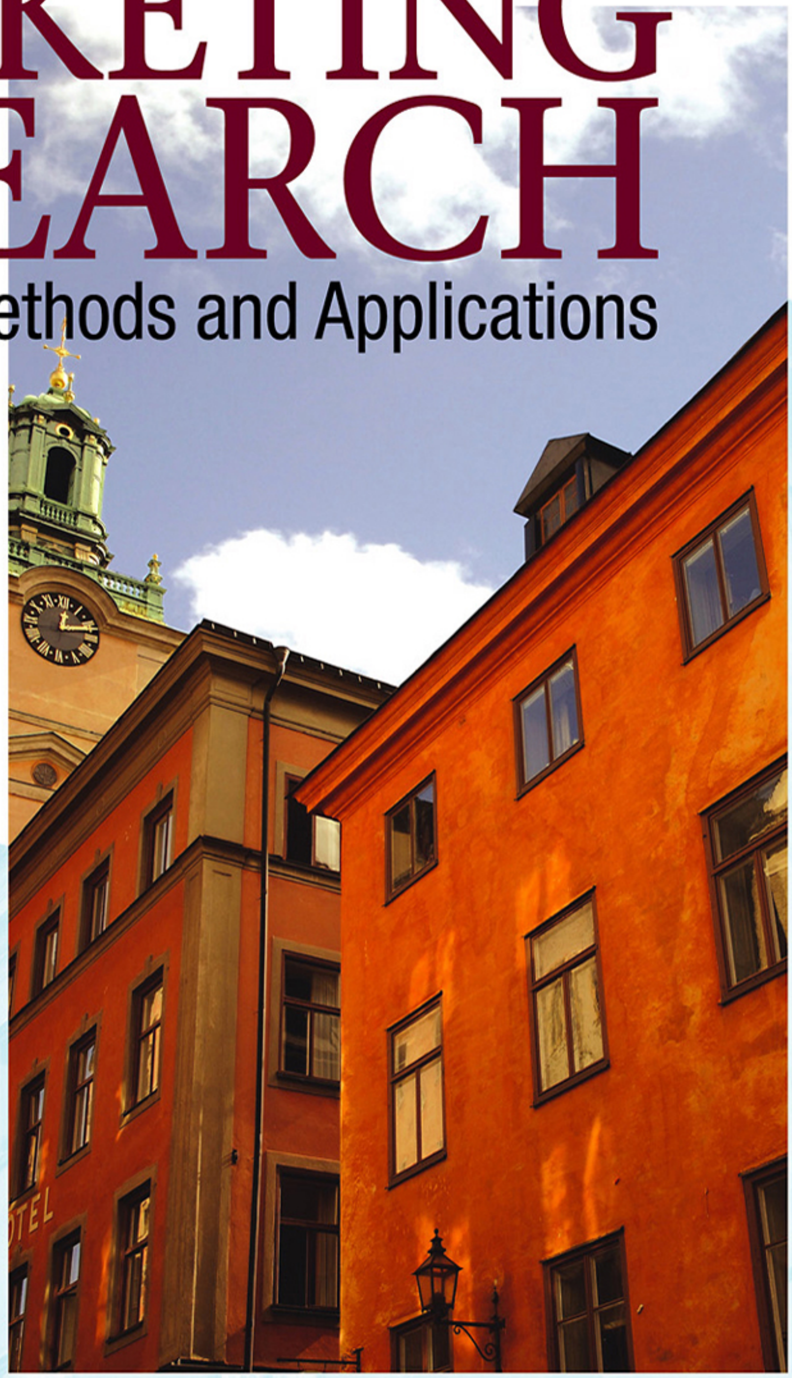
MARKETING RESEARCH

Approaches, Methods and Applications in Europe

Ray Kent



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1 Client-based market research

LEARNING OBJECTIVES In this chapter you will learn about:

- the key features of client-based market research,
- why client organizations need it,
- the different types of research undertaken for clients,
- the process of designing the research,
- buying and selling research,
- the market research industry in Europe,
- the changing role of the market researcher,
- key ethical issues,
- the effects of data protection legislation.

Client-based marketing research usually involves a contractual arrangement.

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INTRODUCTION

In order to make the best decisions, marketing managers in both commercial and noncommercial organizations must have the right information. Client-based marketing research is about providing this information, so in this sense marketing research is part of the marketing process. Managers need to be able to diagnose the situation that is facing them, taking account of organizational resources, strengths and weaknesses and the environment in which decisions have to be taken. They need to be able to decide by reviewing the organization's strategic objectives, examining the options for reaching those objectives and making a selection that is consistent with the company mission, that will maximize the chances of attaining the objectives and that is suitable, feasible and acceptable. Finally, managers need to be able to deliver their decisions and control the process of delivery. The process of managerial decision-making is illustrated in Figure 1.1.

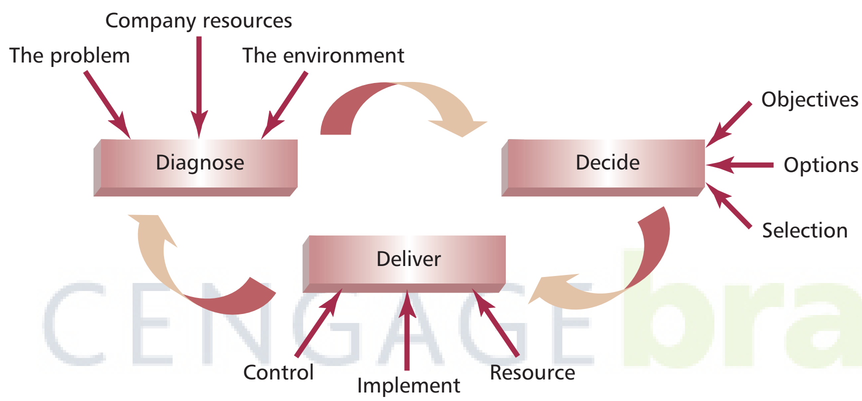


FIGURE 1.1

The management decision process

INTERNET ACTIVITY

Using your browser, go to **www.thomsonlearning.co.uk/kent** and select the Chapter 1 Internet Activity which will provide a link to the TNS website. You will see that the services offered by TNS (Taylor Nelson Sofres), one of the world's leading market information groups with 14,000 full-time employees across the world, are divided into two areas: custom research services and continuous research services. You will learn a lot more about these kinds of services later in this text. For the moment, click on *Custom Research Services*, and you will see that a basic distinction is being made between qualitative and quantitative research services. This whole text is about the construction and analysis or both qualitative and quantitative data.

What is client-based market research?

It is often said that marketing is an approach to business that is based on the idea that the most important person to the company is the customer. The company adopting the marketing concept is, according to marketing wisdom, customer-oriented; it must make what it knows it can sell, not attempt to sell what it knows it can make. If this were true (and if only life were that simple), then client-based marketing research would be largely concerned with collecting data on customer requirements and anticipating their future needs.

As always, reality is not quite so simple. Companies offering goods and services in commercial transactions are constrained to be "customer-oriented" with what they have – with their existing plant, machinery, workforce, location, company reputation, and with their own particular strengths and weaknesses. Furthermore, they must operate in an immediate **microenvironment** which consists not only of customers, but also includes competitors, suppliers, distributors, shareholders and other stakeholders in the company. In the wider general or **macroenvironment** there will be general economic players like financial institutions and factors like trends in the economy, there will be technological factors like the development of e-commerce, social factors that might include values, language and religion, political players that will include governments, trade unions and legal factors that, to varying degrees, all need to be taken into account. The environmental factors within which marketing research must operate are summarized in Figure 1.2.

Microenvironment The immediate environment of a commercial organization that consists of customers, competitors, suppliers, distributors, shareholders and other stakeholders on the organization.

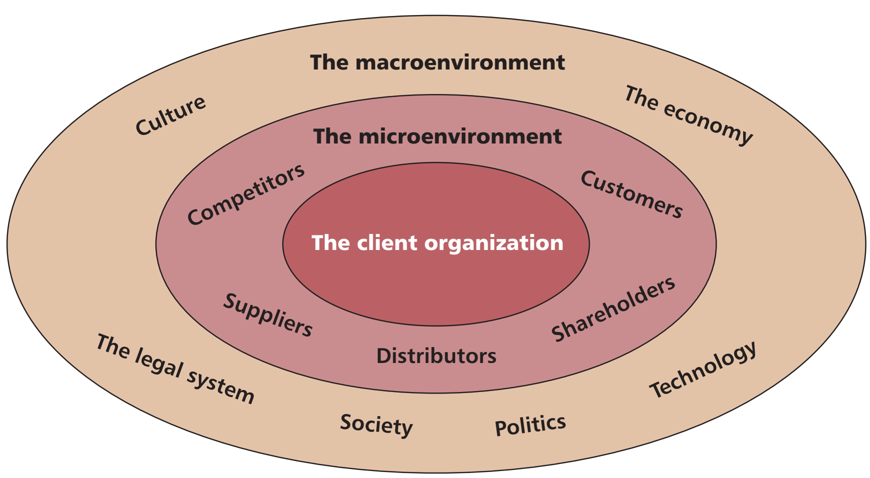
Macroenvironment The wider environment of a commercial organization that consists of general economic players like financial institutions, trends in the economy, technological factors, social factors, political players including governments, local authorities, trade unions and legal factors.

In addition, not all organizations are business enterprises that need to make a profit to survive. Some, like charities or political parties, may be staffed not by employees but by volunteers. If marketing is to be applied to these organizations as well, it must be concerned with the rather broader notion of matching whatever are the objectives of the organization with, on the one hand, the problems, characteristics and resources of the organization itself, and on the other with the target market, audience, beneficiaries, members and so on, taking into account the various "publics" with a stake in the organization.

If marketing research is to help with this "matching" process, it must be concerned with more than simply collecting data on markets and customers. Certainly, in the early days of marketing research, this was what most researchers did. Even today, there are "field and tab" agencies that restrict their activities to collecting survey data and tabulating the results. Most marketing research, furthermore, still includes, at some stage, data collection and data analysis. However,

FIGURE 1.2

The marketing research environment



clients increasingly look for some interpretation of the data, perhaps even going so far as to ask for recommendations for marketing action. Sometimes managers are unclear about the nature of the problem facing them or about the kind of research that is needed. In this situation, market researchers may become involved in diagnosing company problems, analyzing organizational strengths and weaknesses, or identifying threats and opportunities in the environment. Some organizations look for assistance in choosing or evaluating alternative marketing strategies and tactics. Some ask for help in ensuring that such actions are being implemented. In brief, researchers may become involved in helping their clients to formulate their marketing plans and to monitor the progress in their implementation. Some managers seek help with only some of these activities; others may want help with them all, in which case the market researcher may well, in effect, become part of the client's marketing team.

Client-based marketing research, in short, is concerned with the construction, analysis and interpretation of data both on organizations and on their environments, so that information can be provided to assist client organizations in diagnosing, deciding and delivering marketing strategies and tactics. Figure 1.3 illustrates the process. Its aim is to deliver value to clients and to provide data, information and insights that are relevant and actionable. Client-based marketing research is sometimes referred to as "commissioned", "commercial", "market" or "practitioner" research. If the client is another organization, there will almost certainly be a fee involved; in short, it will be a commercial transaction in which the research is undertaken by an agency for a profit, whether the client organization is itself commercial or nonprofit. If, however, the client is internal to the organization it will probably be called **"in-house" research**. In this situation, there may or may not be some kind of internal pricing or budgeting of the work. There is a further category of applied or policy research, which although not commercial is still client-based. Traditionally, such research would be carried out by academics on behalf of government, quasi-government or local authority bodies, although increasingly, professional market research agencies have been used. The range of nonprofit clients has also tended to grow to include, for example, museums and galleries, political parties, educational institutions, the performing arts or even religious institutions. Not all client-based research, then, is commercial.

Client-based marketing research The construction, analysis and interpretation of data both on organizations and their environments so that information can be provided to assist client organizations in diagnosing, deciding and delivering marketing strategies and tactics.

In-house research Research that is carried out for a client who is internal to the organization.

