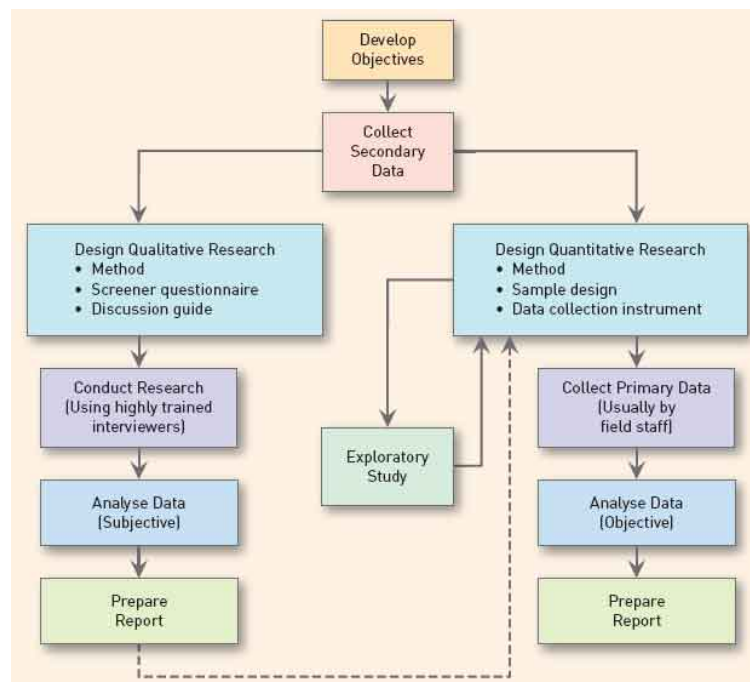


CONSUMER RESEARCH PROCESS



The major steps in the Consumer Research process are:

1. **Developing Research objectives:** The 1st & most difficult step in consumer research process is to carefully define the objectives of the study.
 - a. Is it to segment the market for premium smartphones?
 - b. To find out consumer attitudes about and experiences with online shopping?
 - c. To determine what % of households do their food / grocery shopping online?

It is important for the marketing / research manager to agree at the outset on the purposes and objectives of the study to ensure that the research design is appropriate. A carefully thought out statement of objectives helps to define the type and level of information needed.

- If the purpose of the study is to come up with the new idea for products or promotional campaigns, then a **qualitative study** is usually undertaken, in which respondents spend a significant amount of time face to face with a highly trained professional interviewer analyst who also does the analysis.
- If the purpose of the study is to find out how many people in the population use certain products and how frequently they use them, then a **quantitative study** that can be computer analysed can be undertaken.

2. **Collecting Secondary Data:** A search for secondary data follows the statement of objectives. Secondary information is any data originally generated for some purpose other than the present research objectives. Secondary data includes both internal and external data.

- a. **Internal Secondary Data** consists of information as data generated in house for earlier studies as well as analysis of customer files, such as past customer transactions, letter from customers, sales call reports and data collected via warranty cards. Increasingly, companies use internal secondary data to compute customer lifetime value profiles for various customer

segments. These profiles include customer acquisition costs (the resources needed to establish a relationship with the customer), the profits generated from individual sales to each customer, the costs of handling customers and their orders and the expected duration of the relationship.

- b. External Secondary Data** consists of any data collected by an outside organisation. The major source of these data is the
- i. Census data collected by the Indian Government every 10 years. It becomes the basis on which marketers gather data about all the demographics of the Indian population.
 - ii. Commercial Data is available from Marketing research companies that routinely monitor specific aspects of CB and sell the data to marketers.
 - iii. Secondary data is also provided by companies that routinely monitor a particular consumption related behaviour. For example, one of the primary challenges marketers face is placing their advertisements in media that are most likely to reach their target customers. In India, BARC undertakes the official measurement of Television audience, which records the TV audiences' preferences in watching the channels. BARC covers around 3,00,000 households across the country. The study estimated the Total and TV population of households and individuals, their location, demographic distribution, connection type, language preferences and other media consumption. The information collected from each survey respondent included the household head's name, family member demographics, number of durables owned, education of the household's chief wage earner and physical address.

BARC Methodology:

BARC India captures watermarks embedded in the audio transmission of TV channel transmissions to identify the channel being viewed.

This technology captures TV usage, TV station identification and individual viewing through the use of two digital devices, one installed by the broadcaster (Embedder) at station head end/transmission site(s) and the other device, referred to as the "BAR-O-Meter", that is installed on each TV set in the panel household.

The TV set metering systems continuously and passively captures TV viewing events in real time, recording the time and duration of channel tuning events and capturing the viewership events of individual members ages 2+ that have pressed their viewer ID button to confirm their presence in the audience.

The main unit stores the individual time stamped events in memory for transmission to the BARC India server at predetermined intervals throughout the viewing day. The BAR-O-Meter TV viewing event data is then received by BARC India collection server where collected TV event data are simultaneously backed up and made available to pre-processing software.

1. Quantitative Research: A quantitative research study is comprised of research design, the data collection methods, instruments to be used, and the sample design. Following are the three basic designs or approaches used for quantitative design:

1. **Observational Research:** Here, marketers gain an in-depth understanding of the relationship between people and products by watching them in the process of buying and using the products. It provides a greater insight into the bond between the people and products that is the essence of brand loyalty. Many large organisations use trained researchers / observers to watch, note and sometimes videotape consumers in stores, malls.
2. **Mechanical Research:** Here, a mechanical device is used to record consumer behaviour or response to a particular marketing stimulus.

