

Most companies use a combination of marketing research resources to study their industries, competitors, audiences, and channel strategies. Companies normally budget marketing research at 1 percent to 2 percent of company sales and spend a large percentage of that on the services of outside firms. Marketing research firms fall into three categories:

1. **Syndicated-service research firms**—These firms gather consumer and trade information, which they sell for a fee. Examples include the Nielsen Company, Kantar Group, Westat, IMRB, NCAER, and IRI.
2. **Custom marketing research firms**—These firms are hired to carry out specific projects. They design the study and report the findings.
3. **Specialty-line marketing research firms**—These firms provide specialized research services. The best example is the field-service firm, which sells field interviewing services to other firms.

To take advantage of all these different resources and practices, good marketers adopt a formal marketing research process.

The Marketing Research Process

Effective marketing research follows the six steps shown in ▲ Figure 3.3.

Step 1: Define the Problem, the Decision Alternatives, and the Research Objectives

Problems should not be defined either too broadly or too narrowly. A very broad or vague definition leads to excessive wastage of resources. Too narrow a definition leads to inadequate data or information required to take an effective decision. Clarity on the following helps define the problem appropriately:

1. What is to be researched (the content, the scope)?
2. Why is it to be researched (the decisions that are to be made)?

Working backwards from the decisions can be a good way of defining problems because the purpose of research is to generate meaningful information that will help in taking effective decisions. The end product of this exercise has to be a clear definition of the problem and research objectives.

Step 2: Develop the Research Plan

The second stage of marketing research requires developing the most efficient plan for gathering the required information. This involves decisions on data sources, research approaches, research instruments, sampling plan, and contact methods.

DATA SOURCES The researcher can gather secondary data, primary data, or both. *Secondary data* are data that were collected for another purpose, and already exist somewhere. *Primary data* are freshly gathered data for a specific purpose or for a specific research project. Researchers usually start their investigation by examining secondary data to see whether the problem can be partly or wholly solved without collecting costly primary data. When the required data do not exist or are dated, inaccurate, incomplete, or unreliable, the researcher will have to collect primary data. Most marketing research projects involve a certain amount of primary data collection using various research approaches.

RESEARCH APPROACHES Primary data can be collected in five ways: through observation, focus groups, surveys, behavioral data, and experiments.

Observational Research Researchers can gather fresh data by observing the relevant actors and settings, unobtrusively observing as they shop or as they consume products.⁴⁶ Sometimes they equip consumers with pagers and instruct them to write down what they're doing whenever

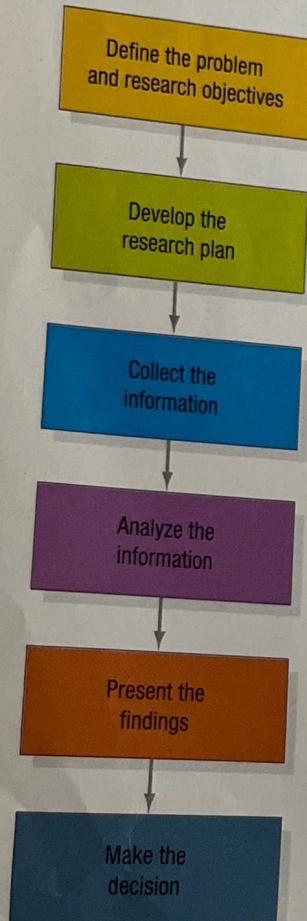


Fig. 3.3 | ▲

The Marketing Research Process

Prompted, or they hold informal interview sessions at a café or bar. Photographs can also provide a wealth of detailed information.

Ethnographic research is a particular observational research approach that uses concepts and tools from anthropology and other social science disciplines to provide deep understanding of how people live and work.⁴⁷ The goal is to immerse the researcher into consumers' lives to uncover unarticulated desires that might not surface in any other form of research.⁴⁸ Firms such as IBM, Intel, and Steelcase have embraced ethnographic research to design breakthrough products.

Bank of America's ethnographic research following baby-boomer women at home and while they shopped yielded two insights—they rounded up financial transactions because it was more convenient, and those with children found it difficult to save. Subsequent research led to the launch of "Keep the Change," a debit card program whereby purchases are rounded up to the nearest dollar amount and the added difference is automatically transferred from a checking account to a savings account. Since the launch, 2.5 million customers have signed up for the program, opening 700,000 new checking accounts and 1 million new savings accounts in the process.⁴⁹

Many other companies have benefited from ethnographic research.^{50, 51}

- After observing the popularity of Chinese-character text messaging in Shanghai, Motorola developed the A732 cell phone, with which users could write messages directly on the keypad using a finger.

- After finding that many of their guests turn their bedrooms into work spaces, Towneplace Suites replaced a dining table with a flexible modular wall unit that could serve as either an office or a place to eat.