Client-based research has a number of features that, as will be seen in Chapter 2, contrast strongly with academic, scholarly research. Client-based research is:

- solution-oriented,
- not neutral,
- interventionist,
- client-led,
- contractual,
- confidential,
- pragmatic,
- time and cost constrained,
- report-based.

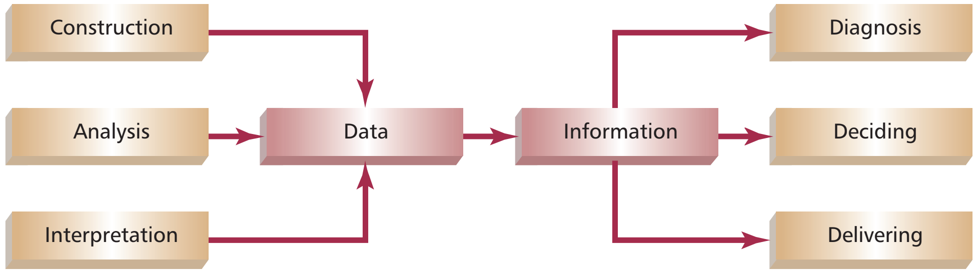


FIGURE 1.3

The client-based marketing research process

Research is undertaken to solve, or help solve, client problems and its quality or value is judged on the basis of its success in doing so, not on the basis of the scientific rigor that was employed. This is not to say that client-based research is not rigorous; only that rigor is a means to an end, not an end in itself. Rigorous research, after all, is more likely to help solve the client's problem; but rigor is a matter of degree – and it costs money. A degree of rigor will be applied only to the extent that it is judged sufficient to achieve the objectives of the research. The solutions are normally brought together in a report that contains a set of recommendations to the client. Academic researchers often also make recommendations, but these are often to the industry at large, not to a specific organization, and they will be secondary to the exploration or testing of theoretical idea and the advance of understanding of marketing phenomena.

The second feature of client-based research is that it is not neutral. It is partisan and it operates on behalf of the client. This is not to say that such research lacks objectivity; it is a kind of "partisan objectivity". The evidence, data, information, interpretation – even speculation – should be uncolored by the researcher's subjective preferences, sensations or emotions. It should set forth what is external, actual and practical; but it will focus on what is valuable to the client.

Most client-based research will be interventionist. Its goal may be to make changes and monitor their effects or to assist the client to bring changes about. The outcome of the research may, of course, be the recommendation that no changes be made – but this is unusual, and it still focuses on the issue of change or no change.

Client-based research is carried out for a third party, so the researcher does not originate or "own" the research problem. It is the client who takes the initiative. The client will approach the researcher in the agency; the client will have a brief in which the client sets out his or her perception of the situation and in varying degrees of detail how the research is envisaged; the client will choose the agency where the research is in a commercial context; the client will be final arbiter where alternative courses of action are being considered.

Unlike a student doing a dissertation or an academic writing a journal article, the market research practitioner must agree with the client exactly what research will be carried out. This will normally be contained in a research proposal and will form the basis of a formal contract between them. The nature of research briefs, research proposals and commercial contracts is discussed in more detail later in this chapter.

While academics undertake research for the express purpose of publishing the results, in client-based research the findings will be confidential. Reports will often contain commercially sensitive information so are unlikely to be available outside the client organization. Furthermore, the results would in any case be of little interest outside the company (except perhaps to competitors!) since the findings will be specific to that company. Quite a lot of client-based research will be repeat business or doing research of a kind that has been undertaken many times before, so there may be few wider implications for marketing theory or practice. Client-based researchers need to be pragmatic; they need an eye for what is likely to work rather than the ideals or theories underpinning it. Theory may well be used – but only in so far as it helps to solve problems.

Finally, client-based research will be time and cost constrained. Not that academic research is unconstrained in these respects, but (perhaps with the exception of undergraduate or master's dissertations) the deadlines will be more flexible and the costs may well be "lost" in the organization and not attributable to the research. The practitioner, by contrast, will need to adhere to a budget and there may well be severe penalties for not meeting deadlines.

The key output of client-based research is usually a report. Reports tend to have a particular style and format which is discussed at some length in Chapter 18, where the report is contrasted with a range of different academic ways of communicating the results. Reports may be hard copy, face-to-face presentations, or, more likely, some combination of the two.

The client-based marketing researcher can be likened to a physician who specializes in diagnosis and treatment. The client is the "patient" whose ailments and symptoms need to be identified before remedies can be sought. The physician cares about what happens – the goal, after all, is to make the patient well again. Marketing research as a form of medical practice is all about finding the means to achieve specified ends. The goal is not to study an organization's problems, but to do something about them. It was Karl Marx (1844: 245) who once said: "*The philosophers have only interpreted the world, in various ways; the point, however, is to change it.*" The commitment is not just to study change, but to actually make changes. Marx, of course, was talking about society, but this statement could equally apply to the client-based market researcher.

KEY POINTS

Client-based marketing research is concerned with the construction, analysis and interpretation of data both on organizations and on their environments, so that information can be provided to assist client organizations in diagnosing, deciding and delivering marketing strategies and tactics. Client-based marketing research is oriented to finding solutions to client problems. It is partisan, interventionist and pragmatic; it is contractual and client-led. The output is report-based, confidential and constrained by time and budgets.

Why do organizations need marketing research?

The simplest and best answer to this question is: to help managers make better, more informed decisions. Customers' preferences are always changing, and the micro- and macroenvironment are also constantly developing. Unless managers have at their disposal systematically collected, up-to-date and high-quality data on these changes, then all decisions are likely to be clouded in uncertainty and based on unknown assumptions about what is happening – in short, each decision will be a "shot-in-the dark". Managers can use information derived from marketing research in several different ways:

- to help tackle or resolve "one-off" problems or issues,
- to assist in making plans and setting objectives for the future,
- to monitor changes in the environment as they occur,
- to build up a database or marketing information system that can become a resource for a growing range of analyses or database marketing techniques,
- to use as a common "currency" with which organizations can negotiate with media owners, advertising agencies, distributors, suppliers or other agents whose services they require.

A typical one-off problem may be how to react to a threat from a new product or new technology being introduced by competitors, or to a sudden or persistent decline in sales or in market share. If a competitor introduces a new product, marketing research may be called upon to examine consumer perceptions of the advantages and any limitations of the new product and how it compares with existing products available.

Box 1.1 shows how marketing research was used to tackle a problem of launch failures in French prestige feminine perfumes. Explaining the decline in sales may mean accessing **secondary data** (which are explained in Chapter 3) to collect information on recent trends in the industry and on the structure of the market to show whether the company is unique in its problems or whether competitors are experiencing a similar situation. Various hypotheses about why the decline is taking place can then be tested.

Secondary data Data that have already been constructed for another purpose than the research at hand.

Proactive, marketing-oriented companies will be concerned with making plans for the future. Marketing planning entails diagnosing the current situation, setting objectives, generating potential alternative strategies for achieving them, selecting the best strategies, and undertaking implementation. Marketing research can help with all the various stages of planning, not only by diagnosing the current situation, but also by providing background data for determining what are reasonable or feasible quantitative targets, for example, for market penetration, market development or product development.

Monitoring changes in the environment clearly requires continuous research (this type of research is explained in Chapter 7). This can be used in two different contexts: to generate "advance notice" or "early warning" of changes so that they can be reacted to immediately before they become a major problem, or to keep track of the progress of a strategy that has already been implemented.

While ad hoc research results can be added to a database, it is usual to make regular updates from continuous research. Such a database could be used to show, for example, that although sales of a brand have been fairly steady over the year, there may nevertheless have been considerable changes in the kinds of people purchasing, the quantities they buy and the frequency with which they buy them. This is particularly true for products like toiletries and fragrances. Internal databases are explained in more detail in Chapter 3.

Finally, if a company wishes to persuade a retailer to give shelf-space to its brands, it may need data from retail panels to show that a given increase in such space will generate a particular quantity of extra sales. The selling and buying of advertising time on television or radio depends on having access to audience figures. How these are generated and used is explained in Chapter 16.

Marketing research, then, can be used for a variety of purposes. However, undertaking or commissioning research does not, by itself, guarantee success or that the problem or problems to which it is addressed will be solved. There are many examples of companies ending up in trouble even after extensive research

EUROPEAN MARKETING RESEARCH

BOX 1.1

Using a global positioning system for French prestige feminine perfumes

Miedzinski and Duquesne (2003) report that the number of new perfumes launched in France has increased significantly (for example 38 were launched in 2000 alone), but their success rate has tended to diminish. A perfume will not sell unless it provokes enthusiasm because there is no objective selling proposition. It has to be positioned within the mind of the consumer. The researchers report the results of an internet survey among 6660 users of French prestige perfumes. The survey covered behavior with respect to perfumes, proximity to brands and personality questions. From the results, the researchers were able to detect core target markets, near competitors, and the values associated with specified brands.

has been carried out; some highly successful companies have never undertaken market research of any kind. There are many other factors apart from the information derived from research activities that determine the success or failure of a company or of its brands. There has, in fact, been little research on the link between marketing research activity and business performance. Hart and Diamantopoulos (1992) suggest that while some research has reported such a link, if the size of the company is taken into account, there is no connection between company performance and the *use* of market research or the type of research used. It depends, suggest the researchers, on the quality of the research and on how effectively it is used.

The value of any marketing research undertaken may, in fact, be limited by a number of factors.

- The problem or problems to be addressed may be poorly defined.
- Client requirements may be inadequately understood.
- Research may have been designed without reference to any decisions that depend on, or at least will be strongly influenced by, the results.
- The research may be poorly designed or carried out.
- The results may be ignored, misused, misunderstood or misinterpreted by managers.
- The results of the research may be inconclusive, giving rise to different opinions about the significance of the findings.

KEY POINTS

Marketing research can be used for a variety of purposes, but it is no substitute for decision-taking. Like any tool, well used it helps managers to do a better job. It helps to reduce the risks in business decisions, but will not make the decision for them. Good marketing requires flair and creativity along with sound judgment and experience. Marketing research is no substitute for these either; but good information can help reduce the area in which hunch, gut feeling or simply good luck have to operate.

Types of client-based marketing research

If you were to ask a research executive in an agency to outline the different kinds of marketing research, you would probably get an answer very different from that found in most of the textbooks on the subject. You could also, to some extent, deduce the underlying dimensions that agencies use to categorize different types or styles of research from the way they are structured. Different departments, teams, or even different subsidiary companies may specialize in a particular type of research. A number of underlying dimensions may, however, be distinguished:

- the kind of data collected,
- the duration of the research,
- the degree of customization,
- the amount of value added,
- the type of customer.

Some market research agencies categorize their activities according to the kind of data collected: qualitative or quantitative. **Qualitative research** is geared

Qualitative research Research that is geared primarily to the construction of qualitative data.

primarily to the construction of qualitative data, the main features of which are outlined in Chapter 4. Some agencies specialize in this type of research, which consists mainly of **depth interviewing** or **focus groups**. The larger organizations may well have a department, or even a whole subsidiary, devoted to qualitative research. **Quantitative research** is focused primarily on the construction of quantitative data, and will consist of research that uses formal questionnaire techniques at some stage, whether for face-to-face interviews, telephone research or postal research, or it may involve various forms of experimental or quasi-experimental research. Chapters 5–7 explain this kind of research in detail.

Depth interviews A direct, personal interview, usually with a single respondent, in which unstructured or open-ended questioning techniques are used by the interviewer to uncover motivations, beliefs, attitudes and feelings.

Focus group A discussion amongst a small group of respondents conducted by the researcher or a trained group moderator in a largely unstructured manner.

Quantitative research Research that is focused primarily on the construction of quantitative data.

Other market research agencies will make a distinction in terms of the duration of the research: whether it is ad hoc or continuous. **Ad hoc research** is a "one-off" piece of research that has a beginning point, and concludes with a final report of the results. It will go through a number of stages from an initial brief or analysis of the problems to be investigated, to data collection, data analysis, and presentation of the findings. **Continuous research**, by contrast, takes measurements on a regular basis in order to monitor changes that are occurring in the marketplace. Such research goes through cycles of data production which, in many respects, resemble a production line that has to meet given deadlines by scheduling its activities, and has to achieve agreed standards of quality control. There is no envisaged "end" to the research process. The data are normally fed into some kind of management or marketing information system where they are added to a database and used as a core asset for a variety of analyses.

