

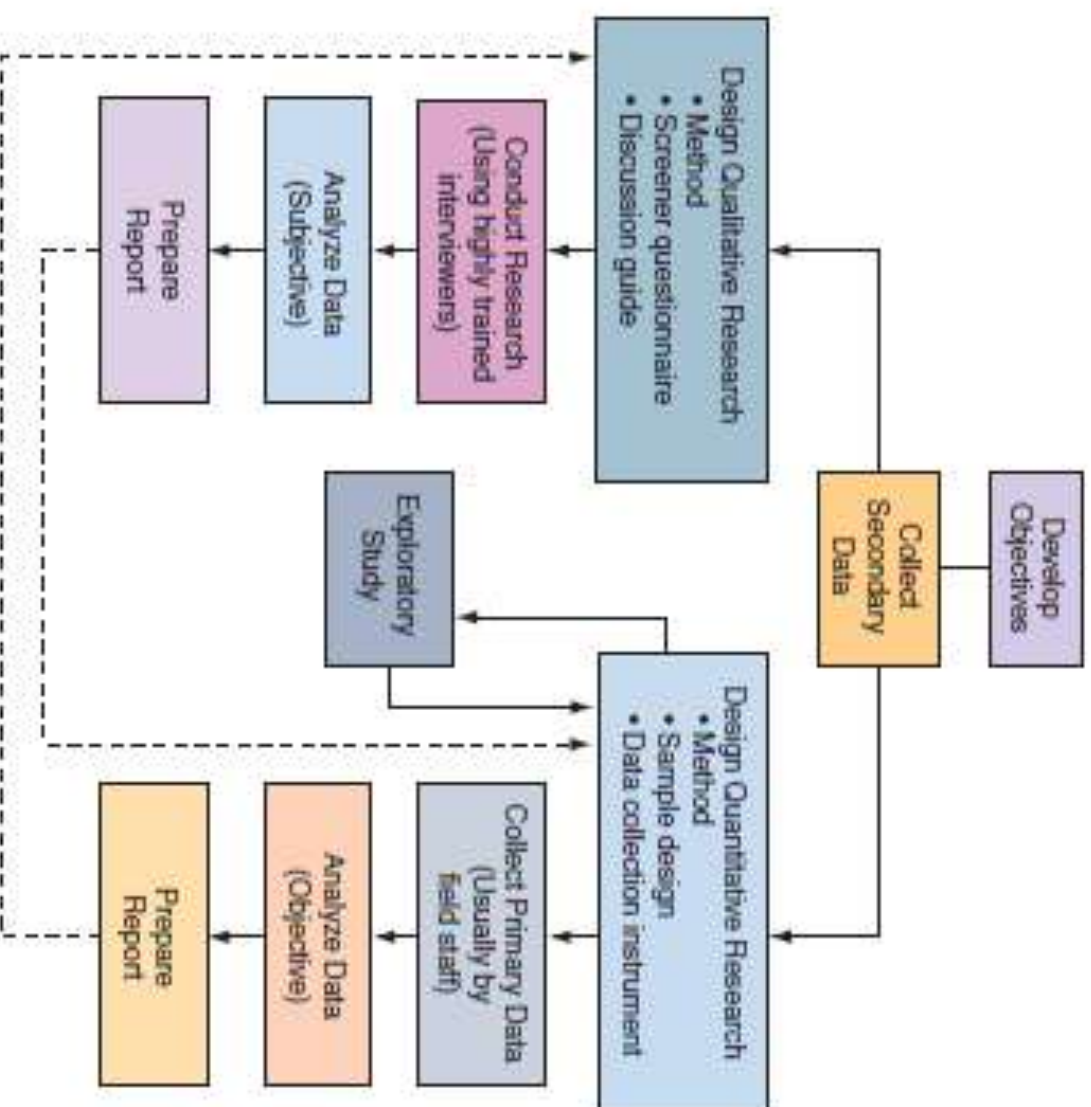
# The Importance of the Consumer Research Process

Largely Influenced by *Psychology, sociology, and anthropology*

- Marketers must understand customers to design effective:
  - marketing strategies
  - products
  - promotional messages

