the level and quality of utilization to achieve their own objectives. In order to do that the 12 controllable variables and the 7 noncontrollable variables were excluded in turn in order to compare the reduction in explanatory power among the similar equations through matching R square and adjusted R square as depicted in the two bottom rows in table 9-5.

The major point of the above analysis is to indicate that the impact of variables that are controllable by the three active parties is much greater (almost double) than the variables controllable by the three contextual parties since controllable variables account for more than 50% of the three model's equations' explanatory power compared to around 10% for the noncontrollable variables. The difference in Wald test between the two nested models of controllable and noncontrollable variables proved to be the most significant among all other differences resulting from restrictions. It might be argued that the number of controllable variables incorporated in the model was more than that of noncontrollable variables thus giving the influence of active parties a greater chance for provision of more explanatory power. A simple reply to this is that it is the statistical power of variables that really matters much more than their number and as will become evident in the next section concerned with interpreting the causal model most significant determinants of all types of utilization are controllable rather than noncontrollable variables.

This suggests that the area of utilization that can be changed through the actions of the three active parties within a reasonable time scale is much greater than that area that falls beyond their control and is unchangeable, at least, in the foreseeable future. In other words, there is much room and potential for all three active parties, to manipulate the utilization process and lead it to their favoured direction. Finally, although the differences between controllable variables in explaining and influencing variations across the three types of utilization are rather small and the same is true for noncontrollable variables, these tiny differences look possibly meaningful.

It seems possible to suggest from table 9-5 that symbolic utilization is the most controllable type of utilization followed by conceptual and instrumental utilization respectively. This seems to be a logical conclusion, since symbolic utilization and conceptual utilization as argued before are more of internally and individually driven behaviours that is basically motivated by personal and internal organizational variables, while instrumental utilization is more of rational and professional behaviour that is naturally more affected and shaped by more objective and/or external environmental factors relating to the decision situation facing the decision maker and thus less subject to the control of the three active parties.

9.5 Causal model interpretation

Tables 9-3 and 9-4 present all important regression statistics of the three types of utilization and their most significant determinants. Since the rationale behind the direction and influence of the impact of each independent variables on the level and quality of utilization were examined in detail in the previous section, the emphasis will be on explaining the more general causal relationships between the three types of utilization and their most significant causal factors in order to draw general conclusions from the model as a whole. Consequently, the following eight findings and conclusions were reached through examining and interpreting the regression data as depicted in tables 9-3 and 9-4:

- 1 The proposed causal model offers its strongest explanation for variations in conceptual utilization (43%) followed by symbolic utilization (41%) and provides its least powerful, yet substantial, explanation for variations in instrumental utilization (38.5%) and all three equations are substantially significant in terms of F test. Taking into consideration that R square is not a very appropriate indicator of the explanatory power of regression models relying on cross sectional data like this one, the explanatory power of the proposed causal model in this research across the different types of utilization can be considered highly satisfactory and hence, making a significant contribution to understanding variations in the level and quality of external marketing research information utilization in British companies. In addition, the explanatory power of this model could have been significantly boosted if it were possible to come up with an aggregate dependent variable representing the overall level of utilization (which was conceptually impossible) instead of dividing the explanatory power of the model's independent variables across the three types of utilization in three different regression equations.**
- 2 The model's greater ability to explain conceptual and symbolic utilization than instrumental utilization might seem strange since instrumental utilization is the most direct type of utilization in contrast to the considerably indirect nature of both conceptual and symbolic utilization. Accordingly, instrumental utilization was widely perceived as easier to capture, measure and examine (Deshpande 1982, and Deshpande & Zaltman 1982). However, this model's ability to**

explain the more indirect types of utilization than the more direct types seems a logical outcome of the nature of most independent variables included in the model. While instrumental utilization is basically a professional, rational, explicit and straightforward managerial behaviour (as was evident from the interviewed directors willingness to talk about it openly unlike the other two types of utilization), most independent variables incorporated in this study were of an organizational, attitudinal, personal, behavioural and sometimes political nature which are more appropriate for explaining highly sophisticated and indirect and implicit organizational behaviours like conceptual and symbolic utilization than instrumental utilization. As a matter of fact, this order of the causal model's explanatory power is a good reflection of one of the main emphases of this analysis which is on the more organizational and behavioural aspects (which have not been adequately addressed as argued in chapter six) of the utilization process rather than professional and technical aspects (which have already received a considerable deal of research attention).

- 3 Organizational culture, symbolic decision style, rational decision style and nonprogrammability of decisions were, respectively, among the most significant independent variables across all three types of utilization. This indicates that these variables if they were possible to be manipulated and controlled properly and considerably by any interested party might, arguably, create a high general level of utilization and/or any of its specific types. The fact that three of these four variables are controlled by the organization and the user suggests that the organization and the user are the most powerful and influential parties in the utilization process. The fourth most significant variable which is nonprogrammability of decisions is a contextual one that is related to the nature of decision which is not controllable to any active party. This means that though it can be argued that there is a large area of the level and quality of utilization that is controllable by the active parties, there is a considerable area of utilization that is not subject to the control of any active party, even if it was the user him/herself. In addition to that, since nonprogrammability is basically a rational variable, it can be argued that the more noncontrollable part of the utilization process is that which is governed by rational factors that go beyond the control of any other party. These factors have a very important influence on the decision making process and are unchangeable within the short run and accordingly must be taken as givens that represent premises or boundaries within which utilization behaviour can vary because of other variables.
- 4 Technical quality of the final research report was among the most significant determinants of both conceptual and symbolic utilization which indicates that this variable, though rational and professional, can contribute to increasing the general level of utilization through increasing

indirect more than direct types of utilization in contrast to the commonly held view of research quality (Deshpande & Zaltman 1982 and Menon & Varadarajan 1992). As explained before, this is mainly because users want to ensure that marketing research information they utilize for their educational and political agenda is of high quality to guarantee the credibility of using it to support this often individualistic agenda which is not very much the case when utilizing such information instrumentally.