Ad hoc research A one-off piece of research that has a beginning point and ends with a final report of the results.

Continuous research Measurements taken on a periodic basis with no envisaged end or completion of the research process.

Overlapping with the distinction between ad hoc and continuous research is the slightly different distinction between customized and syndicated research. **Customized research** is tailor-made for a particular client to meet the needs of that client. **Syndicated research** means that either the research process or the research data are shared between a number of clients. The word "syndicated" arose when manufacturers got together as a syndicate to supply data that they all required. This function has now largely been taken over by the research agencies, who use the term "syndicated" to mean either that the data are sold to a number of clients, or that several clients share a survey.

Customized research Research that is tailor-made for a particular client.

Syndicated research Research in which either the research process or the research data are shared between a number of clients.

There is a tendency for ad hoc research to be customized, and for continuous research to be syndicated, particularly since continuous research requires a lot of investment and other resources, and is usually too expensive for one client to afford. However, some ad hoc research may nevertheless be syndicated, while some continuous research is commissioned by one client and may be thought of as customized. Some research, such as advertising tracking studies, may take place over time, so is continuous, but for a fixed period. Some agencies, however, use the term "ad hoc" to denote any survey carried out for a single client.

Another basis on which some market research agencies structure their activities is by the amount of value that is added. In some cases the client requires only contract research – the agency is contracted only to collect data, or to collect and analyze them, according to specification. At the other extreme, the agency may be involved in a considerable degree of consultancy work before the research even begins. Such consultancy research may:

- assist in the diagnosis of the problem or problems facing a client organization,
- help to draft a research brief,
- make recommendations for actions that need to be taken,
- monitor their implementation.

Such research is, clearly, going to cost the client a lot more, but a recent trend is towards greater involvement of the market research agency in the business of its clients. Some agencies have set up special teams or offer a special service when such involvement is wanted.

There is a growing trend for market research agencies to separate out different kinds of research according to the kind of customer. Some may distinguish broadly between consumer research and business research. **Consumer research** takes the end user – private individuals or households – as the point of data collection. **Business research** takes other organizations who use the client's products or services in the provision of a further product or service as the point of data collection. Again, there may be a separate division or company that specializes in each type of research. Some go further and divide up the markets in a little more detail, for example they may have teams devoted to food and drink, home and personal care, finance, leisure and tourism, medical products, and agriculture.

Consumer research Research that takes the end-user (private individuals or households) as the point of data collection.

Business research Research that takes other organizations as the point of data collection.

KEY POINTS

There are many different types of client-based marketing research, and many will overlap or be combined in practice. Agencies may not use the terms in a consistent fashion. It is probably wise not to get too fussed about the labels being applied; just be clear about the different dimensions involved.

Online marketing research

Computer networks, principally the internet, but also local intranets, can be used for market research purposes in a number of ways, for example:

- gaining access to data that already exist on an electronic database,
- distributing questionnaires online in an internet survey,
- requesting and receiving samples of e-mail addresses online,
- designing questionnaires using online questionnaire design software,
- making data and analyses available online to clients, who can then manipulate the output and undertake their own additional analyses of the data.

Whether these activities amount to a different or additional "type" of research rather than just providing an alternative means of communication is an open question. What is certainly true is that the cost of conducting many types of research has been considerably reduced, while at the same time facilitating more complicated and rigorous study designs (Grossnickle and Raskin 2001: xix). The authors describe this as a "revolution in the research community". Fine (2000: 143) sees the internet as the cause of a major paradigm shift in both marketing and marketing research. However, despite these huge changes, the trend is towards mixed designs and mixed methods, which means that online activities are likely to be one component of many research projects. Online marketing research as a distinct category may eventually cease to exist.

The process of designing research for clients

Authors of textbooks on marketing research tend to have a separate chapter on research design that develops a taxonomy of different types of design. Typically a distinction is drawn between "exploratory designs", "descriptive designs" and "causal designs". The difficulty with these textbook distinctions is that most research in practice will be some combination of exploration, description, investigation of the relationships between variables and causal analysis. Most research projects, however, will have an exploratory phase, will produce descriptive data in the main research stage, and will go on to analyze the nature of relationships between variables. Each stage will shade into the next with exploratory research becoming the basis for description, and description forming the first part of an investigative analysis and so on. Only research that *limits* itself to generating ideas can be legitimately characterized as "exploratory" and only research that *limits* itself to the analysis of variables one at a time is purely "descriptive". The terms "exploratory", "descriptive" and "causal" are, furthermore, probably better seen as objectives for research rather than as designs as such. The topic of research objectives is taken up later in this section.

The topic of research design is taken up in more detail in Chapter 9. At this stage, two key points can be made. First, that any research design is specific to a particular inquiry; it is a unique combination of design elements and will often involve mixing different methods and techniques in the same project. The notion of having fixed categories or types of design is not particularly helpful. Second, design can be seen both as a particular plan in this sense, and as a process by which the plan comes about. The planning of client-based research, for example, will normally include the steps illustrated in Figure 1.4.

The researcher – whether in-house or in a market research agency – will often be involved only in the last stage of drawing up and presenting research proposals. The other stages are often undertaken by the client organization. However, clients increasingly look for help in understanding some or all of the design elements, so the researcher may become involved, for example, in helping the client to produce a research brief, or even right back to helping the client to diagnose company problems.

Diagnosing the problem

Earlier in this chapter it was argued that marketing research may be of limited value unless it is designed in the context of carefully defined problems that particular companies have, or issues or decisions that they face. The first stage in any research design should, then, be a detailed analysis of these problems, issues and

FIGURE 1.4

Steps in designing client-based research

decisions. Problem diagnosis is, unfortunately, often given insufficient attention before research is designed. One reason for this is that it is often the most difficult (and in some cases, depressing) part of the process. Sometimes the person requesting the research has no clear idea about what the key problems of an organization *are* that the research can tackle, or what decisions depend on the results of the research. What particular individuals *see* as "the problem" may well differ from one person to another. One person's "problem" may be another's opportunity. Furthermore, what individuals may be describing are the symptoms rather than the underlying causes.

A problem is a situation that calls for some kind of corrective action, a choice or a change. It may be helpful to think about a number of related issues when diagnosing problems:

- the nature of the discrepancies between actual and desired performance,
- the relationship between problems, and between problems and symptoms,
- the seriousness of the problems,
- the factors that affect or might be affecting the problem.

Problems arise where there is some discrepancy between the actual, current or anticipated future performance of the organization, and the desired performance or outcome. Discrepancies may be of various kinds.

- Historical – for example, the organization is not performing as well as it has in the past; profits are declining or sales stagnating.
- Environmental – for example, the organization is not performing as well as competitors or other similar organizations. What organizations are taken as standards and which measures of performance are used may, however, be crucial in making such comparisons.
- Planned or budgeted – for example, there may be variances between budgeted costs of materials and the actual costs, or between planned growth and actual growth.
- Theoretical or analytical – for example, the organization may be less marketing-oriented than the theory of marketing suggests should be the case, or its planning procedures do not match the principles of marketing planning.

It is helpful to understand what comparisons are being made when the nature of the marketing problems facing an organization are being considered. Making historical comparisons may lead management to view the problem rather differently than if comparisons are being made with selected competitors. There is, furthermore, seldom just one problem facing an organization at any given point of time. Problems are often interrelated and form clusters of related issues, for example, problems in terms of sales, profits and market shares. There is frequently a hierarchy of problems and symptoms; each symptom is the result of a more basic problem. The "problem" may be declining sales; but this may be a symptom of other aspects of an organization. Such deeper problems, like rising costs, may themselves be symptoms of still more fundamental issues, like work practices. Sometimes the relationship between problems is reciprocal rather than hierarchical. For example, advertising expenditure affects sales which, in turn, affect future expenditures on advertising. Sometimes several causes combine to produce a single effect; sometimes a single cause may produce several effects. In Chapter 14 the issues of causal complexity will be addressed directly and in some detail.

Whenever a problem is being described, it is often a good idea to ask, "Why?" Why are sales declining? Why are costs rising? Why are work practices inefficient? There is no ultimate cause, but such probing may help us to dig deeper into the structure and processes of an organization.

Some problems are more serious than others. Some may be urgent, but not important, others may be important, but not urgent, and some may be both. The urgency with which the results are required and the degree of importance attached to the problems to which the research is addressed will clearly have an impact on the kind of research that may be appropriate. Such a diagnosis may be necessary for deciding in which order to tackle problems. Information may be needed to measure exactly *how* serious a problem is. Some of this information may be already available; some may require market research. In any event, it is helpful to spell out exactly what information *is* required for this purpose.

Factors that may affect the problem may be internal or external to the organization. Internal factors may relate to such things as payment or incentive systems, industrial relations, changing technology, depreciation of plant and equipment. External factors will include the immediate microenvironment of trends in market size, changes in market structure or in buyer behavior and attitudes, competitor activity, supplier power, and the role of intermediaries like retailers and wholesalers. The wider macroenvironment will include changes in demographics, the economy, technology, politics, the legal environment, and the social and cultural environment.

Strengths and weaknesses of the company

Any marketing action will need to build upon company strengths or particular capabilities. What these are is not always obvious or easy to diagnose, and may require further analysis or research. It is likely that many of the weaknesses will have surfaced as "problems" at the problem diagnosis stage. However, there may well be other weaknesses that are not connected or obviously related to the problems being diagnosed. Assessment of strengths and weaknesses is often undertaken as part of a "SWOT" analysis – strengths, weaknesses, opportunities, threats – that also looks at the opportunities and threats in the marketplace. Such analyses assume that information is readily available and that accurate assessments can be made of each element. Marketing research often has a key role to play in the more systematic marketing auditing process which is usually comprehensive, periodic and undertaken by a group that is independent of those being audited. The audit will normally have both an internal and an external element. The internal audit will seek to identify:

- those factors that give any company in a market sector or in an industry a strategic advantage,
- the capabilities and incompetences of the company,
- those capabilities that link with the strategic advantage factors.

Marketing research can help assess each of these elements. Where a capability matches a strategic advantage factor, then it is a company strength; where it does not, it may be a weakness. The external audit will take a systematic look at the environment, particularly the immediate environment, and will, for example, seek to discover:

- who are the major competitors,
- what are their objectives and strategies,
- what are their strengths and weaknesses,
- what are their typical reaction patterns.

From this it should be possible to identify the extent of any threat from competitors, the power possessed by customers and suppliers, and the threat of substitute goods and services emerging. What is sometimes called "environmental analysis" will probably involve gathering market intelligence. This might include:

- scanning reports, newspapers and journals,
- speaking to the salesforce, consultants or academics,
- attending meetings or conferences.

The market researcher may be involved in all, some or none of these activities. The topic of marketing intelligence is taken up again in Chapter 3.

Decisions and action standards

It is one thing for the researcher or the client to feel that he or she now fully understands the situation facing the company; it is quite another to be clear about the decision or decisions that need to be taken. It must be remembered that marketing research is not geared exclusively to the taking of marketing decisions. Decisions about pricing or levels of production may have a marketing input, but there will almost certainly also be inputs from accountants or production managers or engineers. Decisions about communications with customers may well be the preserve of the marketing manager, but communications, for example with suppliers, intermediaries, competitors, shareholders and so on, may well involve other kinds of manager. If the company decided, for example, to conduct a survey of opinion among its shareholders, this would probably still be regarded as "marketing research", but decisions to issue additional shares or to merge with another company are unlikely to be for the marketing manager to make.

Decisions may be of many different kinds. They may be operational, tactical or strategic; they may be routine, adaptive or innovative. Furthermore, companies will have very varied ways in which decisions are made, ranging from a formal, fully rational process to rather more informal procedures. The market researcher would be advised to at least be aware of client decision-making processes and of who in the client company are or are likely to be the crucial influencers and final arbiters. These factors may well impact on the kind of research that is undertaken and certainly on the style and more of presentation of the results.

