Marketing Research

Applied Insight

Sixth Edition

Daniel Nunan
David F. Birks
Naresh K. Malhotra

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Brief contents

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Preface

What's new in this edition?

Working as a marketing researcher remains an intellectually stimulating, creative and rewarding career. Marketing research is a huge and growing industry at the forefront of innovation in many sectors of the economy. However, few industries can have been presented with as many challenges and opportunities as those faced by marketing research due to the growing amounts of data generated by modern technology.

Founded upon the enormously successful US edition, and building upon the previous five European editions, the sixth edition of this book seeks to maintain its position as the leading marketing research text, focused on the key challenges facing marketing research in a European context. As with previous editions, this aims to be comprehensive, authoritative and applied. As a result, the book covers all the topics in previous editions while including updates that reflect the changes and challenges that have impacted the marketing research sector since the fifth edition was published. This includes the impact of new technologies, the growth of 'insight' and the shifting role of research ethics, for example, through considering the impact of GDPR. This edition has been significantly updated, with new content, updated cases studies and a major focus on the issues and methods generated by new technologies.

Integrated learning package

If you take advantage of the following special features, you should find this text engaging, thought provoking and even fun:

1 *Balanced orientation.* This book contains a blend of scholarship and a highly applied and managerial orientation, showing how researchers apply concepts and techniques and how managers use their findings to improve marketing practice. In each chapter, we discuss real marketing research challenges to support a great breadth of marketing decisions.

2 *Real-life examples.* Real-life examples ('Real research' boxes) describe the kind of marketing research that companies use to address specific managerial problems and how they implement research to great effect.

3 *Hands-on approach.* You will find more real-life scenarios and exercises in every chapter. The end-of-chapter exercises challenge you to research online and role play as a researcher and a marketing manager. You can tackle real-life marketing situations in which you assume the role of a consultant and recommend research and marketing management decisions.

4 *International focus.* Reflecting the increasingly globalised nature of marketing research, the book contains examples and cases from around the world and embeds key cross-cultural issues within the wider discussion of research techniques and methods.

5 *Contemporary focus.* We apply marketing research to current challenges, such as customer value, experiential marketing, satisfaction, loyalty, customer equity, brand equity and management, innovation, entrepreneurship, relationship marketing, creativity and design and socially responsible marketing.

6 *Instructor's manual.* The Instructor's manual is very closely tied to the text, but is not prescriptive in how the material should be handled in the classroom. The manual offers teaching suggestions, answers to end-of-chapter questions, discussion points. The manual includes PowerPoint slides, incorporating key figures and tables.

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1

Introduction to marketing research and insight

Stage 1
Problem definition

Stage 2
Research approach developed

Stage 3
Research design developed

Stage 4
Fieldwork or data collection

Stage 5
Data integrity and analysis

Stage 6
Communicating research findings

Marketing research supports decision making through collecting, analysing and interpreting information to identify and solve marketing problems.

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Objectives

After reading this chapter, you should be able to:

1. understand the nature and scope of marketing research and its role in supporting marketing decisions;
2. describe a conceptual framework for conducting marketing research, as well as the steps in the marketing research process;
3. distinguish between problem-identification and problem-solving marketing research;
4. appreciate the impact that technology is having on the marketing research industry;
5. understand the types and roles of research suppliers, including internal and external, full-service and limited-service suppliers;
6. appreciate the skills that researchers will need to succeed in the future world of marketing research.

Overview

When you hear the term marketing research what activities come to mind? People with clipboards stopping you on the street to ask for your opinion? Reading the results of a political opinion poll in the news? An email asking you to complete a customer satisfaction survey from a restaurant you have visited? All of these activities represent traditional types of marketing research activities, but they don't even begin to capture the range and breadth of activities that encompass marketing research today. At its core, marketing research is about using research techniques to generate insights about consumers that support the marketing decision-making process. Marketing research plays a key role in contemporary business success. For companies who fail to understand their customers the consequences are serious. Recent studies have shown that the most common reason that new businesses fail is a lack of 'product-market fit'.[1] In other words, through having failed to understand the market they are addressing, the companies have developed a product or service for which there was insufficient demand.

In this chapter, we introduce the concept of marketing research, emphasising its key role in supporting marketing decision making. We discuss formal definitions of marketing research and show how these link to a six-stage description of the marketing research process. This description is extended to illustrate many of the interconnected activities in the marketing research process. We then subdivide marketing research into two areas: problem-identification and problem-solving research. Finally, an overview of the global marketing research sector is provided, including details of expenditure and key research firms.

The marketing research sector (also known as the market research or insight sector – we cover the different use of these terms later in this chapter) is going through a huge period of change. Much of this change derives from adoption of new technologies. The growth in internet-based communication, the shift to mobile computing and the emergence of 'big data' have raised questions over whether traditional research techniques still work. However, technology is not the only source of change. It is getting more difficult to persuade people to take part in research, due to concerns over personal data and 'survey fatigue' driven by an over-use of surveys. However, change also brings opportunity. There is a huge innovation in research techniques including those carried out through social media research, research based on images and video and the emergence of automated research driven by AI (artificial intelligence). Above all, with organisations being awash with data, the need for researchers skilled in being able to turn these data into useful – and actionable – insight has become a valued skill.

What does 'marketing research' mean?

The term 'marketing research' is broad in meaning and application. This breadth will be explored and illustrated throughout this chapter. What will become apparent is that it is related to supporting marketing decision making in many traditional and new ways. The following examples illustrate some of the different contexts in which marketing research can be applied.

Real research

Identifying a market for e-bike

Evans Cycles, a leading bicycle retailer, wanted to take advantage of the potential for the emerging market for electric bicycles. An electric bicycle, or e-bike, is a bicycle with a small built-in electric motor. Whilst the rider still needs to pedal, the motor provides assistance to reduce the effort required to cycle, particularly uphill. The challenge was identifying a market for this application of new technology to a familiar product.[2]

To address this marketing problem Evans Cycles first used data from consumer-focused strategy tool Hitwise AudienceView to identify potential audiences. Following this, online qualitative research was carried out identifying the potential market for e-bikes as being men over 35. Within this two potential consumer needs were identified: people wanting to keep riding as they got older, and commuters wanting a way to have a healthy way to get to work without the physical effort of normal cycling. These insights were used to develop an online video campaign that resulted in widespread coverage and an ROI (return on investment) of nearly 800%.[3]

Real research

Market Research at Apple

Steve Jobs, Apple CEO and founder, was one of the most influential business leaders of modern times. Through innovations such as the iPhone and iPad he grew Apple from a struggling computer maker to become the world's most highly valued company. He was also renowned for claiming that market research was not effective at Apple. He was famously quoted as saying:

Source: dennizn/Alamy Stock Photo

> *Some people say, 'Give the customers what they want.' But that's not my approach. Our job is to figure out what they're going to want before they do. I think Henry Ford once said, 'If I'd asked customers what they wanted, they would have told me, "A faster horse!"' People don't know what they want until you show it to them. That's why I never rely on market research. Our task is to read things that are not yet on the page.*[4]

Many people will use this quote from Steve Jobs when criticising market research. However, it doesn't quite tell the whole story. Information that came to light after Steve Jobs' death found that Apple carried out a lot of market research to better understand what customers thought about both its products and competitors.[5] As it turns out, what Steve Jobs was talking about was the role of focus groups in developing completely new and innovative products, such as the iPhone, where a customer lacks knowledge of what the product can actually do.

Real research

Customer service on London buses

Source: Tonobalaguer/123RF

London's bus network is one of the world's largest, carrying more than 6.5 million passengers each day using a fleet of over 8,600 (mostly red) buses. The network is overseen by Transport for London (TfL) and keeping so many customers happy is not an easy job. TfL relies on research to make sure it understands the customer experience. TfL realised that, despite major investment, thousands of customers were contacting it each month to complain about the service received. Working with agency research partners, TfL was able to bring together data from a wide range of sources including complaints data, social media analysis, customer satisfaction surveys, customer experience ethnographies, driver depth interviews and observations and bus staff surveys.

Analysis of this data, particularly that of social media data, found that customers viewed their interactions with employees as nearly as important as the reliability of bus services or the range of routes offered. Many complaints were due to bus drivers not always stopping when expected or poor communication when something went wrong, such as a delay or disruption. On the other hand, analysis of employee data showed that bus drivers viewed their role as functional – simply driving the bus!

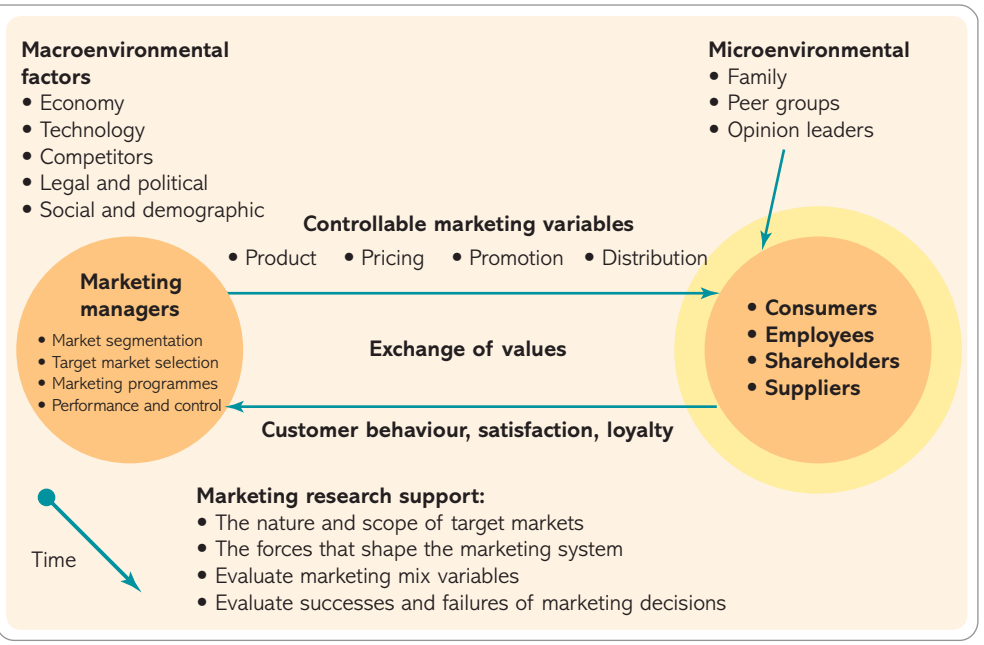
Research identified the disconnect, which was then addressed via a series of workshops to help bus drivers understand the importance of customer experience and develop customer service skills. Follow-up research six months later indicated that the workshops had significantly increased employees' engagement with customers.[6]

These examples illustrate the variety of methods used to conduct marketing research, which may range from highly structured surveys with large samples to open-ended, in-depth interviews with small samples; from the collection and analysis of readily available data to the generation of 'new' quantitative and qualitative data; from personal face-to-face interactions to remote observations and interactions with consumers via the internet; from small local studies to large global studies. As is best highlighted by the case of Apple, marketing research techniques can't be used to solve all business problems, but every company, even Apple, has a place for marketing research. This book will introduce you to the full complement of marketing research techniques and challenges. These examples also illustrate the crucial role played by marketing research in designing and implementing successful marketing plans. This book will introduce you to a broad range of marketing applications supported by marketing research.

The role of marketing research can be better understood in light of a basic marketing paradigm depicted in Figure 1.1. The emphasis in marketing, as illustrated in the TfL example above, is on understanding customer experiences and the delivery of satisfaction. To understand customer experiences and to implement marketing strategies and plans aimed at delivering satisfying experiences, marketing managers need information about customers, competitors and other forces in the marketplace. In recent years, many factors have increased the need for more accurate and timely information. As firms have become national and international in

Figure 1.1

The role of marketing research within the marketing system



scope, the need for information on larger and more distant markets has increased. As consumers have become more affluent, discerning and sophisticated, marketing managers need better information on how they will respond to new products and other new experiences. As competition has become more intense, managers need information on the effectiveness of their marketing tools. As the environment is changing more rapidly, marketing managers need more timely information to cope with the impact of these changes.

Marketers make decisions about what they see as potential opportunities and problems, i.e. a process of identifying issues. They go on to devise the most effective ways to realise these opportunities and overcome problems they have identified. They do this based on a 'vision' of the distinct characteristics of the target markets and customer groups. From this 'vision' they develop, implement and control marketing programmes. This 'vision' of markets and subsequent marketing decisions may be complicated by the interactive effects of an array of environmental forces that shape the nature and scope of target markets. These forces also affect the marketers' ability to deliver experiences that will satisfy their chosen target markets. Within this framework of decision making, marketing research helps the marketing manager link the marketing variables with their environment and customer groups. It helps remove some of the uncertainty by providing relevant information about marketing variables, environment and consumers.

The role of the researcher in supporting the marketing decision maker can, therefore, be summarised as helping to:

- describe the nature and scope of customer groups;
- understand the nature of forces that shape customer groups;
- understand the nature of forces that shape the marketer's ability to satisfy targeted customer groups;
- test individual and interactive variables that shape consumer experiences;
- monitor and reflect upon past successes and failures in marketing decisions.

Traditionally, researchers were responsible for designing and crafting high-quality research and providing relevant information support, while marketing decisions were made by the managers. However, in modern fast-moving organisations, distinction between these roles has become blurred. Researchers are becoming more aware of decision making; conversely,

marketing managers are becoming more aware of research and the use of an eclectic array of data sources that can support their decision making. This trend can be attributed to better training of marketing managers and advances in technology; the advances in technology are a theme that we will discuss in more detail throughout the text. There has also been a shift in the nature and scope of marketing research. Increasingly marketing research is being undertaken not only on an ongoing basis but on a 'real-time' basis, rather than a traditional notion of research being in response to specific marketing problems or opportunities.[7] Major shifts are occurring in the marketing research industry that are impacting upon the perceived nature and value of marketing research. The nature of these shifts and their impact upon new approaches to marketing research will be addressed later in this chapter. The current and developing role of marketing research is recognised in its definition.

Marketing research in context

While the term 'marketing research' is relatively recent, the concepts that underlie it are not new. As long as the opinions of the public have mattered, and traders have had a need to improve their sales, some form of research has been undertaken. The bustling markets of ancient Rome have been characterised as a market economy, with traders seeking competitive advantage while dealing with suppliers, farmers and craftsmen in distant lands. As today, information on the prices consumers were willing to pay for certain products was valuable to traders and considerable effort was spent on gathering and exchanging such information.[8] Even many modern research techniques have origins far into the past. The Domesday Book, a research project completed in 1086 for the English King William the Conqueror, contained details of land holdings in England and Wales. Perhaps Europe's oldest and most valuable statistical document, the original, and less ominous, name of the book was *descriptio* – the Latin word for 'survey'.

Examples of modern research techniques can be found in the use of opinion polls in the USA in the 1820s. Questionnaires were being used widely to gauge consumer opinion of advertising as early as the 1890s.[9] Use of market research began to become widespread from 1910–20 and it is generally accepted that the marketing research industry was well embedded in commercial life by the 1930s.[10] Thus, when professional associations such as ESOMAR or the UK's market research society (MRS) were established in the late 1940s, it didn't represent the beginning of marketing research but rather the capstone on a longer period of development.

The important point here is that marketing research has been a well-established part of commercial life for more than 100 years. It has successfully navigated the huge social, political and economic changes facing the world over this period and has continued to prosper. From television to the internet, marketing research has adapted to each new set of technologies, while the key focus on producing high-quality actionable research, and doing so with integrity, has remained.

Definition of marketing research

You might ask why we need a definition of marketing research – isn't it obvious? The challenge is that when many managers think about marketing research, they focus on the data collection aspects of research. This ignores the importance of a wider research process and doesn't tell us how marketing research might differ from other marketing activities. To understand these issues we can review two common definitions of marketing research. You might note that the first definition uses the term 'market research', while the second talks about 'marketing research'; we will come back to this point later in this section. The first is from

ESOMAR (originally the European Society for Opinion and Market Research), a global membership organisation for research firms and practitioners:

> *Market research, which includes social and opinion research, is the systematic gathering and interpretation of information about individuals or organisations using the statistical and analytical methods and techniques of the applied sciences to gain insight or support decision making. The identity of respondents will not be revealed to the user of the information without explicit consent and no sales approach will be made to them as a direct result of their having provided information.*[11]

Several aspects of this definition are noteworthy. It includes opinion and social research within its definition, meaning that it's not only for-profit companies that undertake market research. Charities, governments and other third- or public-sector organisations are also important users of research. Secondly, it makes it clear that the principle of anonymity applies to market research and that the identity of those partaking in research will not be revealed. Finally, it highlights the importance of gaining consent from research participants and not selling directly to them as a result of partaking in research. Consent and anonymity are key concepts of market research and we will return to them throughout this text.

Our second definition comes from the American Marketing Association (AMA):

Marketing research
The function that links the consumer, customer, and public to the marketer through information – information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve understanding of marketing as a process. Marketing research specifies the information required to address these issues, designs the method for collecting information, manages and implements the data collection process, analyzes the results, and communicates the findings and their implications.

> **Marketing research** *is the function that links the consumer, customer, and public to the marketer through information – information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve understanding of marketing as a process. Marketing research specifies the information required to address these issues, designs the method for collecting information, manages and implements the data collection process, analyzes the results, and communicates the findings and their implications.*[12]

This definition has several aspects that differentiate it from the previous ESOMAR definition. It stresses the role of marketing research as a process of 'linking' the marketer to the consumer, customer and public to help improve the whole process of marketing decision making. It also sets out the challenges faced by marketing decision makers and thus where research support can help them make better decisions, and/or decisions with lower risks. Notably, it also alludes to the ethical issues surrounding market research (which will be covered in depth in Chapter 30).

We should remember that definitions often reflect the interests of those who create them. ESOMAR exists to look after and promote the interests of its members, so it is not surprising that in defining marketing research it seeks to position it as something *separate* from marketing. On the other hand, the AMA takes a more integrative view of marketing research as part of marketing activity. With this in mind, neither definition is 'best' – they simply take different perspectives and both give us a useful understanding as to the scope of marketing research.

One area of potential confusion is with distinctions between *marketing* research and *market* research. These distinctions are largely geographic, with researcher practitioners in Europe preferring 'market research' and those in the USA 'marketing research'. However, behind the semantics of the exact words used there are differing views on how the industry should be seen. 'Market research' is more closely associated with a distinct research industry and good practice. On the other hand, the AMA definition's use of 'marketing research' refers to the broader consumer context that drives the undertaking of research. While there were once a number of regional differences reflecting local research cultures in different markets, as commerce has become increasingly globalised so too has the use of language. This means that 'marketing research' has become increasing commonly used around the world while, even within Europe, 'market research' and 'marketing research' are often used interchangeably.

Another term that is increasingly used is 'insight'. For many years, marketing and market research professionals have been associated with 'consumer insight', as illustrated by the following example from Diageo. The growth in the use of the term 'insight', often instead of

'market research' or 'marketing research' reflects a growing focus on the output of research rather than the research process itself. This also recognises the increasingly broad and diverse array of techniques and sources being used to support marketing decision making.

Real research

What consumer insight means to Diageo[13]

Diageo's (www.diageo.com) strong belief is that in order to be a world-class company, it all starts with the consumer: 'Knowing them, understanding them, understanding their motivations, understanding what drives them, and subsequently utilising this information to better serve consumers'. 'Consumer insight' is at the heart of what they see makes them a world-class company. Consumer insight, as defined by Diageo, is: 'A penetrating discovery about consumer motivations, applied to unlock growth':

- Penetrating – same data, but much deeper understanding.
- Discovery – ah-ha! eureka!
- Motivations – understand the why?
- Applied – leveraged for their brands.
- Growth – organic from brand strategies based on deep consumer understanding.

Source: Renkema, R. and Zwikker, C., 'Development of a new brand concept', ESOMAR Consumer Insights Conference (March 2003).

At the core of the definitions of marketing and market research is an understanding of the consumer and what shapes consumers. Regardless of whether a research professional is defined as a 'marketing researcher', 'market researcher' or 'consumer insight manager', the focus upon consumers comes first. In this book we shall use the term marketing research, but it should be considered interchangeable with 'market research' or 'insight'.

Marketing research process
A set of six steps that define the tasks to be accomplished in conducting a marketing research study. These include problem definition, developing a research approach, research design, fieldwork or data collection, data analysis and communicating research findings.

One of the major qualities of the American Marketing Association's definition of marketing research is its use of the **marketing research process**. The process is founded upon an understanding of the marketing decision(s) needing support. From this understanding, research aims and objectives are defined. To fulfil defined aims and objectives, an approach to conducting the research is established. Next, relevant information sources are identified and a range of data collection methods are evaluated for their appropriateness, forming a research design. The data are collected using the most appropriate method(s); they are analysed and interpreted, and inferences are drawn. Finally, the findings, implications and recommendations are provided in a format that allows the information to be used for marketing decision making and to be acted upon directly.

It is important that marketing research should aim to be objective. It should attempt to provide accurate information in an impartial manner. Although research is always influenced by the researcher's research philosophy, it should be free from personal or political biases of the researcher or decision makers. Research motivated by personal or political gain involves a breach of professional standards. Such research is deliberately biased to result in predetermined findings. The motto of every researcher should be 'Find it and tell it like it is'. Second, it is worth noting the term 'total field of information'. This recognises that marketing decisions are not exclusively supported by marketing research. There are other means of information support for marketers, from management consultants, raw-data providers such as call centres, direct marketing, database marketing telebusinesses and social media. These alternative forms of support are now competing with the 'traditional' view of marketing research. The methods of these competitors may not be administered with the same scientific rigour and/or ethical standards applied in the marketing research industry. Nonetheless, many marketing decision makers are increasingly using these other sources, which collectively are changing the nature of skills demanded in researchers.

The marketing research process

The marketing research process consists of six stages. Each of these stages is developed in more detail in subsequent chapters. As a result, the discussion here is brief. The process illustrated in Figure 1.2 is of the marketing research process seen in simple stages. Figure 1.3 takes the process a stage further to show the many iterations and connections between stages. This section will explain the stages and illustrate the connections between the stages.

Step 1: Problem definition. The logical starting point in wishing to support the decision maker is trying to understand the nature of the marketing problem that requires research support. Marketing decision problems are not simple 'givens' (as will be discussed in Chapter 2). Many researchers are surprised to learn that clearly defining a research problem can be the most challenging stage in a research project. The symptoms and causes of a business problem are not, in reality, as neatly presented as they may be in a case study, such as those found in marketing textbooks. In Figure 1.3, the first three stages show the iterations between the environmental context of the problem, the marketing decision problem and the marketing research problem. Understanding the environmental context of the problem has distinct stages (which will be discussed in Chapter 2). It involves discussion with decision makers, in-depth interviews with industry experts and the collection and analysis of readily available published information (from both inside and outside the firm). Once the problem has been precisely defined, the researcher can move on to designing and conducting the research process with confidence.

