



Market Research

What Is Market Research?

Very simply, market research is learning everything you can about your current customers and your prospective customers and about how they view your products and services.

Without this information, you risk being out of touch with your customers and prospects. They often have a very different view of your products, services, and advertising than you do. They have a very different point of view from your board, your distributors, your retailers, or anyone else familiar with your business from the inside out.

For example, 55-year-old males who don't cook aren't likely to be familiar with the needs of a working mother who comes home after a long day and has to prepare dinner in minutes for her children. But research can uncover these needs and which products or potential products can solve the dinner problem. Without the objective understanding of your market that research can provide, you risk making expensive marketing mistakes.

Countless products have been introduced to grocery stores without a shred of consumer testing. Companies have invested hundreds or thousands or millions of dollars developing products, creating packaging, and

This chapter was coauthored with veteran market researcher Donna E. Fletcher, Donna E. Fletcher Consulting, Inc.

securing distribution—and then no one buys the products. Why? Well, there's obviously something wrong with the product or how it's being marketed. But what? Do the marketers know even the most basic information about the target market? Do they know how the target consumers reacted to the product, the name and the packaging, or the price? Without this knowledge, a company can't even begin to fix its "problem child."

Where Does Research Fit in the Marketing Process?

To avoid creating "problem children," you must conduct upfront research among your target prospects. It has to be completed before you launch a product or an advertising campaign.



IGNORE UPFRONT RESEARCH AT YOUR OWN PERIL

Clients often design new packaging for retail products. Often they don't bother to conduct basic testing that can help determine if consumers can "see it on the shelf." This test involves setting up the product in the new package on shelves surrounded by competing products, to replicate the actual retail shelf as closely as possible. One at a time, consumers view the shelf for a few seconds, move away from the shelf, and then are asked which brands they remember seeing.

We recently read of a multibillion-dollar company that overhauled its packaging at a cost of hundreds of millions of dollars. Within weeks of the launch, it was reported that consumers could no longer find the specific varieties of the products and felt the package looked generic and not differentiated from competing products. The company plans to change its packaging again. Up-front research could have spotted this potential problem in time to prevent it.

You should also use market research throughout the life cycle of your product or service. As a brand develops and grows and ages, new questions and opportunities arise. Research is the way to get unbiased answers and evaluations.

For example, a company might offer a successful line of shampoos and conditioners. The company may have data that indicate a segment of its female customers have severely dry and damaged hair resulting from overuse of blow dryers and curling irons. The company comes up with a product idea to create a more effective conditioner to treat badly damaged hair. The

first research step is to ascertain the appeal of the *product concept* for this conditioner.

If consumers respond positively to the product idea, you then should conduct tests on alternative formulations of the conditioner. Which one works the best? Which one best meets the expectations of the product concept? With this knowledge,

a company greatly improves its odds of success in the marketplace.



Product concept A short description (several sentences) in consumer language of a product under development. Typically, it includes a descriptive name (e.g., conditioner for dry damaged hair) and describes its benefit (e.g., makes dry damaged hair shiny and soft) and its key attributes (e.g., thick and creamy, penetrates the hair, rinses out easily).

KEY TERM

How to Approach a Market Research Project

You must set objectives. What is it you want to know and how do you intend to use the information? What decisions do you want to make? Write these goals down. If you're working with a brand team, get agreement on the objectives.

You might want to conduct research on a proposed new advertising campaign for a sinking product. This research project will tell you if the commercials under consideration communicate the intended message, such as whether your brand tastes better than the store brand. Based on the results, you will be able to determine which commercials best communicate the message and/or identify what content needs to be changed to improve communication.

However, other team members may want to gain insight into some basic questions about the brand. For example, why are people buying the store brand instead of your brand? This research should precede development of the commercial and be used to shape the message that the ultimate advertising will communicate.

You should get agreement from the entire team before proceeding with a project. Otherwise, the research might not answer the questions that are important to the team members.

Types of Market Research

Market research consists of two broad categories: quantitative and qualitative.

Quantitative, often called surveys, is the technique that tells “how many.” How many people use my product? How many users are African American? How many prospective customers live in rural areas? How many live in the city? How many people rate my product as outstanding in quality? Designed and administered correctly, a survey can produce reliable, statistically sound data.