- 5 Competition, experience in marketing decisions, exploratory objectives and quantifiability of information were among the most significant variables affecting only one type of utilization which suggests that such variables can be used to promote one type of utilization relatively independently from other types of utilization.
- 6 The most significant determinants of instrumental utilization were: First, organizational culture, second, symbolic decision style, third, nonprogrammability and fourth, rational decision style. This suggests that organizational culture is the most important factor in getting users to utilize information in a way that is instrumental to decision quality. Also, the need to utilize information in all four stages of the decision making process, especially the stages of determining alternatives and final choice, is a strong stimulus for instrumental utilization. Prior even to some individual user- important factors like rational decision style, nonprogrammability of decisions is a decisive factor encouraging marketing directors to make more and better utilization of external marketing research information in such new, ill- or non-structured and overwhelmingly serious decision situations.
- 7 Conceptual utilization is most significantly influenced by organizational culture, symbolic decision style, rational decision style, degree of competition, non-programmability of decisions, experience in marketing decision (adverse impact) and technical quality of the final research report respectively. This order of significance makes a case for arguing that it is the organizational culture that can create an organizational climate that is conducive to organizational learning and create an awareness among marketing directors of their continuous need to learn about their organization and its environment if they wish to live up to their individual and organizational aspirations. However, marketing directors' experience in decision making specifically seems to be a major barrier hindering marketing directors from realizing their need to learn more. On the other hand degree of competition seems to represent one of the most important motivations for marketing directors to pursue conceptual utilization which indicates that competition offers a good learning opportunity as argued by Porter and Miller (1985) and stimulates marketing decision makers to have a more polished professional and knowledgeable

image in their industries for future career prospects. Other significant factors affect conceptual utilization possibly for the same reasons mentioned before throughout this chapter.

- 8 The major significant explanatory variables having an impact on symbolic utilization are, respectively: Symbolic decision making, organizational culture, nonprogrammability of decisions, rational decision style, exploratory objectives, technical quality of the final research report, and Quantifiability of information (adverse impact). As previously argued, individual style and agenda, internal self-calculations and personal judgement as represented by symbolic decision style seems to be the major impetus to pursuing symbolic utilization more than any organizational considerations, even if it was the prevailing organizational culture, since such utilization is usually a purely self interest driven behaviour unlike instrumental and to some extent conceptual utilization. Nevertheless, organizational culture still plays an important role in giving marketing directors room for their political games and the extent and form of these practices of symbolic utilization. Additionally, exploratory objectives seems to create a fertile ground for utilizing marketing research information characterized with novelty symbolically to render a certain pre-held view dominant in such exploratory situations where most other directors do not have any strongly confirmed previous dispositions. On the negative side, quantitative information looks like a major obstacle that diminishes marketing directors' ability to make political use of information. Thus, if desirable by top management, demanding an increase of the quantitative component of the final report can be used as a hurdle to limit the political utilization of external marketing research information, however this might be at the cost of sacrificing valuable insights that might be contained in qualitative information. Explanations of the significant impact of the other most important determinants of symbolic utilization have been tackled already in earlier sections of this chapter.

9.6 Conclusions

This chapter has presented and interpreted the empirical findings of this research. Outlining and explaining the causal model and its descriptive statistics in addition to some other data concerning the general status of the demand side of the UK market research industry made it possible to further the two main objectives of this research, i.e., improving the academic understanding and managerial practice of the process of utilization. Using empirical data to test the research hypotheses proposed by the conceptual model has resulted in a recognition of the relative impact of each party involved in the utilization process through designating the relative explanatory power of each variable (s) under the control of each party on the level and quality of external marketing research information utilization. Furthermore, testing the hypotheses has helped to reveal the extent to which the level and quality of utilization can be controlled by the active parties (i.e., organization, user and producer) and at the same time highlighting the

noncontrollable area that is governed by contextual variables (i.e., information, decision and external environment).

Using multiple regression to build and interpret the causal model has pinpointed the total explanatory power of the proposed conceptual model and its independent variables regarding variations in the level and quality of external marketing research information utilization and the most significant determinants of each of the three types of utilization. Accordingly, the processes of hypotheses testing and model interpretation have helped in achieving the research objectives through substantiating the themes of controllability and causality. The controllability dimension is believed to have contributed to improving managerial practice of utilization through producing useful policy implication to all interested parties. Equally important, the causality dimension can be argued as contributing to better academic understanding of the phenomenon of utilization through providing more rigorously supported and statistically substantiated theoretical conclusions that should introduce stronger insights in the present knowledge in the area and draw research attention to new horizons for the future research agenda in the area. Nonetheless, it ought to be mentioned that presenting and interpreting the empirical findings within both contexts of controllability and causality is a much cross-fertilizing process which creates mutual benefits to improving both academic understanding and managerial practice of utilization as will be evident in the next final chapter devoted to presenting the overall theoretical conclusions and policy implications triggered by such findings.

Finally, profiling the demand side of the UK market research industry might produce some useful guidelines for the policies of all parties concerned with the level and quality of utilization in British companies. Also, the alleged ties between such profile and the utilization process look like a promising area for future research investigation.

CHAPTER TEN

Theoretical conclusions and policy implications

10.1 Introduction

The aim of this concluding chapter of this thesis is to illustrate the extent to which the major objectives that this research was trying to achieve have been fulfilled and to explore the possible routes ahead for research and practice. The first objective of this research was to enhance our academic understanding of the phenomenon of external marketing research information. The second objective was to improve the managerial practice of utilization by all interested parties and actively involved in the process through demonstrating how far each party can exert control directly and indirectly on the utilization process and the kind of managerial implications to which this controllability framework gives rise. While theoretical conclusions contribute basically to the attainment of the earlier objective, policy implications are directed to help attain the latter objective and accordingly are going to be discussed respectively. Theoretical conclusions will take the form of general conclusive and positive points that can be safely drawn from both the conceptual and empirical results along with some further points that are thought to be worthy of future research to be included in a future research agenda. On the other hand, policy implications are going to be expressed as some practical guidelines to each party interested in the level and quality of external marketing research information as a means for achieving some important goals of their own.

However, prior to this, it might be useful to present a brief account of the eight preceding chapters to show how each of them has helped the research to reach this stage of drawing conclusions and implications.