Step 2: Developing a research approach. The development of an approach to the research problem involves identifying factors that influence research design. A key element of this step involves the selection, adaptation and development of an appropriate theoretical

Figure 1.2

Simple description of the marketing research process

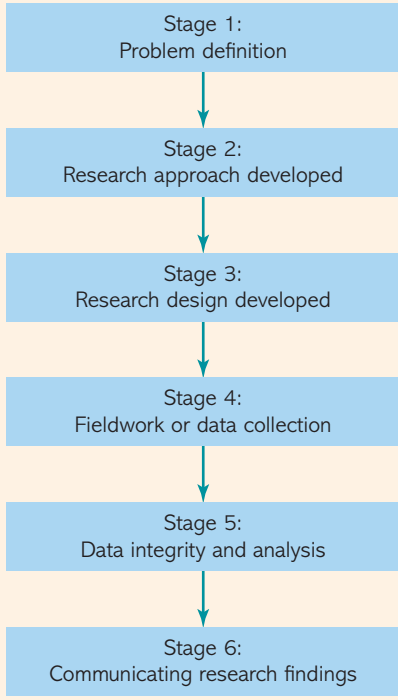
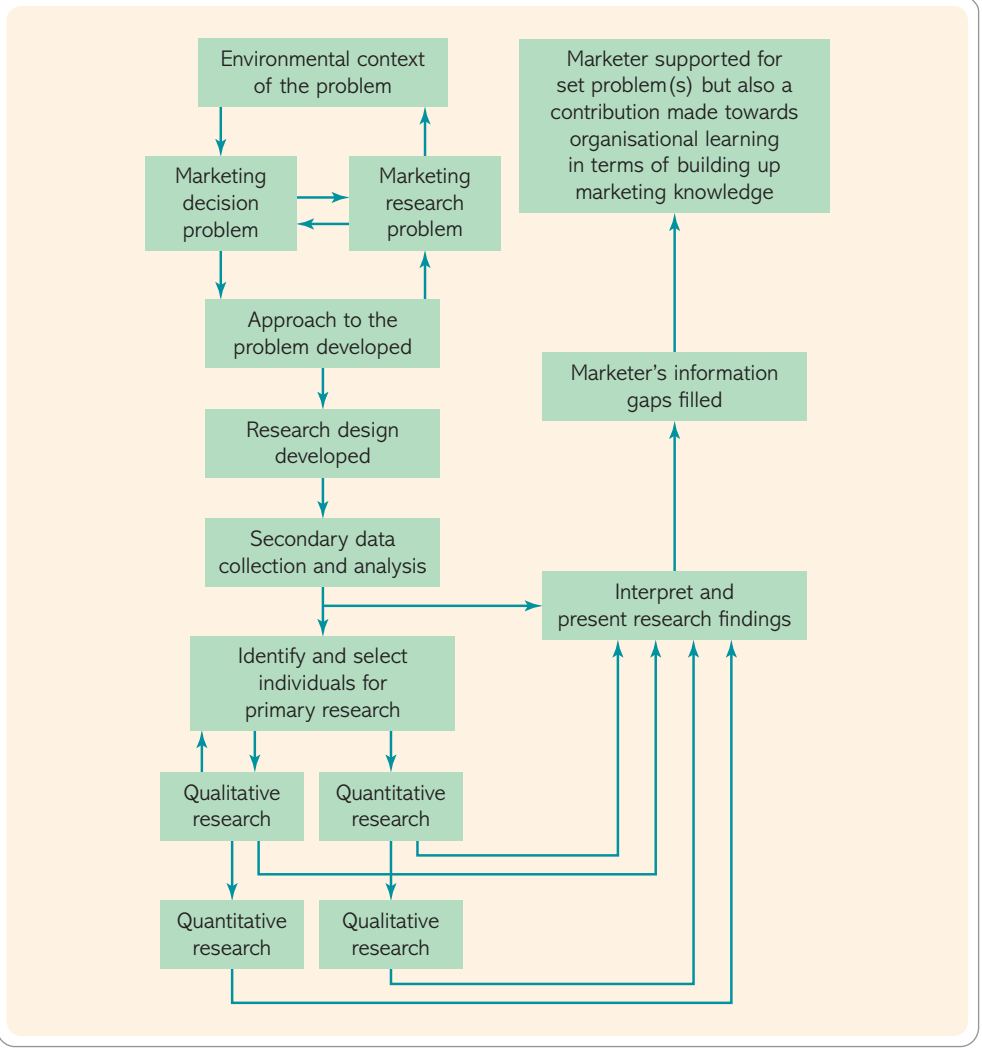


Figure 1.3

The marketing research process, detailing iterations between stages



framework to underpin a research design. Understanding the interrelated characteristics of the nature of target participants, the issues to be elicited from them and the context in which this will happen relies upon 'sound' theory. 'Sound' theory helps the researcher to decide 'what should be measured or understood' and 'how best to encapsulate and communicate the measurements or understandings'. In deciding what should be either measured or encapsulated, the researcher also develops a broad appreciation of how the data collected will be analysed. (The issues involved in developing an approach are tackled in more detail in Chapter 2.)

Step 3: Research design. A research design is a framework or blueprint for conducting a marketing research project. It details the procedures necessary for obtaining the required information. Its purpose is to establish a study design that will either test the hypotheses of interest or determine possible answers to set research questions, and ultimately provide the information needed for decision making. The issue of how the data should be obtained from the participants (e.g. by conducting a survey, experiment, interview or other techniques) must be addressed. (These steps are discussed in detail in Chapters 3 to 13.)

Step 4: Fieldwork or data collection. In Figure 1.2, this stage could be simplified to 'collecting the required data'. In Figure 1.3, a whole array of relationships between stages of data

collection is shown, starting at secondary data collection and analysis through to quantitative research or qualitative research. The process starts with a more thorough collection and analysis of secondary data sources. Secondary data are data collected for some other purpose than the problem at hand. They may be held within the organisation as databases that detail the nature and frequency of customer purchases, through to surveys that may have been completed some time ago that may be accessed through libraries or through online sources. Going through this stage avoids replication of work and gives guidance in sampling plans and in deciding what to measure or encapsulate using quantitative or qualitative techniques. Secondary data collection and analysis may complete the research process, i.e. sufficient information may exist to interpret and report findings to a point whereby the information gaps that the decision maker has are filled. Secondary data form a vital foundation and essential focus to primary data collection.

In Figure 1.3, the stage of 'Identify and select individuals for primary research' covers sampling issues for both quantitative and qualitative studies. This stage may include the selection of individuals for in-depth qualitative research. In qualitative research, issues of 'representativeness' are less important than the quality of individuals targeted for investigation and the quality of response elicited. However, as can be seen from the line leading up from 'Qualitative research' to 'Identify and select individuals for primary research', the qualitative research process may help in the identification and classification of individuals who may be targeted using more formal sampling methods. (These sampling methods are covered in detail in Chapters 14 and 15.)

Beyond the issues of identifying and selecting individuals, the options available for primary data collection vary considerably. A stage of qualitative research alone may be sufficient to support the decision maker, as indeed could a stage of quantitative research. In their own right, qualitative techniques do not necessarily have to be followed by a survey or quantitative work to confirm the observations. (In-depth interviewing will be described and evaluated in Chapter 8.)

A research problem may require a stage of qualitative and quantitative research to run concurrently, perhaps measuring and encapsulating different characteristics of the problem under investigation. Alternatively, a stage of qualitative research could be used to precede a stage of quantitative research. For example, a sequence of focus groups may help to generate a series of statements or expectations that are subsequently tested out in a survey to a representative sample. Conversely, a survey may be conducted and, upon analysis, there may be clear, statistically significant differences between two distinct target markets. A series of qualitative in-depth interviews may follow to allow a fuller exploration and understanding of the reasons for the differences between the two groups.

Step 5: Data analysis. Data preparation includes the editing, coding, transcription and verification of data. This is perhaps the least glamorous aspect of market research but is critical in ensuring the integrity and accuracy of findings. In Figure 1.3, this stage is not drawn out as a distinct stage in its own right, but is seen as integral to the stages of secondary data collection and analysis through to quantitative research or qualitative research. The process of data integrity and analysis is essentially the same for both quantitative and qualitative techniques, for data collected from both secondary and primary sources. Considerations of data analysis do not occur after data have been collected; such considerations are an integral part of the development of an approach, the development of a research design and the implementation of individual quantitative or qualitative methods. If the data to be collected are qualitative, the analysis process can occur as the data are being collected, well before all observations or interviews have been completed. An integral part of qualitative data preparation and analysis requires researchers to reflect upon their own learning and the ways they may interpret what they see and hear. (These issues will be developed in Chapters 6 to 9.)

If the data to be analysed are quantitative, each questionnaire or observation form is inspected or edited and, if necessary, corrected to ensure the integrity of data. The data from questionnaires are loaded, transcribed or keypunched into a chosen data analysis package.

Verification ensures that the data from the original questionnaires have been accurately transcribed, whereas data analysis gives meaning to the data that have been collected. Univariate techniques are used for analysing data when there is a single measurement of each element or unit in the sample; if there are several measurements of each element, each variable is analysed in isolation. On the other hand, multivariate techniques are used for analysing data when there are two or more measurements of each element and the variables are analysed simultaneously.

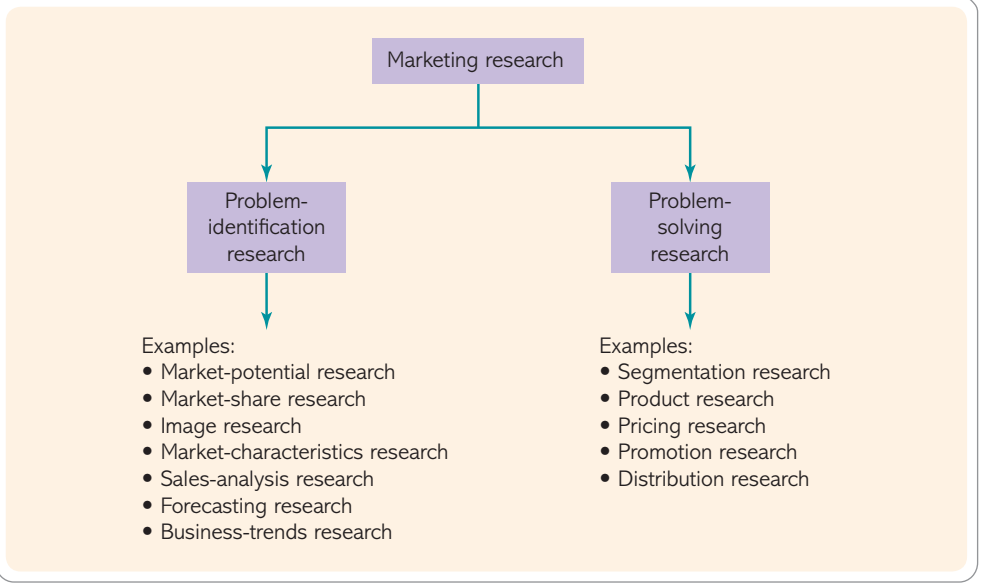
Step 6: Communicating findings. Even if steps one to five are followed in the best possible way, there is no use carrying out research unless it can be communicated effectively to stakeholders. The traditional route through which to carry out research would be to document the research with a written report that addresses the specific research questions identified, describes the approach, research design, data collection and data analysis procedures adopted, and presents the results and major findings. However, due to increasing pressures on managers' time, researchers realise that they need to go beyond reports – that may never be read – and use alternative means. Frequently these are visual, and can include videos, images or infographics to enhance clarity and impact (see Chapter 28 for more on effective communication of research findings).

Classification of marketing research

The ESOMAR definition provided earlier in this chapter encapsulates two key reasons for undertaking marketing research: (1) to identify opportunities and problems; and (2) to generate and refine marketing actions. This distinction serves as a basis for classifying marketing research into problem-identification research and problem-solving research, as shown in Figure 1.4. Linking this classification to the basic marketing paradigm in Figure 1.1, problem-identification research can be linked to the description of the nature and scope of customer groups, understanding the nature of forces that shape customer groups and understanding the nature of forces that shape the marketer's ability to satisfy targeted customer groups. Problem-solving research can be linked to testing individual and interactive marketing mix variables that create consumer experiences, and to monitoring and reflecting upon past successes and failures in marketing decisions.

Figure 1.4

A classification of marketing research



Problem-identification research
Research undertaken to help identify problems that are not necessarily apparent on the surface, yet exist or are likely to arise in the future.

Problem-identification research is undertaken to help identify problems that are, perhaps, not apparent on the surface and yet exist or are likely to arise in the future. Examples of problem-identification research include market potential, market share, brand or company image, market characteristics, sales analysis, short-range forecasting, long-range forecasting and business trends research. Research of this type provides information about the marketing environment and helps diagnose a problem. For example, a declining market potential indicates that the firm is likely to have a problem achieving its growth targets. Similarly, a problem exists if the market potential is increasing but the firm is losing market share. The recognition of economic, social or cultural trends, such as changes in consumer behaviour, may point to underlying problems or opportunities.

Problem-solving research
Research undertaken to help solve specific marketing problems.

Once a problem or opportunity has been identified, **problem-solving research** may be undertaken to help develop a solution. The findings of problem-solving research are used to support decisions that tackle specific marketing problems. Problem-solving research is illustrated by the following example of developing a new market at Consorzio del Prosciutto di Parma.

Real research

Putting Prosciutto di Parma on the menu

Consorzio del Prosciutto di Parma is an Italian food producer, best known for production of its premium 'Prosciutto di Parma', or Parma ham in English. The company wanted to undertake research to help grow its market among restauranteurs.[14]

Source: yelenayemchuk/123RF

Qualitative research was carried out with ten chefs and ten other firms in the food supply chain. Secondary research was carried out with marketing research reports (including Mintel), trade associations and other sources of industry data. Research found that there was low level of awareness of how to use Parma ham and it was seen as an expensive luxury ingredient that would reduce restaurant profitability. The research also found that junior chefs, the future market for restaurant ingredients, were heavily influenced and inspired by more established and well-known chefs. These chefs often used social media and online recipe sites for inspiration.

Based on this research a campaign was developed based around a website 'TheWholeLeg.com' that provides educational advice and video-based training on how to use Parma ham in an economical way across a range of recipes. Thousands of chefs completed the training resulting in a significant interest in the use of Prosciutto di Parma within restaurants.[15]

Source: Teaching Chefs to Go Whole Hog for Prosciutto di Parma, Sabre Awards, 2019, Corporate/B2b category, In2.

This example illustrates how having a clear idea of the research problem (why chefs are not adopting a particular ingredient) helped develop research that supported marketing decision making. Table 1.1 shows the different types of issues that can be addressed using problem-solving research.

Problem-identification research and problem-solving research can go hand in hand, as seen in the Prosciutto di Parma case, and a given marketing research project may combine both types of research.

Table 1.1 Examples of problem-solving research

Segmentation research	Determine basis of segmentation Establish market potential and responsiveness for various segments Select target markets and create lifestyle profiles: demography, media and product image characteristics
Experiential-design research	Determine the process of consuming products and services Online consumption experiences Social media engagement Sensory tests
Product research	Determine optimal product design Test concept Package tests Product modification Brand positioning and repositioning Test marketing
Pricing research	Importance of price in brand selection Pricing policies Product-line pricing Price elasticity of demand Initiating and responding to price changes
Promotions research	Optimal promotional budget Optimal promotion mix Copy decisions Creative-advertising testing Evaluation of advertising effectiveness
Distribution research	Attitudes of channel members Intensity of wholesale and retail coverage Channel margins Retail and wholesale locations

The global marketing research industry

Marketing research is a huge industry on its own, with an annual turnover of $46 billion per year in 2017. It is also an industry that has faced huge changes over recent years. To monitor rates of expenditure, we use the annual ESOMAR Global Market Research Industry Study (www.esomar.org),[16] the latest available at time of writing being the 2018 report, including data up until the end of 2017. When new research techniques, including data analytics, are included the turnover of the sector grows to $76 billion per year. While the size of the market for traditional research techniques, such as surveys and interviews, is static or declining, the size of the market for new techniques is soaring. However, this doesn't mean that the use of

Table 1.2 Top five countries with the highest research spend (2018 data in US$ million)

Country	Research spend (US$ million)	% of global market
1. USA	20,230	44
2. United Kingdom	6,498	14
3. Germany	2,766	6
4. France	2,362	5
5. China	1,965	5

surveys is declining, as much of the shrinkage can be explained by the declining cost of carrying out research driven by enhancements in technology. There are also differences in the size of research markets, with the fastest growth in China, Asia-Pacific and the Middle East and a decline in the market in Europe.[17]

Estimates of the five countries with the largest research spend can be found in Table 1.2.

We are currently seeing a major shift in the marketing research industry, from 'traditional' sources of consumer research to just about any alternative source of information from which insight could be generated. The result of the decline in the industry and the shift to alternative sources of insight has generated a greater competitive intensity between marketing research suppliers, exacerbating the demand for a broader mix of managerial and technical skills from researchers. This is reflected in attempts by ESOMAR to draw a wider boundary around the marketing research sector by including expenditure on firms that provide research technology and those offering analytics services. We now look at the different types of firm that make up the research industry.

External suppliers Outside marketing research companies hired to supply marketing research services.

Full-service suppliers Companies that offer the entire range of marketing research services.

Syndicated services Companies that collect information of known commercial value that they provide to multiple clients on a subscription basis.

Customised services Companies that offer a variety of marketing research services specifically designed to suit a client's particular needs. Each marketing-research project is treated uniquely.

Online services Companies that offer a combination or variety of secondary data and intelligence gathering, survey or qualitative interviewing, social media engagement and the analysis and publication of research findings, exclusively online.

External suppliers are outside firms hired to supply research data. These external suppliers collectively comprise the 'marketing research industry'. They range from small (one or a few persons) operations to very large global corporations. We now examine the nature of services that may be supplied by external suppliers. External suppliers can be classified as full-service or limited-service suppliers.

Full-service suppliers offer the entire range of marketing research services: for example, defining a problem, developing a research design, conducting focus group interviews, designing questionnaires, sampling, collecting, analysing and interpreting data and presenting reports. They may also address the marketing implications of the information they present, i.e. have the management skills to interpret and communicate the impact of their research findings at the highest levels. They may also manage customer database analyses, being able to integrate the management and analyses databases with the management and analyses of conventional marketing research techniques.

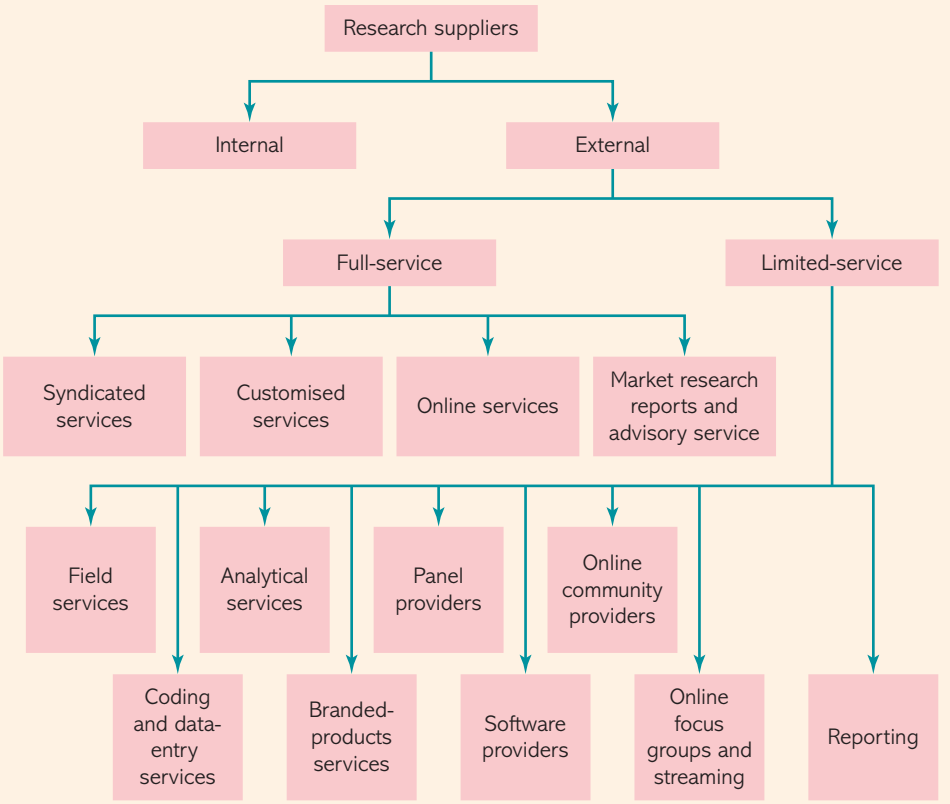
The services provided by these suppliers can be further broken down into syndicated services, standardised services and customised services (see Figure 1.5). Examples of these companies include Kantar (www.kantar.com) and Ipsos (www.ipsos.com).

Syndicated services collect information of known commercial value that they provide to multiple clients on a subscription basis. Surveys, diary panels, scanners and audits are the main means by which these data are collected. Examples of these companies include Nielsen (www.nielsen.com) and GfK (www.gfk.com).

Customised services offer a variety of marketing research services specifically designed to suit a client's particular needs. Each marketing research project is treated uniquely. An example of such companies is TNS (www.tnsglobal.com).

Online services offer a combination or variety of secondary data and intelligence gathering, survey or qualitative interviewing, social media engagement and the analysis and publication of research findings, exclusively online. Examples of these companies include YouGov (www.yougov.com) and OnePoll (www.onepoll.com).

Figure 1.5 Marketing research suppliers



Market research reports and advisory services
Companies that provide off-the-shelf reports as well as data and briefs on a range of markets, consumer types and issues.

Limited-service suppliers
Companies that specialise in one or a few phases of a marketing research project.

Field services
Companies that collect data through postal surveys, face-to-face interviews, telephone interviews and the internet.

Market research reports and advisory services provide off-the-shelf reports as well as data and briefs on a range of markets, consumer types and issues; as such, they are thought of as part of the broader information market and not necessarily part of the traditional marketing research industry. Examples include Euromonitor (www.euromonitor.com) and Mintel (www.mintel.com).

Limited-service suppliers specialise in one or a few phases of a marketing research project. Services offered by such suppliers are classified as field services, coding and data entry, analytical services, branded products, viewing facilities, panel providers, software providers, web analytics, online community providers, online focus groups and streaming and reporting.

Field services collect data through postal surveys, face-to-face interviews, telephone interviews and the internet. Firms that specialise in interviewing are called field-service organisations. These organisations may range from small proprietary companies that operate locally to large multinationals. Some organisations maintain extensive interviewing facilities across the country for interviewing shoppers. Many offer qualitative data collection services, such as focus group interviewing (discussed in detail in Chapter 7). Examples of these companies include LightspeedGMI (part of WPP) (www.lightspeedgmi.com) and Indiefield (www.indiefield.co.uk).

Coding and data-entry services include editing completed questionnaires, developing a coding scheme and transcribing the data for input into a computer.

Analytical services include designing and pre-testing questionnaires, determining the best means of collecting data and designing sampling plans, as well as other aspects of the research

Coding and data-entry services
Companies that offer such services as editing completed questionnaires, developing a coding scheme and transcribing the data for input into a computer.

Analytical services
Companies that provide such services as designing and pre-testing questionnaires, determining the best means of collecting data and designing sampling plans.

Branded marketing research products and services
Companies that offer specialised data collection and analysis procedures developed to address specific types of marketing research problems. These procedures can be patented, given brand names and marketed like any other branded product.

design. Some complex marketing research projects require knowledge of sophisticated procedures, including specialised experimental designs (discussed in Chapter 10) and analytical techniques such as conjoint analysis and multidimensional scaling (discussed in Chapter 26). This kind of expertise can be obtained from firms and consultants specialising in analytical services. Examples of these companies include Cobalt Sky Ltd (www.cobalt-sky.com) and Digitab (www.digitab.uk.com).

Branded marketing research products and services are specialised data collection and analysis procedures developed to address specific types of marketing research problems. These procedures may be patented, given brand names and marketed like any other branded product. An example of such a company is Millward Brown's Vermeer (mbvermeer.com).

Panel providers offer researchers the opportunity to access consumer, b2b and specialist panels of participants, alongside scripting and hosting surveys. Examples of these companies include e-Rewards (www.e-rewards.com) and Toluna (www.toluna.com).

Software providers offer software packages that create platforms to script, host and analyse surveys, or software as a service (SaaS) options. Examples of these companies include Qualtrics (www.qualtrics.com) and Surveymonkey (www.surveymonkey.com).

Online community providers build online research communities where researchers can employ a wide variety of quantitative and qualitative techniques to connect to consumers. Examples of these companies include Cspace (www.cspace.com) and FreshMinds (www.freshminds.net).

Online focus groups and streaming provide platforms for running online focus groups and streaming the results. An example is FocusVision (www.focusvision.com).

Reporting offers research companies reporting solutions that seek to engage clients in oral and electronic presentations beyond conventional reporting methods such as hard-copy reports and PowerPoint. They utilise specialist art and graphic-design services to create static data presentation formats and data dashboards that can be interrogated.

Justifying the investment in marketing research

Panel providers
Companies that offer researchers the opportunity to access consumer, b2b and specialist panels of participants, alongside scripting and hosting surveys.

Software providers
Companies that provide software packages that create platforms to script, host and analyse surveys, or software as a service (SaaS) options.

Online community providers
Companies that build online research communities where researchers can employ a wide variety of quantitative and qualitative techniques to connect to consumers.

The 2018 'ESOMAR Global Market Research' report highlights many of the pressures that the marketing research industry is facing. One of the key weaknesses the report highlights is the need to raise the perceived value of research among decision makers outside the research sector. This is not a recent phenomenon; it is a challenge that the marketing research industry has faced from its inception and that has become more prevalent in recent times:

> *The price of consumer data is trending downwards and parts of market research are becoming commoditised. This is in part driven by aggressive procurement processes, growing expectations for demonstrable return on investment and increasing macro-economic pressure. 'Consumer data' is now more abundant and automated.*[18]

Return on investment in marketing research spend will continue to be a factor that all practising researchers will need to address.

Even if decision makers make use of marketing researchers there is no guarantee that a marketing decision supported by research will be successful. The act of decision making and conducting marketing research are separate activities and there are examples where the vital link between these activities has resulted in failure. If decision makers have gaps in their knowledge, if they perceive risk and uncertainty in their decision making and cannot find support at hand within their organisation, they can gain support from marketing research. However, many decision makers remember cases where the use of marketing research has resulted in failure or where decisions based upon gut feeling or intuition have proved to be successful. Such cases present a challenge to researchers, especially in light of the competition faced

Online focus groups and streaming
Companies that provide platforms for running online focus groups and streaming the results.

Reporting
Companies that offer research companies reporting solutions that seek to engage clients in oral and electronic presentations beyond conventional reporting methods such as hard-copy reports and PowerPoint.

by the industry from alternative data sources.[19] Reflecting upon such cases should remind researchers to maintain a focus of offering real and valuable support to decision makers.

