



Designing and Managing Marketing Research Projects

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Your Learning Outcomes

- By the end of this session you should be able to:
 - Evaluate research suppliers and proposals
 - Apply and manage the marketing research process more efficiently and effectively
 - Avoid common pitfalls in research design

Let's start with a few questions



Do you really
need a
research
project to
answer this
question?



If so, what
type of
research
should be
done?



Do *you* have
the skills to
do it, or
should it be
contracted
out?



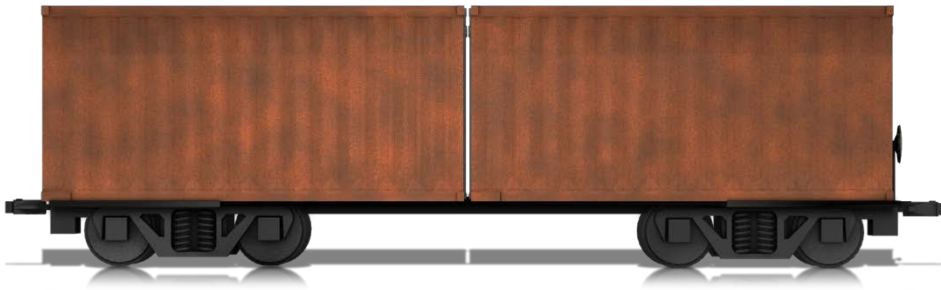
If you
contract
out, what
should you
look for in a
supplier?

Decision #1: Do the research?

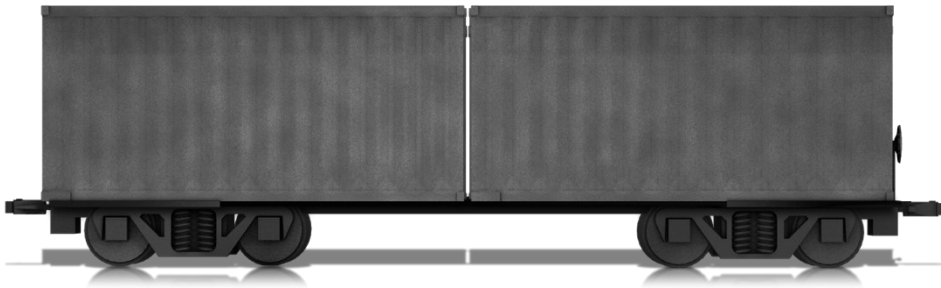


- What is the risk of a “wrong” decision?
- Does the benefit exceed the cost?
- Is the decision already made?
- Can the “right” data be compiled within the desired time frame?

Why conduct marketing research?



To gain customer insights, as well as marketplace facts and acumen, that aid in business design, product development, and marketing success factors.



The ROI of marketing research is based on the value of the improvement in decision making.



The true value of
research is not in
what it allows us to
know, but in what
it allows us to do



Start with secondary data

- It helps “shape” research
 - Better problem definition
 - Potential methodology design
 - Comparative data
- But you must “vet” the source
 - Adequacy of “fit”
 - Purpose of original research
 - General evidence of quality

Decision #2: Design parameters

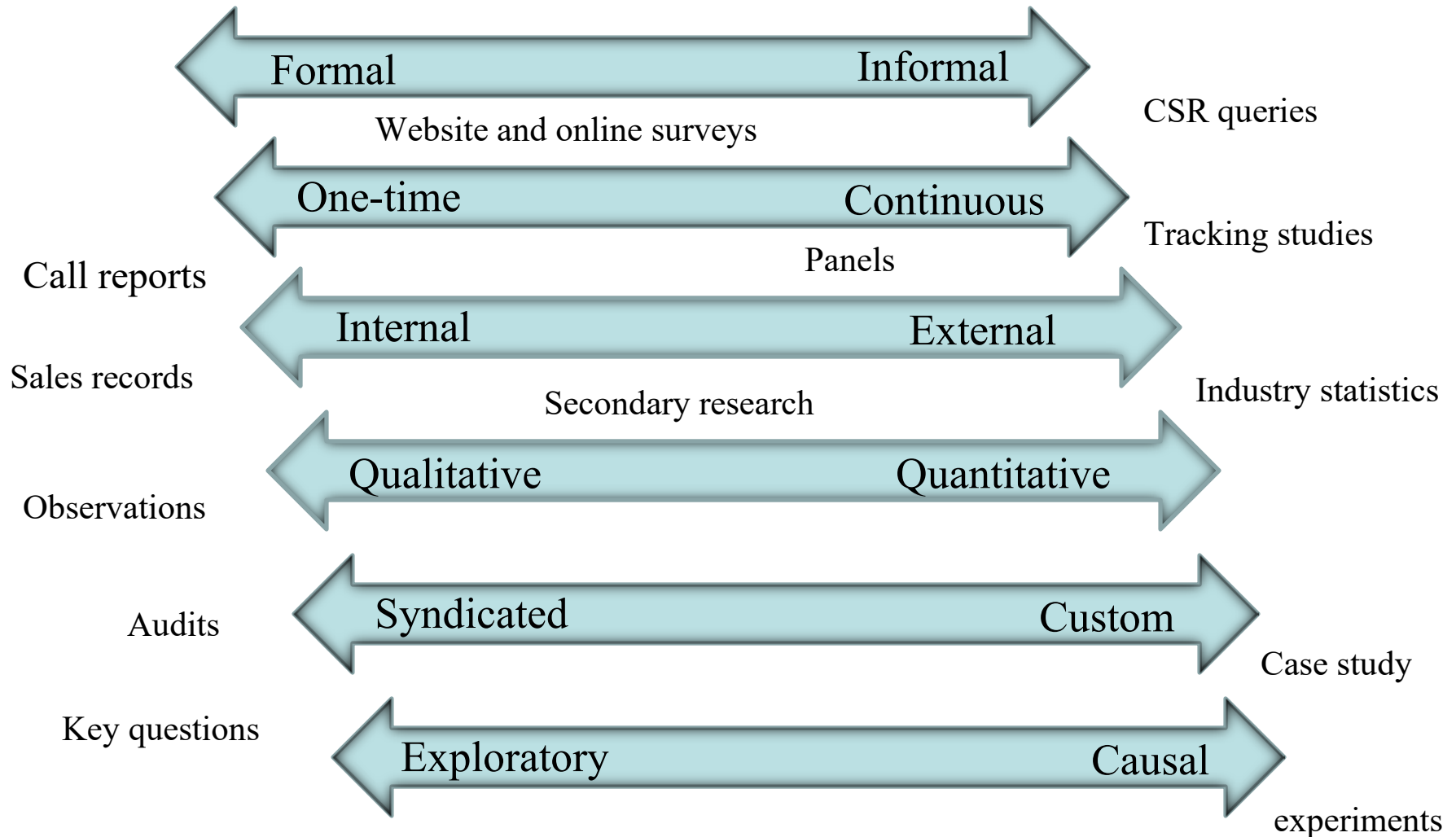
- Time frame
- Data requirements
 - qualitative vs. quantitative
 - sample size
 - methodology
- Training & control
- Response rate requirements



