

Remember to show difference between Advertising
+ other elements of the
Promotional Mix

CONSUMER RESEARCH - TOPIC 4 - AN OUTLINE

book notes

- The importance of information.
- Marketing Research - A Definition.
- Consumer Research.
- What can Market Research do?
- Who can be responsible for Marketing Research.
- Distinction between Primary and Secondary Research.
- Primary Data Collection Methods (Survey Research, Depth Interviews, Observation and Experimentation).
- Factors to consider when planning a survey.
- Exploratory and Conclusive Research.
- Measuring Consumer Characteristics.
- The Research Process.

Fundamentalism

Education Ignorance

Balance between controlling
Costs, quality + satisfaction
Consumer needs + Segmentation

Limitations Resources + Time Constraints

MR Errors

Sampling errors

Non response errors

Data Collection errors

Analytical + Reporting errors

Experimental errors

Many Businesses fail as they either do not conduct Research or else they conduct Research but do not gather the right/relevant information - use it badly or interpret it incorrectly or else gathered the right data but poor implementation due to

CONSUMER RESEARCH

'Running an organisation without adequate marketing information reduces business decisions to guesswork.'

The importance of MR to Marketing

THE IMPORTANCE OF INFORMATION

or poor M.I.S. organisations

Marketing research is important as it gathers information.

Information helps :

The importance of an M.I.S. to make data available

- To identify marketing problems and opportunities.
- To assist an organisation in responding to problems and opportunities which have been identified.

Information will become more important

Information Power

MARKETING RESEARCH - A DEFINITION

The function of Marketing Research is to generate information that will assist marketers in making decisions.

The competitive edge
fill in gaps in the Market

Thus Marketing Research involves a process whereby information is gathered, organised and analysed and is then used to assist management in decision making, help organisations to achieve objectives and to identify and satisfy consumer needs.

The Market Research Society defines Market Research as:

The collection and analysis of data from a sample of individuals or organisations related to their characteristics, behaviour, attitudes, opinions or possessions. It includes all forms of research such as

The characteristics of valuable information include:
Relevance — Quality — Timeliness

Completeness
significant information

accurate
valid - reliable

consumer and industrial surveys, psychological investigations, observational and panel studies.

CONSUMER RESEARCH

It involves detailed studies covering the attitudes, opinions and usage made of the products among an appropriate sample of people chosen for their personal, geographic or occupational characteristics.

These studies could provide information on the 'image' of the product, the profile of customers or users, attitudes to product characteristics, prices, reliability and quality.

Information on preferences between brands might also be obtained - all by investigating a suitable representative sample of the population.

WHAT CAN MARKET RESEARCH DO?

The process of market research is used by organisations for a number of purposes:

- To identify changes in the existing marketplace.
- To improve market awareness.
- To build up a bank of information.
- To solve ad hoc problems.
- To help in making plans for the future.
- To monitor the success of current plans.

A means for implementing the Marketing concept

The importance of delegation

What Can Market Research not do

It cannot Manage for us

It cannot Make Decisions although it can be crucial in terms of establishing evidence on which decisions are made

It cannot predict the future | *It does not completely eliminate Risk*

WHO CAN BE RESPONSIBLE FOR MARKETING RESEARCH?

Responsibility - This varies from one company to another depending on size and resources.

- The company can have its own Research Dept.
- Outside Research organisations.
- Advertising agencies with Marketing Research Departments.
- The Salesmanager and the Salespeople (or using internal company people).

Data obtained through marketing research may be:

- **Quantitative:** this is data capable of clear objective assessment, such as the number of cars that pass a particular site for a proposed petrol station in any one week.
- **Qualitative:** this is subjective data, such as the attempt to assess people's attitudes or motivations.

DISTINCTION BETWEEN PRIMARY AND SECONDARY RESEARCH

Two basic sources of data can be used in consumer research.

These are primary and secondary data.

Primary data is information that the researcher gathers firsthand for the specific problem being investigated. However, there is a vast amount of information about consumers which is already compiled and readily

accessible to the researcher who knows how to find and use it.

Such data that have been collected for a purpose other than the research project at hand are termed **secondary data**.

Before gathering primary data, the researcher should search through secondary sources to determine if any are applicable to the problem at hand.

RESEARCH TIME FRAME

Generally speaking, in consumer research studies, primary data can be collected either at one time or over a period of time.

We refer to these research designs as cross-sectional and longitudinal, respectively.