Another view to reflect upon is the damning comment from the late Anita Roddick, founder of The Body Shop, who said that 'market research is like looking in the rear-view mirror of a speeding car'.[20] This may be a valid point if one sees the relationship of marketing and marketing research as one where marketers delegate responsibility to researchers and thus see only an aggregate version of their customers.[21]

Given these criticisms, it is fair to acknowledge that there are cases where the use of marketing research has resulted in poor decision making, or even failure. Ultimately, this examination should lead to a stronger justification of what ensures strong and valuable marketing research support. It may be a painful path to tread, but this journey has to be made!

There are two areas of misconception of the role of marketing research that are still relevant today:[22]

> *Marketing research does not make decisions. The role of marketing research is not to make decisions. Rather, research replaces hunches, impressions or a total lack of knowledge with information that can be trusted.*
>
> *Marketing research does not guarantee success. Research, at best, can improve the odds of making a correct decision. Anyone who expects to eliminate the possibility of failure by doing research is both unrealistic and likely to be disappointed. The real value of research can be seen over a long period where increasing the percentage of good decisions should be manifested in improved bottom-line performance and in the occasional revelation that arises from research.*

The last point shows the long-term benefits of conducting marketing research, i.e. that the results of a study may help decision makers with an immediate problem, but by building their knowledge they can also have long-term benefits.

The following example illustrates how marketing research could be used in new-product development. In an echo of some of the sentiments shared by Steve Jobs earlier in this chapter, the designer and entrepreneur chose to ignore the findings, and ultimately achieved immense levels of success. This is not always the case, as many different designers embrace marketing-research techniques to support their design thinking and practice to great effect.

Real research

Dyson and the limits of marketing research[23]

Just 23 months after its launch in the UK, the Dyson bagless vacuum cleaner became the country's best seller, overtaking sales of Hoover, Electrolux, Panasonic, Miele and all other vacuum cleaners. The Dyson's clear bin was given a resounding thumbs-down in marketing research. People said they did not like the dirt being visible in the bin in case their neighbours saw how much dirt had been picked up in their homes. Some retailers said they would not want to have dust on display in demonstration machines. Yet, the dust was there because they began using Dyson display machines to clean their shops. Dyson felt compelled to launch its vacuum cleaner with a clear bin, believing that it was important to see when it was full. What better way was there to show stockists, sales staff and customers proof of its increased efficiency than to see the dirt being collected? How would consumers react to a new vacuum cleaner with totally radical styling, revolutionary internal engineering and a price tag almost twice that of the current brand leader? The response proved immediately that innovative products do sell, even at a premium price. However, marketing research did not point to this product having the potential to be a success. James Dyson argued that 'marketing research will only tell you what has happened. No research can tell you what is going to happen'. This is a theme that James

Dyson has reiterated over the years. In an early interview, giving tips to would-be inventors and entrepreneurs, he said:

> *You can't go out and do marketing research to try and solve these problems about what to do next because usually, or very often, you're doing the opposite of what marketing research would tell you. You can't base a new project two years ahead on current market trends and what users are thinking at the moment. That sounds very arrogant. But it isn't arrogance. You can't go and ask your customers to be your inventors. That's your job.*

Out of the range of research approaches available, there is no one, guaranteed approach, research design or technique that can create the perfect means to support decision makers. If decision makers complain that research is misleading or is only telling them what they already know, the researcher may argue that the fault lies with managers who pose the wrong questions or problem in the first place. If one takes the narrow view that the decision maker poses the questions and the researcher finds the answers, there may be some validity in such an argument. It does not hold if one considers that the decision maker and the researcher have a joint commitment to solve problems. In this joint commitment they have quite distinct but complementary creative skills that they can bring together to understand what problem they should be researching, how they conduct the research and how they interpret their findings.

Can researchers survive in an age of increasing competition from other information providers? Can they cope with the threats of growth of in-house research and new entrants to the industry that adopt new technologies and techniques, especially in the use of social media? Can the industry fend off the challenge from the armies of consultants and avoid research being seen as a commodity? To achieve this, the industry has to offer marketers' insights that have integrity and can be trusted, rather than just 'robust' data collection and analysis. Such insights should lead to fresh perspectives to business problems and/or a competitively advantaged solution.[24] The researcher's input must be seen to benefit the bottom line. Initiatives that bring marketers and researchers closer together are needed, initiatives that educate buyers that marketing research has as much, if not more, to offer than far more expensive consultancy firms.[25]

The future – addressing the marketing research skills gap

A key theme of this book relates to the emergence of new technologies and their impact upon marketing research. Billions of people now engage regularly in online discussions, giving their opinions, meeting new people, showing their activities, preferences, uses and attitudes, talking about brands, services, music and films. An idea of the scale of the potential impact of this does not come from Facebook's announcement that it passed one billion regular users,[26] but from its internal target of having five billion users by 2030.[27] Despite these numbers, the marketing research industry has been criticised for being slow to recognise that engagement with these new technologies is having a significant impact upon the nature, value and integrity of the work they undertake.

That is not to say that marketing research has not responded to the growth in technology, and in later chapters we will look at the importance of mobile and social media research, together with the increasing use of online data collection tools. In marketing research, the early period of the internet – from the late 1990s onwards – was used as a digital extension of activities that could be done offline, taking the survey from face to face, then to telephone (with computer-assisted telephone interviewing, CATI) and then online with web surveys. It has been argued that 'the survey' has not really embraced the breadth and richness of digital developments, with many surveys conducted online being essentially online versions of

surveys that were previously administered by interviewers face to face.[28] Although there are some opportunities to include multimedia, such as video, audio or pictures, in essence it is still a survey. These attempts to engage participants are in response to evidence that shows completion rates of surveys are dropping as participants grow tired of overly long surveys.[29] However, the continuing use of surveys may ignore a revolution in online behaviour where people are now expressing their opinions and feelings in far more sophisticated and complex ways. The following example of audio company Bose highlights how such online channels can be used in research.

Real research

Bose's online community[30]

Source: ClassyPictures/Shutterstock

Bose (www.bose.com) is a high-end audio manufacturer, famous for its speakers and headphones. As a privately held company, worried about competitors finding out new product plans, it could only draw upon existing employees for insights. The company realised that gathering feedback from employees – most of whom got the product for free – was not giving it an understanding of how its actual customers felt. Working with C Space, a specialist in building online communities, Bose built an online community of around 400 people, including a mix of people who were existing customers and fans of the Bose brand and those who weren't. Members of the community completed a number of activities each week, ranging from surveys to mobile ethnographies. The membership of the online community was frequently refreshed to ensure that it was representative of the most important customer segments.

After running for 18 months, Bose identified a number of benefits that were created by the use of online communities. These included new product opportunities, improving its marketing messaging and a deeper understanding of how its customers view competitors.

Although early digital techniques tended to be passive techniques based around blogs, more active techniques are now the most significant area of interest in field of online research communities, such as that used in the example of Bose.[31] Traditional research techniques, such as focus groups and one-to-one interviews do not apply as readily as collaborative techniques, which are aligned more to conversation and empowering participants than to seeking specific responses. In isolation, face-to-face research with young people can deliver patchy results.[32] The combination of digital media use and proficiency by youth audiences has forced marketing research to evolve and embrace mixed methodologies. By engaging with younger audiences in 'youth-friendly' media, the quality and range of insight returned has risen. In contexts that are familiar, interactive, but not physically engaging, younger audiences come alive.

That is not to say that there aren't important issues raised by the growth in technology. Some key issues with the increasing application of digital technology to research are:[33]

1 *Trust.* Ensuring that research buyers understand the basis of the advice they are given. Decision makers have been assured for over 70 years that the research is 'true' because it is based on a scientific approach to knowledge development. It will take some time for the new messages to be widely understood.

2 *Theoretical base.* At the moment, many new techniques are being used in a theoretical vacuum; researchers need to address this and rebuild a body of knowledge and theory that supports the techniques being used.

3 *Ethical problems.* There are new privacy, security and safety issues. Social media has changed the rules on how 'findable' somebody is. This has enormous implications for privacy and safety. For example, including a literal quote from an online forum in a report is essentially the same thing as naming the individual, since a search on the quote will usually return information about the person making it. The discussion about 'what is in the public domain' and what can be used when, where and how has barely started, and will develop rapidly over the next few years.

A newer issue that has emerged recently is the question of whether the marketing research industry is facing a skills gap.[34] It has been suggested that one of the reasons that marketing research has found it difficult to adapt to change brought about by technology is the lack of appropriate technical skills among researchers. A worrying trend for marketing research is the identification that marketing researchers lack sufficient analytical skills to draw insights from the increasing volumes of data being generated through 'big data' technologies.[35]

These issues will be described, illustrated and debated throughout this text. While marketing research faces uncertainty and challenges, these challenges can be found across many industries. An alternative view is that the future of the marketing research industry provides great opportunities. There are many commercial and scholarly opportunities, but these will demand a different set of skills, thinking and outlook compared with the researcher of the past.

Researchers can move up the value chain to offer more advice and insight, thus improving their stature and ultimately their profitability. They can help decision makers to make sense of a variety of data sources rather than walking away from a project when the research is complete.[36] Moving towards a business model that is driven by researchers offering actionable consumer insight means that researchers and the marketing research industry of the future will be required to:[37]

- *Think conceptually* – by developing 'conceptual' thinkers, i.e. researchers who feel comfortable working with higher-order business concepts and talking the language of senior decision makers. These individuals must understand the relationship between information and key business concepts. They must go beyond their technical and skill-based knowledge and offer strategic and tactical advice for business advantage based on detailed consumer and market knowledge.
- *Communicate in the way that those who commission research think* – by knowing how to communicate in the way senior people think, i.e. researchers presenting findings as a compelling narrative, not as disparate blocks of information.
- *Interpret findings in terms of the whole picture* – by thinking holistically about 'evidence', i.e. researchers with the skills to work in a 'holistic' way with all available customer evidence, recognising the need to interpret often imperfect marketing information. They must draw knowledge from a host of different sources including qualitative and quantitative techniques, a variety of forms of observation, customer relationship management systems and financial and customer-profile information. These individuals will have to draw heavily upon the use of analytical models that represent the way customers think and behave.
- *Integrate findings with others that support marketing decision makers* – by working in a multidisciplinary way with related marketing-services companies, with researchers working alongside branding and design and other marketing specialisms to gain a wider market understanding. This makes sure that everything is tailored to business solutions and is not just the result of rigid prescriptive research designs. This bottom-up, multidisciplinary approach provides flexibility and differentiates 'strategic marketing intelligence' from

the 'top-down' approach of full-blown management consultants. This will also mean the cultivating of a more creative environment, with a more 'hands-off' management style rather than a prescriptive techniques-driven approach.

Finally, in a note of optimism, it is worth reflecting upon the views of three new graduates arguing what makes marketing research a great career choice. They worked for the research company Ipsos (www.ipsos.com) and were presenting their views to professional researchers at the Annual Conference of the Market Research Society:[38]

1 *Variety.* This can apply to the kind of work and the projects one experiences, the sectors one can specialise in, the people and the teams one will work with depending on the project. Then, the actual day-to-day work is varied (be it data analysis one day, fieldwork the next, charting, etc.). Ad hoc research also has the benefit of offering a variety of projects that can last from a few weeks up to a year or more.

2 *Career progression.* Marketing research has many clearly defined roles across the industry. Not only is there clear career progression within a company, but there is also the option to move client side (or vice versa), do international research, relocate to another country (a key selling point for a global business), specialise in a particular sector or even move to other roles such as brand consulting.

3 *Responsibility.* Compared with other industries, marketing research can offer a large amount of responsibility from an early stage of a person's career. Where graduates in some industries may still be doing photocopying and other mundane administrative tasks, those working in marketing research may be at a stage where they are managing large international projects.

4 *Intellectual eclecticism.* Marketing research is open to graduates from all disciplines; all subject disciplines are applicable as there are a variety of roles and the nature of work can demand skills from all subject areas.

5 *Working environment.* Marketing research has some of the most intelligent, interesting, fun and inspiring people, and that makes it a great place in which to work and develop. The culture (particularly agency side) is relaxed and friendly with a mix of personalities and characters. It is not until you actually work in marketing research that you realise this.

Summary

Marketing research provides support to marketing decision makers by helping to understand customers and the forces that shape the needs of these customers. The overall purpose of marketing research is to assess information needs and provide the relevant information in a systematic and objective manner to improve marketing decision making. The marketing research process consists of six broad steps: problem definition, research approach development, research design formulation, fieldwork or data collection, data integrity and analysis and report preparation and presentation. Within these six broad steps are many iterations and routes that can be taken, reflecting the reality of marketing research in practice. Marketing research may be classified into problem-identification research and problem-solving research. In general terms, problem identification uncovers the potential that may be exploited in markets, problem solving uncovers the means to realise that potential.

The major developed economies, especially in Europe and the USA, are the biggest users of marketing research on a per capita and total expenditure basis. However, in recent years growth of the sector has slowed in these countries – and in some years fallen and other markets are growing more quickly. Commentators have

debated whether this fall can be attributed solely to the global economic factors or trends within market research itself. Alternative explanations have focused upon the development in technology, such as social media usage and the growth of big data. New ways of engaging and collaborating with consumers are being generated that challenge many of the principles upon which 'traditional marketing research' has been built.

Marketing research may be conducted internally (by internal suppliers) or may be purchased from external suppliers. Full-service suppliers provide the entire range of marketing research services, from problem definition to report preparation and presentation. They may also manage customer database analyses and social media research, being able to integrate the management and analyses databases with the management and analyses of conventional marketing research techniques. Limited-service suppliers specialise in one or a few phases of the marketing-research project.

Marketing research is not a panacea for all marketing problems. There are examples where marketing research has not adequately supported decision makers. The Steve Jobs quote used at the beginning of this chapter has become popular because many managers have experienced disappointment at the performance of marketing research. However, many of the problems that arise from poor marketing research derive from poor communications between decision makers and researchers. In order to resolve these problems, there are growing demands upon the marketing research industry to produce research findings that are more actionable and relevant to marketing decision makers. As well as having the technical skills to conduct research in a professional and ethical manner, researchers are increasingly expected to have the ability to interpret their findings in a manner that is relevant to decision makers.

Questions

1. Describe the purpose of marketing research.
2. What kinds of decisions are made by marketing managers? How does marketing research help in supporting these decisions?
3. What do you see as the major challenges for researchers that emerge from the ESOMAR definition of marketing research?
4. How may the effective problem-identification research enhance the practice of problem-solving research?
5. What challenges exist in trying to quantify the size and growth of the marketing research industry on a global basis?
6. Explain one way to classify marketing research suppliers and services.
7. Describe the steps in the marketing-research process.
8. Explain why there may be the need for iterations between stages of the marketing-research process.
9. What arguments can be used by sceptics of marketing research?
10. What kinds of new skills are increasingly being demanded from researchers?
11. What arguments would you use to make the case for greater investment in marketing research?
12. Summarise the nature of threats and opportunities that social media offer the researcher.

Exercises

1. Visit the website of TNS (www.tnsglobal.com). Examine the nature of the research services the firm offers and consider how you see them fitting together.
2. Visit the website of the Market Research Society (www.mrs.org.uk). Work through the range of publications and support it gives to its members. Specifically visit the published code of conduct. Compare the MRS code of conduct with that available on the ESOMAR website (www.esomar.org). Are there any differences in their respective approaches to maintaining professional standards in the marketing research industry?
3. From national or international newspapers, track down stories of successful entrepreneurial ventures. Evaluate the extent to which marketing research is attributed to their success and/or an awareness of their market(s).
4. In a small group discuss the following issue: 'What is the ideal educational background for someone seeking a career in marketing research?'
5. Re-read the quote from Steve Jobs earlier in this chapter. Using the internet, identify other business leaders who have made comments around the effectiveness of market research, positive or negative. Examine their statements and consider the extent to which you agree with them.

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2

Defining the research problem and developing a research approach

Stage 1
Problem definition

Stage 2
Research approach developed

Stage 3
Research design developed

Stage 4
Fieldwork or data collection

Stage 5
Data integrity and analysis

Stage 6
Communicating research findings

The accurate identification of research problems is essential. Regardless of how well subsequent stages are conducted, the whole process may be worthless if the research problem is not clearly identified.

Source: Stepan Popov/123RF

Objectives

After reading this chapter, you should be able to:

1. understand the importance of, and the process used in, defining marketing research problems;
2. describe the tasks involved in problem definition;
3. discuss in detail the nature and various components of a research brief and a research proposal;
4. discuss the environmental factors affecting the definition of the research problem;
5. clarify the distinction between the marketing decision problem and the marketing research problem;
6. explain the structure of a well-defined marketing research problem, including the broad statement and the specific components;
7. understand the role of theory in the development and execution of applied marketing research;
8. acquire an appreciation of the complexity involved in defining the problem.

Overview

This chapter covers the first two of the six steps of the marketing research process (described in Chapter 1): defining the marketing research problem and developing a research approach to tackle the problem. Defining the problem is the most important step, since only when a problem has been clearly and accurately identified can a research project be properly conducted. Regardless of how well a research plan is designed and subsequent stages are carried out, if the problem is not correctly diagnosed, research findings could be misleading or even dangerous. In this chapter, we discuss the complexities involved in defining a problem and identify the tasks involved.

In practical terms, the diagnosis of research problems is achieved through preparing a research brief and a research proposal. The rationale and components of the research brief and research proposal are presented in this chapter. We provide guidelines for appropriately defining the marketing research problem and avoiding common types of errors. The client–researcher relationship is described with seven Cs (communication, cooperation, confidence, candour, closeness, continuity and creativity), presented to nurture a trusting and effective relationship. We also discuss in detail the characteristics or factors influencing the research design and components of an approach to the problem: objective/theoretical framework, analytical models, research questions and hypotheses.

We introduce our discussion with an example of how Walmart's UK subsidiary, Asda, structured a market research project to successfully address the problem of ensuring that research insights made their way across the organisation.

Real research

Breaking down silos at Asda[1]

Asda is a leading UK supermarket, known for its large-format stores. It operates in one of the world's most competitive grocery markets. Additionally, it faces the challenges of consumers shifting to online purchasing, the growth in 'click and collect' services and the growth of smaller-format stores. Working with full-service market research agency Trinity McQueen (www.trinitymcqueen.com), Asda sought to address the following marketing research problem: **How can organisation silos be broken down to ensure that research insights reach across the organisation?**

This is important because the behaviour of individual categories, on their own, can cause wider problems if they are not joined up with the corporate views of 'head office'.

For example, a reduction in prices in one category might damage a message of quality in an adjacent category.

This research problem was addressed via a range of approaches, including both primary and secondary research in a process labelled 'Category Deep Dive'.

Source: Angelina Dimitrova/Shutterstock

Primary research included shopper interviewers (in-home, accompanied during the shopping process and when exiting store), observational in-store research, surveys and eye-tracking interviews during shopping.

Secondary data included both internal data (e.g. sales data) and data from external marketing research providers.

The findings were effective not because of the range of methods used, but by the focus on ensuring that insights were actionable within the realities of organisational life. For example, this research approach ensured that:

1 Actionable insights are simple and clear. For example, they are often presented in a visual format.

2 Research is matched to the planning cycle and done at a point where research insights can be effectively actioned.

3 To break through silos a cross-functional group is involved from different departments, and the project cannot get underway without sponsorship from senior management.

Importance of defining the research problem

Problem definition
A broad statement of the general problem and identification of the specific components of the marketing research problem.

Although each step in a marketing research project is important, problem definition is the most important step. For the purpose of marketing research, problems and opportunities are treated interchangeably (as mentioned in Chapter 1). **Problem definition** involves stating the general problem and identifying the specific components of the marketing research problem. Only when the marketing research problem has been clearly defined can research be designed and conducted properly:

> *Of all the tasks in a marketing research project, none is more vital to the ultimate fulfilment of a client's needs than an accurate and adequate definition of the research problem. All the effort, time, and money spent from this point on will be wasted if the problem is misunderstood and ill-defined.*[2]

An analogy to this is the medical doctor prescribing treatment after only a brief examination of a patient – the medicine may be even more dangerous than the condition it is supposed to cure! The truly serious mistakes are made not as a result of wrong answers but because of asking the wrong questions. This point is worth remembering, because inadequate problem definition is a leading cause of failure of marketing research projects. Further, better communication and more involvement in problem definition are the most frequently mentioned ways of improving the usefulness of research.

The importance of clearly identifying and defining the research problem cannot be overstated. The foundation of defining a research problem is the communication that develops between marketing decision makers and researchers. In some form or another, marketing decision makers must communicate what they see as being the problems they face and what research support they need. This communication usually comes in the form of a research brief. The researcher responds to the research brief with a research proposal, which encapsulates the researcher's vision of a practical solution to the set research problem. The researcher may be part of an external research agency, in which case the research brief is likely to be part of a more formal process of commissioning research. However, increasingly the 'researcher' might be an internal member of a market research or insight team. The researcher may even be part of the same team making the marketing decision that the research is designed to address. However, the need for ensuring that there is a clearly defined brief (and research problem) in these cases is as strong, or even stronger, even if the brief does not need to be so formal. The following example illustrates that a research brief may not always be particularly well thought out. The researcher is expected to develop the brief into a research proposal and, in doing so, has a vital role to play in the diagnosis of research problems.

Real research

How to bait the interview hook for those top 1,000 big fish[3]

The groans from researchers when another brief arrives asking for 100 or 200 interviews with chief executive officers (CEOs) or equivalents within large companies typifies the attitude generated by business-to-business marketers' constant demand to reach this audience. When the research brief arrives, it is certainly worth examining whether, practically, what is requested can actually be done. The research proposal developed must reflect the practicalities of questioning managers who are constantly bombarded with requests to respond to research questions. The number of interviews, the timescale, the nature of questions and the structure of the sample all need to be taken into account. For example, is it really worth undertaking just 200 interviews within any single European country? If we were limited to one per organisation, we would be interviewing to strike rates of between 1 in 2.5 and 1 in 5. If the research targets companies throughout Europe, individual countries such as the UK and France may have few large companies compared with the USA, while Italy has a small number of very large companies and a great many smaller ones. In actually reaching the target audience, a number of issues need to be taken into account. International business-to-business research with senior business audiences brings with it not only the particular difficulties of reaching them, but also the need to understand both country and cultural issues that impact on the research. Telephone interviews (even if possible) are considered inappropriate in many Far East and Middle East markets, especially South Korea and Japan. In Singapore and Hong Kong, the telephone is fine, provided the interviews are not too long (over 15 minutes).

The marketing research brief

Research brief
A document produced by the users of research findings or the buyers of a piece of marketing research. The brief is used to communicate the perceived requirements of a marketing research project.

The marketing **research brief** is a document produced by the users of research findings or the buyers of a piece of marketing research. The brief may be used to communicate the perceived requirements of a marketing research project to external agencies or internally within an organisation to marketing research professionals. It should act as the first step for decision makers to express the nature of a marketing and research problem, as they see it. This first step is vital in developing an agreement of an appropriate research approach. As a first step of problem diagnosis and negotiation, *the marketing research brief should not be carved in tablets of stone!*

It has been argued that the greatest source of potential error in marketing research lies in the initial relationship between marketing decision makers and researchers.[4] In developing a sound initial relationship, the research brief plays a vital role. Without some formal method of communicating the nature of a marketing problem, there is great potential for ambiguities, illogical actions (by both parties), misunderstandings and even forgetfulness.

The purpose of a written marketing research brief is as follows:

- It makes the initiator of the brief more certain of how the information to be collected will support decision making.
- It ensures an amount of agreement or cohesion among all parties who may benefit from the research findings.
- It helps both the marketer and the researcher to plan and implement the research design.
- It helps to reduce disputes that can occur when the gaps in decision makers' knowledge are not 'filled' as intended.
- It can form the basis for negotiation with a variety of research organisations.

In all, the research brief saves resources in time and money by helping to ensure that the nature of the problem or opportunity under investigation has been thought through.

Components of the marketing research brief

The rationale for a marketing research brief may seem logical, but actually generating a brief from marketing decision makers can be extremely difficult. These difficulties will be tackled later in this chapter. If a decision maker has a very clear idea of the nature of decision support needed *and* can define the research objectives that will create such support *and* define the research design that will fulfil the research objectives, then the decision maker can write a research brief that is highly structured. A structured brief created in these conditions would basically be a tender document, allowing a number of research suppliers to pitch for business on a like-for-like basis. Not all marketing decision makers have such clarity of the marketing research support they need. Even if they do, by sticking to highly structured and prescriptive marketing research briefs, the experience and creativity of researchers can be underutilised.[5]

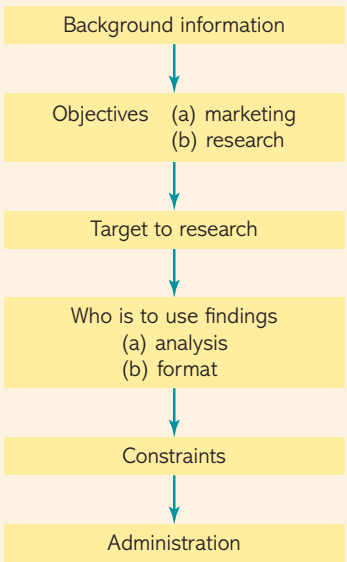
The following format for a research brief helps to make the most of the experience and creativity of both the marketing decision maker and the researcher, and has clear advantages for both parties. First, it does not demand that decision makers have a great deal of technical knowledge about research. Second, it allows the researchers the opportunity to demonstrate their creative abilities and awareness of the latest research and analysis techniques. They can create, develop and adapt a research design to the research problem that supports the marketing decision maker within clear time and cost parameters (see Figure 2.1).

