

A Practical Guide To Market Research



By Paul Hague

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Preface

I was fortunate to find market research. It is the only work I have ever done and it has kept me interested all my life. My first job was with the Dunlop Rubber Company, where I had the title “Marketing Executive” and where I spent happy days researching markets for the General Rubber Goods Division. I remember, as if yesterday, my very first assignment; I was asked to research the market for dock bay seals. I had no idea what they were and, as a new graduate, was too timid to ask. Furthermore, it was 1969 and there were few text books telling me how I should go about the task.

I soon learned that with a tongue in my head I could easily ask and keep asking and eventually I would find the answers. I found out that dock bay seals are foam rubber surrounds that fit around loading bays so that trucks can reverse against them and make a seal to stop warm air getting into cold stores. This led me to cold store operators and soon I was speaking to them and building a picture of the market. It was like being a commercial detective and I was hooked.

I moved from Dunlop to a steel company and there I learned the trade of an industrial (now business to business) market researcher. Then, with terrifyingly few years of experience under my belt, I set forth on my own and established Business & Market Research, a market research agency which carried out all types of ad hoc consumer and business to business surveys. Twenty five years later I sold B&MR and after a short period as a consultant, formed B2B International where I have worked for the last eight years.

This potted history of my career is to convey to you my enthusiasm for the subject of market research. Over the 35 years I have been working, I have probably managed more than 2,000 research projects. Each one different, but with more common ground between them than you may think. They all had a research design geared to a set of objectives. All had a method that in many cases involved a mixture of secondary and primary research or qualitative or quanti-

tative research. In every case, data had to be analysed and clearly reported to the sponsor so that they could move forward with more confidence and less risk in making decisions.

If you are reading this book you will have an interest in market research. Possibly you have a market research project to complete and need help with how to go about it. You may be studying for a business degree and market research is part of your course. You may be taking the Market Research Society/City & Guilds Certificate in Market & Social Research. Whatever the case, I hope that the knowledge that I share with you in this book will help you succeed.

This is an introductory text covering the whole subject of market research. Anyone with a serious interest is urged to broaden their knowledge by reading widely and the references at the end of the book point to where you can obtain more detail.

The book is designed around the curriculum for the *Market Research Society/City& Guilds Level 2 Certificate in Market & Social Research* and, as a complement to this book, readers will find it very helpful to sign up for the on-line course on <http://www.mrs.org.uk/training/online.htm>.

There are three main sections to the book:

- An introduction to market research – covering the basics of market research, setting research objectives, research design and an introduction to research methodologies.
- The tools of the market researcher – covering qualitative and quantitative tools, sampling, interviewing methods and questionnaire design.
- Completing the market research process – covering data analysis and interpretation, reporting and communicating the findings and a background to the market research industry.

In writing the book I pay tribute to my former partner in business, Peter Jackson, who shared the authorship of many of the previous books I have written. Peter is now, deservedly, walking the hills of Devon. Many times when writing I have referred back to his notes and always found them instructive and helpful. So too I have drawn on much of the good material written in books and white papers by Nick Hague, Matt Harrison and Carol-Ann Morgan, my colleagues at B2B International.

Paul Hague

B2B International, Stockport
March 2006

Chapter 1

The Basics of Market Research

Introduction

In this chapter you will learn about:

- The role of market research in helping business decisions through the systematic and objective collection of data.
- The applications of market research and how many studies are to help show the size of markets, to measure the satisfaction of customers with products, to guide new product development and to show people's use of and attitudes to products.
- The Market Research Society's Code Of Practice which sets out guidelines for protecting people who are interviewed and clients who commission research.
- The Data Protection Act that protects enforces data collection and analysis procedures to ensure that people's wishes for confidentiality and anonymity are upheld.

The role of market research

Goodness knows when market research was "invented". It would be reasonable to suppose that for ever, sensible people in business have researched their markets. They will have asked their customers what they want and asked them if they are satisfied with the products and services they supply. They will have done some crude assessment of the potential for their products. They will have judged the best price to charge by carefully watching the competition. Customers always have been the most important part of a business. Today, if you do not put the customer at the centre of your business, you will, over time, have no business. In other words, market research or market intelligence has always been with us.

However, market research is a bit more than the informal assimilation and interpretation of intelligence that is a natural consequence of keeping eyes and ears open. Market research is structured and purposeful. It is *the systematic and objective collection and interpretation of data to help reduce risk in marketing decisions.*

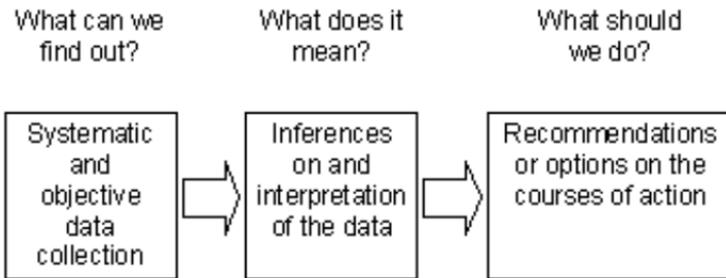
As with all definitions, this one is loaded with meaning. Market researchers do not just poke around in a market to see what is going on. They have research designs and plans. They are therefore systematic in what they do. Furthermore, they seek to uncover the truth which may be hidden under a pile of assumptions or bias. It is the researcher's task to be objective.

Key point
Good market research turns data into intelligence.

Market researcher's stock in trade is data. Good market research should not stop with data. Data are the collection of facts and opinions that are accumulated in the survey process. This needs converting to information so that it tells us something. More than this it needs to become intelligence so it helps us make smart moves. Market researchers collect statistics and opinions; they then work out what these data mean, and draw conclusions which

lead to improved business decisions.

Figure 1.1 The Role Of Market Research



This widely accepted definition of market research makes the subject a relatively new tool in business planning. References to market research as we know it begin to be made around the turn of the last century. The first nationwide market research survey – into grain production – was carried out in the USA in 1879 by advertisers N W

Ayer & Son. Since that time, the market research industry has benefited from advances in psychology, sociology and technology. The development of marketing as a key business element has also had an important impact on the development of both market and social research. The result is that market and social research now encompass a wide range of quick and reliable ways of gathering information to help improve decision making.

In the 1930s the audit firms of Nielsen and Attwood developed techniques for measuring sales of consumer goods through retailers. Subscribers to these audits were able to track the market size for their products and calculate their market shares. The market research industry was born.

How market intelligence helps in business decision making

All businesses need information to guide decision making. Managers desperately trying to understand increasingly complex and global markets, need more *useable* information than ever before. Because of this, the research sector plays a valuable role in the commercial, social and political world today.

This information can be likened to that which we need when we are driving. The dials on the dashboard are the equivalent of the financial barometers that tell us what sales and profits we have achieved while the map on the front seat is the market research report that shows us the best way forward.

In a world where there are very few technological secrets, it is not surprising that cans, computers and cars all look the same. Commercial success is dependent more than ever, not on technological superiority, but on a better understanding of customers' needs and using this information to guide decision making.

Sometimes research needs are obvious. You are launching a new product and you need to know customers' reactions. Will they like it? Will they buy it? How much will they pay? How much will they buy? What will trigger their purchase? Launching a product without this information and basing it on internal hunches and opinion (usually optimistic) could be a disaster.

It is sometimes easier to look from the outside into a company and recognise their need for research than to arrive at this realisation when on the inside. Managers of companies build a picture of their

markets in their head. They feel that they know what is going on better than any outsider can tell them. There can be significant prejudice and resistance to research from people who have vested interests in an operation.

Key point

Understanding customers' and potential customers' needs through market research is one of the best ways to obtain a sustainable competitive advantage.

Market research is the map by which businesses can navigate. In the same way that maps can be large or small scale, market research can be high level or detailed. Of course, the map doesn't guarantee that you will arrive safely at your destination because you have to successfully avoid collisions and ensure no wrong turnings. In some cases the map may lack the detail that is required or even be out of date.

Obviously market research is concerned with decisions in the marketing function rather than in production or financial management. Because marketing is so

central to any business, the consequences of marketing decisions spill over and affect other functions. Also, the techniques that are used in market research can be used in some other areas of the business. For example, human resources departments frequently use market research to measure the satisfaction of employees in the company. Market research can provide useable information needed to support management decisions. It also provides a way for management to keep up a dialogue with customers and shareholders. You can use market research to find gaps in markets, assess new opportunities, develop new products and services, assess market potential and diagnose strengths and weaknesses or pros and cons.

Market research is also important to not-for-profit businesses, for example in developing new identities for national charities or locating leisure facilities, like a local council's new swimming pool.

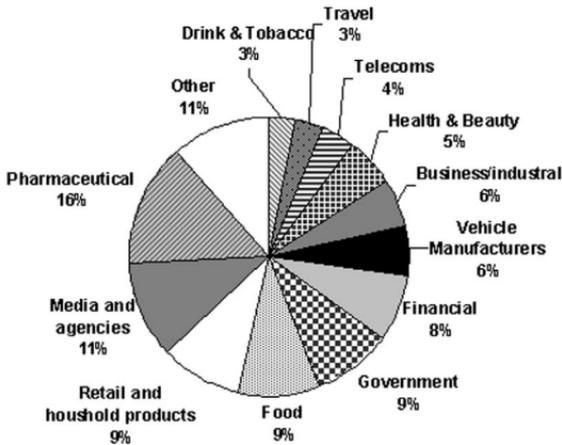
The British Market Research Association collects statistics on the commissions received by agencies in the UK. The figures supplied by the agencies account for around a half of the total commissions received by agencies and give a good indication of the applications for the research. Nearly half (46%) is research with non-consumers and buyers in business account for the major part of this, the rest being largely accounted for by research with the medical profession.

The other 54% of the commissions are from surveys with the general public and here there are four important categories of research:

- Market measurement
- Customer satisfaction surveys
- New product development
- Usage and attitudes surveys

The spending on these different categories of research is shown in figure 1.2.

Figure 1.2 Analysis Of Turnover Of BMRA Members, 2002



Note: these figures are based on returns from around two thirds of the BMRA sales turnover, representing around half the UK market research industry turnover.

Think about

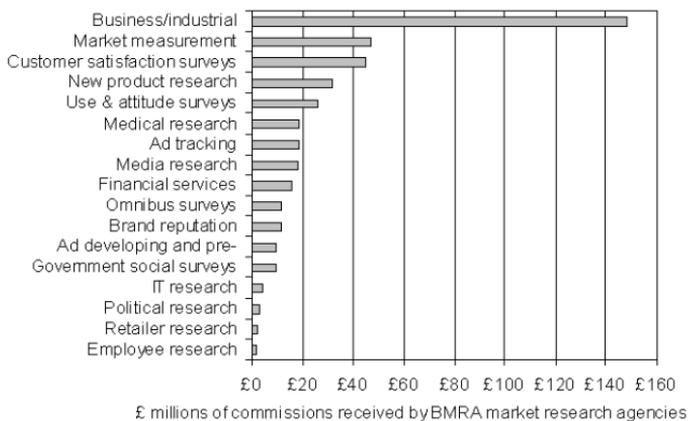
What decisions are made in your organization that could benefit from market research? What are the drivers that result in market research being used in your organization, and what are the barriers that stop it being used?

The structure of the market research industry

Market research is bought by companies to help market the goods and services they produce and by government organisations to assist policy making. It is estimated that the total spend on market

research by UK companies and organisations is just over £1 billion per annum. As we have seen in figure 1.2, there is a significant expenditure on research with business to business respondents. In Figure 1.3 we see the breakdown of the industry by the nature of the client – remember many consumer companies such as Philips Lighting, or Shell, have significant turnover with businesses and carry out a good deal of business to business research. The percentage of companies that commission market research and have no consumer face is actually quite small and around only 10% of the total pie. The figures shown are the value of ad hoc and continuous market research bought-in from specialist market research suppliers and excludes research carried out by non-specialists such as management consultancies. Nor does it include the value of work carried out “in house” by people who do their own collection of data. Spending on market research by pharmaceutical companies has doubled in the last five years and now leads all other sectors.

Figure 1.3 Share Of Market Research Expenditure By Nature Of Client, 2002



Source: BMRA data

The demand for market research services has grown rapidly through the late years of the twentieth century though there are signs that some sectors of this youthful industry are now maturing.

As well as the variation in demand for market research by sector, there are enormous differences in the spending on market research between user organisations and in the way they organise the market research function internally. At the top, in terms of expenditure, are organisations which each spend several millions every year on

market research. These include some of the very largest commercial companies and the Government (albeit spread through many departments and agencies).

Research buyers of this scale, often have central market research departments which act as service providers to the line management throughout their organisations. These departments not only act as professional buyers of market research but also carry out the analysis, interpretation and communication of the data within their organisations. There is a trade association representing the interests of these larger buyers of market research – the *Association Of Users Of Research Agencies (AURA)*.

If a company is not large enough to justify its own market research specialist, the buying and control of research may be carried out by business managers who need the information.

Apart from market research bought by individual organisations to meet their own needs, there is a significant expenditure by industry groups collectively. Trade associations may commission ad-hoc or continuous research and in some areas there are special joint research programmes to meet industry wide information needs – media research is the most notable example of this with much audience and readership data obtained in this way.

As well as users and suppliers of market research, there are some types of organisations which fall somewhere in between. The most significant of this group are advertising agencies who commission research on behalf of their own clients and may build-in such as advertising testing and evaluation into the planning of major campaigns. The largest advertising agencies often have their own research departments staffed by professionals and involved in the development of sophisticated techniques for media and advertising-linked research (Admap is a monthly journal specialising in this area).

The market research society code of practice

The *Market Research Society (MRS)* in the UK is the largest body of market research professionals in the world. The MRS has established a “code of practice” that covers the ethical aspects of market research, responsibilities to fellow members of the bodies setting the codes, clients, survey respondents and the public at large. The MRS code is taken seriously by all professional researchers and even if they are not personally members of the Society, they are likely to

subscribe to the principles embodied in this code. A copy of the code is obtainable from the MRS and research users should be familiar with its main provisions since it affects and to some extent restricts the user/supplier relationship. Some important aspects of the Code in this respect include the following:

- Information can only be collected from respondents by fair means. Respondents must be honestly and comprehensively told that the information is for research purposes and that their participation is entirely voluntary. They are asked to give their consent. The only exception to this is observation, including mystery shopping, where the observed behaviour is public (eg shoppers looking in a window).
- Information given by respondents is confidential and may not be passed, in an identifiable form, to anyone outside the agency carrying out the research. This includes the client. Confidentiality even extends to the identity of respondents. This requirement, therefore, largely excludes using formal market research (as understood by the MRS) to build up personal details of potential customers and producing lists or databases that can be used in subsequent marketing. The requirement for confidentiality can, however, be relaxed with the freely given and express permission of the respondent at the time of the interview and there are some differences in interpretation for business respondents.
- Equally if the research sponsor – the client – asks for confidentiality and it is promised, it must be respected. Furthermore, the results of research carried out for specific clients is confidential to that client and may not be disclosed to others or used to the benefit of other clients.
- The Code also sets standards for reporting the results of research including that any results must be supported by adequate data. Research agencies cannot, for example, be asked to lend their name to promotion claims (..the results of market research shows that our brand was rated consistently better..) which are untrue or not backed by research data.
- Agencies are required to safeguard all data to meet the requirements for confidentiality and ensure that records are kept for a reasonable time to allow queries arising from the research to be answered.

Think about

How do you feel about being interviewed by a market researcher? How would you feel if somebody pretended to be a market researcher but was actually trying to sell you something? What part of the MRS Code is most important to you?

Implications of the data protection act

The 1998 Data Protection Act (DPA) came into force in October 2001. Market research is subject to the statutory provisions of the Data Protection Act (at least when any of the data is computer processed and this covers virtually all research data). The Act effectively gives legal force to some of the provisions of the MRS Code (eg in relation to how personal data is collected and processed by all methods).

Key definitions

The following definitions are important if you are to understand how the Data Protection Act (1998) relates to market and social research.

- **Personal Data:** this is any information which can be used to identify an individual person. Examples of your personal data include your name and your address. On its own, your age is not personal data because it alone cannot identify you.
- **Processing of Data:** this covers a number of activities, including collecting or gathering data from individuals, recording the individual's data and carrying out any type of work using the data by whatever means¹.
- **Data Subject:** This relates to the individual person. For example, if you have given your personal details to join a store's loyalty card system, you are a data subject.
- **Data Controller:** This is the person who makes decisions about how and why personal data will be processed. For example, in a company which has a database of its customers, at least one person must be identified as being responsible for how that data is used.
- **Notification:** All data controllers in the UK must register with the UK's Information Commissioner and inform the commissioner about the full range of types of personal data

which they or their organisations hold. This registration process is called 'notification'.

- **Transparency:** All data controllers must ensure that data subjects know exactly why their data is being collected and how it will be used. In other words, they must ensure that there is 'transparency' for the data subject.
- **Informed Consent:** Before data is collected, individuals must understand why the interviewer or researcher needs the information and how this information will be used. They must then agree to give the required information. This is called giving 'informed consent'.

Key principles

There are very strict guidelines which govern the gathering, recording and storing of personal data for market and social research. These include:

- Personal data must be processed in accordance with the law.
- It can only be used for the purposes for which it was gathered. This means that a researcher cannot use the same personal data for two different projects, unless the respondent was informed about the second project at the original interview.
- Researchers and clients can only ask for information which is relevant and necessary for the purpose of the research.
- Personal data cannot be transferred outside the European Economic Area (EEA) unless it is protected by very specific safeguards. This means that if your organisation is based outside the EEA it must meet very strict guidelines in order to access data held in the UK.

Getting full consent from respondents is important because it is difficult to get permissions changed after the research has been completed (and may be unlawful).

Primary data collected in a market research project can only ever be used for market research purposes. Both clients and researchers need to understand this restriction. For example, if a group discussion on the topic of customer service has been videoed as part of a market research project, the client cannot use the video later as part of a customer service training programme for staff.

The 1998 Act does not apply to data held about corporate or other types of organisation but it does apply to sole traders and partnerships are regarded as individuals – for example plumbers who work from home. Individuals in their corporate capacity do have data protection rights.

Data collection conditions

Strict rules govern the ways in which data is gathered from individual respondents:

- The respondent must always give his or her informed consent to being interviewed. This means that he or she must understand why the data is being collected, and how it will be used before agreeing to the interview. If you think you may want to interview a respondent for a second time, you must always get permission for this re-interview at the initial interview. This means that, if you forget to ask a question in the first interview, you cannot recontact the respondent unless you have already gained their permission.
- You must always have the respondent's permission before passing any of their personal data on to another agency. This means that you cannot give the names or addresses – or any other personal data – of your respondents to any other person or organisation if the respondent has not given permission.
- Clients who commission research can only use the respondents' personal data for the purposes for which the respondent has given permission. For example, a client company cannot send information about its products to a respondent who has not agreed to be added to its marketing mailing list.
- Data controllers (not data processors) have prime responsibility and clients are the data controllers for customer databases.
- Research agencies are data controllers for any lists they buy or acquire rights for, any databases created from scratch, and any new databases created (for example, by merging any client-supplied data with survey results and all data collected during research as long as it remains linked to individuals). Remember that there may be more than one data controller per project!

- A direct marketing agency will typically generate mailing lists for a client who will subsequently try to sell to the named individuals. A market research agency operating to the Industry Code of Conduct is not allowed to release the name of respondents, where the client's intention is to try and sell to them.

Think about

Do you have any responsibility for collecting or entering data on individuals into computers? Are you a Data Controller in the terms of the Data Protection Act? Do you need to register with the Information Commissioner?

How to comply

If you do any of the following then you will need to notify your data controller or the DP Registrar:

- Sample from client databases to which you add any research findings or data on things like contact or availability

Key point

Almost all people working in market research need to register their company with the Information Commissioner.

- Have your own list of respondents or buy other lists
- Hold any data collected during a research project in a manner in which it remains linked to data subjects
- Create your own databases (from scratch, through purchase or through addition to a client's database for example)

- Own identifiable data

You probably don't need to notify if you:

- Never hold identifiable data in any form
- Never conduct any processing in your own name

How do you notify?

UK notification helpline: 01625 545740

UK notification online: www.informationcommissioner.gov.uk

The fee is £35 a year, renewable annually. In your notification you will need to include:

- Purpose (description of category of processing)
- Data subjects (people about whom data is processed)
- Data classes (types of data being processed)
- Recipients (to whom data may be disclosed)

Quality standards

Linked to ethical issues covered by the codes of practice is the question of quality standards in market research. Clearly research, if it is to be of any use, must be carried out to at least a minimum standard.

There can be little debate that the foundation of reliable market research is the quality of interviewing. Questionnaire design and other office based activities certainly effect the output but so does how well and conscientiously individual interviewers carry out their work. Yet these workers are not of professional standing and often have only limited training before starting work. Moreover, face to face interviewers (phone interviewers are in a different position) work largely unsupervised and with limited contact with head office. Also they often work part time and for several companies and this could effect their loyalty to any one organisation. A specific scheme called the *Interviewer Quality Control Scheme (IQCS)* has been in place for several years with the objective of developing and raising fieldwork standards. The detailed requirements of the Scheme change year to year but include:

- Minimum training periods for new interviews and a requirement that even experienced interviews have some training on starting work for another company.
- Monitoring of interviewers' work through independent re-contacting of a sample of respondents (back checking) – the purpose of this is especially to ensure that interviews are not just made up by a dishonest interviewer (rare but not completely unknown).
- Appraisal of interviewers' work including by on-going accompaniment by trained supervisors or head office staff.
- Office based systems to ensure that all the above is carried out.

These requirements are as set out for face to face interviewing; there are comparable IQCS requirements for phone interviewing. Agency

membership of the scheme involves an annual visit by IQCS inspectors to ensure that the requirements are being met.

Whilst vital, fieldwork is only part of the research process and it has been increasingly recognised that published standards (which can be independently assessed) also have a place in activities such as client contact and contracting, research design and planning, data processing and reporting. Market Research Quality Standards Association (MRQSA) is an all-industry body which brings together a number of trade and professional bodies, including the MRS. MRQSA was set up to develop minimum standards for market research, data collection and data processing. These standards have now evolved into BS7911.

SCARY STORY

A member of the public complained that a government department had disclosed her name and address to a market research company for the purposes of conducting research and that subsequently, a representative from the market research company visited her home to interview her. She felt that the Department had breached the Data Protection Act 1988 and had made her data available without her consent to a private firm.

On investigation of the complaint it was found that the market research company had been given a list of customers' names and addresses that were selected at random from the Department's databases for the purpose of this survey only. Everyone had received a letter from the Department informing them about the survey, and indicating that data provided in interviews would be held in the strictest confidence by the market research company and that the names of those participating would not be disclosed to the Department.

Fortunately for both the government department and the market research company, they were registered with the Information Commissioner and had complied with the Data Protection Act by informing the respondents that data would be held confidential. However, it is a scary moment if an investigation is instigated so it is important to register and understand the implications of the Act.

Chapter 2

Research Objectives

Introduction

In this chapter you will learn about:

- How market research can be used to help organisations grow by finding new markets for their products or new products for their markets.
- How to separate out the aims of market research from the research objectives and the research questions.
- How to define a problem that can be solved by market research.
- How to write a brief for a market research project.
- What to expect in a market research proposal and how to choose between alternative proposals.

Decisions that can be guided by market research

There are four directions a company could look to expand its business.

- It can seek more business from its existing customers by aiming to grow its market share with the products that are already in its portfolio. Customer satisfaction studies are commonly carried out to identify opportunities in this box.
- It can seek expansion by taking its traditional product range into new markets. For example it can seek expansion in

export markets where it hasn't previously had any sales. Market research can help here by providing information on the size of the opportunity, the competition, the best route to market and so on.

- It can seek to persuade existing customers that they should buy different products or services – a sort of product line extension. In this case, market research could explore the needs of customers for the products that are contemplated for the extended portfolio.
- It can explore the possibility of selling new products to a new range of customers. Since this is the most speculative of options, market research plays a vital role in showing the complete map of people's needs, how they are currently being satisfied or not, their likelihood of buying new products or services etc.

These four opportunities for business expansion are identified in Figure 2.1

Figure 2.1 A Strategic Framework For Market Research In Business Expansion

New products	Market research can show the likelihood of adoption of new products	Market research can show un-met needs and provide an understanding of unfamiliar markets
Existing products	Market research can measure customer satisfaction to find out how to maintain a competitive edge	Market research can find new territories for products or services
	Existing markets	New markets

“High level” business questions that can be answered by market research

Note: this framework was first promoted by Igor Ansoff as the “product-market matrix” in the Harvard Business Review in the Sept/Oct edition of 1957. It has become one of the most popular matrices and is used to identify the basic alternatives strategies which are options for a firm wanting to grow

All businesses face marketing problems or opportunities. Think of some examples where you believe that companies should be using market research and probably are not. What are the main areas where you believe market research has an application? These problems could be located in a framework such as the Ansoff grid or they may address fairly high level questions of a type that are frequently asked in the board room. Examples of such questions are:

Financial problem solving

- How can we reverse a fall in sales (or achieve an increase in sales)?
- How can we obtain more profit from the product/service?
- How can we improve the satisfaction of our customers so that loyalty is improved?

Meeting opportunities

- How can we improve our offer to customers (the product/service, the delivery, the guarantees, the service support etc)?
- What is the optimum price we should charge?
- How can we segment the market so that we can better satisfy customers’ needs?
- What is the best route to market?
- How can we persuade people to buy our products when they are being tempted in other directions?
- How can we increase our sales in other territories?
- Which new products or services could we offer to our customers?

Evaluation and diagnosis

- What is the cause of the fall off in sales and/or profitability?
 - Why are people rejecting our product in favour of those from other companies?
 - What are the triggers that would cause people to buy our products/services (or the barriers that are stopping them)?
-

These “high level” questions are often the way that a market research need is expressed by senior management and it is the market researcher’s responsibility to convert these to research objectives that can be answered by a study.

In addition to these high level questions, there are many detailed questions that can be answered by market research and these are listed as follows:

Detailed questions that can be answered by market research

The market and its structure

- The market size (usually broken down by segments)
- The route to market (through the value chain)
- The companies that compete in the market (and their market shares)
- The numbers of consumers (again broken down by segment)

Consumer needs and satisfaction

- Factors that trigger the purchase of the product (or service)
- Factors that influence the choice of supplier
- The importance of specific issues on the selection of supplier (such as product quality, availability, price, brand etc)
- Consumers satisfaction with the product (or service)

Product information

- Products that are purchased

- Un-met needs (new product opportunities)
- Attitudes to new products (either in concept, as prototypes or in their finished form)
- Packaging of the product

Price information

- Prices of the products (list and net)
- Price sensitivity (elasticity) of the product
- Values attached to various aspects or components of the offer

Promotion information

- Sources through which consumers and potential consumers acquire their information on products and services
- Messages that trigger an interest in the products/services
- Attitudes to different adverts including new adverts
- Awareness of advertising
- Effectiveness of different forms of advertising
- Readership of different media

Distribution information

- Role of different levels in the value chain
- Price levels and margins in the value chain
- Factors that prompt merchants and distributors to stock products
- Marketing and merchandising within the value chain
- Availability and stocking levels in the value chain

Segmentation opportunities

- Demographics of the population in terms of age, gender, income group, location
- Behaviour of the population in terms of how they buy (eg frequency of purchase, place of purchase, size of purchase etc)

- Needs of the population in terms of what drives their selection of a supplier (eg often referred to as the drivers behind the decision such as convenience, bargain hunters, safety seekers etc).

Think about

Think about a problem in your organisation that could benefit from market research. Write down the broad aims of the research, the research objectives that must be achieved to meet the aim and some key questions that should be answered by the research.

Defining market research problems

Key point

Most research projects that go wrong do so because the fundamental problem that has led to the research has not been fully understood or defined.

Every research project should have a defined and explicit objective which clearly states *why* the research is being carried out. All other aspects of planning and carrying out the research flow from this objective; in other words if they do not contribute towards achieving this objective they almost certainly should not be undertaken. The objective should relate to the marketing decision which will have to be made or the problem that needs a solution (and decision).

Getting the client to spell out their issue and identify the heart of the problem, is half the battle when running a research project. A problem defined is a problem half solved! Three questions determine if the research needs to take place:

- What research exists already?
- What research is needed?
- Can the research readily be undertaken?

The objectives of research can range from helping a company improve its satisfaction rating amongst customers, to finding new markets for its products through to helping with the launch of new products. Let's take an example of a company that is suffering with

stagnant sales. The objective of the research is to find out the cause of the stagnant sales and how to get them moving upwards.

Where the starting point for the research is a problem (or potential problem/opportunity) rather than a clear-cut decision to be made, an effective approach is to think of and list as many objectives as possible for the research. In other words develop alternate hypotheses. This may be done by the researcher but better still at a “brainstorming” of all the key staff involved. The researcher may make a specific contribution to this process based on the results of previous research in related areas. He or she may also usefully act as a facilitator at that meeting.

Possible reasons for the company’s stagnant sales could be:

1. The market is declining.
2. The prices of the company’s products are too high relative to the competition.
3. The benefits that the company is offering in terms of its products and services relative to the competition are too low.
4. The company is losing customers because of a failure in its products or services.
5. The people who are buying the company’s products are old and retiring. New buyers do not know of the company.
6. The company’s image is tired and old fashioned.
7. The company’s sales force is not active.

With only a little effort, the list of hypotheses generated is likely to be quite extensive and probably more than can be sensibly covered in any one research project. This would mean that some selection will have to be made of the hypotheses which are to be covered in the research project. This is likely to be based on a judgement of which is the more likely explanation of the problem; evidence that is already available – including from previous research as well as from more informal sources – may enable some hypotheses to be confidently discounted. For example, in the above listing, if there haven’t been any complaints, it could reasonably be assumed that hypothesis number 4 is not valid. However, the sales force could be constantly reporting that the prices are too high against the benefits that are being offered. This could point to the hypotheses which do seem worth researching and will be the basis of a valid research objective.

To write out clear objectives you need information about the background of a problem. You might find this in internal records like sales reports, complaint statistics and customer service feedback forms. Usually though, you must get this by talking to the client and asking lots of questions. What really lies at the root of the problem which the client is describing? In many cases, the client may not have identified the root of the problem correctly. The researcher therefore needs to get as much background information as possible about the client's organisation and their market. *What is the background to the market, or to the issue?* and *What factors led to the current problem?*

A useful framework for identifying the links between a problem and a research objective is shown in Figure 2.2. Write down a high level question that you think your company or organisation would like to answer. Then think through all the factors that could be causing this question to arise for your company or organisation. Finally, think through all the information that you need to fully understand the problem and the level of knowledge that your company holds on the subject.

Figure 2.2 Worksheet for identifying links between a problem and research objective

The question that has to be answered (eg how to increase sales?):			

Causes of the problem (eg developing the customer base; finding an improved offer to customers; price competition)			

Information that is needed	Present level of knowledge		
	High	Medium	Low
(eg drivers of the purchase decision)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Think about

In your market, what do you think drives people to use your company/organisation? Is it the quality of your products or services, your prices, the ease with which you do business with them, your delivery etc? Make a list of all the possible factors. Now assign a weight to these factors to indicate how important they are to the customer. Do so by spending points out of 100 across the different factors – you can spend the points how you like but you must spend all 100. What would be the implications to your company if you are wrong in this assessment? How easy or difficult would it be to ask customers why they choose (or don't choose) your company and to get an honest and useful answer?

Defining a research objective

To meet the defined objective, a range of information will be required and will in turn be an input into the decisions which will be eventually made. For a given objective the information list, with only a little thought, will soon be quite long; possibly too long. For example, in the case of the company with the stagnant sales, the information objectives could be as follows:

Establish the reasons for stagnant sales and suggest means by which sales can be increased.

- The demographics of who is buying the product at present compared to the demographics of people buying competitors' products
- Satisfaction of customers and potential customers with the products they are buying
- Attitudes of customers and potential customers towards the value for money of the products from different suppliers
- Features about the product that customers would like to see improved
- The awareness amongst potential customers of product
- Factors that would prompt potential customers to buy from the company.

This list is by no means exhaustive and other information headings may also be considered important. There is no such thing as an absolutely right or wrong coverage although the effectiveness of the research will be shaped by what is included or left out. Often the problem is not so much that headings are left out but that the coverage is too broad in relation to the research resources that are available (in particular the budget and the timetable). The initial “wish list” of headings may, therefore, need pruning or separating into what is absolutely vital to know and what is of lesser importance.

Key point

Pinpoint the objective of the research and exactly what information is required at the outset.

Taking time and effort in defining the coverage of the research is essential if the results are to truly assist the decision making process. In addition, however, a well defined research coverage is of practical value in latter stages of the project and particularly at the questionnaire design stage. With the coverage defined and listed much of the work involved in developing a questionnaire is already done.