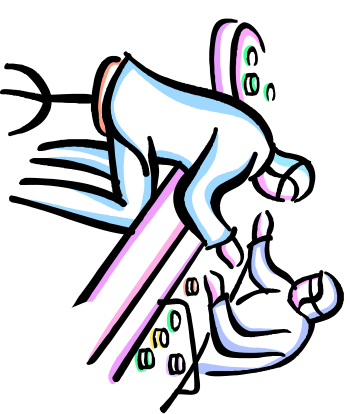


# The Consumer Research Process



# The Consumer Research Process

- Secondary research
- Primary research
  - Qualitative research includes focus groups and in-depth interviews
  - Quantitative observational research, experimentation, and survey research



# 6 steps in Research

- 1 Define the problem and research objectives
  - not too broad or narrow
- 2 Develop the research plan
- 3 Collect the information
- 4 Analyze the information
- 5 Present the findings
- 6 Make the decision



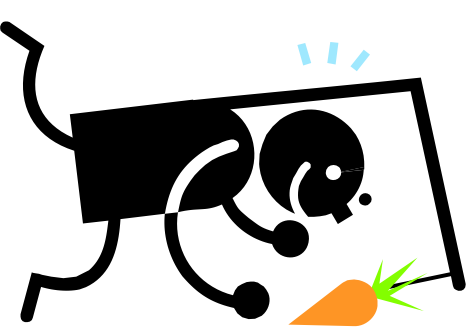
# Developing Research Objectives

- Defining purposes and objectives helps ensure an appropriate research design.
- A written statement of objectives helps to define the type and level of information needed.



# Discussion Questions

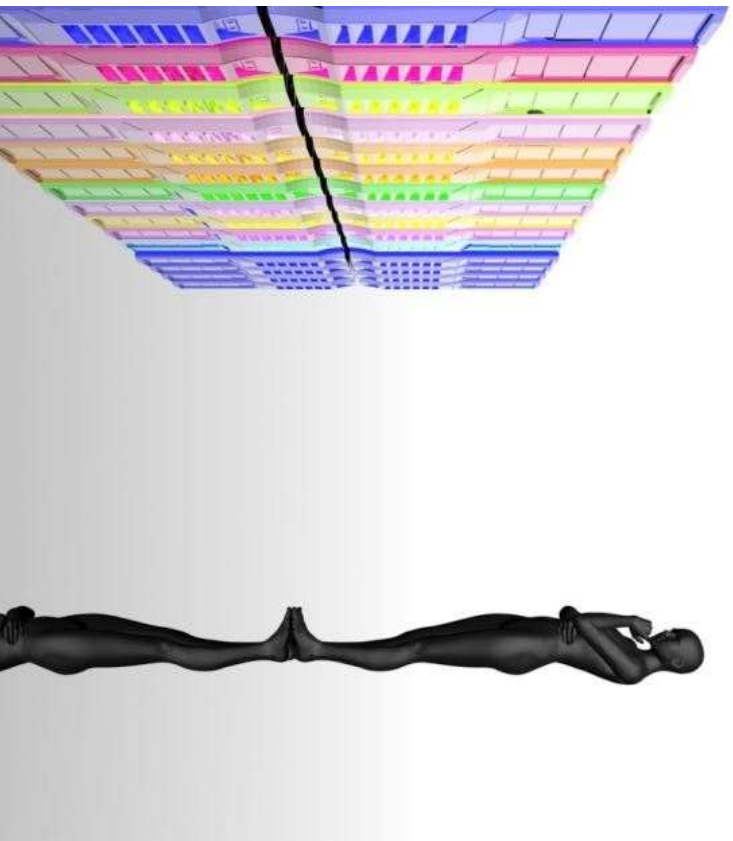
- Assume you are planning to open a new pizza restaurant near your campus.
  - What might be three objectives of a research plan for your new business?
  - How could you gather these data?



