Macmillan Business Masters

Marketing Research

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Marketing Research

Chris West

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To
Frances, Simon, Alex and Kelly
without whom none of this would have been necessary!

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Preface

There are two types of books on market researching. The first is written for students and serious research practitioners and is devoted largely to techniques. The second is written for research users and, while covering techniques, is devoted primarily to the applications for research and the methods by which research data can be acquired. This book falls into the latter category and its intended audience is the large group of junior, middle and senior marketing management who have regular or occasional requirements for information who may wish to carry out surveys themselves but who are more likely to commission surveys from research professionals. ('Market' Research is the colloquial term used within and outside the profession, though 'Marketing' Research is the more accurate description. Both are used more or less interchangeably in this book.)

Obtaining market information can be undertaken in a wide variety of ways. Some of these are highly formalised and some are completely informal. There is often an assumption that formal, structured and scientific approaches to collecting information provide the best results but, as any businessman will tell you, the most useful pieces of information can just as easily come from casual conversations with colleagues, from salespeople's reports or from contacts made at a trade show, none of which could be described as either 'formal' or 'scientific'.

This book is about market research but it uses a broader definition than the sample survey techniques described in most academic texts. It is written for all types of information user and meets the needs of those whose budgets may not stretch to large-scale surveys as well as those whose needs require the use of the most advanced research techniques.

The information business is undergoing radical change initiated by developments in electronics and communications. What was once a cottage industry dependent entirely on people – research executives, interviewers and statisticians – is rapidly being transformed into a factory business using machines to manufacture statistics: it is in the throes of the information industry's equivalent of the industrial revolution. The effects are largely beneficial for all information users. At the lower end of the scale the internet, intranets and the ever-widening range of databases are making it easier to access ready-made market information quickly and cost effectively. Even those with minimal research budgets can therefore compile a rough and ready portrait of their market. At the other end of the scale, those with more sophisticated research needs are being bombarded with new processes

and the techniques designed to implement them. The research press continuously describes new data collection methods and new analysis tools which improve the efficiency of the research process, correct some of the problems endemic in the research process, add to the quality of the data and, in some cases, even reduce costs.

The wider availability and lower cost of information mean that there is less excuse for not using it. At one time research was considered so expensive that it was seen to be the preserve of the larger corporations. This is no longer the case, and whereas it was once possible for smaller organisations to assume that most of their competitors were equally ignorant about their markets, to do so now would be courting disaster. Today the company with the better mousetrap is much more likely to have analysed customer requirements, tested the concept, estimated potential demand, researched customer satisfaction with existing products and obtained intelligence on its competitors before it launched the product.

This book sets out to answer the most basic questions that marketing managers need to address when deciding whether to use research and how to go about obtaining market information. In summary these are:

- How do I **define** the information that is required for good marketing decision making?
- What internal and external **sources** of information can I consider using?
- What **research techniques** can be used?
- How do I define a **research project** that will meet my requirements?
- How can I work with **external research consultants**?
- How do I initiate and monitor a **research project**?
- How do I assess the **quality of the results** and integrate them into my market planning?

In the process of answering these questions the book covers research techniques in considerable detail, and therefore answers a further question, namely, how do I do research?

How to do research is a topic I have been attempting to address for the last 35 years – not an easy task in a field where the goalposts are continuously moving. I have come to it as one whose clients are primarily companies selling into industrial rather than consumer markets. This branch of the research business used to be called ‘industrial market research’ but there are some that have tried to re-christen it ‘business-to-business’ research. Arguments about semantics are rarely productive and I do not propose to engage in them here. Nor do I propose to invent a new title for the business which embraces all methods of collecting, analysing and interpreting market information. Market research serves well enough for that purpose, provided it is clear that sample survey techniques are not the only methods by which market data can be collected – a heretical thought to some in the business.

In learning my trade I am grateful to all of my current and former colleagues in the three market research companies in which I have worked in, run and, in two cases, been a founder Director – Industrial Market Research (IMR), Business Marketing Services (BMSL) and Marketing Intelligence Services (MIS). However, I owe my biggest debt of gratitude to Aubrey Wilson, the founder of IMR, who enticed me into the business and has been a mentor, colleague and friend ever since. Aubrey's own writings on market research were seminal works in their day and, given the changes that have taken place, have stood the test of time remarkably well. If I have an idiosyncratic and pragmatic view of the research business I blame Aubrey completely. He taught me long ago that 'arriving was infinitely better than travelling hopefully'. By this I mean that clients who commission research projects are primarily interested in obtaining a **timely and accurate solution** to their problem. How that solution is obtained is immaterial, as long as the findings are right, can be shown to be right, and are on time. For every client that is deeply interested in research techniques and the jargon that accompanies them, there are hundreds that are interested only in the final output and what it means. For them, the results of a few well-placed telephone calls and hurried calculations can be just as valuable as an extensive market survey. Any other failings in this book are entirely my own.

CHRIS WEST