The brief, the proposal and their importance to the project

Not all companies can afford the services of market research agencies. Indeed, there are many occasions when market intelligence is required but the business decision does not justify a large and extensive research project. In these cases some desk research could be carried out or a small number of exploratory interviews may suffice (see Chapter 4). It does not matter if the research project is a DIY job or project that is to be outsourced, it is good practise to prepare a market research brief.

The brief is the statement that sets out the background to the research and what objectives it is hoped will be met. It is helpful to write down (perhaps on one or two sides of paper) answers to the following:

1. Why do this market research? What action will be taken when the research is completed?

This is arguably the most important part of the brief as it will allow the researcher to work out all the other things that are required such as the specific information that will be useful (see item 5 below)

2. What has caused this problem or led to this opportunity?

Here it is helpful to describe the history that has led up to the research. A description of the product/service is important and so too it would be good to talk about the way that the market is changing

3. What is known about the area of research already?

It can be helpful to the market researcher to be aware of what is already known and then they can build on it and not waste money or time re-inventing it. Also, knowledge on the structure and behaviour of a market allows the researcher to be more precise in their proposals. For example, most sponsors of research have carried out some desk research or have internal reports that provide views of the market. This could be made available to the researchers who are planning a research programme if they need a deeper understanding of the market.

4. Target groups for the research?

Survey research has to be targeted at someone. The target for interviews needs to be scoped precisely. If they are householders, should they be people who have bought a product or who are thinking of buying a product? Should they be buyers or specifiers? Should they be multiple purchasers or not? When the various target groups are listed there is a temptation to say – “yes, all of these” but remember that the greater the scope of the project the more it will cost and (usually) the longer it will take.

5. What specific information is needed from the research? (e.g. market size, trends, buying behaviour, customer needs, segmentation)

The person wanting the market research has almost certainly got some key information gaps that need filling. Listing them will help the professional market researchers work out if they are the right ones required for the decision and action that is planned. The professional market researchers can be expected to flesh out the information objectives with their own suggestions as they know better than anyone what can and can't be achieved by market research.

6. What is the proposed budget?

Seldom are there unlimited funds for research and more often there are very limited funds. In this case it is helpful to know what the budget is, for otherwise the researchers could design a full and comprehensive plan that delivers detail and accuracy to meet the action

and information requirements, only to be sent back to the drawing board because there is only £15,000 (or whatever).

7. Are there any initial ideas for the research method?

A client who is sponsoring a research project may well have a method in mind. Now is also the time to say if there is distrust of telephone interviews and a preference for face to face or if focus groups would be well received.

8. Are there any reporting requirements?

Increasingly the default method of reporting in the market research industry is a set of presentation slides which doubles as the presentation and the report. Researchers have no problem writing a narrative report but they would typically have to charge an extra three or four days of their time for its preparation – incurring a cost of a few thousand pounds.

9. When are the findings required?

Most research has a demanding timetable and sometimes this can be punishing. The dates by which the research is required should be specified so that even if they are really difficult, the research supplier can try to be accommodating, perhaps with an interim debrief or regular reporting sessions.

The research brief should be a dialogue and even the most thorough brief covering all the issues listed will generate some additional questions from the researchers. This is healthy and to be expected as it indicates that the problem is being thought through. Someone who is unsure about methods or budgets for a research project may wish to talk to a market research agency before they write the brief to find out what is possible and how much it might cost.

A sample brief from a manufacturer of commercial vehicles is shown in Figure 2.3.

Figure 2.3 Request For Proposal – Researching Attitudes To The Vigour Range Of Commercial Vehicles

Background Information

Truck Master offers a comprehensive range of commercial vehicles. From 7.5 to 44 tonnes, there is a variety of standard chassis to suit every UK road transport application.

Launched in 2003, the Truck Master Vigour series was the most technologically advanced, comprehensive and fully integrated range of trucks ever built.

The Vigour range was developed with one aim in mind – to produce a truck with total capabilities in terms of operating costs, comfort, safety, performance and environmental compatibility that are superior to anything its competitors can offer – now or in the immediate future.

The Vigour product range currently stands at 65 models.

Objectives

The overall goal of the study is to measure the Vigour ownership experience.

Specific objectives include providing detailed information on:

The product experience – Fuel consumption
Reliability
Technological features
Driver comfort

The after-sales experience - Servicing
Parts availability
Road-side assistance

The overall relationship with dealer

Project Design

Agencies should provide proposals based upon two options:

Option 1 – 100 CATI telephone interviews (20-minute maximum length) with a sample of operators. 2 sub-segments of 200d, 2005 registration Vigour trucks. Questionnaire to include a selection of open-ended questions.

Option 2 – Telephone interviewing based on 2 larger sub-segments of 50 operators.

Initial tele-depth interviews may also be considered to aid the development of the main CATI questionnaire. Agencies should list these tele-depths as a separate investment.

Deliverables

Summary report and verbatim comments from tele-depths (if depths are commissioned as part of this study).

Structured questionnaire to include both pre-coded and open-ended questions.

Telephone interviews with operators from sample provided (approx. 500 names).

Prepare and produce tabulations.

Verbatim output from open-ended questions.

Prepare report of the key findings.

Presentation of results at Truck Master Headquarters (please quote as a separate option).

Project Timetable

Request for proposal distributed	8th May
Proposals due at TM UK	19th May
Agency selected	22nd May
Briefing meeting	w/c 22nd May

Company/Agency Interaction

This brief has been sent to three agencies.

Sponsors of this will be available throughout May for any queries that may arise.

The proposal

The proposal is the document, prepared by whoever will carry out the research. It is, as the name suggests, a proposal for carrying out a project and becomes the basis of the contractual obligation between the sponsor and the research agency.

There are usually six main sections to a proposal.

The introduction

The first section states the background and circumstances that have led to the research project being considered. The researchers may carry out some secondary research to “add value” to the brief and to provide additional context and understanding to the subject.

The objectives

The next section of the proposal describes the objectives of the project both in summary and in detail. Figure 2.4 presents an example of objectives prepared for a company that wants market research to show shoppers' attitudes to a retail park.

Figure 2.4 Objectives For The Mount Pleasant Retail Park Study

The main reasons for carrying out the research on the Mount Pleasant Retail Park are as follows:

- To get a better understanding of who the customers are and where they are coming from.
- To find out why they come, and what they think of the retail sites they have visited.
- To find out how the retail park can be better adapted to customers' and potential customers' needs.

Using this information our Client can:

- Rectify weaknesses and build on strengths (eg in promotional campaigns)
- Strengthen the loyalty of existing customers
- Pull in new customers or those that are occasional visitors
- Use the information to pull in new clients to the vacant shops
- Justify to existing clients that they have a good deal with the shops they have leased

Answers to the following questions will be obtained:

- Who is in the shopping party?
- Who made the decision to visit the retail park today?
- What was the principal purpose of the visit?
- Where have you come from? How far have you travelled in distance and time?
- How did you learn about the retail park in the first instance?
- How did you get here – which mode of transport did you use?

- How many times have you visited in the last three months – that is since the beginning of February?
 - Which outlets/shops did you visit today?
 - How long have you spent here?
 - What would have made you stay longer?
 - How much did you spend (a) on food or drink and (b) on things to take away with you?
 - What did you particularly like about the park?
 - What did you dislike about it?
 - Where would you have gone today to shop if you had not come here?
 - When do think you will visit again?
 - How likely are you to recommend the retail park to a friend or relation?
-

The methods

This section describes the methods that will be used and offers reassurance that the design is the most appropriate for the research problem. The choice of methods will usually be a compromise between the accuracy that is required and the budget that is available. The section needs to describe the methods in terms of:

- will the method be qualitative, quantitative or both?
- will data be collected by telephone, face to face interview or self completion questionnaires?
- what will be the structure and the accuracy of the sample?

It also needs to justify the choice of the recommended method.

Time schedule

The proposal will state a timetable for the research, usually outlining the important milestones.

Costs

The proposal will provide a quotation of the cost of the research and may offer options for different sizes of samples or different numbers

of focus groups. Sometimes incentives are offered to respondents and this is separated out in the costing.

It is quite normal for a research agency to ask for terms of payment that include invoicing 50% on commission with the balance on completion. This helps the cash flow of agencies that incur large fieldwork costs over the two to three months period of the project.

Credentials

Finally, a proposal will state the experience of the researchers carrying out the work. Usually short biographies are provided of the research team that will be responsible for the project.

Selecting the preferred agency

It is quite normal for three agencies to be asked to quote for a project. The person or team that is commissioning the research will need some criteria for choosing an agency to carry out the work. One of the bids may be so outstanding (or two of them may be so poor) that there is only one contender. Usually, however, it is hard to choose and the sponsor has to make a tough evaluation of the proposals. An example of an evaluation sheet is shown below. A refinement of the evaluation tool is to apply a weight with a score that indicates the importance of each criterion. These weights can, of course, be modified according to the needs of the research sponsoring company.

Figure 2.5 Checklist For Evaluating Market Research Proposals

A score of 5 is excellent and 1 is very poor.

Criteria	Importance	Agency 1	Agency 2	Agency 3
Interest and enthusiasm shown for the project	10			
Understanding of the problem shown by the agency	15			
Experience and reputation of the agency in the field of study	20			
Thoroughness and quality of the proposal	15			
Robustness of the proposed method	25			
Value for money	15			
Total Score	100			

Think about

What would you look for from a market research supplier? Make a list of the criteria that you think would be important and spend points to indicate the importance of these criteria to you.

Key point

Most decisions in business do not need market research.

Market research should be used for important decisions and where the way forward isn't clear.

10 things to think about when considering a market research project

1. Ask yourself why the market research is needed – what will you do with it when you have got it? If the answer to this is at all unclear, re-consider your belief that you need market research.
2. Ask around to find out if your company already has any reports/studies in this area. In some areas, data which is a few years old is still valid. Certainly, the background of knowledge from earlier studies can be very useful as guides to the size and structure of the market.
3. Find out if there are any published studies in this field which can be purchased off the shelf. There are directories (eg MARKETSEARCH) which list published studies.
4. If you know anyone who has commissioned market research (of this type) before, ask them for their advice. There is no substitute for experience and there may be someone close by who has 'been there' before.
5. Prepare a written brief – one page will do – stating the background to the problem/opportunity, the action which will be taken, the key goals you want the research to achieve and any critical questions you would like answering. If you have a timetable limitation or budget, it would be helpful to state this in the brief for otherwise the agency may pitch way off mark. Also, if you have any specific expectations such as certain deliverables, state what they are in the brief so the agency can respond.

6. If you think that the research requires external help from an agency, talk on the phone to a couple of agencies to discuss the implications and cost of the project. If necessary, refine the brief and send it to a small number of agencies (three is reasonable). Expect follow up from the agencies and be concerned if you don't get it. They may want to meet face to face if it is a large and complicated project, otherwise, phone contact is normal.
7. Allow at least one week and up to two weeks for the agency to come back with its proposals (sometimes called 'return of brief'). This will state the agencies understanding of the background to the research (they should add to your brief and not just regurgitate it), the research aims and objectives, the methods (this is the crucial bit and you should expect some detail here – who will be interviewed, how and in what numbers), the timing and cost. Also, it is normal for the proposal to give a profile of the team which will be leading the study and their experience in this type of work.
8. Choose your agency on the basis of who you think can best carry out the work. Their ability to collect sound information is just as important as whether or not they have worked in your market before. The quality of the interviewing team is crucial. Cost is also an issue and this can vary considerably depending on methods chosen, contingencies which are built in, their hunger for work etc.
9. Be prepared to personally explain to those agencies that haven't got the job why the business has gone elsewhere. Try to give them a suitable and not insulting explanation – you may want to work with them in the future. (The fact that there can only be one winner is a good reason for not asking too many agencies to quote – you are sure to leave some bad taste behind as the agencies will have put in at least two days unpaid work in preparing their proposals).
10. Hold a commissioning meeting with the winning agency and, at this early stage, arrange milestones and reporting sessions. It will drive the study and ensure that it comes in on time. Make sure you speak to the agency frequently throughout the study. Quiet clients get pushed to the back of the queue.

SCARY STORY

A company e-mailed a brief to a large number of market research agencies clipped from ESOMAR's site. The company was interested in selling plastic gnomes to garden centres. The brief was structured and clear as to its requirements. It wanted to know how many garden centres sold gnomes, what prices they charged, where they bought them from and a host of other questions. It was very specific about the method that should be used and asked for a quotation for carrying out 1,000 interviews with garden centres throughout the UK.

The brief laid out the required timetable which was for the research to be commissioned on the 16th November with data available on the 13th January.

In the event, no proposals were received by the company. Agencies were put off by three things:

- It had been mailed to dozens of agencies. This implied a disregard for the considerable collective time of all the agencies that would be required to prepare thorough proposals when only one had the chance of being awarded the job.
- There are only 3,000 garden centres in the UK and a considerable number of these belong to one group. The suggested method would not have been feasible and in any case was seriously excessive.
- Although it may have appeared that the research agencies were being allowed two months to carry out the project, it was at one of the worst times of the year for market research. A busy Christmas puts garden centres under pressure, while agencies themselves are frantically completing projects before the break. It would have been a very difficult task to complete the job in the timetable specified.

The moral of the story is to sound out a small number of agencies before sending them the brief. The agencies will gladly share their views on what is possible and you will be guaranteed of receiving a proposal. Proposals from three agencies will be enough if you have "qualified" and spoken to them in advance.

Chapter 3

Research Design

Introduction

In this chapter you will learn about:

- The building blocks of intelligence – which includes secondary as well as primary data.
- The applications for qualitative and quantitative research.
- How to match the research design to the research method.
- Things to look out for when choosing a quantitative research method.
- How a company used a range of different research designs to launch and track the success of a new product.

Sources of market intelligence – secondary and primary data

Every day companies make decisions without market research. In fact, the number of business decisions that are underpinned by formal market research is probably very small. This is not necessarily the result of cavalier management, taking decisions without due care and attention; it is most likely because the investment in market research is not judged to be necessary.

There are four sources that management can turn to for intelligence that will help their business decisions. Before spending time and money on market research, managers will scan the quality of infor-

mation that sits underneath their noses in the company. This could be factual (such as sales figures, number of enquiries, lists of prospective customers etc) or it could be opinion (such as the views of the sales force). If these sources are considered reliable, there will be no need to look externally for the data.

The internal sources could be considered suspect because they are biased or full of holes, in which case some formal research may be required. This could be similarly viewed as factual (eg official statistics on markets) or opinion (eg the views of one or two experts).

Figure 3.1 The Building Blocks Of Business Intelligence

Internal fact	External fact
Internal opinion	External opinion

Market researchers prefer to label these building blocks of intelligence in a slightly different way. Information that is already available because it is published or has been compiled for some other purpose is called *secondary data*. The “second hand” tag is unfair because such data may well be extremely useful. It will have passed the test of some public scrutiny if it is in the public domain and this should mean that it has been validated or at least been “checked out”. Furthermore, it is available now (no waiting) and usually at a low (or no) cost. Typical examples of secondary data are:

- Published market research reports
- Articles and publications on the internet or in libraries
- Reports and memos within companies including the reports of sales reps
- Sales data including trends over time

- Lists of companies in directories and data on those companies
- The opinions of experts, possibly those at trade associations or industry bodies.

Because secondary data can be readily obtained by just one or two analysts, sat at their desks or in libraries, it is sometimes referred to as *desk research*.

Primary data is, as the name suggests, collected solely for the purpose of a survey. To get primary data you will need to question respondents directly or observe their behaviour in some way. It should therefore be a good base for decision making as the questions and the sampling will have been designed specifically to meet the objectives of the survey. Of course, primary data has a higher price tag than secondary data and usually requires a few weeks and sometimes months to collect.

The decision to use secondary or primary data or to choose internal or external fact or opinion is based on a trade-off of three things:

- What accuracy and depth of intelligence is required? (Good estimates may be adequate).
- How quickly is the intelligence required? (A decision may have to be made immediately and there is no time to go outside for the information).
- What are the financial implications of the decision that is under consideration? (Where there are small financial implications it will not justify an expensive, external survey).

The researcher must recognise the different types of data that are available as this will help them understand which will be useful in tackling a particular research problem.

Key point

Check out secondary sources of data before commissioning expensive primary market research.

The choice of using secondary data and primary data is not mutually exclusive. Very often secondary data are used at a very early stage in the research process, before a decision is made to carry out primary research. It is also the type of research that is easily carried out by the person that requires the information rather than by a market research agency.

Secondary data are used by market research agencies as well. The agency may build a desk research pro-

gramme into a research project to feed in information that supports the survey work. For example, a project that explores the opportunities for coloured road surfacing materials (used for marking cycle and bus lanes) used desk research to show the length of cycle lanes in the different countries in Europe and primary research to find out attitudes of contractors and specifiers to different types of surfacing materials.

Secondary data are often used in support of primary data for the generation of the sample. The secondary sources are the lists and directories of respondents that are used to locate respondents in a survey.

Think about

Where does most intelligence reside in your organization? How much intelligence is in people's heads or desks and not being shared? Why isn't it being shared? How could you set up a market intelligence system in your organization that made sure that independent pieces of information scattered around the organization are brought together to be more meaningful?

Qualitative and quantitative methods

Some research techniques don't attempt to measure things, rather they aim to obtain deep insights and understand why people behave and think in the way that they do. These insights cannot be obtained by hundreds or thousands of interviews; they come from loosely structured interviewing by a skilled researcher or from focus groups. These are flexible research methods that rely heavily on the skills of the researcher or moderator to interact with the respondents and to dig deep into their motivations and experiences. Such methods are *qualitative* and imply that they seek quality over quantity.

Qualitative research is exploratory and involves using unstructured techniques based on small samples. It helps to find out what it is that people like – or dislike – about a product, service or advertisement, and why they feel that way.

The data arising from qualitative research are largely words – the responses from people in the focus groups and depth interviews. Body language may be a further input as this could provide additional clues as to the inner feelings of respondents.

Qualitative research is carried out by just one or two researchers who steep themselves in the subject, building their understanding

of the situation as the interviews take place. Inevitably the samples of respondents are small as there are physical limits as to how many interviews or focus groups one or two researchers can carry out. This means that the analysis is interpretative, subjective, impressionistic, and diagnostic.

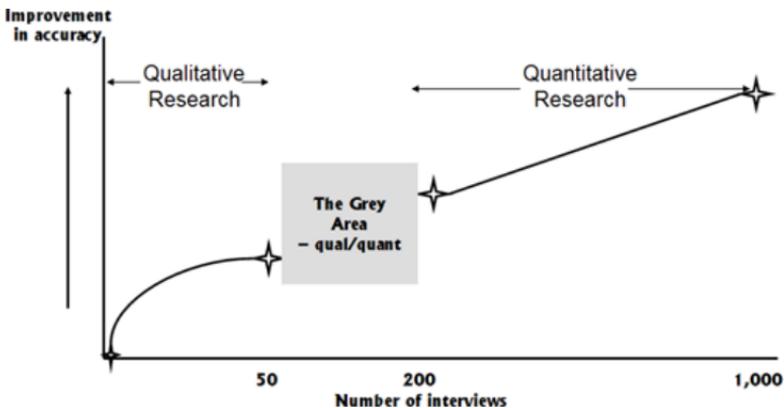
Qualitative research is used for:

- Exploring and understanding people's needs
- Testing reactions to concepts such as new products and services, advertising messages, approaches to buying etc
- Working out what the real issues or problems are.

Qualitative research should not be used when the research objectives require quantification such as determining the proportions of a population that behave or think in a certain way. This is the task of *quantitative research*. Quantitative research relates to quantity and is based on enough numbers of interviews to be able to obtain a robust measurement. Large numbers of interviews require considerable structure in the questionnaire, so the interviews are made up of closed questions rather than open and probing questions which invite free responses.

The numbers of interviews that separate quantitative and qualitative research is not a clear cut but most researchers would accept that sample sizes of 200 or more are most certainly quantitative while those of 50 or less are qualitative. In between is the grey area of qual/quant. See figure 3.2.

Figure 3.2 Numbers of Respondents in Qualitative & Quantitative Research



Quantitative research is used wherever a head count is needed or where there is an interest in comparing the views and behaviours of people of a different ages, genders or income groups.

Although qualitative research can have its problems, it is increasingly valued as a supporting research method and used as preliminary or follow-up research alongside quantitative surveys. Important quality control issues exist and these are being continuously addressed by research agencies, industry representatives and professional bodies. The table below compares quantitative and qualitative research on a number of key issues.

Figure 3.3 Comparison Of Quantitative And Qualitative Research On Key Issues

Quantitative	Issues	Qualitative
Relatively large (200 or more)	Sample size	Relatively small (50 or less)
Structured and standardised; mostly closed with some open ended	Questions	Unstructured or semi-structured; mostly open ended with some closed
Team often involved: research executive, data processing executive, fieldwork executives, fieldforce	Administration	The design and the fieldwork and analysis is usually all handled by the research executive
Questionnaire, computer generated tables, statistical analyses	Data conversion tools	Interview or discussion guide, audio and/or videotapes, notes, content/narrative analysis
Relatively high	Replicability/reliability	Relatively low
Relatively high	Accuracy	Relatively low

Think about

Are you a qual or a quant person? Do you put your trust in numbers or into insights? What about your colleagues in the company, including senior managers who may need market research? Are they convinced by numbers or insights? How could this influence your choice of research design?

Matching the research design to the research objective

Take the case of a manufacturer of carpets whose sales are flagging and needs to know which new designs to launch. Before any decision to carry out new product research, the carpet manufacturer must be certain that product designs are the real problem. For example, the designs could be perfectly acceptable but there is limited distribution that is holding back sales. Equally, sales could be falling because the sales staff in the retailers selling carpet are being financially induced to sell a competitor's carpet. Some exploratory research is needed before launching a product test.

The research that is being discussed here is dealing with business problems that need a quick decision. A research project to solve this problem would be a one-off or ad hoc study, designed to meet the needs of that specific project. This is different to continuous research which is undertaken continuously, or repeated at regular intervals.

Where the problems or opportunities facing the business have not been defined, exploratory research is required and it is likely that the methodology will be "open" with the emphasis on identifying issues or hypothesis rather than solving or testing them. At this stage, high levels of accuracy are not likely to be required. Quite possibly discussions with the sales staff at the carpet retailers will point to the where the real problem lies.

Sometimes qualitative research is required to fully diagnose what the problem is or what the options could be for solving the problem. Exploratory and diagnostic research is often qualitative and is nearly always quantitative. However, there is not a perfect fit here by any means; sometimes research techniques which are regarded as quantitative are appropriate for the diagnostic stage. Desk research too can be a valuable tool at this early juncture.

Figure 3.4 Research Decisions And Research Methods

Decision Stage	Research Style	Research Method
What are the problems/ opportunities?	Exploratory	Internal brain storming, qualitative research such as depth interviews or focus groups
What are the options (to solve a problem)?	Diagnosis	More qualitative research including depth interview or focus groups
What should the decision be?	Testing & Descriptive	Possibly qualitative research but more likely quantitative research to measure likely up-take

The techniques of market research rest on scientific method. However, uncovering the problems which need solving, defining the decision options and choosing appropriate research tools, have a strong creative element. The organisational context in which the work is carried out also has an important bearing on the value of the outcome. Too often the research expert is brought in only towards the end of the decision making sequence and after the problems and options have been diagnosed or more likely simply assumed. Researchers are well placed to assist in the early stages through qualitative research or “brainstorming” when they can assist managers uncover the real issues that are affecting their business.

Exploratory research can involve either primary or secondary data collection and helps to identify business or social problems and can be used, for example, to try to get a better understanding of the consumer, the market, the buying process or the economic and social environment. Some examples of exploratory research questions include:

- Thinking about the growth of the EU, what is the market potential for certain products or services?
- Who are the customers, and what is their current behaviour?
- Where are the products purchased and consumed?

Every research project should have a defined and explicit objective which succinctly states why the research is being carried out. All other aspects of planning and carrying out the research flow from this objective; in other words if they do not contribute towards achieving this objective they almost certainly should not be undertaken. The objective should relate to the marketing decision which will have to be made or the problem that needs a solution (and decision). Some examples of questions which have specific objectives and require a conclusive answer are:

- Should we launch our carpets in France or Italy first?
- Will the retailers accept our range?
- What prices will they pay for our carpet?
- Is the labelling understood by our potential customers?

Research objectives should be brief and should not be confused with a listing of the information required to meet them (sometimes referred to as detailed objectives). Examples of detailed questions are:

- How many brands of carpet are retailers stocking at the present?
- Which brands are they stocking?
- What prompts them to stock more than one brand?
- What awareness do they have of our brand?
- What would prompt them to stock our brand of carpet?

It is vital to get the specific goals for the research signed off by the person that is sponsoring the study. It would be fatal to carry out an extensive market research project and then to find out that the marketing manager not only wanted information on carpets but also on wooden flooring and floor tiles.

Where the starting point for the research is a problem (or potential problem/opportunity) rather than a clear-cut decision to be made, an effective approach is to think of and list as many explanations as possible. In other words, you should develop a list of alternative hypotheses. This may be done by the researcher but better still at a “brain-storming” of all the key staff involved. Still sticking with carpets, the hypotheses could be:

- We have the wrong products
- Our prices are too high

- Our range is too narrow
- Our quality is unacceptable
- Our merchandising is poor
- Our distribution is weak
- Our sales incentives are too low.

With only a little effort, the list of hypotheses generated is likely to be quite extensive and some selection will have to be made of those that should be covered in the research project. Informal sources may enable some hypotheses to be confidently discounted although care should be taken not fall victim to the internal bias and assumptions that exist in all companies.

To meet the defined objective, a range of information will be required and will in turn be an input into the decisions which will be eventually made. For a given objective the information list, with only a little thought, will soon be quite long; possibly too long. In the case of the carpet project the list might be as follows:

Assess the effect of launching a new range of carpets in Germany and show which designs should be included in the new range.

- 1 The acceptability of each carpet design by customer demographics
- 2 The optimum price for each design
- 3 The likely sales of the new designs
- 4 The degree to which the new designs will cannibalise other carpet designs in the Company's range
- 5 The competitors' that will most likely lose sales to our new designs

This list is by no means exhaustive. There is no such thing as an absolutely right or wrong coverage although the effectiveness of the research will be shaped by what is included or left out. Often the problem is not so much that headings are left out but that the coverage is too comprehensive in relation to the research resources that are available, namely budget, time and people. This is the "while you are at it" syndrome that leads to research projects growing in size as people within the sponsoring company dream up things that would be nice to know but that aren't essential to the project.

Key point

When thinking about a market research problem, separate out the actions (what will be done with the research), the objectives (what should be found out), and the questions (specific questions to which answers are required).

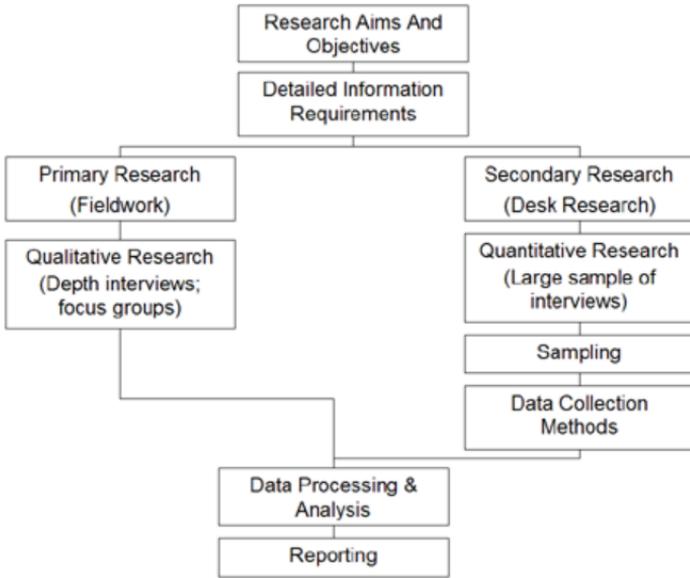
In the example of the carpet study, the research could be carried out in stages. For example, the first stage could be to concentrate on getting a design range that suits consumers while a further stage could examine the attitudes of retailers and how to get the range launched in the carpet shops. Staging allows the researchers and the research sponsors to digest the information that is collected and to begin responding to the data. In this respect a staged study is more manageable. However, breaking a study into stages does take longer and tends to cost more because there are more reporting sessions.

A final aspect of defining the information coverage is to scope the study. This involves setting boundaries or limits to the research which could be geographical (eg the market in Northern Germany), by product range (eg high quality carpets) or by market or application (eg carpets for use in the home rather than offices etc). Again these boundaries should be explicit and agreed with the “client” and should at least initially be based on the decision making needs of the business rather than research convenience or practicality. With the objectives stated, and the coverage defined it becomes much easier to choose the right survey design.

Figure 3.5 is a framework for developing a research design with the choices driven by the objectives and information requirements of the project.

The most fundamental choice in research methods is between secondary or desk research and primary research or fieldwork. A difficulty at the planning stage is that there is often some uncertainty of the likely outcome of desk research – what will be found or not. Also there are some types of information which in principle cannot be obtained in this way (eg people’s attitudes to a product design). In many projects, however, carrying out an initial desk research stage is strongly recommended as a way of gaining the maximum benefit from the research budget. Desk/secondary research is nearly always far cheaper (and quicker) than primary research/fieldwork and there is no point in spending time and money interviewing to find out what is already available and accessible at little cost. Too often money and time is spent “re-inventing the wheel”.

Figure 3.5 Framework For Choosing A Research Design



One reason why secondary research sources are often omitted is institutional. Most research is carried out by market research agencies which for various reasons find problems in offering desk research as a profit earning service. In this respect in-house research can have an edge over buying-in.

Once desk research is completed (and assuming it does not yield all the information required for the project) primary research or field-work can be planned to fill in the gaps.

Think about

When did you last visit a commercial library? What do you think you could obtain from a library that you cannot obtain from the internet? Are you aware that some libraries will carry out short desk research assignments for you for a small fee? If you had £5,000 to spend, how much could you find out by desk research? How much could you find out by primary research?

Decisions in primary research design

When contemplating the research method for primary data, the following should be considered:

- Whether the nature of the information sought is primarily quantitative or qualitative.
- Sampling issues including:
 - the universe to be covered eg: all adults, housewives, buyers of specific products in consumer markets and comparable aspects of industrial markets.
 - sectors or sub-groupings of the whole universe which are of specific interest and need to be considered in sampling design.
 - sampling method and size (number of interviews).
- Data collection methods – eg face to face or phone interviews, postal survey, observation etc
- How the resulting data will be analysed – particularly relevant for more sophisticated techniques such as conjoint analysis.

The basis of which of the above should be covered in the design, depends on the research objectives, the information coverage, and the accuracy sought. Or at least this should be so in theory. In practice other factors have to be taken into account and especially the resources available including the budget. For example, the ideal method may be face to face interviews with a sample of 1,000 people in their home. However, but for practical reasons (speed and cost) street interviews with 200 may be used instead. There is, of course, some point beyond which compromises are a danger to the accuracy of the result.

What budget should be made available for the research project? This is not a question of arguing that the budget should be whatever is needed to meet the research objectives at the required accuracy level. It is more a question of what funds are available or can be afforded for the project relative to other calls on business expenditure. Furthermore, even if cash is freely available, there are other considerations and especially the amount at risk in the decision which the research is to guide. For example, a research budget of £30,000 may be well worth spending if it is to guide a decision that entails capital expenditure of £5 million. However, if the decision has much lower cost implications, the value of doing the research

will be less and obviously there is no point to spending £30,000 on research to decide whether to invest in a project entailing only this level of expenditure. For this reason, many businesses cannot afford to test the effectiveness of their advertising campaigns because the cost of the research is more than the campaigns themselves.

Key point

The research method that is chosen to achieve the objectives is usually a compromise between the accuracy and detail of the information required, the budget that is available and the timetable.

Apart from a cash budget, the major resource required for a research project is suitably qualified people. An in-house researcher may be able to carry out desk research but would find it very difficult to carry out extensive fieldwork and for this would need the help of an agency.

A research plan needs a timetable. The deadline for the project may well be driven by external events such as a board meeting or input for a marketing plan. The timeline available for the research often influences the research methods. Face to face interviews may be preferred but telephone interviews are quicker.

Certainly good research can be carried out within a short timetable but beyond some point, quality will be compromised if the timetable is squeezed too much.

Think about

What is the smallest sample that you would feel comfortable with if you were sampling your markets? What do you think would be an optimum sized sample in your markets?

The case of the Softone light bulbs

At this stage the reader may find it helpful to think about a case study that incorporated a number of different design issues that have been discussed.

Philips Lighting is an established player in the light bulb market where it faced a number of challenges:

- Consumers are not very interested in the product
- They are sold at low prices

- They have a strong seasonality of sales (winter months) and low growth
- There is considerable competition and margins are low
- Light bulbs have low brand awareness and there is a strong own brand presence.

