

# CONSEQUENCES OF TRUST BETWEEN MARKETING MANAGERS AND MARKET RESEARCH PROFESSIONALS ON THE USE OF INFORMATION

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## **Abstract**

The theme of trust in market research relationships has appeared with increasing frequency as the topic has grown in importance. Most of the work in this area has mainly studied antecedents of interpersonal trust, but devoted *less attention* to the performance outcomes. In our paper we propose and test a conceptual framework that examines both the *antecedents* of trust between marketing managers and market researchers and its *consequences* on perceived market research information quality and the use of market research information in decision making. We used a mail survey approach to collect data for our study. Previous to this, an extensive qualitative study – in-depth interviews with 26 executives and market researchers – had been carried out to ground the research focus, measurement approaches and develop the key constructs. The population of our mail survey consisted of *all* the 972 top-income business enterprises in Hungary. The data were analysed by estimating moderated multiple regression equations. According to our results the most important variables affecting the interpersonal trust between marketing manager and market researcher are the degree and quality of personal interactions between the parties during the phases of market research project, and the relationship between market research outcomes and expected results. Our findings provide empirical support for managerial trust in researcher *does not have* strong direct effect on research utilisation, instead it is the strongest and most significant factor – more important than the study characteristics – that determines the way the marketing manager perceives the quality of the commissioned market research – which in turn affects research utilisation.

**Keywords:** Trust, market research, instrumental use of information, decision making, marketing management

## Introduction

The global market research turnover in 2008 was US\$ 32 billion with 4.5 % growth. Eastern Europe was one of the fastest growing regions (ESOMAR 2009). In spite of the dollar billions spent on market research, managers does not seem to be better informed (Menon and Varadarajan 1992). The *possession* of information *alone* cannot be the source of economic power, as the competitors have the opportunity to buy the same information. In the future sustainable competitive advantage will depend less on who has information and increasingly on who is able to make the best use of the information (Zaltman and Deshpandé 2000). Use of marketing information leads to organizational learning (Sinkula 1994), a greater degree of market orientation (Jaworski and Kohli 1993); and enhanced organizational outcomes (Theoharakis and Hooley 2008); We argue that the ability of the use of information became new battlefield of competition, therefore it is important to understand the nature of the phenomena and the role of interpersonal trust in the process of managerial use of market research.

The theme of trust in market research relationships has appeared with increasing frequency as the topic has grown in importance. Most of the work (Deshpandé 1982; Deshpandé and Zaltman 1982; Deshpandé and Zaltman 1983; Deshpandé and Zaltman 1984; Deshpandé and Zaltman 1987; Zaltman and Moorman 1988; Moorman, Zaltman et al. 1992; Moorman, Deshpandé et al. 1993; Homburg and Karlhaus 1998; Zaltman and Deshpandé 2000; Maltz and Kohli 2001; Maltz, Souder et al. 2001) in this area has mainly studied antecedents of interpersonal trust, but devoted *less attention* to the performance outcomes. Therefore a well-informed understanding of the relationships between trust and the process of perceiving and using of market research market research information based on firm theoretical background remain in need (for exception see (Smith and Barclay 1997; Dirks 1999).

This paper – while reflecting on the findings of research on organisational theories of information processing – aims to bridge this gap. In our paper we propose and test a conceptual framework that examines both the *antecedents* of trust between marketing managers and market researchers and its *consequences* on perceived market research information quality and the use of market research information in decision making. Furthermore we *pioneeringly* examine the role of internal market research department on the dynamics of trust between marketing manager and market researcher.

According to our *results* the most important variables affecting the interpersonal trust between marketing manager and market researcher are the degree and quality of personal interactions between the parties during the phases of market research project, and the relationship between market research outcomes and expected results. Our data suggest that marketing managers have above-the-average trust in the external market researcher if they can keep in direct contact with them, while their trust is significantly below the average if internal market researcher position exists within the company. Our findings provide empirical support for managerial trust in researcher *does not have* strong direct effect on research utilisation, instead it is the strongest and most significant factor – more important than the study characteristics – that determines the way the marketing manager perceives the quality of the commissioned market research – which in turn affects research utilisation.

Our results imply some important *managerial implication*. The most important is that the use of market research information mainly depends on how executives and researchers manage to understand each other and co-operate. Researchers must understand, that the product they deliver is not market information, but a service to decrease managerial uncertainty. Executives expect actionable results that provide forthright answers. Accordingly researchers should learn how to communicate on the clients' language and provide consulting-like added value. Good to be familiar with the clients' prior hypotheses to be able to properly communicate a possibly unanticipated or displeasing result, in order to avoid loss of trust. Managers should provide researchers with more

information about the decision to be made on the basis of the research and provide feedback about the use of the research if that agency is expected to have a continuing relationship with the firm.