These two approaches have different purposes. As its name implies, the cross-sectional design is used to study behaviour at any one point in time.

A longitudinal design involves data gathering and analysis over a period of time. One popular type of longitudinal study is the continuous consumer panel.

Consumers who are deemed representative of a particular group are chosen for inclusion and this fixed sample can be repeatedly studied. By asking the same questions of panel members over a period of time, changes in their behaviour, as well as reasons for these changes, can be determined.

Panel members generally maintain a continuous record or diary of their consumption activities, such as shopping, purchase, use, and product/brand decisions, as well as demographic and attitudinal characteristics.

Secondary Research, although being somewhat less exciting and 'sexy' than primary research, is nevertheless a very important part of marketing research which is concerned with collecting, analysing and interpreting data which already exists and which is relevant to the organisation and its environment.

It is of use in helping to build up a database of information on the marketplace, to identify changes and increase awareness of opportunities.

It is concerned with secondary data which is already in existence and which may have been collected for some other purpose, as distinct from primary data, which entails the collection of data specifically for the problem in hand and which usually involves interviews and questionnaires.

One specific area of secondary research is called Environmental Scanning. It is about being aware of what is going on in the marketplace and may involve keeping an eye on competitors as well as a more wide-ranging sensitivity to what is going on in political, social, economic, technological and legal circles.

Sources of Secondary Data

- Trade journals such as Campaign, Marketing
- Specialist magazines, such as The Economist
- The specialist press, such as the Financial Times
- Academic journals, such as the Harvard Business Review
- Conferences and exhibitions
- Salesforce feedback (including customer reactions to competitors and their products)
- Networking (including contacts with competitors, examining their products, financial statements, press releases, job advertisements, etc).

Another important source of secondary data is published statistics, which are usually divided into governmental and non-governmental.

Examples of government statistics include publications such as:

- Census - numbers and location of the population
- Household Survey and Family Expenditure Survey - giving valuable data on spending patterns
- Annual Abstract of Statistics - data on housing, population, manufacturing output, etc
- Economic Trends - gives economic analysis and indicators
- Department of Employment Gazette - concerned mainly with employment patterns, but contains useful data on (e.g.) earnings levels for areas and industries
- Business Monitor - gives information of specific industries

Example of non-governmental sources include:

- Chambers of Commerce
- Trade associations
- Banks
- Cim
- Financial Times Business Information Service
- News agencies

PRIMARY DATA COLLECTION METHODS:

- Survey Research
- Depth interviews
- Observation
- Experimentation

SURVEY RESEARCH

This is concerned with the administration of questionnaires and is the most common method of collecting primary data to aid Marketing decisions.

When planning a survey one must consider the following issues:

- Selection of communication method e.g. mail, telephone or personal interview etc.
- Maximising response to a survey.
- Phrasing of questions.
- Questionnaire design.

POSTAL QUESTIONNAIRES

These involve posting questionnaires to respondents in order that they may complete them and return them to the company.

ADVANTAGES

- Postal questionnaires are economical. This makes them a popular method of collecting data from respondents. The Post is not as expensive as the other methods and no interviewers are required.
- They are useful where there is an extreme geographical dispersion of the respondents, as the cost and time of travelling to respondents is saved and initial responses may be obtained faster. They are also useful when the sample is large to reduce costs.
- Bias (through interviewer attitude or approach), which may result from personal or telephone interviewing, is avoided.
- The respondent has time to consult with others who the researchers may want involved in answering the questions, such as members of the family.
- The company undertaking the research does not require a team of skilled researchers.
- Respondents can remain anonymous.

DISADVANTAGES

- The respondent can read the whole questionnaire before filling it in so prejudicing response to early questions.
- Low response. Twenty-five per cent may be considered very good. Therefore, follow up reminder cards are usually necessary to increase the response rate.
- Questionnaires invariably must be short, if an acceptable level of response is to be achieved. This reduces the depth and quality of information which may be collected.
- Further probing and follow up of replies is not possible.
- The reason why a respondent did not or would not answer (non-response) cannot be ascertained.
- We cannot always predetermine if the respondent is exactly the type that we require, i.e. typicality e.g. colour of hair.
- No control on the person filling in the questionnaire.
- Questions have to be simple and difficult questions which need to be explained have to be avoided as no interviewer is present.
- Despite piloting misinterpretations on the part of the respondents still occur and no one is present to correct them.