1 *Background information.* The background serves to put research objectives into context, helping the researcher to understand why certain research objectives are being pursued. Decision makers would detail what they see as being the main events that have caused or contributed to the problem under study.

2 *Objectives.* The first part of this section would detail which marketing decisions are to be completed once the research has been undertaken. This requires decision makers to explain what they see as the focus of the decisions they plan to make. They then go on to explain what gap(s) they see in their knowledge. The problem faced by researchers is that decision makers may not formulate marketing objectives clearly. Rather, it is likely that objectives tend to be stated in terms that have no operational significance, such as 'to improve corporate image'. Ultimately this does not matter, as this 'first-step' brief offers the opportunity for the researcher to draw out and develop a much clearer vision of marketing and research

Figure 2.1

Components of the marketing research brief



objectives. Drawing out and developing decision makers' perspectives of objectives, even if they have no operational significance, helps the process of developing a common understanding of what the decision maker is trying to achieve.

3 *Target to research.* Any marketing research project will measure, understand or observe a target group of individuals. These may be distinct groups of consumers, channel members such as retailers or competitors, or company employees. In this section, details of the characteristics of the target group(s) can help in many research design decisions.

4 *Who is to use the findings?* This section would outline brief details of the decision makers who will use the research findings. For example, certain decision makers may be entrepreneurial and introspective, looking for short-term tactical advantages. Presenting research findings that make tactical advantages apparent would be the best way to communicate to such managers. Managers with a background and training in statistics may expect results to be analysed and presented in a particular manner to have any credibility. Other managers, e.g. those responsible for many product and/or communications design decisions, may not have such training or may even be distrustful of statistical analyses and seek a more qualitative interpretation. These issues have an impact upon the nature and extent of analysis conducted, upon the data collected and the style and format in which research findings will be presented.

5 *Constraints.* The main limitation to researchers carrying out what they may perceive as being the correct way to research a problem is the time and money that decision makers can afford. Proposing a large-scale project that would cost €200,000 when only €50,000 has been budgeted obviously will not meet management approval. In many instances, the scope of the marketing research problem may have to be reduced to accommodate budget constraints. With knowledge of time and cost constraints, the researcher can develop a research design to suit these needs. The researcher may also demonstrate other courses of action that could demand greater amounts of money or time, but could have clear benefits that the marketer may be unaware of. Other constraints, such as those imposed by the client firm's personnel, organisational structure and culture or decision-making styles, should be identified to determine the scope of the research project. In instances where the resources are too limited to allow a project of sufficient quality, the firm should be advised not to undertake formal marketing research. In the following example, research undertaken by

Nestlé in Poland shows how a research brief was developed that facilitated creative input from researchers, marketers and their communications agency.

6 *Administrative considerations.* These would lay out administrative details in completing the research project. Examples could be the expected delivery of interim reports, contacts in an organisation that may be able to help supply further information, or reference to sources of materials and individuals that are needed to complete the research successfully.

Real research

Can marketing research support effective communication ideas for children?[6]

Source: viki2win/Shutterstock

The marketing team of the Ice Cream Division of Nestlé in Poland wished to brief its creative agency. It turned to the marketing research team to see what support it could give to develop strong communications with the target market of children. The researchers seized the opportunity to be part of the process of advertising development, rather than simply delivering data or consumer test results. They decided to try a new way of applying cross-functional team cooperation to the challenge, which started with the preparation of a research brief. Their short brief described:

1 Clear and straightforward project objectives, including details of the target group they would be addressing. In this particular case, the research objective was to *reconstruct consumer insights, which help to build the most relevant and effective communication for children in the ice cream category in Poland*. The core target group was children aged 6 to 11 years old.

2 Details of participant characteristics.

3 A detailed plan of the project:

What?	*Who is responsible?*
a. Short brief with the objective	Marketing team
b. Prepare and conduct the training from Consumer Insight Process at Nestlé and how to talk with consumers	Marketing research team
c. Prepare and conduct the training for 'consumer connection' – what this is, how to talk to your consumer and how to obtain knowledge in the connection process	Marketing research team and agency
d. Meeting with consumers at their homes	Marketing research agency and everyone
e. Preparation of guide (how to talk to the consumers)	Marketing research team and marketing research agency
f. Affinity groups – just before their workshop – to put everyone in the 'mood of consumers'	Everyone
g. Final workshop	Marketing research team and agency
h. Analyses: information about the product and consumer habits	Marketing team
i. Analyses: communications for children	Creative team
j. Knowledge from the meetings with the consumers (pictures, toys, verbatims)	Everyone
k. Reports; required at distinct stages throughout the whole project	Marketing research team

Three of the best ideas were tested in the research study; one was chosen, filmed and aired. The outcome was a success for the new business in Poland (Nestlé was a relatively new brand that did not really exist in consumers' minds as it had taken over the Scholler brand). The marketing team increased awareness of the Nestlé brand and the BluMis brand (hero of the Nestlé children's ice creams in Poland); the team sold much more than the operational plan and began building the image of the brands. This is an example of an action research approach (which will be discussed in more detail in Chapter 6).

With a formal marketing research brief and perhaps preliminary discussion with the organisation that is to commission the research, the researcher has the necessary material to develop a research proposal. In many instances, however, the researcher does not enjoy the luxury of a written research brief.[7] The marketing decision maker may outline ideas in an oral manner, perhaps on an informal basis. This can happen if the decision maker is not aware of the personal benefits of producing a written research brief as detailed above. Decision makers may see the brief as a time-consuming process that really is the job of the researcher. If researchers are faced with an oral brief, they can use the proposed brief outline above as a guideline to the issues they should elicit in informal discussions in order to develop an effective proposal.

The marketing research proposal

Research proposal
The official layout of the planned marketing research activity.

In response to a research brief, the researcher will develop a research plan (covered in detail in Chapter 3) and will develop a **research proposal** to communicate this plan. The marketing research proposal contains the essence of the project and, in its final format, can serve as a contract between the researcher and decision makers.[8] The research proposal covers all phases of the marketing research process. It allows the researcher to present an interpretation of the problems faced by management and to be creative in developing a research solution that will effectively support decision makers. Although the format of a research proposal may vary considerably, most proposals address all the steps of the marketing research process and contain the elements shown in Figure 2.2.

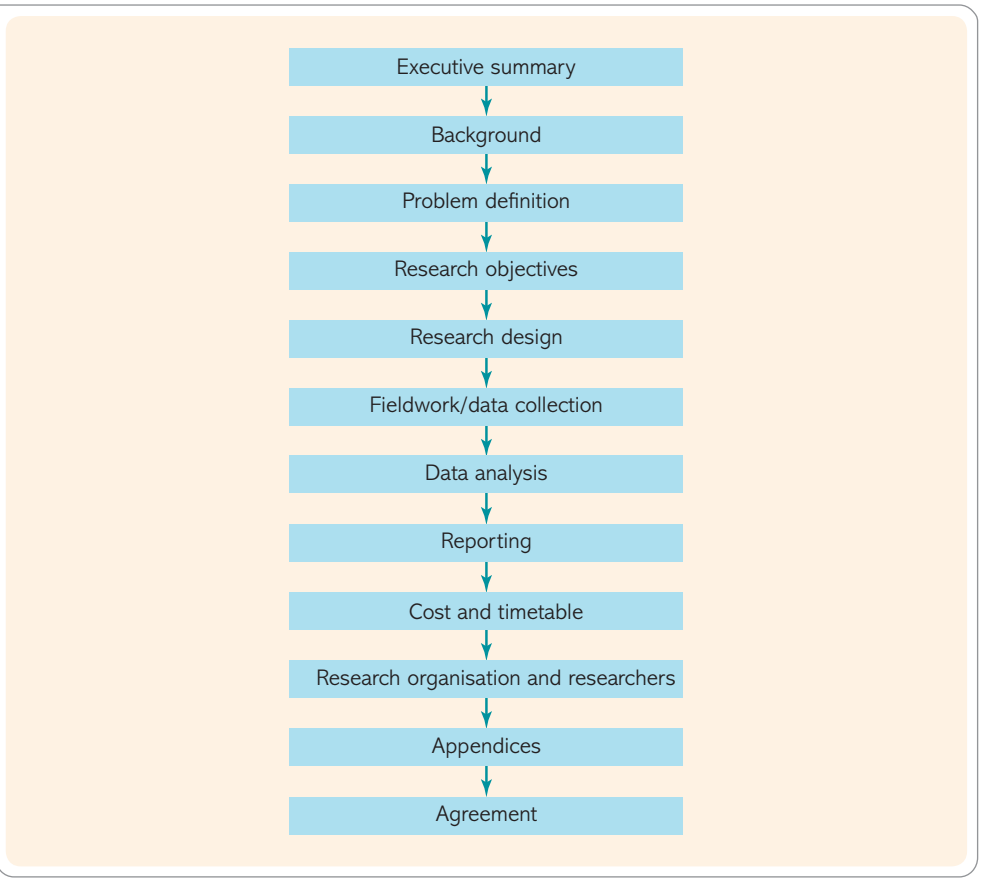
1 *Executive summary.* The proposal should begin with a summary of the major points from each of the other sections, presenting an overview of the entire proposal.

2 *Background.* The researcher would be expected to have researched and developed ideas beyond those presented in the brief 'background'. Other potential causes of the problems faced, or alternative interpretations of the factors that shape the background in an environmental context, should be presented. The extent of developmental work on the background to a research project will depend mostly upon how much past work researchers have done for the decision makers. In projects where researchers and decision makers are working together for the first time, much exploratory work may be undertaken by the researcher to understand an industry, organisation, decision makers, planned campaigns, etc.

3 *Problem definition.* Again, if necessary, the researcher may go beyond the problem definition presented in the brief. If the researcher sees potential to add value for the marketer through alternative diagnoses of the problem presented in the brief, then these should be shown. If the researcher sees a problem in the brief that is ambiguous or unattainable, other alternative diagnoses should be presented. From this section, the marketer's gaps in knowledge should be apparent.

Figure 2.2

Components of the marketing research proposal



4 *Research objectives.* These may be presented in the form of clear hypotheses that may be tested. They may also cover broader areas in terms of 'research questions' that are to be explored rather than formally measured in a conclusive manner.

5 *Research design.* The research design to be adopted, classified in broad terms as exploratory, descriptive or causal, should be specified. Beyond such a broad classification should be details of the individual techniques that will be adopted and how they will unfold and connect to each other. This means that the reader will clearly see methods of collecting the desired data, justification for these methods and a sampling plan to include details of sample size(s). This applies to both quantitative and qualitative approaches.

6 *Fieldwork/data collection.* The proposal should discuss how the data will be collected and who will collect them. If the fieldwork is to be subcontracted to another supplier, this should be stated. Control mechanisms to ensure the quality of data collected should be described.

7 *Data analysis.* This should describe the kind of data analysis that will be conducted, e.g. content analysis, simple cross-tabulations, univariate analysis or multivariate analysis. If software packages are to be used in these analyses, they should be specified, as they will be indicative of the potential analyses that can be conducted. There should be further description of the extent to which the results will be interpreted in light of the set marketing objectives, beyond the specified analysis techniques.

8 *Reporting.* The proposal should specify the nature of any intermediate reports to be presented, what will be the form of the final report and whether an oral presentation of the results will be made.

9 *Cost and timetable.* The cost of the project and a time schedule, broken down by phases, should be presented. A critical-path method chart might be included. In large projects, a payment schedule is also worked out in advance.

10 *Research organisation and key researchers working on the project.* When an organisation is working with researchers for the first time, some idea of past research projects and clients should be displayed. This can help the marketer to trust the researchers in problem diagnosis, research design and implementation (e.g. how credible the researchers may be seen to be by the individuals they are to research and how this may affect participant openness and honesty) and interpretation of the findings.

11 *Appendices.* Any statistical or other information of interest to only a few people should be contained in appendices.

12 *Agreement.* All parties concerned with fulfilling the research plan should sign and date their agreement to the proposal.

Preparing a research proposal has several advantages. It ensures that the researcher and management agree about the nature of the project, and it helps sell the project to a wider array of decision makers, who may contribute to and benefit from the research findings. As preparation of the proposal entails planning, it helps the researcher conceptualise and execute the marketing research project. The following example illustrates a Coca-Cola European brand tracking study that required a major overhaul. This situation resulted in 400 research proposals being generated by marketing research agencies in 32 countries. Imagine the research, quality and creativity that went into the proposal that won the contract, not offering the cheapest option to Coca-Cola.

Real research

Coca-Cola's Beverage Brand Barometer[9]

Source: DeymosHR/Shutterstock

Coca-Cola's Knowledge & Insights (K&I) marketing research team established a multi-country task force to consolidate its disparate brand trackers into a common framework to better understand consumers across the globe. The K&I task force launched the Beverage Brand Barometer (B3), feeling that having a consistent format would quickly pay its way. Coca-Cola's K&I team reduced its global yearly research spend by 10%, while improving the quality of its insights. Two years after the launch, in the midst of a global economic and financial crisis, another Coca-Cola research task force was established, this time in Europe. Its aim was to review the brand tracker's performance, and to validate consumer feedback on the experience of completing the B3 study in different European markets. The results of the review were conclusive: the B3 survey was too complex, extremely long and repetitive. This generated serious concerns over the quality of the data. In addition, structural changes within Coca-Cola Europe resulted in an increased need to benchmark, consolidate and

cluster data across markets. With budget pressures and a tracking tool not delivering on business needs because of quality issues, the need for a shakeup was clear. In order to allow Coca-Cola Europe to improve its study, the B3 Global Council revisited the B3 core structure and significantly reduced all global mandatory sections, giving the Europe team the flexibility it needed. Because the study stretched across 32 European markets, consolidating all European B3 services with one marketing research supplier was identified as the best strategic and most feasible option. Working with a single partner on the revamped B3 across Europe would provide a new perspective, while allowing for productivity gains. The new study would improve quality by shortening the questionnaire, but it had also to generate savings for each individual market, while increasing the research supplier's share of business. Five global agencies were briefed to put forward proposals for each individual market, as well as a potential pan-European package. However, the Coca-Cola project team also reviewed the local agency route to ensure fair local pricing, thus resulting in more than 400 proposals to be reviewed (i.e. five to seven agencies per market providing up to two proposals across 32 markets). Finally, Kantar (www.kantar.com) was chosen as the single strategic partner for Europe. Within Kantar, Millward Brown (www.millwardbrown.com) took the lead, with TNS (www.tnsglobal.com) playing a supporting role. Kantar was already well integrated into the Coca-Cola Company business via advertising testing and other tracking initiatives, and it presented a viable business case not only for the European central team but also for each individual market.

The process of defining the problem and developing a research approach

By formally developing and exchanging a marketing research brief and research proposal, the marketing decision maker and the researcher utilise their distinctive skills. They ensure that the marketing problem and research problems have been correctly defined and an appropriate research approach is developed. The research brief and the research proposal are the formal documents that ensure each party is clear about the nature and scope of the research task. These documents allow decision makers and researchers formally to present their perspective of the task in hand. The nature of negotiations between decision makers and researchers may occur between a sponsoring client organisation, e.g. Coca-Cola, and a research agency, e.g. Kantar. It could also happen within an organisation, i.e. there may be an in-house marketing research team. In successfully diagnosing a marketing decision and marketing research problem, the access to, and the understanding of, decision makers by researchers can make a major difference. There are many positive reasons for using marketing research agencies, but it is worth noting that there has been a growth in the use of in-house marketing research, sometimes described in a derogatory manner as DIY (Do-It-Yourself) research.[10] Where marketing research is practised without a full appreciation of the skills and creativity needed, or the limitations of particular techniques, much damage can be done. The growth in relatively cheap proprietary software to support DIY research has exacerbated concerns about the quality of some in-house marketing research. However, much in-house research is conducted by well-qualified researchers, many of whom have worked at the best marketing research agencies. Such researchers can help diagnose research problems well and then outsource specific elements of data gathering and analysis to the many different types of research organisation that were detailed in Chapter 1. The following example illustrates how a major organisations has adopted 'DIY research'.

Real research

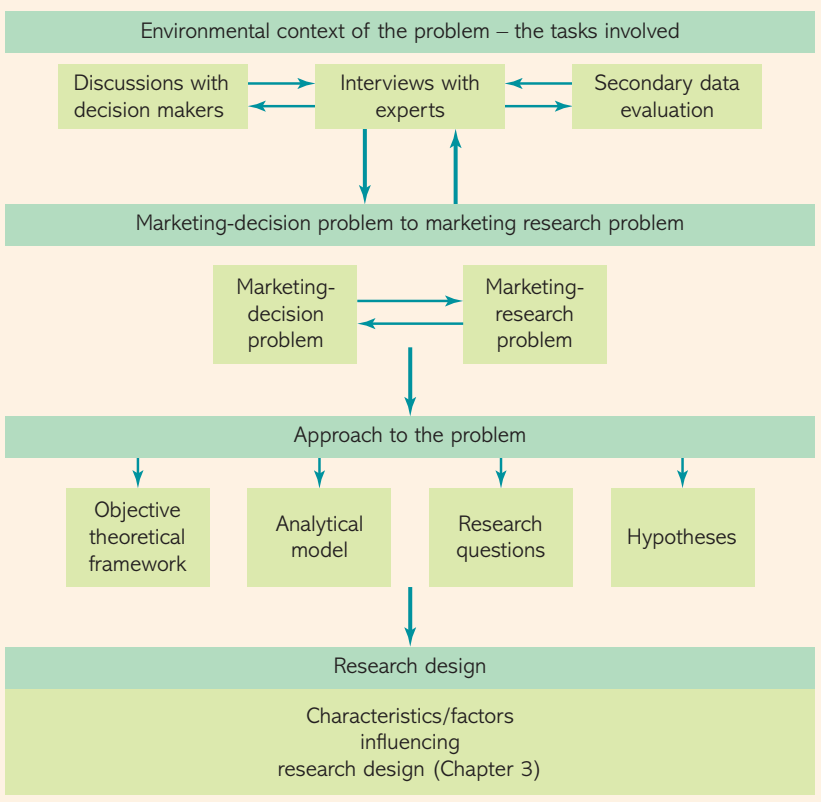
Do-it-yourself research in Finland[11]

Like the country's high-tech industries, research in Finland is expected to be increasingly driven by internet and software developments. One consequence, warns Research International's (now Kantar Finland www.kantar.fi/) managing director, Jukka Tolvanen, is that 'many customers gather information themselves'. Juha Aalto, managing director of Taloustutkimus (www.taloustutkimus.fi/in-english.html), goes further: 'the increase in do-it-yourself research has been fast and furious'. At MTV, Research Manager, Taina Mecklin, has changing needs in an increasingly diffuse media industry. Although generally satisfied with services, she warns: 'We already have the tools to conduct many projects ourselves. Agencies should think about how they can help us instead of wanting to keep the whole process to themselves.' Public broadcaster YLE (www.yle.fi/fbc) also boasts its own research expertise. However, Head of Audience Research, Erja Ruohomaa, explains that she buys fieldwork to gain a 'better understanding of the significance of our programming for all Finns'.

Whether marketing research is conducted by research agencies, in-house or a combination of these, the diagnosis and articulation of what should be researched is vital. The following section details the process that needs to be undertaken in order to produce research proposal documents. The detail of defining the nature of problems and developing an appropriate research approach to the point of creating a research design is shown in Figure 2.3. Bear in mind, at this point, the challenges of gaining access to and understanding the demands of decision makers in this process.

Figure 2.3

The process of defining the problem and developing an approach



The tasks involved in problem definition consist of discussions with decision makers, qualitative interviews with industry experts and other knowledgeable individuals and analysis of readily available secondary data. These tasks help the researcher to understand the background of the problem by analysing the environmental context. Certain essential environmental factors bearing on the problem should be evaluated. An understanding of the environmental context facilitates the identification of the marketing decision problem. Then, the marketing decision problem is translated into a marketing research problem. Based on the definition of the marketing research problem, an approach to the problem is established and an appropriate research design is developed. The components of the approach may consist of an objective/theoretical framework, analytical models, research questions and hypotheses. Further explanation of the problem-definition process begins with a discussion of the tasks involved.

Environmental context of the problem

The tasks involved in understanding the environmental context of the marketing and research problem can include discussions with decision makers, qualitative interviews with industry experts, and secondary data collection and analysis. The purposes of these tasks are to develop an understanding of forces that may affect the nature of decision makers' problems and related research problems.

Discussions with decision makers

Discussions with the decision makers beyond the formal presentation of a research brief and research proposal are usually vital. The decision maker needs to understand the capabilities and limitations of research.[12] Research provides information relevant to management decisions, but it cannot provide solutions, because solutions require managerial creativity and judgement. Conversely, the researcher needs to understand the nature of the decision that managers face – the marketing problem and what they hope to learn from the research.

To identify the marketing problem, the researcher must possess considerable skill in interacting with the decision maker. Several factors may complicate this interaction. Access to decision makers may be difficult, and some organisations have complicated protocols for access to top executives. The organisational status of the researcher or the research department may make it difficult to reach the key decision maker in the early stages of the project. Finally, there may be more than one key decision maker, and meeting collectively or individually may be difficult. All of these problems make it difficult to develop a research brief. Despite these problems, though, it is necessary that the researcher attempts to interact directly with the key decision makers.[13]

Problem audit
A comprehensive examination of a marketing problem to understand its origin and nature.

A **problem audit** provides a useful framework to develop ideas from a brief, allowing the researcher to interact with the decision maker and identify the underlying causes of the problem. Like any other type of audit, it is a comprehensive examination of a marketing problem with the purpose of understanding its origin and nature.[14] A problem audit involves discussions with the decision maker on the following issues:

1 The events that led to the decision that action is needed, or a brief history of the problem.

2 The corporate culture as it relates to decision making.[15] For example, in some firms, the decision-making process is dominant; in others, the personality of the decision maker is more important.

3 The alternative courses of action available to the decision maker. The set of alternatives may be incomplete at this stage, and exploratory research may be needed to identify more innovative courses of action.

4 The criteria that will be used to evaluate the alternative courses of action. For example, new-product offerings might be evaluated based on sales, market share, profitability, or return on investment.

5 What the decision maker perceives to be gaps in their knowledge.

6 The manner in which the decision maker will use each item of information in making the decision.

It may be necessary to perform a problem audit, because the decision maker may have only a vague idea of what the problem is. For example, the decision maker may know that the firm is losing market share but may not know why; decision makers may tend to focus on symptoms rather than on causes. An inability to meet sales forecasts, a loss of market share and a decline in profits are all symptoms. The researcher should treat the underlying causes, not merely address the symptoms. For example, loss of market share may be caused by much better advertising campaigns by the competition, inadequate distribution of the company's products, or any number of other factors. Only when the underlying causes are identified can the problem be successfully addressed.

A problem audit, which involves extensive interaction between the decision maker and the researcher, can greatly facilitate problem definition by determining the underlying causes. The interaction between the researcher and the decision maker is facilitated when one or more people in the client organisation serve to liaise and form a team with the researcher. To be fruitful, the interaction between the decision maker and the researcher can be characterised by the following:

1 *Communication.* A free exchange of ideas between the decision maker and the researcher is essential.

2 *Cooperation.* Marketing research is a team project in which both parties (decision maker and researcher) must cooperate, from problem diagnosis through to the interpretation and presentation of findings.

3 *Confidence.* Mutual trust of each other's distinct skills and contribution should underlie the interaction between the decision maker and the researcher.

4 *Candour.* There should not be any hidden agendas, and an attitude of openness should prevail.

5 *Closeness.* An understanding of each other's problems should result in a closeness that should characterise the relationship between the decision maker and the researcher.

6 *Continuity.* The decision maker and the researcher must interact continually rather than sporadically.

7 *Creativity.* The interaction between the decision maker and the researcher should be creative rather than formulaic. Though the research process may be laid out in 'easy-to-follow' steps, in reality great amounts of creativity are needed at every stage.