### **Theoretical background and conceptual framework**

The central question we wish to answer in this paper is how interpersonal trust between market researcher and marketing manager affects the use of market research information in managerial decision

There is a general consensus that the market research studies might be used several ways by executives (Caplan, Morisson et al. 1975; Deshpandé and Zaltman 1982; Deshpandé and Zaltman 1983; Deshpandé and Zaltman 1984; Deshpandé and Zaltman 1987; Diamantopoulos and Souchon 1995; Diamantopoulos and Souchon 1998; Homburg and Karlhaus 1998; Diamantopoulos and Souchon 1999; Williams 2003). Market research can be used as means of decision making, market knowledge enhancing, internal and external PR activities – e.g.: for the demonstration of the daughter companies' performance towards the mother company, or the shareholders; or the legitimization of a decision – often having been made before the market research became available. In this research we are focusing on the use of market research in decision making - as important activity and process from a managerial perspective (Troilo 2006).

During the exploratory phase of the study a series of *in-depth interviews* were conducted to understand how managers actually rely on commissioned market research, how they interact with researchers. The series of in-depth interviews included 21 professionals from 8 companies. Predominantly, we chose companies which often resort to market research services. The supply side was included, too, by making in-depth interviews with professionals from two market research providers. Interviewees were purposely selected to have different approaches to market research – as practicing market researchers, senior executives of market research firms, marketing managers or internal market researchers. The series of in-depth interviews preceding the quantitative survey enabled us to get a more detailed picture of the frequently hidden motivations behind purchasing market research services. Though empirical marketing researches into the topic typically examine the utilization of market information as related to decision making rather than to the market learning process, market studies do doubtlessly have a much wider variety of uses. Our research results provide empirical evidence on the existence of the three dimensions (instrumental, conceptual, symbolic) of market information use. However defining the market research broadly, including not only the information product, but also the research project, we should also mention the tacit, unintentional affect, that the marketing managers not only enhance their market knowledge but also gain market-research specific abilities (e.g.: how to formulate research questions).

The in-depth interviews revealed that the degree of *trust* between managers and market researchers plays an important role in the process of the use of market information. Trust – positive expectations of the researchers' professional capabilities and of the helpful attitude of the market researcher towards the manager (Moorman, Deshpandé et al. 1993) – is important because the managers make decisions upon market research studies made by another professional working in another organization. Managers are not able to evaluate the professional quality of the market research. They lack statistical and methodological knowledge, and they were not participating in every phase of the market research project. Another problem is that managers think of themselves as businessmen while market researcher identify themselves as theoretical professionals. According to one of our interviewee “the market researcher did not understand our business problems, he just provided numbers”. While according to one of our market researcher interviewed “the statistics we use is beyond the majority of our clients. We can be glad if they are able to comprehend the cross tabs”. The different educational background and focus makes development of a trust-based co-operation difficult. Even though trust seemed to be a central element of the use of information

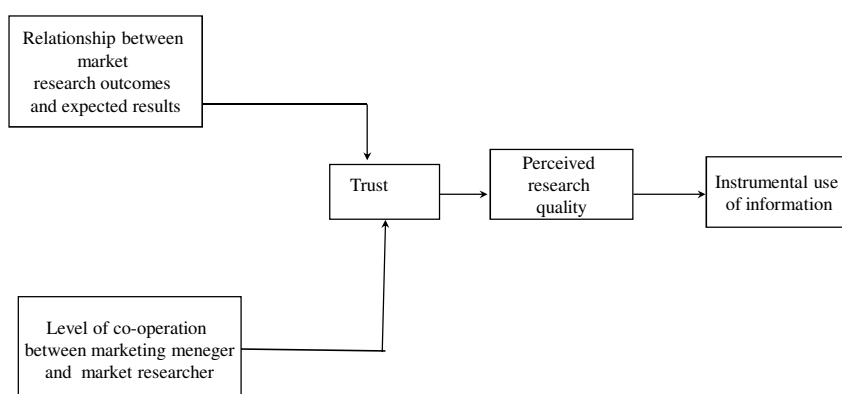
phenomenon, our interviewees suggested that trust itself does not have a direct impact on the use of market research. As one of our interviewee suggested “if I do not trust 100 percent in the researcher I do not believe that the he is able to deliver a service of high quality. I look much closer to the results, and try to find mistakes”. Based on these findings we believe that the degree of trust between marketing managers and market researchers have a distinctly important role in the utilization of market studies.