Qualitative, quantitative or experimental?

	Qualitative	Quantitative	Experimental
Pro	In-depth data Can be faster Obtains attitudes	Projectable Can obtain facts and attitudes	Finds relationships Studies <i>actual</i> rather than <i>anticipated</i> acts
Con	Not projectable Analysis subjective Needs small samples	Less explanatory Non-response bias Rigid procedure	Can be artificial Primarily studies actions, behavior Rigid
Example techniques	Focus groups Depth interviews Ethnography Customer visits	Surveys Observation studies (structured) Panels	Test marketing “Split testing” Database models
Applications	Concept testing Product idea generation	Quantification of market / forecast Descriptive studies	New product strategy Website design Price changes

Market research variations

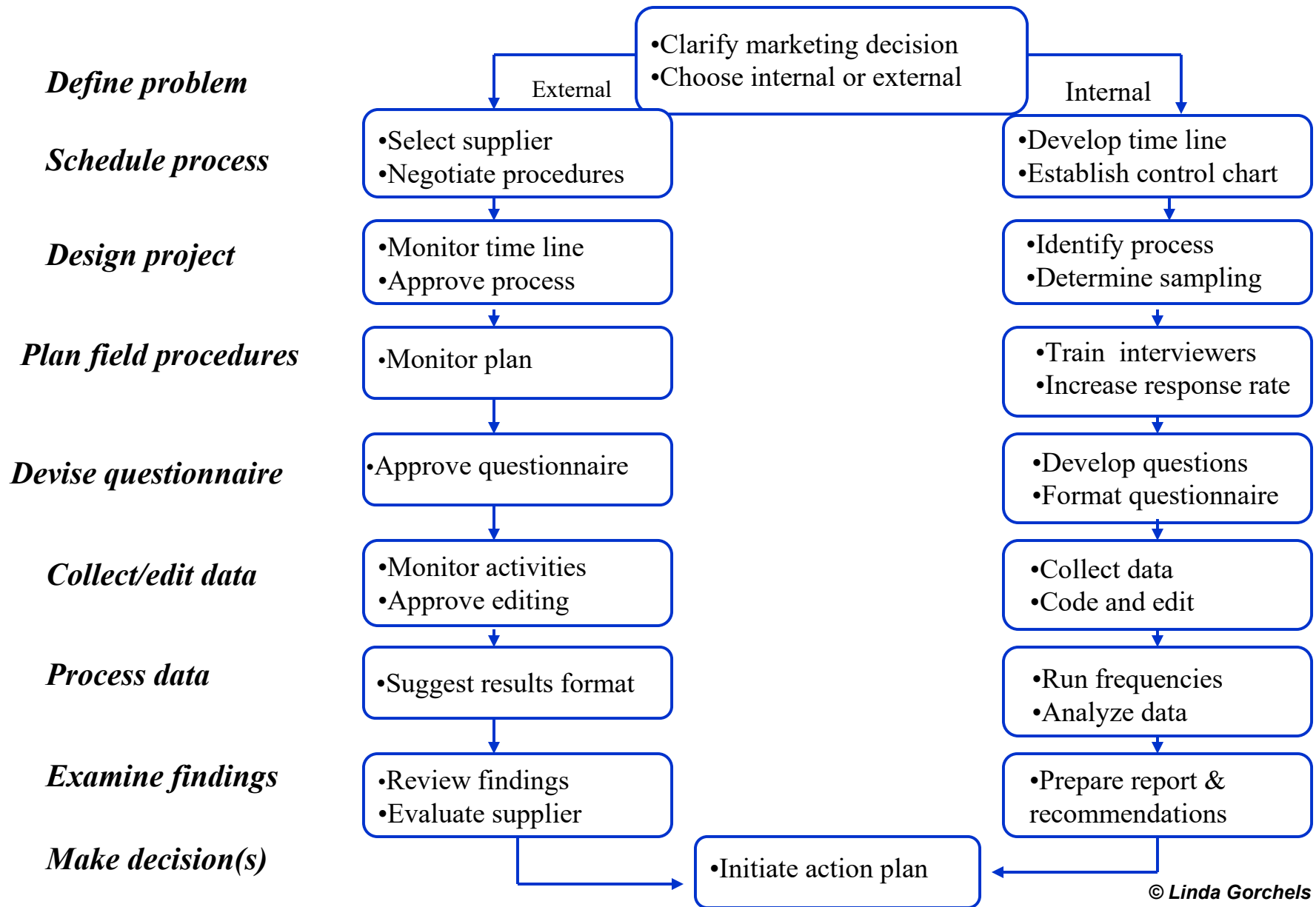


Decision #3: Can (and should) YOU do it?

- Do you have the internal expertise and resources?
- Can resources be leveraged by using external parties?
- What research and analysis can be done internally and which parts could be done externally?



Your internal / external roles vary with each step






Roles of internal marketing research

- Strategic
 - *assess market information needs continuously*
 - *interpret marketplace signals*
 - *assist strategic planning efforts*
 - *collect information for strategic planning*
 - *recommend research projects*
- Tactical
- Operational



Roles of internal marketing research

- Strategic
- Tactical
 - *conduct projects to help with plan implementation*
 - *prepare cost/benefit analyses for proposals*
 - *meet with internal clients to discuss needs*
 - *conduct customer satisfaction studies (benchmark surveys, updates)*
 - *participate on product development teams*
- Operational



Roles of internal marketing research

- Strategic
- Tactical
- Operational
 - *prepare / revise database specs*
 - *store and retrieve data as needed*
 - *conduct secondary research as needed*
 - *provide intelligence reports*
 - *maintain a time log for budget purposes*
 - *input customer satisfaction data (complaints, etc.)*

Thought starters