# Secondary Data

Data that has been collected for reasons other than the specific research project at hand

Includes internal and external data



# Types of Secondary Data

## Internal Data

- Data generated in-house
- May include analysis of customer files
- Useful for calculating customer lifetime value

## External Data

- Data collected by an outside organization
- Includes federal government, periodicals, newspapers, books, search engines
- Commercial data is also available from market research firms





# U.S. Census Data

Census Bureau Home Page - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Forward Stop Search Favorites

Address: http://www.census.gov/ Go Links 7-Day Forecast for Latitude 42.11N and Longitude -71.16W

---

## U.S. Census Bureau

Hispanic Heritage Month

- New on the Site
- Data Tools
- American Factfinder
- Jobs@Census
- Catalog
- Publications
- Are You in a Survey?
- About the Bureau
- Regional Offices
- Doing Business with Us
- Related Sites
- FIRST-EVER DATA: Information and Communication Tech Expenditures

### Questions?

**United States Census 2000**

Your Gateway to Census 2000 • Census 2000 EEO Tabulations • Summary File 4 (SF 4) • Summary File 3 (SF 3)

**People**

Estimates • American Community Survey • Projections • Housing • Income | State Family Income • Poverty • Health Insurance • International • Genealogy

**Business**

Economic Census • NAICS • Survey of Business Owners • Government • E-Stats • Foreign Trade | Export Codes • Local Employment Dynamics

**Geography**

Maps • TIGER • Gazetteer

**Newsroom**

Releases • Facts for Features • Minority Links • Broadcast and Photo Services

**Special Topics**

Census Calendar • Training • For Teachers • Statistical Abstract • FedStats • FirstGov

**AMERICAN COMMUNITY SURVEY**  
— Full Nationwide Implementation —

Search | Subjects A to Z | FAQs | Help

### Data Finders

**Population Clocks**  
U.S. **297,307,226**  
World **6,469,792,338**  
20:54 GMT (EST+5) Sep 30, 2005

**Latest Economic Indicator**  
Advance Report on Durable Goods Manufacturers' Shipments and Orders

**Population Finder** ~  
city/town, county, or zip  
or state  
.. select a state ..

**Find An Area Profile with QuickFacts** ~  
Select a state to begin  
.. select a state ..

**Economic Indicators** ~  
Select an indicator  
.. select an indicator ..

Visit the Economic Briefing Room

USCENSUSBUREAU  
Helping You Make Informed Decisions

Accessibility | Information Quality | Data Protection & Privacy Policy | FOIA | U.S. Dept of Commerce

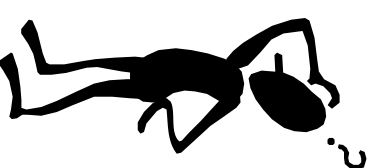
start Meeting Updated... schiffman02 schiffman01 Palm Desktop Census Bureau Ho... 4:55 PM

weblink

# Discussion Questions

## Personal Privacy

- Many people do not like the fact that their personal data are used for marketing.
- How can marketers justify their need for data?
- How can they acquire data and maintain customer privacy?



# Designing Primary Research

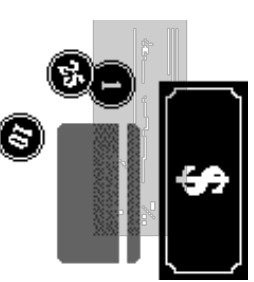
## Qualitative Research

- Depth Interviews
- Focus Groups
- Projective Techniques
- Metaphor Analysis

# Qualitative Collection Method

## Depth Interview

- Also called one-on-one interview
- Usually 20 minutes to 1 hour
- Non-structured
- Session is usually recorded
- Interpreted by trained researcher



# Examine Options for Interviews

Request for elaboration: "Tell me more about that." "Give me an example of ...."

Request for definition: "What do you mean by...?" "What does the term \_\_\_\_\_ mean to you?"

Request for word associations: "What other word(s) do you link with \_\_\_\_\_?" "Give me some synonyms that also describe \_\_\_\_\_."

Request for clarification: "How does that differ from ...." "In what circumstances do you.....?"

Request for comparison: "How is \_\_\_\_\_ similar to \_\_\_\_\_?" "Which costs more, X or Y?"

Request for classification: "Where does \_\_\_\_\_ fit?" "What else is in the category of \_\_\_\_\_?"

"Silent" probe: This is a non-verbal probe and is characterized by such actions as raised eyebrows or hand gestures such as moving the right hand in a rolling motion that signifies "Tell me more."

# Qualitative Collection Method

## Focus Group

- 8-10 participants
- Respondents are recruited through a **screening** questionnaire
- Lasts about 2 hours
- Always taped or videotaped to assist analysis
- Online focus groups are growing

# Focus Group Discussion Guide

**FOOD PREFERENCE STUDY SCREENER**

ASK TO SPEAK WITH A FEMALE OR MALE HOUSEHOLD MEMBER WHO IS BETWEEN 18 AND 35 YEARS OF AGE. WHEN THE CORRECT PERSON IS LOCATED INTRODUCE YOURSELF:

Hello, I'm \_\_\_\_\_ from \_\_\_\_\_. We are involved in a research project that is interested in knowing more about people's feeling and preferences with regard to food products. I want to assure you that this is research and not a "sales pitch." May I ask you a few questions.