In the literature review we were using *meta-analysis*. Meta-analysis is a statistical procedure that integrates the results of several independent studies considered to be combinable (Bijmolt and Pieters 2001). First we identified every single empirical research published in the theme of managerial use of information (deriving from market research studies, from colleagues working in other departments, from IT systems) in the marketing and in the general innovation literature over the past 30 years. We think that these studies are combinable because of the similar research approach (empirical research) and the comparable set of constructs identified as antecedents in these papers. As the second step we identified seven major groups where the numerous antecedents investigated in the previous research could be categorized. As the last step we computed an average for each category using the means of the coefficients of regressions of the antecedents belonging to the category.

Based on this procedure we found that the concept of ‘information quality’ plays an important role in information utilization, however the concept appears under different names and measurement in different studies.

The meta analysis draw our attention to the importance of *interpersonal-type* independent variables in the different studies, such as the difference in the job titles of the supplier and the user of information (Maltz and Kohli 1996), the trust between user and supplier (Moorman, Deshpandé et al. 1993); or the common job experience, and joint client visits (Maltz, Souder et al. 2001). Amongst these set of variables – supported by the in-depth interviews – we considered the *interpersonal trust* between manager and researcher to be of key importance.

**Figure 1. Conceptual Framework**



## **Definition of the variables**

### *Relationship between market research outcomes and expected results*

The construct *expected results* means that the research results are not counter-intuitive, do not contradict intuitions but rather confirm preliminary expectations and assumptions (Deshpandé and Zaltman 1982/a).

### *Level of cooperation with the market researcher*

By the *level of cooperation with the market researcher* we measure the intensity of cooperation between the marketing executive and the external market researcher in each stage of the research process (the formulation of the research problem, research design, data analysis, the formulation and discussion of conclusions / recommendations and continuous counseling were examined) (Moorman, Zaltman et al. 1992).

### *Trust*

Trust is defined as a belief that a trustor is concerned with a trustee's welfare (benevolence); will reliably fulfill its commitments (integrity) and has the skills, competencies and knowledge to fulfill its obligations (expertise) (Moorman, Zaltman et al. 1992; Moorman, Deshpandé et al. 1993).

### *Perceived Quality of Information*

*The perceived quality of market research information* stands for managers' views on the accuracy, comprehensibility, relevancy and transparency of information (Deshpandé and Zaltman 1982; Gupta and Wilemon 1988; Maltz and Kohli 1996).

### *Use of Market Research*

Though leading academic periodicals specialized in marketing have published a great number of empirical studies concerned with companies' utilization of market information, *no consensus at all has been reached* on how to measure the use of information. Papers on the use of information (Deshpandé 1982; Deshpandé and Zaltman 1984; Deshpandé and Zaltman 1987; Diamantopoulos and Souchon 1995; Williams 2003) identify *instrumental* mode of use. According to Caplan, Morisson *et al.* (1975), the use of information is *instrumental* if the manager directly utilizes uses the information for *solving a well-defined* problem. Thus market knowledge, the results of market research heavily influence the outcome of decision making in some existing management problem. For example, in the scale of Deshpandé and Zaltman (1982) aiming at measuring instrumental use of information, the following statement appears: without the information, no decision could have been made.

## **Hypotheses**

### *Antecedents of user's trust in the researcher*

**Hypothesis 1.** ( $H_1$ ) *The better market research results fit users' preliminary expectations, the greater the trust users have in the researcher.*

How managers' trust in market researchers is affected by whether the factual observations of a study confirm preliminary hypotheses has not yet been looked into by previous studies. Researchers' (or their studies') ability to reduce uncertainty largely contributes to managers' trust in them (Moorman, Deshpandé et al. 1993). In spite of having treated researchers' ability to reduce uncertainty as a

concept overlapping with creativity and the ability to create value added, the hypothesis validated in Moorman's study may be of use in our research, too. If the results of the marketing research do not fit the preliminary expectations, the findings of the study are surprising and counter-intuitive the manager is turned uncertain and confused. He must make a decision whether to accept the surprising results or not. If he accepts the results he has to review his own point of view, his beliefs about the market deriving from his personal job experiences. Based on the findings of the in-depth interview (“if the results of the market research are counter-intuitive I seriously start to doubt about the competence of the researcher”) one single market research is not enough to overwrite the strongly imprinted managerial mental schemes about the market. Instead, if the manager has doubts about the correctness of the counter intuitive results an obvious reaction is to question the skills, competencies, knowledge of the market researcher, which ultimately leads to loss of trust in the researcher.