A product development from the Philips research laboratories was a technique for electrostatic coating the inside of a lamp to produce a softer light. The additions of pigments offered the opportunity to produce light with a hint of colour. The new product was given the brand name *Softone*. Philips decided to use this product to stimulate interest in a commodity market and to help build its position as an innovative lighting supplier. Market research played a crucial role at all stages in the life cycle of this product development.

The first market research gateway was to establish that the product had significant consumer appeal, especially at a premium price. If the results of the research proved negative, it would be back to the technical drawing board to improve the product features or the launch would be dropped.

As is often the case with new product research, there is considerable pressure for the research to show a green light as the new product will have gained a momentum with many people in the organisation banking on its success. The market researchers had to use a method that would deliver a true understanding of the new lamp's appeal and that would stand up to the political attacks it could face if the results were less than positive.

The research method chosen to test the new product's appeal was a survey of 200 face to face interviews with a quota sample of lamp buyers in two locations several hundred miles apart (Dewsbury in Yorkshire and Southampton in Hampshire). Respondents were recruited in shopping malls and brought into "halls"². A sample of 200 could be expected to yield an accuracy of + or - 7% (ie if 50% of the sample expected to buy the lamp, the true level among the whole population might be expected to be between 43% and 57%). Restricting the sample to only two locations ruled out any true regional analysis but would at least indicate whether major geographical differences existed (it was assumed they did not). Quotas were imposed to ensure that a mix of demographic groups representing the population as a whole was covered. In a hall test of this type and without quotas, there would be an over representation of lower social grades and older people.

The results from this preliminary research were positive and although not many people bought conventional coloured lamps, the interest in the pastel concept was high with 79% saying that they would be very or quite likely to buy the new product. A small price premium was acceptable to most people. It should be pointed out that it would be dangerous to extrapolate the high interest into a propensity to buy figure but it did suggest that there was a significant body of interest and it was worth going forward to the next stage.

Instead of carrying out the hall test, the research team could have opted for a more qualitative approach using focus groups. However, they believed that groups on their own would not have given them a feel for the size of the demand and some quantitative method would still have been needed. In the interests of budget and speed, the groups were skipped. Focus groups did play a part in the next phase of the research as the marketing team needed help with ideas for the pack design.

Philip's design agency developed various alternative pack concepts for evaluation and these were tested in four focus groups. Women aged 22 to 45 (the main group of lamp buyers) were recruited to the groups which were split between the North (two groups) and the South (two groups). It was also decided that the group respondents should be restricted to those with a strong interest in home decoration and colour coordination in their homes.

The focus groups confirmed the high level of interest in the new range of lamps and gave some interesting pointers for the pack designers. The brand *Softone* worked well on its own without the need to emphasise the words pastel or stronger colours. In fact, it was thought most appealing to communicate that the lamps offered just a hint of(colour) because subtlety in lighting was considered paramount.

Philips backed the Softone launch with both television and press advertising. This was going to incur a substantial sum and again, market research was called upon to help guide the decisions. Three alternative TV advertising styles were developed to the *animatics* stage (moving story boards) and the press adverts were developed in *storyboard* form (artist prepared visuals without the detail of the final artwork). Research had to establish the effectiveness of the alternative TV and press treatments in terms of impact, memorability and the interest in the Softone product.

It was thought that focus groups would not be a suitable method to test the advertising concepts as there could be contamination in

respondents' views caused by the debate that would be sure to take place. It was considered better to carry out face to face depth interviews and for this the researchers used a *mini-hall test*.

Halls were taken in four locations and at each hall 40 people were shown the TV ads and 40 were shown the press ads. The interviews lasted half an hour and asked questions such as:

- What sort of product is being advertised? Is it a *new* product or just another coloured light bulb?
- What is the impact of the advert? Would it stop the reader/viewer and catch their attention?
- What is the message of the advert?
- Is the advert believable?
- Is the product for the respondents? Would they buy it? Where would it be used?

Having seen the adverts, the great majority of respondents were enthusiastic about Softone, they saw it as innovative and many were keen to have it in their homes. None of the adverts had a particularly good impact but there were some strong pointers as to how to make improvements. The more direct approaches in the adverts were considered important for a novel product where guidance in home use was thought to be needed. One of the TV ads and one of the press ads was stronger than the others and these were the ones that were modified by the agency for final use. (In theory the revised ads should have been tested again but it was essential not to delay the campaign any further so no further testing took place).

The campaign was extremely important to Philips and it was considered important that its effectiveness should be measured in terms of brand awareness, whether the product had been bought (and intentions to repurchase) and the recall of the content of the ads which were used. In the choice of the tracking design, the results from each stage of the research had to be capable of yielding awareness levels and other measures that showed a true difference and not one that could be within the bounds of sampling error. A sample size of 200 was considered the minimum in each of the 12 TV regions which meant that a national sample of 2,400 lamp buyers would need to be interviewed in each wave of the test. Philips knew from previous research that amongst a random sample of the adult population, two thirds would have bought a lamp within the last six months and therefore be classed as "lamp buyers" for the purposes

of the survey. This meant that a minimum sample of 3,500 adults would have to be approached to achieve the 2,400 interviews.

The study aimed to track awareness and behaviour over a period of three years and this required nine stages – each of them with the large sample of 2,400 interviews. This would have been a very costly exercise if nine ad hoc studies had been carried out. Omnibus surveys offered the solution. Omnibus surveys run regularly, and subscribers can buy space on the questionnaire on a pay as you go basis. Using this tracking measure, Philips was able to see that the recall of its Philips/Softone brand doubled from 15% to over 30% in the three years of the campaign.

Sometimes market research is used in an ad hoc way to guide a business decision. In the Philips Softone case study we saw how research was used continuously over a number of years to ensure the successful goal of building a significant share in the lighting market with a new and innovative brand of lamp. The case study also illustrates that there are no methods or research designs that have to be used to meet an objective. Research designs are often a compromise between the trade-off of the accuracy of the information required against the time and cost of carrying out the research. We saw that Philips research team used a mixture of research designs:

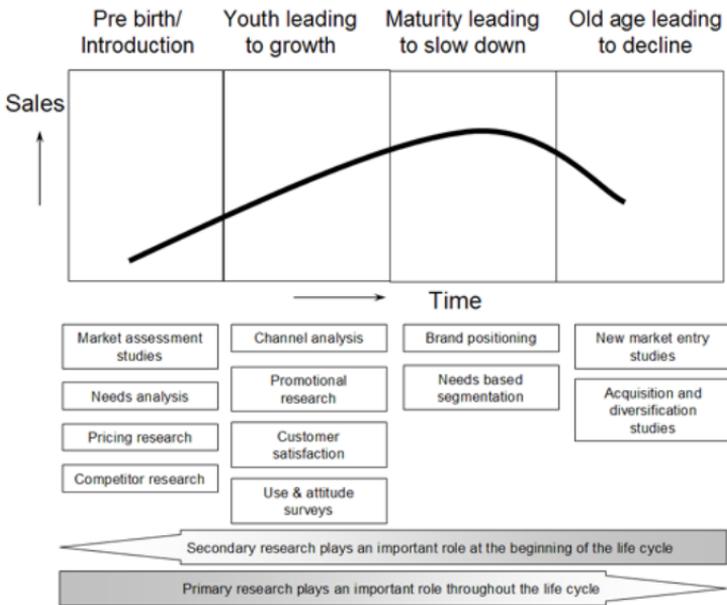
- Hall tests to establish that the lamp concept was attractive and would be successful.
- Focus groups to get ideas for the pack design.
- Depth interviews to test TV and press ads.
- Omnibus interviews to track brand recall.

Market research followed the Softone product through a number of stages of its life cycle. Figure 3.6 shows the role of research in a typical product's life cycle. In the Softone case study, there was very little secondary research used because Philips already had a good knowledge of the lighting industry. For other companies there may be a considerable use made of secondary research in the early stages of a product's life cycle.

Think about

Looking back over the Softone market research programme, what if anything would you have done different if you were part of the Philips market research team? How do you think the market research could have been improved?

Figure 3.6 The Role Of Market Research In A Product's Life Cycle



SCARY STORY

In 1981 Ernest Gallo, one of the largest wine producers in the world, decided that it would research the concept for serving wine mixed with a non alcoholic drink such as sparkling water. It hypothesized that this would be attractive to modern lifestyles and especially to women who may not want a heavy drink.

The concept was given to Gallo's in-house market research department, which set up focus groups in nine cities at a cost of more than \$100,000 at the time. The concept bombed. Comments were received such as "Why should you tell us what proportions to mix it in?" and "Why should you tell us what to mix it with?"

At the same time, in a garage on the West Coast of the US, two young men started mixing a drink of wine and sparkling water which they called California Cooler. Four years later they sold out to Brown Foreman, a big US distiller; for millions of dollars and the "wine cooler" became a phenomenon.

What went wrong with the Gallo research? There are a number of possibilities.

1. New products are taken up by a very small percentage of the population. For example, what if only a very small percentage of the population is made up of true innovators who will try anything? Some people believe that this proportion could be less than 20%. If the focus groups comprised drinkers representing the general public, it is quite likely that over 80% would be reluctant to try something new and not the right targets for the new product.
2. Sometimes the focus group environment can kill new product ideas. It only needs one person to say that they do not think it will work for it to sow the seeds of doubt in the others. Especially if the person who is negative is articulate in their views. It may be better to consider depth interviews for the test so that there is no contamination of opinions.
3. If the focus group had restricted the discussion to the environment into which the wine cooler was to be sold, it could have found a more positive result. If people had restricted their comments to drinking and driving, attitudes to consuming alcohol and calories, the interest in a lighter drink etc, it is possible that there would have been a green light to proceeding with the concept. A subsequent product test would have checked out if the formulation was correct.

Chapter 4

An Introduction to Research Methodologies

Introduction

In this chapter you will learn about:

- Where you can use desk research and the most important sources of secondary data.
- The application of quantitative research in measuring consumers' use of products, their attitudes to products, the launch of new products, setting prices and evaluating promotions.
- The tools that are used by market researchers to collect data including face to face interviews, telephone interviews, self-completion questionnaires, focus groups, depth interviews, hall tests, and observation.

Key sources and uses of secondary data

Desk research refers to secondary data or that which can be collected without fieldwork. To most people it suggests published reports and statistics and these are certainly important sources. In the context of this chapter the term is widened to include all sources of information that do not involve a field survey. This most certainly will include searching libraries and the internet but it could also include speaking to someone at a trade association or carrying out interviews with experts.

Desk research is used by market researchers for the following tasks:

Market sizing – using official statistics or calculating the market size from algorithms based on population or other basic data such as the Gross Domestic Product (GDP) of a country or its electricity production.

Trends – based on time series of statistics or commentary in the press

Company profiling – used to build a picture of customers or competitors covering issues such as their size, the products they sell, the geographies they operate in, their financial performance and their investment intentions

Products – considerable detail can be obtained from web sites showing their features and performance characteristics

Prices – in many markets the prices of products are published and can be obtained from official price lists or web sites

Distribution – articles and commentaries show how products get through the value chain as they are changed from raw materials to finished goods

Promotions – adverts in journals and web sites show how companies promote their products.

The sources of desk research which are commonly used are:

Figure 4.1 Common Sources Of Published Information (Desk Research)

Source	Information That Can Be Obtained From The Source
Internal data within organizations	Customer lists; sales figures; trends of sales over time; enquiries; sources of enquiries; complaints; sales representatives' reports; market reports on the company's shelves; information in people's heads
Libraries	Journals; newspapers; directories; clippings; reports; government statistics; EU statistics; industry statistics; atlases; dictionaries; books on products and processes
Trade associations	Industry statistics; lists of members; technical papers; reports; informed opinion

Government departments	Official statistics on output, population, and employment; white papers; monopolies and mergers reports; census data and lists; country reports; export and import data
Exhibitions	Directories of companies exhibiting; brochures and catalogues from exhibitors; access to stands to see equipment and talk to staff
On-line databases	Such as Dialog DataStar or Reuters for articles, reports and company information
Internet	Company web sites for product and company information; articles; access to market research reports (or at least abstracts from them); lists of companies; government statistics; population statistics;

Internal sources

The ordering of the sources in the above table deliberately starts with “internal data” and ends with the internet as a reminder that we are often guilty of forgetting the first source and always turning to the last.

It is worth emphasizing how much useful information often sits in the desks and on the shelves of the very companies that are seeking that data. This information could be in old reports or in sales or market statistics which, with a bit of imagination, could be re-worked to produce a valuable picture.

Sources of sources

Researchers should be familiar with “sources of sources”. These range from inexpensive books such as *How to Find Information – Business: A Guide to Searching in Published Sources* (How to Find Series) by Nigel Spencer (available from amazon.com) through to the much more expensive *Croner’s A-Z of Business Information Sources* (this lists some of the best web sources and is available on CD-ROM).

There are also other general guides that can be used to track down sources of data including those covering published research, the press, directories and statistics examples of all of these have been

mentioned above. For international markets there are comparable 'sources of sources' including *European Directory of Marketing Information Sources* and *Directory of International Sources of Business Information*.

There are a number of handbooks of marketing information that should always within arms reach of the researcher. My favourite is the *Pocket Book* series from the Advertising Association. These include:

- The Marketing Pocket Book
- The European Marketing Pocket Book
- The Media Pocket Book
- The Lifestyle Pocket Book
- The Regional Marketing Pocket Book

These little tomes cost less than £30 each and contain vast amounts of economic and demographic data on the consumer and the media.

Good web sites for researchers

There are an increasing number of web sites that offer archive material to researchers without having to sign up though there usually is a fee for the report or part of it. The table of contents is available free and there are many synopses of reports, which may be sufficient for those requiring just an overview. The charges made for bought-in reports and similar sources range from the nominal up to levels comparable to commissioning *ad hoc* research. Most fall within the \$500 to \$5,000 bracket.

A good source of market research data, offering full or part reports is www.marketresearch.com which allows access to a collection of over 50,000 publications from over 350 research firms.

One of the best general databases of commercial and financial news is ft.com – the Financial Times' web site.

The United States has led the world in the collection and dissemination of business information for many years. The Central Intelligence Agency brings together basic intelligence which began as the National Intelligence Survey and is now an on-line *Factbook* that can be very easily examined country by country (www.cia.gov/cia/publications/factbook/). The Factfile gives geographical statistics on countries, the demographic breakdown of

their population, economic overviews (in some detail), transportation, government, and maps galore. Another route to similar information is www.geographic.org.

Company data

Directories are the staple diet of market researchers. They provide details of companies that either supply or consume goods and they are the usual source for preparing sample frames (list of companies or people to be interviewed).

One of the most comprehensive general directories is *Yellow Pages* (www.yellowpages.com in the US and www.yell.com in the UK) since every company with a telephone number is given a free entry. These directories form the most comprehensive listing of small and medium enterprises (SMEs). For example, within the Yell Group, The Business Database supplies data on around 1.5 million UK businesses sourced from the free-line entries in the Yellow Pages printed directories. From its web site it is possible to run counts of companies and download lists for sample frames.

Other general directories, which comprise larger companies than those in Yellow Pages, include *Kompass* and *Dun & Bradstreet's Key British Enterprises*. As well as these general sources, most industries have their own specialised directories, which may have a better listing of suppliers and buyers.

Financial data on companies is available in the UK from Companies House (www.companieshouse.gov.uk). Companies House's website offers a searchable index which gives access to information on more than 1.5 million companies. Of these about 11,000 are public companies (PLCs) which issue shares and of the PLCs, about 7,000 are quoted on the Stock Exchange. Smaller companies file only limited information and this can reduce the value of company accounts in niche markets.

Government statistics

In most projects, the desk researcher will seek 'hard' statistical data and sooner or later this will point towards a government source. These cover most areas of business and social life.

In the UK, The National Statistics website (www.statistics.gov.uk) contains a vast range of official UK statistics which can be accessed and downloaded free. The site allows searching by themes such as agriculture/fishing/forestry, commerce, energy, industry, education, crime and justice, the labour market, the population etc

In the US the Census Bureau www.census.gov has a site covering every aspect of the population, including all key demographics such as age, education, labor, computer ownership and use, income (to list but a few subjects). Marketeers use census output for segmentation by demographics and survey planning (eg setting quota samples).

A visit to US Department Of Commerce site on www.commerce.gov offers vast amounts of information from industry sector statistics to economic analysis to demographic data, and research publications. There is a good search engine to help navigate through this very large site.

Key point

Market researchers need to be familiar with the many sources of secondary data. There are thousands of these and they are changing all the time. Market researchers should not feel they need to hold lots of information in their heads but they should know where to look to find that information.

There are also international bodies collecting and publishing statistics. For the European Union, the office responsible is *Eurostat* and this source will increasingly be important in projects covering the whole single market of the EU (www.europa.eu.int/comm/eurostat). Two other major publishers are the United Nations (*UN*) and the Organisation for Economic Cooperation and Development (*OECD*).

Trade and industry bodies

Every trade, no matter how obscure, nearly always has some collective body to represent its interests and also usually spawn several trade publications. To meet members' needs, and for PR purposes, most of these bodies publish or can make available (sometimes to members only) considerable information about their

industry. The organisation and sophistication of these bodies and the volume of the information offered varies enormously. In Europe, the best source for associations is CBD who publish directories on various British and European organisations (www.cbdresearch.com).

Market research reports

A number of specialist market research companies speculatively carry out studies, which are then sold as publications. Compared to privately commissioned studies these are incredibly good value.

Often referred to as *multi-client* reports, these publications cover every subject imaginable from A to Z. There are over 30,000 multi-client reports available and they can be located through several sources. *Marketsearch* lists 20,000 published reports from 700 firms. The database can be searched in hard copy or from the company's web site (www.marketsearch-dir.com). Another directory of published market research is *findex* (www.findexonline.com) which published over 10,000 off the shelf reports on world markets.

The press

The general, business and trade press are key sources for the desk researcher. As well as 'news', these sources include much background material, including special supplements on industries and markets. In the past, researchers relied on the clippings services of libraries and archive agencies but today's work is made easier by on line search facilities on some newspaper sites. The best has to be the UK's Financial Times (www.ft.com) which has an archive facility available to everybody for simple searches and "power" searches of a wider archive for a reasonable fee.

Think about

What would be the value to your senior managers of alerts on intelligence relevant to your markets? What desk sources could you tap for those alerts? Set up a file of your favourite sources including web sites, phone numbers of trade associations and libraries.

The key uses of primary research

Primary research collects data specifically for the purpose of that survey. Each survey therefore is based on raw data, usually from interviews, that is unique. The surveys can be designed to answer almost all marketing problems and to provide insights into all marketing subjects. The most common are:

Understanding market size and brand shares

Market size data is often obtained from secondary data and desk research. However, primary research can be used to make estimates of market size if there are no published figures. The market size would be calculated by collecting data from consumers on their use

of products and services and the volume and frequency of their purchases. Using this data together with population statistics, estimates can be made of the overall market size for those products or services. Take for example the Philips/Softone case study discussed in chapter 3. Research in this study established that 79% of people who saw the new light bulb at a hall test were interested in the new product. This would represent 35 million people with an interest in the bulb out of the 45 million adults in the UK. The researcher could now play “what if” games with these figures. For example, what if just 10% of this number bought at least one Softone bulb per year at a retail price of £1, what would that mean in revenue to the company?

For many consumer goods, market sizes are calculated from retail audits. The researchers collect data from a representative panel of shops that sell the products. Details are taken of the sales and stocks at the shops every month or two months providing estimates of sales that can be projected for the total universe. These calculations would also show the brand shares of the key products.

If the market size data is collected over a period of time it provides trends of the overall sales and of brand shares.

Consumer perceptions and behaviour

Primary research is carried out to establish consumers’ use of and attitudes to products and brands. Typically researchers test the awareness of brands (unprompted and then prompted) and then determine which products are ever used and which are used most of the time. This shows consumers’ loyalty to brands and their switching behaviour.

Consumers build up prejudices and beliefs about products and services that affect their purchasing habits. Researchers test these opinions and attitudes in primary research to show what attributes are considered to be important in driving the selection of a brand and how brands rate on those attributes. Customer satisfaction surveys are based on this type of questioning.

The needs that drive the selection of a supplier can be established in primary research and this is vital intelligence influencing the design of products and the messages that are used to promote products.

Cluster analysis can be used to group consumers according to these needs. This provides a needs-based segmentation that allows the supplier to offer different value propositions to meet the different needs.

Product development

A significant amount of market research (over a quarter) is spent on developing new products. Primary research may test attitudes to existing products to establish in what way they are lacking and then test improved and modified products to see if they better meet consumers' needs. This research can be carried out in a variety of ways including in focus groups, in hall tests and in home tests.

Pricing

One of the best methods of establishing what people will pay for a product is a test market in which the product is offered in a real competitive environment with controls to see the different effects of prices.

Test markets are expensive to set up and control and so primary research is used to obtain views on the optimum prices for products and services. This type of research can range from very simple questions that ask people's likelihood to buy at a certain price through to more sophisticated approaches using trade-off (conjoint) analysis. Conjoint analysis asks respondents to rank a number of contrasting combinations of attributes that represent the concepts for the new product. The ranking enables the software to calculate utility values for each attribute, indicating a measure of the desirability of the different combinations.

Promotions and branding

A significant amount of primary research is devoted to finding out how promotions can be made to work harder. Qualitative research is used to explore the motivations that drive buying decisions and these become the messages in the promotions. Qualitative research is also used to test advertising concepts and draft campaigns to establish which will be most effective or how they can be tuned to greater effect.

Quantitative research is used to measure awareness levels of brands and to find out how that awareness has been built up (a most difficult task). Media research checks on the newspapers and journals that people read and the programmes they watch and listen to.

People are often reluctant to admit to the influence of promotions or the power of brands in influencing their purchasing decisions. Primary research is used to find out how brands are perceived and what are considered to be their values.

Think about

Where could primary research help your organization improve the efficiency of its products, its prices, its promotions or its place (route to market)? How could it help make improvements in customer satisfaction? How could it help in a better positioning of your brand or your products? How could it be used to improve the way you segment your customers?

The methods of data collection

When most people think of market research methods, they inevitably think of questionnaires. Questionnaires are certainly an important means by which we capture responses from people and they can be administered face to face, over the telephone or they can be self-completion. There are, however, a range of other tools that researchers can use and each has its part to play in survey work. The seven tools that are most used are shown in Figure 4.2.

Figure 4.2 The Tools In The Market Researcher's Tool Bag



Face to face interviews

Face-to-face interviews have traditionally been the favoured method for collecting information from the general public though they are fast losing out to the telephone. Today there are still 3.7 million face to face interviews carried out every year in the UK³ – just about equal to the number of telephone interviews. In the UK interviews with the general public are often carried out in the home or in the street (some are also carried out in airports, in places of

work and other places) whereas in the US they are conducted in the safer environment of a shopping mall.

Street interviewing is appropriate if the questionnaire is short and simple. Using a short questionnaire, and assuming that the questions are applicable for most of the passers-by, an interviewer can achieve 30 and sometimes more interviews in a day. Because a large number of interviews can be carried out in a day, they are quicker, easier and cheaper than interviews in homes.

Interviewing in the street is not always possible, especially where the questionnaire is long and complicated. It is difficult to show visuals or prompt cards in a street interview. Respondents may be caught in poor light; the weather could be inclement and, if the shopper's hands are full, show cards are difficult to use. Nor is the street the best place to find a good cross section of the population as many are at their offices or factories while others may keep away from the busy city centre sites where interviewers work.

Paper questionnaires are still used in the street but in a home interview it is more likely that the questions will be on a laptop computer and responses tapped in as they are received. This is computer aided personal interviewing (CAPI) and it now accounts for 30% of all face to face interviews. It speeds up the interviews as responses are a simple matter of entering a numeric code and routing is automatic. At the end of the interviewer's working day the completed interviews are e-mailed to the research agency's computer. Transmission is safer, much quicker and less costly than the post.

CAPI interviewing has necessitated a considerable investment in expensive technology for large field forces and required training in computer and typing skills for the interviewers.

Telephone interviews

The telephone has grown in importance as an interview method, fuelled by the advantages of greater speed, convenience and lower costs than face to face interviews. In the same way that computers are replacing the clipboard and questionnaire in face-to-face fieldwork, so too they are taking over in telephone interviews. Interviews carried out by telephone are guided by a questionnaire displayed on the screen of a computer. The interviewer keys in answers as they are received and they are free to concentrate on the interview itself as the routing is automatic depending on the response. Computer aided telephone interviewing (CATI) has the advantage of automatically managing the quotas for different

groups of respondents. Because the extra task of data processing is eliminated, there are fewer data entry errors and costs are reduced. CATI interviewing now accounts for 60% of all telephone interviews carried out in the UK⁴.

Self-completion questionnaires

Self-completion questionnaires face us everywhere we go. They sit in our hotel rooms. They are thrust at us in airports. They drop through the mail box. Many researchers distrust this method because they suffer from low and uncertain response rates. However, they are widely used where there is a strong relationship with a target audience, such as in employee satisfaction surveys, in which case response rates can exceed 70%. If there is a strong relationship between a supplier and customer, a self-completion questionnaire may be appropriate and get a high response. They are often used to collect information from the medical profession, who are also motivated to respond by a large financial incentive.

Self completion surveys have their advantages. They are an ideal tool for the solo researcher as there is no requirement for a field force of interviewers. They are best suited to surveys with lots of rating scales which would be tedious in an administered interview. However, they do not allow the controlled questioning or the probing that is possible in an administered interview.

In business to business research, web based surveys are now common place as most business respondents have easy access to a computer. Web based surveys are also growing in popularity in the US where large numbers of the general public are persuaded to provide detailed personal data on themselves and their families and take part in regular surveys for a financial incentive. Using the personal data, research companies can select closely targeted groups of respondents to take part in surveys on almost any subject.

Observation

Observation was one of the first market research tools used, favoured because it was believed to be honest and non-intrusive. Prior to the Second World War, the British government sponsored the "Mass Observation Project" to provide an anthropology of the nation. During the War this was extended to include a national panel of volunteers who kept diaries to track the mood of the war beleaguered country using trained observers. They sat in pubs, watching and listening. They stood at bus stops and listened. They

later captured their observations in diaries ready for analysis. A legacy of this approach is in the title of the market research agency, Mass Observation, which lived for around 30 years until being subsumed within a larger group. Its modern day equivalent in Tokyo is Video Research Ltd, one of the largest market research companies in the country whose title gives us a clue as to the tool kit it used in its early years.

Observation plays an important part in mystery shopping where the fieldworker plays the role of a member of the public buying or enquiring about the product and they record the experience in as much detail as possible on a questionnaire (usually at a later time so as not to be obvious). This is common practice in checking on service levels in hotels, restaurants and car dealers.

A key part of any shopping study is the measurement of footfall – that is the number of people passing an outlet or an advertising hoarding. Observation is an obvious means of recording shopping traffic and it can be measured by fieldworkers counting heads (rather than keep a head count they are likely to use “clickers” which are simple mechanical counters that are activated by squeezing/clicking the device). Equally, the footfall may be measured electronically using optical scanners (more difficult than you might think in a busy thoroughfare with people not always walking in an orderly way).

Observation also plays an obvious role in shopping surveys where a researcher can easily walk into a store to see if products are in stock and check their ticketed price. The technique is sometimes extended to include observation by video camera, capturing the behaviour of shoppers as they make their purchases.

Finally, audits are carried out without interviews – using observation. No longer are physical counts made of the products on the shelves or in stock. This is carried out electronically at the point of sale (EPOS) and the data is downloaded from here to the computers of the market research company.

Hall tests and clinics

Hall tests are used when it is necessary to obtain the reactions of people to a product or concept which it is impractical to take to homes or into the street. For example, food and drink products need to be carefully prepared and presented at the right temperature and in the right conditions if a fair reaction is to be obtained.

Hall tests are so named because they involve hiring a suitable hall or venue close to a busy shopping centre. This contrasts with the US where special facilities in shopping malls are owned by research companies and hired out to other research agencies, together with interviewers. Such special facilities are becoming increasingly available throughout Europe.

At a typical hall test, half a dozen interviewers recruit people from the busy mall or streets and persuade them to come to the venue where they can taste or comment on the product. The number of interviews that can be completed in a day depends on the screening criteria for respondents and the length of the interview. If 50 people per day are interviewed, the test would probably run for three or four days to achieve a large enough sample to be statistically robust. The tests may be carried out in different cities to overcome regional bias.

Central to the purpose of holding a hall test is the need to *show* something to respondents. Usually this is a product, and hall tests and product testing are often regarded as synonymous. Hall tests are also used to test packs and advertising material.

“Clinics” refer to a similar method though the term is used most frequently by car companies who show their new models to prospective purchasers in carefully controlled, clinical conditions.

Focus groups and depth interviews

Key point

Market research problems are often best answered by using a variety of research methods, each method playing to its strength.

Focus groups are the most widely used qualitative research technique in Europe and the US. A group comprises 6 to 10 respondents are led by a facilitator or moderator through a discussion which runs with considerable freedom so that ideas get bounced around and developed. In this way, insights are obtained that may not have come from one to one interviews. Focus groups are normally held in special viewing centres which allow the research sponsors to view the proceedings. The discussions last up to

two hours and are video taped.

It is normal to carry out three or four focus groups to cover for the possibility that one of the groups could have been swayed by a dominant respondent or failed to gel and generate sufficient ideas.

Another important qualitative research technique is the depth interview. The term 'depth' or 'in-depth' implies that the interview is longer rather than shorter, unstructured rather than structured and face-to-face rather than over the telephone. Because the subject is covered in depth, there is a suggestion that the interviewer digs deeper for answers, talks more freely and so the true facts, perceptions and motivations are discovered. Very often the interview is tape recorded rather than written down on a questionnaire.

Depth interviews are used where it is important that there is no 'contamination' of respondents' views one with the others, as happens in group discussions. Also, depths may be preferable to groups when the subject is highly sensitive because it is about sexual practices, personal hygiene or financial planning.

Think about

Your Board is considering allocating (or not) a market research budget for next year's business plan. You are asked to make a brief presentation in which you will say how market research could benefit your organisation and which tools are likely to be needed to carry out this research. What would you recommend was researched and which tools would you suggest for carrying out this work?

Desk research

Desk research is the collection of secondary data from internal sources, the internet, libraries, trade associations, government agencies, and published reports. It is frequently carried out at the beginning of a study as a stage-gate to see if more costly primary research is justified. Key sources and uses of secondary research are discussed at the beginning of this chapter.

SCARY STORY

Some years ago a market research company was commissioned to carry out a survey of the world market for tunnelling equipment. In the course of the study the researchers flew thousands of miles and interviewed dozens of people. It was a very expensive piece of research.

At one of the interviews, towards the end of the project, a question from the researcher prompted the respondent to reach behind him and pick a book off his shelf.

“I suppose you have seen this”, he said.

It was a directory of all the worlds’ tunnels listing their length, when they were built and how they had been constructed.

If the researchers had carried out desk research before the survey, they could have saved thousands of pounds in fee, completed the job quicker and it would have been more accurate.

Chapter 5

Introduction to Qualitative Research

Introduction

In this chapter you will learn about:

- Qualitative research techniques and in particular focus groups, depth interviews and observation
- How to use qualitative tools for exploring and evaluating concepts and ideas.
- The advantages and disadvantages of the different qualitative research tools.
- The role of the moderator in qualitative research and the techniques they use to get people to open up.

The qualitative research techniques

Qualitative research is used to find out about people's attitudes and feelings. It explores how people feel about themselves and about the products and services they use. Finding out about people's thoughts and feelings through qualitative research is often important in the exploratory stages of a new research project. These research findings can provide a starting point when little or no previous research has been done on a subject.

Qualitative research can also provide background, for example interviewing experts in an industry or business area, to get insight into a problem. If some conclusive findings are also needed, it

would be necessary to then carry out a second phase of research to collect quantitative data.

Qualitative research is only widely used where small segments of the population (or groups of people who have a common characteristic) are of specific interest to a researcher. Below is a list of some of the main reasons for carrying out qualitative research:

- To evaluate a market, product or consumer where no information exists
- To identify and explore concepts
- To take researchers rapidly up the learning curve when they know very little about a group of consumers
- To identify behaviour patterns, beliefs, attitudes, opinions and motives
- To establish priorities amongst categories of behaviour, beliefs, opinions and attitudes
- To identify problems in depth and develop models for further research
- To put flesh on the bones of points arising from a pilot or major survey
- To provide verbatim comments and anecdotes from participants – so that the research findings can be brought alive for the client
- To test how a questionnaire works by going through question by question asking about routing, signposting, understanding and ambiguity
- Where direct questioning will not give us personal or hidden details about respondents.