Real research

Surf Superconcentrate faces a super washout in Japan

Unilever attempted to break into the Japanese detergent market with Surf Superconcentrate. It initially achieved a 14.5% market share during test marketing but fell to a shocking 2.8% when the product was introduced nationally. Where did Unilever go wrong? Surf was designed to have a distinctive pre-measured packet, resembling teabag-like sachets, joined in pairs because convenience was an important attribute to Japanese

consumers. It also had a 'fresh smell' appeal. Japanese consumers, however, noticed that the detergent did not dissolve in the wash, partly because of weather conditions and because of the popularity of low-agitation washing machines. Surf was not designed to work in the new washing machines. Unilever also found that the 'fresh smell' positioning of new Surf had little relevance since many consumers hang their washing out in the fresh air. The research approach was certainly not without flaw, as Unilever failed to identify critical attributes that are relevant in the Japanese detergent market. Furthermore, it identified factors such as 'fresh smell' that had no relevance in the Japanese context. Appropriate secondary data and business intelligence gathering and analysis, and even some exploratory qualitative research from the target market, could have revealed the correct characteristics or factors leading to a suitable research design. Despite having to withdraw from the Japanese market, Surf continued to perform well in several markets, including India. By 2009 it was the third biggest-selling product in the Indian washing detergent market behind Unilever's Persil and Procter & Gamble's Ariel.

Interviews with industry experts

In addition to discussions with decision makers, qualitative interviews with industry experts who are individuals knowledgeable about the firm and the industry can help in diagnosing the nature of the marketing and research problem.[16] These experts may be found both inside and outside an organisation commissioning the research. Typically, expert information is obtained by unstructured interviews. It is helpful, however, to prepare a list of topics to be covered during the interview. The order in which these topics are covered and the questions to ask should not be predetermined. Instead, they should be decided as the interview progresses, which allows greater flexibility in capturing the insights of the experts (see Chapter 8 for full details of in-depth interviewing techniques). The list of topics to cover and the type of expert sought should evolve as the researcher becomes more attuned to the nature of the marketing problem. The purpose of interviewing experts is to explore ideas, make new connections between ideas and create new perspectives in defining the marketing research problem. If the technique works well by identifying an appropriate individual with the qualities to give insight into a particular topic, and an amount of trust and rapport is developed, the potential to generate and test ideas can be immense. Experts may have other contacts that the researcher may not be aware of or may not be able to get access to. They may also have secondary data, which, again, the researcher may not be aware of or have access to. Unfortunately, two potential difficulties may arise when seeking advice from experts:

1 Some individuals who claim to be knowledgeable and are eager to participate may not really possess expertise.

2 It may be difficult to locate and obtain help from experts who are outside the commissioning organisation, i.e. access to these individuals may be problematic.

For these reasons, interviews with experts are more useful in conducting marketing research for industrial firms and for products of a technical nature, where it is relatively easy to identify and approach the experts. This method is also helpful in situations where little information is available from other sources, as in the case of radically new products and markets. For example, in a marketing research study of Indian high-net-worth consumers, much work went into the environmental context of the problem. Understanding the characteristics of such a complex and fragmented group of wealthy consumers demanded an understanding of significant cultural changes in India. As well as a critical evaluation of relevant theories and secondary data, interviews with experts helped enormously with the challenge of developing

a research approach and research design. Identifying credible experts on India came from an immersion in good theories and secondary data. Identifying them was just the first challenge, gaining access to them and/or their network of contacts was the major test.

Real research

The changing Indian consumer[17]

Modernisation theories propose that the central challenge for developing economies is to manage the transition from traditional to modern societies. Since liberalisation of the Indian economy started in 1991, urban Indian society has become consumerist in its orientation. As a result of the political, social and economic changes of the past six decades, urban India today can be described as a modern society with strong traditional roots. The modern values and ideas that have made inroads into Indian society and culture include money, power, equality, democracy, individuality, pleasure and indulgence, celebrity and glamour, enterprise, experimentation and technology. Many of these represent 'rational' and 'self-expressive' values, as defined in modernisation theories. At the same time, there are several core values that retain their imprint on Indian society. These include hierarchy, primacy of family, importance of religion, belief in the supernatural, importance of relationships, mutual duty, alignment to the group, male superiority and scarcity consciousness. These core values have founded the Indian cultural unconscious for thousands of years. Today, it results in a constant churn and intersection of traditional and modern to create new blends, amalgams and trends that are uniquely Indian. Culture experts have commented about this fundamental aspect of Indian society in different ways. Professor Rapaille, a French–American culture guru, author of the, *The Culture Code*,[18] has studied the cultures of India, China and America. He says:

> *India has a different cultural code to China. The collective unconscious of India has a way to integrate the outside world without losing their soul. A culture which was able to get rid of the British, the Moguls, the Persians, the Arabs, and so on, could survive anything. We will not have, in India, a phase of self-destruction like the Chinese Cultural Revolution, but more of a slow practical way of using the incredible commerce ability of the Indians to their advantage without destroying their culture.*

Professor Sudhir Kakar, India's foremost psychoanalyst and social commentator, writing in *The Inner World*,[19] says:

> *'Its aim dramatizes a cultural ideal of the whole society, namely, a receptive absorption rather than an active alteration and opposition'.*

He also talks of the Elastic Indian – the eclectic Hindu who absorbs all manner of new religious practices such as reiki, pranic healing and Buddhist meditation, alongside traditional Hindu practices. These expert views point to the 'and-ness' of the Indian worldview, where the aim of the cultural unconscious is to find the 'and' answer to potentially conflicting values and ideas. Indians employ a variety of strategies to achieve 'and-ness': blend, balance, manipulate, conceal or negotiate and, when all other options fail, co-exist.

Initial secondary data analyses

Secondary data
Data collected for some purpose other than the problem at hand.

Secondary data collection and analysis will be addressed in detail in Chapters 4 and 5. Here it can be seen in a broad context to include data generated within organisations, externally generated data and business intelligence. A brief introduction here will demonstrate the worth of secondary data at the stage of problem diagnosis. **Secondary data** are data collected for some purpose other

Primary data
Data originated by the researcher specifically to address the research problem.

than the problem at hand. **Primary data**, on the other hand, are originated by the researcher for the specific purpose of addressing the research problem. Secondary data include data generated within an organisation, including customer databases, information made available by business and government sources, commercial marketing research firms and the vast resources available online. Secondary data are an economical and quick source of background information. Analysis of available secondary data is an essential step in the problem-definition process: primary data should not be collected until the available secondary data have been fully analysed. Past information, forecasts and commentary on trends with respect to sales, market share, profitability, technology, population, demographics and lifestyle can help the researcher to understand the underlying marketing research problem. Where appropriate, this kind of analysis should be carried out at the industry and organisation levels. For example, if an organisation's sales have decreased but industry sales have increased, the problems will be very different than if the industry sales have also decreased. In the former case, the problems are likely to be specific to the firm. Past information and forecasts can be vital in uncovering potential opportunities and problems.

Marketing decision problem and marketing research problem

Marketing decision problem
The problem confronting the marketing decision maker, which asks what the decision maker needs to do.

Marketing research problem
A problem that entails determining what information is needed and how it can be obtained in the most feasible way.

The **marketing decision problem** asks what the decision maker needs to do, whereas the **marketing research problem** asks what information is needed and how it can best be obtained.[20] The marketing decision problem is action oriented. It is concerned with the possible actions the decision maker can take. How should the loss of market share be arrested? Should the market be segmented differently? Should a new product be introduced? Should the promotional budget be increased?

In contrast, the marketing research problem is information oriented. It involves determining what information is needed and how that information can be obtained effectively and efficiently. Consider, for example, the loss of market share for a particular product line. The decision maker's problem is how to recover this loss. Alternative courses of action can include modifying existing products, introducing new products, changing other elements in the marketing mix and segmenting the market. Suppose that the decision maker and the researcher believe that the problem is caused by inappropriate segmentation of the market and want research to provide information on this issue; the research problem would then become the identification and evaluation of an alternative basis for segmenting the market. Note that this process requires much interaction, in the sense that both parties critically evaluate, develop and defend each other's ideas to clarify the nature of decision and research problems, and to ensure there is a clear and logical connection between them. The following example further illustrates the distinction between the marketing decision problem and the marketing research problem. It also illustrates the interactive nature of identifying the marketing decision problem and the research problem, each one unfolding and informing the understanding of the other.

The following example, and Table 2.1, further distinguish between the marketing decision problem and the marketing research problem.

Real research **Defining the problem**

Bank X:	We are experiencing a loss of market share in France in corporate banking.
Researcher:	Is it just France?
Bank X:	No, but as we conduct the majority of our business there, the loss is causing us the greatest amount of concern.
Researcher:	Why do you think you are losing market share?
Bank X:	We wish we knew!

Researcher: How are your competitors coping?

Bank X: We suspect that other French banks are also suffering, and the multinational banks are capturing market share.

Researcher: How do your customers feel about the quality of services you deliver?

Bank X: We recently attained our ISO 9000 for service quality, which we are proud of!

Researcher: But how does your service delivery compare with your competitors?

After a series of discussions with key decision makers, analysis of secondary data and business intelligence sources within the bank and from other sources, the problem was identified as follows:

- *Marketing decision problem.* To improve the relationship experience with clients both in face-to-face and online relationships, in order to arrest the decline in market share of Bank X.
- *Marketing research problem.* To determine the relative strengths and weaknesses in terms of relationship experiences of Bank X, vis-à-vis other major domestic and international competitors in France. This would be done with respect to factors that influence a company in its choice of a bank to handle its transactions.

Table 2.1 **Marketing decision problems versus the marketing research problem**

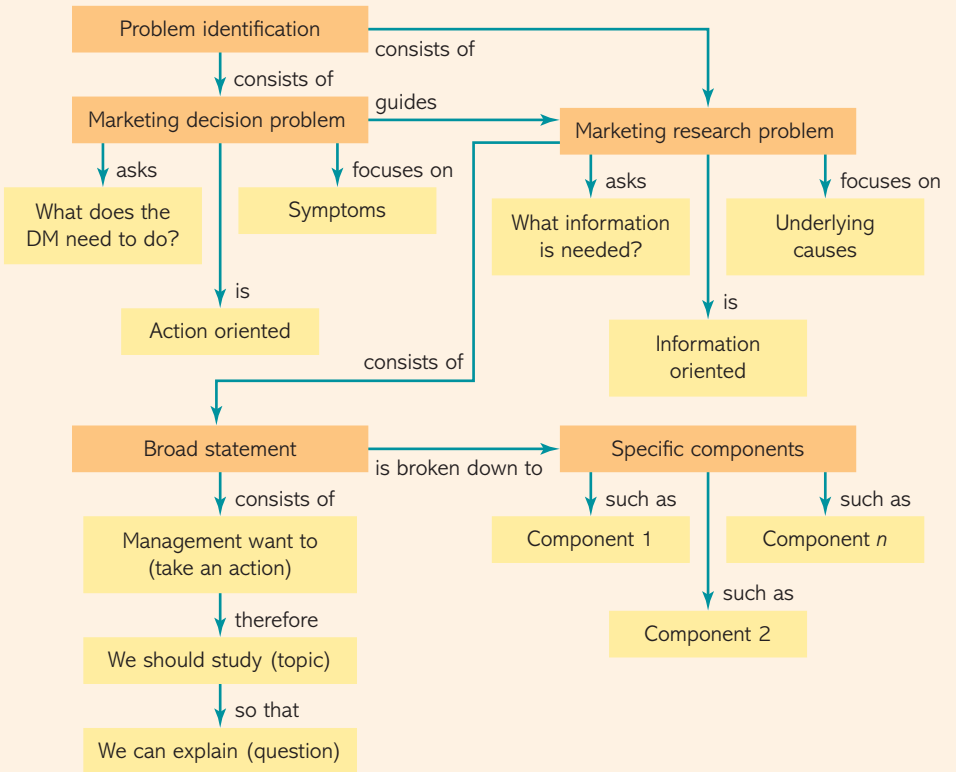
Marketing decision problem	Marketing research problem
Evaluates what the decision maker needs to do	Evaluates what information is needed to support the identified marketing decision
Action oriented	Information oriented
Focuses upon symptoms	Focuses on the underlying causes
The following examples further distinguish between the marketing decision problem and the marketing research problem:	
Which product line extension should we invest in?	To determine consumer perceptions of the qualities and fit to existing products of a selection of product line extensions
Should we invest in celebrity X to endorse our brand in Europe?	To determine consumer perceptions of the qualities and fit to a brand of a selection of celebrities
Should we reposition our brand with an emphasis upon raising prices?	To determine the price elasticity of demand and impact on sales and profits of various levels of price changes

While distinct, the marketing decision problem has to be closely linked to the marketing research problem. A good way to link the broad statement of the marketing decision problem with the marketing research problem is through the use of a conceptual map (Figures 2.4 and 2.5). A **conceptual map** involves the following three components:

Conceptual map
A way to link the broad statement of the marketing decision problem to the marketing research problem.

Marketing decision maker wants to (*take an action*).
Therefore we should study (*topic*).
So that we can explain (*question*).

Figure 2.4 **A conceptual map for problem definition (DM = decision maker)**

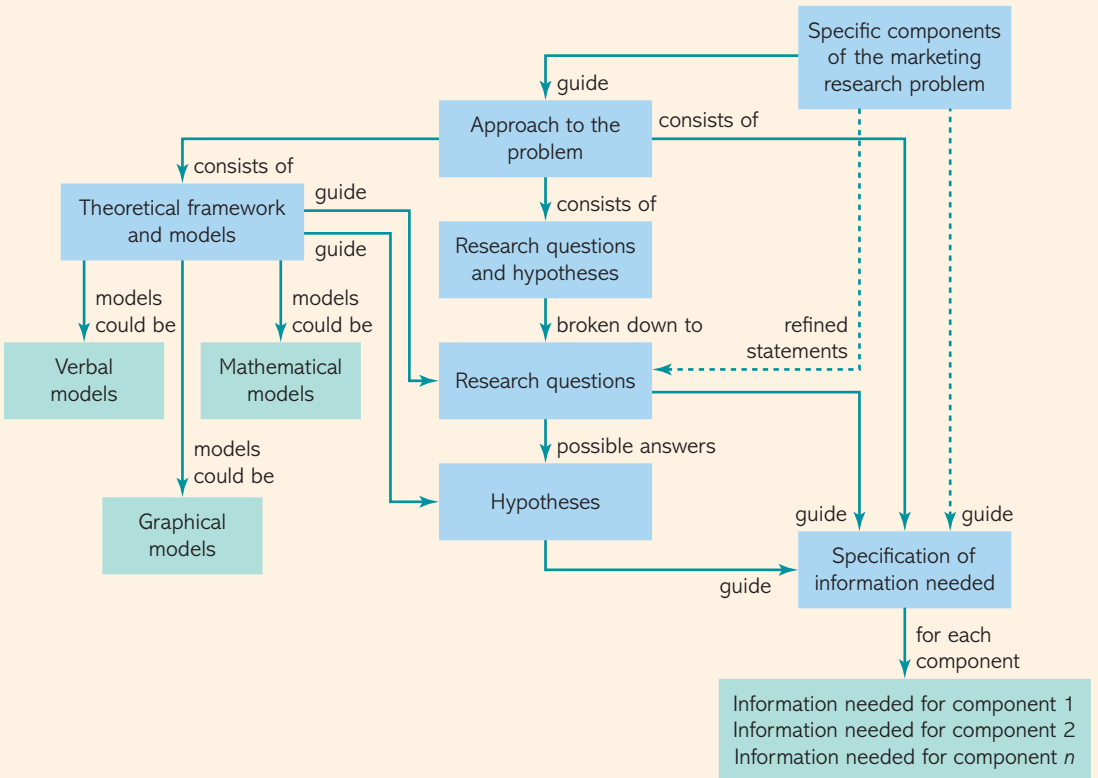


The first line states the rationale for the question and the project; this is the marketing decision problem. The second line of the conceptual map sets out the nature of the broader topic being investigated. The third line implies the question being investigated – the who/how/why that needs to be explained. Thus, the second and third lines define the broad marketing research problem. An example follows of the conceptual map for the study of high-net-worth individuals, assuming that the French luxury brand Hermès was developing marketing strategies to develop its brand in India:

> Marketing decision maker wants to (*develop differentiated in-store customer experiences for particular types of high-net-worth individuals*)
> Therefore we should study (*ways to segment different types of high-net-worth individuals in India*)
> So that we can explain (*the essential demographic, geographic, psychographic, behavioural and psychological factors that could shape differentiated in-store consumer experiences for luxury goods and services*).

As can be seen, the preceding example provides valuable definitions of the marketing decision problem and the broad marketing research problems that are closely linked. The problem is now focused upon a research approach and research design that will generate understanding and measurements of different types of high-net-worth individuals in India. The distinction and linkage between the marketing decision problem and the marketing research problem helps us in understanding how the marketing research problem should be defined.

Figure 2.5 **A conceptual map for approach to the problem**



Defining the marketing research problem

The general rule to be followed in defining the research problem is that the definition should:

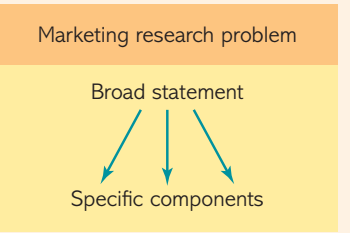
- allow the researcher to obtain all the information needed to address the marketing decision problem;
- guide the researcher in maintaining focus and proceeding with the project in a consistent manner.

Researchers make two common errors in problem definition. The first arises when the research problem is defined too broadly. A broad definition does not provide clear guidelines for the subsequent steps involved in the project. Some examples of excessively broad marketing research problem definitions are: developing a marketing strategy for a brand, improving the competitive position of the firm, or improving the company's image. These are not specific enough to suggest an approach to the problem or a research design.

The second type of error is just the opposite: the marketing research problem is defined too narrowly. A narrow focus may preclude consideration of some courses of action, particularly those that are innovative and not obvious. It may also prevent the researcher from addressing important components of the marketing decision problem. For example, in a project conducted for a consumer products firm, the marketing problem was how to respond to a price

Figure 2.6

Proper definition of the marketing research problem



cut initiated by a competitor. The alternative courses of action initially identified by the firm's research staff were to:

- decrease the price of the firm's brand to match the competitor's price cut;
- maintain price but increase advertising heavily; or
- decrease the price somewhat, without matching the competitor's price, and moderately increase advertising.

None of these alternatives seemed promising. When outside marketing research experts were brought in, the problem was redefined as improving the market share and profitability of the product line. Qualitative research indicated that in blind tests consumers could not differentiate products offered under different brand names. Furthermore, consumers relied on price as an indicator of product quality. These findings led to a creative alternative: increase the price of the existing brand and introduce two new brands – one priced to match the competitor and the other priced to undercut it. This strategy was implemented, leading to an increase in market share and profitability.

Broad statement of the problem
The initial statement of the marketing research problem that provides an appropriate perspective on the problem.

Specific components of the problem
The second part of the marketing research problem definition that focuses on the key aspect of the problem and provides clear guidelines on how to proceed further.

The likelihood of committing either error of problem definition can be reduced by stating the marketing research problem in broad, general terms and identifying its specific components (see Figure 2.6). The **broad statement of the problem** provides perspective and acts as a safeguard against committing the second type of error. The **specific components of the problem** focus on the key aspects and provide clear guidelines on how to proceed further, and act as a safeguard against committing the first type of error. Decisions requiring research support linked to fitting marketing research problem definitions are provided in the following example.

Components of the research approach

Once the marketing decision maker and researcher have clarified the decision problem and established the research problem they face, it has to be decided how to approach the research problem. The research problem may be very clear in the sense that there are strong established theories of what should be measured and how to conduct the measurements. Conversely, the research problem may lack theoretical foundation, with the researcher trying to cope with a broad set of issues that have not been sufficiently researched beforehand and unable to trust existing theories. How the researcher perceives the research problem affects the **paradigm** they will adopt in either an implicit or explicit manner. The researcher's adopted paradigm is built upon a set of assumptions. These assumptions consist of 'agreed-upon' knowledge, criteria of judgement, problem fields and ways to consider them[21] (these factors will be developed further in Chapter 6). What is 'agreed-upon' refers to how strong the theories are in defining and encapsulating the issues that make up a research problem.[22] Bringing together the 'agreed-upon' knowledge, criteria of judgement, problem fields and ways to consider them can be undertaken by considering the objective/theoretical framework, analytical models, research questions and hypotheses. Each of these components is discussed in the following sections. Collectively they may be considered to be the 'approach' that a researcher will take.

Paradigm
A set of assumptions consisting of agreed-upon knowledge, criteria of judgement, problem fields and ways to consider them.

Objective/theoretical framework

Theory
A conceptual scheme based on foundational statements, or axioms, that are assumed to be true.

Objective evidence
Perceived to be unbiased evidence, supported by empirical findings.

In general, researchers should aim to base their investigations upon objective evidence, supported by **theory**. A theory is a conceptual scheme based on foundational statements called axioms that are assumed to be true. **Objective evidence** is gathered by compiling relevant findings from secondary sources. Likewise, an appropriate theory to guide the research might be identified by reviewing academic literature contained in books, journals and monographs. The researchers should rely on theory to help them to measure or understand the variables they are investigating. Academic sources of new developments to measure, understand and analyse consumers should be constantly evaluated; the following example illustrates why.

Real research

Using faces: measuring emotional engagement: facetrace™[23]

Source: Antonio Guillem/Shutterstock

The research company BrainJuicer (www.brainjuicer.com) tested a number of adverts that had won awards from the Institute of Practitioners in Advertising, and had therefore been shown to deliver against their business objectives. Alongside these, BrainJuicer tested a set of adverts from each of the same categories, with what might commonly be termed as having the same kind of advertising objective (i.e. direct message, relaunch, brand building). An experiment was conducted online, and each advert was tested with 150 participants. The emotional scale BrainJuicer developed stated how many viewers felt each emotion, having viewed the adverts, and also the intensity with which they felt any emotion. A review of methods used to measure emotion led the company to the conclusion that it needed to develop a self-report technique (it needed to be easy to administer and user-friendly) that overcame some of the criticisms of self-report, one that identified the emotion felt without the need for a great deal of cognitive processing on the part of the participant.

The company turned to the work of Paul Ekman,[24] a respected psychologist, who puts a case for a set of seven basic emotions, *happiness*, *surprise*, *sadness*, *fear*, *anger*, *contempt and disgust*, all of which are universally conveyed by and recognisable in the face. Ekman's research on reading emotion in people's faces had three important implications:

1 It gave BrainJuicer a framework for understanding which emotions they should be looking to capture.

2 It provided a means of accessing what participants feel, with minimal cognitive processing on their part.

3 Ekman's research findings served as BrainJuicer's theoretical framework for measuring emotional response. They were fundamental in helping to set out important new findings for the measurement of emotion in advertising.

Table 2.2 The role of theory in applied marketing research

Research task	Role of theory
Conceptualising and identifying key variables	Provides a conceptual foundation and understanding of the basic processes underlying the problem situation; these processes will suggest key dependent and independent variables
Operationalising key variables	Provides guidance for the practical means to measure or encapsulate the concepts or key variables identified
Selecting a research design	Causal or associative relationships suggested by the theory may indicate whether a causal, descriptive or exploratory research design should be adopted (see Chapter 3)
Selecting a sample	Helps in defining the nature of a population, characteristics that may be used to stratify populations or to validate samples (see Chapter 14)
Analysing and interpreting data	The theoretical framework and the models, research questions and hypotheses based on it guide the selection of a data analysis strategy and the interpretation of results (see Chapter 19)
Integrating findings	The findings obtained in the research project can be interpreted in the light of previous research and integrated with the existing body of knowledge

Researchers should also rely on theory to determine which variables should be investigated. Past research on theory development and testing can provide important guidelines on determining dependent variables (variables that depend on the values of other variables) and independent variables (variables whose values affect the values of other variables). Furthermore, theoretical considerations provide information on how the variables should be operationalised and measured, as well as how the research design and sample should be selected. A theory also serves as a foundation on which the researcher can organise and interpret the findings: 'nothing is so practical as a good theory'.[25] Conversely, by neglecting theory researchers increase the likelihood that they will fail to understand the data obtained or be unable to interpret and integrate the findings of the project with findings obtained by others. The role of theory in the various phases of an applied marketing research project is summarised in Table 2.2.

Applying a theory to a marketing research problem requires creativity on the part of the researcher. A theory may not specify adequately how its abstract constructs (variables) can be embodied in a real-world phenomenon. Researchers must therefore take the best of what they believe to be the most novel theories to represent and encapsulate consumer thinking and behaviour. It is also vital for researchers to recognise that theories are incomplete; they deal with only a subset of variables that exist in the real world. Hence, the researcher must also identify and examine other variables that have yet to be published as theories. This may involve the researcher developing 'grounded theory',[26] (which will be explained and developed in Chapter 6).

Research questions

Research questions
Refined statements of the specific components of the problem.

Research questions are refined statements of the components of the problem. Although the components of the problem define the problem in specific terms, further detail may be needed to develop an approach. Each component of the problem may have to be broken down into subcomponents or research questions. Research questions ask what specific information is required with respect to the problem components. If the research questions are answered by the research, then the information obtained should aid the decision maker. The formulation

of the research questions should be guided not only by the problem definition, but also by the theoretical framework and the analytical model adopted. For a given problem component, there are likely to be several research questions.

