

Pitt, L.; Steyn, P.

## Article

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# The status of the in-house marketing research department in large South African companies

L. Pitt and P. Steyn

University of Pretoria, Pretoria

Working relations between marketing researchers and managers have merited some attention in marketing literature with particular emphasis on the responsibilities of both parties. In this article the authors report the results of a survey of large South African companies, concerning the level of job satisfaction of marketing research managers; managers' perceptions of in-house marketing research departments; and the perceptions of both parties concerning role expectations of marketing research. Brief attention is also given to the reasons why a majority of companies do not have marketing research departments. Marketing researchers evince a general level of job satisfaction, although there is a measure of dissatisfaction with the procedure for proceeding problems to the research department and also with their role in formulating marketing strategy. Managers mark marketing research departments lower regarding creativity and also on the relevance of marketing research data to decision-making. Significant differences also exist between researchers and managers regarding their role expectations of marketing research. It is evident that these differences in expectations could contribute towards intra-organizational conflict in the marketing department and the recommendation is made that top management give their attention to this matter.

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Verhoudings tussen bemarkingsnavorsers en -bestuurders verdien aandag in bemarkingsliteratuur met spesifieke klem op die verantwoordelikhede van beide partye. In hierdie artikel doen die outeurs verslag oor die resultate van 'n ondersoek onder groot Suid-Afrikaanse maatskappye betreffende die vlak van werkstevredenheid van bemarkingsnavorsingsbestuurders; bestuurders se beeld van interne bemarkingsnavorsingsafdelings; en die begrip van beide partye betreffende die rol van bemarkingsnavorsing. Aandag word ook kortliks geskenk aan die redes waarom die meerderheid van ondernemings nie interne bemarkingsnavorsingsafdelings het nie. Bemarkingsnavorsers toon 'n algemene vlak van werkstevredenheid, alhoewel aanduidings bestaan van ontevredenheid met die prosedures waarop probleme aan die navorsingsafdeling oorgedra word, asook met hul rol in die formulering van bemarkingsstrategie. Bestuurders is ontevrede met die kreatiwiteit van bemarkingsnavorsingsafdelings, en ook tot 'n mate met die relevantheid van bemarkingsnavorsingsdata vir besluitneming. Beduidende verskille bestaan ook tussen navorsers en bestuurders betreffende hul rolverwagtings van bemarkingsnavorsing. Dit is duidelik dat hierdie verskille in verwagting kan bydra tot konflik in die bemarkingsfunksie en die aanbeveling word gemaak dat dit die aandag van topbestuur moet geniet.

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L. Pitt\*

Department of Marketing, University of Pretoria, Pretoria, 0002  
Republic of South Africa

P. Steyn

Institute for Business Economic Studies, University of Pretoria,  
Pretoria, 0002 Republic of South Africa

\*To whom correspondence should be addressed

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A number of interested parties have reported on the relationships between managers and marketing researchers (Bellizzi, 1981: 6; Wentz, 1979: 30–32; Tull, & Hawkins, 1983: 16; Weiers, 1984: 13–14). The key issues underlying the difficulties existing between managers and marketing researchers seem to be the responsibilities and involvement of both parties. To be effective it is imperative for the researcher to comprehend and to be empathetic with the needs and views of marketing managers. Similarly, managers — if they are to make the most effective use of information — should understand the process of research, as well as their involvement with it and responsibility towards it. Boyd, Westfall & Stasch (1985: 16–20) saw five occasions when managers should contribute inputs to the marketing research process and participate in decisions relating to marketing research:

- By initiating research projects
- By specifying information needed for decision-making
- By evaluating proposed research projects
- By evaluating commercial research services
- By accepting or rejecting research findings

Conflict between manager and researcher arises for a number of reasons. Among these are intellectual differences, the managers often narrow conception of marketing research, and the time pressure on marketing research results (Weiers, 1984:13). The problem is further compounded by the uneven calibre of marketing researchers. When companies place little value on marketing research they end up getting exactly what they have payed for — when you pay peanuts you get monkeys. The low quality studies produced by below-par researchers perpetuate the low regard in which marketing research is held.