Ex: - Banks observing CCTV footage in ATMs to observe problems customers face.

-Using entry devices to record the footfalls during different times and different days.

Experimentation: Here, the sales appeal of many types of varieties such as package design, prices, promotional offers are studied to identify cause and effect by manipulating one or few elements and keeping the other variables constant. A controlled experiment of this type ensures that any difference in the outcome is due to different treatments of the variable under study and not to other factors.

Ex: Observing the sales of a product by only changing the package design of a noodles packet. The result will help to ascertain the importance of the old / new package and the consumer's behaviour towards the both. Such casual research is done in **test marketing** in which prior to launching a new product to ascertain the importance of each elements of a product.

Surveys: Surveys are conducted to ask consumers about their purchase preferences and consumption experiences.

Types of Surveys:

1. **Personal Interview:** They take place in the home or in retail shopping areas.
2. **Telephone Surveys:** Telephonic calls are used to collect consumer data.
3. **Mail surveys:** Sending questionnaires through mail to consumers' homes and asking them to reply in a self addressed envelope often offering incentives & vouchers on sending back the survey form.
4. **Online Surveys:** Surveys on the internet. It may be in a website or sending an Email.

Quantitative research data collection instruments:

1. **Questionnaire:** The primary data collection instrument is the questionnaire, which can be sent through the mail to selected respondents. Questionnaires must be interesting, objective, unambiguous, easy to complete and not burdensome.

Questionnaires can be

- a. **Disguised or non-disguised.**
- b. **Open ended or closed ended.**

2. **Attitude Scales:** Researchers present respondents with a list of products or product attributes for which they are asked to indicate their relative feelings or evaluations. The instruments most frequently used to capture this evaluative data are called attitude scales.

- a. **Likert Scale:** Here, the respondents check or write the number corresponding to their level of agreement or disagreement with each series of statements that describe the attitude object under investigation. A scale consists of an equal number of agreement / disagreement choices on either side of a neutral choice.

LIKERT SCALE

For each of the following statements, please record the number that best describes the extent to which you agree or disagree with each statement.

1. Strongly Agree	2. Somewhat Agree	3. Neither Agree nor Disagree	4. Somewhat Disagree	5. Strongly Disagree

It's fun to shop online.				

I am afraid to give my credit card number online.				

Two widely used applications of the Likert Scale to measure consumer attitudes are:

SATISFACTION MEASURES

Over all, how satisfied are you with Bank X's online banking? _____

1. Very Satisfied	2. Somewhat Satisfied	3. Neither Satisfied nor Dissatisfied	4. Somewhat Dissatisfied	5. Very Dissatisfied

IMPORTANCE SCALES

The following list of features are associated with shopping on the Internet. For each feature, please record the one alternative that best expresses how important or unimportant that feature is to you.

1. Extremely Important	2. Somewhat Important	3. Neither Important nor Unimportant	4. Somewhat Unimportant	5. Not at all Important

- b. **Semantic differential scale:** It consists of bipolar adjectives such as good / bad, happy / unhappy. Respondents are asked to evaluate by checking the desired point.

SEMANTIC DIFFERENTIAL SCALE

For each of the following features, please check one alternative that best expresses your impression of how that feature applies to **online banking**:

Competitive rates								Noncompetitive rates
Reliable								Unreliable

- c. **Behaviour intention scale:** It measures the likelihood that consumers will act in a certain way in the future, such as buying the product again or recommending it to a brand.

BEHAVIOR INTENTION SCALES

How likely are you to continue using Bank X's online banking for the next six months? _____

1. Definitely Will Continue	2. Probably Will Continue	3. Might or Might Not Continue	4. Probably Will Not Continue	5. Definitely Will Not Continue
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How likely are you to recommend Bank X's online banking to a friend? _____

1. Definitely Will Recommend	2. Probably Will Recommend	3. Might or Might Not Recommend	4. Probably Will Not Recommend	5. Definitely Will Not Recommend
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- d. **Rank order scales:** respondents are asked to rank items on a preferential scale may be from 1 to 5, or 1 to 10.

RANK ORDER SCALE

We would like to find out about your preferences regarding banking methods. Please rank the following banking methods by placing a "1" in front of the method that you prefer most, a "2" next to your second preference, and continuing until you have ranked all of the methods.

_____ Inside the bank	_____ Online banking	_____ Banking by telephone
_____ ATM	_____ Banking by mail	

2. Qualitative Research Designs:

1. **Depth interviews:** A depth interview is lengthy, 30 minutes to 1 hour, between the respondent and a highly trained interviewer. Respondents are encouraged to talk freely about their activities, attitudes and interests in addition to the product category or brand under study. Transcripts, videotapes or audiotapes recordings are then carefully studied together with reports of respondent's moods and any gestures or body language that they may have used to convey attitudes or motives.
2. **Focus Groups:** A focus group consists of 8 to 10 respondents who meet with a moderator for a group discussion focused on a particular product. They are encouraged to discuss their interests, attitudes, reactions, motives, lifestyles, feelings about the product.

Data Analysis and reporting research findings:

In both the quantitative and qualitative research, the research report includes a brief executive summary of the findings. All the responses are tabulated and analysed using sophisticated programs that correlate the data by selected variables and cluster the data together.