**Hypothesis 2.** ( $H_2$ ) *The closer the co-operation between the marketing executive and the market researcher during the research process, the greater the trust of the marketing executive in the researcher.*

Close co-operation during the problem definition, research design, data analysis, and the discussion of the results provides opportunities to the market researcher to demonstrate his skills, competencies and commitment to the marketing executive. Common meetings between the parties leads to better understanding of the clients' needs, common understanding of customers, competitors and products, mutual sharing of information, deploying the same routines and develop common ground, which ultimately facilitates and builds trust based relationship between the parties. It is our supposition mutual understanding between the two parties (market researchers and marketing executives), their development of a common language which leads to trust. Previously, *Moorman et al.* (1992) found a positive relationship between the level of co-operation with the researcher and the level of trust in them. Information exchange norms that have the greatest (positive) association with the level of trust (Denize and Young 2007). These norms emerge as part of the long term co-production of the relationship itself. The impacts of extensive cooperation (intensive and functioning for a longer time) on professional trust were mentioned during the in-depth interviews, as well (“we start to understand each other from “half-words”).

*Antecedents of perceived research quality*

**Hypothesis 3.** ( $H_3$ ) *The more the marketing executive trusts the market researcher, the better the quality of the market study in their eyes.*

We suppose that the perceived quality of market studies is not only affected by the characteristics (unexpectedness, political acceptability) of the study itself but by the *trust* between the marketing executive and the researcher, as well. The conditions under which a given research was completed are often unknown to the user. Furthermore, the difference in their knowledge of research methodology and statistics also encumbers an objective judgment of research quality. Researchers (Lee, Acito et al. 1987) investigated whether there is a difference in the perception of the quality of market studies when research methodology meets professional standards and when it does not. They found that the methodology applied did not influence perceived quality; neither the sampling method, nor the sample size affected quality perception. Trust between the parties, in our opinion, is key to quality perception because marketing managers make decisions based on studies the professional quality and the conditions of which they only have limited knowledge of due to the *information asymmetry* between the parties. In a sense, this is an exposed situation in which preliminary assumptions and expectations about the researcher's professional capabilities do have an impact on the perceived quality of the research report.

**Hypothesis 4.** ( $H_4$ ): *The managerial trust in researcher does not act as a direct antecedent of managerial use of market studies.*

In the previous studies – according to our present knowledge – no researcher could verify a direct relationship between trust in the market researcher and the utilization of information. Nevertheless a number of authors (Moorman, Deshpandé et al. 1993; Maltz and Kohli 1996; Maltz and Kohli 2001), agreeing that the phenomenon plays an important role in understanding the use of market knowledge, analysed trust between the supplier and the user of information and did actually detect an indirect relationship. The model of Moorman et al. (1993) contains trust as a mediator variable through which - and only through which – independent variables can affect the use of information. Maltz and Kohli (1996) also treat the construct of trust in the information supplier as a mediator variable instead of an independent one. We believe that trust-based relationship between the manager and the market researcher itself will not make the marketing manager rely on the findings of the market research.

**Hypothesis 5.** ( $H_5$ ): *The better the quality of the market research in the eyes of the manager, the more extensive their instrumental use of that.*

Several earlier research projects (Deshpandé 1982; Deshpandé and Zaltman 1982; Deshpandé and Zaltman 1984; Hu 1986; Deshpandé and Zaltman 1987; Lee, Acito et al. 1987; Menon and Varadarajan 1992; Diamantopoulos and Souchon 1995; Maltz and Kohli 1996; Lee, Lindquist et al. 1997; Homburg and Karlhaus 1998; Maltz, Souder et al. 2001; Toften and Olsen 2003; White, Varadarajan et al. 2003; Ottesen and Gronhaug 2004; Harmancigolu, Grinstein et al. 2010) proved that the higher the perceived quality of a given piece of information, the more marketing managers rely on it. Information which is relevant, which provides answers to marketing managers' problems and which seems accurate and up-to-date will be relied on to a greater extent by the manager. The relationship between information quality and the use of information appears to be both positive and significant in the case of market studies, just as well as marketing planning and inter-departmental sharing of scattered information.