How do you gather strategic information about the industry and the competitive arena? About technology trends and changes? About markets and customers? About any and all factors that could impact your competitive advantage?

How do you gather tactical information about competitors' actions and products? Have you built in ongoing intelligence gathering processes?

What improvements can you make to your strategic, tactical and operational marketing research efforts?

Decision #4: Which supplier?



- Detail needed expertise (technical competence, industry knowledge, facilities, etc.)
- Cull a short list of apt firms
- Interview the company and project manager
- Ask about projects that may infringe on confidentiality.
- Solicit proposals from 2-3 firms to compare capabilities.
- Check references & job quality



The proposal process

- Issue a written request for proposal (RFP) that specifies: (1) topic, (2) specific information needed, (3) possible research methods, (4) how results are to be reported, (5) deadlines, (6) business matters such as payment terms, confidentiality, rights to raw data, and rights to audit the suppliers' records.
- Issue an RFP that specifies a budget for the project rather than the preferred methods.
- Verbally provide RFP-type information to potential suppliers.



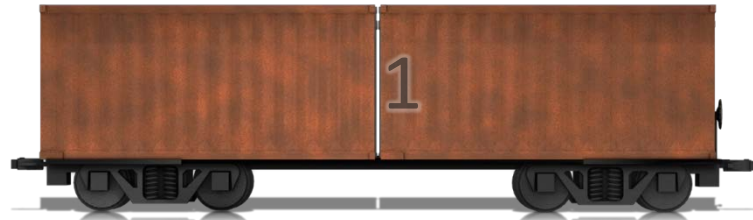
Proposal components

- Statement of marketing problem
 - *(shared insight of information needs)*
- Objectives and limits of project
 - *(what will and will not be investigated)*
- Research approach
 - *(research method, sample design, hypotheses, quality control)*
- Estimates of time and personnel requirements
 - *(time schedules, job assignments)*
- Cost estimates
 - *(fees, direct expenses, contingencies)*
- Optional appendices
 - *(credentials, “dummy tables”)*



The research proposal should demonstrate that the prospective supplier understands the decision to be made.

Be cautious if the supplier ...



Disparages competing researchers



Indicates a willingness to violate professional ethics



Makes extravagant promises or provides vague research descriptions



Does not listen



Evaluate quality control

- Subcontracting
- Training & supervision
- Validation of interviews
- Sampling control procedures
- Verification of data entry & editing