TELEPHONE INTERVIEWING

This involves telephoning respondents so that the interviewer can ask the respondent questions and complete a questionnaire.

The number of calls one can make in a day can depend on luck in finding the respondent home and the time taken to

answer and ask questions together with the questionnaire's length. Cost will also vary with time, distance and time of day.

ADVANTAGES

- Invariably cheaper than personal interviewing.
- Can interview respondents who are widely dispersed, and re-call them if they were not immediately available.
- Conversations can be recorded so that they may be considered again in greater detail at a later date.
- Follow up is possible.
- Misinterpretations and difficult questions can be explained.
- The response rate is higher than for postal questionnaires: sometimes as much as 90 per cent.
- One cannot ask questions which require search of company records.
- Particularly useful in industrial market research as most companies have a telephone.
- The interview is more organised and respondents are not upset as they do not see a long questionnaire.
- Respondents could refer you to other respondents.

DISADVANTAGES

- Interviewer bias can exist.
- Owners of telephones may not be a totally representative sample. Much of the market may not own a telephone. This does not apply for all countries.

- It can be expensive where respondents are widely dispersed and require calling in the daytime.
- If personal characteristics, such as the exact colour of a person's hair, are important, these cannot be precisely determined (i.e. typicality).
- Anonymity is lost.
- Organisations / households will appear more than once in a telephone directory so the sample might be biased.

PERSONAL INTERVIEWING

Personal interviewing involves trained interviewers in talking to the respondents face-to-face.

ADVANTAGES

- More questions may be asked as the respondent's interest can be stimulated by the interviewer.
- The typicality of the respondent can be ascertained before continuing the interview as he/she can be seen and asked questions - by the interviewer - to determine typicality before the actual research questions are asked.
- It is possible to explain questions that would be difficult to answer employing other methods.
- The opportunity to probe into a question more deeply or to obtain details of other potential respondents from the person being interviewed can be afforded.
- The interviewer can clear up any misunderstanding as they arise and he has more control over the respondents.
- Follow up of respondents is possible.

- It is also possible to assess the validity of some answers by observation e.g. the answers on personal details, age, education, income.
- The rate of response is higher.

DISADVANTAGES

- Cost per interview is the highest of all methods.
- Sometimes it is found that inexperienced and insufficiently trained interviewers allow their own attitude to lead the respondent wrongly.
- Training of interviewers can be very expensive.
- Sometimes, as in industrial markets, only three or four interviews can be conducted in a day, thus prolonging the survey.
- Anonymity is lost.
- It requires a great deal of technical and Administrative planning and Supervision.
- Bias on the part of the interviewer can arise in the interview.

FACTORS TO CONSIDER WHEN PLANNING A SURVEY

- Selection of communication method to be used.
- Maximising response to a survey.
- Question phrasing
- Questionnaire design

MAXIMISING RESPONSE TO A SURVEY

In postal, telephone and personal surveys reply refusal and respondent non-availability are the major factors that reduce the response rate.

How can we increase response to a survey?

- Use of call-backs; the number of 'not available' may be reduced by a series of call-backs at varying times.
- Communicate beforehand using a letter; prior communication with the interviewee by letter also helps to reduce the refusal rate.
- The topic on which information is to be gathered is to be presented in an interesting way; interest or non interest in the survey topic is a primary factor in the cooperate refuse decision.
- Response rates may be increased by offering token incentives to reply and sending reminder letters which include another copy of the questionnaire (incentives say participate in a lottery).

QUESTION PHRASING

TYPES OF MARKETING RESEARCH QUESTIONS

- Dichotomous questions
- Multiple choice questions
- Attitude Measurement Scales
- Likert Scales
- Semantic Differential Scales
- Open ended questions

A measure of attitudes designed to all respondents to rate how strongly they agree or disagree with a statement.

I hate it. Scale I love it.

Go a little bit further than multiple choice questions as while they limit the reply one must give, they do allow freedom of response by the respondent within the governing ex of the scale.

Reply
Vague
or flimsy

INDIRECT QUESTIONS AND PROJECTIVE TECHNIQUES

QUESTIONS

- Word Association
- Sentence Completion
- Story Completion
- Cartoon Techniques
- Thematic Apperception Test

Respondents are shown a picture and asked to tell a story about the picture. The responses are used to assess attitudes towards the phenomenon rather than to interpret self personality.