1. CHECK ONE:

Female ..... ☐ -POTENTIAL FOR GROUP 1

Male ..... ☐ -POTENTIAL FOR GROUP 2

**RECRUITER: Q1. RECRUIT 12 FEMALES AND 12 MALES.**

2. In which of the following age groups are you? (READ CHOICES)

Under 18 years of age ..... ☐ -TERMINATE

18-10-24 years of age ..... ☐ -TERMINATE

25-10-29 years of age ..... ☐ -TERMINATE

30-10-35 years of age ..... ☐ -TERMINATE

Over 35 years of age ..... ☐ -TERMINATE

**RECRUITER: Q2. SECURE A GOOD MIX ACROSS THE AGE SPAN INDICATED.**

3. Do you or anyone else in your household work for any of the following types of businesses? (READ CHOICES)

No ..... ☐ -TERMINATE

Yes ..... ☐ -TERMINATE

A market research firm or agency ..... ☐ -TERMINATE

An advertising or public relations firm or agency ..... ☐ -TERMINATE

A company that sells, manufactures, or distributes any type of food products ..... ☐ -TERMINATE

4. a. Have you ever participated in a depth interview, focus group, or discussion group?

Yes ..... ☐ -ASK Q4b.

No ..... ☐ -SKIP TO Q5.

b. When was the last time you participated in a depth interview, focus group, or discussion group?

Within the past 6 months ..... ☐ -TERMINATE

More than 6 months ago ..... ☐ -CONTINUE

5. For classification purposes, please tell me how much formal education you have completed? (DO NOT READ CHOICES)

Less than a college graduate ..... ☐ -TERMINATE

At least a college graduate ..... ☐ -TERMINATE

**RECRUITER: Q5 ALL RESPONDENTS ARE TO BE COLLEGE GRADUATES.**

6. Also, for classification purposes, please tell me into which of the following categories your total family's or personal income falls? (READ CHOICES)

Under \$25,000 ..... ☐ -TERMINATE

\$25,000 to \$49,999 ..... ☐ -TERMINATE

\$50,000 or more ..... ☐ -TERMINATE

**RECRUITER: Q6 ALL PARTICIPANTS MUST HAVE INCOMES OF AT LEAST \$25,000.**

7. Which of the following food products have you eaten within the past 5 days? READ FULL LIST.

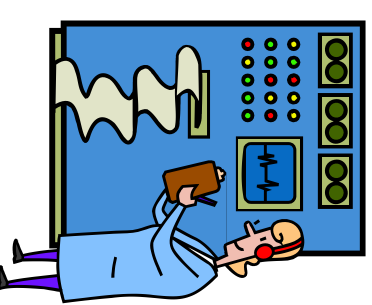
	Yes	No
Frozen pizzas	<input type="checkbox"/>	<input type="checkbox"/>
Prepackaged cold cuts	<input type="checkbox"/>	<input type="checkbox"/>
Pre-sliced packaged cheeses	<input type="checkbox"/>	<input type="checkbox"/>
<b>Canned soup</b>	<input type="checkbox"/>	<input type="checkbox"/>
Potato chips	<input type="checkbox"/>	<input type="checkbox"/>
Canned fruit	<input type="checkbox"/>	<input type="checkbox"/>
Peanut butter	<input type="checkbox"/>	<input type="checkbox"/>
Frozen vegetables	<input type="checkbox"/>	<input type="checkbox"/>

**RECRUITER: Q7. RESPONDENT MUST SAY "YES" TO CANNED SOUP; OTHERWISE TERMINATE.**

# Qualitative Collection Method

## Projective Techniques

- Research procedures designed to identify consumers' subconscious feelings and underlying motivations
  - *Done one on one & in closed settings*
- Consist of a variety of “tests”