The potential role conflicts between managers and researchers can detract from the job satisfaction of the latter, the decision-making effectiveness of the former, and ultimately from the overall performance of the firm. Studies of the roles of the marketing researcher in large firms as well as the evaluation of their performance by superiors are therefore deemed important. The data presented here result from a study concerning the role evaluations of marketing research managers in large South African companies. The study mirrors to a marked extent a similar project conducted in the U.S.A. in 1975 (Krum, 1978:8–12). The findings indicate a reasonable level of job satisfaction among marketing research managers. Most superiors and users of in-company marketing research departments feel that they are doing a reasonable job. One certainly gains the impression, however, that both researchers and managers feel that the contributions of the in-house marketing research departments could be greater. The extent

of use of in-house marketing research departments and the reasons why a large majority of South African companies are not availed of such facilities are also considered briefly in this study.

### Method

During May 1985 an inquiry into the incidence of in-house marketing research departments was sent to the 'Marketing Research Manager' of 467 large South African companies. The respondent was asked to indicate whether there was a person within the company whose chief responsibility was marketing research; what this person's title was; what percentage of his/her time was devoted to marketing research activities; the person's name and postal address and highest qualifications. Those respondents not availed of such a person were asked to divulge the reasons briefly. The first mailing drew 273 responses (58,5%). Of these 87 (31,8%) had appointed a person with some marketing research responsibility, but only 59 of these (21,6%) spent more than 25% of their time engaged in marketing research. Here the approach differed from Krum's in that persons not fully devoted to marketing research activities were encompassed by the study. It was felt that in an economy so considerably smaller than the US market (Krum only approached Fortune 500 companies) there would be very few companies with full-time marketing research managers. This was in fact borne out by this study. Persons spending at least more than one quarter of their time in marketing research would also be able to offer some perspective.

Following the first response two questionnaires were addressed to those respondents who reported a person spending

more than 25% of his/her time on marketing research. The first was designed for completion by the marketing research manager (or person responsible for marketing research) and the second directed towards the immediate superior of the marketing research manager and users of the services of the marketing research department. A personalized covering letter to the named respondent divulged in the first mail return asked this person to complete the first questionnaire and to request his immediate superior and three users of marketing research within the company to complete and return the second — all in individual envelopes. Both the questionnaires contained roles expectation scaling items for evaluating the role of marketing research. In addition the marketing research managers' questionnaires contained items designed to ascertain the satisfaction of the marketing research manager with various aspects of his job. The superior/user schedule contained items evaluating the effectiveness of the marketing research function.

### The companies not availed of marketing research departments

A total of 214 companies (78,4%) do not have a person who spends more than 25% of his time on marketing research. The reasons for this are illustrated briefly in Figure 1. It can be seen that the two major reasons are that the company either uses independent marketing research (marketing research houses or advertising agencies), or uses a product manager system whereby the marketing research function is diffused. It is also interesting to note the high degree of self-satisfaction among those respondents who felt that marketing research was not necessary, not financially justifiable, not necessary under market conditions, or because the product 'sold itself'.

**Table 1** Marketing research managers' responses to satisfaction items

Items	Mean	Variance	N	Very well satisfied %	Fairly well satisfied %	Fairly dissatisfied %	Very dissatisfied %
A. The extent to which you are able to pursue research studies objectively	1,73	0,29	38	31,6	63,2	5,2	0
B. The support you receive from your superior and other high-level executives	1,78	0,52	38	36,8	50,0	10,5	2,7
C. The freedom to follow up reports to see whether they are being used by management	2,00	0,67	38	31,6	39,5	26,2	2,7
D. The extent to which you can define the problems to be studied by your department	2,18	0,60	38	15,8	57,9	18,4	7,9
E. The amount of contact you have with marketing executives	1,78	0,87	38	52,6	21,1	21,1	5,2
F. The acceptance of marketing research results by management	1,86	0,36	38	26,3	60,4	13,2	0
G. The extent to which marketing executives are receptive to honest opinions on all subjects	2,02	0,38	38	15,8	68,3	13,2	2,7
H. The open-mindedness of executives to marketing research findings	2,05	0,45	38	21,1	52,6	26,3	0
I. Management's attitudes concerning the value of marketing research	2,02	0,58	38	26,3	47,4	23,6	2,7
J. The part you play in formulating marketing strategy	2,42	0,75	38	15,7	36,8	36,8	10,5
K. The time deadlines which are placed on marketing research activities	2,13	0,57	38	21,1	47,4	28,8	2,7
L. The location of the marketing research department in the company organization structure	2,07	0,78	38	31,6	34,3	28,9	5,2
M. The procedure for bringing problems to the marketing research department	2,15	0,81	38	26,3	39,5	36,3	7,9
N. The budget you have to run your department	2,23	0,60	38	13,2	57,9	21,2	7,9
O. The extent to which the capabilities of your department are being used by the firm	2,23	0,54	38	15,8	47,3	34,2	2,7
P. The time you have available to improve yourself professionally	2,36	0,60	38	10,5	50,0	31,6	7,9
Q. Your overall satisfaction with your job	1,92	0,44	38	26,3	55,3	18,4	0