Qualitative research seeks to understand the “how” and “why” of consumer attitudes and behavior, not to count how many have a specific belief or purchasing habit. From qualitative, for example, you would learn why people like and buy a particular brand of deodorant, but you would not learn how many people or what ages of people buy the brand. Or you might learn why the graphics on one package get attention more than an alternate design, but you would not learn how many people prefer one design to the other. Qualitative research uses a small sample size (usually fewer than 50 people), so it is not statistically reliable. The basic qualitative techniques are focus groups and in-depth interviews.

Surveys

All legitimate surveys try to achieve two objectives: produce reliable results that represent the population sampled and produce reliable results as data that can be replicated. In other words, if the survey is designed properly, you should expect almost the same results if it is administered twice. For example, if two surveys each poll 400 adults representative of the U.S. population using the identical questions about dental care, and the surveys are reliable, both surveys would report that approximately 93 percent of adults brush twice daily and 80 percent see the dentist at least once a year.

Surveys use structured questionnaires. This ensures that everyone is asked exactly the same question, so that the results aren't affected by any variation in question wording. Even a wording difference as subtle as “50% off” versus “save 50%” can render the survey results unreliable. The ques-

Statistical significance Degree of certainty that an observed difference (e.g., between means) or relationship (e.g., between variables) actually exists and that it is not the result of chance. Generally market researchers use the 95 percent confidence level, which means there is a 95 percent likelihood that the difference or relationship between two numbers is statistically significant. A related term is *margin of error*.



KEY TERMS

Margin of error A statistic expressing the amount of random sampling error in a survey's results. Random sampling error is simply the uncertainty that results from surveying a sampling of a population rather than the entire population. The margin of error represents the accuracy of survey results. The larger the margin of error, the less confidence that the results from the sampling are close to the figures for the whole population.

tions are asked identically. Then the answers are tallied to determine “how many” people gave which answers to which question. Statistical tests are then performed to determine if differences in numbers are significant enough to be meaningful.

An issue that always arises when designing a survey is how many people to interview. The larger the number of people surveyed, the more reliable the results. Generally for marketing studies, the convention is that a sampling of 400 to 500 total respondents provides acceptable reliability. Total sample size also depends on the subgroups you wish to analyze, such as adults with preschool children or senior citizens. To provide any degree of reliability, a subgroup should contain at least 75 to 100 respondents. For example, if you wish to analyze senior citizens' usage of a product and they constitute 20 percent of the population, you would need a total sample size of 500 people ($500 \times .20 = 100$ seniors).

Often there is disbelief that a survey of a few hundred people can be truly representative. A related misconception is that the larger the population sampled, the larger the survey sample must be. Think of it like the

DENTAL SURVEY

In a survey of a sampling of 400 adults representative of the U.S. population, the results show that approximately 93 percent of adults brush twice daily with a margin of error of 4 percent. This means there is a 95 percent likelihood that the true percentage in the population is between 89 percent and 97 percent.



blood sample taken when you visit a doctor. One vial—a tablespoon or two of blood—is sufficient to analyze many measures of health, such as cholesterol, lipids, and blood sugar. A quart of blood won't reveal any more than a tablespoon. Keep in mind that reliable polls of national elections are conducted with as few as 1,000 adults, which is less than 0.000444 percent of the total U.S. population of adults 18 years of age or older, which is close to 230 million.

In addition to survey *reliability*, survey *validity* is an important consideration. Valid surveys contain valid questions—that is, questions that fully accomplish their intended purpose. Survey questions sometimes fail the test of validity, usually when they're written by inexperienced, amateur researchers.

Suppose, for example, that the goal is to assess a public library for the quality of its staff. You know that staff is evaluated by library patrons on two primary criteria—courtesy and knowledge—so the following question is written for a mail survey of patrons: “How do you rate the courtesy and knowledge of the library's staff ... as excellent, good, fair, or poor?” This question fails the validity test on two counts. First, a respondent can't answer the question if he or she considers the staff courteous but not knowledgeable or knowledgeable but not courteous. Second, a respondent can't answer the question if he or she has no opinion about the staff or is neutral. This question fails to achieve its intended purpose. It needs to be rewritten by an experienced professional.