- After observing that older female siblings and/or grandmothers looked after infants and small kids in migrant construction worker families in South Asia, researchers on child health and nutrition included these groups as respondents.

Ethnographic research isn't limited just to consumer companies in developed markets. GE's ethnographic research into the plastic-fiber industry showed the firm that it wasn't in a commodity business driven by price as much as it was in an artisanal industry with customers who wanted collaborations at the earliest stages of development. GE completely reoriented the way it interacted with the companies in the plastic-fiber industry as a result. Ethnographic research can be particularly useful in developing markets, especially far-flung rural areas, where companies do not know consumers as well.⁵²

Focus Group Research A **focus group** is a gathering of six to ten people who are invited to spend a few hours with a skilled moderator in order to discuss a product, service, organization, or any other marketing entity. The moderator needs to be objective, knowledgeable, and skilled in group dynamics. Participants are normally offered some gifts or incentives for attending the meeting. The meeting is typically held in pleasant surroundings, and refreshments are served. The moderator usually starts with a broad question and then helps the group move through various aspects of the entity being discussed, encouraging free and easy discussion. The key role of the moderator is to keep the discussion "focused" on the relevant theme while allowing deep feelings and thoughts to emerge through the group dynamics. The discussion is typically recorded by the moderator. Sometimes, one-way mirrors are also used for observing and recording the proceedings. Transcripts prepared from the recordings are subsequently analyzed to understand consumer beliefs, attitudes, and behavior. "Marketing Memo: Conducting Informative Focus Groups" has some practical tips to improve the quality of focus groups.

A focus group session involves ten people discussing a product, service, organization, or any other marketing entity in the presence of a moderator.



Survey Research Surveys are best suited for descriptive research. Companies undertake surveys

Marketing Memo

Conducting Informative Focus Groups

Focus groups allow marketers to observe how and why consumers accept product concepts, ideas, or any specific notion. The key to using focus groups successfully is to *listen and observe*. Marketers should eliminate their own biases as much as possible. Although many useful insights can emerge from thoughtfully run focus groups, questions can arise about their validity, especially in today's complex marketing environment.

There are many challenges to conducting a good focus group. Some researchers believe consumers have been so bombarded with ads, they consciously (or perhaps cynically) parrot back what they've already heard instead of what they really think. There's always a concern that participants will try to maintain their self-image and public persona or have a hard time identifying with the other members of the group. Participants also may be unwilling to acknowledge in public—or may not even recognize—their own patterns and motivations. And the “loudmouth” or “know-it-all” often crops up when one highly opinionated person drowns out others in the group. Getting the right participants is crucial, but it may be expensive to recruit qualified subjects who meet the sampling criteria (\$5,000 per group).

When marketers use multiple focus groups, it may be difficult to generalize the results to a broader population. For example, within the United States, focus-group findings often vary from region to region. One researcher specializing in focus-group research claimed the best city to conduct a focus group was Minneapolis, because there it could get a sample of fairly well-educated people who were honest and forthcoming with their opinions. Marketers interpret focus groups in New York and other northeastern cities differently, because the people in these areas tend to be highly critical and don't report that they like much.

Participants must feel as relaxed as possible and strongly motivated. Physical surroundings can be crucial to achieving the right atmosphere. At one agency an executive noted, “We wondered why

people always seemed grumpy and negative—people were resistant to any idea we showed them.” Finally in one session a fight broke out between participants. The problem was the room itself: cramped, stifling, forbidding. “It was a cross between a hospital room and a police interrogation room.” To fix the problem, the agency gave the room a makeover. Other firms are adapting the look of the room to fit the theme of the topic—such as designing the room to look like a playroom when speaking to children.

To allow for more interactivity among focus group members, some researchers are incorporating pre-session homework assignments such as diaries, photography, and videography. An area of increasing interest is online focus groups. These may cost less than a fourth of a traditional, in-person focus group. Online focus groups also offer the advantages of being less intrusive, allowing geographically diverse subjects to participate, and yielding fast results. They are useful at collecting reactions to focused topics such as a specific new product concept.

Proponents of traditional focus groups, on the other hand, maintain that in-person focus groups allow marketers to be immersed in the research process, get a close-up look to people's emotional and physical reactions, and ensure that sensitive materials are not leaked. Marketers can also make spontaneous adjustments to the flow of discussion and delve deeply into more complex topics, such as alternative creative concepts for a new ad campaign.

Regardless of the particular form it takes, the beauty of a focus group, as one marketing executive noted, is that “it's still the most cost-effective, quickest, dirtiest way to get information in rapid time on an idea.” In analyzing the pros and cons, Wharton's Americus Reed might have said it best: “A focus group is like a chain saw. If you know what you're doing, it's very useful and effective. If you don't, you could lose a limb.”