10.2 Summary of the research structure

All chapters constituting this research were designed to help in achieving its main objectives. Chapter one outlined the general design, motivations and objectives of this research along with a brief summary of its subsequent chapters. Chapters two and three demonstrated the practical, academic and managerial importance of researching the topic through outlining the importance of its institutional context, i.e., the UK market research industry (chapter two) and delineating its role in contemporary marketing theory and practice (chapter three).

Chapters four and five aimed at a better conceptualization of the construct of marketing information utilization through discussing the appropriate perspective to analyzing it (chapter four) and how it can be defined and measured in a reliable and valid way (chapter five). Chapter six encompassed the end product of the conceptual framework by presenting and explaining the proposed causal model of external marketing research information utilization.

The methodological base of the research consists of chapters seven and eight. While chapter seven explained how and why the research methodology was designed, chapter eight discussed the methodological consideration of its application. Finally, chapter nine provided a detailed description and explanation of testing the research hypotheses empirically and interpretation of the multiple regression analysis of the causal model.

10.3 Theoretical conclusions (Enhancing academic understanding)

The following conclusions can be drawn as contributions of this research to furthering the academic understanding of the phenomenon of external marketing research information utilization.

First, building a causal model of external marketing research information utilization relying on a carefully balanced mix of quantitative and qualitative research methods seems to be a worthwhile and rewarding research undertaking that can usefully result in conclusions that are conducive to better theorizing and practice. Qualitative research in the form of in-depth interviews was used in exploratory stages to determine and revealed new causal factors affecting utilization and their controllabilities to help formulate the hypotheses and to operationalize the model's variables into measurable scales in a later phase, thus constructing the managerial logic of the causal model (i.e., causation). On the other hand quantitative analysis was brought in to evaluate the model's propositions through a multiple regression analysis of cross sectional data collected from a relatively large and well-dispersed sample of British companies. Consequently, both methodological approaches served different purposes that are complementary rather than competing in constructing a viable causal model of utilization.

Second, utilization is a multidimensional phenomenon and the belief that instrumental utilization is the easiest kind of utilization to reveal and explain (Deshpande and Zaltman 1982) proved to be largely questionable by the proposed causal model's greater explanatory power for conceptual and symbolic utilization than that of instrumental utilization. This panoramic view of conceptualizing utilization is not just an issue of accurate and comprehensive definition and measurement but it is also a question of causation which is a major pillar of this research. As previously hinted, the high degree of positive association among the three types of utilization strongly suggests that they enjoy a highly reinforcing causal relationship. In other words, any two types of utilization if included in a regression model as independent variables with the third type as the dependent variable, would provide the greatest possible explanation of this latter type of utilization. Three multiple regression runs were conducted with each type of utilization acting alternatively as the dependent variable with other two types acting as independent variables have produced an adjusted R square of 51% for explaining variations in instrumental utilization and 55% for both conceptual and symbolic utilization. Such regressions possess an explanatory power that is greater than those offered by most models in the area (including the model

proposed by this research). Consequently, it can be argued that the level of conceptual and symbolic utilization can be used to explain the level of corresponding instrumental utilization and vice versa for all other possible alternative sets of the three types of utilization. This might suggest that the three types of utilization are all measuring the same phenomenon (as this research proposes) and/or more significantly, that they share the same underlying causes. This interactive relationship among the different types of utilization is also evident from the fact that the most significant four independent variables were almost the same across all kinds of utilization and six of the nine most significant determinants of all types of utilization have an impact on more than one type of utilization. So, skipping any type of utilization simply means that the proposed model is lacking an important portion of its explanatory power. Although, all three types of utilization are treated as dependent, the fact that they mutually affect each other means that identifying and manipulating the determinants of any type of utilization would not only lead to favourably influence this specific type of utilization but to magnifying these influences through transcending them to other types of utilization as well. Accordingly, the cost of ignoring certain types of utilization to concentrate on others is the danger of damaging the important possibility of understanding fully not only those types that have been overlooked but also those that have been myopically examined in isolation from some of their most important determinants and/or outcomes. The danger of concentrating on only one side of the utilization process for the overall level and quality of utilization is explicitly declared by Jobber (1995, p.183) after reviewing the available American and British evidence on the utilization of marketing information:

“These findings suggest that marketing researchers need to appreciate not only the technical aspects of research and the need for clarity in report presentation (i.e., instrumental) but also the political dimension of information provision (i.e., symbolic); it is unlikely that marketing research reports will be used in decision making if the results threaten the status quo or are likely to have adverse political repercussions. As Machiavelli said, ‘knowledge is power’. The sad fact is that perfectly valid and useful information may be ignored in decision making for reasons that are outside the technical competence of the research.”

However, exploring the direction and extent of possible causalities and explanatory powers among the different types of utilization is a potentially rich area that is worthy of further research.

Third, this study has, made an important contribution by examining the impact of a number of causal factors on utilization that were not examined in association with the utilization of marketing information in general and marketing research information in particular. A considerable number of these causal variables rendered significant explanations of a substantial part of the variation in the level and quality of external marketing research information utilization. Fifteen of the nineteen independent variables had not been examined before for their impact on the utilization of marketing information. Seven of these new variables proved to be among the most significant factors affecting the level and quality of external marketing research information utilization while most of the other eight variables had a significant but

limited impact on the phenomenon. Two of the other four variables (i.e., technical quality and quantifiability of information) that were previously examined were found to influence the level and quality of utilization in British companies in a way that is different in terms of direction from that suggested by American findings. The encouraging explanatory power of this model with respect to variations in utilization among British companies should be a stimulus for incorporating more variables supported by theoretical and empirical evidence in future studies to provide a better explanation of the phenomenon. However, it should be noted that not only should additional organizational and behavioural variables be included but also some technical and professional variables that are thought to have an important bearing on all or some types of utilization. For example, nonprogrammability of decisions and technical quality, though professional in nature, had often more implications for conceptual and symbolic utilization than instrumental utilization.