How to Administer a Survey

There is no one best way to administer a survey. Depending on your marketing situation, surveys can be conducted legitimately by phone, mail, or the Internet. Each method is viable, and each presents pros and cons.

Phone surveys offer excellent control over qualifying the participants. “Qualifying” means making sure the desired demographic and groups are included in the survey. For example, if you want to conduct a survey among dandruff shampoo users, the phone interviewer will start the interview by asking the respondent: What types of shampoos do you use? If dandruff shampoo is not mentioned, then the person does not participate further in the interview. That way you are not getting data from people whose opinions might be useless or misleading.

You can also set and control quotas for particular types of people. For example, if you are conducting a survey of 500 people and want the sample to include equal numbers of men and women, then you instruct the interviewing firm to interview 250 men and 250 women.

Phone surveys also provide the opportunity for random sampling. The idea of a random sample is that every consumer in the population has an equal chance of participating in the survey. Typically, computers generate random phone numbers for either a particular area or the total U.S. This ensures that both listed and unlisted numbers are included in the sample, which makes the sample more representative of all consumers.

Phone surveys are relatively quick to complete. Once the questionnaire is designed and programmed into the computer for the interviewers, interviews can usually be completed in one to four weeks, depending on sample size and on the difficulty of finding qualified respondents.

This method also makes it feasible to conduct surveys among English- and non-English-speaking consumers. Bilingual interviewers can quickly ascertain which language a respondent feels most comfortable using and then conduct the interview accordingly.

A downside to phone surveys is cost. The cost per interview may be \$50 to \$80, depending on the difficulty of locating qualified respondents.

Online surveys are rapidly replacing phone surveys. They offer several key advantages.

First, online surveys are faster. Once a questionnaire is approved and programmed onto a Web site, all the data in many cases can be collected in a few days.

Second, online surveys offer the ability to locate hard-to-find targets affordably. Or in research terms, they can reach a “low incidence target.”

Using e-mail blasts, thousands of people can be quickly and inexpensively contacted and then screened to see if

Incidence The percentage of population or households that fits a particular specification.

For example, if 75 percent of homes have a computer, the incidence is 75 percent. If 20 percent of women have used a prepared stuffing mix in the last six months, the incidence is 20 percent. Incidence affects the price of many research studies. The lower the incidence, the more costly it is to locate the desired segment of the population in phone, mail, or focus group studies. This is much less an issue for online surveys.



KEY TERM



FINDING THE ELUSIVE BUYER ONLINE

A few years ago, when flat-screen TVs were just beginning to become popular, our client wanted to survey consumers who owned flat-screen TVs of a particular size. We figured this was only about 2 percent of the U.S. population. If we had tried to recruit 300 of these people by phone, we would have had to contact about 50,000 people, which would not have been feasible. By using an online panel, we completed interviewing in less than one week.

they fit the specifications of the study.

There are limitations to online surveys, however. If you need to conduct a survey among residents in a relatively small specific geographic area—such as a town, city, or county—there are no representative Internet samples available.

Some organizations, such as public libraries, have posted surveys on their Web sites.

Unfortunately, such surveys are of poor quality because the respondent selection is highly biased. They are getting information only from people who access the organizations' Web sites. Typically these surveys are also not password protected, so the same person could take the survey many times and "stuff the ballot box." In effect, you have the Chicago phenomenon of "vote early, vote often."

Mail surveys are one of the oldest techniques. Depending on your business, they can yield very useful information at an efficient cost. The costs for distributing a survey are printing and postage. Typically this runs around \$1 per questionnaire (less if you have a not-for-profit postage permit). You could print and mail 15,000 surveys, for example, for less than \$15,000. If 5 percent are returned, the cost per return is \$20, far less than the cost of a phone interview.

Mail surveys are particularly attractive for local tax-funded entities, such as communities, schools, park districts, and libraries. If a community has 30,000 or fewer residents, it's often affordable to send a questionnaire to every household. Including all households has a distinct public relations advantage, allowing the taxing body to say that it solicited every household's opinion.