### Job satisfaction and the marketing researcher

Marketing researchers were asked to indicate the degree of satisfaction felt with 17 factors of their job. The responses are presented in Table 1 and illustrated graphically in Figure 2. The items are arranged by increasing size of the mean, with 'very well satisfied' = 1 and 'very dissatisfied' = 4. It would be fair to say the picture presented is one of reasonable satisfaction. However, almost half of the respondents are not satisfied with the part they play in formulating marketing strategy. There is also an extent of dissatisfaction concerning the location of the marketing research department in the

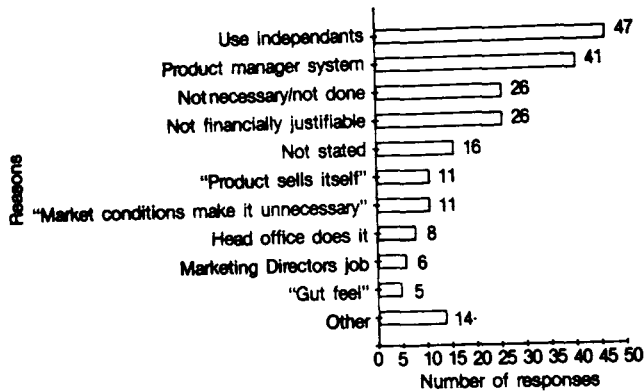


Figure 1 Some reasons why SA companies do not have a person who spends more than 25% of his time on marketing research

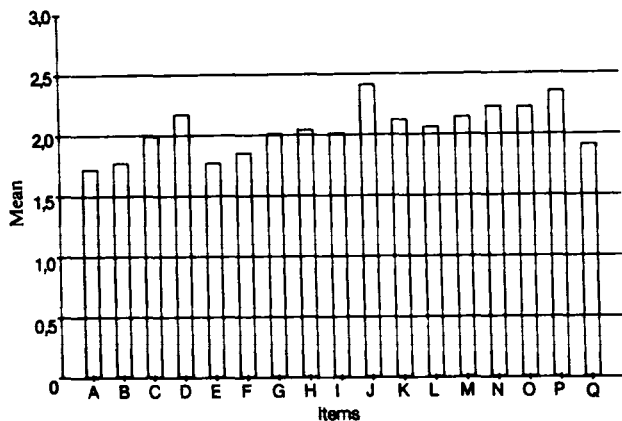


Figure 2 The marketing researcher — his job perspectives

organizational structure and the procedure for bringing problems to the department. Respondents are also fairly dissatisfied with the extent to which the capabilities of their departments are being used by companies. Marketing research is an area where practitioners would need to be kept up to date with the latest techniques on a regular basis and it is apparent that the respondents are not entirely satisfied with their opportunities to improve themselves professionally. As an aside it is interesting to note that the mean level of job satisfaction is 1,92 — Krum's study in the U.S.A. evinced a mean of 1,90 for his sample in 1975.

### How effective is the marketing research department perceived to be?

Responses by superiors of marketing research managers and also users of the services of company marketing research departments regarding the effectiveness of marketing research departments are somewhat mixed, as can be seen in Table 2. These responses are also presented graphically in Figure 3. Satisfaction with the objectivity of the marketing research department and also the understandability of marketing research reports is relatively high. The respondents were also not over-critical of the value of marketing research information, understanding of the problem studied and also the overall performance of the marketing research department.