Tom R. Henderson, “Beyond Top of Mind,” *Marketing Research* (September 1, 2005); Rebecca Harris, “Do Focus Groups Have a Future?” *Marketing*, June 6, 2005; Michael Tischler, “Every Move You Make,” *Fast Company*, April 2004, pp. 73–75; Alison Stein Wellner, “The New Science of Focus Groups,” *American Demographics*, March/April 2004, pp. 28–33; Dennis Rook, “Out-of-Focus Groups,” *Marketing Research* 15, no. 2 (Summer 2003), p. 11; Dennis W. Rook, “Loss of Vision: Focus Groups Fail to Connect with the New,” *Marketing News*, September 15, 2003, p. 40; Sarah Jeffrey Kasner, “Fistfights and Feng Shui,” *Boston Globe*, July 21, 2001; Piet Levy, “In With the New,” *Marketing News*, May 30, 2009, p. 19.

to learn about people's knowledge, beliefs, preferences, and satisfaction. It requires developing a survey instrument, usually a questionnaire, which the respondents are asked to fill up.

Behavioral Data Customers' actual purchases reflect preferences and are normally more reliable than memory-based statements made in surveys. Observations have shown that high-income-group customers do not buy expensive consumer goods, while some low-income consumers end up buying expensive products, contrary to their stated preferences in the survey.

Experimental Research The most scientifically valid research is **experimental research**. The purpose of experimental research is to capture cause-and-effect relationships by eliminating competing explanations of the observed findings. To the extent that the design and execution of the experiment eliminate alternative hypotheses that might explain the results, researchers can have confidence in the conclusions. Experiments call for selecting matched groups of subjects, subjecting them to different treatments, controlling extraneous variables, and checking whether observed response differences are statistically significant.

extent that extraneous factors are eliminated or controlled, the observed effects can be related to the variations in the treatments.

Research Instruments Marketing researchers have a choice of three main research instruments in collecting primary data: questionnaires, qualitative measures, and technological devices.

Questionnaires A questionnaire consists of a set of questions presented to respondents. Because of its flexibility, it is by far the most common instrument used to collect primary data. Researchers need to carefully develop, test, and debug questionnaires before administering them on a large scale. The form, wording, and sequence of the questions can all influence the responses. *Closed-end questions* specify all the possible answers and provide answers that are easier to interpret and tabulate. *Open-end questions* allow respondents to answer in their own words and often reveal more about how people think. They are especially useful in exploratory research, where the researcher is looking for insight into how people think rather than measuring how many people think a certain way.  Table 3.7 provides examples of both types of questions.

Conventional questionnaires may not be effective in rural areas in South Asia, where literacy levels may be low. Marketing and Research Team (MART) has developed some innovative techniques for researching rural markets by creating variations of conventional rating and ranking scales.

 **MART** Marketing and Research Team (MART) is a specialist in conducting rural market research. This research organization, realizing the limitations of conventional rating and ranking scales normally used for market research in urban areas, developed a set of research tools more appropriate for rural market research. These tools employ color associations and visuals to elicit more accurate responses from the illiterate and semi-literate rural population. For example, one of the tools is a pictorial scale with five faces representing different moods. The different faces are arranged in a sequence with the happiest face on one side, and the saddest face on the other extreme. The respondents may be asked to express their opinion about a product by pointing to the facial expression that best represents their feelings about the product. Similarly, other tools like using a ladder and a wheel with different colors for rating have been effective in rural research. These tools have been able to generate curiosity among the rural population, thus ensuring better participation and quicker response time. 

Qualitative Measures Some marketers prefer more qualitative methods for gauging consumer opinion, because consumer actions don't always match their answers to survey questions. Qualitative research techniques are relatively unstructured measurement approaches that permit a range of possible responses. Their variety is limited only by the creativity of the marketing researcher.

Because of the freedom it affords both researchers in their probes and consumers in their responses, qualitative research can often be an especially useful first step in exploring consumers' brand and product perceptions. It is indirect in nature, so consumers may be less guarded and reveal more about themselves in the process.

Qualitative research does have its drawbacks. Marketers must temper the in-depth insights that emerge with the fact that the samples are often very small and may not necessarily generalize to broader populations. And different researchers examining the same qualitative results may draw very different conclusions.