A downside of a mail survey is timing. From start to finish, the process can take three months: approving a questionnaire, printing the question-

naire, mailing the questionnaire, and receiving and analyzing the questionnaires. Generally, participation rates are low for a mail survey—5 to 7 percent—particularly if it's for a commercial product or service. There are important exceptions to this generality, however. Our experience with public libraries finds that a 15 to 20 percent response rate is common. Suppliers of community surveys also report high response rates.

PARTIAL LIST OF TYPES OF MARKETING SURVEYS

An *attitude and usage study* determines attitudes and product purchase and usage within a population of interest (e.g., men, women, teenagers). These data are fundamental to understanding target markets.

A *tracking study* provides data on awareness and product purchase at different points in time. For example, an advertiser might conduct a survey to determine level of awareness prior to running television commercials. After the advertising has aired, the study would be repeated to determine the effect of the advertising on awareness and purchase.

A *concept study* determines the interest in purchasing a new product. It generally uses a short description of the product and may include the anticipated retail price.

Product testing can include everything from sensory taste tests to consumer usage tests of small appliances and beta tests of new software.

Advertising tests of commercials and print ads either before or after production can uncover what the ads communicate and how consumers respond to the ads.



TOOLS

Focus Groups

You no doubt have heard of focus groups, and you may even have participated in some. This technique consists of moderated group conversations. Led by a trained facilitator, the discussion groups can focus on almost any topic, from jarred pasta sauces or shampoo to insurance or advertising. If the study is for a casual dining chain, the groups might explore a variety of questions: What are their perceptions of different restaurant chains? How do customers decide to visit one? Who (kids, spouses) influences the decision? What impact does the menu have on the choice? What are the strengths and weaknesses of various chains?

Because a focus group is an interactive discussion, it should be small enough to allow participants to interact. Generally, a group with six to 10



CORRECT USE OF FOCUS GROUPS

Focus groups are a small sample, so they are not statistically reliable. However, they can provide excellent insights for marketing ideas, communications, and product development. Ideally, what is learned from focus groups should be confirmed by a quantitative study.

respondents works well for most topics. More than 10 limits the interaction, and less assertive participants are more likely to not be as active. Fewer than six works well if there's need to get into a topic in great depth and to help avoid *groupthink*. Limiting the size facilitates more focus

on individual responses. A skilled moderator will often ask participants to write down privately their individual reactions to an idea (e.g., for a new product or a marketing campaign) before any member of the group has a chance to influence them.



WHAT'S IN A NAME?

If you are looking at new names for a product, you might explore consumers' reactions to a range of names. You'd learn what each name communicated, what people associate with it, and if it sounds like other names in the marketplace. The comments would not only tell you which ones are received more or less positively, but also reveal what about each name worked or didn't work. You might learn that "Crispy Oats" cereal sounds tasty and healthy, but "Crunchy Oats" sounds hard to chew and so healthy that it won't taste good. This information can help refine the names further. It's likely some names will receive a more positive response than others. However, before making a final decision, the preferred names should be tested quantitatively to determine which name creates the greatest interest in purchasing the product ("purchase intent" or "intent to purchase").

Focus group sessions generally run 90 minutes to two hours, although some are as short as an hour. In Europe, they often span three hours. Americans generally won't participate in a study that lasts that long.

Critically important to the success of a focus group is its composition. It is essential to decide who should be in the group in terms of product and brand usage, age, and gender. Figuring out the most relevant targets to include in the study makes for more useful results. If you want to understand the role of pasta sauce in weekly meal preparation, for example, you'd likely want to talk

with women who prepare dinner for the families four or more nights per week and purchase pasta sauce regularly. It would be of very limited value to interview women who buy take-out for dinner or prepare frozen entrees most nights and only occasionally buy pasta sauce.



Groupthink Natural tendency of all members of a group to fall into line with what the majority think or with what the most vocal or influential members think. Groupthink is an attempt to minimize conflict and reach consensus without critically analyzing ideas.