Unless the precise role the results from marketing research activity will play in the making of decisions of whatever kind is defined, the results are likely to be ignored. It is only too easy for managers to argue that research is needed before any decision can be taken, but without first clarifying which decisions in fact depend on further information. The best way to specify the role of research is to define action standards. These are actions or decisions specified in advance of the research that will depend on particular outcomes. Thus a company may specify that it will launch a new product provided at least 40 percent of respondents in a survey say they will either "probably buy" or "definitely buy" the new product. Furthermore, the 40 percent should not be a "finger-in-the-air" approach, but a result of careful diagnosis of the results of past research and how these related to the success or failure of products in that industry or in that company.

The information required

Once the decisions that have to be taken have been clarified, it is necessary to consider:

- exactly what information is required,
- the quality of information needed,
- when it is needed by.

Knowing what information is needed for making a particular decision is often a matter of experience or gut feeling. However, if the decisions to be taken have been clarified then, if, for example, one decision is what size of pack to use for a new product, it should be clear that information is required on the sales of existing pack sizes both for the company and for competitors, on how consumers react to existing packs, and how they would react to new sizes or types of pack. In short, it should be possible to list the key concepts that need to be addressed, and perhaps begin to suggest the key variables that need to be measured.

In some cases the client will already have some of the information. In other situations the researcher may be able to find it from secondary sources or purchase it from other agencies. Accessing secondary data is the focus of Chapter 3. Only when yet more information is still required will thought need to be given to the commissioning of research services.

Considerations about the quality of the data to be generated from conducting primary research will include accuracy, detail and comprehensiveness as well as sample quality where a sample is to be taken. Thus random samples will produce higher quality data than quota samples (sampling is explained in Chapter 8). Bigger samples will be more reliable than smaller ones (but by a declining amount). At the same time, getting high-quality data will be more costly, so a degree of trade-off may be required.

When information is required by will, of course, be governed largely by when the decision needs to be taken, but other considerations, like the time needed to analyze and digest the information, may need to be kept in mind. If the decision has to be taken before any worthwhile research can be carried out, it may be necessary to consider whether the company:

- takes the decision without any research,
- delays taking the decision,
- does a "quick-and-dirty" study.

Each of these has its problems, and in making the choice, very careful consideration has to be taken of the cost (in financial and customer relationship terms) of getting the decision wrong, or making a suboptimal decision. If there *is* time to do the research, then how much time is available will place constraints on the commissioning, phasing and completion of the research.

The type of research envisaged

The different types of research that an agency may offer have been outlined on pp. 9–11. However, these may be combined in various ways in a particular research design. It will need to be decided, for example, how much qualitative and how much quantitative evidence is required. If the amount of each is roughly categorized into high and low, then a cross-classification of the types of research envisaged can be developed, as in Figure 1.5. Large-scale surveys or experiments will produce considerable amounts of quantitative evidence and the results should be generalizable, but the amount of qualitative evidence will be low. This type of research assumes that the key variables are known and can be measured. The process of measurement is taken up in some detail in Chapter 5. Comprehensive qualitative research, by contrast, will be high in qualitative evidence and low on quantitative. It should provide considerable depth of understanding, but there will be limited generalizability. This type of research is considered in more detail in Chapter 4. Some clients may be able to afford only small-scale projects, and these will be relatively low on both qualitative and quantitative evidence. Occasionally, a "dipstick" operation may be all that is required to meet the objectives of the research. Multiphase and multicomponent research may be able to combine the best of both worlds, being high on both qualitative and quantitative evidence – but it will be expensive. Chapter 9 looks at mixed methods.

What type is appropriate for the client's problem may be fairly obvious and straightforward. This can be the case where the problem has occurred previously and the client is asking for a repeat of research that was carried out on that occa-

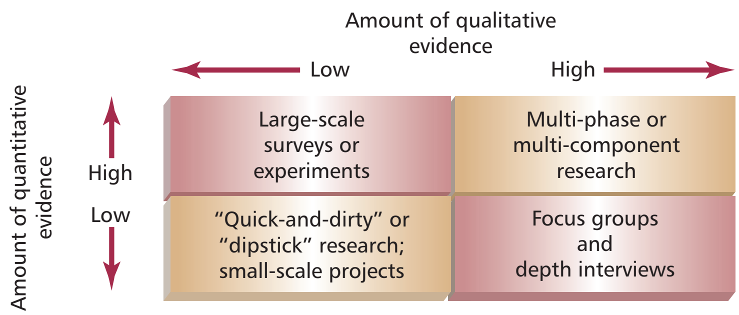


FIGURE 1.5

The kind of research envisaged

sion. The client may, however, ask the researcher for advice, or the client may even be asking for a style of research that the researcher believes is not appropriate to the problem. This may raise ethical issues and these are considered in more detail later in the chapter.

The objectives of the research

Research objectives spell out what the research itself is designed to explore, describe, investigate or explain. Exploratory objectives are aimed at generating information, insight or understanding and might include one or more of the following activities.

- Diagnosing, analyzing and evaluating the real nature, seriousness and urgency of the problem or problems facing an organization.
- Increasing the researcher's familiarity with a topic, with a company, or with a market. Very often the researcher at the outset does not know enough about the situation to be able to design the research or submit a worthwhile research proposal.
- Establishing priorities and objectives of the research. Exploratory work may be needed before it is possible to decide which particular issues require further investigation, and before being able to decide exactly what the research is expected to achieve.
- Providing information on practical problems. It may be necessary, for example, to find out whether certain organizations are willing to co-operate before embarking on a particular style of inquiry. Researchers may need to know certain things about the population before being able to design their sample.
- Generating ideas, gaining insights or suggesting hypotheses that could be tested.

Exploratory research is sometimes identified with particular research methods, particularly qualitative research, but also with observation, consulting experts, accessing secondary data or even buying into an omnibus survey. However, research whose objective is exploratory does not necessarily imply the use of specific methods of data collection (or, indeed, that such methods are limited to exploratory purposes); rather it implies that whatever style of research is used, the *end product* of the research is the generation of information, insight or understanding. Such research, furthermore, needs to be distinguished from the notion that nearly all research has an exploratory *phase*, which is preliminary to the main research and which is used in shaping the direction, design and operation of the main study, or to check that earlier designs will work satisfactorily. Any of the available instruments of data capture (these are explained in Chapter 6) or data collection methods (Chapters 4 and 7), or the special techniques and applications (Chapter 16) may be used for exploratory purposes. A formal, quantitative

Exploratory research Research aimed at generating ideas, insights or hypotheses.

survey could, for example, be undertaken and used as a preliminary stage for a larger, more comprehensive investigation.

Descriptive research Research that is concerned with measuring or estimating the sizes, quantities or frequencies of characteristics.

What is often called **descriptive research** is usually characterized as being concerned with measuring or estimating the sizes, quantities or frequencies of things. Its objective is to present variables one at a time; it does not attempt to analyze the relationships between them. Market research reports are often descriptive in this sense; for example, they measure market size, market structure, and the behavior and attitudes of consumers in the marketplace. Opinion polls, censuses and many public sector surveys are largely descriptive in this sense.

Investigative research Research that focuses on the extent of association or correlation between two or more variables.

Causal research Research that analyses the degree of influence of one or more independent variables upon one or more dependent variables.

For exploratory and for descriptive research the objective may simply be to collect the information that has been specified at the research design stage. **Investigative research** goes beyond simply collecting data to study the relationships between variables. It focuses on the extent of statistical association or correlation between two or more variables, but does not examine the manner in which one or more variables may influence others. What is usually called **causal research**, by contrast, is concerned with establishing cause-and-effect relationships and it examines the degree of influence of one or more independent variables upon one or more dependent variables. Such research is often equated with experimental procedures since, so it is argued, only when some form of experimental control is exerted, can causality be demonstrated. The implication here is that other forms of research, such as survey research, cannot be used to establish causes or offer explanations. However, many different types of research can, with varying degrees of success, attempt to establish the extent to which one or more factors or variables exercise some degree of influence over others.

Causal research is sometimes referred to also as "explanatory" research. However, as will be argued in Chapter 14, causality is only one form of explanation; to establish a cause is not necessarily to explain. As researchers we may be able to demonstrate that one factor causes another, but we may not understand why.

The research brief

Research brief A formal document written by a client that is sufficiently detailed for the researcher to be able to write a research proposal.

The **research brief** is a formal document that is, or should be, sufficiently detailed to enable the researcher to formulate a proposal for marketing research that will produce results that can be used effectively for marketing diagnosis, decision-making and delivery (see Figure 1.1 earlier). Sometimes the company prepares its own brief; sometimes it is prepared with the assistance of a market research agency or business consultant.

The brief will contain a summary of the elements considered so far:

- a diagnosis of the problem,
- an assessment of company capabilities,
- a clarification of the decisions that need to be taken,
- a specification of the information required,
- a statement of the objectives of the research,
- an outline of the kind of research envisaged.

In addition, there should be some indication of the likely budget for the research, a timescale for when a proposal is required and when the research results will be needed, and whether or not the brief is competitive. There may need to be considerable discussion both within the client organization and between client and agency over details of the brief unless the research is very straightforward or it is repeat business. Very often a company's analysis of its own problems may relate more to symptoms than to underlying causes, so the research executive may need to probe by continually asking, "Why?" as symptoms or stated problems are described. Box 1.2 suggests questions that the researcher should ask of clients if the brief lacks clarity.

IN DETAIL

BOX 1.2

Things to ask the client in a briefing session

- Is the problem or issue to be researched clear? If not, try asking the client:
  - What prompted you to commission this project?
  - Have you commissioned or undertaken any earlier research?
  - What factors, both internal and external to the company, do you think may be affecting the problem/issue/situation?
  - How urgent and how important are the issues?
- Are the decisions that are contingent upon the results of the research clear? If not, try asking the client:
  - Why is the research needed?
  - What will the research help you to do or to decide?
  - Do you think it is a strategic, tactical or operational decision?
  - What is the decision-making process?
  - Is there a business plan or a planning process?
  - Who are the interested parties in this research?
- Is it clear what sort of information will be required? If not, try asking the client:
  - What data or information do you already have?
  - Is there information that you could obtain?
  - What are the key concepts or variables?
  - How accurate, detailed and comprehensive does the information need to be?
- Does the client have some overall idea about the envisaged or appropriate scope, scale and type of research that may be required? If not, try asking the client:
  - What geographical area needs to be covered?
  - Is there an overall budget and timescale?
  - How important is it to have quantitative information?
  - What do you think the research itself should be able to do or show?

Sometimes clients will spell out or tentatively draft what they see as appropriate research objectives. It will then be up to the researcher to evaluate whether these are feasible, whether they relate sufficiently well to the managerial problem as it is understood, or whether they need to be amended or added to. They may well be discussed with the client before they appear in a formal proposal.

An example of a research brief is illustrated in the Box 1.3.

The research proposal

Formal **research proposals** are not always required, particularly for qualitative research. However, if a client is requesting two or three agencies to bid for a quantitative project, then it will be largely on the quality of the proposals received that the client is likely to make a decision about who to commission. Like the research brief, the research proposal is a formal document, but it is drafted by whoever will be conducting the research. Any organization seeking research from a market research agency will base its commission on such a document. From the perspective of the market research executive, the key objective of the proposal will be to obtain the commission from the client, perhaps in the face of stiff competition. The proposal in practice often has to be drafted on the basis of a less than

Research proposal A formal document drafted by the researcher outlining the methods and techniques that will be used to tackle the client's problem.

RESEARCH IN ACTION

BOX 1.3

A research brief

The potential for use of specialized flour in the home

Domestic bread-making has grown in popularity since the electric bread maker has become feasible and affordable. John Ambrose wishes to commission a survey to investigate the use of and attitudes towards the use of specialized flours for home bread-making.

Background

John Ambrose is a medium-sized, family-owned, flour-milling business which has been in existence for over 100 years. It supplies a complete range of flours to the bakery trade to cover every specialized need. Its customers are mostly small to medium-sized family bakers who have been customers for decades. It does not currently supply to the general public. It has no advertising and only limited sales representation.