Hypothesis

Hypothesis
An unproven statement or proposition about a factor or phenomenon that is of interest to a researcher.

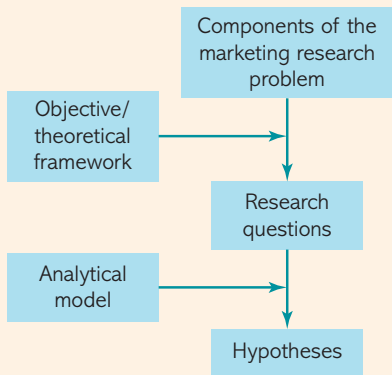
A **hypothesis** is an unproven statement or proposition about a factor or phenomenon that is of interest to the researcher. For example, it may be a tentative statement about relationships between two or more variables, as stipulated by the theoretical framework or the analytical model. Often, a hypothesis is a possible answer to the research question.[27] Hypotheses go beyond research questions because they are statements of relationships or propositions rather than merely questions to which answers are sought. Research questions are interrogative; hypotheses are declarative and can be tested empirically (see Chapter 20). An important role of a hypothesis is to suggest variables to be included in the research design.[28] The relationship between the marketing research problem, research questions and hypotheses, along with the influence of the objective/theoretical framework and analytical models, are described in Figure 2.7.[29]

Hypotheses are an important part of the approach to a research problem. When stated in operational terms, such as H_1 and H_2, they provide guidelines on what, and how, data are to be collected and analysed. When operational hypotheses are stated using symbolic notation, they are commonly referred to as statistical hypotheses.

It is important to note that not all research questions can be developed into hypotheses that can be tested. Certain research questions may be exploratory in nature, with the researcher having no preconceived notions of possible answers to the research questions, nor the ability to produce statements of relationships or propositions. If the researcher is faced with such a situation, it does not mean that the investigation will not be as valid as one where hypotheses are clearly established. It means that the researcher may have to adopt a different approach or paradigm to establish its validity.

Figure 2.7

Development of research questions and hypotheses



Summary

Defining the marketing research problem is the most important step in a research project. Problem definition is a difficult step, because, frequently, decision makers have not determined the actual problem or only have a vague notion about it. The researcher's role is to help decision makers identify and define their marketing research problem.

The formal ways in which decision makers and researchers communicate their perspectives on a research problem and how to solve it are through the development of a research brief and a research proposal. To develop these documents fully, researchers should be proactive in arranging discussions with key decision makers, which should include a problem audit whenever possible. They should also conduct, where necessary, interviews with relevant experts, and secondary data collection and analyses. These tasks should lead to an understanding of the environmental context of the problem.

Analysis of the environmental context should assist in the identification of the marketing decision problem, which should then be translated into a marketing research problem. The marketing decision asks what the decision maker needs to do, whereas the marketing research problem asks what information is needed and how it can be obtained effectively and efficiently. The researcher should avoid defining the marketing research problem either too broadly or too narrowly. An appropriate way of defining the marketing research problem is to make a broad statement of the problem and then identify its specific components.

Developing an approach to the problem is the second step in the marketing research process. The components of an approach may consist of an objective/theoretical framework, analytical models, research questions and hypotheses. It is necessary that the approach developed be based upon objective evidence or empirical evidence and be grounded in theory as far as it is appropriate. The relevant variables and their interrelationships may be neatly summarised in an analytical model. The most common kinds of model structures are verbal, graphical and mathematical. The research questions are refined statements of the specific components of the problem that ask what specific information is required with respect to the problem components. Research questions may be further refined into hypotheses. Finally, given the problem definition, research questions and hypotheses should be used to create a method either to measure or elicit an understanding of target participants.

Questions

1. What is the nature of the first step in conducting a marketing research project?
2. Why is it vital to define the marketing research problem correctly?
3. What is the role of the researcher in the problem definition process?
4. What are the components of a marketing research brief?
5. What are the components of a marketing research proposal?
6. What is the significance of the 'background' section of a research brief and research proposal?
7. Describe some of the reasons why management are often not clear about the 'real' research problem that needs to be addressed.
8. What interrelated events occur in the environmental context of a research problem?
9. What are some differences between a marketing decision problem and a marketing research problem?
10. Describe the factors that may affect the approach to a research problem.
11. What is the role of theory in the development of a research approach?
12. What are the differences between research questions and hypotheses?
13. Is it necessary for every research project to have a set of hypotheses? Why or why not?

Exercises

1. Imagine that you are the Marketing Director of Lufthansa.
   - **a** Make a list of potential marketing objectives whose fulfilment could improve the performance of Lufthansa.
   - **b** Select what you feel would be the most important marketing objective. Develop a set of marketing research objectives that you consider would support the decisions needed to fulfil that marketing objective.
2. You are a consultant to Audi AG, working on a project for their Lamborghini subsidiary.
   - **a** Use online databases to compile a list of articles related to the Lamborghini and the global high-performance luxury car market in the past year.
   - **b** Visit the Lamborghini and Ferrari websites and evaluate the extent of competitive information available at each.
   - **c** Based upon the information collected from 2a and 2b, write a report on the environmental context surrounding Lamborghini.
3. In a small group discuss the following issues: 'Is it feasible that marketing decision makers may not conceive of or be able to express the nature of decision support they need? What are the implications of such a possibility in the development of research proposals?' And 'From where may theory emerge to ground applied marketing research and what may be the relative worth of the source of theories used by researchers?'
4. Visit www.innocentdrinks.co.uk and other relevant sources of business news and gather relevant information about the marketing challenges of Innocent Smoothies. As a brand manager for Innocent Smoothies you are concerned about improving the performance of your brand. Identify possible factors that you feel may shape the future performance of the brand. Write a brief report of 1,000 words that sets out Innocent's marketing challenges and concludes with your views of factors that could shape its future performance.
5. Visit www.fabindia.com. In particular, look at the sections that describe the vision and philosophy behind this business. Gather online secondary data and business intelligence from online sources, especially your library's online databases. If Fabindia were to develop its brand further in selected European countries, what would the key challenges be? Write a brief report of 1,000 words that sets out Fabindia's challenges, identify five experts who may have a view of capitalising upon these challenges, and give brief details of why these individuals may be seen as experts.

Notes

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3 Research design

Stage 1
Problem definition

Stage 2
Research approach developed

Stage 3
Research design developed

Stage 4
Fieldwork or data collection

Stage 5
Data integrity and analysis

Stage 6
Communicating research findings

There is a wide choice of alternative research designs that can meet research objectives. The key is to create a design that enhances the value of the information obtained, while reducing the cost of obtaining it.

Source: SB Professional/Shutterstock

Objectives

After reading this chapter, you should be able to:

1. define research design, classify various research designs and explain the differences between exploratory and conclusive research designs;
2. compare the basic research designs: exploratory, descriptive and causal;
3. understand how participants or the subjects of research design affect research design choices;
4. understand the strengths and weaknesses of key research designs;
5. describe the major sources of errors in a research design, including random sampling error and the various sources of non-sampling error.

Overview

Chapter 2 discussed how to define a marketing research problem and develop a suitable approach. These first two steps are critical to the success of the whole marketing research project. Once they have been completed, attention should be devoted to designing the formal research project by formulating a detailed research design (as a reminder, see Figure 2.3).

This chapter defines and classifies research designs. We examine the nature of research design from the perspectives of decision makers and participants. Two major types of research design are then discussed: exploratory and conclusive. We further classify conclusive research designs as descriptive or causal and discuss both types in detail. The differences between the two types of descriptive designs are then considered (cross-sectional and longitudinal) and sources of errors are identified. A better appreciation of the concepts presented in this chapter can be gained by first considering the following example, which illustrates the use of a number of interrelated techniques to build a research design.

Real research

Getting to know you[1]

Building a relationship with consumers is a challenge facing all organisations, but particularly so in the case of 'emergent drinkers', those of legal drinking age up to 25. Allied Domecq Spirits and Wines (www.allieddomecq.com) recognised the danger of being distanced from this crucial group, particularly across geographical markets. Allied Domecq worked with Pegram Walters International (www.aegisplc.com) on a project that went far beyond an exploration of the current usage and attitudes towards spirits. The objectives of the project encompassed an exploration of the target groups' personal values, their feelings about their lives, their universe, their hopes and dreams. There were three stages to the research design. In the first stage the researchers conducted one-hour in-depth interviews. There were three clear objectives for this stage: to understand personal viewpoints on marketing and lifestyle issues; to clarify and/or narrow down topics for subsequent exploration; and to recruit appropriate 'information gatherers'. From this stage, hypotheses were formulated on issues such as how participants saw themselves and their future, their relationships, self-discovery and opting in or out

of the system. In the second stage, from 20 in-depth interviews, 10 participants were retained as 'information gatherers'. 'Leading-edge' bars were rented out and 50 adult emergent drinkers were invited to participate in workshops. Given a task guideline, the information gatherers led discussions. As an additional record, the workshops were video recorded. The participants felt comfortable within their peer group and, in the more natural bar environment, fed back real, relevant and honest information. The third stage occurred on the night following the workshops. Focus groups were used, made up of the 'information gatherers'. They discussed what happened in the workshops and their interpretation of what it actually meant. In order to ensure that the information remained topical, useful and easily accessible, it was felt important to create a vehicle for an ongoing communication and dialogue with the target market. To achieve this, a high-impact 'magazine' was created to bring the research to life after the presentation of findings. This was referred to as a magazine and not a research report to reflect the lifestyle of the consumer group in question: it contained images, layouts and fonts typically associated with the generation.

The above example illustrates a very creative and useful exploratory research design. As a research design it worked well in that it achieved a balance of the needs and expectations of marketing decision makers and participants. Decision makers helped to set clear research objectives based upon the gaps in their knowledge of the target market. Participants related well to the questions and issues posed to them, in a context and environment in which they felt comfortable. An understanding of the fundamentals of research design, its components and the trade-offs between the parties involved in crafting an effective research design enabled the researchers to formulate the most appropriate design for the problem at hand.

Research design definition

Research design
A framework or plan for conducting the marketing research project. It specifies the details of the procedures necessary for obtaining the information needed to structure or solve marketing research problems.

A **research design** is a framework or plan for conducting a marketing research project. It details the procedures necessary for obtaining the information needed to structure or solve marketing research problems. Although a broad approach to the problem has already been developed, the research design specifies the details, the practical aspects of implementing that approach. A research design lays the foundation for conducting the project. A good research design will ensure that the marketing research project is conducted effectively and efficiently. Typically, a research design involves the following components or tasks, is discussed in detail in various chapters:

1 Define the information needed (Chapter 2).

2 Decide whether the overall design is to be exploratory, descriptive or causal (Chapter 3).

3 Design the sequence of techniques of understanding and/or measurement (Chapters 4 to 12).

4 Construct and pre-test an appropriate form for data collection or questionnaire (Chapters 7, 8 and 13).

5 Specify the qualitative and/or quantitative sampling process and sample size (Chapters 6, 14 and 15).

6 Develop a plan of qualitative and/or quantitative data analysis (Chapters 9 and 19).

In formulating a research design, the researcher has to balance the perspectives of marketing decision makers and target participants. From their education and experience, marketing decision makers may have certain techniques that they believe to be the most effective and in which they subsequently have more confidence. There is no problem with this, providing the technique is the best means to measure or understand the issue under investigation, from the perspective of participants. In the example at the start of this chapter, decision makers had confidence in the qualitative techniques and the data generated. The techniques worked well with the participants, drawing out a rich picture of participant behaviour, lifestyle and aspirations. However, should the decision makers feel that survey techniques were the most effective, giving them the most confidence to support their decisions, the researchers may face a dilemma. If they use survey techniques they might find that participants may have a different relationship with interviewers, do not reflect in the same manner and ultimately do not reveal so much. Thus, research design involves the researchers developing an understanding of the type of data decision makers have confidence in, plus an understanding of how participants may respond to different techniques. The first part of this balancing act involves understanding research design from the decision makers' perspective; the second part involves understanding the participants' perspective.

Research design from the decision makers' perspective

Marketing decision makers seek support from researchers that is of practical relevance to the decisions they face. To give practical support, decision makers expect information that is:

- *Accurate*, i.e. the most valid representation of the phenomena under investigation, that has come from the most reliable or consistent form of measurement or understanding, that is sufficiently sensitive to the important differences in individuals being measured or understood. Combining these three criteria refers to the degree to which information may be deemed as 'accurate'.
- *Current*, i.e. as up to date as possible. This is particularly important where consumer attitudes, lifestyle or behaviour change quickly, perhaps due to rapid technological changes or new-product offerings in a highly competitive market.
- *Sufficient*, i.e. the completeness or clarity of a 'picture' that reflects the characteristics of the marketing problem the decision makers face.
- *Available*, i.e. that access to the relevant information can be made when a decision is imminent. This is particularly important where competitive activity forces the decision makers into making a rapid response.
- *Relevant*, i.e. that the support given 'makes sense' to decision makers. In a very general sense, decision makers may criticise qualitative research approaches and techniques for being biased and unrepresentative and, conversely, quantitative approaches and techniques for lacking depth and a contextual perspective. Whichever approach or techniques are adopted, decision makers should be aware of their benefits, limitations and even alternatives. With this awareness they can use the findings with confidence to build upon their existing experiences and knowledge.

Generating information that fulfils all the above characteristics is extremely difficult, if not impossible, to achieve in marketing research. The evaluation of sources of error, presented later in this chapter, and the restrictions of budget and timescales mean that this list represents 'ideals'. Realistically, trade-offs must be made among the above characteristics. Within the first characteristic of accuracy there are further trade-offs, which are primarily caused by what the researcher is attempting to measure or understand:[2]

1 The subject of investigation is usually human.

2 The process of measuring or observing humans may cause them to change.

3 It is difficult to assess the effect of extraneous variables in marketing experiments and thus their applications are limited.

Given the complexity of the subjects under study, the context or environment in which measurements are taken and the skills required to perform and interpret measurements, it is difficult (if not impossible) to gain completely objective and accurate measurements.[3] Of all the potential trade-offs, if one were to remove *relevance*, then the whole rationale of supporting the marketing decision maker would be removed. Therefore this characteristic can never be compromised.

Relevance embraces, among other things, the ability to plan and forecast from research findings, to be able to distinguish real differences in consumer traits and to know that characteristics are representative of groups of individuals. With relevant information such as this, the decision maker can build up a stronger understanding or awareness of markets and the forces that shape them. In building up this understanding, the decision maker cannot turn to a single technique or even body of techniques that may be deemed 'ideal' in ensuring that information is relevant.[4] In different types of decision-making scenarios, different techniques will offer the best support for that decision maker. Establishing the best form of support is the essence of research design.

A fundamental starting point in deciding an appropriate design is viewing the process from the point of view of the potential subject or participant of a marketing research study.

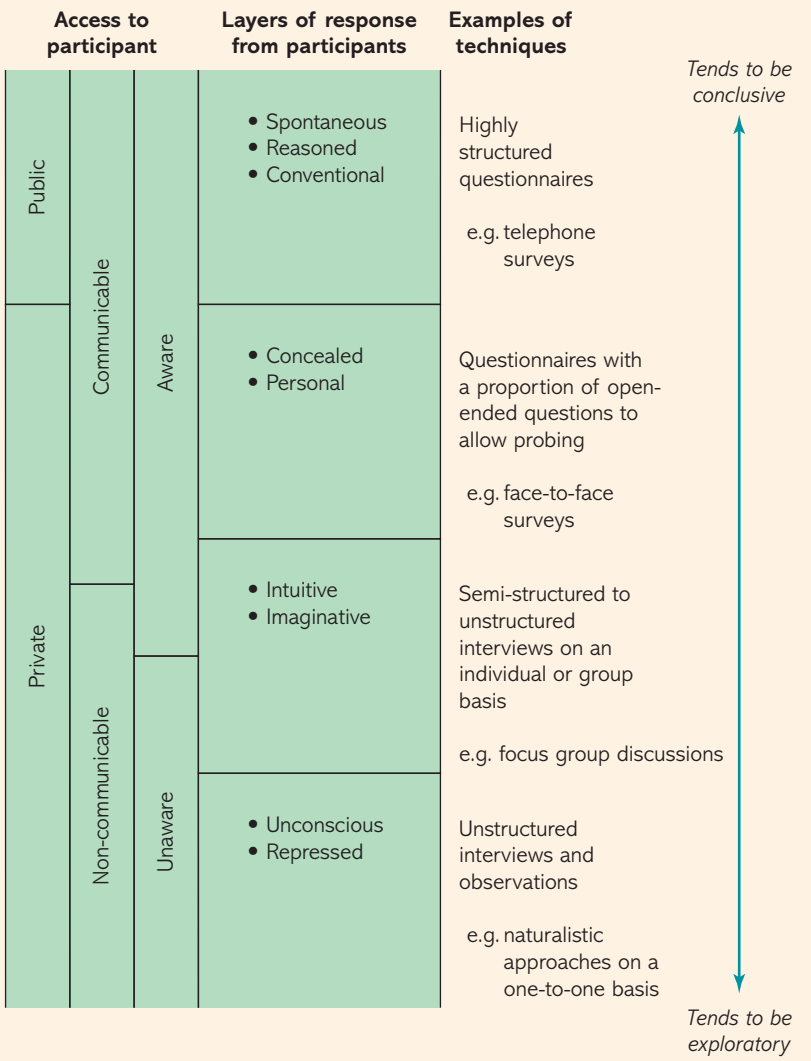
Research design from the participants' perspective

The potential participants in any marketing research investigation play a vital role in deciding which research design will actually work in practice. A subject of study may be complex and need time for participants to reflect upon and put words to the questions posed. Certain methods are more likely to build up a rapport and trust – in these circumstances putting the participants in the right frame of mind and getting them to respond in a full and honest manner. Figure 3.1 is a framework that serves to remind how participants may be accessed, and what kinds of response may be generated.[5]

In Figure 3.1 the box under the heading 'Layers of response from participants' represents how participants may react to questions posed to them. In the first layer of 'Spontaneous, Reasoned, Conventional' are questions that participants can express a view about quickly, and that are simple for them to reflect upon, relating to common, everyday occurrences that are at the forefront of their minds. In such circumstances, simple structured questioning (or self-reporting) in a standardised manner is possible. Further, the same procedure can be conducted in a consistent manner to a whole array of 'types' of participant, such as age groups, social class and intellectual levels. For example, if questions were posed on which newspapers someone reads, it is a reasonable assumption that participants would be aware of the newspaper title(s), these title(s) can be communicated and the topic of newspaper readership is not a sensitive issue. In these circumstances, where answers to questions on reading habits are relatively easy to access and respond to, highly structured questionnaires are appropriate. Clearly, in such situations, quantitative techniques are applicable that allow very detailed descriptions or experiments to be conducted. The following example illustrates the use of a structured online survey that allowed detailed descriptions and attitudinal measurements of visitors to an exclusive event.

Figure 3.1

Responses to interviewing



Real research

The Moving Motor Show at Goodwood

Held within the spectacular grounds of Goodwood Park, the exclusive Moving Motor Show (www.goodwood.com/grrc/event-coverage/festival-of-speed/) was an important addition to the Festival of Speed. The show enabled a limited number of motoring enthusiasts and new-car buyers to see the very latest models up close for the first time in the UK, and, in some cases, also to climb aboard and

Source: Juri Semjonow/123RF

experience the vehicles firsthand, strictly at the invitation of the attending vehicle manufacturers. Following the show, IFM Sports Marketing Surveys (now part of Repucom: http://repucom.net) contacted visitors using its ticketing database as a sampling frame. Event attendees were invited to complete an online questionnaire. The nature of questions posed in this survey addressed attitudinal, behavioural and demographic questions. These questions did not demand in-depth reflection on the part of participants; their responses could be articulated with ease in a concise survey that took five minutes to complete. As most attendees to the event were passionate about Goodwood and cars, their engagement with the subject was high, resulting in 777 completed questionnaires. The show succeeded in attracting new visitors to Goodwood: 26% of visitors had never been to any event prior to this visit. Encouragingly, 37% of visitors had nothing negative to say about their visit to Goodwood; however, 27% disliked the walk from the car park to the event.

Progressing down Figure 3.1, at the second level are questions that are more personal and more sensitive. There are two characteristics that can turn otherwise mundane topics into sensitive ones.[6] The first involves any private, sacred or stressful aspect of a participant's life. The second is the real or perceived stigma associated with specific thoughts or actions. A great amount of business-to-business research can be added to these in terms of commercially sensitive information. Again, structured questionnaires can measure the relevant issues, but an amount of rapport may be needed to induce participants to trust the interviewer and reveal their 'more personal' attitudes and behaviour. Where the presence of the interviewer causes discomfort or bias, the method of audio/computer-assisted self-interviewing may be used[7] or, far more frequently, the anonymity of online research methods can facilitate more honest and open responses.[8] Such techniques combine the higher response rates of personal interviews with the privacy of self-administered questionnaires. The following example illustrates how the condom manufacturer Durex managed to research a sensitive topic.

Real research

Minimising unease, embarrassment or reluctance in disclosing intimate personal information[9]

Durex (www.durex.com) wishes to support each individual's right to enjoy a healthy and rewarding sex life. The challenge for Durex, in this vision, is to develop a brand platform that encompasses sexual well-being (and, through this, the promise of an enhanced and better sex experience), without eroding its safe sex and barrier protection. To fulfil its overall business objective of providing insights to support the commercial vision for the brand, marketing research was needed to address a number of discrete research objectives. These ranged from understanding sexual well-being and how it fits into people's lives, through exploring the sexual activities they take part in, to future trends. It was also critical to ensure that within the overarching aim, the needs of individual stakeholder audiences were met through a robust and reliable research design. The stakeholder audiences included internal business teams and divisions, sexual well-being and health experts, clinicians, politicians, opinion formers and teachers. Openness to talking about sex can vary greatly, not only from individual to individual, but from one culture to another. So a key challenge for the research was to ensure that unease, embarrassment or reluctance in disclosing intimate personal information was minimised. For those who would choose to participate in the survey, their concerns were in participant willingness

to answer more specific, detailed and sensitive questions (e.g. on sexual activities or dysfunctions). In designing the survey, these issues needed to be front of mind, and every effort made to minimise their potential impact on response rates, data quality and, ultimately, on costs and feasibility. The duty of care to participants in the survey was at the centre of the thinking throughout questionnaire design, and the respective codes of conduct in each of the 26 countries covered in the research were rigorously followed. The focus of the approach was the idea of 'treating others as we expect to be treated'. So, it was extremely important to be open and honest about the nature of the survey from the very beginning. The introduction advised participants of the sensitive nature of the questions and it also stressed that researchers were not in any way intending to cause any offence. Participants were consequently able to make an informed choice as to their participation. A funnel approach to questionnaire design was adopted, with the less sensitive questions placed at the beginning of the questionnaire to build trust, so that participants felt comfortable being asked the more sensitive questions later on. Throughout the survey, participants were given the option to decline to answer, or suspend, to ensure they did not feel pressured into answering questions they did not feel comfortable with. After careful consideration of the strengths and limitations associated with each mode of data collection available in a researcher's toolkit, an online approach was singled out as the best one for this survey. This approach presented a number of key advantages over other methods for the following reasons:

- The sensitive topic area required an approach that allowed for honesty and openness.
- Removing any interviewer influence or bias was also considered key to data quality.
- The need for global coverage.
- Reach/cost ratio: an online approach was the most cost-effective way of obtaining global reach.

However, an online approach was not feasible in Nigeria, principally due to low penetration levels of the telephone and internet. Instead, a face-to-face self-completion approach was adopted in this country.

At the third level are questions that require participants to be creative. For example, if participants were to be asked about their attitudes and behaviour towards eating yogurt, this could be done in a very structured manner. Questions could be set to determine when it was eaten, favourite flavours and brands, where it was bought, how much was spent, etc. The same can be said of alcohol consumption, though this could well be a sensitive issue for many participants. Now imagine a new product idea that mixes yogurt and alcohol. What combinations of alcohol and yogurt would work, and what types of consumer would be attracted to them? Would it be a dessert liqueur such as Baileys Irish Cream, or frozen yogurt to compete with the Häagen-Dazs luxury ice creams? Would champagne, advocaat, whisky or beer be the best alcoholic ingredient? Should any fruits be added? Individually? Forest fruits? Tropical fruits? How would the product be packaged? What name would best suit it? What price level would it sell at? On what occasions would it be consumed?

Answering these questions demands a great amount of creativity and imagination. It demands that participants reflect upon ideas, play with ideas and words and dig deep to draw out ideas in a relaxed manner. Structured questionnaires cannot do this; such a scenario would work best with the use of focus groups. One of the major participant-access challenges faced at this level relates to how participants articulate their views and feelings,

especially their emotional states related to brands. The following example illustrates how research participants can be helped to articulate what they may feel about sensations and brands.