KEY TERM

In general, you want a homogeneous group. That is, you want people who are similar to each other. If you are trying to understand attitudes of different types of auto buyers, you'd have separate groups for hybrid vehicles and for SUVs. If the study is about the role of a community center, seniors will certainly have different preferences than parents of young children. Segmenting the groups leads to a better understanding of the needs of different targets. It also ensures that respondents will be among their peers, which often makes them more forthcoming and more candid in their comments.

How many groups will be conducted on a topic depends on how many different consumer segments you wish to include in the study and how many markets you wish to include. For any one segment, you should conduct two groups. That gives you the opportunity to explore issues more in-depth and gain a greater range of opinions. Conducting only one group within a segment is risky. The group may just be "off" and unable to provide the insights needed. If you have two consumer segments (e.g., users of OTC heartburn remedies and users of prescription heartburn medications) and wish to explore their attitudes and behavior in two markets, then you would conduct a minimum of four groups.

Setting Up and Moderating Focus Groups

After objectives for the study are established, engage an experienced moderator. This is critical. He or she will work with you to design the study and answer key questions. For example, "What are the specifications of the respondents?" "In what market or markets of the U.S. should the groups be conducted?" (This is particularly important if there is a geographic skew to the business.) "How many groups should we conduct?"

**KEY TERM****Focus group facility**

A suite of rooms specially designed for conducting focus groups. Typically it houses one or more conference rooms with one-way mirrors for interviewing the respondents. Clients sit in an adjoining room behind the mirrors to listen and watch the groups. This setup allows the clients to see and hear the respondents as the groups proceed, but not be present in the interviewing room because that could be intimidating to participants.

The moderator will write the screening questionnaire to recruit the appropriate respondents. Typically, a moderator will engage a research facility that has a database of people who have indicated an interest in participating in a focus group as well as a room specially designed for groups. The moderator will also work with the client to determine what

areas of inquiry should be included in the discussion. The moderator will write a discussion guide that outlines the areas that will be covered.

Generally, it takes two to three weeks to set up focus groups. The actual groups may be completed in several days. A good rule of thumb is no more than three two-hour sessions in a day.

Entire books are devoted to proper moderating techniques. But there are a few key things to look for in a good moderator. A good moderator has interviewed consumers on many different topics, so that he or she has a broad perspective on consumer response. The moderator relies not only

on the words spoken, but also on the excitement registered through facial expressions and body language. The moderator should make respondents feel comfortable and make the discussion about eliciting their opinions, not sharing his or hers. While the session should be free flowing and interactive, the moderator must also control the group, not letting any one participant dominate and keeping the group on task.

**DON'T DO IT YOURSELF**

A good moderator makes conducting a group look easy. But appearances are deceptive. It takes great skill and experience to lead a discussion without introducing bias through subtle voice and body cues. It takes years of experience to read the body language and voice tone of participants. Don't try to moderate a group without proper training and an apprenticeship with an experienced moderator. If you do it yourself, the results you get could be biased or be misleading.

INTERPRETING WHAT CONSUMERS SAY

When testing new products or ideas for new products, experienced focus group moderators know which phrases are thumbs-up and which phrases are thumbs-down.

Three of the most encouraging phrases:

“When will it be on the market?”

“Where can I buy it?”

“I liked the product so much that when I tested it at home, I kept some.” (The instructions were to return all unused product to the testing facility.)

On the flip side, some less encouraging comments:

“I’d try it if I had a coupon.”

“It would be good for camping.”

Those words suggest very limited interest in the idea: “You’d have to buy my interest” or “I’d use the product only very occasionally.”



TRICKS
OF THE
TRADE

The moderator should provide a report that analyzes the findings and provides implications for marketing. It should not simply be a recapitulation of the conversation. For a moderator to complete a report thoroughly and thoughtfully, allow two weeks.

GOOD REPORTS MATTER

A good report explains the reasons behind group participants’ responses and provides ways to use the information for marketing. In the case of one pasta restaurant, the participants discussed different casual restaurants and mentioned that the client’s restaurants no longer offered a good value. The report explained that participants recalled the chain’s long-running advertising campaign that positioned the restaurants as offering a bounty of food. But customers found that the restaurants no longer offered free soda refills or unlimited trips to the salad bar. The report concluded that the dining experience no longer matched the advertising. The clear implication was that the chain should either change its advertising or deliver on what it promised.



