
Consumer Research Process

Consumer Research

It is a part of market research in which the preferences, motivations, and buying behavior of the targeted customer are identified through direct observation, mail surveys, telephone or face to face interviews, and from published sources (such as demographic data & others).

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Importance of Consumer research

- ❑ Consumer Research enables marketers to predict how consumers will react to promotional messages and to understand why they make the purchase decisions
- ❑ Marketers realize that the more they know about their target consumers' decision making process, the more likely they are to design marketing strategies and promotional messages that will favorably influence these consumers
- ❑ Consumer Research enables marketers to study and understand consumers' needs and wants ,and how they make consumption decisions.

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Quantitative Research

- ❑ Descriptive in nature.
- ❑ Enables marketers to “predict” consumer behavior.
- ❑ Research methods include experiments, survey techniques, and observation.
- ❑ Findings are descriptive, empirical and generalizable.

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Qualitative Research

- ❑ Consists of depth interviews, focus groups, metaphor analysis, and projective techniques.
- ❑ Administered by highly trained interviewer-analysts.
- ❑ Findings tend to be subjective.
- ❑ Small sample sizes.

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Comparison between Quantitative and Qualitative research

Qualitative research	Quantitative research
<p>1. Study purpose: Studies designed to provide insights about new product ideas and positioning strategies. Ideas uncovered should be tested via quantitative studies.</p>	<p>1. Studies aimed at describing a target market –its characteristics and possible reactions of various segments to the elements of the marketing mix. Results are used for making strategic marketing decisions</p>
<p>2. Type of questions and data collection methods: Open-ended ,unstructured questions and further probing by the interviewer. Projective techniques include disguised questions where the respondents do not know the true purpose of the questions and are asked to freely respond to stimuli such as words or pictures. Depth interviews and focus groups are used</p>	<p>2. Closed ended questions with predefined possible responses and open –ended questions that have to be coded numerically. Most questionnaires include attitude scales and, generally the questions are not disguised. Questionnaires are used in surveys conducted in person, by phone or mail, or online. Observation of respondents is also used.</p>

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Comparison between Quantitative and Qualitative research

<p>3. Sampling methods: Small, nonprobability samples; the findings are generally not representative of the universe under study</p>	<p>3. Large ,probability samples. Providing that the data collection instruments are valid and reliable, the results can be viewed as representative of the universe.</p>
<p>4. Data analysis: Data collected are analyzed by the researchers who have collected it and who have expertise in the behavioral sciences</p>	<p>4. The data is collected by a field force retained by the researcher, and then coded ,tabulated, and entered into the database. The researcher analyses the data by using objective, standardised statistical methods consisting mainly of comparisons of averages among the predefined variables and significance tests that estimate the extent to which the results represent the universe.</p>

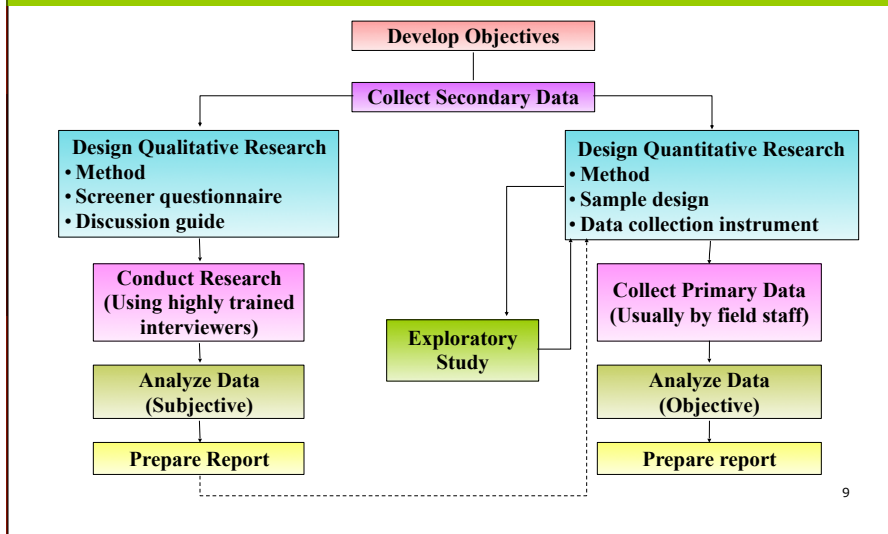
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The Consumer Research Process