## **Methodology**

### *Samples and data collection procedure*

The quarterly database Cégködtár (Business Information Database) of the Hungarian Central Statistical Office (KSH) was used as the sampling frame. Large scale businesses were defined on the basis of yearly sales revenue. Organizations with sales revenues above HUF 4 billion were counted as large-scale businesses. We completed a census survey of the potential sample of 972 large-scale enterprises, with 254 responses received, corresponding to a response rate of 26 percent (returned sample). Companies which had not commissioned any market studies in any of the five years preceding our survey were excluded from the analysis, thus the number of responses to be processed was 154 (subsample relevant to market research).

Respondents were categorized based on their job experience and job title. Respondents included in the study had been employed at their company for eight years on average; most of them were one level below the top management in the hierarchy, supposedly with authority to make decisions. The distribution by sector of the potential, the returned and the relevant sample was compared. The sectoral classification of the potential sample was based on the KSH database. The main TEÁOR (sector classification) code was reviewed and matched to the sectoral classes for each company. We may state that agriculture, telecommunication and broadcasting, financial services and transportation are over-represented in the sample. Over-represented sectors apart from agriculture (referred to as information-intensive services) had been observed to demonstrate a higher

willingness to respond in former studies, as well (e.g. (Berács, Keszey et al. 2001)). Most under-represented was the processing industry. However, we should note that processing industry refers to an extraordinarily broad category (e.g. food industry, light industry, heavy industry, etc.). Conceivably, we believe that some of the firms in the „other” category actually belong to the processing industry.

Since our study examined large-scale businesses it was quite natural that more than 50 percent of the sample was made up of companies employing more than 300 people. In the sample relevant to market research, the percentage ratio of companies with less than 100 employees was lower and that of firms employing more than 1000 individuals was higher than the respective ratios of the whole returned sample. We think the reason for this is that there is a significant positive relationship between the number of employees and the frequency of commissioning market researches.

In the relevant sample, the ratio of companies in private ownership was 88.8 percent, most of them majority-owned by the foreign private sector. The proportion of firms majority-owned by the foreign private sector was larger than that in the returned sample, yet according to our surveys, there is a significant relationship between the use of market researches and ownership structure (companies in foreign ownership rely more on market studies than the average) – consequently, this did not cause any difficulties in our research. Self-report questionnaires, delivered by post, were used for data collection. A number of companies were asked to participate in the research in an email sent out prior to posting the questionnaires. Each of the companies not responding on time was contacted by phone, as well.

#### *Measures*

Prior to conducting the survey, instrumentation was tested in a number of ways to eliminate any potential errors, in order to arrive at a questionnaire which is suitable for conducting a reliable and realistic survey on market research (Curchill 1979).

In developing the final form of the questionnaire, we relied on previously applied scales and questions found in literature – which proved to be reliable mainly in the American business environment. Some further, self-developed statements were also added to the questionnaire based on the lessons learned from our series of qualitative studies. Instrumentation was tested in two stages. In the first phase, two academic professionals were asked to test and evaluate the contents and the form of the first version questionnaire. In the second stage of testing, MBA students with a major in marketing were asked to complete the test questionnaire and to mark the questions they found hard to respond to. The questionnaire was finalized on the basis of testing results.

As Table 1 indicates, each variable was measured by more than one statement.

Table 1. Constructs and scale items

**Instrumental use of information**

The majority of the research information from this project was not used (R)\*  
 One or more findings of the study had a significant direct impact on the decision  
 It was worth waiting for the research results because some of them materially influenced the decision

**Perceived research quality**

The language of the research study and presentation was clear  
 There were too many tables / graphics / statistics  
 The conclusions / recommendations of the presentation followed from the data  
 The quality of the management summary was high  
 The information provided was worth the money spent on it  
 The way the information was gathered was appropriate  
 The professional quality of the research was high  
 There were many contradictory statements or findings

**User trust in the researcher**

My researcher is creative and he / she is able to provide added value  
 My researcher usually accommodates my last minute requests  
 The information we share with my researcher will not be shared with competitors  
 My researcher reflects on his / her experience to fill in the gaps left by  
 Conflicts with the researcher were solved together  
 My researcher is punctual in meeting deadlines  
 I am convinced that my researcher deeply understands how things are done around here

**Relationship between market research outcomes and expected results**

The results from this research study supported decisions made on other grounds  
 The results were what we anticipated  
 The study validated or confirmed our understanding of something  
 The research study was used to promote awareness and appreciation for

**Level of co-operation with the researcher**

Continuous consulting  
 Problem definition  
 Designing the research  
 Data analysis, development and implementation of recommendations

\* Reverse coded, that is 5s given by respondents were entered into the database as 1s and vice versa

Table 2 shows that the value of Cronbach's Alpha, representing scales' reliability, was acceptable for all scales, exceeding 0,6 (Malhotra and Simon 2009) in each case.

