Definitions, uses and examples -Types of Research.

What are the different types of market research that can help you stay ahead of the curve with your marketing strategy? Understand how to use each type, and what the advantages and disadvantages are.

<u>Market research</u> (also called marketing research) is the action or activity of gathering information about market needs and preferences. This helps companies understand their target market — how the audience feels and behaves. There are 8 variations of market research in our lineup that we'll explore in more detail.

A number of the tools for carrying out market research can be classed under two main categories: primary and secondary market research. Let's start our list by exploring these two types first.

1. Primary research

Primary research is research that you collect yourself but going directly to the target market through a range of methods. Because it is data you create, you own the data set.

Two types of results — exploratory information (determines the nature of a problem that hasn't yet been clearly defined) and conclusive information (carried out to solve a problem that exploratory research identified) — from participants are collected as raw data and then analysed to gather insights from trends and comparisons.

Focus groups – In primary research focus groups, a sample of participants that represent your target market are brought together (based on demographics and characteristics). A key researcher or interviewer conducts a conversation where questions are asked about a product or service. Insights are taken from the answers of the group.

This method is good for getting the views of a lot of people at one time, especially when time is short, but it comes with its own management issues. The interviewer must prepare a way to gather answers and record these, while engaging in conversation with many people.

Participants may be affected by the group setting, either from acquiescence bias (the desire to say yes to please the interviewer), dominance bias (stronger participants can alter the results from less dominant participants) or researcher bias (where the research leads or impacts the participant responses indirectly).

One to one interviews — This method is conducted directly between an interview and another participant, where there is a two-way conversation happening between each member on research topics. Often, the interviewer will prompt discussion by asking a series of open-ended questions.

This provides a structured setting where the interviewer can listen to what's being said and investigate further into an answer. The interviewer can also pick up on non-verbal cues from body language can help the interview understand where to deep-dive and broaden their understanding.

However, some of the same biases (acquiescence and researcher) still exit in this format. The method is time consuming to do the interviews and collect the data afterwards.

Surveys – A <u>survey</u> is a list of open and closed-ended questions that are put together and sent to a participant digitally — either by email or through a survey software that collects the answers automatically. Survey questions can vary and using the right survey question for your goals is important — see this article on survey questions for more information.

A survey is an excellent method for carrying out primary research as participants do need to be physically present with the interviewer to carry it out. The survey can be completed anywhere there is an internet connection, meaning there is flexibility for the participants to use different devices and for interviewers to contact participants in different geographical timezones. Preparation is key, however, as the researchers must segment the market and create a list of participants to send the survey to. Hiring a panel or using existing marketing lists can help with this.

2. Secondary research

Secondary research is the use of data that has previously been collected, analysed and published (and therefore you do not own this data). An example of this for market research is:

Desktop research – This can be public domain data from think tanks, government statistics or research centres. It can also include paid for research from research journals, education institutions, and commercial sources like newspapers.

Most information is freely available, so there are less costs associated with this kind of secondary research over primary research methods.

Secondary research can often be the preparation for primary research activities, providing a knowledge base. The information gathered may not provide the specific information to explain the results, which is where primary market research would be used to enhance understanding.

There is also a logistics planning need for a recording solution that can handle large datasets, since manual management of the volumes of information can be tricky.

Both primary and secondary research have its advantages and disadvantages, as we've seen, but they are best used when paired together. Combined, the data can give you the confidence to act knowing that any hypothesis you have is backed up.

Learn more about primary and secondary research methods

The next market research types can be defined as qualitative and quantitative research types:

3. Qualitative research

Qualitative market research is the collection of primary or secondary data that is non-numerical in nature, and therefore hard to measure.

Researchers collect this market research type because it can add more depth to the data.

This kind of market research is used to summarise and infer, rather than pin-points an exact truth held by a target market. For example, qualitative market research can be done to find out a new target market's reaction to a new product to translate the reaction into a clear explanation for the company.

4. Quantitative research

Quantitative research is the collection of primary or secondary data that is numerical in nature, and so can be collected more easily.

Researchers collect this market research type because it can provide historical benchmarking, based on facts and figures evidence.

There are a number of ways to collect this data — polls, surveys, desk research, web statistics, financial records — which can be exploratory in nature without a lot of depth at this stage.

Quantitative market research can create the foundation of knowledge needed by researchers to investigate hypotheses further through qualitative market research.

Learn more about qualitative and quantitative research

The next four variations of market research are specific to topics areas, that bring about specific information.:

5. Branding research

<u>Branding</u> market research assists a company to create, manage and maintain the company brand. This can relate to the tone, branding, images, values or identity of the company.

Research can be carried out through interviews, focus groups or surveys. For example, brand awareness surveys will ask your participants whether the brand is known to them and whether it is something they would be interested in buying.

Additional areas for brand research is also around brand loyalty, <u>brand perception</u>, <u>brand positioning</u>, <u>brand value</u> and brand identity.

The aim of research will be to understand how to know if:

- Your brand is performing in relation to other competitors
- There are areas to improve your brand activities
- There are positives to showcase to enhance your brand's image

6. Customer research

Customer market research looks at the key influences on your target customers and how your company can make changes to encourage sales.

The aim of this research is to know your customer inside out, and continuously learn about how they interact with the company. Some themes covered by this include:

- <u>Customer satisfaction</u> Exploring what keeps customers happy, as higher customer satisfaction is more likely to lead to increased customer retention.
- <u>Customer loyalty</u> This looks at what experiences have happened to lead to greater customer loyalty across the customer lifecycle.
- <u>Customer segmentation</u> research Discovering who the customers are, what their behaviour and preferences are and their shared characteristics.

Relevant desk research may look at historical purchase records, <u>customer journey mapping</u>, customer segmentation, demographics and persona templates.

Primary research, such as <u>NPS</u> and <u>customer satisfaction surveys</u>, or customer satisfaction interviews at the end of customer support calls, can also give more details.

7. Competitor research

<u>Competitor market research</u> is about knowing who your competition is and understanding their strengths and weaknesses, in comparison to your organisation. It can also be about your competitive offering in the market, or how to approach a new market.

The aim of this research is to find ways to make your organisation stand out and future planning through horizon scanning and listening to customer preferences.

For example, for competitive analysis, researchers would create a SWOT for your business and your competitors, to see how your business compares.

Primary research could interview customers about their buying preferences, while secondary sources would look at competitor's market dominance, sales, structure and so on. With this

thorough analysis, you can understand where you can change to be more competitive, and look for ideas that make you stand out.

8. Product research

Product market research is a key way to make sure your products and services are fit for launching in the market, and are performing as well as they can.

The aim of this research is to see how your product is perceived by customers, if they are providing value and working correctly. Ideas can also be formed about upgrades and future product development.

There are a number of avenues within product research:

- **Product branding** Does the product brand and design attract customers in the intended way?
- <u>Product feature testing</u> this can happen at various stages of development with target markets (in early development, between versions, before product launch, etc.) to check if there are positive reaction to new or improved features
- <u>Product design</u> thinking what solutions would solve your customers' current or future problems?
- **Product marketing** Do the marketing messages help your product's memorability and saleability, or can they be improved?

Primary research methods have a clear advantage in this kind of market research: Surveys can ask for rankings on the popularity or usefulness of features or conduct conjoint analysis, while inperson observation interviews (where the participant can handle a product) can be particularly useful in seeing what customers do with the product in real time.