Sales have been falling steadily in the last few years to a point where the company will need to take corrective action to stay in business. Among the alternatives being considered are to supply the general public the same highly specialized flours currently supplied to the trade. These would be more expensive than standard flours.

Research objectives

In order to investigate the feasibility of offering specialized flour for domestic use, particularly for use in domestic bread-makers, John Ambrose needs information about the stocking and use of flour in the home, the frequency of bread-making and other home-baking activities and current attitudes towards the use of specialized flours.

Methods

The research should consist of a qualitative preliminary to establish the main dimensions of flour usage in the home, attitudes to bread-making, and the possibilities for use of specialized flour. The main study should be a quantitative survey of about 1,200 households to establish the extent of various usages and attitudes.

Qualitative research

Please include a proposal for depth interviews and/or group discussions with individuals, both male and female, of all ages and social classes, and including those who currently do not bake bread at home. The qualitative research should take place in at least two regions. Costing for the qualitative work should be separate from that of the main stage.

Quantitative research

A nationally representative sample of individuals who usually bake bread at home is required. Would you please quote separately for the alternatives of a random or a quota sample design, discussing their relative advantages and limitations, and giving details of how the design would ensure a representative sample.

The qualitative stage will inform decisions on the content of the questionnaire. At this stage we envisage covering the following areas:

- whether the household currently has flour in stock and what kinds/brands/pack sizes/quantities,
- how long the flour is usually kept in the house,
- what types/brands of flour respondents can recall,
- how often they buy and the price paid,
- what kinds of baking they do, on what occasions, how often, and what flour they use,
- whether they have an electric bread-maker,
- how often they bake bread,

- what they view as their successes and failures in home bread-making,
- whether they feel that specialized flours could help with their "failures".

Timetable

We would like to commission the work at the end of July and to receive an interim report on the qualitative stage for execution of the main fieldwork in November. A full written report is required as soon as reasonably possible after that.

Submission of tenders

Please submit two copies of tenders to John Ambrose no later than 15th June. Meetings to discuss the shortlisted tenders will take place on 26th June. If you wish to discuss the research prior to submission of a tender please contact John Ambrose.

adequate brief from the client. The research executive may seek further discussion and clarification from the client before submitting a proposal.

The proposal is a formal statement of the methods and techniques that the researcher feels are required in the circumstances, and should contain the elements outlined in Box 1.4.

IN DETAIL

Format of a research proposal

BOX 1.4

- A cover/title page that contains:
  - a title for the project,
  - the author or agency who has produced the document,
  - the date submitted.

- A contents page
- Section 1 Introduction
  This will include some – not necessarily all – of the following and not necessarily under subheadings or the headings implied by the list:
  - background,
  - the current situation/issues/problems,
  - the decisions that need to be taken,
  - the information required,
  - relevant reports/data/literature,
  - strengths/weaknesses of the organization.

- Section 2 Objectives
  The research purpose(s)
  This refers to the overall aim of the research, which may be exploratory, descriptive, investigative, causal, or some combination of these. In particular, the overall research aim or purpose may be stated using some of the terms below:
  - explore, investigate, further understand, examine, study, diagnose, evaluate, create,
  - gather, collect data,
  - measure specific variables,

– search for patterns/relationships between variables,
– answer research questions,
– test hypotheses,
– offer causal explanations.

Specific objectives
These will list:

– the concepts, ideas to be explored,
– the variables on which data are to be collected,
– the research questions,
– the hypotheses.

- Section 3 Research methods
  – the overall scope of the research,
  – the research approach, design or mix of methods that will be used,
  – the rationale for the methods suggested,
  – any preliminary stages that will be undertaken, for example a pilot survey,
  – the techniques to be used. This will probably be the longest section, normally broken down into subsections that will cover:
    – the target population and any sample that is to be taken,
    – data collection methods,
    – data capture instruments,
    – the approach to or the specific statistical techniques that will be used for data analysis.

- Section 4 Organization and management
  This will cover issues like the personnel to be involved in the research, their relevant experience or CVs, the arrangements for supervision and responsibility, quality control plus a proposed timetable or work schedule.

- Section 5 The agency
  This will attempt to reassure the potential client that the agency has experience of the market/problem area and or techniques being used and will probably include a list of recent clients.

- Section 6 Fees
  This will normally include an overall sum plus the cost of any optional extras. If the proposal contains various stages or different elements, there may be a breakdown of the cost of each element. The conditions or terms of payment should also be specified. It would also be helpful to clarify what "deliverables" are included, for example, interim summary reports, a formal presentation, a written report (plus number of copies), tabulations, further meetings, a helpline and so on.

- Section 7 Appendices
  These might include the terms of contract, further details of any specific procedures used and a list of past clients

In planning the methods and techniques to be used, the basic considerations are whether the research should be ad hoc or continuous, and if ad hoc whether it should be qualitative or quantitative. In selecting from the range of market research techniques available, the research executive will need to bear in mind the resources and the time that will be needed for each technique, along with the appropriateness of each for minimizing the risks among the decisions identified as needing to be taken. A checklist of useful questions to consider would be as follows.

- Will depth interviews with key informants, experts, technicians, colleagues, or suppliers provide sufficient information to take the decision?
- Will focus groups be needed with consumers to explore issues more thoroughly, and if so, what kinds of groups, how many groups, and how are they to be selected?
- Will some form of experimental research be appropriate? If so, should it be in the laboratory or in the field?
- Will some form of survey be required? This is the most expensive, resource-heavy, time-consuming form of research and should be resorted to only when information from other sources is clearly not going to be adequate. Careful thought will need to be given to the size of the sample required, the type of sampling, and the mode of delivery of the questions, for example, face to face, by telephone, by mail or by e-mail.

A company considering commissioning research will normally ask up to three agencies to submit proposals for research in response to a research brief. These would then be evaluated and compared. For large-scale undertakings the agency may be invited to present these proposals in person so that they can be questioned about them. Alternatively, where a client is coming back for repeat business, there may not even be a research proposal – an understanding of what the research is to cover and the cost may be all that needs to be clarified. It would be unreasonable for the client to expect that the agency has done a great deal of work on the problem before the research is commissioned. In particular, it is unlikely that the agency will include a questionnaire even in draft format at this stage. An example of a response to the brief on the use of specialized flour in the home is illustrated in Box 1.5.

KEY POINTS

A research design is a particular – possibly unique – combination of methods and techniques that will enable researchers to obtain data that will address the purpose for which the research is to be undertaken. Design is also a process that involves a number of elements that can also be seen loosely as stages that begin with an analysis of the problem or issue facing a company through to the drafting of a formal research proposal. Implicitly the process is about designing ad hoc rather than continuous research. The design of continuous research will have to wait until Chapter 16.

RESEARCH IN ACTION
A research proposal

BOX 1.5

The Use of Specialized Flour in the Home

June 2006

Prepared for: John Ambrose and Co. Ltd.
Prepared by: Marketing Research in Action, The Research Centre, East Gate, London
Contact: R A Kent

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1 Introduction

John Ambrose and Co. Ltd is considering the possibility of offering to the general public the same highly specialized flours that it currently supplies to the trade. The Company now wishes to commission research to examine the potential for the use of specialized flours in the home, particularly for bread-making.

Marketing Research in Action has been invited to present proposals for this piece of research. These have been prepared by our Consumer Research Division. They are based on a written brief received in May of this year and subsequent telephone conversations with Mr John Ambrose.

2 Objectives

A combination of qualitative and quantitative research is required to examine the following questions.

- What proportion of households keep flour of any description in stock?
- What kinds of flour are usually kept?

- What other kinds of flour may respondents be aware of?
- What is flour currently used for?
- What are the main kinds of home baking?
- How often do they bake bread at home?
- Which groups of people are most likely to make use of specialized flour?
- What quantities are they likely to buy?
- Would they be prepared to pay a slightly higher price?

The research will comprise two elements. The first stage of qualitative research will provide in-depth information on the main dimensions of flour usage in the home, attitudes to home baking and the possibilities for the use of specialized flour for bread-making in particular. This will provide the basis for designing the questionnaire to be used in the second stage among 1,200 respondents.

3 Preliminary qualitative research

3.1 Discussion

We propose to conduct a mixture of group discussions and individual interviews. Group discussions are most appropriate for most individuals because:

- groups often produce a more relaxed and discursive review of a topic, and encourage spontaneous comments and comparisons,
- groups are less expensive "per head",
- differences between consumers are highlighted.

However, depth interviews are often very useful as a "control" for, or supplement to, groups since they enable individual histories and attitudes to be probed more fully. Furthermore, it is sometimes difficult to get a group of older people together. They often need more reassurance and there are frequently mobility and hearing problems.

3.2 Sample summary

The population is all those households in the UK that currently possess an electric bread-maker. We suggest six standard groups of eight men and women aged 18 or more, resident in the UK for at least three years. Groups will be mixed in terms of gender and age but separated by social class. There will be quotas on these variables to keep them in the same proportions as in the UK population. Social class will be measured according to the occupation of the head of the household.

Forty depth interviews are proposed, weighted towards the elderly or immobile.

The sample structure will be as follows:

6 groups
Social class: 3 × BC1 + 3 × C2D
Location: 3 × South + 3 × North or Midlands

20 interviews
Social class: 10 × B or C1 + 10 × C2 or D
Location: 10 × South + 10 × North or Midlands

20 interviews
Age: 65+
Location 10 × South + 10 × North or Midlands

3.3 Recruiting and moderating procedures

Marketing Research in Action uses interviewers specially trained for qualitative recruiting. We are members of IQCS. We will rely mainly on random street or house recruiting, boosted by recruitment in carefully selected public locations appropriate to the particular subgroups or respondents being contacted.

The interviews will be conducted in a domestic setting (a recruiter's home). It may, however, be necessary to hold some interviews in respondent's own homes.

All the groups and interviews will be moderated by a member of the Marketing Research in Action research team. All discussions will be tape recorded, and the transcripts of the groups can be made available if required.

3.4 Interview topics and stimulus materials

A detailed discussion and interview guide will be prepared on commission. Currently we envisage focusing on perceptions of the current range of flours available, attitudes to home baking, and the possibilities for the use of specialized flour. Particular attention will be paid to vocabulary, common assumptions, and areas of possible confusion likely to affect the qualitative study.

3.5 Timing

Following commission a period of three weeks will be required for group and individual interview recruitment. Further recruitment will take place concurrently with the fieldwork. We envisage a period of about eight weeks will be required for the qualitative phase.

All interim reports should be available by the end of September, assuming commission in July. A full written report could then be produced within four weeks and integrated with the quantitative stage once this is complete.

4 Quantitative research discussion

4.1 Sampling

Option 1 *Random sampling*

We suggest a three-stage sampling procedure. First, a set of 100 electoral constituencies will be selected with probability of selection proportional to the size of the electorate. Second, an individual elector will be chosen at random from each constituency. The sampling point will then comprise the electoral ward of which that elector was part. Third, every fiftieth name will be selected from the Electoral Register referring to that ward and these will be given to interviewers. Interviewers will determine whether or not the household possesses an electric bread-maker. Those who have not are screened out. The interviewer continues until all quotas are completed.

Option 2 *Quota sampling*

Stages one and two will be similar to Option 1. However, for stage three, the interviewer will be free to work wherever he or she liked in the defined areas to achieve a quota of interviews. Quotas will vary by region to reproduce the regional profile of individuals by age and social class.

There is the danger that this method will over-represent the “at-home” population. However, quotas could be applied additionally to working status.

For both Option 1 and Option 2 the achieved sample results will be weighted to the population profile in terms of gender, age, social class and working status.

4.2 Sample size

We propose a sample size of 1,200. Results will be grossed up to the population of Great Britain.

5 Quantitative research method

5.1 Contact procedure

For Option 1 the interviewer will continue to call at a selected addresses up to a maximum of four times, varying the time of day and day of the week at each call.

In the case of Option 2, interviewers will be asked to record details of all contacts made and whether there was immediate refusal, noneligible respondents who refused interview, was extra to quota or whether a full interview was achieved.

5.2 Questionnaire design

The questionnaire will be developed in consultation with John Ambrose and Co. Our costings have allowed for a questionnaire that will take on average 40 minutes to administer. Wherever possible we hope to be able to precode questions, drawing on the answers obtained previously in the qualitative research. We have allowed for up to six open-ended questions within each questionnaire. Section 6 describes the procedures for piloting.