Table 2. Descriptive statistics: Number of items, Range, Mean, standard deviation, Cronbach's Alpha and correlation coefficients

Scale	Numb. of items	Range	Mean	Std. Deviation	Cronbach's Alpha	1	2	3	4	5
1. Instrumental use of information	3	1-5	3.4	.922	.75	1.00				
2. Perceived research quality	8	1-5	3.62	.88	.74	.49*** (139)	1.00			
3. User trust in the researcher	7	1-5	3.4	1.32	.84	.21** (136)	.46** * (134)	1.00		
4. Relationship of market research findings to expected results	4	1-5	3.5	1.0	.76	.37*** (140)	.47** * (136)	.49** * (134)	1.00	
5. Level of cooperation with the researcher	4	1-5	3.5	1.3	.89	.28*** (139)	.39** * (136)	.56** * (135)	.45** * (136)	1.00

\*p<.05; \*\*p<.01; \*\*\*p<.001

### *Evaluation of nonresponse errors*

Prior to conducting the survey, we evaluated potential nonresponse errors. We followed a process suggesting that the relationships, *correlations* between response „speed” and descriptive variables (type of products / services provided by the company, division, number of employees, ownership structure) or other variables included in the model might indicate that it is a certain specific type of companies (for instance those not satisfied with research quality or where the market study did not get incorporated into the marketing information system) which do not respond or hesitate to respond (slow response) – which, in turn, causes systemic errors (*Armstrong and Overton 1977*).

When contacting the companies via phone, it turned out that the most frequent reasons for refusal were related to the length of the questionnaire (ten A4 pages altogether) and respondents being pressed for time. However, given the statistical analysis (results did not indicate a correlation of reaction time neither with key variables, nor with descriptive variables) and the reasons for refusal to respond (which are neither specific to any descriptive or key variables), we believe that nonresponse errors did not cause a systemic error in the sample.

### *Data entry, data cleaning and analysis*

The model was tested by linear regression. Database coding was performed by a professional service provider. When checking the database, one in each ten (10 percent) questionnaires was compared again to the data in the database, and no systemic error was detected.

The reliability of the constructs in the model was tested by the method generally applied in international marketing research (Gerbing and Anderson 1988). First of all, the unidimensionality of our scales was assessed, that is we checked whether each one of the statements (items) in the scales actually relate to the relevant latent constructs. In order to do so, the item-to-total correlations of each item were determined, and the items where the correlation coefficient did not exceed 0.3 were deleted. Thereafter, factor analysis was used to verify that the items theoretically belonging to the same construct indeed constitute a single factor. If they belong to the same factor then the scale is unidimensional, thus the Cronbach’s Alpha measure of reliability may be used. Afterwards, a confirmatory factor analysis was completed, including all the model variables. By that we tested whether a given variable actually belongs to the factor (latent construct) to which it was linked previously and how strong the relationship is between the variable and the factor examined. Should the relationship between the variable and the latent construct not exist or not be strong enough (factor loading <0.5), the statement in question must be deleted and the reliability of the scale must then be recalculated.

Before developing the estimates for the regression equations, the issue of multicollinearity was examined (Mason and Perreault 1991). Thus the R-squared values had to be calculated for the regression equations with all variables substituted (rotated) as dependent variables. If the R-squared values for these latter equations are smaller than those of the respective original equations (based on the relations between the independent and dependent variables of the model), multicollinearity does not play a role. SPSS 9.0 statistical software was used for all calculations.

### *Reliability and validity*

The reliability and the discriminant validity of the research can be verified by mathematical-statistical methods. Nevertheless, further tests would be needed to estimate the *nomological validity* of the scale. Considering nomological validity, *Curchill (1979)* proposes so-called multitrait-multimethod tests, during which the same phenomenon is investigated in different ways and in different times. There was no opportunity for us to perform such a comparison of our study and other Hungarian studies. However, nomological validity may be assessed in a later research comparing the results acquired in different times and with different respondents.