Creativity of the marketing research departments in a number of companies gave rise to a degree of dissatisfaction.

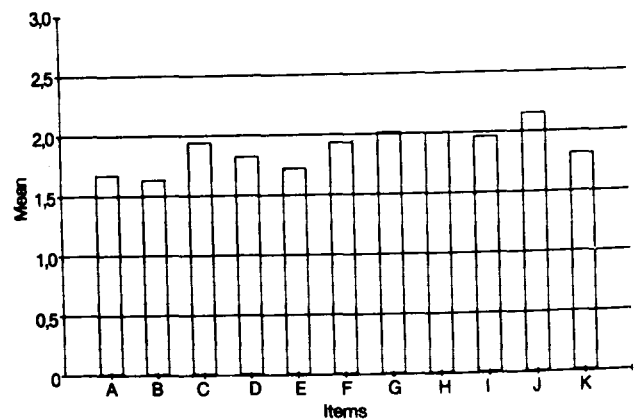


Figure 3 The marketing executive — satisfaction with the marketing research department

Table 2 Superiors' and users' responses to effectiveness items

Items	Mean	Variance	N	Very well satisfied %	Fairly well satisfied %	Fairly dissatisfied %	Very dissatisfied %
A. The understandability of marketing research reports	1,68	0,39	67	40,3	50,7	9,0	0
B. Objectivity of the marketing research department	1,64	0,25	67	32,8	65,7	1,5	0
C. The proper use of research methodology	1,95	0,63	67	29,9	49,3	16,4	4,4
D. The value of marketing research information	1,83	0,52	67	17,9	53,7	10,4	3,0
E. The marketing research department's understanding of problems studied	1,73	0,49	67	40,3	47,8	10,4	1,5
F. Soundness of the marketing research department's recommendations	1,94	0,44	67	25,4	59,7	14,9	1,5
G. The return on investment in marketing research	2,02	0,56	67	22,4	56,7	16,4	4,5
H. The timing of marketing research reports	2,01	0,67	67	26,9	50,7	16,4	6,0
I. Relevance of marketing research data to decisions	1,97	0,47	67	23,9	56,7	17,9	1,5
J. The creativity of the marketing research department	2,16	0,76	67	22,4	47,8	20,9	8,9
K. The overall performance of the marketing research department	1,82	0,56	67	34,3	53,7	7,5	4,5

The proper use of research methodology is also questioned as is the return on investment in marketing research and the timing of marketing research reports. It is furthermore not encouraging to note that 13 respondents (19,4%) are not satisfied that marketing research data are relevant to decisions. These findings mirror the American findings in many instances.

### How do researchers and managers perceive the role of the Marketing Research Department?

Researchers surveyed in this study appear to have a relatively high level of job satisfaction. The superiors and users of the services of the marketing research department evince general satisfaction with the effectiveness of these departments — with the exception of these departments' creativity and to a lesser extent some other effectiveness variables.

Why then, one may ask, does the role distortion so frequently reported, exist — if it does in fact exist? Do managers really not appreciate the significance of marketing research, and are researchers really blinded to management realities? The data presented in Table 3 and illustrated in Figure 4 offer some perspective. It should be noted that statistically significant differences exist between users and researchers on all but three items with regard to role expectations. Superiors and users would seem to delimit the role of the researcher to that of a pure staff function with a less than obligatory role in

strategy formulation. Marketing research and marketing researchers, they feel, should be restricted to that specific function, offering advice only when called upon by management. An inevitable area of conflict lies in the commitment of company funds to the acquiring of external marketing research expertise. Even in the area of problem definition, users seem to want to restrict the role of the marketing research department.