5.3 Quality control

All interviewers will be supervised by our regional field directors. Ten percent of interviews will be subjected to back-checks. All interviews meet not only the standards of IQCS, but our own additional training ensures a quality of interviewing that few of our competitors can match.

5.4 Coding

We will prepare code-frames for the open-ended questions based on extractions from 100 questionnaires. These will be submitted to John Ambrose for approval before coding begins.

5.5 Manual editing

The objective is to ensure that information is in the correct format for data entry. It includes checks on the presence of leading zeros in quantity fields and full details of sample point. Our policy is to return any questionnaire that lacks key information to the interviewer concerned.

5.6 Data entry

The computer edit is a comprehensive data validation exercise that ensures the logical consistency of information as well as completeness. Any discrepancies it reveals are checked by a research executive against the original questionnaire.

5.7. Analysis

We have developed costings on the basis that 500 pages of computer tabulations will be required. The specification for the analysis will be discussed with John Ambrose before the analysis is run, including requirements for tests of statistical significance. We will supply two bound copies of laser-printed tabulations.

We will need to discuss with John Ambrose the issue of weighting the data. Using the quota approach, it will be necessary to weight the data to take account of undersampling of working housewives. Weights will also be applied to take account of differential response rates.

5.8 Reporting

In addition to the computer tabulations we have allowed for the preparation of a detailed technical report and an interpretive report. The latter will be structured to meet the needs of John Ambrose. It will be illustrated with charts and diagrams drawn from the computer tabulations. Both reports will be submitted in draft and after approval we will supply four copies of each.

We have not allowed for a presentation of the quantitative research findings, but would be happy to discuss this should one be required.

6 Pilot research

We have indicated the additional cost of pilot research in our section on fees. While it is always desirable to pilot questionnaires, we feel that a pilot survey could be dispensed with in this project given our familiarity with the market. However, should one be required we would recommend that the pilot be conducted in three sample points with 12 interviews in each. The procedure for the pilot would be exactly the same as for the main stage quota option given that the main purpose is to test the questionnaire rather than the sampling method.

Interviewers would attend a personal briefing at Marketing Research in Action at our head office. We would produce a brief report on the pilot, suggesting amendments to the questionnaire or survey design for the main stage. The report would also comment on the implications of any changes for the fee for the main stage.

7 Interviewer selection

Interviewers will receive personal briefings at one of six centers nearest to their home. Our regional managers will attend so that they are completely familiar with the survey. The sessions will be conducted by Marketing Research in Action executives responsible for the survey and will last about two hours. Attendance by relevant personnel from John Ambrose will be warmly encouraged.

The main purpose of the briefing will be to ensure that interviewers and managers are totally familiar with:

- the administration of the questionnaire and any question areas of particular difficulty or complexity,
- the type of respondent they will be likely to interview,
- the type of information that needs to be collected.

There will also be a mock interview to highlight the points made during the session.

Interviewers will, in addition, be given a set of written instructions which reiterate in more detail the points made at the briefing session.

Marketing Research in Action has a national panel of about 950 interviewers. Mostly they are self-employed, but they work to standards and administrative procedures laid down by our operating manual. They are organized under a team of twelve Regional Managers, all of whom are full-time employees of Marketing Research in Action.

We are members of the Interviewer Quality Control Scheme, whose professional standards we either meet or exceed. Normal back-checking and accompaniment procedures would be applied to this survey. This, in summary, requires that:

- interviewers should be accompanied at least once in each six-month period,
- 10 percent of the work will be subject to back-check procedures,
- the back-checking will comprise 10 percent postal checks; the remainder will be face to face or telephone checks.

8 Timing

Our best estimate of how the timing could proceed is as follows:

Weeks 1–7	qualitative research
Week 8	qualitative presentation
Week 11	qualitative report available
Weeks 8–11	quantitative questionnaire development
Week 12	pilot briefing
Week 13	pilot debriefing
Weeks 14–15	questionnaire alterations and printing
Week 16	main stage briefings
Weeks 17–19	main stage fieldwork
Weeks 18–21	codings and data preparation
Week 22	analysis produced
Week 25	draft report available.

This follows the timetable suggested in the brief and we believe it to be realistic, but it could be amended in the light of further discussions with John Ambrose. Thus if there is no pilot survey the project can be shortened by two weeks.

9 Project staffing

The project will be carried out by the Consumer Research Division of Marketing Research in Action, under its director, Kay Brent, who has had many years' experience of consumer survey work. She has specialized in the application of research techniques to the food industry and, before joining the Company in 1982, had spent five years as consultant to the Ministry of Food and Agriculture.

Responsibility for the project would be given to Ken Bray, an Associate Director of the Division. He joined the Company on 1983 and since then has managed a variety of ad hoc projects, several of them in the food sector.

10 Fees

The fees quoted below are exclusive of VAT, and are subject to Marketing Research in Action's standard terms and conditions of contract. The fees are subject to the assumptions contained in these proposals and may have to be amended should any assumptions prove to be incorrect.

Qualitative research	£20,750
Quantitative pilot research	£2,500
Main stage – random sampling	£73,900
Main stage – quota sampling	£53,200

Buying and selling research

Apart from in-house research, most marketing research that is undertaken is as a commercial transaction between buyers and sellers of research services. The client and the agency perspective on these transactions will, of course be very different.

Buying research – the client perspective

From the perspective of the manufacturer or other type of organization wishing to purchase research services, the objective will, of course, be to buy good research, that is, research that is good value and which addresses effectively the problems, issues or opportunities that the company faces. Before approaching any market research agency, however, the client first of all needs to consider:

- whether research is needed at all,
- whether a research brief is needed and if so whether the company is able to produce one in-house,
- whether it can do what research is needed entirely in-house,
- whether it wants to commission a "full" study or just part of the activities required, for example, employing only field and tab assistance, or putting a number of questions into an omnibus survey,
- what companies or agencies to approach for a proposal.

The client company may decide against doing any research if:

- the data or information needed already exist or can be purchased, for example from business publishing houses, from market research agencies or advertising agencies, or by subscribing to continuous research services,
- there is not enough time to conduct research before a decision has to be taken,
- the cost of getting the decision wrong is relatively low so the cost of any worthwhile research would be greater than the likely payoff,
- the situation is too complex with too many factors and variables for research to have a significant impact on the decision that needs to be taken.

In choosing what market research companies to approach for a proposal, some clients will have a "pool" of tried and tested companies that they have a habit of using. Others rely on listings, for example by the UK Market Research Society, or on recommendations from contacts in other organizations. It would be normal to obtain up to three proposals and to advise the market research organizations that it is a competitive proposal, indicating how many have been or will be approached.

The final selection will be based on some combination of:

- evidence that the research executive has fully understood the brief and the problem to be researched,
- the overall approach suggested, including a clear statement of the research objectives, a definition of the population to be studied, the sampling techniques, the fieldwork methods to be used and the data handling and analysis procedures,
- the experience of the researchers assigned to the project,
- the quality of communications with the agency so far,
- the cost, usually a global sum, but it should be clear what that sum includes, for example a written report and a face to face presentation.

The client may need to bear in mind that the "cost" of the research includes not only paying the market research agency, but also the opportunity cost of what is not being done as a result of devoting resources to the research, and the indirect costs of managerial time spent on further contact. However, the client may also need to consider whether the research, besides being used as a basis for taking a decision, may also be a useful input to a marketing or management information system, or may be used as "currency" in negotiating with advertisers, advertising agencies, distributors, retailers and so on. Findings on brand loyalty, inter-purchasing and frequency of purchase may, for example, be used to persuade a retailer to allocate more shelf-space to your brand.

A commissioning letter will be sent to the chosen market research agency accepting the proposal as a formal contract. Thereafter, the client will wish to monitor progress to ensure that deadlines are met, and that the questionnaire, when drafted, meets with its approval. The client may wish some degree of participation in the research, for example, attending one or two group discussions, and may request that it be consulted over the final coding of answers when the questionnaires are received.

Finally, it would be wise to evaluate the market researchers in a systematic manner by giving a series of ratings against a number of selected criteria, for example:

- response to the brief,
- quality of the research,

- client service,
- verbal presentation,
- written report.

Such ratings can then form the basis for making future research commissions.

Selling research – the agency perspective

The major objective of the research executive in a market research agency in designing research and in offering a formal research proposal will be to obtain the commission from the client. He or she will need to bear in mind the strengths and weaknesses of the agency in terms of styles of research, and its current loading of resources already committed to other projects currently underway. If it is a large company, it will be able to offer the full range of research so that if, for example, it looks as though qualitative research is appropriate to the client's problem, then the client can be passed on to the division or subsidiary company in the organization that specializes in that type of research. In smaller specialized agencies, the research executive will, of course, try to show why the company's particular expertise is just what is needed to help the client.

In reviewing briefs received by potential clients and deciding which ones to offer research proposals for, the agency will need to consider:

- the level of detail in the brief and whether further discussions with the client are needed,
- the kind of research envisaged or that the agency thinks is appropriate,
- how the data are to be used (and by whom, when and how),
- any limitations in terms of time and money,
- the scope of the research in terms of geographical area, size of sample, the information required, the input to research design needed from the research executive, and the end product – restricted to data analysis, or to include interpretations and recommendations,
- the kind of report required,
- the competition – how many other agencies are quoting.

If the agency decides to offer a research proposal, it will need to consider all those aspects that will affect the design and cost, for example:

- the availability of past research or published data,
- the size, spread and contactability of the sample,
- the data collection method,
- the need for exploratory research,
- the need for a pilot survey,
- the need for personal briefings,
- the length of the questionnaire,
- the number of open-ended questions,
- the need for evening, weekend or holiday time interviewing,
- the scale and complexity of the data analysis required,
- the type and scale of reporting.

Box 1.6 explains the steps in pricing a research project for the European market. It was written by Michael Roe, a practitioner with over 30 years' experience in marketing research.

EUROPEAN MARKETING RESEARCH

BOX 1.6

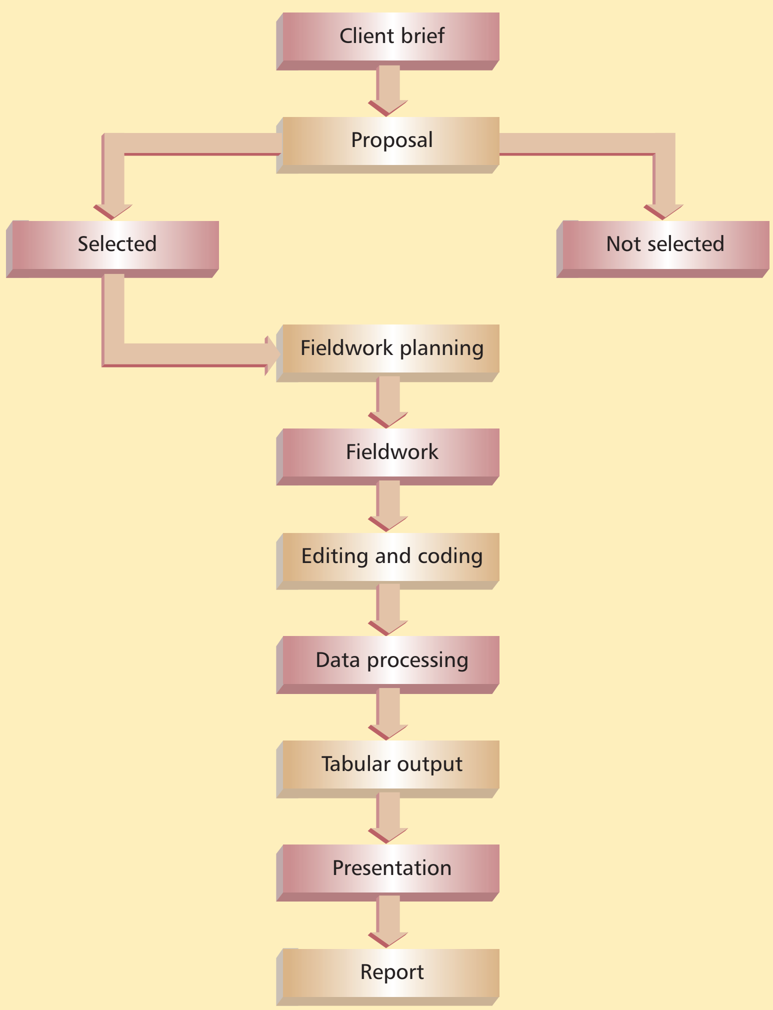
The pricing of market research services in Europe

All but a very few European research agencies are commercial enterprises and they will prepare a fully priced research proposal for client approval before an ad hoc research project is undertaken. From start to finish, the normal project goes through 10 stages (see Figure 1.6) inside the agency, with client approval coming only at stage 3. The process begins with the client brief to which the agency responds with its proposal. If not selected, the work that has gone into this document is "lost" since proposals are not charged to the client.