Nevertheless, there is increasing interest in using qualitative methods. "Marketing Insight: Getting into the Heads of Consumers" describes the pioneering ZMET approach. Some other popular qualitative research approaches to get inside consumers' minds and find out what they think or feel about brands and products include:⁵³

1. **Word associations**—Ask subjects what words come to mind when they hear the brand's name. "What does the Timex name mean to you? Tell me what comes to mind when you think of Timex watches." The primary purpose of free-association tasks is to identify the range of possible brand associations in consumers' minds.
2. **Projective techniques**—Give people an incomplete stimulus and ask them to complete it, or give them an ambiguous stimulus and ask them to make sense of it. One approach is

Getting into the Heads of Consumers

Harvard Business School marketing professor Gerald Zaltman, with some of his research colleagues, has developed an in-depth methodology to uncover what consumers truly think and feel about products, services, brands, and other things. The basic assumption behind the Zaltman Metaphor Elicitation Technique (ZMET) is that most thoughts and feelings are unconscious and shaped by a set of "deep metaphors." Deep metaphors are basic frames or orientations that consumers have toward the world around them. Largely unconscious and universal, they recast everything someone thinks, hears, says, or does. According to Zaltman, there are seven main metaphors:

1. *Balance*: justice equilibrium and the interplay of elements;
2. *Transformation*: changes in substance and circumstance;
3. *Journey*: the meeting of past, present, and future;
4. *Container*: inclusion, exclusion, and other boundaries;
5. *Connection*: the need to relate to oneself and others;
6. *Resource*: acquisitions and their consequences; and
7. *Control*: sense of mastery, vulnerability, and well-being

The ZMET technique works by first asking participants in advance to select a minimum of 12 images from their own sources (magazines,

catalogs, family photo albums) to represent their thoughts and feelings about the research topic. In a one-on-one interview, the study administrator uses advanced interview techniques to explore the images with the participant and reveal hidden meanings. Finally, the participants use a computer program to create a collage with these images that communicates their subconscious thoughts and feelings about the topic. The results often profoundly influence marketing actions, as the following three examples illustrate:

- In a ZMET study about pantyhose for marketers at DuPont, some respondents' pictures showed fence posts encased in plastic wrap or steel bands strangling trees, suggesting that pantyhose are tight and inconvenient. But another picture showed tall flowers in a vase, suggesting that the product made a woman feel thin, tall, and sexy. The "love-hate" relationship in these and other pictures suggested a more complicated product relationship than the DuPont marketers had assumed.
- A ZMET study of Nestlé Crunch revealed that—besides the obvious associations to a small indulgence in a busy world, a source of quick energy, and something that just tasted good—the candy bar was also seen as a powerful reminder of pleasant childhood memories.
- When Motorola conducted a ZMET study of a proposed new security system, study participants selected images of what they felt when they were secure. The Motorola researchers were struck by how many images of dogs showed up, suggesting that it might be appropriate to position the product as a companion.

Sources: Gerald Zaltman and Lindsay Zaltman, *Marketing Metaphors: What Deep Metaphors Reveal About the Minds of Consumers* (Boston: Harvard Business School Press, 2008); Daniel H. Pink, "Metaphor Marketing," *Fast Company*, March/April 1998, pp. 214–29; Brad Wieners, "Getting Inside—Way Inside—Your Customer's Head," *Business 2.0*, April 2003, pp. 54–55; Glenn L. Christensen and Jerry C. Olson, "Mapping Consumers' Mental Models with ZMET," *Psychology & Marketing* 19, no. 6 (June 2002), pp. 477–502; Emily Eakin, "Penetrating the Mind by Metaphor," *New York Times*, February 23, 2002.

"bubble exercises" in which empty bubbles, like those found in cartoons, appear in scenes of people buying or using certain products or services. Subjects fill in the bubble, indicating what they believe is happening or being said. Another technique is comparison tasks in which people compare brands to people, countries, animals, activities, fabrics, occupations, cars, magazines, vegetables, nationalities, or even other brands.

3. **Visualization**—Visualization requires people to create a collage from magazine photos or drawings to depict their perceptions.
4. **Brand personification**—Ask subjects what kind of person they think of when the brand is mentioned: "If the brand were to come alive as a person, what would it be like, what would it do, where would it live, what would it wear, who would it talk to if it went to a party (and what would it talk about?)" For example, the John Deere brand might make someone think of a progressive farmer who is exposed to the modern methods of farming in India. The brand personality delivers a picture of the more human qualities of the brand.
5. **Laddering**—A series of increasingly more specific "why" questions can reveal consumer motivation and consumers' deeper, more abstract goals. Ask why someone wants to buy a Nokia cell phone. "They look well built" (attribute). "Why is it important that the phone be well built?" "It suggests Nokia is reliable" (a functional benefit). "Why is reliability important?"