Fourth, in addition to the practical benefits that were gained from using the theme of controllability as a classification scheme for grouping independent variables, two important theoretical contributions resulted from the adoption of such a scheme. First, the concept of controllability appears to be a good basis to distinguish among variables that are truly different and that accordingly have more distinctively identifiable impact on the level and quality of utilization. This advantage of controllability-based categorized independent variables is obvious from the weak correlations among the majority of explanatory factors of the proposed model which eliminated the damaging impact of multicollinearity on the outcomes of regression analysis and increased the viability and benefits of simultaneous regression analysis through enabling it to distinguish between the influences of the different independent variables on utilization, hence offering a broader explanation and understanding of the phenomenon. Second, thinking about determinants of utilization in terms of their controllability by parties involved in the process has brought into being the examination of independent variables that were difficult to be identified, and included in a model of utilization if examined in the light of another framework. Examples of such variables are organizational culture, individual decision making style, quantifiability of information, nonprogrammability of decisions, and degree of competition. Such variables can rarely if ever, be looked at in conjunction with utilizing external marketing research information unless this is done in the context of considering the tools available to each party taking part in the utilization process to influence the level and quality of its outcome. Most probably, the addition of more variables believed such as user's approach to information processing, organizational learning, producer's marketing strategy and environmental complexity, to be controlled by one party or another will possibly help in broadening and deepening our understanding of the utilization process. This especially needs to be done essentially for those parties that, though most likely to have a significant impact on the utilization process, the variables included on their behalf in this model were not able to adequately reflect the significance of the relative

contribution such parties make to the quality and level of utilization like producer controlled variables and informational variables.

Fifth, using an “impact” perspective to define and subsequently measure the various types of utilization appears to be a practically valuable and methodologically valid and reliable approach for tackling the issue. This “impact” approach was indirect enough to encourage marketing directors to talk about implicit types of utilization like symbolic and some aspects of conceptual utilization, hence helping to operationalize such constructs and translate them into itemized useable measurement scales. Nevertheless, this “impact” perspective was sufficiently relevant to the phenomenon of utilization to measure it reliably and validly in spite of its indirect approach. This is evident from the positive outcomes of most of the reliability and validity tests that have been administered with an emphasis on the scales designed to measure all three types of utilization. Undeniably, further and continuous testing and improvement of these scales, and development of new ones, are much desirable research exercises in a relatively new area of marketing research. Additional steps in this direction can include, addition of new dimensions of utilization, testing the scales with different audiences and developing new approaches to measuring utilization that is promising in terms of accuracy and comprehensiveness.

10.4 Policy implications (Improving managerial practice of utilization)

The concept of controllability was introduced as the second axis or pillar (coupled with causality) for building the framework that is pertinent to achieving the overall research objectives. Controllability is important from a practical as well as theoretical perspective because of the insights it can supply to those involved in practices related to information utilization. But before presenting the policy implications that can be drawn from the analysis undertaken in this research, an important general limitation ought to be mentioned in advance because it provides a significant constraint on these implications. It should be noted that utilization as a multidimensional phenomenon comprising behavioural and organizational aspects should not be expected to be mechanistically controllable. Such a highly dynamic process like utilization is largely organic and accordingly it can not be easily changed directly and drastically in the short term by any single party (including users) because it is an outcome of certain accumulated and combined influences of various parties conveyed through users’ motivations, attitudes and beliefs that are not, by definition, susceptible to quick and easy dramatic changes even by users themselves. Having said that, this does not negate the fact that all parties involved in the process can significantly influence the level and quality of utilization through devising the factors they have under their control, provided they possess proper understanding of the role such factors can play in the existing organizational and behavioural setting within which utilization occurs.

In adherence to this concern with helping each active party to achieve its own objectives that are sought through utilization, it was necessary to divide the policy implications arising from analysis of empirical results according to the concerned parties as follows:

- **The organization (top management)**

It is clear throughout the analysis of empirical results that although the organization (as often represented by top management) does not actually practice utilization, it can exert a great degree of influence on its level and quality. This research has highlighted the overwhelming impact of only one of the many tools available to the organization to affect the process of utilization which is the organizational culture toward utilization that has proved to be the most important determinant of two types of utilization (i.e., instrumental and conceptual) and only second to symbolic decision style in affecting symbolic utilization. This simply means that the organization through using its culture and other possibly influential organizational factors can create the overall atmosphere within which it can easily promote, motivate and enact the kind(s) of utilization that is in line with overall organizational objectives. Although some organizational analysts would dispute the extent to which the organization can manage its culture (Deal & Kennedy 1982), it is strongly argued that organizations (represented by top management) play the most influential role in shaping their cultures (Jones 1995, Brown 1994, and Starkey and Brown 1994).

It can be argued that instrumental utilization is thought to be the most useful type of utilization to the accomplishment of organizational objectives due to its direct impact on the quality of marketing decisions.

Also, conceptual utilization is believed to be of great benefit to the organization because of its favourable contribution to the enrichment of organizational learning, memory and intellectual capital. Accordingly, since organizational culture is the most significant and positively-related determinant of both types of utilization, the organization has guidance on how it might influence structures, flows of communications and bureaucracies of managerialism that are most appropriate for both types of utilization. In contrast, since symbolic utilization can be argued, in most cases, to have an unfavourable impact on organizational processes and goals because of its incitement to organizational conflicts, infighting and political lobbying and rivalries (Brown and Ennew 1995), the organization and/or individuals within it, must strive to minimize the level or at least the damaging effect of such utilization. Arguably, the best way to achieve this, is by taking the individual career, political and educational aspirations and needs of marketing directors and personnel into consideration when designing the organizational mechanisms and rules directing utilization behaviour. Nevertheless symbolic utilization can be useful in certain situations and thus desirable, e.g., utilizing the marketing research information symbolically to send convincing signals to other directors in the organization to gain their needed support and cooperation in implementing a marketing decision (that was made on rational basis) effectively. The failure to recognize individualistic dimensions does not imply that they are not going to exist, but it rather means that they will pass their

influence on utilization beyond the knowledge and accordingly the control of top management thus drifting utilization behaviour further and further from the path of attaining organizational objectives. A clear example of this occurs when managers pretend to be using certain market research report instrumentally (because they are expected to do so by the organization) to support a new product development decision, thus appearing to abide by organizational rules, while in fact they are using it symbolically to achieve important political individual ends (Brown and Ennew 1995).