Market research executives are wholly involved in the process of qualitative research. They carry out the data collection and they do the analysis and interpretation. They have a feel for the subject that others cannot have because they have got the information first hand. The main techniques that are used in qualitative research are:

- Focus groups
- Depth discussions
- Observation

Focus groups

A focus group is made up of a small number of carefully selected people who are recruited to discuss a subject based on the commonality of their experience.

Focus groups have four key characteristics:

- They actively involve people
- The people attending the group have an experience or interest in common
- They provide in-depth qualitative data
- Discussion is focused to help us understand what is going on

The people:

Focus groups typically are made up of 6 to 10 people. The group needs to be small enough to allow everyone the opportunity to share insights, and yet large enough to provide group interaction and diversity of experience. Larger groups inhibit discussion as some respondents shy from venturing opinions while smaller groups may be limited in their pool of ideas.

Commonality of experience and interest:

Focus group participants have a degree of homogeneity, and this is important to the researcher. This similarity is the basis for recruitment, and indeed, specific requirements are usually necessary for attendance at the group.

It is common for researchers and clients to jointly identify the key criteria that identify the individuals for focus group discussions. For example, a focus group examining people's attitudes to web sites would almost certainly require them to have access to the internet and to use it fairly regularly.

Depth of information:

Focus groups deliver qualitative data that is rich in words and descriptions rather than numbers. The group provides the forum for discussion and the group moderator, the researcher guiding the group, uses their skills to get the discussion going so flushing out ideas, attitudes, and experiences. The focus group is more than a group interview. The key is the interaction between the group members.

The topic for discussion:

The questions in a focus group are carefully designed to elicit the

views of the respondents. A discussion guide is prepared prior to the group and the group moderator uses this as their aide memoir of what must be covered. Careful design of the guide ensures a logical flow of conversation around the topic area and a clear focus for the discussion.

Key point

Focus groups are ideal for getting ideas, testing concepts or exploring a problem where the researcher is not sure exactly what issues are at stake.

The topic guide is reflective of how groups operate. Groups always start with an introduction from the moderator explaining the purpose of the meeting and what can be expected to happen. Then each participant is asked to introduce themselves and perhaps say a few words about their experience with the subject in hand. This serves to get people talking and feeling comfortable enough to develop their opinions and experiences as the discussion progresses. Questions are thrown to the group and people are encouraged to

comment, debate, and adjust their views so that the subject gets covered from all angles and points of dispute become as reconciled so far as is possible.

Depth interviewing

Depth interviews offer an alternative to focus groups for digging deep so that the researcher has a greater understanding of consumers' motivations. It uses a discussion guide similar to that for the focus group. The interview is relatively unstructured, allowing the interviewer the opportunity to be flexible and follow up points of interest. Depth interviews are particularly useful where it is advantageous to keep respondents apart so that there is no contamination from hearing the response of others, as happens in focus groups.

Extended depth interviews are common in business to business audiences where the subject is big and sometimes complicated. Time is required to unravel the story. They are used in consumer research where the subject could be delicate (and complicated) and it is necessary to pace the "conversation" to ensure that all is revealed. As might be expected, a strong rapport between the interviewer and the respondent is vital in this type of interview. They are generally held at the home or the offices (in the case of business to business) of the respondent and need to be booked in advance.

A variation is the *paired* or *triangular* depth interview. When it is thought that decisions are taken in pairs or small groups, it makes sense to get those people together for the interview. So, for example, teenage girls who shop together and hang around together, sharing their ideas, would be obvious targets for a paired interview. The triangular interview is an extension of this concept and could involve three teenagers or a family unit of Mum, Dad and the kids. These combinations can be useful when discussing family decisions such as buying cars, choosing cereals, deciding where to go on holiday and so on.

Key point

Depth interviews are used to obtain a deep understanding of the thoughts, behaviour and motivations of selected individuals.

Sometimes it is helpful for the interviewer to accompany the respondent during a shopping expedition to explore the whole process. A front end interview may set the scene and then the respondent gives a stream of consciousness (talking aloud as thoughts come into their mind) during the shopping experience. A final interview may close the process.

As might be expected, depth interviews are extremely time consuming and must be carried out by skilled and experienced researchers. As with all qualitative research, the findings are heavy in words, usually transcripts of the taped interviews. There is a limit to how many of these can be carried out and analysed by a small team of just one or two researchers and 20 to 30 such interviews would be considered a maximum.

Observation

Observation can be a quantitative method as well as qualitative. Some years ago I ran the Paris marathon. As I shuffled with the pack over the start line I noticed two cameras on either side, pointing at our feet. At first I thought the cameras had slipped but then it dawned on me that they were for observational purposes, recording the brands of shoes of the runners when the video footage was played back frame by frame.

In the same way that the camera provided the eyes for observing the running shoes, so too it could be positioned discreetly in the corner of the supermarket ceiling, not to stop pilfering but to observe the shopping party and their roles. It can watch our procrastinations as we buy our beans. It can observe behavioural patterns that may be autonomic and which would not be recalled in a conventional

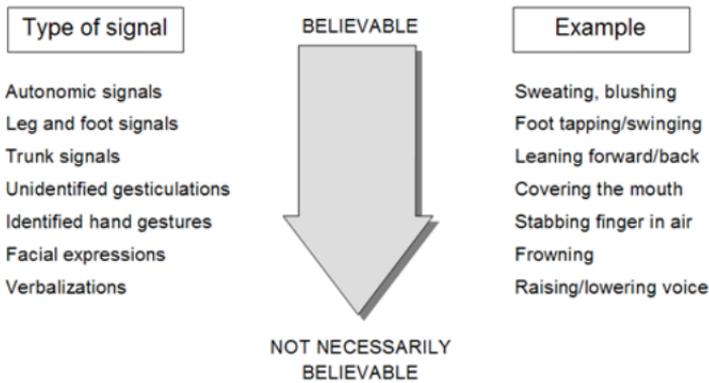
interview. For example, do we deliberate over our purchase of a can of beans? Do we read the label? What influence and pressure comes from the accompanying kids? Do we pick up other brands and examine them or do we just fly down the aisles throwing cans in the trolley without even checking prices?

Observation is still used in the traditional manner. A telecoms company wanted to consider the opportunity for offering information alerts to different industries and chose commercial road transport as a potentially attractive sector. It was decided to commission a qualitative survey amongst transport managers to find out what type of information they needed in their daily round. Since it was believed that some of the information that was needed and used may be taken for granted, such sources and requirements may not be mentioned in conventional interviews. A sample of companies employing transport managers was persuaded to allow observers to spend two days in their offices finding out what was requested and how it was used. The observers watched drivers pop their heads around doors and share stories about traffic conditions, best routes, and the weather. They heard phone calls being made to ferry companies to collect timetables. They observed juggling acts as the transport management team sought to optimize return loads and routes. In this way, the complex sources of information that are used as part of the natural cognitive process were noted and recorded and they would not have been found by orthodox interviewing techniques.

Observation is used for poster checks to see that they are in good condition.

Observation is also used as a complement to the interviewing process and skilled interviewers know how to interpret the body language of respondents. We learn to control our upper torso because this is the part of the body on which we focus when we are speaking to people. This control means that we manage our face – smiling, frowning, and generating a mask to indicate the mood of our engagement. This means that these facial expressions do not give us any deeper clues and insights into the respondent's answers as it could be all an act. Of course, if the respondent were to blush or visibly sweat as a result of the questioning, this autonomic reaction, would tell a big story. This is not something that can be done to order. So too, leg swinging and foot tapping and the body language of the lower torso could indicate some anxiety. The believability of the clues of body language is summarised in Figure 5.1.

Figure 5.1 **Body Language Clues In Depth Interviews**



Think about

The next time you talk to someone in business, pay attention to their body language. What does it tell you? What other clues surrounding the person tell you about them such as the books on their shelves, the watch they are wearing, their clothes, and the way they organise themselves? How much more can you learn about this person and their attitudes from paying attention to non verbal leakage?

Matching qualitative research to the research objectives

Qualitative research can be used as an *exploratory* tool. Where there is uncertainty about a subject, and the researcher does not know what detailed questions to ask, a few depth interviews or groups may be sufficient to provide an understanding and explanations which answer the problem. Imagine that you are a manager of a hospital, eager to improve the standard of patient care. Your 'clients' include the young, the mentally ill, the old and the very poorly. What they think of your service is decisive in guiding how you develop in the future – but how do you find out what they think? The very young, the very old and the mentally ill may be unable to tell you. And when do you interview them? If you do so while they are in the hospital, it could bias the result as their treatment may not yet be over and, in any case, they may find it hard to be critical during the period of medical care. It may be better to interview soon after they return home, even though this is the more expensive option.

Designing a quantitative study for checking on standards of patient care is likely to be complicated and costly. Instead of focusing on the patients themselves, an understanding of the issues could be obtained from people who can speak on their behalf. Group discussions with general practitioners in the hospital's territory could provide a distilled view of the strengths and weaknesses of the hospital and individual departments. Group discussions with GPs could be quickly convened and the results available within a couple of weeks. A couple of focus groups is not a sizeable study but they could provide a signpost as to where the real problems lie and give focus to any subsequent quantitative research.

In the same vein, researchers may be faced with a marketing problem which needs investigation. Problem solving requires an understanding of the cause and effects and these could be flushed out by discussion in groups or depths. When used in this capacity, qualitative research is a *diagnostic* tool. Typical subjects for analysis could be a downturn in sales, a loss of market share or an increase in complaints. A major UK manufacturer of domestic heating boilers looked at the latest trade association figures and saw that it had suffered a loss of share. This had not been apparent from the company's sales figures which were holding up quite well in a market which was buoyant. Four group discussions with plumbers who install boilers were sufficient to show that a major competitor was heavily discounting and using direct mail to promote its boilers – a method of promotion which was concealed from the competing suppliers.

Very often, qualitative research is used for *creative* inspiration and guidance. For example, if an advertising agency wants ideas for a new campaign it may get these from the interaction of thoughts arising in focus groups. The creative power of qualitative research need not be confined to teasing out ideas for advertising; it can be used to guide all types of innovative work such as new product development and branding. A manufacturer of crisps was concerned that the health food trend would eventually affect his market and wanted to know in which way he could respond. Qualitative research was commissioned to find out if, with some modification, crisps could be positioned as a health food.

Qualitative research can also be used to *evaluate* ideas. Focus groups or depth interviews can be used to find out what people think of a different presentation of an advert or pack design. Of course, there will be no large numbers to substantiate the evaluation but the views of the small number of respondents may be sufficiently convincing. A cable manufacturer wanted to steal a march in the competitive

field of house wiring and designed a pack which looked very different to the conventional reels which electricians had used for years. The pack dispensed the cable from the centre of the reel and so offered a number of advantages. However, electricians are very much driven by habit and group discussions showed if there would be any resistance to the new product and how to overcome it.

Think about

How could you use focus groups inside your own company? For example, how could you use them to brainstorm new ideas? How could you use them to evaluate new ideas? How could you use them to find out how to make product or service improvements?

The advantages and disadvantages of the qualitative research methods

Focus groups

Focus groups are the mainstay of qualitative research. There are three times as many people recruited to focus groups as there are interviewed in depth interviews. The focus group provides clients and researchers with a powerful tool that yields a considerable understanding of a subject in just a couple of hours. Of course, the findings from one focus group would be dangerous as they could be biased by some rogue factor such as an outspoken respondent or an unusual mix of recruits. More than one focus group is required and typically four would give assurance of a commonality in the findings. This said, the first focus group provides a very solid base of understanding and subsequent groups may be used to dig deeper on certain subjects or take different angles of questioning. Focus groups offer clients the easiest and most convenient way of joining in the research process. They can participate by observing the group take place in the viewing centre and learn directly from hearing respondents' views at first hand.

There are some drawbacks and limitations to groups. First, to mention is the most obvious – groups are a qualitative and not a quantitative research technique. If we need to ask 'how many' type questions we should almost certainly be using another technique.

In a project we may need both qualitative and quantitative research. Focus groups were carried out with members of the general public to find out how they decorated their houses when holding parties.

The groups identified a strong demand for balloons which were a simple and inexpensive means of decoration. Helium balloons offered at an attractive price in a DIY kit would have great appeal. However, what does great appeal mean? What proportion of the population would buy this type of balloon, and with what frequency? Follow-on quantitative research was required to calculate the market size.

The reason why groups are not capable of yielding quantitative information is twofold. The samples are inevitably small. For example, four groups covers only 30 or so respondents. Second, the actual form of a group does not lend itself to precise quantification of data – there is a general discussion, perhaps even vigorous argument, and this is difficult to translate into measurable responses.

Another feature of groups is the high element of subjectivity in handling them and in their interpretation. The outcome depends very much on the group leader and how he or she:

- structures the discussion
- conducts the meeting
- analyses and interprets the results.

There is some element of subjectivity in all research but it is particularly strong in group discussion work. If the same brief is given to two experienced group researchers there is a chance that the outcome will differ to some extent. This is obviously far from the scientific approach to quantitative research where the interviewer's personality is expected to have no effect on the result. A client commissioning group discussions should recognise that the outcome will reflect the views of the respondents *and the researcher* in some uncertain mixture. Therefore, there has to be every confidence in the ability and skill of the researcher. It is not only important that clients recognise this point, but that the researcher does so as well.

The small sample, coupled with this subjectivity, makes the group discussions very suspect to some more quantitative-minded researchers. However, the 'number jocks' too must recognise the limitations of their own techniques, particularly the impossibility of answering the many 'how' and 'why' questions which are vital in marketing.

A summary of the advantages and disadvantages of focus groups is given in figure 5.2.

Figure 5.2 Advantages And Disadvantages Of Focus groups

Advantages

- The brain storm effect generates ideas as one person's view sparks off ideas in others
- They clarify questions that are to be incorporated in a subsequent quantitative survey
- Respondents feel safety in numbers and so relax and talk
- They are good for resolving differences of opinion between respondents
- Spontaneous comments are encouraged
- They generate a quick understanding of the issues so that in just 1 to 2 hours everyone has moved far up the learning curve
- It is easy for clients to participate in. Up to half a dozen people can watch and become part of the research process
- It is an excellent medium for showing things like products or adverts
- Almost always groups give a real understanding of the issues even if there are no measurements of how many think what

Disadvantages

- When the subject is highly sensitive, respondents may be inhibited in exchanging beliefs
- The minority view can be lost
- Insignificant subjects are "hot-housed" by focusing on them to the extent they are separated from reality
- Costly – one group seldom isn't enough and four groups cost £10-15,000, depending on the difficulty of recruitment
- The success of the groups depends very much on the moderator skills and these can be variable
- It is not possible to organize groups if respondents are thin on the ground
- They are subject to bias from dominating respondents
- In a similar way to the above point, they are subject to the herd instinct (everyone agreeing)
- It is difficult to know to what extent there has been contamination of views from the debate
- They can be difficult to control and sometimes the group doesn't gel or have any "dynamic"

Depth interviews

In second place in popularity as a qualitative research technique, behind group discussions, are depth interviews. The term 'depth' or 'in-depth' is bandied around by market researchers without a precise meaning but implies somehow that the interview is longer rather than shorter, unstructured rather than structured and face-to-face rather than over the telephone. Because the subject is covered in depth, there is a suggestion that the respondent digs deeper for answers, talks more freely and so the true facts, perceptions and

motivations are discovered. Usually the interview is tape recorded rather than written down on a questionnaire.

Depth interviews are used where it is important that there is no 'contamination' of respondents' views one with the others, as happens in group discussions. Also, depths may be preferable to groups when the subject is highly sensitive because it is about sexual practices, personal hygiene or financial planning.

In a depth interview, each respondent has the opportunity of speaking for most of the duration which is often between half an hour to an hour. In a group discussion, all other things being equal, the discussion time is shared between the respondents and the moderator and each person only has the chance to speak for around 8-10 minutes. This means that the output from 8 depth interviews is (say) eight hours of taped discussion – much more the 1½ hours arising from the same number of people in a group. Depth interviews do not benefit from the interaction and 'dynamic' which is so important in groups but they do work hard.

In business-to-business markets depth interviews may be the only option because it is simply not possible to recruit people to groups if they are too thinly scattered. In order to convene a group it is necessary to have a pool of around 50 respondents within a tight geographical area (say where time to travel to the venue is within an hour) to successfully achieve 8 or 9 recruits at the appointed hour. Pulling people from a wider area would need a subject of riveting interest or a very attractive incentive.

Respondents targeted in depth interviewing have to be carefully chosen. Just as in group discussion recruitment, they are likely to be chosen on the basis of their age, sex, social class or because they are buyers (or not buyers) of a product or service.

Fundamental to depth interviewing is listening. To listen carefully to a respondent is to show interest and this is an encouragement to say more. Furthermore, only through listening will an understanding be built up from which there could be a deeper line of questioning – the very substance of depth interviewing.

A summary of the pros and cons of depth interviews is given in figure 5.3.

Figure 5.3 Advantages & Disadvantages Of Depth interviews

Advantages

- Considerable input from each respondent (10 depth interviews generates 10 hours of transcripts)
- An independent view is obtained on a situation
- Respondents are able to discuss intimate and confidential issues without fear
- There is no peer group pressure that creates bias
- Good for following complex issues specific to a respondent
- Allows rapport to build between respondent and interviewer
- Can accommodate widely scattered respondents
- Better for heterogeneous respondents who may not gel in a group
- Good for product tests because more controllable
- Allows the interviewer to see the surrounding home or office of the respondent

Disadvantages

- No brainstorming and therefore less creativity in responses
- More expensive than focus groups because very time consuming to carry out all the interviews
- Expensive analysis (lots of tape transcripts to type up and analyse)
- Responses may be over rationalized and not mirror the true emotions and motivations
- Leads to the temptation at the analysis stage of counting how many said one thing and how many the other (strays into quantitative territory)
- Research sponsors cannot watch as easily as at groups (though sometimes depths are held in viewing centres)
- Takes longer to set up and organize than focus groups
- Logistically more difficult for transporting products (easier to ship them to a focus group venue)
- Possible interruptions or eavesdropping by the respondent's family (if in their home)

Observation

The third of the qualitative research tools is observation. Observation plays many roles in market research from evaluating poster sites, to watching people make their purchases in a shop and to mystery shopping. Observation is valued for the premise that actions speak louder than words. What people do, in other words their actions, may give us more understanding of a subject than simply asking them.

Mystery shopping could be either a qualitative or a quantitative technique depending on the numbers of shopping experiences that are carried out. However, there is always a subjective element in the interpretation of the experience and to that extent it is covered in this section under qualitative methods. The researcher acts like a typ-

ical customer, buying goods or asking for help. The researcher has a questionnaire to complete at the end of the shopping experience. This could include the length of time taken to deal with a call, the number of staff members required to deal with a problem or the way in which a problem was addressed by staff members. The questionnaire is not paraded during the shopping intervention as clearly this would be a give away to the store and create a biased reaction. Much, therefore, must be committed to memory and the mystery shopper could fail to recall precisely what happened (though they would try to complete their questionnaire very quickly after the event to make sure that things were as clear as possible). A camera is sometimes used as the means of capturing what is happening but the playback has still to be looked at and interpreted by somebody. This means that although observation offers us a useful tool for objectively finding out what is going on, it could be subject to misinterpretation if there is a lot to remember and the subject is complicated.

A further type of qualitative observation technique to mention is accompanied shopping. Here the subject is accompanied by an interviewer who observes the subject's behaviour, and also asks them questions from an interview guide. This type of data collection is useful because the interviewer can record behaviour and then ask questions about attitudes and opinions. This can help the researcher to match opinions to behaviours.

A summary of the pros and cons of observation techniques is given in figure 5.4.

Figure 5.4 Advantages & Disadvantages Of Observation

Advantages

- Can provide an objective picture as there is no bias from the use of respondent words or interviewer intervention
- Can be relatively inexpensive if cameras are used to carry out the observation
- Helps understand things that people forget or cannot articulate (for example how they examine products when they buy them)
- Strong complement to other research techniques such as watching the body language in interviewing

Disadvantages

- Can only be used when people do things and access to this is often restricted
- Difficult to analyse (watching hours of video tape)
- Not good at answering the why question
- Logistically difficult to organize as many actions are in private and over a long period

The role of the moderator and the discussion guide

The moderator

The role of the moderator is crucial to the success of the focus group. A skilled moderator uses considerable social skills to make people quickly settle down and open up. In most consumer groups the moderator dresses “smart casual” to create a feeling of professional informality. However, if the focus group comprised accountants or members of the legal profession it may be more appropriate to wear a suit. The match between the moderator and the group participants has been the subject of much research i.e.

- How is the credibility of the moderator seen by the group participants?
- How much does this affect the group dynamic?

The key point is that the moderator needs to be accepted by the respondents and can create a “safe” environment where respondents feel comfortable and confident to freely express their own views.

The age, gender and experience of the moderator may be critical in some topics. In general, the moderator’s standpoint will be one of a researcher, not an industry expert, and usually their detachment from the topic area is an advantage. However, in some sensitive topics, it may be necessary to match the moderator to the group respondents – a female moderator for a female group discussing feminine issues, a male moderator for a male group of heavy beer drinkers, someone who is familiar with medical jargon running a focus group with doctors.

Groups are led by a researcher whose role differs considerably from that of an interviewer. The group moderator’s role is:

- To steer the discussion through a range of topics which are relevant to the problem. There is usually an order to the “unfolding” of these topics but there is sure to be some influence created by the spontaneity of the group itself.
- To act as a catalyst to provoke responses or introduce ideas. Sometimes the researcher should play devil’s advocate or feign ignorance.
- To draw a response from those who are quiet and curb those who attempt to monopolise.

The way questions are asked in a focus group is quite different to in a conventional interview. Empathy must be created with the members, relaxing them and generating a lively discussion. A brief introduction explains the proceedings including the fact that the proceeds are being taped and people are watching behind the two way mirror. It is then necessary to break the ice by asking each member to introduce themselves and their experience with the subject.

Working from a topic guide, the researcher moves the discussion from the broad to the particular. All the time the group is encouraged to express their own views and challenge the views of other group members. In this way all the issues unfold, supported by a discussion which gives a deeper understanding of the subject being researched.

Key point

Good moderators make their work look easy. This is because they are professionals who know how to create trust with a group so that respondents speak openly and freely.

Managing the group dynamic can be made difficult by a dominant personality who may seek a platform for their views and colour those of the other members. Equally there may be slow thinkers, introverts, wits, compulsive talkers and the indifferent. Bringing out the best from each, without insulting or embarrassing anyone, requires a mixture of authority and tact.

Groups generally take between 60 and 90 minutes to administer, depending on the complexity of the subject and interruptions from films or product presentations.

Tools of the group moderator

The questions in a focus group are carefully designed to elicit the views of the respondents. A discussion guide is prepared prior to the group and the group moderator uses this as their aide memoir of what must be covered. Careful design of the guide ensures a logical flow of conversation around the topic area and a clear focus for the discussion.

The topic guide is reflective of how groups operate. Groups always start with an introduction from the moderator explaining the purpose of the meeting and what can be expected to happen. Encouragement will be given to join in the conversation but to speak in turn so the tape can pick up the words of wisdom. Each

participant is asked to introduce themselves and comment on their experience with the subject in hand. The nature of questioning is conversational to break the ice and get people talking.

Then questions are tossed into the arena and the group is encouraged to comment, debate, and adjust their views so that the subject gets covered from all angles and points of difference are reconciled so far as is possible.

The group moderator will have considered in advance how he or she can stimulate the discussion if necessary. The “*Why?*” question is particularly important for encouraging free responses but for some respondents this may be difficult because the subject hasn’t been thought through fully. By probing *how, when, what*, it may be possible to get behind the question and infer the answer *why?*. As with any depth interviewing approach, questioning tends to be free and open to keep the conversation going and to flush out the fuller answer.

Other stimulus material could include:

- Visual stimulus materials e.g. video, story boards, photographs, advertisements, web sites
- Auditory stimulus materials e.g. tapes, video
- Product trials and demonstrations

In addition to stimulus materials, there are a number of specific techniques which can be used in focus groups. Some of these, such as *projective techniques*, are borrowed from psychology and work by tapping into different ways of thinking. Examples of *projective techniques* are:

Brainstorming: a storm of ideas is encouraged, anything goes, and the more the merrier. The researcher is looking for just one idea that could be developed and built upon. An important principle of brainstorming is saying what comes to mind without too much forethought. It is also closely linked to *word associations* where respondents are asked which words they associate with a product or brand.

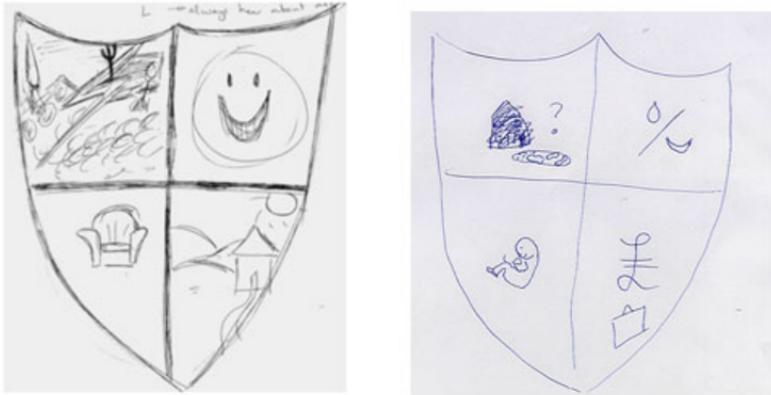
Sentence completion: this is a development of word association where the moderator presents the group with an incomplete sentence which they are asked to finish. The sentence completion can be carried out individually and introduced into the group for discussion, or the group can engage in discussion to complete the sentence.

Word sorting: this is a technique where the group is presented with a number of words or sentences and asked to sort them into groups according to the attributes of a product, or brand, or need. It is commonly used in advertising research for identifying associations with brands.

Developing a campaign: this is a group activity in which everyone works together to come up with a campaign around an issue, for example to get people like themselves to buy a product.

Picture drawing: some issues are difficult to express in words. In a focus group with undergraduates, respondents were each asked to draw a heraldic shield and divide it into four quadrants, each with a simple drawing to describe their life before coming to university, something that characterises their disposition, what it feels like at university and where they see themselves in the future. The foetus and the armchair in the drawings by two of the students were strong expressions of their feelings of safety and security at the university.

Figure 5.5 Picture Drawings Expressing Attitudes To A University



Think about

What type of focus group moderator would you make? What skills would you need to improve to be a good moderator? How good a listener are you? What are your social skills like? How creative are you?

SCARY STORY

A nightmare for moderators is the “professional groupie” – someone who regularly attends focus groups, enjoying the night out, the conversation, and pocketing the envelope with the incentive.

Groupies are in league with the recruiters who make life easy for themselves by working through a list of friends or friends of friends who are happy to attend focus groups. In order that they fit the quota for recruitment, the recruiter may ask the groupie to play a role, for example, to say that they buy certain products or that they have a certain job.

Clearly the lies that these groupies could tell are misleading and dangerous. However, even if they don't lie their regular attendance of groups will make them biased respondents. They know the lines of questioning moderators take and they have a stock of ready answers to please them.

Some years ago I ran a focus group in which it soon became clear that everyone knew each other. Not only was I facing a collection of groupies, I was never going to get answers to my questions on financial services because each would not want the others to have insights into their banking policies. The group was a waste of time.

Standards of recruiting have been tightened in recent years and respondents who are recruited to a focus group are eliminated if they have attended a group in the last six months.

Chapter 6

Introduction to Quantitative Research

Introduction

In this chapter you will learn about:

- The use of quantitative research for customer satisfaction measurement, customer segmentation and measuring customer attitudes.
- The three main methods of quantitative research – direct measurement, self-completion surveys and interviewing.
- The role of the interviewer in quantitative research and how interviewers win cooperation from respondents.
- The role of the questionnaire in quantitative research and how it can make or break an interview.

Matching quantitative research to the objectives

Faced with a marketing problem, the researcher has to decide how to solve it. Take for example a company that wants to carry out a customer satisfaction survey to find out where it is doing well and where it needs to improve. This is clearly a survey requiring measurement – therefore it is a quantitative study. However, before it can start, the researcher needs to find out what attributes should be measured for importance and satisfaction. A discussion with the sales force will help but it may not be enough. The sales team lives

close to the subject and could be biased. Depth interviews or even a focus group may be required before the quantitative project begins.

It is quite normal for a research project to need multi-phase research to deal fully with the problem, and this is known as multi-method research design. The most common example of this is a client who first needs to explore a problem, and then wants to carry out some conclusive research, to help make a sound business decision to tackle that problem.

There will be implications for both the timetable and the budget in carrying out qualitative research before hand. Quantitative research, because it involves large numbers of interviews, is likely to be the most expensive part of the total project. However, qualitative research employs specialists and this makes it *relatively* expensive.

It would be hard to envisage developing a discussion guide, booking interviews, doing the depth interviews, analyzing them and presenting the findings in less than three or four weeks. This would mean that to carry out a qualitative stage as a precursor to the quantitative research could put pressure on the timing if results for the whole programme are needed for a certain date.

Key point

Qualitative and quantitative research techniques are not mutually exclusive. Both types of research are often carried out with qualitative methods giving the insights and quantitative research the measurements.

This pressure on timing and costs can lead to the temptation to skip one or other of the stages. Maybe the qualitative research alone will help us see the problems we should be addressing. Maybe we can skip the qualitative stage and move straight into quantitative if we think we know the questions we should be asking. There is an obvious danger that decisions could be made that cut corners and therefore put the integrity of the research at risk.

Quantitative research enables us to obtain three different classifications of numbers: *market measures, customer profiles (or segmentation data) and attitudinal data.*

Market measures quantify and describe a market. Common examples include; market and sector size, shares of the market held by suppliers or brands, penetration levels (what proportion of all potential consumers own or buy a product), purchase and consumption frequencies, patterns of consumption and seasonality. Data of this type is essential for any manager developing or reviewing a marketing plan for a com-

pany, product group or brand. They can be obtained at various levels of the market – when people are buying (eg through interviews with consumers), but also at the point of manufacture or at the point of distribution (which would entail business to business interviews). Market measures taken from a sample are generally projected or grossed up to the total market or population. For example, to find out the market size for a breakfast cereal we could sample the population to find out how many people eat breakfast and in particular this type of cereal and then gross up by the population numbers to arrive at estimates of the total consumption.

Customer profiling occupies a good deal of researchers' time. What type of people or organisations are the customers and potential customers? What types of products or services do they own or use? Customer profiling is quantitative in nature because reliable breakdowns are needed for the whole market or population. If a survey indicates that amongst the sample interviewed, the large majority of people with gas wall heaters are in social classes D and E and live in older houses, we need to be confident, if we are to use the data in marketing planning, that this is the case for the whole population. Profiling data can take various forms:

- socio-demographics (age, sex, income and occupation group, education level, home tenure etc),
- geodemographics (the types of housing areas in which people live or for business research, the classifications such as company size, geographical location, industry etc)
- consumer behaviour (frequency of buying a product, frequency of switching brands etc)
- ownership of various products (numbers and brands of products owned)
- attitudes (to products or brands).

Unlike market measures, consumer profiling data can only be collected from consumers – in other words the people or companies that are buying the products.

Think about

How do you segment your customers? When did you last consider this segmentation? How could you segment your customers on their needs? How could research help you do this?

Attitudinal data is used in a quite general sense to cover issues such as awareness, perceptions, beliefs, evaluations, preferences and propensities to buy products. Attitudes are therefore subjective and are in the minds of individuals. They are perceptions, but since these influence purchasing habits, they are extremely important. For this reason, a good deal of market research is concerned with the measurement of attitudes.

Similarly, attitudes are taken to be a predictor of future behaviour. Preferences between real products or concept bundles can, with appropriate analysis, lead to predications on what will actually happen in the market including the consequences of changing some element of the marketing mix such as the price or product quality.

Attitudes are also very much the subject of qualitative research which is often concerned to identify which categories of attitudes effects customer choice. In quantitative research, however, the focus is on establishing the degree to which specific attitudes exist amongst the market and population. People have attitudes to brands and this can markedly affect their behaviour. Measuring brand awareness and brand loyalty are important roles of quantitative research.

Qualitative research may have revealed some doubts about people's attitudes to a particular brand, but what proportion of potential consumers hold such negative views and how does this link the purchase frequency? Various techniques are used to measure attitudes but in one form or another scalar measurement is the usual tool (see also the chapter on questionnaire design).

Think about

How is your organisations' corporate brand positioned? What are its brand values? To what extent do these affect people's attitude to doing business with your company? How does it affect the prices of your products? What could qualitative research tell you about your brand? What could quantitative research tell you about your brand?

The major quantitative research techniques

There are three major methods of obtaining quantification of attitudes or behaviour in a population:

- direct measurement
- self-completion
- interviewing (phone and face to face).