At this time, conclusions about nomological validity may be drawn from the results of the preceding series of qualitative interviews and from those of the scale development. Our series of in-depth interviews more or less provided an opportunity to examine the phenomenon of the use of

market research information by a method different from that of our main study, while in the process of scale development, if subjects interpreted some questions in different ways or if further aspects arised related to a given construct, amendments could be accomplished by modifying the questionnaire. Nomological validity is further strengthened by the fact that in formulating the hypotheses and the assumptions concerning the background mechanisms of the various relationships, we relied on international literature of the topic, that is on studies which provide a basis for external comparison with other results – though direct comparison is hindered by these having been completed in a business environment different from that of Hungary. Validity was also enhanced by applying the so-called „critical incident” method during the survey. Respondents were not asked to evaluate the utilization of market studies in general but to provide their answers relating to certain – namely the most recent – research.

## Results

Having formulated the hypotheses, we may produce the following equations to be tested:

$$1. F\_TRUS = \beta_{1.1} (F\_ER) + \beta_{1.2} (F\_COOP) + e_1;$$

$$2. F\_RQ = \beta_{2.1} (F\_TRUS) + e_2$$

$$3. F\_INSTR = \beta_{3.1} (F\_RQ) + \beta_{3.3} (F\_TRUS) + e_3$$

where:

F\_TRUS: user trust in the researcher,

F\_RQ: perceived research quality,

F\_INSTR: instrumental use of market research,

F\_ER: relationship between market research outcomes and expected results,

F\_COOP: level of cooperation with the researcher.

*e*: error term

Table 3 Standardized  $\beta$  coefficients of the regression equations

Independent variables	F_TRUS	F_RQ	F_INSTR
Constant value	1.587E-02 (.296)	1.137E-03 (.177)	9.957E-02 (.142)
F_ER	.274*** (4.716)	–	–
F_COOP	.592*** (10.229)	–	–
F_TRUS	–	.568*** (8.680)	.014 (.155)
F_RQ	–	–	.414*** (4.714)
F_INSTR	–	.346*** (4.871)	–
F-value	36.704 ***	26.246***	16.925***
R <sup>2</sup>	.520	.323	.178

\*p<.05; \*\*p<.01; \*\*\*p<.001

Table 3 contains the standardized  $\beta$  coefficients, in parenthesis the t-values, the F-values with their significance levels and the R-squared values for all four regression equations. As evidenced by the data, two out of the three equations (those related to trust in the researcher and perceived quality of information) show a very good fit if we compare our R-squared value to those of the regression

models associated with conceptual use of information in international studies (*Moorman: R<sup>2</sup> = .273; Maltz and Kohli: R<sup>2</sup> = .250*). The fit of the third equation, related to conceptual use of information, is somewhat worse. Results of the empirical survey validated all of our hypotheses formulated in the study.

#### *The moderating effect of internal market researcher position*

In our survey, we posed the question whether an independent market researcher position or department exists within the company. Though this dichotomous variable was not a part of our model, subsequently we examined how the “dynamics” of trust – that is the regression equation related to trust – is affected by the existence or non-existence of such a position in the organization.

The in-depth interviews of the qualitative preliminary studies revealed that the market researcher position plays the role of some kind of interpreter between market researchers “juggling” with statistical terminologies and marketing managers dealing with business problems.

We examined whether there is a significant difference in the level of co-operation with the market researcher and user trust in the researcher depending on whether the market researcher position exists or not within the company.

No significant ( $p=.05$ ) difference could be detected in the *level* of co-operation, yet the *trust* in market researchers of those marketing managers whose contact to the (external) market research company is mediated by an internal market researcher *is significantly lower*.

Our results suggest that marketing managers have above-the-average trust in the external market researcher if they can keep in direct contact with them, while their trust is significantly below the average if the internal market researcher position exists within the company. The interpretation of these results require further investigations. At this stage we believe that the existence of internal market research position makes the gathering of managerial experiences about the market researcher more difficult, therefore the manager have less opportunities to build up trust based relationships with the provider of the market researcher. The managers actually receive the research results from the internal market researcher and often, they do not trace back the positive incentives to the external market researchers, but instead they start to trust their direct contacts, the internal market researchers.