Consequently, the organization should deliberately try to increase planning oriented elements in the recipe of its culture and disclose this explicitly in its organizational strategies and policy guidelines concerning utilization. On the other hand, entrepreneurial, bureaucratic and political components of the organizational culture toward utilization must be kept to a minimum whenever possible because of their negative impact on both the level and quality of utilization from an organizational standpoint. In conclusion, the organization must come to terms with the view that underutilized and/or misutilized external marketing research information can only harm it more than it can harm any other party making it the greatest loser of such malpractices of utilization.

- **The user (Marketing decision makers)**

Philip Kotler considered the narrow conception and myopic view of marketing research held by some marketing managers as one of the major obstacles standing in the way of greater utilization of marketing research, hence arguing (1994, p.143):

"Many managers see marketing research as only a fact finding operation. The marketing researcher is supposed to design a questionnaire, choose a sample, conduct interviews, and report results, often without being given a careful definition of the problem or of the decision alternatives facing management. As a result, some fact finding fails to be useful. This reinforces management's idea of limited usefulness of some marketing research."

The implications of this argument are much in conformance with the findings of this research suggesting that though the user "looks like" and "actually is" the most dominant party in the utilization process, he or she alone can not solely guarantee its success in achieving its objectives (not even those of the user) without active and intensive cooperation and well-managed relationships with other parties involved in the process. This is most evident in the fact that only four of the nine most significant variables influencing the level and quality of utilization were controllable by the user. Though, it is true that two of these four variables (i.e., symbolic and rational decision styles) were among the most powerful of these nine causal factors, but the clear policy implication remain that if the user is to utilize external marketing research information in a way that will achieve his individual and/or organizational objectives, he or she can only do that by deliberately taking notice of, comprehending and giving weight to significant causal

variables by other parties. Ignoring the impact of such variables might lead to the user adopting a utilization mode of behaviour that is drastically inappropriate for the situation he or she is facing and accordingly unsuitable for achieving his or her objectives. For example, overlooking the prevailing organizational culture toward utilization, technical quality of the research information and the degree of nonprogrammability in the present decision situation could mislead the marketing decision maker to pursue utilization practices that are counter-productive to his or her functional and/or educational and/or political objectives. For instance, a marketing director may utilize the findings of a market research report exclusively in an instrumental way and reached a decision of high quality that is expected to improve organizational effectiveness. However, if he or she failed to recognize the long term educational implications that are due to the newness of the decision situation and the political implications, then he or she is running the risk of not equipping him/herself with the longer term abilities to handle similar future situations more efficiently through conceptual utilization. Even worse, he or she is facing the danger that the decision, though of high quality, be poorly implemented or not implemented at all because he or she failed to utilize the research report symbolically to obtain the consent and support of other important people in the organization, thus, damaging the functional benefits he or she was seeking from his or her instrumental utilization.

So, the user must make his or her mind up on the way in which external marketing research information will be utilized through continuous and effective collaboration with the other two parties (i.e., the organization and the producer) while recognizing the constraints imposed by contextual parties.

Another important policy implication is that the user must familiarize him/herself with all the alternative possible venues that are available for utilizing external marketing research information. The user must avoid self-deception and start to see the point that utilizing marketing research information instrumentally and/or conceptually with a view toward achieving organizational along with his or her personal objectives is not a valueless managerial exercise even from an individualistic perspective. On the contrary, in many cases such hybrid utilization behaviour, combining different types of utilization, will prove to be conducive to personal objectives as much as it is to organizational objectives. For instance, utilizing information instrumentally for improving the quality of marketing decisions to achieve organizational objectives will serve the educational goals of the user through helping him or her in acquiring professional knowledge and long term skills that might open horizons for his or her career prospects and simultaneously strengthen his or her political image as a competent and keen decision maker. So, marketing directors must aim to avoid largely observed behaviour in the survey of giving less care to incidents of utilization that are basically linked to organizational interests and aim for better understanding of the mutually interactive nature of the multiple dimensions of the utilization process.

- **The producer (the UK marketing research industry)**

It should not be concluded or implicitly conceived from the weak association between producer controlled variables and utilization, that the producer has no say in the level and quality of utilization. This research findings just imply that the larger part of the influence of producer variables is basically indirect, created through their effect on other variables controlled by other parties. However trust in the capabilities and intentions of information producers represents, as previously claimed, a necessary background upon which the pursuit of any type of utilization is conditional. In other words, the impact of producer variables is largely hygienic, i.e., preventing severe underutilization of external marketing research information rather than a motivator impact that makes utilization happen in a restricted fashion. Through striving to understand the hiring firm's organizational culture and concerned users' decision making styles and other important traits, producers can generate marketing research information that is most likely to be utilized very intensively for all purposes of utilization. Thus, producers should not only aim to assess the information needs of the organization and potential users but also obtain a deep understanding of their organizational culture, inherent nature and characteristics, their utilization strategies and the implicit goals they seek to achieve from commissioning external marketing research. Such understanding will be very helpful in producing a final marketing research report that is more likely to be effectively utilized and result in a high degree of customer satisfaction that will mean greater possibility of repeat business with the marketing research agency which is an important competitive edge in the market research industry as previously noted. This insightful description of organizational and individual needs and features could be an aid in spotting new market opportunities for the UK marketing research industries through revealing new areas of latent and emerging demand for marketing research services which is vital for the prospects of survival growth for individual research agencies and the industry as a whole.

Another crucial policy implication for suppliers of marketing research that can be concluded from the causal model is that the technical quality of the final research report in strictly professional terms remains the most important asset and competitive weapon in the hands of producers that can cause utilization even in the absence of other types of trust. Thus, highly efficient and professional marketing researchers accompanied by up to date, advanced and sophisticated information technology are not only vital organizational resources to UK market research firms but an integral part of their competitive edge and distinctive competencies.