On approval, the agency moves to stage 4 where it puts into practice the approach expounded in the proposal. Key elements here are questionnaire/discussion guide design and fieldwork planning, which involves organizing interviewers for data collection. When fieldwork is complete (stage 5), it will be the most costly element of the entire study (averaging about 40 percent) due to freelance interviewer payments (out-of-pockets for the agency). Following editing and coding (stage 6) and data processing (7) the agency produces tabular output for the research executives to study (8) before a presentation (9) and final report (10). Research executive time, which is costed on a per hour basis using time sheets, will form the next highest cost factor (about 30 percent). Of course, overheads for office space, administration and so on, will add a percentage to the cost on top of which goes a profit margin.

FIGURE 1.6

Pricing and project stages



Fieldwork costs can be kept down by reducing questionnaire length and keeping open-ended questions to a minimum. Reducing sample size, however, may have serious effects on statistical validity and subgroup analyses, while narrow sample universe definitions should be avoided. The internet offers the opportunity of reducing data collection costs since no interviewers are required. However, the programming of electronic questionnaires and the need to maintain and motivate panels of potential respondents means that some serious costs still remain.

Competitive tendering will put agencies under pricing pressure. Clients may involve their own purchasing departments in the selection process to bring a hard-nosed professional approach. Agencies usually respond by looking for efficiencies, for example, cutting-and-pasting similar old jobs, outsourcing or amalgamating in order to share services.

Pricings differ greatly around Europe due to varying executive salary levels and whether or not interviewers are subject to social security charges. The highest prices, which may be double the lowest ones, will be found in Scandinavia and Switzerland and the lowest in small southern countries. Pricing is often based on many assumptions, such as the complexity of data collection and the amount of executive time likely to be involved throughout, so the risk of getting it wrong is very real.

Michael Roe is a practitioner with over 30 years of experience in marketing research. He has been an international market researcher with Unilever and Research International. He is now a consultant and trainer for multi-nationals such as Shell, BAT, Tetra Pak, Nokia and Friesland Coberco. He has also run training sessions in the universities of Edinburgh, Cranfield, Buckingham and Stirling. He is a faculty member of the Management Centre Europe in Brussels and of the Chartered Institute of Marketing.

KEY POINTS

The bulk of client-based marketing research is undertaken by market research agencies who offer research services as a commercial transaction. The perspectives of those individuals, groups or organizations buying such services will be different from those offering such services for a fee. A key element in the negotiations between buyers and sellers will, of course, be the price.

The European market research industry

Based on information supplied by national market research trade associations, ESOMAR (this organization is described later in this section) has calculated that the total worldwide market for market research in the year 2004 was €16 950 million, of which €7 614 million or 45 percent was based in Europe, a turnover that was greater than that for North America (€6 193 million). The worldwide growth in turnover was 7.5 percent on 2003 (5 percent after adjusting for inflation). The new EU member states and the former Eastern bloc countries showed growth rates of over 10 percent. The old EU member states grew more slowly with the exception of Ireland, which had an adjusted growth rate of 18.7 percent.

These figures exclude work conducted in-house, by advertising agencies, by universities, by government departments and by non-profit-making research institutes. Worldwide, 80 percent of the turnover was accounted for by domestic as opposed to international clients and 80 percent by consumer as opposed to business research. Sixty percent was for ad hoc as opposed to continuous research and 75 percent was quantitative as opposed to qualitative. In Europe, the UK had the largest turnover (€1862) followed closely by Germany and France. No other European country had a turnover greater than €500 million. The spend per head of population, however, was far higher in the UK than anywhere else in the world (at about €30 per head compared with about €20 per head in the USA, Germany and France – and 2 cents in China!).

The European market research industry consists of three main groups of "players":

- the suppliers of research services,
- the research buyers,
- the profession.

The suppliers of research services

Research suppliers can be classified into three broad, but overlapping, categories:

- full service agencies,
- specialist suppliers,
- limited service suppliers.

Full service agencies offer the full range of services in both qualitative and quantitative research, ad hoc and continuous research, and customized and syndicated services. They may specialize to some extent in emphasizing, or at least building a special reputation in, for example, international research or continuous research, but they can supply whatever service the client may need. Full service agencies are often large international organizations (and may baulk at the idea of being described as an "agency"). The largest research suppliers in Europe are listed in Table 1.1. VNU, which is based in the Netherlands and heads the global list, is at the top by virtue of its ownership of ACNeilsen, Neilsen Media Research and a number of other research agencies. The Kantar Group includes the UK companies Research International, Millward Brown and the British Market Research Bureau. These were acquired by the WPP advertising agency and run by Kantar, the research wing of WPP. Most of these agencies will have a client service department, a field department and a data processing department. Executives from client services may well become involved in the client's business and will act for only a limited number of clients – and never for competitors.

Specialist suppliers may focus on a particular research technique like telephone interviewing or e-mail surveys, or they may specialize in a particular market sector, for example the motor trade or pharmaceuticals. Some agencies will offer just qualitative research. Limited service suppliers offer just one or two components of the research process, for example, fieldwork, data processing (or both, usually called "field and tab" agencies) or in statistical analysis. Some provide advice on research or project management.

The research buyers

In the UK the largest buyers of market research are in manufacturing (44 percent, ESOMAR, 2005). Other major buyers are in the media, the public sector and in financial services. Within manufacturing, the food sector is the biggest spender on research, accounting for over £60 million in 2001 followed by non over-the-counter pharmaceuticals (£57 million), health and beauty (£40 million), vehicle

TABLE 1.1 The top European full service agencies

Agency	Parent country	Turnover (Euros million)
VNU NV	Netherlands	2 703
Taylor Nelson Sofres	UK	1 355
The Kantar Group	UK	895
GfK Group	Germany	658
Ipsos Group	France	593
Synovate	UK	393
NOP	UK	321
MORI	UK	61

SOURCE: ESOMAR (2005)

manufacturers (£34 million) and retailers (£31 million). The picture changes across Europe, however. For example, in France nearly 60 percent is accounted for by manufacturing and only 5 percent by the media. In Belgium, by contrast, just over 20 percent is accounted for by manufacturing, but utilities, post and telecommunications account for rather more than in the UK (ESOMAR 2005).

Some organizations have a research department that is responsible for purchasing research services, but in others, such a role may be played by a "customer insight" manager or a brand manager. In some organizations in-house services may be available. Here the research executives may well both supply and purchase research services by commissioning out some of the work. Managers internal to the company may be seen as the "clients", for whom the research executives may act as consultants.

The profession

The market research industry in Europe is well served by a number of professional bodies and trade associations that aim to promote high standards in research practice and to represent the industry, for example on government and international bodies. The oldest of the professional bodies is ESOMAR, which was founded in 1948 as the European Society for Opinion and Marketing Research. However, it now sees itself in a worldwide context and calls itself the World Association of Opinion and Marketing Research Professionals. It has over 4000 individual members in 100 countries. It organizes seminars and conferences, it offers training and education through workshops and distance learning, and it makes available a range of professional publications. All its members and all the companies listed in its Directory undertake to comply with the ICC/ESOMAR International Code of Marketing and Social Research Practice, which has been drafted jointly by ESOMAR and the International Chamber of Commerce. The ESOMAR Directory of Research Organizations is an up-to-date, searchable resource of over 1500 organizations worldwide. The code of practice and a selection of guidelines, for example on data protection, on how to commission research, on customer satisfaction studies, may be downloaded from: **www.esomar.org**.

Other European bodies include the Alliance of International Market Research Institutes (**www.aimri.org**), which represents over 80 market research agencies in 17 countries and the European Federation of Associations of Market Research Organizations (EFAMRO, **www.efamro.org**), which is an international federation of market research agency associations within the European Union. It was formed in 1992 to bring together national associations of major countries in Western Europe representing research agencies responsible for between 60 and 70 percent of the total turnover in market research.

In the UK there is the Market Research Society (**www.mrs.org.uk**), the largest body of its kind in the world. It was founded in 1947, and now has over 8000 members in more than 50 countries, about half of whom are women. The Market Research Society (MRS) seeks to ensure the maintenance of professional standards in the practice of market research of all kinds, to provide its members with an educational, information and social forum, and to represent the interests of the UK market research profession in the world at large. It offers the only UK academic qualification solely covering market research – the Diploma of the Market Research Society. Members of the Society subscribe to a code of conduct that puts a premium on confidentiality, so that the anonymity of respondents is carefully protected.

In 1964 the largest research agencies in the UK formed themselves into a trade association – the Association of Market Survey Organisations (AMSO). Its role was largely as a support group for those running its member companies. However, in 1998 it merged with ABMRC (the Association of British Market Research

Companies), which was an association of smaller research agencies, to form the British Market Research Association (BMRA, **www.bmra.org.uk**). Its aims are to represent and promote the professional and commercial interests of all its members, to increase the professionalism of the industry and to promote confidence in market research. Members, who are corporate rather than individual and total about 220 companies, must abide either by the MRS or the ICC/ESOMAR code of conduct.

In 1981 the Association for Qualitative Research (the AQR, **www.aqr.org.uk**) was formed and now comprises over 1200 individual members who work variously in research companies, advertising and major client organizations. It provides a forum for all those interested in the conduct and development of qualitative research. All market research associations in the UK, in Europe and worldwide are listed at market research industry online: **www.mrweb.com/assocs/**.

Most of the large market research companies are members of the Interviewer Quality Control Scheme (IQCS, **www.iqcs.org**). This is an offshoot of the original Market Research Society Interviewer Identity Card Scheme. To be a member of the IQCS, a company has to meet specified market research fieldwork standards that cover recruitment, training, supervision and back-checking. Members are audited every year and a report goes to the full Council of the IQCS.

Trends

In the space of 50 years the industry has transformed itself from a cottage industry to one where research suppliers are major organizations on the global stage. Overall growth has been steady rather than dramatic. The major changes have been brought about largely through mergers and acquisitions. The result has been that the top 25 global research organizations between them now account for about two-thirds of the world turnover. Quality standards have improved with the establishment of individual-country accreditation processes. The European Federation of Associations of Market Research Organizations has established a European standard, which may be viewed at **www.efamro.org/emrqs.htm**. This is being considered by the USA, Japan and others as a possible basis for a worldwide standard (Kelly 2002).

The internet, of course, has had a major impact on the market research industry, particularly in the realm of data collection. It may eventually eclipse all other methods, but at present it accounts for only about 3 percent by volume of data collection (Kelly 2002). While the internet offers new opportunities for, for example, interaction with respondents, it raises its own questions of sampling, privacy and reliability. The emergence of Data Protection legislation in Europe has also had a major impact on the industry.

KEY POINTS

The market research industry in Europe is big business and it is growing at a steady rate. However, it is increasingly being dominated by a few large suppliers and by the explosion of information technologies. All this has had a considerable impact on the role of the market researcher.

The changing role of the market researcher

The practice of research has been greatly affected by developments in information and communications technologies. In many ways it has made the whole process much more efficient. In particular the ability to acquire and to handle ever greater volumes of data and to conduct more sophisticated and complex data analyses has meant that market researchers are increasingly becoming information service providers who have to assemble a jigsaw of imperfect data and evidence. Many researchers will have developed day-to-day practices for data analysis that are currently largely hidden from view – craft skills that as yet have not been articulated and which do not correspond with the research methods detailed in the textbooks.