- ❑ Six steps
 - Defining the objectives of the research
 - Collecting and evaluating secondary data
 - Designing a primary research study
 - Collecting primary data
 - Analyzing the data
 - Preparing a report on the findings

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Figure 2.1 The Consumer Research Process



1. Developing Research Objectives

- Defining purposes and objectives helps ensure an appropriate research design.
- A statement of objectives helps to define the type and level of information needed.

E.g. - If the purpose of the study is to come up with new ideas for products or promotional campaigns, then a qualitative study is usually undertaken, in which respondents spend a significant amount of time face-to-face with a highly trained professional interviewer-analyst who also does the analysis.

If the purpose is to find out how many people in the population use certain products & how frequently they use them, then a quantitative study that is undertaken.

2. collecting and evaluating secondary data

- Secondary data: data that has been collected for reasons other than the specific research project at hand

Table 2.2 Major Sources of Secondary Data

Government Publications	Periodicals & Books
Internal Sources	Commercial Data

3.Designing primary research

- Primary data: data collected by the researcher for the purpose of meeting specific objectives
- The selection of a research design depends on the purposes of the study. If a marketer needs descriptive information, then a quantitative research study is called for, but if the purpose is to generate new ideas, then a qualitative study is appropriate.

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Quantitative research design Data Collection Methods

Observation

Experimentation

Surveys

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Observational Research

- ▣ Helps marketers gain an in-depth understanding of the relationship between people and products by watching them buying and using products.
- ▣ Helps researchers gain a better understanding of what the product symbolizes.

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Experimentation

- ▣ Can be used to test the relative sales appeal of many types of variables.
- ▣ Only one variable is manipulated at a time, keeping other elements constant.

E.g.- To determine whether the size of a magazine ad effects readers' attention, the size of the ad might be changed, keeping the other variables such as message/appeal & the colour of the ad constant so that they would not influence the results.

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Survey Data Collection Methods

Personal Interview

Mail

Telephone

Online

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Table 2.4 Comparative Advantages

	MAIL	TELEPHONE	PERSONAL INTERVIEW	ONLINE
Cost	Low	Moderate	High	Low
Speed	Slow	Immediate	Slow	Fast
Response rate	Low	Moderate	High	Self-selection
Geographic flexibility	Excellent	Good	Difficult	Excellent
Interviewer bias	N/A	Moderate	Problematic	N/A
Interviewer supervision	N/A	Easy	Difficult	N/A
Quality of response	Limited	Limited	Excellent	Excellent

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Data collection instrument should have

Validity

The degree to which a measurement instrument accurately reflects what it is designed to measure

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Reliability

The degree to which a measurement instrument is consistent in what it measures.

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Quantitative research data collection instrument

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Attitude Scales

- **Likert scales:** easy for researchers to prepare and interpret, and simple for consumers to answer.
- **Semantic differential scales:** relatively easy to construct and administer. It consists of a pair of bipolar pair adjectives (such as good/bad, like/dislike) or antonym phrases at both ends of the scale with response options spaced in between five or seven points
- **Rank-order scales:** subjects rank items in order of preference in terms of some criteria.

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Figure 2.4 Example of a Likert Scale

Please place the number that best indicates how strongly you agree or disagree with each of the following statements about shopping online in the space to the left of the statement.