Finally, since the decisions of purchasing and utilizing external marketing research information are closely tied and sometimes even inseparable as evident from previous work (Jobber and Elliot 1995), a constantly updated and comprehensive profile of the demand side of the UK market research industry will be a necessary condition for substantiating and sustaining its position in international and national markets. It is realistically inconceivable that such a large scale project would be the responsibility of a

limited number of research agencies. The British Market Research Society is in the most suitable position to assume the role of a sponsoring agency building and maintaining such a large data base in collaboration with the key players in the UK market research industry.

- **Contextual parties (The information, the decision and the external marketing environment)**
As previously argued several times, all active parties must aim to identify and determine the impact of contextual variables on the level and quality of utilization to be able to assess the room available to the in manipulating the level and quality of utilization. However, it seems that there is room to exert some effective control on informational variables by all active parties. External environmental variables, with special reference to the degree of competition are key considerations that ought to be reflected in the way all active parties adopt to manage the process of utilization. The most noncontrollable and yet substantially significant contextual variable is the nonprogrammability of the decision situation. This variable ranked high among the most significant causal factors of all three types of utilization, hence its importance can not be overemphasized. The organization, user and producer must cooperate very closely and in good faith, to evaluate the newness, unfamiliarity and ill-structurability of the decision situation they are facing and recognize the kind of dangers these kinds of decisions imposes on the success of the decision making process and accordingly anticipate the kind(s) of utilization that is most appropriate for effectively and efficiently handling such serious and non- or scarcely recurring decision situations.

10.5 Conclusions

As much as this research could claim that it has made some significant contributions to improvement of the understanding and practice of external marketing research information utilization, equally it has shown that considerable research work still needs to be done in order to make important strides in the area. Examining other types of marketing information coming from different sources other than independent marketing research or other users of marketing information apart from marketing directors (Maltz & Kohli 1996) should result in much different results from those found by this research. Experimenting with various innovative and/or untested approaches to defining, measuring and modelling utilization can be a good path for enriching our understanding of the process of utilization. Some of these alternative methodologies suggested in the literature for examining the topic of marketing information utilization are longitudinal analysis (Jobber and Watts 1986) and grounded theory (Brown and Ennew 1995). Finally, exploring empirically the relationship between utilization either as an antecedent, consequence or simply associated with various aspects of marketing theory and practice as those mentioned in chapter two can be a useful research exercise for improving research and practice in other marketing areas through looking at them from a much untapped perspective. On the other hand, a very general point that remains to be seen as an outcome of this research is the need on the side of practice for all parties involved and interested in the utilization of marketing information in general and marketing

research information in particular, to adopt a more conscious, deliberate and multidimensional strategy toward managing the process of utilization if they wish to accomplish certain ends from such managerial undertaking.

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APPENDICES

Appendix One

The Structured Mailed Questionnaire

Appendix 2

Description of the two series of exploratory interviews

| Number | Length | Position | Industry | Type | Main focus |
|----------|---------|-----------------------------------|--|-----------------|--|
| Five | 2-4hrs. | Marketing director or equivalent | Oil exploration, Automobile manufacturing, food manufacturing and distribution, computers, financial services. | Unstructured | <ul style="list-style-type: none"> -The ways in which external marketing research information are utilized. -The major factors behind the utilization of marketing research information in certain ways. |
| Eighteen | 1-2hrs. | Marketing director or equivalent. | Heavy engineering, telecommunications, transportation, retailing, Professional services and the same above mentioned industries. | Semi-structured | <ul style="list-style-type: none"> -The extent of the impact of each proposed factor on level and quality of utilization. -How can the proposed factors be operationalized in practical organizational terms. -Incidents representing the different types of utilization. |

Appendix 3*

Multiple regression analysis of the causal model in the case of entering the five organizational culture variables separately

| Dependent Variables | IU (Instrumental Utilization) | CU (Conceptual Utilization) | SU (Symbolic Utilization) |
|---|--|--|--|
| Culture Variables and regression statistics. | | | |
| R square | .39149 | .43791 | .42660 |
| Adjusted R square | .34364 | .37364 | .35220 |
| EOC(Entrepreneurial Culture) | .0226 (1.64)* | -.0051 (NS)* | -.0224 (NS) |
| BOC(Bureaucratic Culture) | .0849 (1.817)* | -.0378 (-1.697)* | -.0165 (NS) |
| PLOC(Planning Culture) | .0859 (1.62)* | .1584 (2.7)** | .1091 (1.858)* |
| POOC(Political Culture) | -.0237 (NS) | .0571 (1.651)* | .0773 (1.742)* |
| DOC(Disclosed Culture) | .2901 (4.439)** | .2574 (4.067)** | .2575 (4.064)** |
| F*** | 7.11352 | 8.25393 | 8.21034 |

*Regression calculations of other independent variables are not presented because they are almost identical to those shown in table 9-3.

*Beta regression Coefficients

*Values in parentheses are t statistics

*NS=Not Significant

*Significant at %95 **Significant at %99.

***The decrease in the F values from those in table 9-3 is a further indication of the superiority of the adopted summation procedure of organizational culture variables due to its more positive impact on statistical goodness of fit for the three regression models on the aggregate.

Direct line

reference

reference



Date

School of
Management
& Finance

Dear Marketing Director:

The Use of Marketing Research

I am currently engaged in research for a Ph.D in the School of Management and Finance, at The University of Nottingham under the supervision of Professor Christine Ennew and Dr Alistair Bruce. I am particularly interested in the use of marketing research in British companies with a special focus on the opinions and attitudes of key marketing personnel. I would be grateful if you could spare 25 minutes to complete the enclosed questionnaire which deals with the use of information from external market research firms. All responses will be used for research purposes only and will be treated as confidential. No individual responses will be identified, although the questionnaires are numbered just to make the acquisition of other secondary data about the company possible (e.g. from FAME) and to facilitate the process of sending follow-up reminders.

Social Sciences
Building
University Park
Nottingham
NG7 2RD

Telephone
(0115) 952 5259

Telex
37346
(Uninot G)

Facsimile
(0115) 951 5262

If you wish to receive a summary, please write to me or enclose a business card. If you have any queries, please do not hesitate to contact myself (0115 9515496) or my supervisors (Professor Christine Ennew 0115 9515259 or Dr Alistair Bruce 0115 9515258).