Marketing Research Process

Section 2

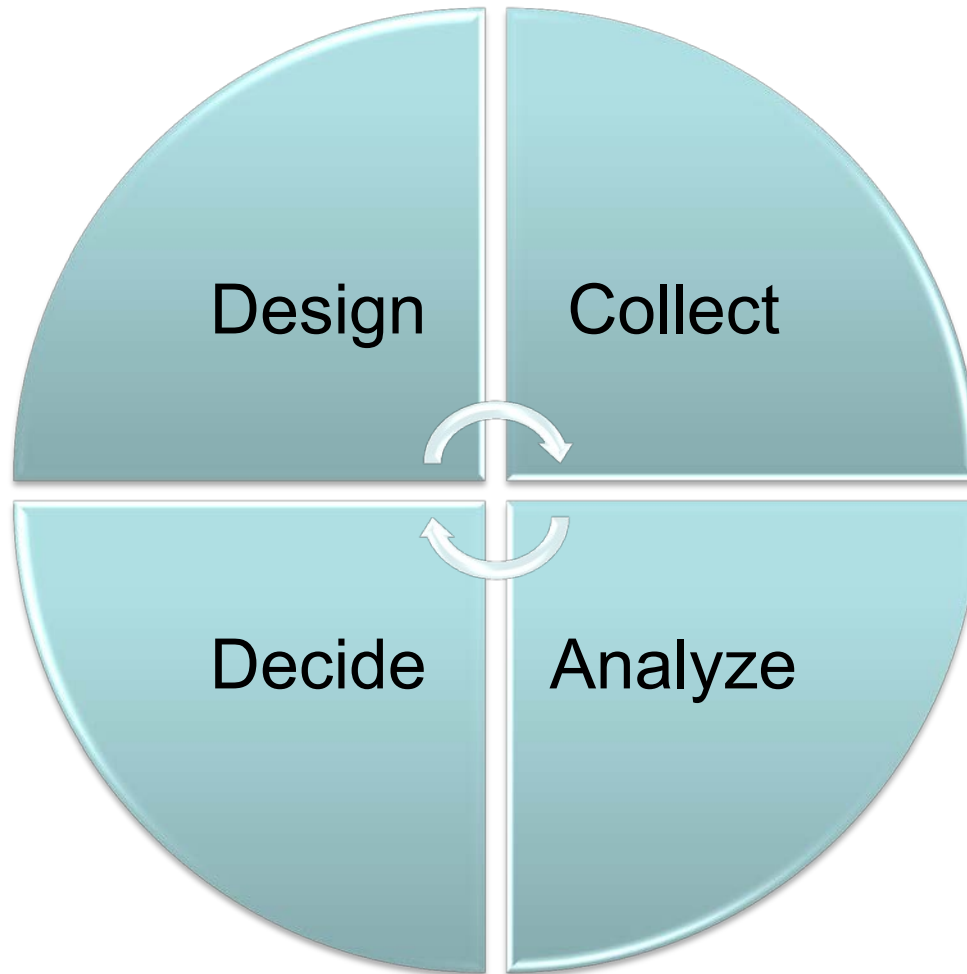
Scope the research project



- Always start with a clear understanding of the business or marketing decision you will be making on the basis of the marketing research.
- Provide a clear scoping of the marketing research project.

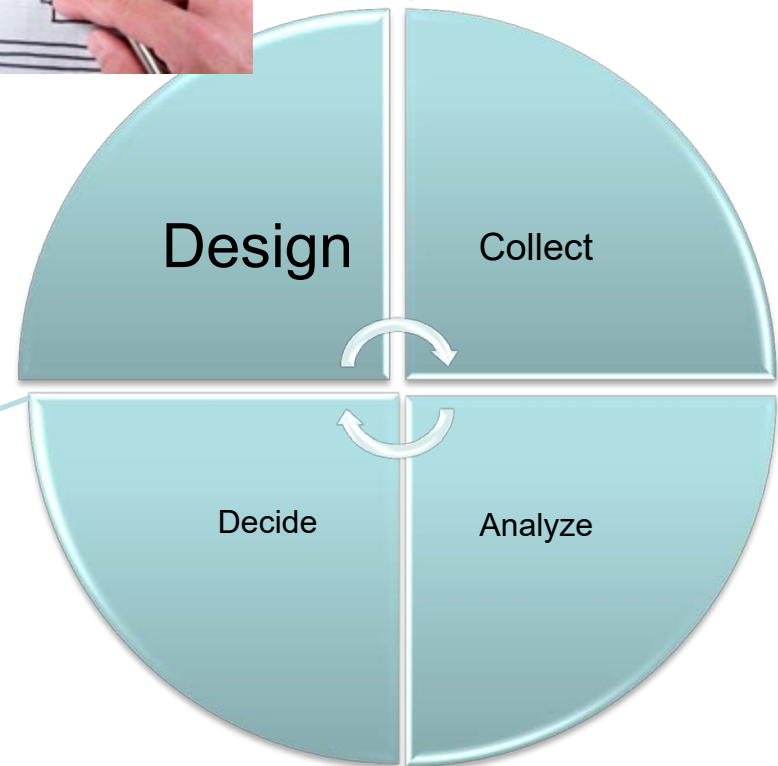


Marketing research process



Design the project

- Minimize total error
- Re-clarify the decision-making context
- Envision the end results
- Select and map out the project plan



Identify and reduce total errors



See the problem from all sides

- No one research approach has the “right” answer
- Comparing input from different angles increases your likelihood of “good” data



Marketing issue:

“Should we increase price? If so, how?”