Further analysis showed that not only the level of trust, but also the *role of the* factors affecting the establishment of trust is different depending on whether the internal market researcher position exists. This was investigated by recalculating the regression equations. Regression equations are produced for both cases:

The *original* equation (arrived at without considering the existence of the market researcher position)<sup>1</sup> (see Table 3. for beta-coefficients):

$$F\_TRUS = .273 *** (F\_ER) + .592*** (F\_COOP) + e_1; (R-squared = .520)$$

If the market researcher position *exists*, this is what the regression equation looks like:

$$F\_TRUS = .316 (F\_ER) ** + .573*** (F\_COOP) + e_1; (R-squared = .469)$$

If the market researcher position *does not exist*, the regression equation is:

$$F\_TRUS = .252** (F\_ER) + .601*** (F\_COOP) + e_1; (R-squared = .546)$$

The above equations show that the marketing decisionmaker’s direct co-operation with the researcher attributes more to the trust-based relationship if the internal market research position does not exist. The role of direct contact between the market researcher and marketing executive is

<sup>1</sup> Where:

**F\_TRUS:** user trust in the market researcher

**F\_ER:** relationship between market research findings and expected results

**F\_COOP:** level of cooperation with the researcher

and \* $p<.05$ ; \*\* $p<.01$ ; \*\*\* $p<.001$

less important when internal market researcher position exists. This might be because the internal market researcher can be of assistance in formulating the research question, or implementing the results. The internal market researcher can overtake important tasks from the external market researcher. In companies, however, where internal market research departments do not exist, it is important to keep tight and intense contact with the marketing researcher during each project phases.

We can also see, that the delivery of expected results in the preservation of trust is more important in companies where internal market research positions exist. In other words, the risk of losing trust because of counter-intuitive result is higher in companies with dedicated market research positions.

## Discussion

According to our findings, one of the key factors of the utilization of market studies is marketing managers' trust in the market researcher. Trust between the marketing executive and the market researcher is a necessary but not sufficient condition for the commissioned market research to become a truly useful tool of marketing management. Our study, just like previous research (Moorman, Zaltman et al. 1992), was unable to confirm a direct relationship between the use of information and trust in the researcher. Thus the statement that the more the marketing manager trusts the researcher, the more they rely on the market study, does not hold true. Nonetheless, trust is, though indirectly, one of the most important elements of the value chain from market information to market knowledge.

Marketing executives at large-scale businesses typically do trust market researchers, however the *trust* in market researchers of those marketing managers whose contact to the (external) market research company is mediated by an internal market researcher *is significantly lower*. Researchers might improve the level of trust through value-added services backed by counseling activities. It is cooperation which has the primary role in developing trust between the market researcher and the marketing manager. The more opportunities the manager has to meet the researcher during the various phases of the study, the more they will trust the researcher.

The reason for trust being an important element of the value chain from market research to marketing knowledge is that it is the key factor determining research quality as perceived by the decision maker. Managers make decisions based on studies the professional quality and the conditions of which they only have limited knowledge of due to the *information asymmetry* between the parties (as they lack the methodological skills needed to „objectively” assess the quality of a research study). Even though the marketing executives of Hungarian large-scale enterprises are generally satisfied with the professional quality of market studies, quite a number of them still feel to be unnecessarily overwhelmed by heavy statistics; beyond the fair and unbiased, but often quasi-mechanical, analysis of data, they would like to see some tailor-made results providing direct answers to their dilemmas (Keszey 2007).

An interesting, and previously undetected, relationship is that marketing managers' professional trust in the researcher is deteriorated by unexpected results. This, in turn, draws attention to the conclusion that market researchers should be taught how to efficiently communicate results which might seem surprising to decision makers in order to avoid a loss of confidence in them. Market researchers are typically clear about the internal relations of their clients, they are not „naive” about preliminary expectations (Zaltman and Moorman 1988); thus the anticipation of clients' reactions to research findings shall not constitute a problem for researchers. Our findings proved that research quality as perceived by the manager is a very important factor determining whether the marketing manager relies on research findings in their work.

## **Limitations and Future Orientations**

It would have been interesting to measure the performance-consequences of the use of market research information, that is to determine whether products launched to satisfy the consumer needs discovered by market research indeed perform better in the market. However, the effect of market research on performance could only have been measured, if we had investigated studies prepared with the same purpose, but in this research this would not have been feasible.

Another interesting point could have been to ask the supplier of the market research, the external market researcher what he thinks are the factors influencing the trust-based relationship between the parties, yet our multi-purpose questionnaire did not allow such a dyad-like survey.

Future research may take on different directions.

The database available is suitable for the appropriateness of our model and the fit of the regression equations to be tested on subsamples. Our database – provided that some statistical conditions are fulfilled - enables us to verify whether the same variables tend to act differently in for example the telecommunications and the wholesale industries, or to explore the differences between the dynamics of trust in consumer (B2C) and in industrial (B2B) markets.

The external validity of our research is strengthened by the fact that we performed a census survey of the companies with a turnover above HUF 4 billion and achieved a response rate of 26 percent. It may be of interest to analyse the phenomenon – within the framework of a later project – using a representative sample of all Hungarian companies.

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