Direct measurement

Many companies need to regularly measure the position of their brands in the market place. Manufacturers of fast moving consumer goods (fmcg) such as chocolate bars or soap powder, obtain these measures through retail audits.

In a retail audit, a representative sample of retail outlets is taken (including different types and sizes of outlet with the final data broken down between these classifications) and the sales are established for relevant brands and products. The data from the outlets is then aggregated and grossed up to represent the whole market.

Audits were first used in the 1930s and were one of the first major methods of market research data collection giving rise to such large companies as AGB (Audits of Great Britain) and Nielsen. In the first instance the audits were carried out by staff visiting the outlets where a count was made of the stock levels of products at two points in time. Then the difference plus deliveries (taken from delivery notes etc) was considered to be the sales over the period. The counting was labour intensive and expensive.

In the 1990s stock counts in retail auditing were replaced by EPOS (electronic point of sale) data. This allows data to be measured through electronic scanning of bar codes at the tills for each and every product bought and thereby providing information to tightly control stock levels, purchasing, shelf space etc as well as facilitating efficient check-outs. EPOS data offers increased accuracy (eg no more lost delivery notes), more frequent measurement (hourly if need be) and many other benefits (eg cross relating items purchased). Much retail auditing is, therefore, now based on EPOS data with the major research companies involved securing access to retailers' own databases.

Retail audits, whilst not conceptually complex, are a major organisational undertaking, complicated in some respects by EPOS. They are consequently carried out by only a few specialised companies. The costs involved are high and the data is largely syndicated. Retail audits are also on-going and, therefore, continuous as opposed to ad hoc research.

Another method of direct measurement is TV audience research. Today the most common method of measuring television viewing is through “peplemeters” which are electronic devices that sit on a television and feed a data storage unit, also in the household, which in turn is linked to the telephone so it can transmit viewing data back to the market research company’s central computer. In any one television region (or even a small country) a panel of around 400 households is signed up to have peplemeters installed on their TVs. In the homes that are equipped with the peplemeters, the viewers use remote control units to indicate who is watching the television and what they think of the programmes.

Another method of direct measurement is *mystery shopping*. (See also Chapter 5 where this is also covered as a qualitative method). Service levels in retail outlets can be measured by interviewing customers. However, customer’s recall may lapse or they may forget to mention small and important points of detail. An alternative is to observe and record what actually happens in the outlets. This is carried out by research staff posing as customers. The Market Research Society Code Of Ethics offers guidance on this method, recommending that only the outlets of the sponsoring client can be mystery shopped. In other words, Ford could mystery shop its own car dealers but not those of any other car franchise as this would be knowingly wasting their time (since there is never any intention that the mystery shopper will buy a car, they simply pretend to do so). Arguably this technique, which relies on researcher observation, is less “direct” than retail audits through EPOS which deals in objective data collection, without the interviewer’s opinions.

Other sorts of observations are also used occasionally in market research – eg traffic counts and in poster research.

Self-completion surveys

Self completion surveys have traditionally been carried out by posting questionnaires to the target audience coupled with a strong incentive to persuade people to reply. As the penetration of internet access continues to increase across populations, researchers are making more use of web based surveys in which the respondent can complete the questionnaire on-line. This brings considerable advantages because routing and skip questions are handled automatically and the respondent can type in comments (with no problems of hard to read handwriting). The replies to the questionnaires are fed straight into the data analysis pot, eliminating data entry errors and removing a substantial cost. Self completion surveys work best with

groups of people who have a strong relationship with the product or service that is being researched. They are used, for example, amongst new house buyers who have a strong interest in sitting down for half an hour to twenty minutes to complete a questionnaire. They would not work so well if they sought information on a subject such as toilet rolls. If the interest level is low, researchers attempt to boost replies by offering prize draws or financial incentives.

Whether the self completion questionnaires are sent out via the post or on-line, they suffer from unpredictable and usually low levels of response. It is not unusual for only 10% of a population to reply. These respondents could represent an atypical group of complainers or enthusiasts. It would need an expensive survey of these non-respondents by telephone or face to face interview (as we know that mailed questionnaires do not get a response) and budgets do not allow for this check back.

Response rates of 30% and higher from a single mailing are quite common when the subject is about a new car or on behalf of a company with some apparent authority such as British Gas or one of the water companies. In contrast, respondents receiving a questionnaire through the post enquiring about the type of pen they use would most probably yield a low response, (less than 5 per cent is likely), because the subject is not compelling. It is difficult therefore to know if the results from a mailed questionnaire are representative of the whole population. Despite this limitation, nearly 7 million self-completion paper or web interviews are sent in for analysis in the UK each year⁵ and this is equal to the number of face to face and telephone interviews taken together.

Postal surveys depend on suitable databases containing the correct names and addresses of respondents. If lists are out-of-date, contain inaccuracies in spelling of the names and addresses, or are made up of unsuitable respondents, the questionnaires will fall on stony ground and the response rates will be low. Returned and unopened envelopes will indicate that there are problems with the mailing list and could indicate the need for a check back to find out the true reply rate amongst valid respondents. Whilst check backs are useful, they substantially add to the cost and complexity of the study.

The shorter the questionnaire, the more likely it will be completed and returned. However, 40 questions carefully laid out on two sides of A3 (folded to make four pages of A4) can look less than 20 questions spread over six single pages. In general, the number of questions does not influence responses as much as the interest factor

and there are many example of questionnaires the size of booklets obtaining high response rates.

Respondents want to feel that their efforts in completing the questionnaire are valued. It is important, therefore, that the cover letter gives purpose to the study and convinces recipients that their replies really matter. Legitimacy influences response rates in all types of surveys and it is especially important in postal studies. If possible a benefit should be mentioned such as the promise of better products, improved service or a gift (or money).

Postal surveys which offer anonymity have a higher response than those where respondents must identify themselves. Much depends on the circumstances. In many business-to-business surveys, respondents may be happy to be identified as long as they are confident that the research is bone fide and not a surreptitious attempt at selling.

Response rates can be boosted by a second mailing. If the first mailing yields a 25 per cent response, a second one could draw a further 10-15 per cent. The researcher needs, therefore, to consider whether to send a second mailing to the non-respondents and accept the fall off in response rate or to draw up an extension to the first sample and achieve a 25 per cent response from a fresh list.

Key point

Self-completion surveys work best when there is a strong relationship between the respondent and the subject. In such cases respondents will be motivated to complete the questionnaires and a high response rate will be achieved.

Much depends on the importance of winning a high overall response rate. If a high rate from the given sample is critical, then a second mailing is justified and should take place about two weeks after the first. Time could, of course, be a prohibiting factor as the second mailing, together with the waiting time for the responses to come in, will add at least a further four weeks to the survey. It is preferable, though not essential, that the second mailing misses out those who have already returned a questionnaire. Eliminating the initial replies requires respondents to have identified themselves. Also, it is laborious removing respondents from the list if there are hundreds of names and addresses on the sample frame.

There are times of the year when a mailing will yield a poor response. The August holiday month and Christmas are obvious periods to avoid.

Think about

Your Human Resources department is concerned about low morale amongst the workforce in your company which is resulting in a high staff churn and low productivity. They ask your advice about carrying out an employee survey. Your workforce is divided between shop floor staff who do not have access to computers or e-mail and office based staff who all have e-mail addresses. How would you organise the collection of data? What conditions could you offer to protect anonymity of responses? What measures would you take to obtain the maximum possible response?

Interviewing

Figure 6.1 shows the numbers and type of interviews carried out by market research agencies that are members of the BMRA, the main body representing agencies in the UK.

Figure 6.1 **Methods Of Interviewing In The UK, 2000**

Method of Interviewing	Number of Interviews
Self-completion (post and internet)	6,800,000
Face to face (in home) interview	3,600,000
Telephone interview	3,600,000
Street interview	790,000
Hall test	440,000
Mystery shopping	330,000
Total	15,560,000

Source: *BMRA web site* (figures have been rounded)

Most of the information required in research projects can only be obtained through an administered interview with respondents. The choice between these methods is dependent on a trade-off between:

- what is practical with the target audience (do we have telephone numbers of the audience, do we need to show them anything?)
- costs and budgets (how much money do we have to spend on the research?)

- the timescale (when is the information required?).

Face to face interviews are used in both consumer and business to business research (for cost reasons, rather less in the latter) and may be carried out in “the street” – any public place – in respondents’ homes, at place of work (particularly relevant for business to business research) or special venues – eg where products can be shown as part of the interview (often referred to as “hall” tests).

Face to face interviews are still a favoured means of collecting primary information in many surveys for good reasons:

Better explanations. In face to face interviews respondents have more time to consider their answers and the interviewer can gain a deeper understanding of the validity of a response. Sometimes interviewers need to show advertisements, logos, headlines or samples and this is plainly suited to personal situations.

Depth. It is easier to maintain the interest of respondents for a longer period of time in face to face interviews. Being face-to-face with respondents gives the interviewer more control and refusals to answer questions are less likely than over the telephone. Concern about confidentiality can be more readily satisfied than with an ‘anonymous’ person at the end of a phone. An interviewer on the doorstep or in the High Street can show an identity card.

Greater accuracy. In a face to face interview respondents can look up information and products can be examined. If the interview is at a business, files of information can be referred to, or phone calls made to colleagues to confirm a point. The interviewer may be able to make a visual check to ensure that the answers are correct.

Product placements. Products placements can be sent through the post but it is usually better for them to be delivered by hand by the interviewer. Face-to-face contact with respondents permits a more thorough briefing on how to use the product. Pre-test questions can be asked, and arrangements can be made for the follow-up.

Against the advantages of face to face interviewing, there are a number of disadvantages:

Organisation. Face to face interviews are difficult to organise. If the interviews are country-wide, a national field force is required. The subject may be complex and demand a personal briefing which is expensive to arrange when interviewers are scattered geographically.

Monitoring and controlling face to face interviews is more difficult than with telephone interviews. Face to face interviews need to

have a supervisor in attendance for part of the time and check-backs, by visit or post, must be organised. For the most part, however, the interviewer is working in isolation and the quality of the work has a considerable dependency on the conscientiousness of the individual.

Cost. The cost of personal consumer interviews varies considerably between those carried out in the street and the home. In-home interviews based on pre-selected addresses are, in turn, more expensive than those to a quota. In general, street interviews cost the same to carry out as telephone interviews. In some cases, street interviews offer advantages over the telephone by allowing show cards and visuals, while at other times the facility to random sample and achieve complete geographical coverage could swing the benefits in favour of telephone interviewing.

Time. In-home interviews are time consuming because of the travel time between respondents (this is not the case, of course, when the interviews are carried out in the street). The prior commitments of the field force and the delays caused by questionnaires being mailed out and returned, normally mean that at least a two-week period is necessary for organising a face to face interviewing project. A month is more reasonable. A programme of business-to-business interviews may have less face to face interviews than a consumer study but they too take an inordinate time to organise as the researchers struggle to set up interviews in the diaries of busy managers.

The use of telephone research has grown rapidly so that in the year 2000 it was level pegging with face to face interviewing. Telephone interviewing is widely used in business to business research because virtually all business respondents are contactable by phone and are used to being contacted in this way.

The greatest advantages of the telephone against personal interviewing is its speed and low cost. These are most evident in business-to-business market research.

In favourable circumstances, perhaps five to six 20 minute interviews with managers in industry can be completed in a day over the telephone. In the same time only 1 or 2 interviews can be achieved face-to-face.

In consumer research the time and cost advantages of telephone interviewing are not quite so clear-cut. If the comparison is between street and telephone interviewing then there is probably little difference in either time or cost – in fact, street interviewing might

even be cheaper. However, when compared with in-home interviews, the telephone is both quicker and cheaper since there is no time wasted in travel between interview points.

Concerns about doorstep security also favour the telephone as an interviewing medium. Householders do not have to answer the door to a stranger while interviewers are saved the risk of entering dubious neighbourhoods. Not surprisingly, telephone interviewing is a far more popular data collection method in the US than in Europe.

Key point

The telephone has become one of the favoured tools for market research interviewing because it is quick and inexpensive. Compared with face to face interviews there is no loss of quality of information when simple questions are asked on behaviour and attitudes.

We have seen that there are a number of strong arguments in favour of telephone interviews, with particularly important benefits in cost and speed. However, there are sometimes good reasons for *not* using telephone interviews. Visuals are difficult to use. If something *has* to be shown, then the telephone is not the right approach. Nor is the telephone suited when it is necessary to ask respondents to consider a number of pre-determined factors in order to test their views. More than five or six factors on a list are difficult to hold in the mind and so it is usual to show these on a card in order that they can be given fair consideration. The phone also invites an instant response and so does not encourage a fully considered and reflective answer. The answer is likely to be spontaneous and “off the top”. (Of course, this

can be an advantage in questions such as brand recall).

Despite these limitations, the advantages of the telephone in data collection are considerable and the method is likely to continue to make inroads against street and face-to-face interviews.

Think about

You supply business machines (colour printers) to almost every type of business in the UK and have had two quotes from agencies for a customer satisfaction survey. One quote offers you 50 depth interviews which will be carried out face to face, the other offers 500 interviews by telephone. Which would you choose? What are the reasons for your choice?

The role of the interviewer in quantitative research

The quality of data is heavily influenced by the standards of the interviewing fieldforce. In many surveys the variability and error in the data can be as much from bias in interviewing as from sampling error. These influences could be the result of not following the questionnaire wording or mis-recording responses. Most questionnaires used in quantitative research involve a predominance of pre-coded or closed questions and the layout of the response codes can help to minimise problems of mis-recording. More problematical, however, is the recording of open ended questions (eg – why did you buy this product?). Interviewers are instructed to record such responses “verbatim” but in practice they summarise the comment and there is no way of knowing whether what is recorded reasonably reflects the response given. Even the recording of apparently simple responses such as numbers can lead to problems; zeros missed off or decimal places moved. Minimising such problems is partly a matter of interviewer training and briefing although reducing the use of open-ended questions in a quantitative survey may be the more radical and sure solution.

Good project management attempts to limit the effect of these problems as well as keep research in tight financial and timescale control. In a large project there could be 20 to 30 interviewers carrying out the interviews and this reduces the chances of one interviewer’s bad practice significantly distorting the overall data. Comparisons of performance between the interviewers will quickly identify possible problems and more detailed checks can be made.

Much can be done to head off problems in interviewing by good training and briefings. The interviewer briefing is the occasion when interviewers are told who to contact and how to administer the interview. Undoubtedly personal briefings are to be preferred but it can be very expensive assembling an interviewing force that is scattered around the country. Normally well written briefing notes and sometimes taped briefings from the supervisors, suffice (briefing telephone interviewers is much easier as they are based in one location).

A significant bias that occurs in market research surveys arises from non-response. Over time, average response rates in market research have fallen and can be as low as 50%. If non-response was random, the problem would be of little consequence but it is not. Typically certain groups of potential respondents are less likely to respond than others – some neighbourhoods, for example, are now effectively no-go areas for face to face interviewing – and although

weighting methods can partly compensate, the problem leads to quite significant levels of data distortion.

Sometimes it is difficult to ascertain the true non-response rate. For example in street interviews we cannot be certain how many people take avoiding action by passing the interviewer on the opposite side of the road.

The interviewer can play an important role in ensuring that high levels of cooperation are achieved. Factors that affect cooperation are:

- the perceived legitimacy of the interview
- the benefits to the respondent of taking part
- the approach of the interviewer in being able to communicate an interest in the subject.

Legitimacy

People are more inclined to take part in a survey if they believe that it is being carried out for a bona fide purpose. Members of the public want to know that the survey really is for the purposes of market research and not a cloaked approach to selling (market researchers refer to this as SUGGING or selling under the guise of market research). An interviewer with a Market Research Society accreditation card will offer that confidence.

Surveys carried out over the phone do not allow the interviewer to show their “card” and so they may use appropriate words to communicate that they are working under the rules of the Market Research Society Code Of Ethics which promises anonymity and confidentiality.

A business to business respondent is likely to be interested in knowing which organisation is sponsoring the research before giving information, some of which could be damaging to their interests if it got into the hands of a competitor.

Benefits

In most of the market research interviews carried out in the UK, respondents do not receive payment for their trouble. Even when they do (as is the case of focus groups or in interviews with doctors) it is usually a modest sum.

Some subjects that are being researched are intrinsically interesting to respondents and this can play an important role in obtaining

cooperation. An interview about a recent car purchase is more interesting than one about writing paper.

Manufacturers of writing paper are just as likely to need market research as manufacturers of cars and they must seek “hooks” that persuade people to take part. Sometimes it is sufficient to remind people that this is their chance to tell manufacturers what is thought of their products so that improvements can be made. If there are no monetary incentives or promises of improved products and services, much could depend on the interviewer’s approach.

The interviewer’s approach

Most people aren’t sat around waiting for an interviewer to call. They lead busy lives and must be persuaded that it is worth them parting with a few minutes of their time (more likely 15 minutes to half an hour) for no immediate gain.

The interviewer’s confidence and enthusiasm markedly affects cooperation levels. In the case of the street or home interview, the interviewer’s appearance and demeanour plays an important role. In telephone interviews, the voice is an obvious contributor to achieving cooperation.

Key point

Skilled interviewers are capable of working with badly designed questionnaires. However a good interviewer and a well designed questionnaire will always produce good research.

A diffident or apologetic interviewer could make the respondent uneasy and less likely to cooperate.

The interviewer treads a fine line between persuasion, persistence and browbeating the respondent. Interviewers know that most interviews need ‘selling in’ and, when success is finally achieved, respondents actually quite enjoy the process.

Fieldwork quality is generally verified after completion. This usually involves a check-back to around 10% of respondents with key questions re-asked. Interviewers also need general training in how to work and this is a separate and prior issue to

briefing for a particular job; the minimum accepted training for a raw recruit is considered to be two to three days with follow-on close supervision. The need for training, briefing and verification also exists at the data processing stage and wherever else labour intensive tasks are carried out by staff not directly involved in the design of the research.

Think about

You are approached by someone in the street with a clip board. They want you to help them by answering some questions and it will take around 10 minutes. What are the hooks they could use that would be effective in persuading you to take part?

Tips for winning cooperation in interviews

1. *Communicate enthusiasm and confidence.* Interest in a survey is strongly influenced by the interviewer's approach.
2. *Make the introduction brief.* Once the respondent has answered the first question, there is a good chance they will also answer the last one. A key to successful interviewing is to quickly get them talking.
3. *Justify the interview.* The respondent should be offered a hook or benefit for taking part in the survey (such as better products or improved services).
4. *Appease the respondent's concerns.* Sometimes respondents are concerned about their ability to answer the questions.
5. *Make it easy for the respondent.* It may be more convenient to call at another time.
6. *Give assurances.* Explain that market research is to provide feedback to help suppliers meet customers needs. It is not used directly for selling purposes and there will be no sales pressure as a result of taking part in the survey.

The role of the questionnaire in quantitative research

Key point

The attitude of the interviewer is crucial in winning cooperation from the respondent.

The questionnaire is the instrument at the centre of the interview. A good questionnaire flows logically, and has questions that are clear and relevant to the respondent. It has instructions that guide the interviewer what to do and where to go next. If it has been designed well and tested in a small number of pilot interviews, it will ensure that the interview is a pleasant experience for both interviewer

and respondent. Quantitative research involves collecting a standard range of data from a significant sample of respondents – typically hundreds or thousands – and so the method of data recording needs to be considered as part of the research design.

Many questionnaires are now on a computer screen. Sixty percent of all telephone interviews are CATI (computer aided telephone interviewing) and 30% of face to face interviews are CAPI (computer aided face to face interviewing).

Given the growing popularity of computer aided interviewing it must offer considerable advantages. These are:

- The interviewer is left free to concentrate on the interview itself as the routing instructions are taken care of.
- Data is entered directly and the subsequent transactions of data processing are eliminated. Costs and punching errors are reduced.
- The whole process is speeded up because data is entered as it is obtained.
- At intervals during the survey, the researcher can interrogate the computer to examine the results.
- An analysis of results can be obtained immediately after the last interview has been completed.

There are some disadvantages to computer aided interviewing.

- A conventional questionnaire can be knocked up in no time and without the help of someone who knows their way around the technical nuances of a computer aided interviewing system. Getting a questionnaire set up and running, fault free on a CATI or CAPI system takes time.
- Coping with open ended responses presents some problems on a computer because, although the systems can accommodate open ended comment, capturing them requires interviewers to have good typing skills. If a respondent makes changes to an earlier answer when part way through the interview, it is more difficult to return and make alterations than is the case with paper questionnaires.
- It is more difficult to make margin notes on a computer aided interview and these may be useful at a later stage when interpreting the response from that individual.

In general, computer aided interviews are best suited to structured surveys of a couple of hundred interviews or more, especially tracking surveys where all the possible answers have been worked out and can be listed as pre-coded responses.

SCARY STORY

I was once making a training video on market research and took a team of people plus cameras to a busy shopping precinct in the centre of Manchester. The interviewers were experienced and part of our trusty fieldforce. They were instructed to approach people in the street and engage them in an interview. The cameras followed them around as they stalked their quarry, many of them suffering brusque rejections.

An attractive and vivacious graduate trainee was part of the entourage watching the shoot. She asked me if she could have a go at interviewing. Nothing could be lost because things were moving slowly.

With a huge smile on her face, she confidently walked up to the first person walking towards her and, surprise, surprise, they willingly took part. This happened time and again so the filming was finished in record time.

The learning for me was the importance of the approach and attitude of the interviewer in successfully winning the cooperation of respondents to take part in market research surveys.

Chapter 7

Introduction to Sampling

Introduction

In this chapter you will learn about:

- The important terms and definitions that are used in sampling.
- The use of the two main types of sampling methods – random samples and quota samples.
- How to match the sample plan to the objectives and choose the right size sample.
- The steps you must apply to put your sampling plan into action.

Key terms in sampling

Sample: this is a portion of a larger group. If the sample is chosen carefully, the results from the survey will represent those that would have been obtained from interviewing everyone in the group (a census) at a much lower cost.

Census: A census is a study of all the individuals within a population, while *the Census* is an official research activity carried out by the Government. The Census is an important event for the research industry. The Government publishes a sample of individual Census returns, and these help researchers to see behind the total data. They can then examine the true patterns present. You can view both SARS (samples of anonymised records) and SAS (small area

statistics). The SARS are the sample of individual returns and the SAS (or output areas) are grouped counts of small areas (usually about 150 people). So the sets of data that the Census contains go down to fairly small numbers (micro-data) and this micro-data opens up great opportunities. For example:

- Creating accurate sample frames to develop the appropriate proportions for precise target populations in surveys
- Monitoring sales performances by providing bespoke tables and statistics relevant to a company's needs
- Life tables for occupational sub-groups, especially useful in the pension and insurance industries.

Population: all the people within a group (such as a country, a region or a group of buyers). The population is also sometimes referred to as *the universe*. Populations can range from millions, in the case of countries, through to less than a 100 buyers in the case of some business to business markets. Using sampling, inferences are made about the larger population.

Quota sample: this is where agreed numbers of people are chosen within different groups of the population. In doing so it ensures that these people are represented. For example, in street interviews it is possible that a random sample would not pick up the correct proportion of the wealthier members of the population. If a quota is imposed equal to the true proportion of these wealthy people in the population, it will more faithfully represent the total population. Because some judgment is made in deciding which groups to choose for the quotas, and how big those quotas should be, the survey is not truly random and it is not possible to calculate sampling error.

Interlocking quota: this is where the numbers of successful interviews required in the completed survey is stipulated in certain cells – a cell being a group of people with specific characteristics. For example, an interlocking quota could require the interviewers to obtain a certain number of people of an age and social grade. See example in Figure 7.1

Figure 7.1 Example Of Interlocking Quota

Age	Social Class				Total
	AB	C1	C2	DE	
18/24	2	12	8	11	33
25/44	12	19	18	16	65
45+	17	24	25	36	102
Total	31	55	51	63	200

Sampling frame: this is the list of people from which the sample is selected. It could be any list such as the electoral register, a customer list or a telephone directory. The sample frame should, so far as is possible, be comprehensive, up-to-date, and free of error. In CATI and CAPI systems, the sample frame is held on the computers in Excel format and delivers to the interviewers, the names and addresses of people or companies for interview, chosen randomly or within a quota.

Sampling point: in a survey, each place where the interviews are carried out represents a sampling point. Very often there is one interviewer per sampling point and each interviewer would carry out a certain number of interviews (say between 30 and 50). The more sampling points, the more spread and therefore the more representative the survey is likely to be.

Sampling error: although there is always an attempt to minimize the differences between the results from a sample survey and that of the total population, there will always be some. In general, large random samples produce more accurate results. For example, a random sample of 1,000 people from a population will produce a result that is + or - 3.2% of what would have been the result from interviewing absolutely everyone in that population (ie a census). It should be noted that the absolute size of the population does not affect this figure so a sample of 1,000 adults in Ireland would produce the same level of accuracy as a sample of 1,000 adults in the US, even though the US is over eighty times bigger. Sampling error in most market research is quoted within confidence limits which are normally 95%.

Confidence limits/interval: the confidence limit or interval expresses the chances of the results from the sample being correct. We can say that if we were to sample 1,000 people from a population and find that half of them gave a certain answer to a question,

we could repeatedly sample 1,000 people from that population and in 19 out of 20 occasions the result would give us a response that is between 46.8% and 53.2% (ie + or – 3.2%).

Statistical significance: a result is said to be significant where it is unlikely to have come about as a result of sampling error. In comparing the sub-samples we are effectively asking the question whether the differences between two samples are statistically significant. For example, assume that in a survey, 20% of one group of people (sub sample A) said they had cornflakes for breakfast and 25% of another group (sub sample B) said that they had cornflakes for breakfast. In each case the size of the sub-sample was 250, the calculated sampling errors could be set out as follows:

Sub sample	Measure from survey (%)	Sampling Error* (+/-%)	Range Within Error (%)
A	20	5	15–25
B	25	5.4	19.6–30.4

* 95% probability level

It can be seen that the true measure in the population represented by sub-sample A may be as low as 15% and as high as 25%. In the case of the population represented by sub-sample B, the true measure could be as low as 19.6% or as high as 30.4%. In other words the difference between the measures from the two sub-samples overlap within the ranges of sampling error and we can conclude the difference is not likely to be statistically significant.

Random sample: each person in the sample has an equal chance of selection. It is possible to calculate that chance or probability of selection and such samples are also known as *probability samples*. In large surveys of the population of the UK, the sample is seldom taken from the whole population; usually it is broken into stages or strata with random sampling taking place within these stages or strata.

Stratified sample: by stratifying the sample, the researcher simplifies the interviewing process. For example, a random sample of the UK gives everyone an equal chance of selection. This would mean that a sample taken from the whole database of households in the UK would include some in very remote areas. By breaking the UK into regions (ie stratified by geography), a sample can be selected randomly within each region, generating more convenient clusters for

interviewing. In industrial markets, where possible, it is normal to stratify companies by size.

An introduction to sampling methods

Random samples

Consumer markets tend to be very large with populations measured in hundreds of thousands or even millions of people. Interviewing everyone, or indeed most people, in such large populations would be expensive and take a considerable amount of time. However, if we take a carefully chosen sub-set, then we don't need to interview many people at all to achieve a reliable picture of what the result is for the whole of the population. This sub-set is a sample; a group of people selected to represent the whole.

Key point

It is better to be roughly right than precisely wrong. Being able to quote sampling error with a high degree of precision may not matter if there are other forms of error that are more difficult to measure such as poor sample lists, bad questionnaire design, poor interviewer training etc. Don't forget that sometimes a good estimate from industry experts may be closer to the truth, and a lot cheaper, than an expensive survey of the public.

If the sample is chosen randomly, with everyone in the population having an equal and known chance of being selected, then we can apply measures of probability to show the accuracy of the result. If there is no random selection, then there must, by implication, be an element of judgment or bias in determining who should be chosen in which case it is not possible to measure the accuracy of the sample result. A random sample is often called a probability sample as it is possible to measure the likelihood or chance of the result being within bounds of accuracy.

A random sample does not require the whole database of population, from which it is selected, to be in one single pot. It is still random if the population is broken into smaller databases and a system is devised of selecting randomly from these. For example, surveys of a national population are more conveniently chosen by first breaking that population into districts such as counties or boroughs and carrying out a first cut to randomly choose a number of these. Counties or

boroughs that are chosen in this way are then used as the next pool from which to carry out a random selection. This multi-stage or stratified random sample has all the principles of randomness and therefore qualifies as a probability sample from which the accuracy of the result can be determined.

In the UK, the interviewing amongst households is often carried out face to face, calling at dwellings that have been identified in some systematic and random fashion. Typical of these is a random walk in which a street is randomly selected, a house is randomly selected on that street and then the interviewer has instructions to interview every n th house, alternately choosing an intersection to turn down. There are special rules to cover for eventualities such as blocks of flats or what to do when buildings are non-residential. Already it will be clear that the instructions are complicated and there is scope for things to go wrong.

Choosing the sample from an electoral register overcomes this n th number and left, right problem but there could still be quite some distances between the calls, making them very expensive.

And then who do you interview when the door is answered? The old fashioned notion of there being a “head of household” is now blurred and no pre-judgments can be made as to who will be earning most money. Of course, we could have an alternate instruction here to interview in one survey the female and in the next the male, but this could prove to be very expensive with many call-backs if the chosen person is not in. The random approach would not allow substitutes as this introduces bias. These complications (and therefore high costs) of random samples leads most researchers to use quota samples.

Think about

You live in a small town with a population of 35,000. There is a factory in the town which has an incinerator that runs continuously through the year and the local residents are concerned about the long term effects of the pollution. The local paper asks you to organize a survey to find out what people think of the problem. How big a sample would you suggest? Why did you suggest this number? How would you obtain your sample? What could be the potential weaknesses of your sampling method?

Quota samples

The demographic structure of most populations is known. Previous surveys and census data tells us the splits by gender, age, income groups (or social grade⁶), geography and many other key selection criteria. Therefore, a simpler and cheaper means of obtaining a representative sample is to set a quota for the interviewers to achieve one that mirrors that of the population that is being researched. Filling the quota will provide a mix of respondents that is reflective of the population that is being targeted.

In effect the choice of respondents in a quota sample is left to interviewers (unlike the case with pre-selected random samples) providing they fill the quotas to ensure the overall sample is representative, in key parameters, of the population being researched. In consumer research, demographics such as gender and income groups (or social grade) are common quota parameters and they are often interlocked (eg age group quotas for each income group). (See the definitions at the beginning of this chapter).

Key point

Researchers need to be familiar with the principles of random sampling as this is theoretically the best approach, enabling statistical error to be measured on the results. However, for cost and practical reasons, many market research samples are to quotas and with these it is not possible to measure the accuracy of the result.

One practical problem with quota sampling is that the numbers required within a sub group (eg higher income groups) may be sufficient to meet the needs of the total sample size but too small to provide reliable results about a sub group which may be of particular interest. The common solution to this problem is to “over-sample” the sub group (eg instead of say 10% of the sample being in the “heavy consumers” group this is increased to say 25%) and the results adjusted back to the true profile of the population at the data analysis stage through the use of weighting techniques.

Quota samples are very commonly used in market research. They cost less because there are no clerical costs of pre-selecting the sample and the interviewers’ productivity (interviews per day) is higher because they are not following-up initial non-responses. Quota interviews are frequently used in street interviewing to

ensure that a sample is obtained that reflects the population as a whole.

There are disadvantages to quota interviews. Firstly there is the bias of respondents being selected by interviewers who may consciously or otherwise reject potential respondents who appear “difficult”. Also since initial non-responders are not followed-up, there is a bias against those respondents who are less accessible – eg people working long hours. In fact the response rates (or interviewer avoidance rates) are unknown with quota sampling.

Then there is the problem of non-computable sampling error. Quota samples like random samples are, of course, subject to sampling error but in this case there is no simple way of calculating what it is. Often the sampling error is calculated as if the sample was random but there is no theoretical basis for doing this. The likely sampling error of quota samples is subject to some dispute but some consider that the rule should be to assume that it is twice that of the same sized random samples.

Think about

You work for a bakers and supply bread to shops over five counties. You decide to carry out a survey to measure the awareness of your bread brand and local and national competitors. You decide to carry out street interviews. How big a sample would you carry out? How many sampling points would you use? Where would you instruct your interviewers to stand to carry out the interviews? Who would you instruct your interviewers to interview? Which groups do you think would be under-represented in your sample if it was random? How could a quota sample help in the survey?