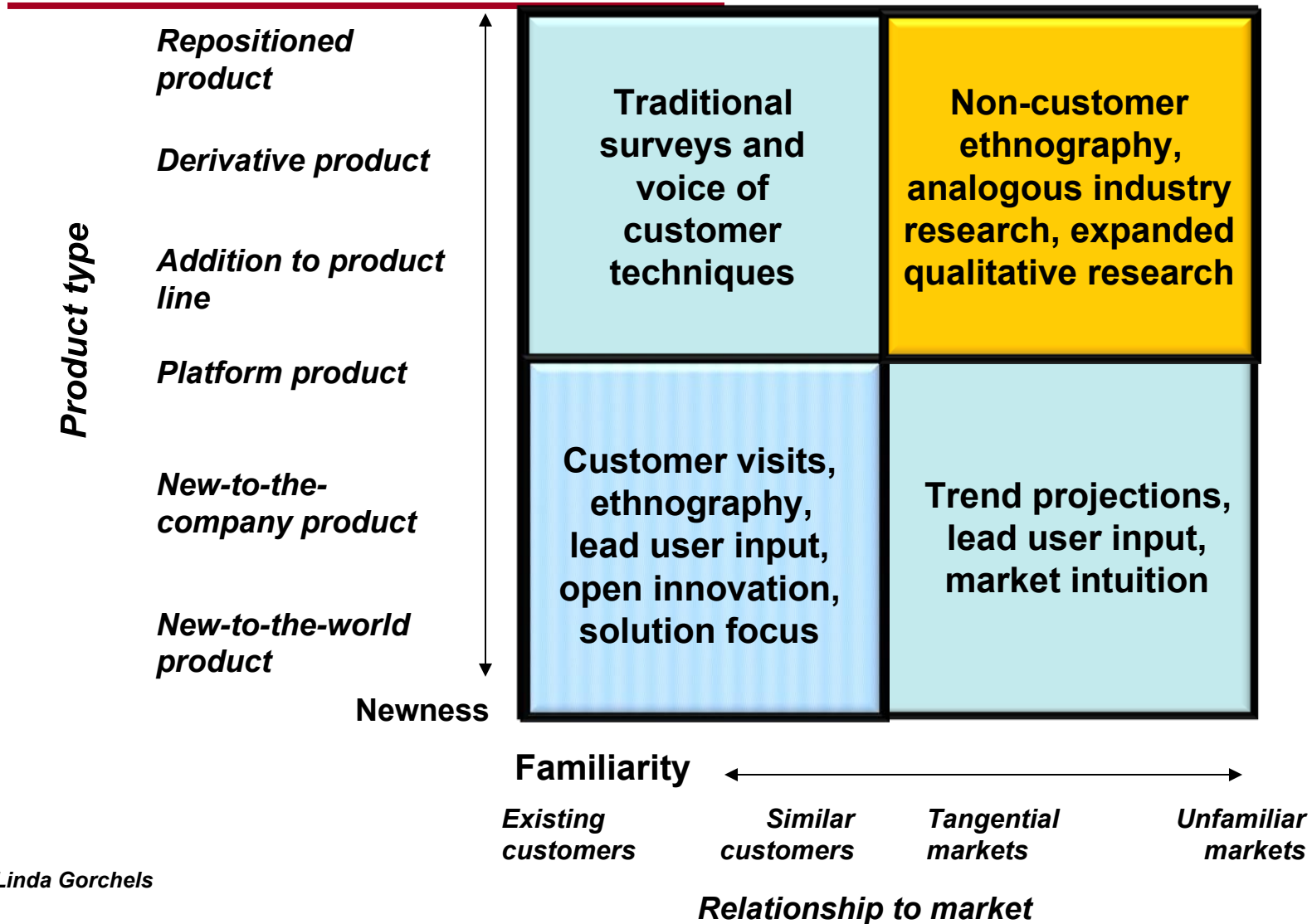
Research questions:

- Have customers been price sensitive in the past?
- Does it vary by segment?
- What is the likely competitive response based on past history?
- Can perceived value be affected by feature changes?
- How strong is customer loyalty?

Research approaches:

- Examine sales records to estimate price sensitivity to past changes.
- Compare profiles of customers most and least price sensitive.
- Study call reports to determine patterns of competitive response.
- Study won/lost reports.
- Visit customers to study product applications and potential improvements.
- Survey customers to determine importance and value of specific features and cross-tabulate by segment.
- Analyze customer records to assess length of patronage.
- Ask selected customers about image.

Product research paths vary



Ethnography

The logo for Applied Marketing Science, Inc. is located in the top left corner of the slide. It features the company name in a blue, sans-serif font, with 'Applied' on the first line, 'Marketing' on the second, and 'Science, Inc.' on the third. To the right of the text is a small, stylized graphic of a puzzle piece.

Applied
Marketing
Science, Inc.

What are the benefits and drawbacks of Ethnography?