FOR
EXAMPLE

Individual Interviews

Individual interviews are one-on-one conversations between a respondent and a moderator. They should be used when the topic is especially sensitive or highly personal (e.g., difficult medical conditions, managing

personal finances). Respondents may not want to reveal their experiences and views about these topics in front of other people, but will be forthcoming with an empathetic, neutral moderator. Individual interviews are often preferable for communications testing. If you show your ad or package to consumers individually, you will learn if it communicates the desired message or image. Expose it in a group and the results will likely be influenced by groupthink.

A black silhouette of a top hat with the text "TRICKS OF THE TRADE" written in white inside it.**TRICKS
OF THE
TRADE****TRY TRIADS**

While individual interviews almost guarantee the purest results for communications testing, many clients will not commission such a study because it generally takes more time and money than focus groups. So, a decent compromise is *triads*, focus groups of three people. In that situation, the moderator shows an ad and asks each participant to write down the main message and overall reactions to the ad. During the discussion, the moderator should ask participants to refer to their notes. This ensures that each participant shares his or her reactions, and it helps avoid groupthink. At the end of the discussion, the moderator collects the papers and checks whether the written reactions were shared orally.

Individual interviews are a practical way to conduct research among hard-to-recruit targets such as business owners, high-level executives, or physicians. These people tend to be highly time-constrained, so they're more likely to agree to a 30-minute interview (in person or on the phone) than to a two-hour focus group.

A typical individual interview lasts 15 to 60 minutes. It depends on how many topics are covered, how involved the respondent is with the subject, and how deeply the topic can be probed. For example, if you want to learn if a respondent noticed your package on a mock retail shelf, the interview takes no more than 15 minutes. But if you want to interview people who are suffering from chronic sleep problems and find out how those problems are affecting their lives, how they are dealing with the problems, and what they have experienced with various sleep remedies, the interview may last 30 to 45 minutes.

The number of interviews to schedule varies greatly. Generally, you should interview a minimum of 10 to 12 consumers per segment (e.g., current users of a product and potential users of a product). For two segments,

you'd conduct a total of 20 to 24 interviews. So, for example, if you wish to explore attitudes in different parts of the U.S. by conducting the study in three markets, then the study would likely consist of 60 to 72 interviews.

When You Shouldn't Do Research

Some ideas simply don't pass the commonsense test and shouldn't command the resources for formal research. Do a quick, informal pitch for friends, family members, and neighbors. Yes, they're biased. No, it's not a real focus group. But it can be a good way to tap into some common sense outside your marketing team.

A DOOMED IDEA

A well-known brand of power tools—with an image of “for real men,” strength, reliability—wanted to determine if there was a market for an electric razor for women using the brand name.

What woman would want to shave her legs or delicate underarm skin with a razor carrying the brand name of power tools for men? The answer seems obvious, but costly research was conducted anyway. The result? No interest in a power tool brand shaver for women—and less money available for more useful research.



Selecting a Research Consultant

To find a market research firm, ask contacts who have worked with or hired research consultants. Good leads may come from your contacts at other consumer goods companies, contacts at advertising agencies, or business school classmates. Look for a firm with broad experience in consumer studies.

Then talk with a few consultants (don't rely only on e-mail communications) and explain the project you're contemplating. The consultant should listen, ask thoughtful questions, probe to clarify your objectives, and show enthusiasm for your project.

If you're interested in pursuing the project with the consultant, ask for a written proposal. Read the proposal and call the consultant with questions. How the consultant handles your questions will help reveal his or her style and work ethic. Pricing for research projects varies greatly, so be sure to understand what's included and not included in the proposal.

SMART**MANAGING****DIFFERENT TYPES OF RESEARCH FIRMS**

Broadly speaking, there are two types of research firms:

Large global companies that provide a wide array of research services (all types of qualitative and quantitative studies, including sales modeling) in markets all over the world. You'll likely work with an account manager who will coordinate the project, not the people who will actually design, field, and interpret the study.