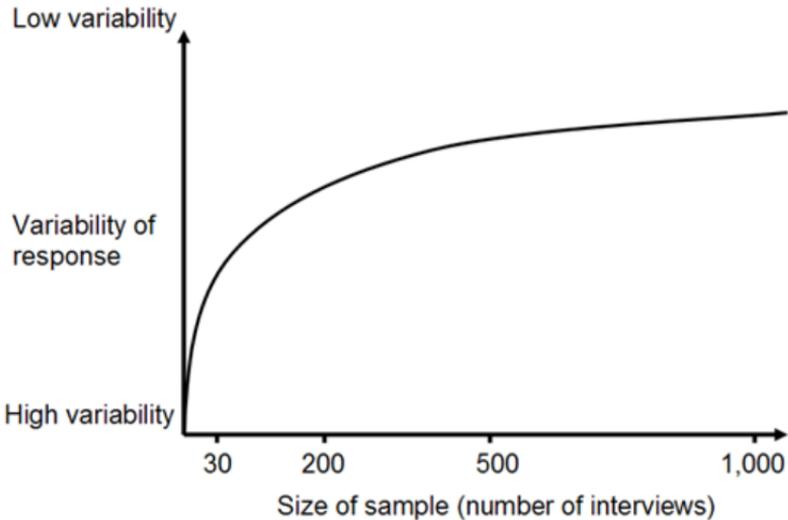
Matching the sample plan to the research objectives

We now have to decide on the size of the sample. This is where many people new to market research and statistics can become confused – they wrongly assume that the sample has to be some respectable proportion of the total population – say 10%. Think about it. If we sampled 10% of the US population we would require nearly 3 million respondents. It does not matter what percentage the sample is of the whole population, it's the absolute size of the sample that counts. In other words as long as the sample is big enough, and has been chosen carefully, it will give us a picture that accurately reflects the total. But, what is big enough?

Imagine that you had to test the quality of the water in Lake Windermere, how much water would you have to take out to do the test. There must be millions of gallons in that lake and you certainly wouldn't want or need to take out 10%. In fact, if you assumed that the water was well stirred, and you took a few bucketfuls from various points around the Lake, you would get a very good picture of its water quality. So, it is with populations, we only need a few bucketfuls of people to give us a good picture.

Let us try to figure out how many buckets or sample size we need of a human population to give us an accurate picture. We will imagine that we want to find out what proportion of people in the UK eats breakfast. For the sake of this exercise we will assume that we can choose people randomly across the nation and plot the result. The first half dozen interviews will give results that are highly variable and the picture will not be clear. However, after a surprisingly small number of interviews, in fact around 30, a pattern will emerge. This is only a pattern and in no way does it allow a confident prediction of the likelihood of the next respondent eating breakfast or not. However, by the time 200 or so interviews have been carried out, the result will settle at around the figure of 80% eat breakfast. If the interviewing carries on and hundreds more are completed, the result will not change a great deal. The way in which the variability of a sample stabilizes as the sample size increases, is illustrated in figure 7.2.

Figure 7.2 Variability Of Responses And Sample Size



Key point

It is the absolute size of the sample that matters, not the percentage that the sample accounts for with the total population.

It will be noted from the diagram that once our sample becomes larger than 30, the consistency of response markedly improves. Beyond the number of 30 we are moving from qualitative research into quantitative research and once the sample size reaches 200, we are very definitely getting into quantitative territory. The area between 30 and 200 is somewhat grey.

Sampling error

It is worth repeating the very important principle of random sampling – the sample size required to give an accurate result to a survey bears no relation to the size of the whole population – it is the absolute size of the sample that matters. So, even if we are researching breakfast eating habits in a small country like Ireland, with just 3.5 million population, or a large country like the US with nearly 300 million population, a random sample of 1,000 people in each country will give us the same, very accurate result, in fact + or – 3.2% of the correct figure of how many people eat breakfast.

What does very accurate mean? Because we have chosen the sample randomly, the accuracy of the result can be stated, at least within limits. These limits are expressed in terms of confidence or certainty. In most market research sampling, confidence limits are given at the 95% level which means that we can be 95% certain that if we carry out this survey again and again, choosing different people to interview each time, we will get a similar result. The result will only be similar – it won't be exactly the same. This is because there will be some degree of error from what would have been achieved had we carried out a complete census. However, with 1,000 interviews that error is only + or – 3.2% of what the true figure would be from the census – which in the circumstances, not having to interview all those millions of people, is very good.

Hopefully, this is clear. A large, randomly selected sample size is all that is needed and it doesn't matter how many people there are in the total population. It now gets slightly more complicated because the error level is not always + or – 3.2% for a sample size of 1,000; it varies depending on the actual response that is achieved to the question. When the sample size is being decided in the first place, the results of answers to questions are not known. We need to do the survey before we will know how many people actually do eat

breakfast. The results could be extreme. Imagine that we interviewed 500 people and asked them the stupid question, “Do you have a drink of one kind or another every day?” When all 500 tell us that they do, we can be certain that the next person we speak to will also tell us that they have a drink of one kind or another every day.

But imagine that we interview 500 people and ask them “Do you drink tea every day?” and determine that a half do and a half do not. When we get to the 501st interview we cannot be certain whether this person will drink tea or not. This 50/50 split in an answer to a question is the worst case whereas 100% (or 0%) is the best in terms of sampling error.

Before we carry out a survey we do not know what a result will be and so we have to assume the worst case and quote the error assuming that 50% will give a response to a question. And the + or – 3.2% referred to for a sample of 1,000 is just that – it assumes that a response from a survey will be 50%.

So, we choose a sample size based on the worst case scenario (50/50) and quote sample errors at this level. Then once the survey is complete we have a result. In the case of the “Do you eat breakfast?” question we find that 80% of the people in the survey say that they do eat breakfast. We can then look up in tables or calculate using a formula, what the error is around that specific figure. Figure 7.3 shows a “ready reckoner” that can be used to check the sample error at the 95% confidence limits. Look along the top row to the percentage that says 20% or 80% (the proportion that says they eat breakfast). Look down the left hand column to where it says the sample size is 1,000. Where the row and columns intersect you will see the error is given as + or – 2.6%. In other words, we can be 95% certain that the true proportion of people that eat breakfast (if we were to interview absolutely everybody) is between 77.4% and 82.6%.

If we interviewed only 500 people, the error on the “Do you eat breakfast?” answer would be + or – 3.6% and it would be + or – 1.8% if we interviewed 2,000 people. Quadrupling the sample will usually double the accuracy for a given sample design.

It is clear that the more people we interview, the better the quality of the result, but there are diminishing returns.

The other important thing to remember about sample sizes is that they must always be judged in terms of their accuracy on the number in the group of people that is being examined – even if it is a

Figure 7.3 Sample Size Ready Reckoner (Range of error at 95% confidence limits)

Sample size	% giving a response to a question								
	1% or 99%	2% or 98%	3% or 97%	4% or 96%	5% or 95%	6% or 94%	8% or 92%	10% or 90%	12% or 88%
25	4.0	5.6	6.8	7.8	8.7	9.5	10.8	12.0	13.0
50	2.8	4.0	4.9	5.6	6.2	6.8	7.7	8.5	9.2
75	2.3	3.2	3.9	4.5	5.0	5.5	6.2	6.9	7.5
100	2.0	2.8	3.4	3.9	4.4	4.8	5.4	6.0	6.5
150	1.6	2.3	2.8	3.2	3.6	3.9	4.4	4.9	5.3
200	1.4	2.0	2.4	2.8	3.1	3.4	3.8	4.3	4.6
250	1.2	1.8	2.2	2.5	2.7	3.0	3.4	3.8	4.1
300	1.1	1.6	2.0	2.3	2.5	2.8	3.1	3.5	3.8
400	.99	1.4	1.7	2.0	2.2	2.4	2.7	3.0	3.3
500	.89	1.3	1.5	1.8	2.0	2.1	2.4	2.7	2.9
600	.81	1.1	1.4	1.6	1.8	2.0	2.2	2.5	2.7
800	.69	.98	1.2	1.4	1.5	1.7	1.9	2.1	2.3
1,000	.63	.90	1.1	1.3	1.4	1.5	1.7	1.9	2.1
1,200	.57	.81	.99	1.1	1.3	1.4	1.6	1.7	1.9
1,500	.51	.73	.89	1.0	1.1	1.2	1.4	1.6	1.7
2,000	.44	.61	.75	.86	.96	1.0	1.2	1.3	1.4
2,500	.40	.56	.68	.78	.87	.95	1.1	1.2	1.3
3,000	.36	.51	.62	.71	.79	.87	.99	1.1	1.2

Sample size	% giving a response to a question								
	15% or 85%	20% or 80%	25% or 75%	30% or 70%	35% or 65%	40% or 60%	45% or 55%	50%	
25	14.3	16.0	17.3	18.3	19.1	19.6	19.8	20.0	
50	10.1	11.4	12.3	13.0	13.5	13.9	14.1	14.2	
75	8.2	9.2	10.0	10.5	11.0	11.3	11.4	11.5	
100	7.1	8.0	8.7	9.2	9.5	9.8	9.9	10.0	
150	5.9	6.6	7.1	7.5	7.8	8.0	8.1	8.2	
200	5.1	5.7	6.1	6.5	6.8	7.0	7.0	7.1	
250	4.5	5.0	5.5	5.8	6.0	6.2	6.2	6.3	
300	4.1	4.6	5.0	5.3	5.5	5.7	5.8	5.8	
400	3.6	4.0	4.3	4.6	4.8	4.9	5.0	5.0	
500	3.2	3.6	3.9	4.1	4.3	4.4	4.5	4.5	
600	2.9	3.3	3.6	3.8	3.9	4.0	4.1	4.1	
800	2.5	2.8	3.0	3.2	3.3	3.4	3.5	3.5	
1,000	2.3	2.6	2.8	2.9	3.1	3.1	3.2	3.2	
1,200	2.1	2.3	2.5	2.7	2.8	2.8	2.9	2.9	
1,500	1.9	2.1	2.3	2.4	2.5	2.5	2.6	2.6	
2,000	1.6	1.8	1.9	2.0	2.1	2.2	2.2	2.2	
2,500	1.4	1.6	1.7	1.8	1.9	2.0	2.2	2.0	
3,000	1.3	1.5	1.6	1.7	1.7	1.8	1.8	1.8	

sub-set of the whole. For example, the 1,000 people we interviewed in the breakfast survey gave us a result which we are happy with of + or - 2.6% at the 95% confidence level. However, if we are interested in the differences between children and adults or males and females, we have to ensure that each sub sample is big enough in its own right. We may look at the female respondents in the sample and see that adolescent girls appear less likely to eat breakfast than women over the age of 18. Let's say that the results show that only 70% of adolescent girls eat breakfast compared to 80% for those that are 18 years olds or more, can we be sure that the difference is significant? We need to know how many adolescent females were in the sample and we find that it was only 75 out of 1,000 compared to the non adolescent females where there were 400. Look on the error tables and see what the range of error is on these results.

Key point

When sub-samples are being examined, their accuracy is dependent on the absolute number of respondents in that sub sample.

We see that for the adolescent females the range of error for this result is + or - 10.5% or between 59.5% and 80.5%. The range of error for the non adolescent female result is + or - 4.0% or between 76.0% and 84.0%. Because the ranges of error overlap between these two results, we cannot say that the difference is statistically significant - it lies within the bands of possible error and it could be due to sampling fluke.

Think about

You have carried out a survey of a mill town to find out attitudes to an incinerator plant. You interviewed 500 people using a random walk selection of households. 30% of people say that they have more chest problems today than they had five years ago before the incinerator was built. The local paper wants to publish the result. What is the sampling error on this result? (At 95% confidence levels).

Sampling from telephone lists

In telephone surveys there aren't any perfect databases of phone numbers. Significant numbers of people are ex-directory and they could represent a group of respondents with special characteristics - older and wealthier, more likely to be female. Some households rely

only on their mobile phones and are not listed in the telephone book “white pages”.

If the phone directories aren't comprehensive then another means must be found of carrying out the random selection. All types of inventive methods are used here including random digit dialling (eventually a real number is found and starts ringing) or the selection of a number at random from the white pages and changing the final digit by increasing it by one number (for example, if the randomly selected number from the directory was 0161 735 0537 then it would be changed by adding one to the last digit to become 0161 735 0538). Both random digit dialling and “plus 1” dialling involves high costs of wasted calls – to non-residential subscribers, non-existent numbers etc. Also, amongst the reasons people choose to be ex-directory is that they do not want to be bothered by market research interviewers and so response rates will be even lower with this group than amongst listed households.

Putting the sample plan into place

At the design stage of the survey, the sample plan will be determined. The size of the sample will be agreed and will be sufficient to deliver results that are robust enough to guide the business decision. The sampling method (ie stratified random sample or quota sample) will have been chosen to match the timescale, budget and interviewing method. Steps in the sampling plan are now as follows:

Step 1 – Define the specific population of interest and the sample size

The objective here is to identify the characteristics of the population under investigation and to decide how many should be interviewed. This is not always as simple as it might seem. The biggest temptation is to want to interview everybody – customers, lapsed customers, potential customers, lots of different countries etc. Remember that for every group that is chosen, there must be a big enough sample to give robust results. As a very minimum, think of 50 completed interviews in one of these sub cells of interest and build the sample size up from there (and most researchers would be horrified by this small number and suggest 100 or 200 completed interviews in a cell). Taking the 50 interviews per cell as an example, and you wanted to find out the use of and attitudes of sham-

poo amongst men and women in five different age groups, you would need a sample size of at least 500.

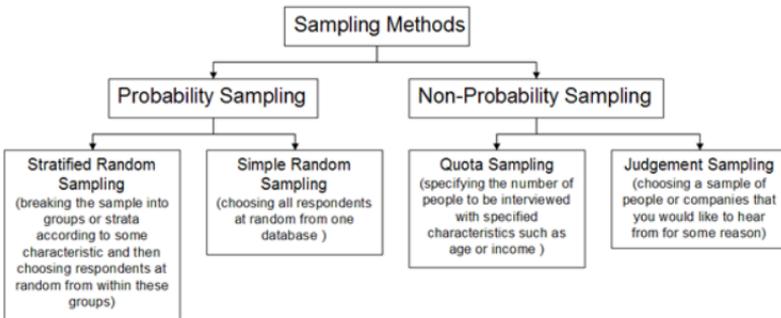
Step 2 – choose the sample frame

The sample frames for most market research projects are often supplied by the sponsor of the study – in other words they are lists of customers or potential customers. Names, addresses and telephone numbers are all that is required, possibly with an indication as to which category they fit – customer or non customer. If no lists are forthcoming from the client/research sponsor, it will be necessary to buy lists or build them from directories or the electoral register. One of the easiest solutions is to buy a sample frame from one of a number of companies that specialize in supplying lists to market research organizations.

Step 3 – choose the sample method

Choosing a sampling method is a balance between accuracy and budget. Probability samples will be chosen for accuracy and robustness while quota sample will be chosen for practicality, budget and convenience. A simplified diagram showing the sample options is in Figure 7.4.

Figure 7.4 Choosing The Sampling Method



Step 4 – choose the sample frame

It will be necessary to have a sample frame from which to choose the sample. The sample frame will need to have substantially more people on it than the sample that is to be achieved. This is not only to account for the refusals but also because many respondents will not be at home (even after three calls) during the fieldwork period

and some of the names on the list will be duplicates or incorrectly listed. A good rule of thumb is that the list should be at least three to five times the number of completed interviews that are required.

Key point

Be aware that there are other sources of error in surveys than that determined by the sample size. Two of the most important of these are interviewer bias and the sample frame accuracy.

The sample frame is broken down and delivered to interviewers in the field with instructions as to how many interviews to achieve and any quota requirements. If the interviewing is to be computer aided from a central location, as in the case of a telephone survey, there will be no need to send lists to interviewers. The sample selection will be controlled by the central computer which will constantly reschedule the work to each interviewing station to meet the quotas that have yet to be filled.

Step 5 – check on non sample bias

The final check that the researcher must make is on all forms of error or bias that are not accounted for within the sample selection. These could be:

- Have the correct people have been interviewed? Checks must ensure that the interviews have been carried out with the right people in accordance with the interview instructions
- Has there been any interviewer bias? A check back on interviews is required to ensure that the interviews have been carried out and that all questions have been asked and that they have been asked correctly. It is possible that interviewers can translate their own bias into the survey when entering responses and this can be checked by comparing interviewers responses one with another.

Non sample bias can be reduced to a minimum by good briefing of the interviewers, good training of the interviews and good supervision of the interviewers.

SCARY STORY

I once carried out a survey to examine the potential for a new printing machine aimed at small businesses. The survey covered the UK, France, Germany and Italy – the major countries in Europe. I needed a sample frame of companies for interview and this was purchased from Dun & Bradstreet. The companies on the sample frame had been chosen to represent small businesses and included quotas of businesses of different types – in services, manufacturing, and distribution. The fieldwork was successfully completed though as always there was the usual squeeze on the timetable.

When the data tables were produced and I was preparing the report, it was clear that there was something different about the responses from France. My first reaction was to claim this to be a peculiarity of that market though I had to confess it was stretching my skills in rationalisation to the limit.

I was prompted to make checks on the data from France and found that it was clean as a whistle. Furthermore, in speaking to the interviewers it was clear that the interviewing had all been carried out correctly. Only when I looked at the completed paper questionnaires (it was in the days before CAPI and CATI) did I spot the problem. My French is not good, but it was good enough to spot a similarity in the names of the companies as I flipped through the questionnaires. They were all from the financial services sector. They were all insurance brokers. Somehow there had been a problem with either our specification of the French sample or there had been a glitch from the supplier and we had been delivered all one class of business. It was too late to re-interview in France and this part of the study had, with great embarrassment, to be abandoned at considerable cost to my agency.

There is an old adage that good market research is about asking the right question of the right person. In the main, researchers are good at asking the right question. However, it is in the field where things can and do go wrong. It is not enough to instruct the purchase of the sample and, when it comes in, to pass it through to the fieldwork department. It is the researcher's responsibility to check everything, at all levels. The devil is cer-

Chapter 8

An Introduction to Questionnaire Design

Introduction

In this chapter you will learn about:

- The key principles of designing effective questionnaires.
- How to formulate meaningful questions.
- The use of structured, semi-structured and unstructured questionnaires in different types of research design.
- The three most important types of questions for asking about behaviour, attitudes or classifying respondents
- Key terms used in questionnaire design
- The link between the interviewer, the respondent and the questionnaire.

The key principles of effective questionnaire design

There are seven steps in the design of a questionnaire:

Step 1 – Decide what information is required

The starting point is for the researcher to refer to the proposal and brief and make a listing of all the objectives and what information is required in order that they are achieved.

Step 2 – Make a rough listing of the questions

A list is now made of all the questions that could go into the questionnaire. The aim at this stage is to be as comprehensive as possible in the listing and not to worry about the phrasing of the questions. That comes next.

Step 3 – Refine the question phrasing

The questions must now be developed close to the point where they make sense and will generate the right answers. Tips on how to write good questions are provided later in this chapter.

Step 4 – Develop the response format

Every question needs a response. This could be a pre-coded list of answers or it could be open ended to collect verbatim comments. Consideration of the responses is just as important as getting the questions right. In fact, considering the answers will help get the questions right.

Step 5 – Put the questions into an appropriate sequence

The ordering of the questions is important as it brings logic and flow to the interview. Normally the respondent is eased into the task with relatively straightforward questions while the more difficult or sensitive ones are left until they are warmed up. Questions on brand awareness are asked first unprompted and then they are prompted.

Step 6 – Finalise the layout of the questionnaire

The questionnaire now needs to be fully formatted with clear instructions to the interviewer, including a powerful introduction, routings and probes. There needs to be enough space to write in answers and the responses codes need to be well separated from each other so there is no danger of circling the wrong one.

Step 7 – Pretest and revise

The final step is to test the questionnaire. It usually isn't necessary to carry out more than 10 to 20 interviews in a pilot because the aim is to make sure that it works, and not to obtain pilot results. In theory the questionnaire should be piloted using the interviewing method that will be used in the field (over the phone if telephone

interviews are to be used; self completed if it will be a self completion questionnaire). Time and money can preclude a proper pilot so at the very least it should be tested on one or two colleagues for sense, flow and clarity of instructions. The whole purpose of the test is to find out if changes are needed so that final revisions can be made. When carrying out the pilot it is best to run through the questionnaire with the guinea pig respondent and then go back over the questions and ask for each one, "what was going through your mind when you were asked this question?".

Questionnaire design is one of the hardest and yet one of the most important parts of the market research process. Given the same objectives, two researchers would probably never design the same questionnaire.

Designing effective questionnaires

The primary purpose of a questionnaire is to help extract data from respondents. It serves as a standard guide for the interviewers who each need to ask the questions in exactly the same way. Without this standard, questions would be asked in a haphazard way at the discretion of the individual. Questionnaires are also an important part in the data collection methodology. They are the medium on to which responses are recorded to facilitate data analysis.

There are five people to take into consideration when designing a questionnaire:

Client – the client wants answers to their particular problem and even, on occasion, to have their worst fears shown up to be unlikely or improbable.

Researcher – the researcher needs to uncover information and balance the needs of three groups of people. She or he needs to ensure that the interviewer can manage the questionnaire easily, that the questions are interesting for the respondent and that the questionnaire matches the client's needs.

Interviewer – the interviewer wants a questionnaire which is easy to follow and which can be completed in the time specified by the researcher.

Respondent – respondents generally want to enjoy the interview experience. They need to feel that the questions are phrased so that they can be answered truthfully, and so that they allow the respondent to actually say what he or she thinks. They may also want to

know if they will receive anything in return for giving their opinion.

Data-processor – the data processor wants a questionnaire which will result in data which can be processed efficiently and with minimum error.

If questionnaires fail it is usually because they are dashed off with insufficient thought. Questions may be missed out; they could be badly constructed, too long, or too complicated and sometimes unintelligible. Good questionnaires are iterations which begin as a rough draft and, through constant refinement, are converted to precise and formatted documents. It is not unusual for a questionnaire to develop through to version 7 or 8.

There are normally five sections in a questionnaire:

- **The respondent's identification data** – such as their name, address, date of the interview, name of the interviewer. The questionnaire would also have a unique number for purposes of entering the data into the computer.
- **An introduction** – this is the interviewer's request for help. It is normally scripted and lays out the credentials of the market research company, the purpose of the study and any aspects of confidentiality.
- **Instructions** – the interviewer and the respondent need to know how to move through the questionnaire such as which questions to skip and where to move to if certain answers are given.
- **Information** – this is the main body of the document and is made up of the many questions and response codes.
- **Classification data** – these questions, sometimes at the front of the questionnaire, sometimes at the end, establish the important characteristics of the respondent, particularly related to their demographics.

Ten things to think about when designing a questionnaire:

10 things to think about in effective questionnaire design

1. **Think about the objectives of the survey:** at the outset, the researcher should sit down with the research plan (the statement of what is to be achieved and the methods which will be involved) and list the objectives of the study. This will ensure that the survey covers all the necessary points

and it will generate a rough topic list which will eventually be converted into more explicit questions.

2. **Think about how the interview will be carried out:** the way that the interview will be carried out will have a bearing on the framing of the questions. For example, interviews carried out over the telephone have some limitations compared with face to face interviews. Self-completion questionnaires need to be very precise and explicit in the way they are designed.
3. **Think about the introduction to the questionnaire:** scripted introductions can sound “wooden”. However, each interviewer should say the same thing so there has to be a standard introduction. It should quickly and succinctly communicate the purpose of the survey, any aspects of confidentiality and what is required of the respondent. The introduction is arguably one of the most important components of a questionnaire because if it fails to engage with the respondent, there will be no interview at all.
4. **Think about the formatting:** the questionnaire should be clear and easy to read. It should be easy for the interviewer to navigate around. Questions and response options should be laid out in a standard format and if the questionnaire is to be administered on a doorstep in winter, the typeface should be large enough to read. Where appropriate, there should be ample space to write in open ended comments. There should be somewhere (front or back) to write down the details of the respondent, the date of the interview and the name of the interviewer.
5. **Think about questions from the respondents’ point of view:** questions should be framed in a respondent friendly manner. Researchers usually know what they want from a survey but this seldom converts into a straight question. The question usually has to be broken down into two or three parts to make it relevant from the respondent’s point of view. Furthermore, researchers can be greedy for information and design questionnaires that are too long and impose impossible tasks for the respondent.
6. **Think about the possible answers at the same time as thinking about the questions:** the whole purpose of a question is to derive answers and so it is essential that some thought is given to all the possible replies that could be

received. It is the anticipation of the complete range of possible answers that throws up the faults in the question. For example, it is no good asking people how many loaves of bread they buy in a year if they think in terms of loaves purchased per week

7. **Think about the order of the questions:** the questions should flow easily from one to another and be grouped into topics in a logical sequence.
8. **Think about the types of questions:** texture in the interview can be achieved by incorporating different styles of questions. The researcher can choose from open ended questions, closed questions and scales.
9. **Think about how the data will be processed:** the questionnaire is simply the vehicle by which data is collected from many individuals before being stirred in the analysis pot. Consideration of how the data will be analysed at the time of designing the questionnaire will make things easier later on.
10. **Think about interviewer instructions:** questionnaires are administered by interviewers who, skilled as they are, need clear guidance what to do at every stage of the interview. These instructions need to be differentiated from the text either by capital letters, emboldened or underlined type.

Key point

The best questionnaires are constantly edited and refined until finally they have clear questions and instructions, laid out in a logical order.

In addition to these points that will guide the overall design of the questionnaire, the questions themselves must be carefully designed. To write a good question you need to make sure that the respondents:

- Can understand the question
- Are willing to answer the question
- Are able to answer the question.

Below are twelve things to watch out for when formulating individual questions.

- *Ensure that questions are without bias.* Questions should not be worded in such a way as to lead the respondent into the answer.

- *Make the questions as simple as possible.* Questions should not only be short, they should also be simple. Those which include multiple ideas or two questions in one will confuse and be misunderstood.
- *Make the questions very specific.* Notwithstanding the importance of brevity and simplicity, there are occasions when it is advisable to lengthen the question by adding memory cues. For example, it is good practice to be specific with time periods.
- *Avoid jargon or shorthand.* It cannot be assumed that respondents will understand words commonly used by researchers. Trade jargon, acronyms and initials should be avoided unless they are in every day use.
- *Steer clear of sophisticated or uncommon words.* A questionnaire is not a place to score literary points so only use words in common parlance. Colloquialisms are acceptable if they will be understood by everybody (some are highly regional).
- *Avoid ambiguous words.* Words such as 'usually' or 'frequently' have no specific meaning and need qualifying.
- *Avoid questions with a negative in them.* Questions are more difficult to understand if they are asked in a negative sense. It is better to say "Do you ever ...?", as opposed to "Do you never ...?"
- *Avoid hypothetical questions.* It is difficult to answer questions on imaginary situations. Answers may be given but they cannot necessarily be trusted.
- *Do not use words which could be misheard.* This is especially important when the interview is administered over the telephone. For example, fifteen and fifty can sound very similar.
- *Desensitise questions by using response bands.* Questions which ask women about their age or companies about their turnover are best presented as a range of response bands. This softens the question by indicating that precision isn't necessary and a broad answer is acceptable. The data will almost certainly be grouped into bands at the analysis stage, so it may as well be collected in this way.
- *Ensure that fixed responses do not overlap.* The categories which are used in fixed response questions (such as the age bands

of respondents, the turnover bands of companies etc) should be sequential and not overlap otherwise some answers will be caught on the cusp.

- Allow for 'others' in fixed response questions. Pre-coded answers should always allow for a response other than those listed.

Think about

How many questionnaires pass in front of you that you put straight in the bin? Start collecting them. In time you will have a good variety from which you can pick and choose questions and layouts when you have to design a questionnaire.

Matching the questionnaire to the research objectives

The survey plan will have a range of objectives which could require qualitative or quantitative methods (or both). The specific market research objectives will dictate the type of information needed from the questionnaire.

Figure 8.1 Types Of Questionnaires For Different Studies

Type of Study	Questionnaire Type	Method of Administration
Large, quantitative studies	Structured	Telephone/ Face-to-face Self completion
Business to business studies; investigative consumer studies	Semi-structured	Telephone/ Face-to-face
Qualitative studies	Unstructured	Depth Telephone/ Face-to-face/ Focus groups

Structured questionnaires consist of closed or prompted questions with predefined answers. The researcher has to anticipate all possible answers with pre-coded responses. They are used in large interview programmes (anything over 30 interviews and more likely over 200 interviews in number) and may be carried out over the tele-

phone, face-to-face or self completion depending on the respondent type, the content of questionnaire and the budget.

Semi-structured questionnaires comprise a mixture of closed and open questions. They are commonly used in business-to-business market research where there is a need to accommodate a large range of different responses from companies. The use of semi-structured questionnaires enables a mix of qualitative and quantitative information to be gathered. They can be administered over the telephone or face-to-face.

Unstructured questionnaires are made up of questions that elicit free responses. These are guided conversations rather than structured interviews and would often be referred to as a “topic guide”. The topic guide is made up of a list of questions with an apparent order but is not so rigid that the interviewer has to slavishly follow it in every detail. The interviewer can probe or even construct new questions which have not been scripted. This type of questionnaire is used in qualitative research for depth interviewing (face-to-face, depth telephone interviews) and they form the basis of many studies into technical or narrow markets.

Using one of these types of questionnaire, (structured, semi-structured, or unstructured) a check should be made on how meaningful it is, by asking “*Is it measuring or probing what they think it’s measuring or probing?*”. If you get this right respondents will be able to give valid answers.

Another simple measure is to think through all the possible responses. This will make sure that the responses that are obtained are reliable. Basically this means that the answers received should be the same as those that would be given, if you repeated the question.

There are two major issues that can have a bad effect on both the quality of your data, and a respondent’s attitude towards market research. These are using excessively long questionnaires, and repetitive questioning techniques. Variety is the spice of questionnaires, as well as of life! Use lots of different question types to stop respondents getting bored. Stimulus materials, such as show cards and advertisements, can also help provide texture in the interview.

An introduction to different question types

Questions are designed to collect three different types of information from populations – information about *behaviour*, information about *attitudes*, and information that is used for *classification* pur-

poses The three different types of information that can be gathered and the surveys in which they are used is summarised in Figure 8.2.

Figure 8.2 Three Different Types of Questions

Question Type	Information Sought	Types of Surveys
Behavioural	Factual information on what the respondent does or what they own. Also the frequency with which certain actions are carried out.	Surveys to find out market size, market shares, awareness and usage
Attitudinal	What people think of products, services or brands. Their image and ratings of things. Why they do things.	Image and attitude surveys. Brand mapping studies. Customer/ employee satisfaction surveys
Classification	Information that can be used to group respondents to see how they differ, one from the other – such as their age, gender, social grade, location of household, type of house, family composition.	All surveys

Behavioural questions

Behavioural questions are designed to find out what people (or companies) do. For example, do people eat butter or margarine?. How much do they eat? What brands do they buy? Who buys it? etc. They determine people's actions in terms of what they have bought, used, visited, seen, read or heard. Behavioural questions record *facts* and not matters of opinion.

Behavioural questions address the following:

- Have you ever?
- Do you ever?
- Who do you know?

- When did you last
- Which do you do most often
- Who does it
- How many
- Do you have
- In what way do you do it
- In the future will you

Attitudinal questions

People hold opinions or beliefs on everything from the products they buy and the companies which make or supply them through to social issues and politics. These attitudes are important because they influence the way people act.

Researchers explore attitudes using questions which especially begin with the word 'why...'. Also useful are the questions How?, Which, Who?, Where?, What? In attitudinal and motivational research, the phrases are often used: "Why did you say that?" or "Would you explain?".

Attitudinal questions address the following:

- Why do you
- What do you think of
- Do you agree or disagree
- How do you rate
- Which is best (or worst) for

Scales are commonly used to measure attitudes. Scalar questions use a limited choice of response, chosen to measure an attitude, an intention or some aspect of the respondent's behaviour. There are five different types of rating scales which researchers commonly use:

1. **Verbal rating scales.** These are the simplest of all scales in which respondents choose a word or phrase on a scale to indicate the level of their feeling. They normally range across four or five possibilities such as:

Very likely
Quite likely
Neither likely or not likely
Not very likely
Not likely at all.

2. **Numerical rating scales.** This is a very similar approach to the verbal rating except the respondent is asked to give a numerical 'score' rather than a semantic response. The scores are often out of a number with 5, 7 and 10 being popular choices (where the large number is best and 1 is worst). It should be borne in mind that the bigger the scale, the more consideration is required from the respondent.
3. **The use of adjectives.** An alternative to a scale is to ask respondents which words best describe a company, a product or a brand. The adjectives could be both positive and negative and they need not be opposites. This could easily be converted into a scale, for example, asking people which of two adjectives they associate with a product or brand – reliable v unreliable. In a self completion questionnaire a line or scale could separate the two words and the respondent is asked to mark the line to indicate their view.
4. **The use of positioning statements.** Here the respondent is asked to agree or disagree with a number of statements. It is important that the respondent is readily able to identify with one of the statements and not left feeling that somehow they do not capture their mood. Positioning statements are a variation of the verbal rating scale and are often known as agree/disagree scales or Likert scales after the person who popularised them. Typically a statement is read out and the respondent is presented with five choices such as:

Agree strongly
Agree slightly
Neither agree nor disagree
Disagree slightly
Disagree strongly

5. **Ranking questions.** Researchers often need to find out what is the order of importance of various factors from a list. Typically this is achieved by presenting the list and asking which is most important, which is second most important and so on.