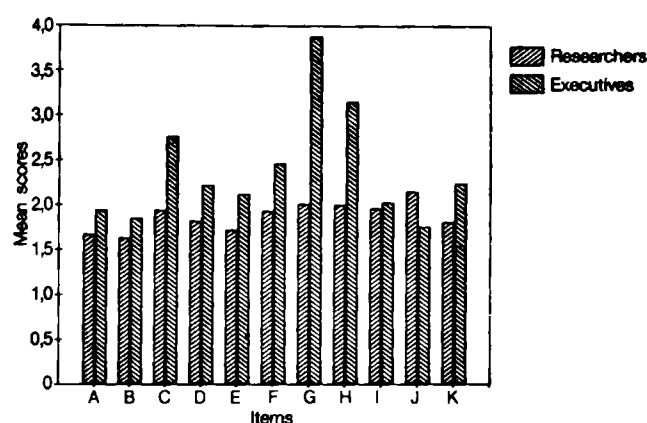


Figure 4 Perceptions on the role of marketing research researchers vs marketing executives

Table 3 Responses to role expectation items

The marketing research Manager should:	Status	N	Mean	Variance	Significance level	Absolutely must %	Preferably must %	May or may not %	Preferably should'nt %	Absolutely must not %
A. help management define the problems to be studied	R	38	1,47	0,36		55,3	39,5	5,2	0	0
	U	67	1,95	0,66	0,01	32,8	41,8	22,4	3,0	0
B. be able to translate marketing research results into positive courses of action for management to follow	R	38	1,70	0,50		42,1	44,7	13,2	0	0
	U	67	1,86	0,65	*	38,8	37,3	22,4	1,5	0
C. initiate changes in the strategy of the firm wherever possible	R	38	2,00	0,47		21,2	52,6	23,5	2,7	0
	U	67	2,77	0,97	0,01	9,0	32,8	32,8	22,4	3,0
D. persuade marketing management to accept marketing research findings	R	38	1,55	0,53		55,3	26,3	15,7	2,7	0
	U	67	2,23	1,04	0,01	26,9	35,8	26,8	7,5	3,0
E. serve on committees which formulate marketing strategies	R	38	1,58	0,47		52,6	31,5	13,2	2,7	0
	U	67	2,13	0,89	0,01	29,9	35,8	25,4	8,9	0
F. enlarge the marketing research function by moving into other areas where the capabilities of his/her department can be used	R	38	1,70	0,61		50,0	26,3	21,0	2,7	0
	U	67	2,47	0,78	0,01	13,4	38,8	34,4	13,4	0
G. restrict his activities to doing research and offering advice only when called upon by management	R	38	4,41	0,47		0	5,2	2,7	47,4	44,7
	U	67	3,89	0,95	0,01	1,5	10,4	17,9	41,8	28,4
H. have the final say in committing company funds for the services of outside marketing research agencies	R	38	2,29	0,61		15,7	34,3	39,8	10,5	0
	U	67	3,16	1,18	0,01	8,9	17,9	28,4	37,3	7,5
I. use standards of scientific excellence and objectives as the primary basis to evaluate the work of his/her department	R	38	1,88	0,39		23,6	60,5	13,2	2,7	0
	U	67	2,04	0,81	*	31,3	38,8	25,4	3,0	1,5
J. critically review past studies to determine whether the methodology might have been improved	R	38	1,79	0,45		31,6	50,0	15,7	2,7	0
	U	67	1,77	0,65	*	43,3	38,8	14,9	3,0	0
K. be responsible for showing the contribution of marketing research to the profitability of the firm	R	38	1,79	0,57		34,3	44,7	15,7	5,3	0
	U	67	2,25	0,96	0,01	25,4	74,8	28,4	8,9	1,4

R = Researcher; U = User; \* = Insignificant

### Conclusion

It would seem that many users of the marketing information generated by corporate marketing research departments wish to see these departments remaining distant from ongoing marketing operations, while at the same time criticizing marketing research departments for their lack of creativity and fascination with techniques. Marketing researchers, on the other hand, appear to be somewhat frustrated by their inability to contribute more fully towards the development and implementation of marketing strategy. They believe that their departments can, and should contribute towards overall corporate marketing performance in a more meaningful way.

Is it the aloofness of researchers or the umbrage of staff users? This inevitably varies from company to company. Marketing research must be integrated into the planning and decision-making systems within the firm if its contributions are to be optimal. In the final analysis this is the task of top management — their commitment to it will be the critical factor. Krum awarded US corporate marketing research

departments a B — not an A or even an A<sup>+</sup> (Krum, Should South African corporate marketing research departments not perhaps be asking themselves whether they merit a B<sup>+</sup> and not perhaps a C, or even a D?

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