Gerry Katz

*Executive Vice President
Applied Marketing Science, Inc*

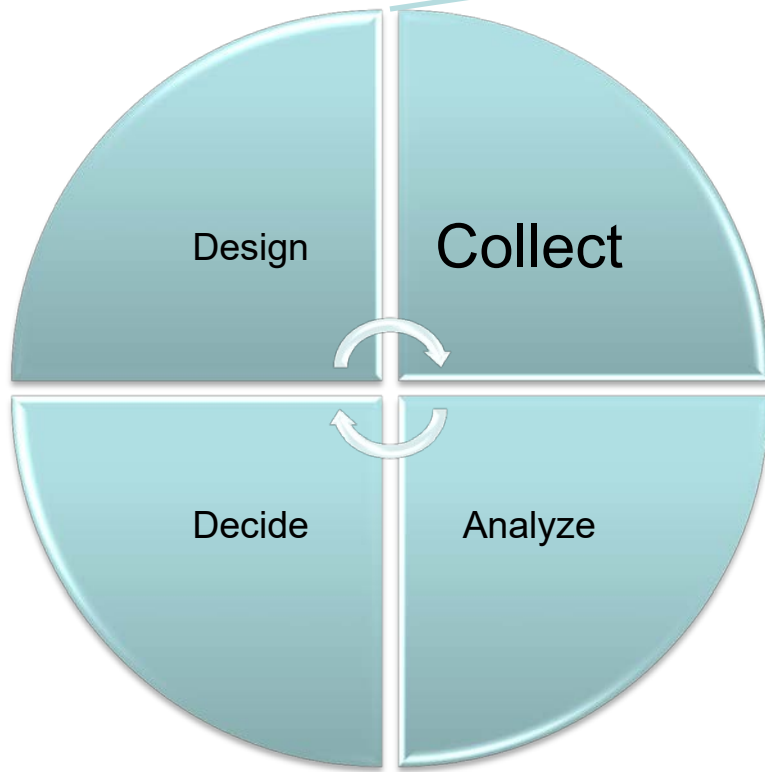
Visualize final report

- Envision the results of the research in a format appropriate for decision making
- “Draw” the tables or visuals you would like to see in the final report



		QC-CALC Real-Time			QC-CALC Enterprise		
		QC-CALC SPC	QC-CALC SPC	QC-CALC SPC	QC-CALC Real-Time for Gage	QC-CALC Enterprise for Gage	QC-CALC
Data Collection	Data Collection from CMM/Video	✓	✓	✓			
	Data Collection from QC-Gage	✓	✓	✓	✓	✓	✓
	COM Port Interface	✓	✓	✓	✓	✓	✓
	Hand Entry Data Collection	✓	✓	✓	✓	✓	✓
	Manual Reporting	✓	✓	✓	✓	✓	✓
Features	Automatic Reporting	✓	✓	✓	✓	✓	✓
	Automatic Exporting	✓	✓	✓	✓	✓	✓
	Trend Analysis	✓	✓	✓	✓	✓	✓
	Gage R&R Wizard	✓	✓	✓	✓	✓	✓
	Filtering	✓	✓	✓	✓	✓	✓
View	Monitoring		✓	✓	✓	✓	✓
	Grouping		✓	✓	✓	✓	✓
	Advanced Statistics Reporting		✓	✓	✓	✓	✓
Price	Spreadsheet View		✓	✓	✓	✓	✓
	Plot View	✓	✓	✓	✓	✓	✓
		\$1,500	\$1,500	\$3,000	\$600	\$2,100	\$900

Collect the data



- *Prepare field procedures*
- *Develop questionnaire*
- *Run pilot study*
- *Collect data*
 - *code & edit*





Define, select sample

- Carefully describe population
 - *(demographic, geographic, time constraints)*
- Identify sampling frame
 - *(listing of population elements)*
- Select sampling procedure
 - *(probability or nonprobability)*
- Determine sample size
 - *(fixed or sequential)*



Types of samples

- Probability sample
 - simple random sample
 - stratified random sample
 - cluster (area) sample
- Nonprobability sample
 - convenience sample
 - judgment sample
 - quota sample



Field worker instructions

- What the survey is about (without biasing)
- When the survey is to start and end
- How to select respondents
- How to initiate interviews
- How each question should be asked and in what order
- Methods of probing, encouraging responses, and aiding memory
- How each questionnaire is to be examined
- What to do with the completed questionnaires
- When and how the interviewer will be paid



Questionnaire design

- Information required
 - *(qualitative or quantitative)*
- Question content
 - *(necessary, sufficient & appropriate)*
- Response format
 - *(relevant structuring, positioning & categories)*
- Question wording
 - *(clear and unambiguous)*
- Question sequence
 - *(anchoring & skip patterns)*
- Physical characteristics



Question?

||||||| |||||||

Have a magic wand and
ask for this web site,
or say?