Real research

What the nose knows[10]

Thomas Inglesant works in the Global Consumer Insights team of the fragrances and flavours company Givaudan (www.givaudan.com). The task of his team is to help brands match household products, such as floor cleaners, with scents that appeal to consumers. One of the main activities of his team is the broad pursuit of an understanding of consumers, covering their attitudes and usage habits as they relate to different products. This work is growing, with group discussions, one-to-one interviews and in-home ethnography as commonly used tools. Inglesant notes: 'the negative side is there are no numbers so you cannot do statistics with the results, but the positive is that it is more to do with the "why", rather than the "what" and the "how much"'. One of the problems with asking consumers about different scents is that they tend not to have many words to be able to describe either a smell or why they do or don't like it. Words such as 'clean' and 'fresh' are used almost universally by people describing a whole range of scents they like. In case words fail them, consumers can be shown pictures to help them associate scents with certain moods, colours or scenes. Researchers draw on a bank of about 100 pictures – everything from food and flowers to mountain views and people pulling different facial expressions – to help discussions along. In some instances, consumers are given a bank of descriptive words and asked to choose which best describe the fragrance they are given.

At the fourth level may be questions that participants may not be able to conceptualise, never mind be able and willing to express what they feel about particular views and feelings. Consumers may absorb masses of marketing-related stimuli, react to them and 'intend' to behave without really knowing why or even being aware of the true drivers of their intentions or behaviour.[11] An example may be trying to understand the childhood influences of family and friends on an individual's perception and loyalty to brands that the individual may purchase, perhaps on a habitual basis – an example being washing-up liquid. Another example may be understanding the image consumers have of themselves and an image they wish to portray by spending €20,000 on a Rolex wristwatch. Participants do not normally have to think through such issues or articulate reasons for buying expensive luxury or fashion brands, until a researcher comes along!

> *There is an implicit assumption in research that people carry attitudes around in their head that determine their buying behaviour. Most of the time, we don't give much thought to the burger we've eaten or even the flight we've made. Our natural inclination is to be polite and cooperative. If a researcher asks us to give an opinion we will do our best to formulate one on the spot.*[12]

In circumstances where the researcher is digging deep into topics that participants do not normally think about or articulate, polite responses to questions may be very misleading. The characteristics of the individual participant may determine what is the best way to probe and elicit appropriate responses. Nothing is standardised or consistent in these circumstances, the researchers having to shape the questions, probes and observations as they see fit in each interview or observation situation. The following example illustrates the challenges faced by researchers and research participants in thinking and articulating their emotional relationships to brands.

Real research

Winning people's hearts[13]

There are plenty of brands that give consumers satisfaction, and then there are brands such as Apple (www.apple.com) and Netflix (www.netflix.com) that have something extra. This intangible something is what Marc Gobé, CEO of Desgrippes Gobé Group (www.dga.com), calls 'emotional branding', and he says it is what makes consumers fall in love with a brand:

> *This magnetism can be manufactured and there's a big role for research in coming up with the right chemistry to create it. Nike is a good example of an emotional brand. It made sportswear accessible to non-sports people with a brand story that inspired not just success but energy and determination.*

Marc says that it is important to evaluate visual codes and emotional stimuli associated with brands and their competitors, to determine how consumers experience brands on a sensory level. What he does not do is ask consumers to describe their own feelings about brands and visual stimuli, recalling famous brands like Absolut and Red Bull that have flopped in focus groups:

> *It is very difficult to ask consumers, particularly in that kind of environment that is not conducive to imagination, about what they feel. I think consumers are not honest all the time and we are limited by the words that we use to express the emotions we have. It is very difficult to truly understand what it is that consumers really will accept in their lives, particularly when it comes to innovation.*

As well as understanding how participants may react to particular issues, researchers should also understand how the context or environment may affect participants. The following examples illustrate why 'context' is so important when thinking about where participants are questioned and/or observed. The first example sets out ideas of how to experiment with different contexts in which to conduct qualitative interviews. The second example questions the context in which focus groups are conducted and the possible impact of context upon participant engagement, reflection and honesty.

Real research

Taxis, vans and subways: capturing insights while commuting[14]

The Mexican research company Insitum (www.insitum.com) has been experimenting with new ways to conduct qualitative research by reaching consumers in their own context instead of making them move to a local facility and participate in a study.

The company tried three approaches:

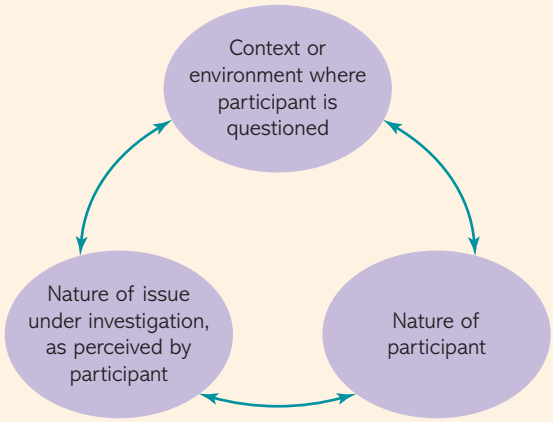
1. Designing and implementing a research taxi in which participants are taken to their destination while they participate in an interview conducted by the researcher–driver.
2. Moderating focus group sessions inside a private van in which passengers participate while they travel from a suburb to the city centre.
3. Conducting shadowings (observations and interviews) with subway passengers during their home–work commute.

The three approaches had mixed results and opportunities for improvement, with clear logistical challenges. However, they all successfully developed new insights of consumers who were happy to discuss issues and be observed in contexts that they felt 'comfortable' in.

Source: Arnal, L. and Holquin, R., (2007) 'Taxis, vans and subways: capturing insights while commuting', ESOMAR Qualitative Research.

Figure 3.2

Understanding participants – to help choose optimum research techniques



As a further example, return to the first level of Figure 3.1, where participants may be more relaxed and feel in control if they can answer the set questions about their newspaper reading habits online rather than on the street. In the example at the start of this chapter, which explored the hopes and dreams of 'emergent drinkers', techniques were used at the third and fourth levels of Figure 3.1. The context of the interviews was in 'leading-edge bars'. This context could have helped the target participants to relax, to develop a better rapport with interviewers and other participants and to think more about the issues and express their feelings more clearly. If the interviews were conducted online, the same levels of relaxation and rapport might not work so well. If the interviews were targeted at older participants, they would have felt very self-conscious in 'leading-edge bars', which might restrict their responses. Researchers therefore must understand the characteristics of participants, how they react to particular issues and how they react in different contexts or environments. These factors are illustrated in Figure 3.2, which acts as a reminder of the understanding of participants that researchers must develop in order to choose and apply the best research technique.

Research design classification

Exploratory research
A research design characterised by a flexible and evolving approach to understanding marketing phenomena that are inherently difficult to measure.

Conclusive research
A research design characterised by the measurement of clearly defined marketing phenomena.

Research designs may be broadly classified as exploratory or conclusive (see Figure 3.3). The differences between **exploratory research** and **conclusive research** are summarised in Table 3.1.

The primary objective of exploratory research is to provide insights into and an understanding of marketing phenomena.[15] It is used in instances where the subject of the study cannot be measured in a quantitative manner, or where the process of measurement cannot realistically represent particular qualities. For example, if a researcher was trying to understand what 'atmosphere' meant in a restaurant, exploratory research may help to establish all the appropriate variables and how they connect together. What role did music play? What type of music? How loud? What types of furniture? What colours and textures? What types of lighting? What architectural features? This list could go on to consider what 'atmosphere' may mean in the context of a restaurant experience for particular types of consumer. 'Atmosphere' may not be measurable from the participant's perspective. From the perspective of the creative director in an advertising agency, quantitative measurements of the individual components of 'atmosphere' may not create the holistic feel of a restaurant in a manner the creative director can relate to.

Exploratory research may also be used in cases where the problem must be defined more precisely, relevant courses of action identified, or additional insights gained before going on to confirm findings using a conclusive design. The following example of researching the psychology of voting illustrates how the different approaches to research can be combined within a single study.

Figure 3.3

A classification of marketing research designs

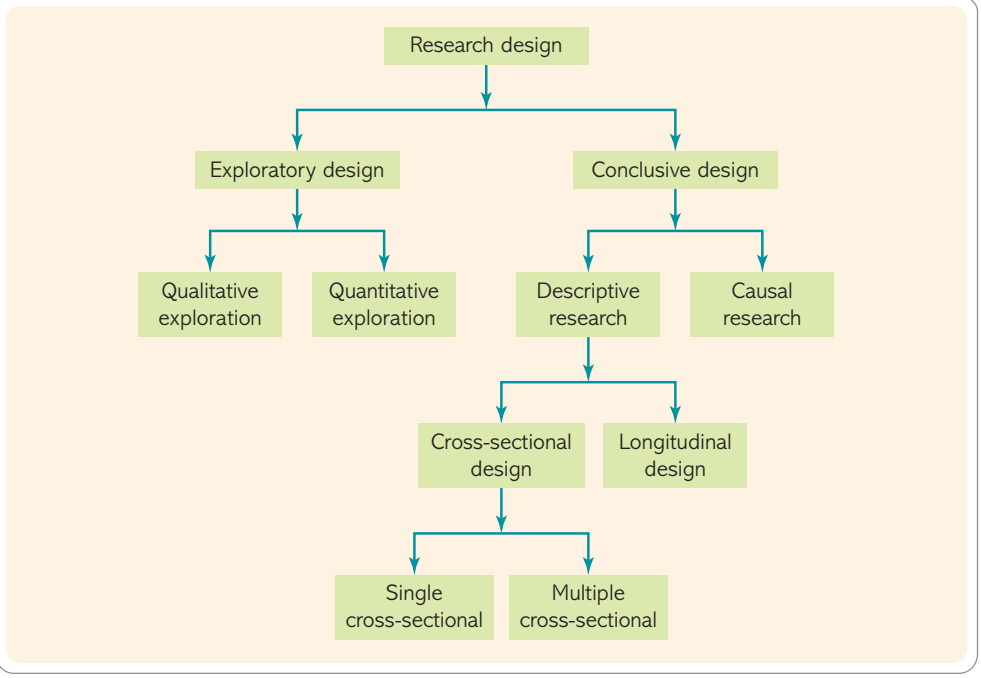


Table 3.1 **Differences between exploratory and conclusive research**

	Exploratory	Conclusive
Objectives	To provide insights and understanding of the nature of marketing phenomena To understand	To test specific hypotheses and examine relationships To measure
Characteristics	Information needed may be loosely defined Research process is flexible, unstructured and may evolve Samples are small Data analysis can be qualitative or quantitative	Information needed is clearly defined Research process is formal and structured Sample is large and aims to be representative Data analysis is quantitative
Findings/results	Can be used in their own right May feed into conclusive research May illuminate specific conclusive findings	Can be used in their own right May feed into exploratory research May set a context to exploratory findings
Methods	Expert surveys Pilot surveys Secondary data Qualitative interviews Unstructured observations Quantitative exploratory multivariate methods	Surveys Secondary data Databases Panels Structured observations Experiments

Real research

Getting inside the minds of European voters[16]

Source: Auremar/123RF

Around the world, countries face a challenge with falling participation in elections and a sense of alienation felt by citizens in response to the actions of their governments. Researchers at Opinium Research (www.opinium.co.uk) and The London School of Economics (www.lse.ac.uk) have been undertaking a multi-year study to get inside the mind of voters across 12 European countries. The goal of this research, 'entitled' Inside the mind of the vote', is to build a better understanding of the psychology of the voting process itself.

In order to address this challenging research problem project, a very broad range of data collection techniques were built into the research design. The research design involved both qualitative and quantitative data collection approaches, including:

- Multi-wave quantitative surveys
- In-depth interviews
- Experiments
- Diary techniques
- Observational techniques in polling stations.

The complexity of the research design generated a number of challenges in analysing the research, which had to be overcome. One approach to dealing with combining qualitative and quantitative data sources is to ensure that there is a 'bridge' between the different methods. For example, including open-ended questions in surveys that link to the themes used in interviews, or using questionnaire items in diary entries. This helped to triangulate the data and identify potential sources of bias.

The study generated a number of insights about the voting process itself. For example, the high levels of voters who change their mind in the week before an election and the role of emotions in the voting process. This unique research design has resulted in a number of important impacts upon public policy, both within the European Commission and in individual European governments.

In an example of a flexible, loosely structured and evolutionary approach, consider conducting personal interviews with industry experts. The sample, selected to generate maximum insight, is small and non-representative. However, the emphasis in the sampling procedure is focused upon 'quality' individuals who are willing to open up, use their imagination, be creative and reveal perhaps sensitive thoughts and behaviour. 'Quality' also may emerge from their level of expertise; for example, there may only be a small population of chief executives of airline companies in Europe. If a small sample of, say, six chief executives from the largest and fastest-developing airlines allowed access to a researcher and revealed their attitudes and behaviour, insights might be gained that no conclusive study could achieve. By being flexible in the issues to discuss, loosely structured in how probes and additional issues emerge and evolutionary in the nature of who to talk to and the best context in which to gain their confidence and get them to express what they really feel, an exploratory design can be very beneficial.

There is an exception to exploratory designs being built around qualitative techniques. There are examples of quantitative findings being used for exploratory purposes. For example, within a survey that examines specific research questions and hypotheses lies the opportunity to examine additional connections between questions that had not been initially considered. Simple correlations through to multivariate techniques that explore potential connections between questions may be conducted; this process is known as data mining. In essence, data mining searches for significant connections or patterns in a dataset that a researcher or decision maker may be unaware of.

To summarise, exploratory research is meaningful in any situation where the researcher does not have enough understanding to proceed with the research project. Exploratory research is characterised by flexibility and versatility with respect to the methods, because formal research protocols and procedures are not employed. It rarely involves structured questionnaires, large samples and probability sampling plans. Rather, researchers are alert to new ideas and insights as they proceed. Once a new idea or insight is discovered, they may redirect their exploration in that direction. That new direction is pursued until its possibilities are exhausted or another direction is found. For this reason, the focus of the investigation may shift constantly as new insights are discovered. Thus, the creativity and ingenuity of the researcher play a major role in exploratory research. Exploratory research can be used for any of the purposes listed in Table 3.2.

The objective of conclusive research is to describe specific phenomena, to test specific hypotheses and to examine specific relationships. This requires that the information needed is clearly specified.[17] Conclusive research is typically more formal and structured than exploratory research. It is based on large, representative samples, and the data obtained are subjected to quantitative analysis. Conclusive research can be used for any of the purposes listed in Table 3.3.

Table 3.2 **A summary of the uses of exploratory research designs**

1	To obtain some background information where absolutely nothing is known about the problem area
2	To define problem areas fully and to formulate hypotheses for further investigation and/or quantification
3	To identify and explore concepts in the development of new products or forms of marketing communications
4	During a preliminary screening process, such as in new-product development, in order to reduce a large number of possible projects to a smaller number of probable ones
5	To identify relevant or salient behaviour patterns, beliefs, opinions, attitudes, motivations, etc., and to develop structures of these constructs
6	To develop an understanding of the structure of beliefs and attitudes in order to aid the interpretation of data structures in multivariate data analyses
7	To explore the reasons that lie behind the statistical differences between groups that may emerge from secondary data or surveys
8	To explore sensitive or personally embarrassing issues from the participants' and/or the interviewer's perspective
9	To explore issues that participants may feel deeply about, that are difficult for them to rationalise and that they may find difficult to articulate
10	To 'data-mine' or explore quantitative data to reveal hitherto unknown connections between different measured variables

Table 3.3 **A summary of the uses of conclusive research designs**

1	To describe the characteristics of relevant groups, such as consumers, salespeople, organisations, or target market
2	To estimate the percentage in a specified population exhibiting a certain form of behaviour
3	To count the frequency of events, especially in the patterns of consumer behaviour
4	To measure marketing phenomena to represent larger populations or target markets
5	To be able to integrate findings from different sources in a consistent manner, especially in the use of marketing information systems and decision support systems
6	To determine the perceptions of product or service characteristics
7	To compare findings over time that allow changes in the phenomena to be measured
8	To measure marketing phenomena in a consistent and universal manner
9	To determine the degree to which marketing variables are associated
10	To make specific predictions

As shown in Figure 3.3, conclusive research designs may be either descriptive or causal, and descriptive research designs may be either cross-sectional or longitudinal. Each of these classifications is discussed further, beginning with descriptive research.

Descriptive research

Descriptive research
A type of conclusive research that has as its major objective the description of something, usually market characteristics or functions.

As the name implies, the major objective of **descriptive research** is to describe something – usually market characteristics or functions.[18] A major difference between exploratory and descriptive research is that descriptive research is characterised by the prior formulation of specific research questions and hypotheses. Thus, the information needed is clearly defined. As a result, descriptive research is preplanned and structured. It is typically based on large representative samples.

A descriptive research design specifies the methods for selecting the sources of information and for collecting data from those sources.

Examples of descriptive studies in marketing research are as follows:

- Market studies describing the size of the market, buying power of the consumers, availability of distributors and consumer profiles.
- Market-share studies determining the proportion of total sales received by a company and its competitors.
- Sales analysis studies describing sales by geographic region, product line, type of account and size of account.
- Image studies determining consumer perceptions of the firm and its products.
- Product usage studies describing consumption patterns.
- Distribution studies determining traffic-flow patterns and the number and location of distributors.
- Pricing studies describing the range and frequency of price changes and probable consumer response to proposed price changes.
- Advertising studies describing media consumption habits and audience profiles for specific TV programmes and magazines.

Cross-sectional design
A type of research design involving the collection of information only once from any given sample of population elements.

Single cross-sectional design
A cross-sectional design in which one sample of participants is drawn from the target population and information is obtained from this sample only once.

Multiple cross-sectional design
A cross-sectional design in which there are two or more samples of participants, and information from each sample is obtained only once.

These examples demonstrate the range and diversity of descriptive research studies. Descriptive research can be further classified into cross-sectional and longitudinal research (Figure 3.3).

Cross-sectional designs

The cross-sectional study is the most frequently used descriptive design in marketing research. **Cross-sectional designs** involve the collection of information only once from any given sample of population elements. They may be either single cross-sectional or multiple cross-sectional (Figure 3.3). In **single cross-sectional designs**, only one sample of participants is drawn from the target population, and information is obtained from this sample only once. These designs are also called sample survey research designs. In **multiple cross-sectional designs**, there are two or more samples of participants, and information from each sample is obtained only once. Often, information from different samples is obtained at different times. The following examples illustrate single and multiple cross-sectional designs respectively.

Real research

Television motivations[19]

Source: Sergey Ryzhov/123RF

Much marketing research is directed at understanding the 'drivers' of consumer behaviour. Corning is a leading specialist manufacturer of glass products, perhaps best known for its role in providing screens for the iPhone, iPad and other mobile devices. In a study commissioned by Corning Display Technologies (www.corning.com), the motivations for choosing a new TV were measured. An online survey of 2,500 respondents in China, France, Germany, Japan, the UK and USA was administered. Qualitative research grounded in motivational theory underpinned the survey. The qualitative research suggested a number of consumer concerns and interests that might have an impact on TV preferences, especially across the countries being studied. This knowledge was used to develop a list of concerns and interests that could encompass selection and use of a TV set. The survey included a discrete choice exercise to measure preferences for different types of TV sets. The survey also contained a list of TV viewing occasions and activities, and participants were asked to indicate the frequency of each occasion for their households. Participants selected three viewing activities or occasions that would be most important to their choice of a TV set. To be part of the survey, participants had to indicate a likelihood of purchasing an LCD TV in the next four years.

Real research

Life cycle, objective and subjective living standards and life satisfaction – multiple cross-sectional design[20]

Centrum Badania Opinii Spotecznej (CBOS) (www.cbos.pl) is a major Polish polling centre, a non-governmental foundation, whose main goal is to conduct a monthly survey of public opinion on all important current problems and events. The centre wished to build a composite measure of living conditions, based upon household material wealth and life satisfaction. In order to do this it conducted seven surveys in Poland between 1992 and 2004.

Through 2003 the surveys were conducted on stratified probability random samples of Polish addresses. The data from all surveys were weighted to assure their representativeness in respect of the main socio-demographic characteristics of the population. Satisfaction with various aspects of life was also investigated many times during the 1992–2004 period. However, only once, in September 1999, was it included in the same survey together with the questions on household possessions. Effective sample sizes were 1,788 in 1992, 1,222 in 1994, 1,177 in 1996, 1,167 in 1998, 1,092 in 1999, 1,060 in 2002, 1,057 in 2003 and 1,022 in 2004.

The survey devoted to measuring motivations of TV purchases, a single cross-sectional design, involved only one group of participants who provided information only once. On the other hand, the Polish study involved eight different samples, each measured only once, with the measures generally obtained two years apart. Hence, the latter study illustrates a multiple cross-sectional design. A type of multiple cross-sectional design of special interest is cohort analysis.

Cohort analysis
A multiple cross-sectional design consisting of surveys conducted at appropriate time intervals. The cohort refers to the group of participants who experience the same event within the same time interval.

Cohort analysis consists of a series of surveys conducted at appropriate time intervals, where the cohort serves as the basic unit of analysis. A cohort is a group of participants who experience the same event within the same time interval.[21] For example, a birth (or age) cohort is a group of people who were born during the same time interval, such as 1951–1960. The term 'cohort analysis' refers to any study in which there are measures of some characteristics of one or more cohorts at two or more points in time.

It is unlikely that any of the individuals studied at time 1 will also be in the sample at time 2. For example, the age cohort of people between 8 and 19 years was selected, and their soft-drink consumption was examined every 10 years for 30 years. In other words, every 10 years a different sample of participants was drawn from the population of those who were then between 8 and 19 years old. This sample was drawn independently of any previous sample drawn in this study from the population of people aged 8 to 19 years. Obviously, people who were selected once were unlikely to be included again in the same age cohort (8 to 19 years), as these people would be much older at the time of subsequent sampling. This study showed that this cohort had increased consumption of soft drinks over time. Similar findings were obtained for other age cohorts (20–29, 30–39, 40–49 and 50+). Further, the consumption of each cohort did not decrease as the cohort aged. These results are presented in Table 3.4, in which the consumption of the various age cohorts over time can be determined by reading down the diagonal. These findings contradict the common belief that the consumption of soft drinks will decline with the greying of Western economies. This common but erroneous belief has been based on single cross-sectional studies. Note that if any column of Table 3.4 is viewed in isolation (as a single cross-sectional study) the consumption of soft drinks declines with age, thus fostering the erroneous belief.[22]

Table 3.4 **Consumption of soft drinks by various age cohorts (percentage consuming on a typical day)**

Age	1950	1960	1970	1980	
8–19	53 ↘	63 ↘	73 ↘	81 ↘	
20–29	45 ↘	61 ↘	76 ↘	76 ↘	C8
30–39	34 ↘	47 ↘	68 ↘	71 ↘	C7
40–49	23 ↘	41 ↘	59 ↘	68 ↘	C6
50+	18 ↘	29 ↘	50 ↘	52 ↘	C5
		C1	C2	C3	C4

C1: cohort born prior to 1900
C2: cohort born 1901–1910
C3: cohort born 1911–1920
C4: cohort born 1921–1930
C5: cohort born 1931–1940
C6: cohort born 1941–1950
C7: cohort born 1951–1960
C8: cohort born 1961–1970

Cohort analysis can also be used to predict changes in voter opinions during a political campaign. Well-known researchers such as YouGov (www.yougov.com) or Ipsos MORI (www.ipsos-mori.com), who specialise in political opinion research, periodically question cohorts of voters (people with similar voting patterns during a given interval) about their voting preferences in order to predict election results. Thus, cohort analysis is an important cross-sectional design, as illustrated in the following example, which builds on the previous example of the Polish polling centre CBOS.

Real research

Life cycle, objective and subjective living standards and life satisfaction – cohort analysis[23]

Cohort analysis of the household material wealth and life satisfaction in Poland allowed joint examination of the impacts of age, time and period of being born. It can be said that, though age-related differences were similar in each survey, between-survey differences suggested that material wealth was rapidly growing in time. This growth was evidently faster in young groups than in older ones, so the youth benefited the most from the changes. In addition, accumulated wealth was evidently much smaller in older age groups. That may bring an inexperienced researcher to a completely false conclusion that after a short period of acquiring wealth, people get rid of it rather than accumulate it in time. Thus, cohort analysis can be indispensable in properly examining the changes in wealth during the span of life.

Longitudinal design
A type of research design involving a fixed sample of population elements measured repeatedly. The sample remains the same over time, thus providing a series of pictures that, when viewed together, vividly illustrate the situation and the changes that are taking place.

Longitudinal designs

The other type of descriptive design is longitudinal design. In a **longitudinal design**, a fixed sample (or samples) of population elements is measured repeatedly, as in the following example at Philips.