"Because my colleagues or family can be sure to reach me, you be available to them at all times?" "I can help them if they're in trouble (brand essence). The brand makes this person feel like a Good Samaritan, ready to help others." Marketers don't necessarily have to choose between qualitative and quantitative measures, however, and many marketers use both approaches, recognizing that their pros and cons can offset each other. For example, companies can recruit someone from an online panel to participate in an in-home use test in which the subject is sent a product and told to capture his or her reactions and intentions with both a video diary and an online survey.⁵⁴

Technological Devices There has been much interest in recent years in various technological devices. Galvanometers can measure the interest or emotions aroused by exposure to a specific ad or picture. The tachistoscope flashes an ad to a subject with an exposure interval that may range from less than one hundredth of a second to several seconds. After each exposure, the respondent describes everything he or she recalls. Eye cameras study respondents' eye movements to see where their eyes land first, how long they linger on a given item, and so on.

Technology has now advanced to such a degree that marketers can use devices such as skin sensors, brain wave scanners, and full body scanners to get consumer responses.⁵⁵ Some researchers study eye movements and brain activity of Web surfers to see which ads grab their attention.⁵⁶ "Marketing Insight: Understanding Brain Science" provides a glimpse into some new marketing research frontiers studying the brain.

Technology has replaced the diaries that participants in media surveys used to keep. Audiometers attached to television sets in participating homes now record when the set is on and to which channel it is tuned. Electronic devices can record the number of radio programs a person is exposed to during the day, or, using Global Positioning System (GPS) technology, how many billboards a person may walk or drive by during a day.

SAMPLING PLAN After deciding on the research approach and instruments, the marketing researcher must design a sampling plan. This calls for three decisions:

1. **Sampling unit: Whom should we survey?** In the Air India survey, should the sampling unit consist only of first-class business travelers, first-class vacation travelers, or both? Should it include travelers under age 18? Both traveler and spouse? Once they have determined the sampling unit, marketers must develop a sampling frame so everyone in the target population has an equal or known chance of being sampled.
2. **Sample size: How many people should we survey?** Large samples give more reliable results, but it's not necessary to sample the entire target population to achieve reliable results. Samples of less than 1 percent of a population can often provide good reliability, with a credible sampling procedure.
3. **Sampling procedure: How should we choose the respondents?** Probability sampling allows marketers to calculate confidence limits for sampling error and makes the sample more representative. Thus, after choosing the sample, marketers could conclude that "the interval five to seven trips per year has 95 chances in 100 of containing the true number of trips taken annually by first-class passengers flying between Chicago and Delhi."

CONTACT METHODS Now the marketing researcher must decide how to contact the subjects: by mail, by telephone, in person, or online.

Mail Contacts The *mail questionnaire* is one way to reach people who would not give personal interviews or whose responses might be biased or distorted by the interviewers. Mail questionnaires require simple and clearly worded questions. Unfortunately, the response rate is usually low or slow.

Telephone Contacts Telephone interviewing is a good method for gathering information quickly; the interviewer is also able to clarify questions if respondents do not understand them. Interviews for mailed questionnaires, telephone interviewing has typically been higher than growing antipathy toward telemarketers.

Personal Contacts Personal interviewing is the most versatile method. The interviewer can ask

Understanding Brain Science

As an alternative to traditional consumer research, some researchers have begun to develop sophisticated techniques from neuroscience that monitor brain activity to better gauge consumer responses to marketing. The term *neuromarketing* describes brain research on the effect of marketing stimuli. Firms with names such as NeuroFocus and EmSense are using EEG (electroencephalograph) technology to correlate brand activity with physiological cues such as skin temperature or eye movement and thus gauge how people react to ads.

Researchers studying the brain have found different results from conventional research methods. One group of researchers at UCLA used functional magnetic resonance imaging (fMRI) to measure how consumers' brains responded to 2006's Super Bowl advertisements. They found that the ads for which subjects displayed the highest brain activity were different from the ads with the highest stated preferences. Other research found little effect from product placement unless the products in question played an integral role in the storyline.

One major research finding to emerge from neurological consumer research is that many purchase decisions appear to be characterized less by the logical weighing of variables and more "as a largely unconscious habitual process, as distinct from the rational, conscious, information-processing model of economists and traditional marketing textbooks." Even basic decisions, such as the purchase of gasoline, seem to be influenced by brain activity at the subrational level.

Neurological research has been used to measure the type of emotional response consumers exhibit when presented with marketing stimuli. A group of researchers in England used an EEG to monitor cognitive functions related to memory recall and attentiveness for 12 different

regions of the brain as subjects were exposed to advertising. Brain wave activity in different regions indicated different emotional responses. For example, heightened activity in the left prefrontal cortex is characteristic of an "approach" response to an ad and indicates an attraction to the stimulus. In contrast, a spike in brain activity in the right prefrontal cortex is indicative of a strong revulsion to the stimulus. In yet another part of the brain, the degree of memory formation activity correlates with purchase intent. Other research has shown that people activate different regions of the brain in assessing the personality traits of people than they do when assessing brands.