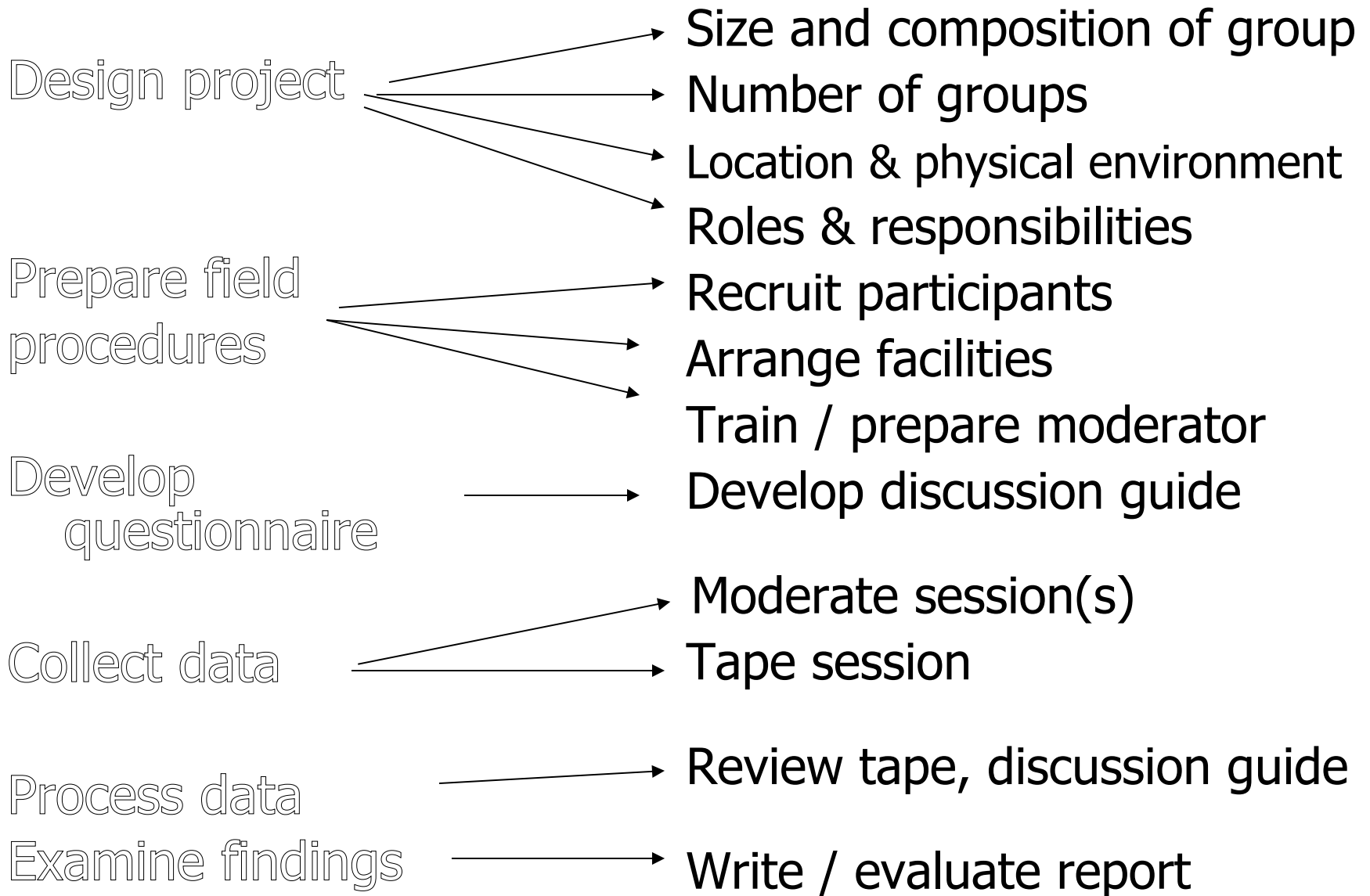
to improve the
content on this web site.
different changes we
that they would cost.
to spend, which
one?



Data collection policies

- Field procedures
 - *(training, supervision, quality control)*
- Reducing errors
 - *(response and nonresponse errors)*
- Editing
 - *(field & office edit)*
- Coding
 - *(precoding and creating a codebook)*

Focus group process





Focus group moderator tips

- Start the discussion by conveying the research purpose and framing the group dynamic
- Pace the session
- Encourage full involvement
- Use open, unstructured questions
- Probe for more depth
- Listen actively
- Treat conflicting points of view equally
- Develop contingency plans

Digital media might play a role

Qualitative

- Informal website surveys
- Open-ended questions & comments
 - Online panels
- Monitor Twitter and Facebook “chatter”
- Look for trends on LinkedIn and blogs
 - May provide “secondary data” for problem definition



Quantitative

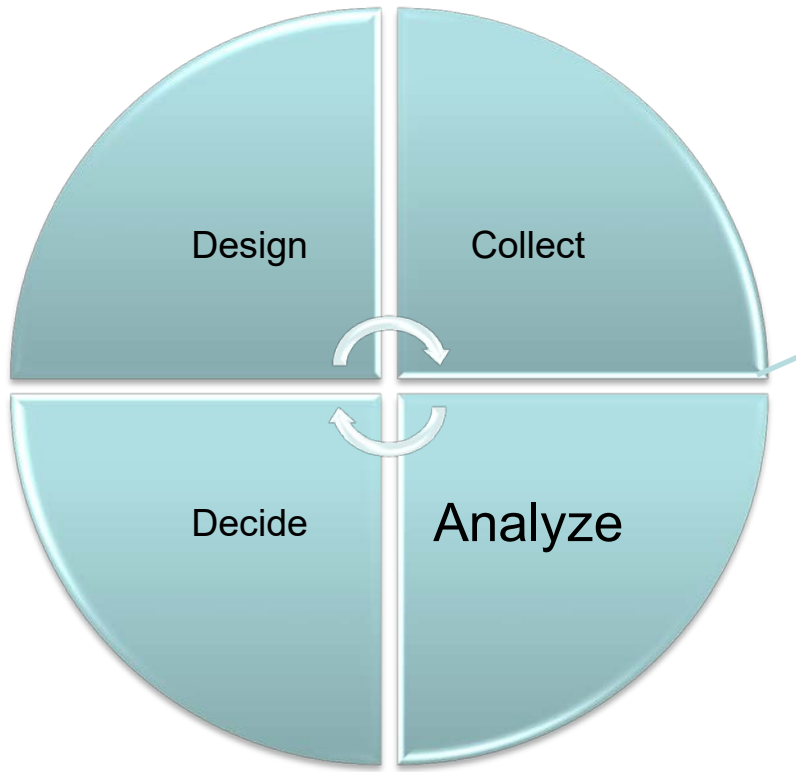
- Email invitations to specific random sample
- Closed -ended questions
- Limited response options
- Provides some hard data that *might* be projected to a larger audience
- May be able to connect with qualitative data for more insights