Thank you for your assistance,

Yours sincerely

Handwritten signature of Wael Kortam in cursive script.

Wael Kortam
Ph.D Student

The Use of Marketing Research

The following questions deal with the use of external marketing research within your company. This research is being conducted as part of a Ph.D programme at the University of Nottingham. We would be most grateful if you could spare 25 minutes to complete this questionnaire. Although the questionnaire may seem long, most questions are quick to complete and require that you simply tick or circle numbers.

1. To what extent does the usage of marketing research vary across various product classes /lines for which you have responsibility?

1. Not at all 2. Slightly 3. Moderately 4. Substantially

If you feel that there is substantial variability in the use of independent marketing research within your organization, I would be grateful if you could answer the following questions in relation to one area of the business with which you are particularly familiar.

2. Does your company purchase market research services from external agencies?

Yes () No ()

3. If "Yes" approximately how frequently or infrequently does this occur?

1. Very frequently 2. Fairly frequently 3. Neither frequently nor infrequently 4. Fairly infrequently 5. Very infrequently

4. If your company purchases external marketing research very infrequently please indicate why.

5. To what extent does your company commission providers of independent market research from different regions? Please rank on a scale from 1= Not at all to 5= Exclusively:

| | Not at all | | | | Exclusively |
|-------------------|------------|---|---|---|-------------|
| 1. British | 1 | 2 | 3 | 4 | 5 |
| 2. EC | 1 | 2 | 3 | 4 | 5 |
| 3. Other European | 1 | 2 | 3 | 4 | 5 |
| 4. US | 1 | 2 | 3 | 4 | 5 |
| 5. Far East | 1 | 2 | 3 | 4 | 5 |

6. To what extent, if at all, is purchased marketing research used in each of the following areas of decision making? Please rank on a scale from 1= Never to 5= Always:

| | Never | | | | Always |
|--|-------|---|---|---|--------|
| 1. New product development. | 1 | 2 | 3 | 4 | 5 |
| 2. Advertising or other promotional campaigns. | 1 | 2 | 3 | 4 | 5 |
| 3. Evaluation of new markets. | 1 | 2 | 3 | 4 | 5 |
| 4. Determining distribution policies. | 1 | 2 | 3 | 4 | 5 |
| 5. Overall marketing strategy. | 1 | 2 | 3 | 4 | 5 |
| 6. Competitor analysis. | 1 | 2 | 3 | 4 | 5 |
| 7. Pricing decisions | 1 | 2 | 3 | 4 | 5 |
| 8. Other, please specify... | 1 | 2 | 3 | 4 | 5 |

7. How important are the following factors in explaining your company's use of external marketing research? Please rank on a scale from 1= not important to 5= very important:

| | Not important | | | | Very important |
|---|---------------|---|---|---|----------------|
| 1. No internal marketing research department. | 1 | 2 | 3 | 4 | 5 |
| 2. Lack of relevant expertise for certain types of market research studies. | 1 | 2 | 3 | 4 | 5 |
| 3. Requirements of a third party(e.g. a lending agency). | 1 | 2 | 3 | 4 | 5 |
| 4. Significance of the decision at stake. | 1 | 2 | 3 | 4 | 5 |
| 5. Is thought to be more objective. | 1 | 2 | 3 | 4 | 5 |
| 6. Beneficial to have an external view. | 1 | 2 | 3 | 4 | 5 |
| 7. Cost effectiveness. | 1 | 2 | 3 | 4 | 5 |
| 8. Other, please specify... | 1 | 2 | 3 | 4 | 5 |

8. Approximately, what percentage of your annual marketing budget is spent on independent market research?

----- %

9. How often do you use external market research information for the following purposes?
Please rank on a scale from 1= Never to 5= Always:

| | Never | | | | Always |
|---|-------|---|---|---|--------|
| 1. To make decisions that otherwise would not have been made. | 1 | 2 | 3 | 4 | 5 |
| 2. To improve the quality of decisions that otherwise would have been made less effectively. | 1 | 2 | 3 | 4 | 5 |
| 3. To add to our decision making skills in the long run. | 1 | 2 | 3 | 4 | 5 |
| 4. To enhance our understanding of how our company operates. | 1 | 2 | 3 | 4 | 5 |
| 5. To enhance our general understanding of the environment in which the company operates. | 1 | 2 | 3 | 4 | 5 |
| 6. To build up and accumulate a long-term marketing data base for the company. | 1 | 2 | 3 | 4 | 5 |
| 7. To improve the way in which market research information is handled in future situations. | 1 | 2 | 3 | 4 | 5 |
| 8. To convince or appease expected opponents of a decision. | 1 | 2 | 3 | 4 | 5 |
| 9. To confirm our instincts and understanding of a market. | 1 | 2 | 3 | 4 | 5 |
| 10. To adhere to the general guidelines of decision making as outlined by company policy. | 1 | 2 | 3 | 4 | 5 |
| 11. To decrease the possibility of making a wrong decision by consulting a credible outside agency. | 1 | 2 | 3 | 4 | 5 |
| 12. Because it is important to show that decisions are well-informed and rational. | 1 | 2 | 3 | 4 | 5 |

10. How important is the influence of each of the following factors on marketing decisions in your company? Please rank on a scale from 1= Not important to 5= Very important:

| | Not important | | | | Very important |
|--|---------------|---|---|---|----------------|
| 1. The personal judgement and intuition of key decision makers. | 1 | 2 | 3 | 4 | 5 |
| 2. Established formal rules and guidelines for organizational decision making. | 1 | 2 | 3 | 4 | 5 |
| 3. Relevant information from research projects. | 1 | 2 | 3 | 4 | 5 |
| 4. The particular interests of various internal stakeholder groups. | 1 | 2 | 3 | 4 | 5 |

11. In which of the following stages of the decision making process is external marketing research most valuable? Please rank on a scale from 1= Of no use to 5= Most useful:

| | Of no use | | | | Most useful |
|--|-----------|---|---|---|-------------|
| 1. Defining the problem or objective which requires a decision response. | 1 | 2 | 3 | 4 | 5 |
| 2. Searching for possible alternative courses of action. | 1 | 2 | 3 | 4 | 5 |
| 3. Evaluating the viability of possible alternatives. | 1 | 2 | 3 | 4 | 5 |
| 4. Deciding on a certain course of action. | 1 | 2 | 3 | 4 | 5 |