By adding neurological techniques to their research arsenal, marketers are trying to move toward a more complete picture of what goes on inside consumers' heads. Although it may be able to offer different insights from conventional techniques, neurological research at this point is very costly, running as much as \$100,000 or even more per project. Given the complexity of the human brain, however, many researchers caution that neurological research should not form the sole basis for marketing decisions. These research activities have not been universally accepted. The measurement devices to capture brain activity can be highly obtrusive, such as with skull caps studded with electrodes, creating artificial exposure conditions. Others question whether they offer unambiguous implications for marketing strategy. Brian Knutson, a professor of neuroscience and psychology at Stanford University, compares the use of EEG to "standing outside a baseball stadium and listening to the crowd to figure out what happened." Other critics warn that if the methods do become successful, they will only lead to marketing manipulation by companies. Despite all this controversy, marketers' endless pursuit of deeper insights about consumers' responses to marketing virtually guarantees continued interest in neuromarketing.

Sources: Carolyn Yoon, Angela H. Gutchess, Fred Feinberg, and Thad A. Brand and Person Judgments," Journal of Consumer Research 33 (June pp. 31-40; Daryl Travis, "Tap Buyers' Emotions for Marketing Success," News, February 1, 2006, pp. 21-22; Deborah L. Vence, "Pick Someone Marketing News, May 1, 2006, pp. 11-13; Martin Lindstrom, *Buyology: Lies About Why We Buy* (New York: Doubleday, 2008); Tom Abate, "Can a Marketer Near You? Brain Scanning," San Francisco Chronicle, May Brian Sternberg, "How Couch Potatoes Watch TV Could Hold Clues Advertisers," Boston Globe, September 6, 2009, pp. G1, G3.

language. At the same time, however, personal interviewing is the most expensive method, is subject to interviewer bias, and requires more administrative planning and supervision. Personal interviewing takes two forms. In *arranged interviews*, marketers contact respondents for an appointment and often offer a small payment or incentive. In *intercept interviews*, researchers stop people at a shopping mall or busy street corner and request an interview on the spot. Intercept interviews must be quick, and they run the risk of including nonprobability samples.

Online Contacts An approach of increasing importance, the Internet offers many ways to do research. A company can embed a questionnaire on its Web site and offer an incentive to answer it, or it can place a banner on a frequently visited site such as Yahoo!, inviting people to answer some questions and possibly win a prize. Online product testing, in which companies float trial balloons for new products, is also growing and providing information much faster than traditional new-product marketing research techniques. The Bangalore Metro Rail Corporation Limited (BMRCL) used the Internet to conduct research for designing a new metro station. It launched

a design competition for students called Namma Metro-IIID Competition in association with the Institute of Indian Interior Designers. Students were to submit design ideas for the interiors of two major stations on the metro's network, named after Mahatma Gandhi and Swami Vivekananda.⁵⁷ The contest closed in February 2011.

Marketers can also host a real-time consumer panel or virtual focus group or sponsor a chat room, bulletin board, or blog and introduce questions from time to time. They can ask customers to brainstorm or have followers of the company on Twitter rate an idea. Online communities and networks of customers serve as a resource for a wide variety of companies. Insights from Kraft-sponsored online communities helped the company develop its popular line of 100-calorie snacks.⁵⁸ Here are two other examples.

- Del Monte tapped into its 400-member, handpicked online community called "I Love My Dog" when it was considering a new breakfast treat for dogs. The consensus request was for something with a bacon-and-egg taste and an extra dose of vitamins and minerals. Continuing to work with the online community throughout the product development, the company introduced fortified "Sausage Breakfast Bites" in half the time usually required to launch a new product.⁵⁹
- InterContinental Hotel Groups uses both surveys and communities to gather data on customer satisfaction. Online surveys provide actionable and speedy results to correct customer service issues; the online community provides a sounding board for more in-depth, longer-term research objectives.⁶⁰

Online research was estimated to make up 33 percent of all survey-based research in 2006, and Internet-based questionnaires also accounted for nearly one-third of U.S. spending on market research surveys in the same year.⁶¹ There are many other means to use the Internet as a research tool. The company can learn about individuals who visit its site by tracking how they *clickstream* through the Web site and move to other sites. It can post different prices, use different headlines, and offer different product features on different Web sites or at different times to learn the relative effectiveness of its offerings.