Think about

The questions we ask are who, what, when, where, why, and how. Which of these do you think is the most difficult for people to answer? Why is it the most difficult?

Classification questions

The third group of questions are those used to *classify* the information once it has been collected. Classification questions check that the correct quota of people or companies has been interviewed and are used to make comparisons between different groups of respondents. Most classification questions are behavioural (factual).

A number of standard classification questions crop up constantly in market research surveys. These are:

- *Gender*. There can be no other classifications other than male and female.
- *Marital status*. This is usually asked by simply saying “Are you”
 - Single
 - Married
 - Widowed
 - Divorced
 - Separated
- *Socio Economic Grade (SEG)*. This is a classification peculiar to UK market researchers in which respondents are pigeonholed according to the occupation of the head of the household. Thus, it combines the attributes of income, education and work status. In addition to social grades, researchers sometimes classify respondents by income group or lifestyle.

In summary the socio economic grades are:

- A higher managerial, administrative or professional
- B intermediate managerial, administrative or professional
- C1 supervisory, clerical, junior administrative or professional
- C2 skilled manual workers
- D semi-skilled and unskilled manual workers
- E state pensioners, widows, casual and lowest grade workers.

For most practical purposes these can be reduced to just four:

- AB
- C1
- C2
- DE

Alternatively, a question may be asked about the income of the respondent or the combined income of the household. The question would be de-sensitised by using income bands.

- *Industrial occupation.* In Europe companies are classified according to their Standard Industrial Classification (SIC). Often researchers condense the many divisions into more convenient and broader groupings such as:

- Accommodation and Food Services
- Administrative and Support & Waste Management and Remediation Services
- Arts, Entertainment, and Recreation
- Police, Fire Service and Other Support Services
- Construction
- Educational Services
- Finance & Insurance
- Health Care and Social Assistance
- Information
- Management of Companies and Enterprises
- Manufacturing
- Mining
- Professional, Scientific and Technical Services
- Property, Rental and Leasing
- Retail Trade
- Transportation & Warehousing
- Utilities
- Wholesale Trade
- Other Services (Except Public Administration)

In surveys of the general public, it may be relevant to establish the level of employment of the respondent. For example:

Working full time (over 30 hours a week)

Working part-time (8-30 hours a week)

Housewife (full time at home)

Student (full time)

Retired

Temporarily unemployed (but seeking work)

Permanently unemployed (eg chronically sick, independent means etc)

- *Number of employees.* The size of the firm in which the respondent works can be classified according to the number of employees:

0–9

10–24

25–99

100–249

250 +

- *Location.* Depending on the scope of the survey, this can be a country code or in any single country a code indicating the domicile of the respondent such as state in which they live or a broader grouping such as East Coast, Central, West Coast etc.

Think about

What classification questions would be most important in a survey for your company?

Key terms in questionnaire design

Questionnaire: a set of common questions laid out in a standard and logical form to record individual respondent's attitudes and behaviour. Instructions show the interviewer or the respondent how to move through the questions and complete the schedule. It could be printed on paper or on a computer screen.

Key point

Classification questions are some of the most important questions in the questionnaire as they are used to cross analyse the data and pick up different patterns of response across different groups of people.

Question: this is the framing of the precise questions that are asked. Care needs to be taken to ensure that the questions elicit a useful and unbiased response. The questions can be open ended (used in smaller, qualitative surveys) or closed (used in quantitative surveys).

Open ended questions: these are questions that invite free ranging responses – sometimes called verbatim responses. Such responses are extremely useful for obtaining a deep understanding of the respondents' views and behaviour but they are difficult to capture precisely (the respondent may give a long winded

answer that is shortened by the interviewer) and are time consuming to analyse. They are only suited to qualitative and small quantitative surveys.

Closed questions: these questions invite a response that is fitted into a preordained answer. Usually the answers are read out or shown to the respondent and they choose which best fits their reply. Sometimes the answers are not read out (as in a brand awareness question) though the responses are listed and to that extent are “closed”. Closed questions are the norm in quantitative surveys. It is vital to ensure that the correct response codes are designed for the question otherwise there will be significant numbers that cannot be placed in any useful response and are put in the dustbin category of “others”.

Direct questions: A direct question measures exactly what it appears to be measuring. For example, “How do you travel to work each day?”

Indirect questions: An indirect question usually disguises its true purpose. For example, “Which tour operators have you booked holidays through in the past two years?”. This indirect question will also give some idea of how many holidays (if any) the respondent has taken over the last two years. Indirect questioning is usually used if a direct question might bias a respondent's answers to reveal the true purpose of the research.

Multiple response questions: some questions can receive a number of answers and others only one answer. For example, a question that asks how many brands someone is aware of could generate a list of names and therefore is multiple response. Another question may seek to find out which brand is used most frequently and this could allow for just one response (ie single response). Sometimes the questions are marked multi-response so that the interviewer knows that more than one answer is anticipated and allowed.

Prompted questions: A prompted question is used to give a common framework for the answers. The answer options are printed on showcards, within the questionnaire or read out, and the respondent chooses one of them. Prompted questions can help respondents to understand difficult subjects and make it easier for them to answer by indicating what's expected and prompting their memory. It also helps a researcher have some control over the scope of the answers. The drawback here is of course that the questions can become suggestive and leading, and they can also be complicated for the interviewers. Closed questions are prompted.

Unprompted questions: An unprompted question allows the respondent to give their own answer in their own words. Open ended questions are unprompted.

Response codes: the answers to closed questions, each requiring a mark to indicate which has been chosen. This could be by circling a number or ticking a box.

Question grid: questions may be laid out in grids to save space on the questionnaire. For example, a list of brands could be listed on the page and against these there could be response columns to indicate if the respondent has heard of each brand, ever used brands, is a frequent user of the brands etc. Grids are used to save space and to make it easier for the interviewer and respondent to quickly move through the questions.

	Heard of	Ever used	Frequent user
Brand 1	1	1	1
Brand 2	2	2	2
Brand 3	3	3	3

Rating scales: these are words, numbers or pictures that indicate a range of different responses to a question. Scales suit researchers as a means for locating a respondent's view on a continuum but they may not always be easy for respondents to relate to as they may not think in such terms. Scales have engaged the interest of researchers for years and some are named after their originator. Likert invented an agree/disagree scale with five positions. Osgood gave his name to the bi-polar scale. The Thurstone scale starts by generating a list of possible statements that relate to a subject and then a distilled list is created which is the scale of issues that covers the subject.

Routing: the instructions that tell an interviewer or a respondent where to go next when completing the questionnaire.

Trade-off question: at its simplest this could be a question which asks the respondent to spend a number of points between factors that influence their choice of a product or brand. The more sophisticated trade-off questions ask respondents to express their preferences between pairs of attributes or between concepts (with a price attached). This is a conjoint measurement that produces utility values indicating the weight of importance attached to the different attributes.

The respondent, the interviewer and questionnaire design

A questionnaire is the link between the interviewer and the respondent. In a good interview the process feels more like an interesting conversation than an interrogation. The combination of a good interviewer and a good questionnaire are crucial to the successful interview. The flow of the questions is critical to a good interview. The flow of the questionnaire is dependent on six factors:

- Easy to answer questions should be put at the beginning to give the respondent confidence in their ability to help
- Questions likely to interest the respondent should also be at the start
- Questions should be asked in a logical order
- Filter questions should follow each other without being interrupted by other questions
- It can be helpful to have an introduction before each change of topic to help the respondent make an easy jump

- Personal, emotional or complicated questions should be at the end to avoid people being put off answering further questions

Obtaining a market research interview is not easy, especially given the large number of surveys that are taking place and the bombardment of our privacy through the 'cold call' selling of financial services or double-glazing. The respondent believes, with some justification, that they are giving up their valuable time and may be getting little in return.

It is in the opening seconds of the introduction that the interview will be won or lost and so the questionnaire must have an introduction with a hook that interests the respondents.

Skills are required on the part of the interviewer to communicate the introduction as quickly as possible so that respondent can start talking and answering the questions. The more information that is packed in to the introduction and the longer it takes, the more time a respondent will have to think of reasons why they don't want to take part. A fast engagement is vital.

The interviewer's approach really does make a difference. Respondents like to feel that they are in the hands of a professional. Someone that is businesslike without being pushy.

Respondents will talk to people they trust. Building trust in a few seconds is difficult when the interviewer has only their voice and words. However both can be powerful ordnance if they are used correctly. The right words and voice will create legitimacy for the interview. The wrong ones will result in the brush off. It does therefore help to have a script prepared before making contact with the respondent to ensure that the introduction is, as near as possible, the best one to win trust and co-operation.

In most cases, once a respondent has started the interview, they will see it through to completion. Compliance is not a foregone conclusion and a different set of skills is needed for the execution of the interview itself.

The crucial requirement of any interview is to know the questionnaire thoroughly. This is especially the case with paper based questionnaires, as complex routings could break the flow of the interview.

The interview is, of course, a script of a kind and the questions have to be read out exactly as stated. Good interviewers develop their own style, speaking at a moderate pace and with good clarity and

diction. And, although it may be the last interview in a busy and tiring day, they must sound interested. In fact, they need to be interested because a good interviewer really does have to listen.

Key point

A good questionnaire will be successful in collecting accurate facts and opinions and will be an enjoyable event for the respondent.

Although the questionnaire is a script, and it must be adhered to, there is scope to build in social lubrication and verbal encouragements that indicate the interviewer is listening and is interested. The body language of the voice becomes even more important in telephone interviews as there is nothing else to create a rapport.

By the time the interview is finished, a relationship will have been created with the respondent. The respondent should be thanked for their time and effort and it

may be appropriate to ask permission to call again should it be necessary to clarify any of the answers. (This is more important in business to business interviews).

Think about

Write an introduction to a questionnaire that you think would be successful in winning your cooperation. The introduction should include all the necessary coverage of who is carrying out the survey (not necessarily who is commissioning it), promises of anonymity and confidentiality, how long it will take and a persuasive hook. See if you can use less than 100 words.

SCARY STORY

In the 1980s, Coke became seriously concerned that it was losing market share to Pepsi. In 1984 it only had a 4.9% lead of Pepsi in the US. This was despite the fact that Coke outspent Pepsi on advertising, by upwards of \$100 million per year. One major problem was that Pepsi's advertising was simply more effective. The Pepsi Challenge had been fabulously successful: Pepsi made great play in its ads that in blind taste tests, people preferred Pepsi to Coke.

Roy Stout, head of market research for Coca-Cola USA, put it this way, "If we have twice as many vending machines, dominate fountain, have more shelf space, spend more on advertising, and are competitively priced, why are we losing share? You look at the Pepsi Challenge, and you have to begin asking about taste."

In September 1984, Coke thought that it had found the answer with a new formula that beat Pepsi in blind taste tests by as much as 6 to 8%. Bearing in mind that Pepsi had beaten Coke by anywhere from 10 to 15%, this was an 18% swing. All discouraging market research was tossed into the bin and New Coke was launched – with disastrous results.

When it hit the streets, New Coke was rejected by huge groups of people. Comments were received such as "sewer water", "furniture polish", "Coke for wimps", "two-day-old Pepsi", and "I miss the battery acid tang".

What we can learn from this story is not that the research carried out by Coke or by Pepsi was wrong; rather that the wrong questions were asked. An assumption was made that Coke drinkers chose the drink on taste and this became the subject of the study. In fact the reality was far more subtle and the main driver of choice was the brand. For years Coke was promoted as "the real thing" and with the launch of New Coke, it implied that they had been duped.

Chapter 9

Turning Data into Findings

Introduction

In this chapter you will learn about:

- Things to think about at the outset that will help the analysing of quantitative data.
- How to analyse and interpret quantitative data.
- Different types of quantitative data including ordinal and categorical data.
- An introduction to the analysis of qualitative data.

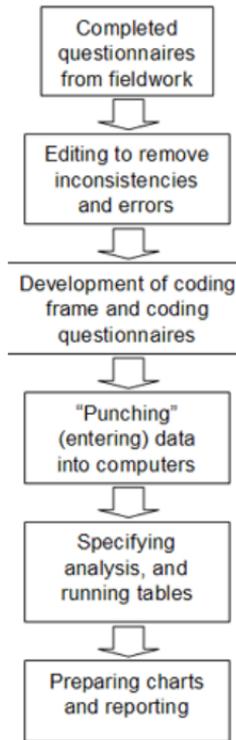
Planning for the analysis of quantitative data

Fieldwork generates hundreds and sometimes thousands of questionnaires. Except in the case of depth interviews, individual questionnaires are of little value or interest. What is required is to generalise from the aggregated data of either the whole sample or of some grouping of respondents out of the whole sample (a sub-sample). Data analysis is the process of aggregating the individual responses or “raw” data.

Very effective analysis can be carried out by using general purpose software such as spreadsheets and databases. Anyone carrying out the work regularly will need specialist software for survey analysis of which there are a dozen or so packages on the market offering various levels of sophistication at different price levels.

There are no paper questionnaires to deal with in a CATI or CAPI survey as the data is entered directly into computers. Where the output of the fieldwork is paper questionnaires, they require editing, coding and “punching” into the computer ready for analysis. The steps involved in data analysis are shown in Figure 9.1.

Figure 9.1 Steps In The Data Analysis Process



Editing ensures that each questionnaire is correctly completed, that all routing has been followed and that responses make sense. These checks are either carried out by a fieldwork supervisor or the data is punched into computers and cleaned up through logic checks. Where problems are identified in editing, the questionnaire is abandoned (if nothing can be done to resolve the problems) or corrected automatically by the computer (which follows pre-defined rules to ensure the answers match a logical response).

Key point

Open ended questions should only be included in a survey where it is vital to obtain a verbatim response and where there are less than around 200 interviews. Coding open ended questions requires skill and is costly

Open-ended questions must be coded. In order to code the questionnaires, a coding frame must first be developed by looking over the responses to open ended questions from a sample of questionnaires (enough to ensure all the themes have been captured – which probably will require 100 questionnaires to be looked at). The coding frame is a list of the themes, each with a numeric code which is written, as appropriate, next to the verbatim answers on the questionnaires. Typically, a frame will have no more than a dozen codes, this being sufficient to reduce the verbatims to a manageable listing but providing enough granularity to

enable the analyst pick out the different issues.

The person who develops the coding frame must fully understand the objectives of the study as it is important to pull out the right issues. The coding frames are then used by the coding team (a number of coders is likely to be required in a survey of any size if the work is to be completed in a reasonable time).

The edited questionnaires, now have all questions assigned a numeric code. The closed questions have numbers circled next to the answers and the open questions have been closed down and coded. The codes for both types of question are then entered, questionnaire by questionnaire (each forming a record), into the analysis package.

There is always the possibility that the manual task of entering these data codes could be miss-keyed. Quality checks are carried out in which a sample of questionnaires are re-entered by another member of staff. Any inconsistencies that are found in the entries would need to be resolved or would trigger a check of the batch from which the verification sample was taken.

At this point the paper questionnaires, and those that have been entered directly from the keyboard in a CAPI or CATI survey, have reached the same point in the analysis process. The data in the computer must now be programmed to produce an output that helps the researcher analyse the results. The researcher decides what tables are needed (specified in terms of filters and the cross analysis of questions) and gives this specification to data programmers who write the data run programmes to produce the required output.

Some user-friendly analysis packages have menus that allow the researchers to do this themselves.

The cross analysis tables are then run and checked to ensure that they conform to the specification with appropriate filtering, the right cross analysis, suitable labelling and titling. These tables are the main data used for reporting the findings and drawing conclusions.

Think about

A survey about household appliances included the following question:

Why would you not consider buying the appliance in the next two years?

The question was open ended and the following verbatim replies were received to the first 9 questionnaires.

Respondent	Response
1	Too big to go in my kitchen.
2	I cannot to afford to buy one.
3	They look so ugly.
4	I don't like the colours and they cost too much.
5	I hear they are unreliable.
6	With only two of us at home we have no need of one.
7	I expect the prices will come down. I will wait until then.
8	I think they are complicated to use.
9	I don't know really.

Look through the responses and see how you would group them into a smaller number of themes that could be the basis of a coding frame. There are no right or wrong answers to this and my suggestion is given at the end of this chapter.

An introduction to the analysis of quantitative data

The researcher must decide, out of the surfeit of tables, which is the data that are relevant to the objectives and the survey. This is the vital task of data reduction leading to interpretation. In a survey of students carried out for a university, questions were asked about the

courses that were being studied and the satisfaction with those courses. Well over a thousand pages of tables were generated by cross analyzing each question against a long list of classification questions. Using these cross analyses, the analyst looks for interesting differences between groups of respondents. In the case of the student survey the classification questions included the age of the student, their gender, their religion, where they lived and so on. Figure 9.2 shows an example of a page from this survey .

Figure 9.2 Table From A University Survey

		UNIVERSITY SURVEY: 2002													Page 1422		
Table 272		Q2.9 Overall satisfaction															
Base: All respondents																	
	Total	YEAR OF COURSE					TYPE OF COURSE		LEVEL OF COURSE		TYPE OF AWARD						
		1	2	3	4	5	6+	Full time	Part time	Under grad	Post grad	None	1st degree	2nd degree	Under grad	Post grad	Other
Base	2364	785	626	626	253	27	12	1636	510	1809	396	63	129	1652	197	180	
Totally dissatisfied (1.0)	20	3	4	8	4	1	0	20	0	19	1	0	0	18	1	0	
(2.0)	62	13	16	20	12	0	0	50	12	47	13	0	2	46	6	5	
(3.0)	116	21	28	40	21	3	1	96	10	101	13	1	7	91	6	6	
Neither/nor (4.0)	188	67	48	44	23	5	0	134	54	146	37	6	10	127	16	14	
(5.0)	706	218	197	195	79	6	5	557	144	567	122	14	38	499	61	52	
(6.0)	936	328	252	244	85	7	3	752	178	768	147	24	51	662	76	66	
Totally satisfied (7.0)	224	84	59	54	21	2	2	182	41	189	31	14	10	157	15	20	
NS	112	50	22	21	8	3	1	45	63	72	34	4	11	52	16	17	
Median	6	6	6	5	5	5	5	6	5	6	5	6	6	6	6	6	
Base for stats	2252	735	608	605	245	24	11	1791	447	1837	364	59	118	1600	181	185	
Mean score	5.31	5.46	5.33	5.22	5.04	4.93	5.45	5.31	5.30	5.32	5.28	5.75	5.35	5.29	5.31	5.40	
Standard deviation	1.18	1.06	1.14	1.25	1.35	1.43	1.13	1.20	1.10	1.18	1.13	.99	1.07	1.21	1.13	1.12	

The table has rows and columns of data showing the satisfaction of students with the University. In this survey, satisfaction was measured using a numeric score from 1 to 7 where 1 is totally dissatisfied and 7 is totally satisfied. The first column of data is the overall or total figure for all students at the University. At the bottom of the “total” column are some key statistics. The mean score shows the arithmetic average and for the University as a whole, this is 5.31 out of 7. (Note: the 112 students who didn’t give a score – “not specified” or NS – were not included in this computation). Most of the courses at the university are undergraduate degrees which take three or four years, in the latter case including a year out on a placement.

Casting your eye over the mean scores it becomes apparent that there is an interesting trend in the data. The satisfaction with the

University appears to decline as the students move nearer to the completion of their course. Looking further across the row of mean scores, we see that in the “Type of award” column that there appears to be lower satisfaction levels amongst undergraduates taking a degree than other types of undergraduates or post graduates.

Before we move on to consider the implications of these results it is worth noting the other information on the lower rows of data:

- the median shows the value where half the results larger than this figure and a half are smaller
- the base for the statistics shows the number of people who have answered the question. This is useful to establish the robustness of the result. For example, in the table there are very few respondents that have been studying 5 years or more so we would have to be very careful in the interpretation of this group. In all the other groups there are a few hundred respondents and this gives us more confidence in the result (as long as it has been answered by a representative group).
- The standard deviation shows the spread or dispersion of the results around the mean. A low standard deviation indicates that there is a clustering of responses around the mean.

We have been concentrating on the summary statistics at the bottom of the table. The researcher could be just as interested in the percentage of people who gave a score of 6 or 7 (we call this the “top box” result) as this indicates how many are really satisfied. Equally, there will be interest in the percentage who give very low scores because addressing their problems could be one route to improving overall satisfaction.

The researcher must not just report on the data, but attempt to interpret what it could mean. What are the possible causes of a lower level of satisfaction amongst students who have been studying at the University for longer? We do not know for sure but we can hypothesize that it could be the result of one or more factors:

- Students arrive with high expectations which gradually get disillusioned the longer they stay at the University
- The courses get harder nearer to graduation and this takes the enjoyment and satisfaction out of studying at the University

- Students move towards the end of their studies, they become more concerned about the ability to get a job with a degree from this University
- Teaching deteriorates as the courses progress into the third and fourth years.

Key point

Cross tabulations are the main output from a quantitative survey and are used to pick out different responses between different groups of people.

There may be other factors as well influencing the decline in satisfaction over time spent at the University. It is important to establish what the reason is for the decline because only then can it be addressed and rectified. Other data, elsewhere in the survey may help establish the reason (or reasons) or further research may be needed which concentrates on this question alone.

Think about

Consider the “top box” results in figure 9.2 (ie those respondents giving a score of 6 or 7 as a satisfaction score). What patterns of response can you spot across the different groups of respondents? Which result do you prefer to use – the mean score or the top box? Why?

Types of quantitative data

The rating of satisfaction in the University survey used a scale from 1 to 7 – 1 being not satisfied and 7 being totally satisfied. This is an *ordinal* scale as opposed to an interval scale (such as degrees centigrade). In an ordinal scale, the distance between each number is not necessarily uniform. For example, the half way point in a satisfaction scale of this type is not necessarily 4. It is quite easy to obtain satisfaction scores of around 5 but getting scores of 6 or 7 is more difficult. The effort required to boost the average satisfaction score just one or two fractions would be high when the levels of satisfaction are over 5 (still using the scale from 1 to 7).

Other data market researcher analyse is categorical – in other words it measures how many respondents are in each category. We may be interested in which categories of information are used to find out about the University. The result of this type of analysis can be pre-

sented as a table such as Figure 9.3. In this case the table shows the responses from 2,364 students. Note that the column does not total 100%; this is because of multi-response – some students mentioned more than one source of information.

Figure 9.3 The Importance Of Different Sources Of Information On The University

Sources Of Information On The University	%
University prospectus	65
University open day	43
A friend or relation told you about it	33
University web site	32
A teacher at school or college told you about it	24
Visited a friend at the university	15
The city web site	9
Someone from the University visiting your school or college	7
Base:	2,364

Students filled in a self-completion questionnaire which had a pre-defined list of sources from which they were asked to select those that they used to obtain information on the University. The results in Figure 9.3 have been presented in declining order of frequency of mention to help the reader focus on the most important. Tables showing this type of response can, of course, also include cross analyses and not just show the response for the total sample.

By looking at data that has been cross analysed, the researcher can pick out a relationship between two variables – as we have seen, the relationship between student satisfaction and the number of years they have been studying at the University. The relationship between three dimensions can (if with more difficulty) also be examined in a table. We could for example take the age of the student as the third dimension. The relationship between the three variables can also be represented in some sort of three dimensional table with a vertical axis although to do so and read it would be no easy task. And, why stop at three variables? The investigation of relationships between any number of variables may be worthwhile and produce a model which offers useful insights into how a market works and, therefore, provides guidance to effective marketing. The relationship between more than two or three variables is the outcome of *multivariate analysis* which is increasingly used in market research –

particularly for handling product attribute and attitude data. In part the uptake of these techniques is because the mechanics of carrying out complex statistical operations has been made so much easier through widely available software run on PCs.

Marketing planning is now very much based on segmentation. The age of mass markets is waning and increasingly, strategies are aimed at influencing specific market segments or niches. Segments can be defined in terms of “objective” variables such as demographics – an approach that has been widely used for many years. Conventional cross analysis of data is usually sufficient to segment markets in these terms. However, another approach is to focus on more subjective factors and especially consumers’ attitudes. Using appropriate scalar questions any number of such attitude variables can be obtained. The question then arises as to how these can be used to group consumers into homogeneous segments, each with people in them that have a bundle of common attitudes. Two multivariate techniques are used for such segmentation – *factor analysis* and *cluster analysis*.

Factor analysis focuses on the attitude attributes themselves and where a lot of attitude questions have been asked, it reduces them to a smaller number of *component factors* or groupings of attitudes which on the basis of responses appear to be empirically linked.

Key point

Using market research to develop a needs based segmentation can give a company a substantial competitive advantage.

Cluster analysis on the other hand focuses on respondents themselves. As the term suggests it groups or clusters the data into relatively homogeneous groups on the basis of their attitudes to the product. These clusters may represent people with particular needs such as low prices or convenience. Factor analysis and cluster analysis are often carried out together with clusters defined in terms of component factors from preliminary factor analysis.

Products and brands can be analysed in terms of any number of attributes, limited only by what is included in the questionnaire. Not all attributes are, however, equally important; they almost certainly fall into some sort of hierarchy; in some markets value for money may lead the ranking followed by the product quality, followed by availability, ease of doing business etc. This hierarchy can be established by direct questioning (eg please rank the following in terms of their importance....) but this simple approach may not produce a realistic model of the consumer choice process – consumers just do not think in this way when making an

actual purchase decision. An alternative is to link preferences for products (which can be bundles of attributes) to the price they are prepared to pay for them. The importance of the attributes is then derived from the two sets of data at the analysis stage.

Key point

Using conjoint analysis, researchers can work out the value attached to the components of an offer without directly asking how much these individual components are valued.

A widely used multi-variate technique to achieve this is *conjoint analysis* which calculates “utility values” for attributes. Conjoint analysis is a sophisticated technique and there are technical issues that need to be considered. In particular, the design of attributes is a crucial step in a conjoint project as choices between poorly defined levels can make the exercise meaningless. Also there are different types of conjoint analysis each suited to a particular application – the trade off approach (adaptive conjoint analysis) is the most common, but there is also full-profile conjoint analysis. In the trade-off

approach respondents are asked to rank all combinations of attribute levels taking two attributes at a time. Conversely in the full profile approach respondents are requested to rank alternatives described in terms of all associated attributes. The trade-off approach is much easier to use over the telephone where pairs of attributes can be read out to people and they can choose between them whereas the full conjoint requires people to see the whole concept laid out, often with a picture, a description of all its features and attributes and its price.

If you want to read up further visit www.sawtooth.com. Sawtooth provide most of the conjoint interviewing software around the world and have both simple and detailed explanations on their web site.

An introduction to the recording and analysis of qualitative data

In qualitative research, the samples are smaller than in quantitative surveys and there are likely to be 50 or less questionnaires to process. However, the data may (or should) be more subtle and complex. It is likely, for example, that questions will be mainly open-ended and the interviewer will have prompted for full responses. Also the interview or discussion may be unstructured with the sequence of questions varying between different respon-

dents. In coding open ended responses there will be a loss of detail but this is often necessary to obtain a feel for the magnitude of the response.

If there are only a small number of responses it may be sufficient for the researcher to read through the scripts. Common topics can be cut and pasted into an Excel spread sheet to sort into groups, each tagged, where possible, with classification data. In the report these verbatim comments make powerful illustrations of points as they are seen to come from the mouths of respondents and not the person giving the presentation.

Where interviews or group discussions have been taped or digitally recorded – a common practice in qualitative research – it is generally considered good practice to type them up and it is from these transcriptions that the researcher carries out the analysis. The verbatim transcriptions of these discussions may require some tidying up of the text so that it makes sense (but without any attempt to change the meaning). It will be obvious that whilst tape recording interviews is an efficient way of capturing accurately all that is said at an interview, it creates additional work later as it requires approximately as long to transcribe the interview as it does to conduct it. This is one reason why qualitative research is an expensive process.

Software packages offer some help to the qualitative researcher in the analysis of their material. In the main, these look for words or word strings and are useful for carrying out frequency counts of words to establish their importance in the discussion. However, nothing has replaced the value of the qualitative researcher themselves who, having carried out the interviews and soaked themselves in the output, are best placed to prepare and deliver the report.

In the analysis of qualitative market research data the researcher is seeking to do four things:

- Identify themes showing how and where they originate
- Clarifying the meaning of these themes in the context of the research project
- Identifying the frequency with which the themes crop up and therefore establishing so far as is possible, how important they are
- Noting down exceptions and unusual themes in order to see if they are the beginning of a trend or exceptional occurrences.

Key point

There are very few short cuts in the analysis of qualitative data. The researchers have to steep themselves in the data and pull out the important issues.

In qualitative research, much depends on the flair and interpretation put on the data by the practitioners involved. No two qualitative researchers are likely to produce identical outputs from their fieldwork and nor would they analyse the data in the same way. To this extent, the analysis of qualitative data is very different from quantitative data. It involves a small team of experienced researchers from beginning to end. Compare this with the large teams of interviewers, editors, coders

and programmers that work on quantitative surveys.

Regardless of which method is used in the qualitative research (depth interviews, focus groups, observation), there are a number of recommended procedures:

- Carry out the analysis as soon as possible after data collection
- Look at the amount of time respondents spend on particular themes
- Look at how much data was given naturally and spontaneously, rather than prompted
- Identify the force of reactions to different issues (this is done by watching people's faces and behaviour as well as listening to what they say and how they say it)
- Differentiate between honest and socially acceptable answers
- Look for majority and minority opinions
- Look for consistencies and inconsistencies in answers and reactions (and probe if you don't understand something)

SCARY STORY

A customer satisfaction survey of buyers of PVC raw materials was nearing completion. Around 200 interviews had been carried out and the analyst was working through the cross tabulations, preparing the charts for the report. Time as always was short and there were only a few days to go to the presentation.

However, the researcher was uneasy. Bits of data did not stack up. There were inconsistencies in the products companies said they were making and the raw materials they were buying. Some suppliers of raw materials had higher market shares and some had lower market shares than was expected. A request to the bureau that produced the tables provided the assurance that the results were spot on.

This was not a very large survey and it was an easy job for the researcher to carry out a quick count on two or three questions using the hard copy questionnaires. This produced counts that did not tally with the tables.

The bureau producing the tables was asked to re-punch the data and produce new tables at breakneck speed. The new tables were quite different from the original ones, but at least they made sense.

A post mortem on the project showed that in the panic to get the job done on time, the tabulation bureau had taken on new labour to enter the data. The “punchers” are paid on a piece rate – so much per questionnaire – and one of them had entered only a handful of questionnaires, copying each several times. As a result, some questionnaires had multiple entries and this was skewing the data.

The story illustrates the difficulty of spotting errors in data analysis. Double punching a sample of questionnaires is a useful check to ensure that the data entry is carried out correctly, but there could still be errors in the programming.

The key learning from this story is not to fall into the temptation of force fitting data into the findings, just because you are working to a tight deadline and there is no time to carry out new work.

If something doesn't look right, it probably isn't and the best check of all is to get as near to the raw data as possible. This could involve looking at the original questionnaires and carrying out a count of responses to key questions or looking through the data files of each entry on a CATI or CAPI system. Tedious it may be but worth it because no researcher will rest easy unless they are confident that what they are presenting is as close to the truth as possible.

Suggested Coding Of Open-Ended Question on Page 153

Response Group	Respondents included
Design of the appliance	1,3,4,8
Cost factors	2,4,7
Unreliability	5
Have no need	6
Don't know	9

Chapter 10

Reporting and Communicating Findings

Introduction

In this chapter you will learn about:

- The way that market researchers make data accessible through the use of table, charts and text.
- Planning a report so that it fulfils the requirements of the research sponsor by meeting the brief, presenting clear findings and with strong conclusions and recommendations.
- Making effective presentations.

Making information accessible

Most market research studies are carried out to guide business decisions. Business decisions tend to be directional – should we go left or right, make this decision or the other? However, the decisions that market research guides are seldom that simple. Indeed, the very fact that market research has been commissioned implies that all is not clear. The research is to act as fog lamps, showing the way down a dark and murky road.

One problem with any study is the volume of data that is produced in a very short time. These data may be partly conflicting because it is not unusual in any market that there will be respondents with different views or desk research which offers yet another view. The researcher must accommodate these differences, accepting that the

different data offer layers of understanding until finally the way forward is clear.