Real research

True Loyalty[24]

True Loyalty is a large-scale joint research project developed by Philips (www.philips.com) and Interview NSS (www.interview-nss.com). The project aims to measure the actual sales effect of consumers' experiences with Philips Consumer Lifestyle. The project was influenced by the work of Frederick Reichheld,[25] who developed the concept of 'Net Promotor Score' (NPS), which has become a widely used loyalty metric in many leading companies. Unlike most studies using the NPS, True Loyalty decided to set up a single-source longitudinal survey. Customers from whom it had obtained satisfaction and recommendation scores via ongoing research projects were recontacted 9 to 18 months later and both their purchases and those of friends and colleagues were assessed. The database consisted of over 25,000 recontacted customers.

A longitudinal design differs from a cross-sectional design in that the sample or samples remain the same over time. In other words, the same people are studied over time. In contrast to the typical cross-sectional design, which gives a snapshot of the variables of interest at a single point in time, a longitudinal study provides a series of 'pictures'. These 'pictures' give an in-depth view of the situation and the changes that take place over time. For example, the

question 'How did the German people rate the performance of German Chancellor Angela Merkel in 2016?' would be addressed using a cross-sectional design. A longitudinal design, however, would be used to address the question 'How did the German people change their view of Merkel's performance during her term of office?'.

Panel
A sample of participants who have agreed to provide information at specified intervals over an extended period.

Often, the term 'panel' is used in conjunction with the term 'longitudinal design'. A **panel** consists of a sample of participants, generally households, who have agreed to provide general or specific information at set intervals over an extended period. The emphasis of the panel is on measuring facts, e.g. who in the household bought what, where they bought it, when, and other aspects of their behaviour. Panels are really only established when observations or measurements over an extended period are meaningful. The observations are usually gathered through questionnaires, such as purchase diaries, or increasingly through social media methods. Panels are maintained by syndicated firms, such as TNS (www.tnsglobal.com) and panel members are compensated for their participation with gifts, coupons, information or cash.[26]

Access panel
A general 'pool' of individuals or households who have agreed to be available for surveys of widely varying types and topics.

Access panels are made up of a 'pool' of individuals or households who have agreed to be available for surveys of widely varying types and topics.[27] They are used to provide information for ad hoc decisions rather than for longitudinal studies – a typical use being for new-product testing. A pre-recruited panel that is willing to participate makes it easier to set up the test and conduct interviews after the test. Access panels are also used to test concepts, advertising and pricing decisions.

Online consumer access panels are becoming increasingly prevalent in marketing research.[28] The growth in use of access panels has partly been in response to the challenges of rising rates of non-response or refusal to take part in surveys. The growth of online surveys and the need for electronic addresses of willing participants have also favoured the use of access panels. (Given this growth and prevalence, we will further address access panels in Chapters 4, 10 and 14.)

The industry moves forward at such a fast pace that samples can easily be left behind. Frequency of internet usage is a classic example; what people were doing 12 or even 6 months ago will be different to what they are doing now. In a fast-moving research sector it is important to keep up to date with the latest gadgets, technologies and service offerings, and to keep the panel updated with these.

Relative advantages and disadvantages of longitudinal and cross-sectional designs

The relative advantages and disadvantages of longitudinal versus cross-sectional designs are summarised in Table 3.5. A major advantage of longitudinal design over cross-sectional design is the ability to detect change as a result of repeated measurement of the same variables on the same sample.

Tables 3.6 and 3.7 demonstrate how cross-sectional data can mislead researchers about changes over time. The cross-sectional data reported in Table 3.6 reveal that the purchases of Brands A, B and C remained the same in periods 1 and 2. In each survey, 20% of the participants purchased Brand A, 30% Brand B and 50% Brand C. The longitudinal data presented in Table 3.7 show that substantial change, in the form of brand switching, occurred in the study period. For example, only 50% (100/200) of the participants who purchased Brand A in period 1 also purchased it in period 2. The corresponding repeat-purchase figures for Brands B and C are, respectively, 33.3% (100/300) and 55% (275/500). Hence, during this interval Brand C experienced the greatest loyalty and Brand B the least. Table 3.7 provides valuable information on brand loyalty and brand switching (such a table is called a turnover table or a brand-switching matrix).[29]

Longitudinal data enable researchers to examine changes in the behaviour of individual units and to link behavioural changes to marketing variables, such as changes in advertising, packaging, pricing and distribution. Since the same units are measured repeatedly, variations caused by changes in the sample are eliminated, and even small variations become apparent.

Another advantage of panels is that relatively large amounts of data can be collected. Because panel members are usually compensated for their participation, they are willing to participate in lengthy and demanding interviews. Yet another advantage is that panel data can be more accurate than cross-sectional data. A typical cross-sectional survey requires the participant to recall past purchases and behaviour; these data can be inaccurate because of memory lapses. Panel data, which might involve continuous recording of purchases in a diary, place less reliance on the participant's memory. A comparison of panel and cross-sectional survey estimates of retail sales indicates that panel data give more accurate estimates.[30]

Table 3.5 Relative advantages and disadvantages of longitudinal and cross-sectional designs

Evaluation criteria	Cross-sectional design	Longitudinal design
Detecting change	−	+
Large amount of data collection	−	+
Accuracy	−	+
Representative sampling	+	−
Response bias	+	−

Note: + indicates a relative advantage over the other design, whereas − indicates a relative disadvantage.

Table 3.6 Cross-sectional data may not show change

	Time period	
Brand purchased	Period 1 survey	Period 2 survey
Total surveyed	1,000	1,000
Brand A	200	200
Brand B	300	300
Brand C	500	500

Table 3.7 Longitudinal data may show substantial change

	Brand purchased in period 2			
Brand purchased in period 1	Brand A	Brand B	Brand C	Total
Total surveyed	200	300	500	1,000
Brand A	100	50	50	200
Brand B	25	100	175	300
Brand C	75	150	275	500

The main disadvantage of panels is that they may not be representative. Non-representativeness may arise because of the following:

1 *Refusal to cooperate.* Many individuals or households do not wish to be bothered with the panel operation and refuse to participate. Consumer panels requiring members to keep a record of purchases have a cooperation rate of 60% or less.

2 *Dropout.* Panel members who agree to participate may subsequently drop out because they move away or lose interest. Dropout rates can be as high as 20% per year.[31]

3 *Payment.* Payment may cause certain types of people to be attracted, making the group unrepresentative of the population.

4 *Professional participants.* Most concerns about representativeness arise from the claim that research panels generate 'professional' participants. 'Panel conditioning' is the term used to describe the effect of participants who engage with a number of surveys over time and on a regular basis. Their self-reported attitudes and behaviours can be shaped by what they feel is the type of response expected of them.[32]

Another disadvantage of panels is response bias. New panel members are often biased in their initial responses. They tend to increase the behaviour being measured, such as food purchasing. This bias decreases as the participant overcomes the novelty of being on the panel, so it can be reduced by initially excluding the data of new members. Bias also results from boredom, fatigue and incomplete diary entries.[33] The following example from the marketing research agency Taylor Nelson Sofres (TNS) illustrates how it copes with potential panel bias.

Real research

Rubbish in, rubbish out[34]

Research firms such as TNS (www.tnsglobal.com) spend a lot of money on recruiting participants to online panels – if the quality of participants is rubbish so will be the research! As part of the ESOMAR Project Team on online panels, TNS has been looking at how to define a well-recruited panel. For TNS, a panel is recruited from multiple sources with the panellist's details verified. Care must be taken to account for the differences between the type of people who take part in online panels and those who do not, to ensure that the panel is truly representative. TNS deals with this issue by running parallel studies to make sure that online panellists are responding in the same way online as they would offline. If a bias is found, the results are calibrated to account for it. In this respect, online is no different from any other form of research.

Causal research

Causal research
A type of conclusive research where the major objective is to obtain evidence regarding cause-and-effect (causal) relationships.

Causal research is used to obtain evidence of cause-and-effect (causal) relationships. Marketing managers continually make decisions based on assumed causal relationships. These assumptions may not be justifiable, and the validity of the causal relationships should be examined via formal research.[35] For example, the common assumption that a decrease in price will lead to increased sales and market share does not hold in certain competitive environments. Causal research is appropriate for the following purposes:

1 To understand which variables are the cause (independent variables) and which variables are the effect (dependent variables) of marketing phenomena.

2 To determine the nature of the relationship between the causal variables and the effect to be predicted.

3 To test hypotheses.

Like descriptive research, causal research requires a planned and structured design. Although descriptive research can determine the degree of association between variables, it is not appropriate for examining causal relationships. Such an examination requires a causal design, in which the causal or independent variables are manipulated in a relatively controlled environment. Such an environment is one in which the other variables that may affect the dependent variable are controlled or checked as much as possible. The effect of this manipulation on one or more dependent variables is then measured to infer causality. The main method of causal research is experimentation.[36]

(Due to the complexity and importance of this subject, Chapter 11 has been devoted to causal research designs.)

Relationships between exploratory, descriptive and causal research

We have described exploratory, descriptive and causal research as major classifications of research designs, but the distinctions among these classifications are not absolute. A given marketing research project may involve more than one type of research design and thus serve several purposes as illustrated in the following example.

Real research

Italians and Americans face each other at dinner[37]

The ways in which we select, prepare and consume foods are tied to the habits and customs that define a people in their place and time. The foods that are valued and enjoyed are linked to circumstances of availability, tradition, self-image and cultural transference. In research commissioned by Barilla Alimentare (www.barillagroup.com), Hy Mariampolski and Sharon Wolf (www.qualidataresearch.com) studied ideas about the 'Italian-ness' influence on foods eaten in the USA, alongside a contrasting study of attitudes toward American foods eaten in Italy conducted by Luigi Toiati (www.focusresearch.it). Italian food in the USA, while being seen as an essential part of American cuisine, has been losing its previous cachet. Competing against other cuisines, particularly Asian and Mexican meals, Italian foods have been riddled with unhelpful ideas emanating from popular cultural stereotypes: that Italian meals consist of enormous quantities of pasta heavily sauced with cheese and meaty red tomato purée. These myths tend to reduce Italian foods as downscale and inappropriate for low-carbohydrate diets. Italy, too, has its own complex mythology regarding the USA and its cuisine: that it consists of heaping portions of food that are mediocre at best, over processed, lacking tradition, fattening and eaten too hastily. The general conclusion is that 'America is a country worth visiting, but where it's not worth eating'. In the Italian mind, overweight Americans stuff themselves with anonymous, monotonous food, simply eating for eating's sake with no regard for taste! The researchers wanted to help reverse these disparaging stereotypes. Digging deeply into the meaning of 'authenticity' and seeking positive and constructive aspects of the national mythologies helped to secure consumer insights that promoted consumption of

Italian brands in the USA and American foods in Italy. The methods used in this study of food culture were: semiotic analysis of media images to gain insights into the ideas communicated about Italy and the USA in popular culture; in-depth interviews with experts and influential consumers; ethnographic home visits to see how ideas about the foods of each culture were expressed in meal preparation; focus group discussions to explore emerging ideas; and descriptive, face-to-face street interviews.

Which combination of research designs to employ depends on the nature of the problem. We offer the following general guidelines for choosing research designs:

1 When little is known about the problem situation, it is desirable to begin with exploratory research. Exploratory research is appropriate for the following:
   - **a** When the nature of the topic under study cannot be measured in a structured, quantifiable manner.
   - **b** When the problem needs to be defined more precisely.
   - **c** When alternative courses of action need to be identified.
   - **d** When research questions or hypotheses need to be developed.
   - **e** When key variables need to be isolated and classified as dependent or independent.
2 Exploratory research may be an initial step in a research design. It may be followed by descriptive or causal research. For example, hypotheses developed via exploratory research can be statistically tested using descriptive or causal research.
3 It is not necessary to begin every research design with exploratory research. It depends on the precision with which the problem has been defined and the researcher's degree of certainty about the approach to the problem. A research design could well begin with descriptive or causal research. To illustrate, a consumer satisfaction survey that is conducted annually need not begin with or include an exploratory phase.
4 Although exploratory research is generally the initial step, it need not be. Exploratory research may follow descriptive or causal research. For example, descriptive or causal research can result in findings that are hard for managers to interpret. Exploratory research may provide more insights to help understand these findings.

The relationships between exploratory, descriptive and causal research are further illustrated by the following example.

Real research

Using insight to improve telephone banking customer satisfaction at Natwest

Financial services firms face increasing challenges to retain their customers. With many customers shifting their banking to digital channels, and pressure to manage costs, it is not surprising that telephone banking services could be seen as a declining channel. As a result, leading UK bank Natwest, like many other banks, developed processes to try and stop customers calling their online phone service and ensure any calls there were made kept short. For example, Natwest had a target that 90% of calls should be completed within 60 seconds.

Working with leading research firm KPMG Nunwood,[38] Natwest ran a continuous tracking programme that interviewed 4,000 customers, alongside 2,000 customers of Natwest's competitors each month. Researchers made use of a research method known as 'critical incident technique' (CIT), which involves research participants telling stories about specific experiences ('incidents') related to use of a product or service.

This research generated insights in two important areas. Firstly, Natwest found it had some of the lowest customer satisfaction ratings for any bank telephone service. Secondly, far from being unimportant, telephone banking was often the point of contact where customers were most in need of help.

To address these issues qualitative research was augmented with quantitative analysis of customer verbatim comments using textual analysis software. The output resulted in a new call model for delivering a high-quality customer experience over the telephone, and a dramatic increase in customer satisfaction.

Examples of multi-method research designs can be criticised for taking too long to undertake, being too expensive and perhaps applying too many techniques that do not offer sufficient additional understanding. Such criticism cannot really be addressed without knowing the value that decision makers may get from this decision support (not just at the end, but at the many stages of research as it unfolds), compared with how much they would have to pay for it. Decision makers can receive interim reports and feed back their ideas to give more focus to the issues and types of participant in subsequent stages. The example also illustrates that researchers can be very creative in their choice of techniques that combine to make up a research design.

Potential sources of error in research designs

Several potential sources of error can affect a research design. A good research design attempts to control the various sources of error. Although these errors are discussed in detail in subsequent chapters, it is pertinent at this stage to give brief descriptions.

Total error
The variation between the true mean value in the population of the variable of interest and the observed mean value obtained in the marketing research project.

Where the focus of a study is a quantitative measurement, the **total error** is the variation between the true mean value in the population of the variable of interest and the observed mean value obtained in the marketing research project. For example, the annual average income of a target population may be 85,650, as determined from census information via tax returns, but a marketing research project estimates it at 62,580 based upon a sample survey. As shown in Figure 3.4, the total error (in the above case 23,070) is composed of random sampling error and non-sampling error.

Random sampling error
The error arising because the particular sample selected is an imperfect representation of the population of interest. It may be defined as the variation between the true mean value for the sample and the true mean value of the population.

Random sampling error

Random sampling error occurs because the particular sample selected is an imperfect representation of the population of interest. Random sampling error is the variation between the true mean value for the population and the true mean value for the original sample. (Random sampling error is discussed further in Chapters 14 and 15.)

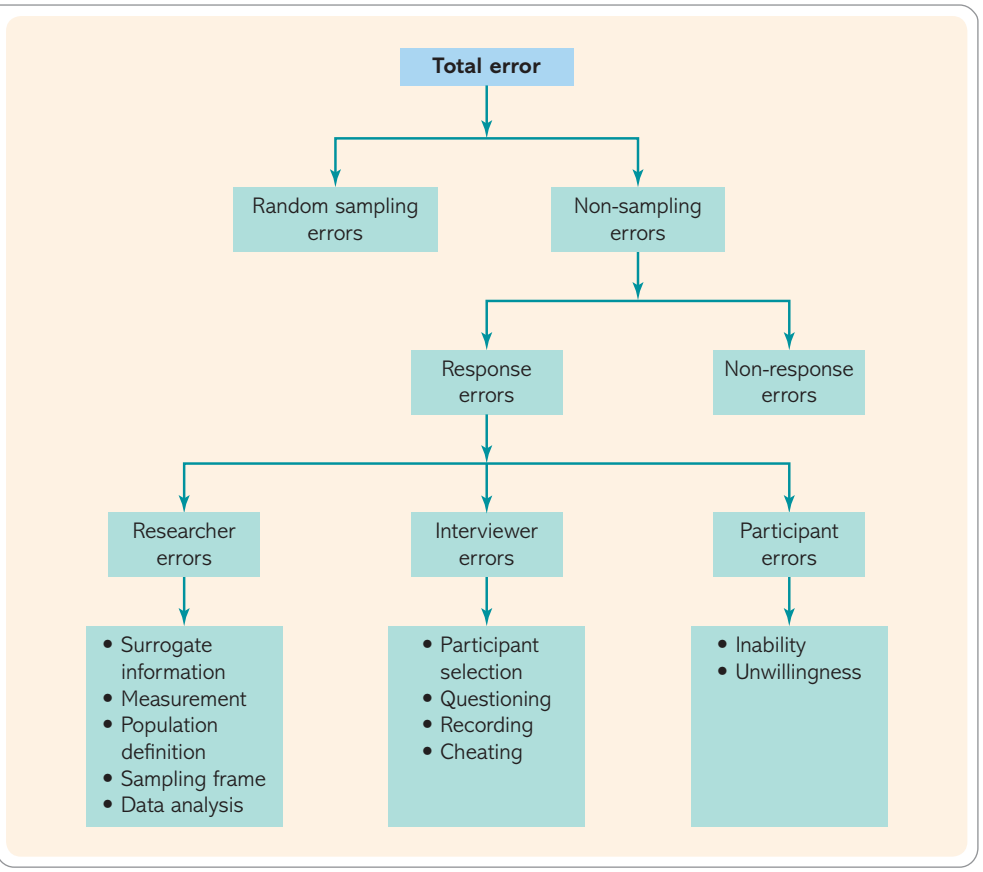
Non-sampling error
An error that can be attributed to sources other than sampling and that can be random or non-random.

Non-sampling error

Non-sampling errors can be attributed to sources other than sampling, and may be random or non-random. They result from a variety of reasons, including errors in problem definition, approach, scales, questionnaire design, interviewing methods and data preparation and analysis. Non-sampling errors consist of non-response errors and response errors.

Figure 3.4

Potential sources of error in research designs



Non-response error
A type of non-sampling error that occurs when some of the participants included in the sample do not respond. This error may be defined as the variation between the true mean value of the variable in the original sample and the true mean value in the net sample.

Response error
A type of non-sampling error arising from participants who do respond but who give inaccurate answers or whose answers are mis-recorded or mis-analysed. It may be defined as a variation between the true mean value of the variable in the net sample and the observed mean value obtained in the market research project.

A **non-response error** arises when some of the participants included in the sample simply do not respond. The primary causes of non-response are refusals and not-at-homes (see Chapter 15). Non-response will cause the net or resulting sample to be different in size or composition from the original sample. Non-response error is defined as the variation between the true mean value of the variable in the original sample and the true mean value in the net sample.

Response error arises when participants give inaccurate answers, or their answers are misrecorded or mis-analysed. Response error is defined as the variation between the true mean value of the variable in the net sample and the observed mean value obtained in the marketing research project. Response error is determined not only by the non-response percentage, but also by the difference between participants and those who failed to cooperate, for whatever reason, as response errors can be made by researchers, interviewers or participants.[39] A central question in evaluating response error is whether those who participated in a survey differ from those who did not take part, in characteristics relevant to the content of the survey.[40]

Response errors made by the researcher include surrogate information, measurement, population definition, sampling frame and data analysis errors:

- *Surrogate information error* may be defined as the variation between the information needed for the marketing research problem and the information sought by the researcher. For example, instead of obtaining information on consumer choice of a new brand (needed for the marketing research problem), the researcher obtains information on consumer preferences because the choice process cannot be easily observed.
- *Measurement error* may be defined as the variation between the information sought and information generated by the measurement process employed by the researcher. While seeking to measure consumer preferences, the researcher employs a scale that measures perceptions rather than preferences.

- *Population definition error* may be defined as the variation between the actual population relevant to the problem at hand and the population as defined by the researcher. The problem of appropriately defining the population may be far from trivial, as illustrated by the following example of affluent households. Their number and characteristics varied depending on the definition, underscoring the need to avoid population definition error. Depending upon the way the population of affluent households was defined, the results of this study would have varied markedly.

Real research

How affluent is affluent?

The population of affluent households was defined in four different ways in a study:

1 Households with an income of €80,000 or more.

2 The top 20% of households, as measured by income.

3 Households with net worth over €450,000.

4 Households with discretionary income to spend being 30% higher than that of comparable households.

- *Sampling frame error* may be defined as the variation between the population defined by the researcher and the population as implied by the sampling frame (list) used. For example, the telephone directory used to generate a list of telephone numbers does not accurately represent the population of potential landline consumers due to unlisted, disconnected and new numbers in service. It also misses out the great number of consumers who choose not to have landlines, exclusively using mobile phones.
- *Data analysis error* encompasses errors that occur while raw data from questionnaires are transformed into research findings. For example, an inappropriate statistical procedure is used, resulting in incorrect interpretation and findings.

Response errors made by the interviewer include participant selection, questioning, recording and cheating errors:

- *Participant selection error* occurs when interviewers select participants other than those specified by the sampling design, or in a manner inconsistent with the sampling design.
- *Questioning errors* denotes errors made when asking questions of the participants, or in not probing when more information is needed. For example, while asking questions an interviewer does not use the exact wording or prompts as set out in the questionnaire.
- *Recording error* arises due to errors in hearing, interpreting and recording the answers given by the participants. For example, a participant indicates a neutral response (undecided) but the interviewer misinterprets that to mean a positive response (would buy the new brand).
- *Cheating error* arises when the interviewer fabricates answers to a part or the whole of the interview. For example, an interviewer does not ask the sensitive questions related to a participant's debt but later fills in the answers based on personal assessment.

Response errors made by the participant comprise errors of inability and unwillingness:

- *Inability error* results from the participant's inability to provide accurate answers. Participants may provide inaccurate answers because of unfamiliarity, fatigue, boredom, question format, question content or because the topic is buried deep in the participant's mind. An example of inability error is where a participant cannot recall the brand of toothpaste he or she purchased four weeks ago.

- *Unwillingness error* arises from the participant's unwillingness to provide accurate information. Participants may intentionally misreport their answers because of a desire to provide socially acceptable answers, because they cannot see the relevance of the survey and/or a question posed, to avoid embarrassment or to please the interviewer.[41] For example, to impress the interviewer a participant intentionally says that he or she reads *The Economist* magazine.

These sources of error are discussed in more detail in subsequent chapters; what is important here is that there are many sources of error. In formulating a research design, the researcher should attempt to minimise the total error, not just a particular source. This admonition is warranted by the general tendency among naïve researchers to control sampling error by using large samples. Increasing the sample size does decrease sampling error, but it may also increase non-sampling error, e.g. by increasing interviewer errors. Non-sampling error is likely to be more problematic than sampling error. Sampling error can be calculated, whereas many forms of non-sampling error defy estimation. Moreover, non-sampling error has been found to be the major contributor to total error, whereas random sampling error is relatively small in magnitude. The point is that researchers must not lose sight of the impact of total error upon the integrity of their research design and the findings they present. A particular type of error is important only in that it contributes to total error.

Sometimes, researchers deliberately increase a particular type of error to decrease the total error by reducing other errors. For example, suppose that a mail survey is being conducted to determine consumer preferences in purchasing shoes from a chain of specialist shoe shops. A large sample size has been selected to reduce sampling error. A response rate of 30% may be expected. Given the limited budget for the project, the selection of a large sample size does not allow for follow-up mailings. Past experience, however, indicates that the response rate could be increased to 45% with one follow-up mailing and to 55% with two follow-up mailings. Given the subject of the survey, non-participants are likely to differ from participants in many features. Therefore it may be wise to reduce the sample size to make money available for follow-up mailings. While decreasing the sample size will increase random sampling error, the two follow-up mailings will more than offset this loss by decreasing non-response error.[42]

Summary

A research design is a framework or plan for conducting a marketing research project. It specifies the details of how a project should be conducted in order to fulfil set research objectives. The challenge faced by researchers in developing a research design is that they need to balance an understanding of research design from the decision makers' perspective with an understanding of potential participants' reactions to issues researched using different techniques, applied in differing contexts. Research designs may be broadly classified as exploratory or conclusive. The primary purpose of exploratory research is to develop understanding and provide insights. Conclusive research is conducted to measure and describe phenomena, test specific hypotheses and examine specific relationships. Conclusive research may be either descriptive or causal. The findings from both exploratory and conclusive research can be used as input into marketing decision making.

The major objective of descriptive research is to describe market characteristics or functions. Descriptive research can be classified into cross-sectional and longitudinal research. Cross-sectional designs involve the collection of information from a sample of population elements at a single point in time. These designs can be further classified as single cross-sectional or multiple cross-sectional designs. In contrast, in longitudinal designs repeated measurements are taken on a fixed sample. Causal research is designed for the primary purpose of obtaining evidence about cause-and-effect (causal) relationships. Many research designs combine techniques that can be classified as exploratory,