Yet, as popular as online research methods are, smart companies are choosing to use them to augment rather than replace more traditional methods. At Kraft Foods, online research is a supplement to traditional research, said Seth Diamond, director of consumer insights and strategy. "Online is not a solution in and of itself to all of our business challenges," he said, "but it does expand our toolkit."⁶²

There are a number of pros and cons to online research.⁶³ Here are some advantages:

- **Online research is inexpensive.** A typical e-mail survey can cost between 20 percent and 50 percent less than what a conventional survey costs, and return rates can be as high as 50 percent.
- **Online research is fast.** Online surveys are fast because the survey can automatically direct respondents to applicable questions and transmit results immediately. One estimate says an online survey can generate 75 percent to 80 percent of the targeted response in 48 hours, compared to a telephone survey that can require 70 days to obtain 150 interviews.
- **People tend to be honest and thoughtful online.** People may be more open about their opinions when they can respond privately and not to another person whom they feel might be judging them, especially on sensitive topics (such as, "how often do you bathe or shower?"). Because they choose when and where they take the survey and how much time to devote to each question, they may be more relaxed, introspective, and candid.
- **Online research is versatile.** Increased broadband penetration offers online research even more flexibility and capabilities. For instance, virtual reality software lets visitors inspect 3-D models of products such as cameras, cars, and medical equipment and manipulate product characteristics. Even at the basic tactile level, online surveys can make answering a questionnaire easier and more fun than paper-and-pencil versions. Online community blogs allow customer participants to interact with each other.

Some disadvantages include:

- **Samples can be small and skewed.** Some 40 percent of households were without broadband Internet access in the United States in 2009; the percentage is even higher among lower-income groups, in rural areas, and in most parts of Asia, Latin America, and Central and Eastern Europe, where socioeconomic and education levels also differ.⁶⁴ The number of active Internet users in India is estimated at about 240 million (200 million fixed-line users and 40 million on

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obile phones) in October 2011, with about 63 million fixed Internet accounts and 15 million mobile accounts.⁶⁵ Although it's certain that more and more people will go online, online market researchers must find creative ways to reach population segments on the other side of "digital divide." One option is to combine offline sources with online findings. Providing temporary Internet access at locations such as malls and recreation centers is another strategy. Some research firms use statistical models to fill in the gaps in market research left by offline consumer segments.

Online panels and communities can suffer from excessive turnover. Members may become tired with the company's efforts and flee. Or perhaps even worse, they may stay but only half-heartedly participate. Panel and community organizers are taking steps to address the quality of the panel and the data they provide by raising recruiting standards, downplaying incentives, and carefully monitoring participation and engagement levels. New features, events, and other activities must be constantly added to keep members interested and engaged.⁶⁶

Online market research can suffer from technological problems and inconsistencies. Problems can arise with online surveys because browser software varies. The Web designer's final product may look very different on the research subject's screen.

online researchers have also begun to use text messaging in various ways—to conduct a chat with a respondent, to probe more deeply with a member of an online focus group, or to direct respondents to a Web site.⁶⁷ Text messaging is also a useful way to get teenagers to open up on topics.

Step 3: Collect the Information

The data collection phase of marketing research is generally the most expensive and the most prone to error. Marketers may conduct surveys in homes, over the phone, via the Internet, or at a central interviewing location like a shopping mall. Four major problems arise in surveys. Some respondents will be away from home or otherwise inaccessible and must be contacted again or replaced. Other respondents will refuse to cooperate. Still others will give biased or dishonest answers. Finally, some interviewers will be biased or dishonest.

Internationally, one of the biggest obstacles to collecting information is the need to achieve consistency.⁶⁸ Latin American respondents may be uncomfortable with the impersonal nature of the Internet and need interactive elements in a survey so they feel they're talking to a real person. Respondents in Asia, on the other hand, may feel more pressure to conform and may therefore not be as forthcoming in focus groups as online. Sometimes the solution may be as simple as ensuring the right language is used.

Consider the research approach adopted by researchers in Bangalore, India:



Gem Research Global Entrepreneurship Monitor (GEM) research, conducted in India by the Indian Institute of Management Bangalore, targeted respondents from different states and different strata of society to bring representativeness in the responses. So, the initial questionnaire developed in English was translated into several Indian languages including Kannada, Tamil, Telugu, Gujarati, Hindi, and Bangla. These were then used for collecting data on entrepreneurial activities.

Step 4: Analyze the Information

The next-to-last step in the process is to extract findings by tabulating the data and developing summary measures. The researchers now compute averages and measures of dispersion for the major variables and apply some advanced statistical techniques and decision models in the hope of discovering additional findings. They may test different hypotheses and theories, applying sensitivity analysis to test assumptions and the strength of the conclusions.

Step 5: Present the Findings

As the last step, the researcher presents findings relevant to the major marketing decisions facing management. Researchers increasingly are being asked to play a more proactive, consulting role in translating data and information into insights and recommendations.⁶⁹ They're also considering

ways to present research findings in as understandable and compelling a fashion as possible. "Marketing Insight: Bringing Marketing Research to Life with Personas" describes an approach that some researchers are using to maximize the impact of their consumer research findings.