The findings are almost always captured in a document and today this is more likely to be a deck of PowerPoint slides than a wordy report. The PowerPoint slides (or at least some of them) will be the basis of the de-brief to the commissioning team.

The written document of the report will contain three different types of data:

- Tables
- Charts
- Text

Tables

Tables are one of the most efficient ways of presenting data. The figures in the rows and columns show results that enable the reader to see the raw data and, if necessary, use the information for further calculations. A table can hold far more information than a chart and remain intelligible. They do, however, require the reader to work on the data more than in a chart.

Tables should be used wherever:

- there is a considerable amount of information which would become over complicated in a chart or diagram.
- the figures in the table are important and the reader may require them for further computations (as in a company's financial accounts or in currency conversion tables).

A table should quickly communicate a pattern of information to the reader. Consider Figure 10.1. This table is reproduced exactly as it was found in a draft report that required editing before sending to a client.

Think about

Look at figure 10.1 and see how many ways you could improve it. Represent the table and compare your results with figure 10.2 later in this chapter.

Figure 10.1 Dissatisfaction with motor, personal accident or sickness and holiday insurance

	motor	acc/sick	holiday
unweighted base; those dissatisfied	149	28	33
cause of dissatisfaction	%	%	%
misled by broker/salesman into taking unnecessary/expensive policy			
special conditions imposed (inc. excess)	1.2	16.3	0
cost of policy/premium increase	6.45	7	6.6
claim not covered by policy	39.3	27.4	11.4
claim not met in full	1.6	9.9	15.2
long delay in dealing with the claim	6.7	17.4	17.1
other complaints	19.8	19.1	29
not stated	26.9	12.6	10.2
	6.1	10.8	24.4

There are at least 10 ways in which the table could be improved:

1. The title

The title should clearly and succinctly say what the table is about. The title of the table is too long and would be better shortened to “Reasons For Dissatisfaction With Insurance Policies”.

2. Grid lines to separate rows and columns

Tables are harder to read if they stretch across a page without grid lines to separate the rows and columns.

3. The column headings

The column headings, though short, are not altogether clear. What precisely does acc/sick mean? It would be worthwhile making the headings stand out by emboldening. There is no heading at all over the left hand column.

4. The rows

The first row of the data is likely to cause a problem for most readers. What exactly is meant by “unweighted base; those dissatisfied”? The table presents findings from a survey of people with different types of insurance and the words “unweighted base” would have

been far better to have simply said “sample size” or “number of respondents”.

5. The spurious accuracy of the figures

In a good table the reader can easily relate one set of data to another and so pick out patterns. In this table the figures have been calculated to two decimal places. Given that there are two columns of data with a sample of only 28 people in one and 33 in another, the figures imply a level of accuracy that isn't warranted. It is much easier to consider figures that are rounded and in this case it would be more appropriate to not show any decimal places.

6. Ordering of the rows

The whole point of the table is to show which issues cause dissatisfaction with insurance policies. Therefore, it would be easier for the reader if the rows were listed in declining order of importance. If the rows are not ordered, the reader has to work hard to do this themselves. “Cost of policy” should be the first in the list as it is by far the most important cause of dissatisfaction. But what of those rows further down the list where there are large differences between the types of policy? Should “misled into expensive policy” be before or after “special conditions imposed”? This would be an easier decision if there was a “total” column. The total column would also be useful for making comparisons between the columns.

7. The large number of respondents in the “dustbin” categories

Key point

Tables are one of the best ways of presenting large amounts of data but the way tables are laid out will affect how easy or difficult they are to interpret.

There are a worryingly large number of people in two rows of data labeled “other complaints” and “not stated”. This fuels our curiosity as to what could be in the “others” category. There is not much we can do about this without going back to the raw data – the original questionnaires – to see if there were responses that should either have been slotted into the categories or pulled out as a new one. Without access to the raw data we either have to make a decision to suppress these rows completely (so that they don't cause any

distractions) or leave them in, but as the last rows in the listing.

8. The labeling of the rows

The labels on the rows look as if they have been lifted straight from a coding sheet and have not been smartened up in any way. They

could be improved by shortening and with capitals at the beginning of the line.

9. Labeling of the sum of the columns

Most people looking at the table would wonder if the results, being percentages, should add to 100%. If someone ran this check they would find out that each column adds to more than 100%. This is because this is a “multi-response” question to which more than one answer could be given. It would help if there was an explanation to this effect.

10. Source of the data

Without knowing where the data has come from or when it was published, we cannot judge its authenticity.

The improved table would look as follows:

Figure 10.2 Reasons for dissatisfaction with insurance policies

Cause of dissatisfaction with policy	Type Of Policy			
	Total %	Motor %	Accident/ Sickness %	Holiday %
Cost of policy/premium increase	33	39	27	11
Delay in dealing with claim	21	20	19	29
Claim not met in full	10	7	17	17
Special conditions imposed	7	6	7	7
Claim not covered by policy	5	2	10	15
Misled into unnecessary/ expensive policy	3	1	16	0
Other complaints	22	27	13	10
Not stated	10	6	11	24
Total	*	*	*	*
Sample size (those who were dissatisfied)	210	149	28	33

* Multi-response therefore total exceeds 100%

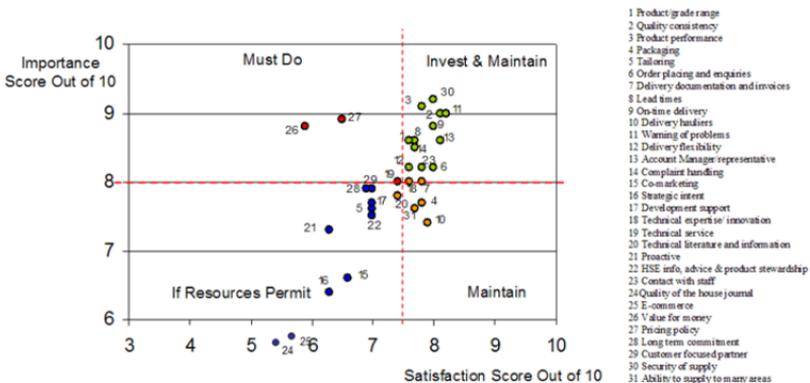
Source: *Attitudes To Insurance Policies, Bloggs Research – 2004*

Charts

A picture has always been worth a thousand words. Graphs have more impact than tables because they simplify the data and pull out key findings in pictorial form. There are five major types of diagrams used by researchers:

- **Bar charts** – horizontal bar charts are possibly the most popular type of chart used by market researchers. They are useful for comparing different data sets (such as “motor”, “accident” and “home”) as shown in the insurance policies table.
- **Pie diagrams** – used to show parts of a whole such as the market shares of suppliers or the age split of a sample.
- **Graphs** – show trends over time and can be line graphs or bar graphs.
- **Flow diagrams and representational charts** – show how a market is organized. They can relate to how a market is structured, how an organisation operates or how an individual makes decisions. The key issue for the development of a flow chart is the structure of a process.
- **XY graphs** – these compare two variables. This comparison helps in the interpretation of the data. For example the findings from a customer satisfaction survey could show importance scores of issues plotted against the satisfaction scores with those issues. The attributes that are in the “north west” corner stand out as those which require immediate attention.

Figure 10.3 XY Graph Plotting Importance & Satisfaction



Text

Text forms the narrative in a written report and as such it is used to tell the whole story. Text is also used in tables and charts in PowerPoint slides to describe and add explanations to the findings. A PowerPoint slide deck, that is prepared to report on the findings of a survey, will normally have text to sum up the conclusions or for an executive summary.

Text should aim to clearly and simply present the findings and so needs to be written in short simple sentences. Frequent headings that break up the text will help people speed read and gut the report. Bulleted text can similarly be used to give impact to points.

Key point

Ranked horizontal bar charts are one of the most useful charts for researchers because they make it easy to see the most important issues and compare data from different groups of respondents.

Qualitative researchers make use of verbatim comments to communicate exactly what was said by respondents. Quoted comments are especially useful for enlivening and adding personality to a report. They forcibly remind the reader that the views which are being expressed are those of respondents and not the researcher. The onus is on the researcher to ensure that the quotes genuinely reflect the general view and have not been selected to support a personal prejudice. It is also important to remember that a whole string of quotes should not be used

without providing a meaningful commentary, leaving the reader to try to draw a pattern or some conclusions.

Planning and writing a report

The complexity of the research findings are clarified to the reader by a well structured report. A structure can be obtained from a number of sources:

- The research method – separate sections for the qualitative and quantitative stages.
- The questionnaire – following the order of questions in the questionnaire, as this usually has a logical sequence.
- A time-line – describing the past, the present and the future.

- A hierarchy of subjects – for example, starting with a broad subject such as the structure of the market and moving on to subjects of greater detail such as how people choose suppliers.
- A business tool or framework – such as a SWOT analysis (describing strengths, weaknesses, opportunities and threats).

The researcher must choose a structure that is most appropriate to the objectives of the study and the audience that will be reading the report. Operational and functional staff such as market research managers will be more interested in detailed data that they can work with. Senior managers and directors especially look for strategies and ideas that help them plan. Figure 10.4 shows the results of a survey of 100 users of market research data and what they look for from reports.

Figure 10.4 What Makes A Good Market Research Report?
(Findings from an open ended question)

Requirement From The Report	Total % Mentioning
Answers the brief	33
Clear structure	29
Interpretation/conclusions	27
Recommendations/action points	21
Concise	21
Well-presented	19
Good executive summary	18
Total	*
Sample size	100

* People mentioned several factors, therefore the total does not add up to 100

The best report structures follow a strong story line or thread that goes through the report with links between the chapters and a progressive build up towards the conclusions and recommendations. As with every good story there could be complications and diversions that merit special mention, but always these should help build a greater understanding of the subject and the actions that will follow.

A classical structure for a market research report is as follows:

- **A front page.** This is the window into the report. The title has the power to draw people into the document and it should be carefully chosen to be short and interesting. Also on the front page should be the date of publication of the report, the author and contact details such as address, phone number.
- **A table of contents.** Any report over half a dozen pages should have a table of contents. This formalizes the report and is the map that the reader can scan to see what it contains.
- **Executive summary.** A report of just a few pages deserves a summary. Because it is the last thing that is written, there is a danger that it will be skimmed. It should be the most polished part of the document because it will certainly be the part that is most read. The summary should cover all the main points discussed in the document – the methods, findings and the conclusions/recommendations. Typically the summary is 10% the length of the total report.
- **Introduction.** Following on from the summary is a short section which covers the background that led up to the study, the study objectives and its methods.
- **Findings.** This is the body of the report. It will be broken down into many compartments or chapters each covering one of the major subjects of study. Any doubtful content in the findings section should be put into an appendix of supporting material. All sources of data in the findings should be referenced so that it is clear where they have come from and so that their credibility can be assessed.
- **Conclusions and recommendations.** The conclusions vie with the summary as the showcase of a research report. They should begin by summarising the key learnings from the study and then set these within a framework that suggests a way forward (or offers options for moving forward – the researcher may not be able to be definitive about a favoured course of action because there may be other factors influencing this decision of which they are unaware). There are a number of business and marketing frameworks which can be used to locate the research findings.

Figure 10.5 Frameworks For Drawing Conclusions And Making Recommendations

Section of Conclusions	Purpose of the section	Examples of Frameworks
Situation analysis	To summarize the key issues and bring them together	Life cycle, Ansoff grid
Marketing and business goals	To show what can be achieved	Porter's generic strategies, adoption models for new products, hierarchical communication models (eg AIDA), SWOT, decisions making models
Recommendations	To show what action is required	Four P's, XY grids, process flow models

Key point

The best market research reports meet the brief, and clearly and concisely lead to a course of action.

When all the findings are written up and the reporting is complete, the report is not yet finished. The problem is that this is the stage that most researchers give up because they have had enough of the subject and are ready to move on. In fact, this is just the occasion when they need to find the enthusiasm to stay with the report because it is now ready to be passed across to the sponsor of the study who is about to become very interested in it. Before the

report is given to the client, it should be read and re-read, the first pass checking on the content and the structure and the next edits on the spelling and the prose. In one of the final edits it nearly always helps to take material out or put it in an appendix. Most market research reports suffer from being too long and their authors hate to remove words, charts and tables they have produced. Very seldom are researchers criticized for reports that are too short!

In the final window dressing of the report, care should be given to the following:

- Has it got a title page with full details of who prepared it, when it was prepared and contact details?
- Has it been fully formatted with page numbers and labels and headings to all charts, tables and diagrams?

- Many companies use standard reporting templates – has this been followed in every detail?
- Is the report consistent in every respect including use of fonts, margins, heading styles?
- Is the report free of typos? Bear in mind that the reader will judge the report on detail and sloppiness in presentation will, by association, mean that the research output itself is also assumed to be sloppy?

Think about

What type of reporting style sits comfortably within your company? How could you change your standard reporting template to improve the appearance of your reports?

Presenting research findings

The presentation of a market research study will normally last up to 2 hours. They are almost always delivered using PowerPoint slides which may be supported by other materials such as sample products, video and audio clips. Audiences vary between one or two people up to 30 or more, though typically there will be around 10 people in attendance who have a key interest in the study. As with reports, prior knowledge of the roles and responsibilities of those attending the presentation can help the researcher tailor the presentation to their different needs.

What makes a good presentation is a good presenter. In market research, the slides play a more important role than in other presentations as they are the source of the data.

The presentation is an opportunity for the researcher to emphasise key points, explain detail and generally add confidence to the results through a polished performance.

A meticulous preparation is the key to a good presentation. The audience want to hear the presenter talk around the slides, expand on the bullet points, pull out the important data, draw their attention to the important words in a verbatim quote and to make links with previous slides (or even future slides, if appropriate). This makes a lively presentation and leaves the audience with a feeling of added value.

Key point

The best presenters know that the key to good presentations is practice, practice, and more practice.

This means that it is vitally important that the researcher who is making the presentation is immersed in the data and knows it inside out. A junior researcher should thoroughly rehearse the presentation even if this is on their own, in front of the computer, or better still, in front of a tame audience.

Tips for a good performance

- Dress for the occasion
- Control your nerves in a way that works for you. Settle yourself and the audience. Try to introduce yourself to everyone before the presentation begins. Write down their names.
- Use people's names (but make sure they are correct!). Address their concerns and questions honestly.
- Control any unwanted body movements and habits eg swaying, pacing, jangling keys etc. Try to avoid the constant repetition of words or phrases. Don't use "close up body language" of crossed arms and hand over mouth.
- Know the data and the presentation structure inside out. Memorise the slides and the background to the points on the slides
- Practice the presentation and what you will say on the day. Have your introduction and some concluding words prepared because these are two vital moments in the presentation.
- Sweep the room constantly to make eye contact with everyone in the audience
- Smile and use encouraging gestures to engage with the audience.
- Speak clearly and use intonation of your voice.
- Pace yourself and the presentation – keep your eye on the clock. Never go on too long – seldom are you criticized for a short meeting while those that go on too long on will eat into other people's agendas and possibly cut short the time for the all important final section on conclusions and recommendations.

Think about

Make a list of your weaknesses at presenting. Ask others how they think you could improve. Work on your weaknesses and polish your strengths. Presenting requires a certain amount of acting plus much emphasis and enthusiasm. Whenever you watch someone present, think about what makes them effective. Copy the good ones but don't ape them – be yourself, but even more so.

SCARY STORY

Some years ago I was asked to present a research paper to a group of business students at a university in Bulgaria. I was excited by the prospect and had visions of addressing hundreds of people in a large tiered amphitheatre. I spent hours fine tuning my presentation and including lots of graphics that would “wow” them.

The build up to the occasion was considerable as it was my first visit to Bulgaria. When I met my host, he walked me through the University and out of the back door. We wound our way to a shed around the back where around 10 students eagerly awaited me. There was no screen, no projector, just brown walls and broken Venetian blinds that were impossible to shut.

I had no choice but to abandon my paper. Instead I asked everyone to tell me something about themselves and what they hoped to learn from the session. In the audience I recall a mixed bag of people including some academics, a medical doctor, a bus driver and a hair dresser. They all wanted to find the capitalist Holy Grail and thought that market research was the path that would take them there.

The presentation I made had no visual aids and was geared around the interests of the small group who had turned up. Fortunately it went down well. However, it taught me three things:

- Always check in advance what facilities there are for making the presentation, including the equipment, the size of the room, the size of the audience and its composition.
- Visual aids are just that – simply aids. Good presentations can be made without any. Also, by using a variety of visual aids (or none) you will obviate the “not another horizontal bar chart!” syndrome.
- What matters in a presentation is not what you want to tell the audience but what the audience is interested in learning. Make sure that the presentation focuses on the audience's needs not yours.

Chapter 11

Professional Development and the Market Research Industry

Introduction

In this chapter you will learn about:

- The work carried out by market research executives, data analysts and interviewers.
- The professional bodies that represent the market research industry.
- The structure and organisation of market research agencies and suppliers.

The work of market researchers

There are three broad groups of people involved in market research work:

- professional level staff
- support staff
- interviewers or fieldworkers.

Market research executives are the professional staff of the industry and are responsible for all aspects of research design, management and interpretation of market research findings. In the case of qualitative research, the market research executives are closely involved in all aspects of the survey as they moderate focus groups and carry

out depth interviews. Desk research can also be part of the market research professional's work.

A fundamental requirement of all market researchers is that they should be natural Nosey Parkers. It is healthy to want to know what is going on and be curious about what makes people tick. In addition to their curiosity, the researcher needs to be able to read and digest considerable amounts of information and be able to distil this to an essence which can be clearly communicated to the research sponsor.

Researchers may work for research agencies – or they may work for the clients who commission research. Client-side researchers work in companies or organisations which commission research or which use the results of research to support their business decisions. The role of the client-side researcher is to provide research support inside the company or organisation. They may devise and carry out programmes of research (often secondary research) as well as preparing research briefs and advising on the strengths of proposals submitted by research agencies in response to the research brief.

Client-side researchers often begin as research executives in research agencies then move to the client side once they have gained sufficient experience. Alternatively, the research role in a client company or organisation may develop within the marketing department, and a member of the marketing team may train in research skills.

The researcher must be able to source and identify relevant documents, and focus constantly to avoid being distracted by side issues. They must build up a wide knowledge of what sources of information could be used in a project because not everything is solved by 1,000 interviews with the general public. This means that they need to know what trade associations and official bodies to ask for information and this is knowledge and expertise that builds up over time through working in different areas.

Every researcher needs to be able to organise and analyse material effectively. They should be able to understand and interpret numerical and qualitative data. Most importantly, researchers need to be able to decide how important each bit of information they collect is, in the context of the whole research project. They must also be able to identify and summarise trends and facts, briefly and simply because their job is to cut through the fog.

Researchers never stop learning. There are always new techniques being tried and tested, and industry standards are constantly evol-

ing to protect both the researcher and the respondents. As a result the work is full of variety and never boring. The industry recognizes two levels of researcher – the junior and the senior research executive.

Junior research executives are generally graduates drawn from a wide range of disciplines. Most research agencies will provide their own training programmes for new executives. However, they will look for people with excellent communication skills (both written and oral) and good organisational skills. Depending on the type of research which the employer undertakes, research executives may need to demonstrate excellent interpersonal skills (eg for qualitative research) or analytical skills (eg for quantitative work). At junior level, research executives will share responsibility for a limited number of tasks within the design and development process.

Key point

Good researchers must have an unerring interest in finding out the truth.

With 1 to 3 years' experience in a research role, executives may be able to take on a senior role. Senior research executives generally take a greater role in the design of research projects and may be responsible for managing some or the entire research project. In smaller organisations, research executives may be responsible for all aspects of a research project while in larger organisations, they may have the opportunity to specialise in one type of research.

Because market research is not a fully regulated profession, it is difficult to estimate the numbers of professional level staff involved in the industry though there are likely to be 10-15,000 occupied in this role in the UK. The *Market Research Society (MRS)* has 7,000 members and represents these professionals, organising training, education, conferences and producing the ethical guidelines for the industry though a code of conduct.

Support staff in market research agencies includes technical specialists such as people who prepare the data analysis and statistics. They, like the market research executives, are nearly all graduates with a background in science, maths or IT. Data analysis requires good numeracy skills and an understanding of statistical processes. As much of the analysis of data is done using specialised software packages, data analysts also need to be effective users of IT.

Other support staff in the agencies are responsible for managing interviewers (field management). The field manager/supervisor is

responsible for the support of new recruits to interviewing. They also act as an intermediary between the researchers who have designed the questionnaire and the interviewers who have to use it. Field managers or supervisors are generally responsible for briefing interviewers before they begin work on a project to ensure that they are aware of any requirements which the researcher may have. The majority of field managers started working in market research as interviewers. The role of field manager allows the individual to develop new skills, including management and training skills.

Research agencies also, of course, employ a range of staff who have counterparts in most other businesses – administration, secretarial work and finance.

The largest group of workers in market research is, however, interviewers or fieldworkers. It is they who carry out the interviews or recruit people to attend focus groups. Large numbers of interviewers work out in the “field” carrying out face to face interviews, but in recent years there has been a growth in phone interviewing carried out from central locations – phone unit offices. There are maybe about 15-20,000 market research interviewers, some working full time and others working part time for the research agencies that have field departments.

Most face-to-face interviewers work part-time or occasionally, depending on the range of projects available in their area. As this work involves approaching the public to ask if they will participate in the research project, face-to-face interviewers tend to be confident and outgoing. Much of their work may also involve travel within their region. Telephone interviewers tend to work from a central location and are more likely to be employed on a full-time or shift basis. An engaging, professional telephone manner and excellent organisational skills are pre-requisites for this type of field work.

Research agencies are responsible for training their own ‘field force’, or groups of interviewers. There are no formal qualifications needed to become an interviewer beyond a reasonable level of secondary education. Many agencies now participate in the MRS’s Accredited Interviewer Training Scheme, which enables interviewers to achieve MRS-accredited status. Training of interviewers from scratch, typically involves two or three days in the “classroom” with on the job support afterwards. The interviewer’s role is largely a matter of administering a pre-designed structured questionnaire and the training focuses on this and associated requirements. The real skill, in interviewing is, however, successfully obtaining the cooperation of respondents (no

mean task), with interviews taking up to an hour or even longer and with very little reward to offer. Research agencies recruit, train, organise and control their interviewing forces through local supervisors.

Market research agencies also employ part time workers in data processing including home workers and with conditions of employment comparable to interviewers. The data processor is responsible for coding and entering data into the project or agency data base to allow it to be analysed appropriately. Data processors require effective and accurate IT skills and an eye for detail.

Think about

Make a list of all the skills you think are required by someone in your job, particularly the market research skills? How would you score your competence on these skills on a scale from 1 to 10? What can you do to improve? Set yourself goals for making improvements over the next twelve months.

The professional bodies

Key point

The UK has one of the most developed market research industries in the world and the Market Research Society is the largest membership organisation for market researchers in the world.

By far the largest professional body in UK market research is the *Market Research Society (MRS)*. This has a membership of around 7,000 and a full time staff based at offices in London. Most professional level staff belong to the MRS. The range of activities are diverse and include setting and enforcing a code of practice, taking initiatives to develop and advance techniques of market research, providing a forum for members (with an annual conference as a main event), acting as a pressure group in relation to market research industry concerns and running an extensive education and training programme. The Society also produces publications including *Research* (monthly) and the *Market Research Journal* (quarterly).

ESOMAR (European Society of Opinion and Market Research) is based in Holland and brings together 4,000 members (both clients and providers of market research) in over 100 countries. It offers seminars and conferences, professional publications on aspects of opinion and marketing research, and training and education via workshops and

distance learning. The site lists 1,600 market research agencies throughout the world and has details of their codes of professional and ethical conduct and guidelines of best practice.

The *Association Of European Market Research Institutes (AEMRI)* looks after the interests of interests of independent research agencies. The *AEMRI* was founded in Bruges in 1991 and today has around 100 members in 36 countries.

There are a number of groups devoted to particular specialisations in market research eg; the *Association for Qualitative Research (AQR)* and the *Social Research Association (SRA)*. Most members of these bodies also belong to the *Market Research Society*. Finally there are some international organisations based on individual membership including the broadly based *European Society For Opinion And Marketing Research (ESOMAR)*.

Think about

Are you planning to take the *Market Research Society/City& Guilds Level 2 Certificate in Market & Social Research*? If you have read and absorbed this book you are well on the way to achieving this qualification.

Market research agencies

The total number of specialist UK market research agencies is uncertain but probably over 400. Market research agencies in the UK are looked after by the *British Market Research Association (BMRA)*. The association represents 200 member companies that are estimated to account for between 80% of the market research work carried out by agencies in the UK.

In addition there are several significant companies in this field who are members of neither association plus many very small operations, with an imprecise boundary between small agencies and freelance workers (of whom there are many at the professional level). There are various listings of market research companies including the membership directories of the *BMRA* and *ESOMAR*.

As might be expected, the *MRS* publish authoritative directories of market research organisations. The *MRS Yearbook* (annual) lists almost 500 organisations and around 140 individuals who offer every conceivable research service a decision-maker could possibly need. The *MRS Research Buyer's Guide* is a directory of over 750 mar-

ket research organisations throughout the UK and Ireland. It includes details of research markets, services, locations, senior contacts and an overview of each organisation's activities.

The market research industry provides services and is characterised by many small companies. Most of the market research companies in the UK have turnovers of below £10 million with only a dozen or so larger than this. The very largest have fuelled their growth through acquisition, often expanding into the large US market, the neighbouring European markets or the fast expanding Asian markets. Such connections make them well placed for carrying out international research projects.

Nearly all the medium and smaller companies (those with turnovers of under £3 million) are owner-managed. However, quite a few AMSO members, although operated as separate companies, are members of larger groups with business interests outside market research. The largest agencies are often part of media groups that include advertising agencies or database management.

Services carried out by market research agencies

The UK has one of the most developed market research industries in the world. The value of market research commissioned in the UK now exceeds £1 billion per year and is ahead of Germany, the closest contender in Europe. Between them, UK market research agencies carry out all types of market research, in every market where there is a demand for this type of service. Few if any agencies, including the largest, however, claim to be able to carry out every type of project; they specialise either in markets or techniques. Some (many of the smaller companies) for example are only involved in qualitative research. The services offered can usefully be classified under four main headings; ad hoc research, continuous studies, publishing market research and data collection and processing services.

Ad hoc research is the mainstay of the large majority of agencies. Projects are carried out for individual clients and designed as one-offs to meet specific needs and objectives and with an appropriate research design developed (although to some extent the specialisation of the agency is also a major determinant of the methods proposed). The normal commercial practice in ad hoc research is for the agency to discuss the requirement with a prospective client and then prepare a formal proposal. This includes a quotation and timetable for carrying out the work, but also details of the intended

research design – market research is one of the few activities where client design work is carried out (at no charge) before any commitment is made. The output of ad hoc research normally includes full interpretation of the data produced plus conclusions relevant to the marketing problem to be solved or decisions to be made; for this reason the term “full service” research is used. The delivery of this output is often in the form of a full narrative report although this may be backed or even replaced by a face to face presentation and increasingly suggests a recommended course of action for the research sponsor.

Anyone new to market research always wants to know what ad hoc research costs. Unfortunately, with such wide variation in the scope of projects, generalisation is impossible. However, as a very rough indication, the starting level for “complete” projects is about the £10,000 mark and can easily exceed six figures. However, most ad hoc projects are in the £15,000 – £50,000 range.

Continuous research programmes are, as the words suggest, those that are repeated over time and track responses to questions. Typically continuous research involves the provision of data from respondent panels and retail audits; Taylor Nelson Sofres and Nielsen are two large companies heavily involved in these areas. There is also the output from large continuous interviewing programmes covering consumption and media exposure patterns – eg the TGI service from BMRB⁷. Continuous research is mainly sold on a syndicated basis with a number of clients contributing towards what are very costly projects. The data may also be offered to anyone wishing to buy-into it. For most continuous research, charges are substantial even though the costs are shared.

Published research is usually carried out speculatively by a market research company and then offered to a wide market in a written report format. There are perhaps 50,000 titles available internationally covering virtually every market and subject. These can be located from a number of sources that can be accessed on-line from some of the sources listed in Chapter 4. These reports range in cost from a few hundred pounds up to several thousand pounds. However, much published research is modestly priced and can offer considerable savings over ad hoc research. Of course a published report may well not exactly match specific requirements but buying it may reduce the contribution required from far more expensive tailored studies. Locating and selecting published research reports merges into desk research activities.

All these services from market research agencies are aimed at the final user of research – marketing decision makers who need the findings to help in their decision making. The final type of services that are offered by agencies are aimed at other market research professionals who buy them as a cost effective methods of data collection and processing. There are two common services of this type; field and tab and omnibus surveys.

In field and tab research, the client is responsible for the research design including questionnaire drafting and defining the sampling method (field and tab is largely a quantitative research service) and at the other end of the process, interpreting the data and preparing a report. The agency carries out the labour intensive legwork in between; interviewing (either by phone or face to face) and data analysis (where access to software and computer resources are also important) with the output delivered as “tabs” – data tables. Field and tab services are also offered separately. The advantages of this type of service to clients is that they can carry out some parts of the work in-house and, therefore, save costs which would be incurred in full service ad hoc research. They can also have tighter control over some parts of the work. Such services are also bought by other research agencies to supplement their own resources. Providers of field and tab services include agencies which also offer full service research and a few companies specialising in this type of business.

Omnibus surveys are interviewing programmes carried out regularly (weekly, monthly etc) with specified and often large samples of respondents (including consumers in general, specialised subgroups and of business and professional sectors). In this case, however, the agency concerned has no questionnaire content of its “own” (apart from demographics) and instead offers space, on a question by question basis, to subscribers. This service is, therefore, ideal where only a limited range of data is sought either as a one-off or repeatedly as part of tracking research. The costs concerned are very much less than for a one-off survey (since no matter the length of an interview there is some fixed charge to cover) whilst the methodology including sample size is usually quite rigorous. Omnibus surveys can also be a cost effective way of locating minority samples – eg users of niche products; if necessary an adequate sample can be built up by buying into consecutive waves of the omnibus. The output of an omnibus is a tabulation of the question that has been posed cross analysed by the survey’s standard demographics. Omnibuses, therefore, are very useful tools but they have some limitations including in quality of response. Each questionnaire covers a range of unrelated topics (the questions of different

subscribers) and it has been argued that low respondent interest and possible confusion effects responses. Some, therefore, consider omnibuses only suitable for simple questions.

A final point to make about the services offered by market research agencies is that, with the internationalisation of business, the scope of research is also increasingly international and this applies to ad hoc and continuous research. It is estimated that a quarter of BMRA companies' turnover is derived from international research.

SCARY STORY

A few years ago I was cutting my lawn at the front of my house when a neighbour from down the road passed by. I didn't know the man but he knew me; at least he knew I was a market researcher. He explained that he had recently been made redundant from a middle management job in an engineering company and needed a job. He offered his services to me, not as an interviewer, but as a research executive.

Out of politeness I explained that I was not hiring or needing staff at the present. However, I remember brooding over this approach for a long time. It seemed to me that the work of market researchers is not fully understood and many people think of it as a job that anyone can do. Witness my helpful neighbour.

In fact, most of the work that is carried out by market research professionals is quite challenging. It is often logistically difficult to organize (as in large quantitative surveys), tricky to get to grips with (as in many qualitative surveys which examine motivations) or simply complicated (as in many industrial market surveys).

Of course I see these challenges positively. They have kept me interested in the 35 years I have been a market research practitioner, always presenting me with new research projects from which I learn as well as contributing to the deeper understanding of my clients.

There can be few more fascinating jobs in the world than that of a market researcher. This small book and the training that is offered by the Market Research Society will hopefully help the reader progress to a higher qualification in the subject and achieve professional status.

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As Section 1, Chapter 1 (i)

(iv) Career opportunities within the market research industry

As Section 1, Chapter 1 (ii)

Footnotes

- 1 For example on questionnaires, audio/video/digital/CCTV tapes, transcripts, hand-written notes containing personal data, recruitment/sampling/research records.
- 2 See p. 71 for a description of hall tests.
- 3 BMRA survey of methods used by market research agencies
- 4 BMRA survey of methods used by market research agencies
- 5 BMRA survey of methods used by market research companies
- 6 Social grade or social class is a term used mainly in the UK where the occupation of the respondent is used to position them in terms of income, education and to some extent, lifestyle.
- 7 BMRB International runs an on-going piece of research called Target Group Index (TGI) where recruits complete a questionnaire about their reading and shopping habits and their lifestyles. The survey is based on a sample size of 25,000 interviews per annum. The TGI collects information on over 4,000 brands in 500 product areas for those people of 15 or more in age. Media owners and media buying agencies can pay for TGI data to form a snapshot of the person who buys a particular magazine or newspaper and target promotions and advertising accordingly. BMRB is part of the KMR Group, an integrated global research, information and software group.