Researchers nowadays need a new set of information competencies in order to handle the ever-growing, but multisource and variable-quality data. Craft skills need to include the ability to scan, gut and action information (Smith and Fletcher 2001). In particular, say Smith and Fletcher, they need to be able to:

- classify and reduce incoming information very quickly,
- evaluate its likely quality,
- embrace intuition and gut feeling,
- interweave a patchwork of evidence,
- build conceptual models.

When the researcher is dealing with information, he or she needs to:

- check for robustness,
- spot the storyline.

Checking for robustness entails things like reviewing the credibility of the information, its internal consistency, the underlying assumptions being made, the professionalism involved in its construction, the motivation of the information-providers, any likely embellishments or "spin" put on the data, plus corroboration from other sources.

Getting the storyline means:

- understanding the different kinds of summary that may be provided – abstracts, introductions, conclusions, recommendations, action points, sound bites,
- assimilating large volumes of information, for example by using the preview, question, read, reflect, recite and review sequence.

The way in which researchers operate has been affected at all levels by technology. High-quality documents for briefings, proposals, reports and presentations can now be easily produced. Documents can be sent instantly to clients, while face-to-face meetings can now be held using video-conferencing technology. Using the internet it is possible to get access to company information and to census data, for example via the UK Census Dissemination Unit (**http://census.ac.uk/cdu**). Optical mark readers can scan completed questionnaires or answers can be entered directly onto a database using portable data entry terminals. Computer-aided wireless interviewing (CAWI) means that interviewers can be guided through a questionnaire and the answers transmitted instantly to a database.

Ethical issues

Ethics are moral principles or standards that guide the ways in which individuals treat their fellow human beings in situations where they can cause actual or potential harm, whether economic, physical or mental. Ethics in marketing research are concerned with professional standards of conduct and with the use of techniques in ways that avoid harm to respondents, to clients or to other parties. Ethical standards are important in a research context so that those involved in the research appreciate what is and what is not acceptable behavior.

Market researchers depend for the effective practice of their profession on the goodwill and participation by the public. At the same time members of society are becoming increasingly aware of their rights and sensitive about invasions of their privacy. Any individual, company or agency that violates the implicit trust of participants in a study makes it more difficult and more costly for *all* market researchers to approach and recruit survey respondents or participants to group discussions. Good ethical standards are good business. In consequence, various associations whose members are involved in market research have developed codes of conduct to guide the behavior of their members. ESOMAR has produced a set of European standards which are detailed in Box 1.7.

The main ethical issues that arise in the conduct of client-based marketing research concern:

IN DETAIL

BOX 1.7

The ICC/ESOMAR International Code of Marketing and Social Research Practice

The first ESOMAR code was published in 1948. This was followed by a number of codes that were prepared by national marketing research bodies and by the International Chamber of Commerce (ICC). In 1976, ESOMAR and the ICC decided it would be preferable to have a single international code. A new version was prepared in 1994. This new code states that, in general, marketing research must always:

- be carried out objectively and in accordance with established scientific principles,
- conform to the national and international legislation which applies in those countries involved in a given research project.

Beyond that, the code spells out the rights of respondents, the professional responsibilities of researchers, and the mutual rights and responsibilities of researchers and clients. The rights of respondents include, for example, that their cooperation be entirely voluntary at all stages, they must not be misled when their cooperation is sought, their rights of anonymity must be strictly observed, that they be in no way adversely affected by their participation and they must be told if observation or recording equipment is being used.

The professional responsibilities of researchers include that they must not make false claims about their skills and experience, they must not unjustly criticize other researchers, they should always strive for cost-efficient research designs and they must ensure the security of all records in their possession.

The mutual rights and responsibilities include, for example, the notion that the researcher must inform the client if results are to be shared or syndicated in the same project, they must inform the client if any work is to be subcontracted, and that marketing briefs and marketing data remain the property of the client.

The full code can be checked out on the ESOMAR website: www.esomar.org

- privacy,
- confidentiality,
- deception,
- imposition,
- integrity,
- misrepresentation.

If a market researcher telephones a respondent to obtain an interview late on a Sunday evening, or if a researcher observes a customer's behavior in a shop without the customer's knowledge, are these instances of invasion of privacy? It might be argued that since anybody can observe behavior in public places, then the latter example is not unethical, particularly since no harm is involved. In the former case there may be mental harm if the outcome is the annoyance of the householder.

The issue of confidentiality might affect both respondents and, if commissioned research, clients. If respondents are told or reassured that their replies will be treated with confidentiality, then it will be unethical for the researcher to pass this information onto other parties, for example by selling mailing lists. If a client does not wish to be identified to respondents, then it would be unethical for interviewers to pass this information on. If the researcher is working on behalf of a particular client, then confidential information about the business should not be passed on to competitors.

Deception may come in many forms. Misleading a respondent into thinking that an interview will take five minutes when the researcher knows it will take 20 is unethical. Covertly numbering questionnaires that are meant to be "anonymous" so that the researcher can determine who has and who has not returned them could also be seen to be deception.

Respondents' rights to be able to refuse to grant an interview need to be respected and they should not be pressurized. No adverse effects should result from participating in research, like receiving unsolicited sales material or price rises that result from questions about what maximum prices people would accept for a product.

Integrity includes both the technical and administrative integrity of the research so that the results are not "doctored" or "massaged" in any way or tied up in jargon just to baffle the client. Lack of integrity shades into misrepresentation in which research results are presented in a way likely to mislead readers or clients. This might include deliberately withholding information, misusing statistics or ignoring relevant data.

KEY POINTS

It is in the market research industry's own interests to adhere very strictly to clear guidelines that protect respondents, informants, the general public, the business community and clients.

Data protection

The 1995 European Data Protection Directive is concerned with the rights of individuals who are asked for or who provide information about themselves. In particular it seeks to protect their rights to privacy by establishing the core principles of transparency and consent. Transparency means ensuring that individuals have a clear understanding about why the data are being collected or requested and how they will be used. Individuals must, furthermore, give their consent to data collection and be given the opportunity to opt out of any subsequent uses of the data.

ESOMAR gives the advice in Box 1.8.

The implementation of the EU Directive has varied across countries, which causes problems for international research – it causes confusion, it adds to costs and undermines the free flow of research services. In the UK it is enshrined in the 1998 Data Protection Act. The Act requires that all those bodies who collect personal data (the data controllers) notify the Data Protection Commissioner that they intend to hold personal data and they will need to meet fairly stringent conditions. The Market Research Society has attempted to give advice on some of these issues in a document published in October 2002 and updated in January 2004. This is available for download at **www.marketresearch.org.uk/code.htm**. The MRS has agreed a classification of different types of research with the Office of the Information Commissioner. There are five types of "classic" research that, in effect, are bound by the MRS Code of Conduct. Here strict limits have been agreed on the feedback that researchers can give to owners of customer databases where these have been used for sampling purposes, and for sensitive data it has been agreed that "explicit" consent means consent based on a detailed explanation of how the data will be used. A sixth type of data is used for direct marketing and does not fall within the MRS Code of Conduct.

IN DETAIL

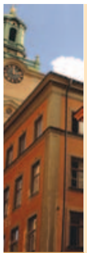
BOX 1.8

How European data protection legislation affects market research

Tapes and videos must be regarded as personal data, and you must follow the revised ESOMAR Guideline on this subject relating to respondent permissions. Care must also be taken that even where the data are anonymous there is no element of identifiability. By that it is meant that there is a low probability of an individual being recognized, for example in the way a lottery winner can be identified as being a blue-eyed one-legged Englishman with five cats living in Salerno. Clients will often not be aware of the law and how it affects market research. Care must be taken to give the proper advice. Ignorance or action for a third party is not a defence. The law covers the actions of all companies in the EU and any transfer of data to other countries outside of the EU. Transferring completely anonymous data is OK, but personal data, even a sampling frame, must have the same rules observed by end users as if they were in the EU. The best way to ensure this is through the terms and conditions of your contracts.

Consent

For the collection of most data ahead of their being made anonymous, the agreement to participate in an interview is, as we understand, an adequate consent. However, the Directive introduces a new category of data which is "sensitive" data. This covers such things as ethnicity, religion, trade union membership, medical records, sexual orientation, criminal records and political opinions. For this category of data "explicit" consent is required, but not defined. We are advised that this probably is agreement to participate at the time of interview, but that is a view not shared, it would seem, by all countries. The need to get prior written consent as has been suggested in some places would totally undermine the conduct of legitimate opinion polling, both in terms of accuracy, cost and speed. However, mindful of the current conflict, we need to demonstrate that we are aware of the sensitivities of these areas and that any self-regulation is effective and universal within our own area of control.



SUMMARY

Client-based market research is concerned with the construction, analysis and interpretation of data both on organizations and on their environments, so that information can be provided to assist client organizations in diagnosing, deciding and delivering marketing strategies and tactics. It has several features that make it very different from academic research. Organizations need such research to help them to make better and more informed decisions; this it can do in a number of different ways.

Market research for clients may be of several different types depending on the type of data collected, the intended duration of the research, the degree of customization, the amount of value added and the type of customer being researched. The process of designing research for clients involves a number of stages, some of which may be done by the client and some by the researcher. The final stage is usually the production of a research proposal on the basis of which research services are bought and sold. From a client perspective, the objective is to buy research that is good value and which addresses the problems, issues or opportunities faced by the company. From the perspective of the agency, the goal will be to load the agency with commissions that are profitable and utilize its main competencies.

The European market research industry is a multimillion Euro industry that consists of suppliers of research services, the research buyers and the profession. Research suppliers are of many different types, from the full-service agency to a highly specialist single-service organization. The profession is well-served with a number of professional bodies and trade associations.

The role of market researchers is quickly changing to take account of the information technology revolution. Increasingly they are becoming information service providers who need to be able to scan, gut and action data. At the same time this process is becoming more complex as it has to take on board new legislation on data protection and a growing array of ethical issues.

QUESTIONS FOR DISCUSSION

1 Explain why not-for-profit organizations may still need market research services.

2 To what extent has data protection legislation hampered the efforts of market researchers in Europe?

3 In what ways will developments in new technologies make it easier or more difficult for the inexperienced research buyer?

4 Now that the advertising of cigarettes has been banned in the UK and in a number of other countries, a cigarette manufacturer is seeking advice on how to promote its products without using advertising or sponsorship of sport. Outline some of the ethical issues faced by a market researcher who is considering taking on this commission.

5 Read the article by Castell and Thompson, which is listed in *Further reading* below, and consider the ethical issues it raises.

CASE STUDY FLYMO

The British invention of the Hovercraft was the inspiration for the Swedish inventor Karl Dahlman to develop a lawnmower that could float on a cushion of air in any direction. The concept became the Flymo and the first models hit the shops in 1965. Since that time, according to Hartley (2003), Flymo, now owned by Electrolux Outdoor products, has become the number one name in lawnmowers in the UK, capturing over 99 percent of the hover grass collect category. However, since 1997, hover collect mowers, as a share of powered mowers sold, was losing its market share. This was bad news for Flymo since the hover collect mowers represented 25 percent of sales and 30 percent of revenue. Flymo's brand support until 2001 had been sporadic – the brand had not been advertised on television since 1996. A press campaign in 1999 followed by a major sales promotion in 200 resulted in only a 0.5 percent growth in Flymo's share of the DIY superstore powered lawnmower market, in a total market that had grown by over 30 percent. Flymo's core brand values – innovative, differentiated and easy-to-use – were, says Hartley (2003), being undermined by this lack of brand support and the overreliance on price and sales promotions.

Questions and activities

1 Diagnose the nature, urgency and seriousness of the problems facing Flymo. List some of the company strengths and weaknesses. What are the threats and opportunities posed by the marketplace? Try looking at the Flymo website, **www.flymo.co.uk** and at the Electrolux website, **www.electrolux.com**.

2 Consider the different types of marketing research that might be useful to Electrolux in protecting its long-term business.

FURTHER READING

Castell, S. and Thompson, J. (2005) "Fair trade research", *Market Research Society*, Annual Conference, Brighton.

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