QUESTION CHECKING

- Is it really necessary?
- Is it posed in a way that will provide the information and any subsequent analysis that you require?
- Will interviewers be able simply to read out the words, or will they need to 'ad lib', which might introduce bias?
- Is the question posed in a neutral, unbiased way, or is it a 'leading' question which inclines towards a particular answer?
- Are respondents likely to find the question too personal or offensive?
- Is it clear and unambiguous?
- Is it understandable?
- Is the question simple enough for the respondent to be able to answer fairly easily?

ESSENTIAL RULES WHEN DESIGNING EFFECTIVE QUESTIONNAIRES - QUESTIONNAIRE DESIGN

When you are designing a questionnaire you should clarify the following points in advance:

- The target population
- The main items of information you want and what form it should be in for subsequent analysis
- Any subsidiary information which would be of interest (for example, so that you can compare the responses of men and women or old and young)
- Whether the questionnaire will be filled in by the respondent or by the interviewer. This determines how 'user-friendly' it needs to be.

When designing questionnaires to be used by interviewers or sent directly by post to respondents there are generally rules which the marketing researcher must observe.

- Make the questions and questionnaire as short as possible so that respondents do not feel that answering is too much of a chore.
- Make questions as simple as possible so that they are more easily understood.
- Keep similar questions in the same section of the questionnaire so that respondents develop a full awareness of what is being asked.
- Ensure the questions are in a logical order.
- Do not use questions that lead the respondent. For example, a question like 'Do you believe that red coats

are the most attractive?' would probably be inappropriate. A more correct question would be 'Which colour for coats do you consider the most attractive?'

- Ensure the questions are not ambiguous to prevent misunderstandings.
- Avoid two questions in one. Example of a sentence that contains two questions, 'Do you often fly by plane and travel by PAN AM airline?'
- Choose questions appropriate to the survey method being used, i.e. postal, telephone, personal interviews.
- Ensure that the layout and design is pleasing to the eye.
- Leave very personal questions until the end in case the respondent chooses not to answer these particular questions.

LAYING OUT THE QUESTIONNAIRE

- Explain the purpose of the survey at the beginning of the questionnaire and, where possible, guarantee confidentiality. Emphasise the date by which it must be returned.
- If respondents have to complete the questionnaire themselves, it must be approachable and as short as possible. Consider the use of lines, boxes, different typefaces and print sizes and small pictures. Use plenty of space.
- Start with quota control (classification) questions so that the interviewer can rapidly determine whether the interviewee is the right type of person.

QUESTIONNAIRE DESIGN - SOME DEFINITIONS

- A structured questionnaire lists all questions to be asked in a logical sequence, specifying the precise response to be used in the response and providing categories for recording the replies.
- An unstructured questionnaire may simply be a list of open-ended questions to which the respondent replies in his or her own words.
- A self-completed questionnaire is completed by the respondent rather than an interviewer.
- An interviewer completed questionnaire or schedule is used in face-to-face interviews or telephone interviews.
- Behavioural questions find out what the respondent has done in the recent past, such as recent purchases of a product. In order to help recall, it is better to ask specific questions - 'have you bought X in the last four weeks?' is more likely to prompt recall than 'how often do you buy X?'

PILOTING THE QUESTIONNAIRE

Before a questionnaire is ready for final use in the field it needs to be pretested under field conditions.

The questionnaire is piloted to discover if there are any problems in the areas we discussed.

A small number of respondents, representative of the types of respondents, to be interviewed in the actual survey are selected and the questionnaire tried out on them.

The findings of a pilot survey regarding a topic will not be included in the final report.

These interviews are conducted not to gather information but to test the efficiency of the questionnaire.

One must see whether we have used the right questions, have all questions been included. Should others be added to get a better picture? Are the questions clear enough to be understood by the public at Large?

DEPTH INTERVIEWS

As are the focus-group interviews, depth interviews are unstructured and informal.

General questions are usually asked, followed by more specific questions that probe for needs, desires, motives and emotions of the consumer.

Also, the questioning is sometimes indirect, such as 'Why do you think your friends smoke Marlboro?' as opposed to the direct question. 'Why do you prefer Marlboro cigarettes?'

Again, this method attempts to circumvent inhibitions the respondent may have about revealing inner feelings.

By carefully following cues given by the respondent, an interviewer can ask a series of questions that probe for underlying motivations.

The key factor with depth interviewing (as well as focus-group interviewing) is the interviewer's skill, which calls