12. Please indicate to what extent you agree or disagree with each of these statements on a scale from 1= Totally disagree to 5 = Totally agree:

| | Totally disagree | | | | Totally agree |
|---|------------------|---|---|---|---------------|
| 1. Marketing managers should think twice before relying on marketing research information that is inconsistent with long-held views reached through practical experience. | 1 | 2 | 3 | 4 | 5 |
| 2. The novelty of results arising from a market research study can be taken as an indicator of its quality. | 1 | 2 | 3 | 4 | 5 |
| 3. External market research is usually used as a tool for assessing the performance of the marketing department. | 1 | 2 | 3 | 4 | 5 |
| 4. External marketing researchers generally act in a neutral and professional manner and isolate themselves from any organizational conflicts. | 1 | 2 | 3 | 4 | 5 |
| 5. It is an established organizational practice that critical marketing decisions be supported by independent marketing research. | 1 | 2 | 3 | 4 | 5 |
| 6. External market research should recommend a course of action to the decision maker. | 1 | 2 | 3 | 4 | 5 |
| 7. Market research reports which are of a high quality in technical terms (e.g. accuracy and completeness) should be treated as reliable irrespective of the extent to which the market researchers involved are trusted. | 1 | 2 | 3 | 4 | 5 |
| 8. A high quality research report will contain a lot of quantitative data. | 1 | 2 | 3 | 4 | 5 |
| 9. Quantitative research information is usually a fair presentation of facts and accordingly is most reliable in making marketing decisions. | 1 | 2 | 3 | 4 | 5 |
| 10. Qualitative research information bears a significant component of the market researchers' own biases and prejudices. | 1 | 2 | 3 | 4 | 5 |
| 11. Qualitative information offers deeper insights into a market than quantitative analysis. | 1 | 2 | 3 | 4 | 5 |

(CONTINUED)

| | Totally disagree | | | | Totally agree |
|--|------------------|---|---|---|---------------|
| 12. Relatively expensive types of external market research usually produce a high quality final report. | 1 | 2 | 3 | 4 | 5 |
| 13. The findings of an expensive independent market research study must be incorporated somehow in the decision making process to justify the money spent. | 1 | 2 | 3 | 4 | 5 |
| 14. External market research is valuable even when it does not recommend a specific course of action. | 1 | 2 | 3 | 4 | 5 |
| 15. A persuasive external marketing research report is required if the objectives and/or policies of other functional areas are expected to be substantially influenced by a marketing decision. | 1 | 2 | 3 | 4 | 5 |
| 16. The greater and faster the pace of change in the conditions of a market the less valuable and more obsolete the marketing research information available about this market becomes. | 1 | 2 | 3 | 4 | 5 |
| 17. The greater the degree of environmental uncertainty surrounding a decision the more it needs to be based on market research information. | 1 | 2 | 3 | 4 | 5 |
| 18. Since it is difficult to predict accurately the actions of competitors, it is impractical to rely on external market research information in fiercely competitive markets. | 1 | 2 | 3 | 4 | 5 |
| 19. External marketing research is most needed for making decisions concerned with highly competitive markets. | 1 | 2 | 3 | 4 | 5 |

13. Which of the following criteria are mostly used in selecting among alternative external market research agencies? Please rank on a scale from 1= Never to 5= Often:

| | Never | | | | Often |
|---|-------|---|---|---|-------|
| 1. Proposed cost of the research. | 1 | 2 | 3 | 4 | 5 |
| 2. Past experience with the market research firm. | 1 | 2 | 3 | 4 | 5 |
| 3. Urgency of the need for information. | 1 | 2 | 3 | 4 | 5 |
| 4. The company's ability to monitor effectively the final research report quality. | 1 | 2 | 3 | 4 | 5 |
| 5. The research agency's adaptability and tolerance to specific organizational needs. | 1 | 2 | 3 | 4 | 5 |
| 6. General reputation and research record. | 1 | 2 | 3 | 4 | 5 |
| 7. Nature of the research project in hand. | 1 | 2 | 3 | 4 | 5 |
| 8. Personal trust in certain individuals employed by the market research agency. | 1 | 2 | 3 | 4 | 5 |
| 9. Quality of the submitted research proposal. | 1 | 2 | 3 | 4 | 5 |
| 10. Other, please specify... | 1 | 2 | 3 | 4 | 5 |

14. Any decision-making process will be guided by the decision maker's views about the nature of the desired outcomes. Some decision makers look for a high return and are prepared to tolerate a high level of risk. Others prefer a lower return but with a lower degree of risk. How would you characterise your own preferences on the following scale?

| | | | | | | |
|-------------------------------|---|---|---|---|---|-----------------------------|
| High risk & high return | 1 | 2 | 3 | 4 | 5 | Low risk & low return |
|-------------------------------|---|---|---|---|---|-----------------------------|

15. Please indicate for each of the types of decision situation listed below, the degree to which the support of external marketing research is important. Please rank on a scale from 1 = Not important to 5 = Very important:

| Decision Type | 1 Not important | 2 | 3 | 4 | 5 Very important |
|--|--------------------|---|---|---|---------------------|
| 1. Totally new. | 1 | 2 | 3 | 4 | 5 |
| 2. Relatively new. | 1 | 2 | 3 | 4 | 5 |
| 3. Repetitive but with moderate changes. | 1 | 2 | 3 | 4 | 5 |
| 4. Repetitive but with minor changes. | 1 | 2 | 3 | 4 | 5 |
| 5. Straightforwardly repetitive. | 1 | 2 | 3 | 4 | 5 |

16. For how long have you been working for your present employer?

----- Years

17. For how long have you been working in the area of marketing?

----- Years

18. For how long have you been actively involved in making crucial marketing decisions?

----- Years

19. In your company, marketing research is usually used for decisions that will have implications for:

1. Next year 2. Next 2-3 years 3. Next 3-5 years 4. Next 5-10 years 5. More than 10 years