# Common Projective Exercises

## Table 2.1

	Description
Word Associations	The researcher has a list of words, some of them to be studied and some just as “filler.” The researcher asks the respondent (s) to react, one-at-a time, to each word by stating or (in a focus group setting) writing on a pad the first word that comes to mind, and to explain the link.
Sentence Completion	The researcher has a series of incomplete sentences that the respondent (s) needs to complete with a word or phrase.
Photo/Visual for Storytelling	The researcher creates/selects a series of photos of consumers, different brands or products, range of print ads, etc., to serve as stimuli. The respondents are asked to discuss or tell a story based on their response to a photo or some other visual stimulus.
Role Playing	Is quite similar to storytelling; however, instead of telling a story, the participant (s) will be given a situation and asked to “act out” the role (s), often with regard to a product or brand, or particular selling situation.

*people cannot easily locate and verbalize their true feelings toward a product category or brand.*

# Qualitative Collection Method

## Metaphor Analysis

- Based on belief that metaphors are the most basic method of thought and communication
  - much of communication is nonverbal and that people do not think as much in words as they do in images
- Zaltman Metaphor Elicitation Technique (ZMET) combines collage research and metaphor analysis to bring to the surface the mental models and the major themes or constructs that drive consumer thinking and behavior.
  - Respondents are asked to find pictures that describe their thoughts, feelings, and beliefs about products, companies, and brands.
  - The results are then combined to see if there are common themes or constructs that consumers mention in their results

# Qualitative Collection Method

## “Looking-In”

- Look at information from threads and postings on social media, including blogs and discussion forums
  - Emerging field of consumer research that works to interpret online conversations
- Methodology to capture consumers’ experiences, opinions, forecasts, needs, and interests
  - Growth in social marketing, there are increasing conversations and comments online regarding products and brands



# Designing Primary Research

## Quantitative Research

- Observation
- Experimentation
- Survey questionnaires

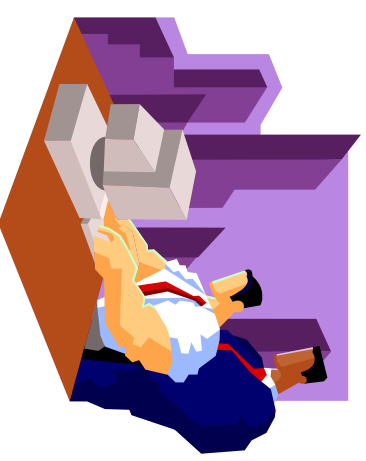
# Quantitative Research

- The objective of quantitative research is to develop mathematical models, theories and/or hypotheses phenomena.
- Quantitative methods can be used to verify which of such hypotheses are true.
- Qualitative research, on the other hand, asks broad questions and collects data from participants.

# Data Collection Methods

## Observational Research

- Helps marketers gain an in-depth understanding of the relationship between people and products by watching them buying and using products
- Helps researchers gain a better understanding of what the product symbolizes



# Data Collection Methods

## Mechanical Observational Research

- Uses mechanical or electronic device to record consumer behavior or response
  - electronic traffic counters, video technology
- Consumers' increased use of highly convenient technologies will create more records for marketers
  - frequent shopper cards / smart cards-freq
- Audits are a type of mechanical observation which monitor sales



# Foxwoods Casino Uses Mechanical Observational Research

## Mr. Moneybags and His Wampum Card





# Data Collection Methods

## Experimentation

- Can be used to test the relative sales appeal of many types of variables
- An experiment is usually controlled with only some variables manipulated at a time while the others are constant
- Test markets are conducted on a single market area
- Experimentation can be conducted in laboratories or in the field



# Discussion Questions

- What might direct marketers test in experiments?
- How can they use the results?



# Surveys

## Data Collection Methods

Personal Interview

Mail

Telephone

Online

# Table 2.2 Comparative Advantages

	MAIL	TELEPHONE	PERSONAL INTERVIEW	ONLINE
Cost	Low	Moderate	High	Low
Response rate	Low	Moderate	High	Self-selection
Geographic flexibility	Excellent	Good	Difficult	Excellent
Interviewer bias	N/A	Moderate	Problematic	N/A
Interviewer supervision	N/A	Easy	Difficult	N/A
Quality of response	Limited	Limited	Excellent	Excellent

# Validity and Reliability

- If a study has validity, it collects the appropriate data for the study.
  - Validity asks the question of whether the data is really applying to the objectives you have set
- A study has reliability if the same questions, asked of a similar sample, produce the same findings.
  - Reliability tells you, the researcher, if the results would be repeated if conducted on a similar group at the same time.