- 1 = Agree Strongly
- 2 = Agree
- 3 = Neither Agree or Disagree
- 4 = Disagree
- 5 = Disagree Strongly

- _____ a. It is fun to shop online.
- _____ b. Products often cost more online.
- _____ c. It is a good way to find out about new products.

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Figure 2.5 Rank-Order Scales

Rank the following computer manufacturers in terms of hotline help by placing a 1 next to the one who provides the best telephone help, a 2 next to the second best, until you have ranked all six.

- | | |
|--------------|-----------------------|
| _____ IBM | _____ Hewlett Packard |
| _____ Dell | _____ Gateway |
| _____ Compaq | _____ NEC |

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Qualitative Data Collection Methods

**Depth
Interviews**

**Focus
Groups**

**Projective
Techniques**

**Metaphor
Analysis**

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Focus Group

A qualitative research method in which eight to ten persons participate in an unstructured group interview about a product or service concept

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Figure 2.5 Selected Portions of a Discussion Guide

1. Why did you decide to use your current cellular company? (Probe)
2. How long have you used you current cellular company? (Probe)
3. Have you ever switched services? When? What caused the change? (Probe)
4. What do you think of the overall quality of your current service? (Probe)
5. What are the important criteria in electing a cellular service? (Probe)

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**Projective
Techniques**

Research procedures designed to identify consumers' subconscious feelings and motivations. They consists of variety of "test" that contains ambiguous stimuli, such as incomplete sentences, word-association tests etc.

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Metaphor Analysis

- The use of one form of expression to describe or represent feelings about another is called metaphor
- Based on belief that metaphors are the most basic method of thought and communication.
- **Zaltman Metaphor Elicitation Technique (ZMET)**
combines collage research (the respondents are provided with scissors,paper,paste and magazines and are asked to make a collage representing themselves and their relationship with the product or service under study) metaphor analysis to bring to the surface the mental models and the major themes or constructs that drive consumer thinking and behavior.

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Customer Satisfaction Data Collection Instruments

- Customer Satisfaction Surveys
- Gap Analysis of Expectations versus Experience
- Mystery Shoppers
- Customer Complaint Analysis
- Analysis of Customer Defections (analyzing why customers leave the company)

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Sampling Design

Whom to survey?

How many?

How to select them?

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Table 2.6 Probability Sampling Designs

Simple random sample	Every member of the population has a known and equal chance of being selected.
Systematic random sample	A member of the population is selected at random and then every “nth” person is selected.
Stratified random sample	The population is divided into mutually exclusive groups (such as age groups), and random samples are drawn from each group.
Cluster (area) sample	The population is divided into mutually exclusive groups (such as blocks), and the researcher draws a sample of the groups to interview.

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Table 2.6 Nonprobability Sampling Designs

Convenience sample	The researcher selects the most accessible population members from whom to obtain information (e.g., students in a classroom)
Judgment sample	The researcher uses his or her judgment to select population members who are good sources for accurate information (e.g., experts in the relevant field of study).
Quota sample	The researcher interviews a prescribed number of people in each of several categories (e.g., 50 men and 5 women).

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4. Collecting Primary data

- Quantitative study generally employs a field staff to collect the data.
- In qualitative study data is collected by using highly trained interviewers

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5. Analysing the data

- The last-but-one step in the research process is to extract relevant findings from the collected data.**
- In qualitative research the moderator/analyst usually analyses the respondents' responses.**
- The researcher supervises the data analysis in quantitative research.**
- The responses are converted into numerical scores then tabulated and analysed with the help of computers using sophisticated analytical techniques.**

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6. Report Preparation

- The researcher prepares a report of her/his findings to be presented to the relevant parties.
- It may or may not include any recommendations for action depending on the requirements of the management.
- The report includes a description of the methodology used, as well as tables and graphics to support the research findings.
- The researcher should present major findings that are relevant to decisions facing management and avoid detailing numbers and fancy jargon such as "multivariate analysis of variance."

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