Data collection policies

- Field procedures
 - *(training, supervision, quality control)*
- Reducing errors
 - *(response and nonresponse errors)*
- Editing
 - *(field & office edit)*
- Coding
 - *(precoding and creating a codebook)*

Analyze results



Identify patterns and surprises



Analysis tips

- Start with basic analyses first
 - *frequencies, tabs, crosstabs*
- Address outliers
 - *weight, eliminate or leave as is*
- Know what you want from the data
 - *for more advanced statistics*
- Match statistics with data type
 - *categorical vs. continuous data*



Typical data uses

- Describe or profile (e.g., segments)
- Determine relationships between variables
- Determine meaningful differences between groups
- Collapse data into groups
- Forecast or project performance



Analyzing statistical relationships, differences

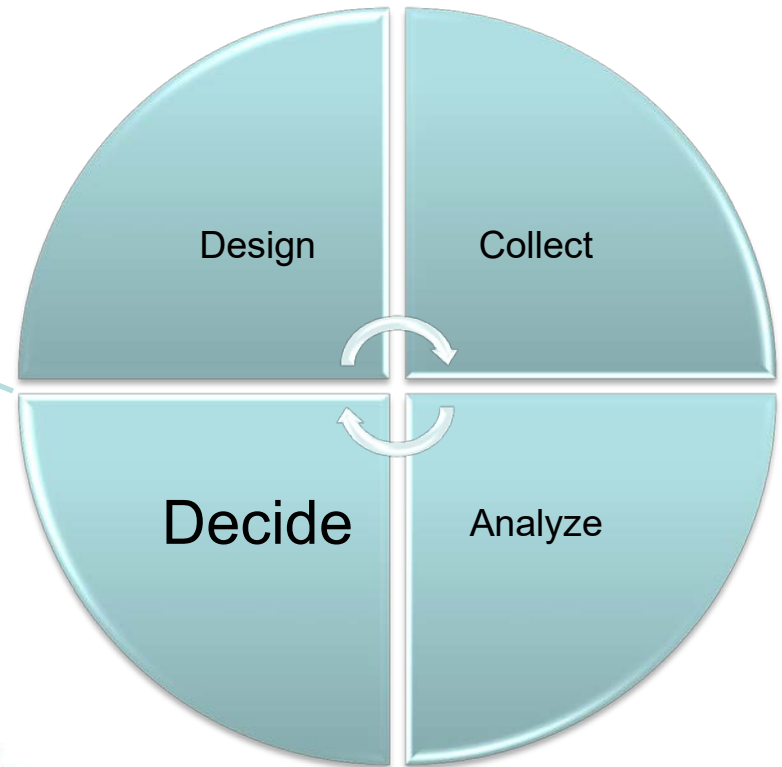
		Independent Variable	
		Categorical	Continuous
Dependent Variable	Categorical	Chi-Square	Discriminant
	Continuous	ANOVA	Linear regression



Look for segmentation patterns

Make decision(s)

- *Prepare report*
- *Evaluate project*
- *Implement findings*





Research report

- Executive summary
- Statement of *why* research conducted
- Research design/methodology
- Data findings
- Interpretations of results
- Recommendations
- Limitations
- Next steps (if relevant)



Focus group report

- Executive summary, background
- Methodology description
- Predispositions
 - Moderator / client
 - Panel members
- Findings
 - Topical responses
 - Reactions to props
- Summary and implications



Final steps

- Present findings to decision makers, using visuals as appropriate
- Develop (or assist with development of) plan to implement results
- Database results, searchable for future projects
- Evaluate any external vendors used in the process

Thought starters



How thoroughly do you scope your research projects? What steps do you take to minimize total error? Do you consider all approaches to marketing research, or do you jump to the same approach you have always used? Do you know when to use focus groups, ethnography, surveys, experiments, and other types of research?

Do you pilot test your data collection instruments (questionnaires) before using them? How strong is your quality control over the marketing research process?

At the conclusion of the project do you fully implement results? Do you evaluate the effectiveness of the process and (if relevant) the supplier?



Acknowledgements

There are several people who taught in and/or contributed to this course over the years. I would like to thank the main contributors as listed below.

Tim Aurand

Cheryl Bann

Steve Bork

Dennis Boyce

Bob Fichtner

Marcia Kassieta

Bob Shaver

Monika Wingate



Linda M. Gorchels



Just as we routinely upgrade computer systems, we must upgrade our own knowledge systems. Linda has helped over 10,000 people over a 25+ year period with these educational upgrades, merging anecdotal client experience with researched “best practices,” and sharing the resulting insights with managers and executives. After working in the office products, publishing and insurance industries, she joined UW-Madison’s Center for Professional and Executive Development, both as a corporate trainer and program director. Now, as a director emerita, she provides workshops for select clients.

An award-winning author of *The Product Manager’s Handbook*, she has also written *The Product Manager’s Field Guide*, *The Manager’s Guide to Distribution Channels*, *Business Model Renewal*, and *Product Management ShortRead Series*.