Step 6: Make the Decision

Research findings only provide additional information and insight to managers. Depending on their confidence in the findings, managers decide to use it, discard it, or carry out more research (see Table 3.8). "Marketing Insight: Researching Rural Markets" provides some guidelines for planning research in rural markets in India.⁷⁰

Some organizations use marketing decision support systems to help their marketing managers make better decisions. MIT's John Little defines a **marketing decision support system (MDSS)** as a coordinated collection of data, systems, tools, and techniques, with supporting software and hardware, by which an organization gathers and interprets relevant information from business

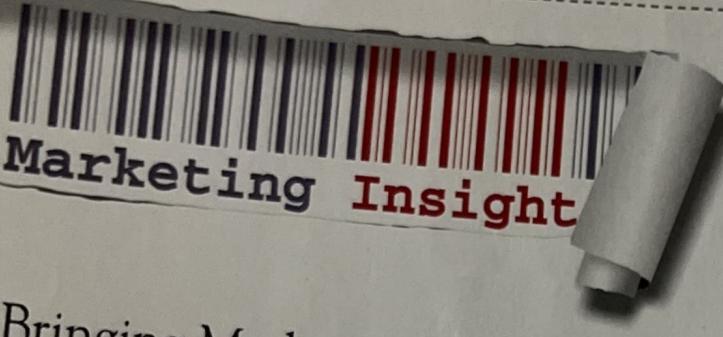
- Unilever's biggest and most successful hair-care launch, for Sunsilk, was aided by insights into the target consumer, the company dubbed "Katie." The Katie persona outlined the twenty-something female's hair-care needs, but also her perceptions and attitudes and the way she dealt with her everyday life "dramas."

Although personas provide vivid information to aid marketing decision making, marketers also have to be careful to not overgeneralize. Any target market may have a range of consumers who vary along a number of key dimensions. To accommodate these potential differences, researchers sometimes employ two to six personas. Best Buy used multiple personas to help redesign and relaunch GeekSquad.com, the online site, of its fast-growing national computer-support service. Using quantitative, qualitative, and observational research, the firm developed five online customer personas to guide its Web redesign efforts:

- "Jill"—a suburban mom who uses technology and her computer daily and depends on the Geek Squad as an outsourced service akin to a landscape or plumber.
- "Charlie"—a 50-plus male who is curious about and interested in technology but needs an unintimidating guide.
- "Daryl"—a technologically savvy hands-on experimenter who occasionally needs a helping hand with his tech projects.
- "Luis"—a time-pressed small-business owner whose primary goal is to complete tasks as expediently as possible.
- "Nick"—a prospective Geek Squad agent who views the site critically and needs to be challenged.

To satisfy Charlie, a prominent 911 button was added to the upper right-hand corner in case a crisis arose, but to satisfy Nick, Best Buy created a whole channel devoted to geek information.

Sources: Dale Buss, "Reflections of Reality," *Point* (June 2006), pp. 10–11; Todd Wasserman, "Unilever, Whirlpool Get Personal with Personas," *Brandweek*, September 18, 2006, p. 13; Daniel B. Honigman, "Persona-fication," *Marketing News*, April 1, 2008, p. 8. Rick Roth, "Take Back Control of the Purchase," *Advertising Age*, September 3, 2007, p. 13. Lisa Sanders, "Major Marketers Get Wise to the Power of Assigning Personas," *Advertising Age*, April 9, 2007, p. 36.



Bringing Marketing Research to Life with Personas

To bring all the information and insights they have gained about their target market to life, some researchers are employing personas. Personas are detailed profiles of one, or perhaps a few, hypothetical target market consumers, imagined in terms of demographic, psychographic, geographic, or other descriptive attitudinal or behavioral information. Researchers may use photos, images, names, or short bios to help convey the particulars of the persona.

The rationale behind personas is to provide exemplars or archetypes of how the target customer looks, acts, and feels that are as close-to-life as possible, to ensure marketers within the organization understand and appreciate their target market and therefore incorporate a target-customer point of view in all their marketing decision-making. Consider some applications:

Chrysler designed rooms for two fictional characters—28-year-old single male Roberto Moore and 30-year-old pharmaceutical rep Jenny Sieverson—and decorated them to reflect the personality, lifestyles, and brand choices of these key targets for the Dodge Caliber and Jeep Compass.

Specialty tool and equipment maker Campbell Hausfeld relied on the many retailers it supplied, including Home Depot and Lowe's, to help keep in touch with consumers. After developing eight consumer profiles, including a female do-it-yourselfer and an elderly consumer, the firm was able to successfully launch new products such as drills that weighed less or that included a level for picture hanging.