Smaller firms that generally focus on either qualitative or quantitative research, sometimes with limited capabilities. You'll likely have contact with the people who will design and conduct the research. Some of these firms, particularly ones specializing in qualitative research, consist of a single moderator or several moderators.

Also, some colleges and universities provide research services, primarily for not-for-profit entities. Generally, students under the supervision of a professor conduct most of the project. Quality tends to vary a lot.

Limits of Market Research

Market research is excellent at capturing and measuring what is happening or what has happened. It can be excellent at predicting what is likely to happen based on the present and the past. However, market research has limits, and the wise researcher is aware of these limits.

For example, it is wise not to generalize from focus group or qualitative results. The sample sizes are too small to predict what the population at large will do. You are better off using focus groups to focus your inquiries and then verifying them quantitatively.

It is wise not to ask one group of people to predict another group's behavior. Questions like "Do you think your mother will approve of your musical purchases?" do not produce reliable answers. People are notoriously bad at looking at the world through other people's eyes. Such questions result in guesses or speculations that may involve a lot of wishful thinking.

It is also wise not to ask people about their own behavior when there are values or perceptions involved: "Would you rather help an orphan or watch TV?" Most people would rather watch TV, but may state a preference for helping orphans. Most of us want people to think well of us.

It is also unwise to ask people to reflect on their own subconscious motives. We may not really know or we may not want to admit our

motives. People may state motives they feel would be more socially acceptable rather than reveal their real motives.

The more an ad or product depends upon the details of the execution (such as how the words are written, how the music is recorded, or how bright the colors are), the less likely the test of a rough ad concept will be predictive. Testing radio as words typed on a page or verbally describing a billboard that depends on the color red will not produce useful results. People have a hard time imagining a finished ad and filling in the details that do not yet exist.

The more radically innovative the product or idea is, the less reliable research will be at predicting its success. Imagine being the first marketer to suggest posting ads in the restrooms of restaurants and bars or installing mirrors that play short video clip ads? How would focus group participants or people interviewed in shopping malls have reacted? The more innovative the idea, the less dependable the research prediction.

Also, the further out in time you need to predict behavior, the less reliable the predictability. For example, American teens change their preference for music, clothing, and language every six months. If a focus group of teens liked a particular TV commercial and it didn't even start running for another six months, the results might not be as predicted by the research.

In the vast majority of marketing situations however, market research can provide a useful and predictive guide to decision making.

One important limitation to most market research is not the data, the techniques, the time, the cost, or the technology. It is the willingness of the client sponsoring the research to understand the results, believe

HEAR NO EVIL

As a group of retail executives sat behind a one-way mirror watching a focus group, the female customers complained repeatedly that the store wasn't carrying the latest and trendiest products and was woefully behind the times. The company vice president, who'd had a bit too much to drink, banged on the glass of the one-way mirror with his fists, disrupting the discussion in the other room, and shouted, "You're wrong! You're all liars! What do you know about retail!" The moral of the story: don't ask your customers any questions for which you don't really want answers.



the results (especially if they conflict with the client's personal point of view), and apply the results. Sometimes managers “shoot the messenger” who delivers news they don't like. Or they rely on research the way a drunk relies on a lamppost—more for support than for illumination.

The true limitation of market research is not the research. It's the people who don't use it properly.

Manager's Checklist for Chapter 14

- ✓ Market research means learning everything you can about the people in your target market and their views and behaviors.
- ✓ Market research can be used up front to prevent problems in campaign or product development, and it can be used throughout the life cycle of a product or brand to monitor situations and help make important marketing decisions.
- ✓ Get agreement on market research objectives ahead of time from all members of the team.
- ✓ Market research consists of two broad categories: quantitative and qualitative. Quantitative research (surveys) provides results that are statistically reliable for the population sampled. Qualitative research seeks to understand the “how” and “why” of consumer attitudes and behavior.
- ✓ Surveys can be conducted by phone, mail, or the Internet. Each has plusses and minuses.
- ✓ Hire a research consultant who has broad experience with consumer studies and who listens to you, asks thoughtful questions, and writes insightful reports.
- ✓ One important limitation of market research is the tendency of some clients to ignore results with which they disagree.