# Attitude Scales

## Likert scales

- Asked to agree or disagree with a statement
- Easy to prepare & interpret
- Simple for consumers

## Semantic differential scales

- Includes bipolar adjectives
- Relatively easy to construct and administer

## Behavior intention scales

- Measures likelihood consumers will act a certain way
- Easy to construct and administer

## Rank-order scales

- Items ranked in order of preference in terms of some criteria

**\*Semantic differential** is a type of a rating scale designed to measure objects, events, and concepts.

# Example

## Semantic Differential Scales

How would you describe Kmart, Walmart, and Target on the following scale:

clean	—	—	—	—	—	dirty
bright	—	—	—	—	—	dark
low quality	—	—	—	—	—	high quality
conservative	—	—	—	—	—	innovative
Inconvenient	—	—	—	—	—	convenient

# Customer Satisfaction

- It is a measure of how products and services supplied by a company meet customer expectation.
- It is defined as "the number of customers whose reported experience with a firm, its products, or its services exceeds specified satisfaction goals."
- In researching satisfaction, firms generally ask customers whether their product or service has met or exceeded expectations.
- Thus, **expectations are a key factor** behind satisfaction. When customers have high expectations and the reality falls short, they will be disappointed





# Customer Satisfaction Survey

BizRate.com - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Forward Stop Home Favorites Search Address [https://eval.bizrate.com/survey/pos.xpml?id=272988&flow=1&qpitch\\_type=1&q108636=1165711&q104534=](https://eval.bizrate.com/survey/pos.xpml?id=272988&flow=1&qpitch_type=1&q108636=1165711&q104534=) Go

survey by  

Complete this survey for a chance to win \$25 today in BizRate's Daily Cash Giveaway – 20 cash prize winners are selected daily! [See Official Rules.](#)

**How satisfied are you overall with this purchase experience at oldnavy.com?**

	Not at all	A Little	Somewhat	Quite a Bit	Highly
Overall purchase experience	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**How satisfied are you with each of the following aspects of this purchase?**

	Not At All	A Little	Somewhat	Quite A Bit	Highly
Ease of finding what you're looking for	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Overall look and design of site	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Clarity of product information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Selection of products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**How likely are you to purchase from oldnavy.com the next time you are in the market to buy this type of product?**

	Not at all likely	Unlikely	Perhaps	Likely	Highly likely
Likelihood to buy again	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**How likely are you to recommend oldnavy.com?**

	Not At All Likely	Unlikely	Perhaps	Likely	Highly Likely
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Done Local intranet

# Customer Retention

- **Customer retention** refers to the ability of a company or product to retain its customers over some specified period.
- Successful customer retention involves more than giving the customer what they expect. Generating loyalty of the brand might mean exceeding customer expectations.

- Customer retention has a direct impact on profitability.

- It is the measure of how well the customer STAYS and STAYS

ENGAGED with the organization OR with specific products and services

# Customer Satisfaction Measurement

- Customer Satisfaction Surveys
  - Analysis of Expectations versus Experience
- Mystery Shoppers
- Customer Complaint Analysis



# Sampling and Data Collection

- Samples are a subset of the population used to estimate characteristics of the entire population.
- A sampling plan addresses:
  - Whom to survey
  - How many to survey
  - How to select them
- Researcher must choose probability or non-probability sample.



# Data Analysis and Reporting Findings

- Open-ended questions are coded and quantified.
- All responses are tabulated and analyzed.
- Final report includes executive summary, body, tables, and graphs.



# Secondary Research vs. Primary Research

	Advantages	Disadvantages
<b>Secondary research</b>  e.g census	<ul style="list-style-type: none"><li>• Inexpensive</li><li>• Easy to access</li><li>• Immediate</li></ul>	<ul style="list-style-type: none"><li>• Often outdated</li><li>• Potentially unreliable</li><li>• May not be relevant</li></ul>
<b>Primary research</b>	<ul style="list-style-type: none"><li>• Applicable &amp; useable</li><li>• Accurate &amp; reliable</li><li>• Up-to-date</li></ul>	<ul style="list-style-type: none"><li>• Expensive</li><li>• Not available immediately</li><li>• Not always readily accessible</li></ul>