



Marketing Research

The most important principle in understanding marketing is that of being able to undertake market research to correctly target the right customers with the right product or service offering at the right price, making the right amount of profit.

Market research comes in 3 simple concepts. These are:

- Verbal research
- Written research
- Watched Action research

Verbal research is the simplest and fastest because in essence it is really just asking some pertinent questions of customers, either face-to-face or over the phone, about relatively simple topics that will help to guide you.

The best form of questions to ask with verbal research is generally questions related to “how did you hear about our business?”, “where do you live?” (for location purposes), “what advertising did you notice?”, “how far have you travelled to come to our location?”. Questions such as those which extract information rather than attitude questions which, for example in a restaurant, “how did you like our service?” will always get a complimentary “yes, it was great”, whether the service was good or not good, principally because people just want to get out of the restaurant after having paid their bill, and time becomes the motivator rather than standing around answering questions truthfully. Attitude questions are far better covered in a written questionnaire.

While verbal research is very simple, very fast, and very quick and easy, you need to have an analysis results sheet where you record the key answers to the questions in the area where you are asking the verbal questions. This then alleviates generalisations, and also guesswork. The analysis of the verbal answers can then be collated and a trend pattern established.

Because verbal is face-to-face, you can also interpret the body language to see whether the customer is comfortable in their communication to you, whether they are lying, or add-in the humour aspects in the non-verbal gestures that help you to understand the communication.

Verbal research can be taught to most members of staff to quickly identify key information that helps to analyse other activity.

Written research – the best kind of research to undertake in a business-to-business environment, as you can explore attitude, you can explore product and service knowledge information, you can explore information that you wish to get the person answering the questionnaire to think about.

An ideal length for written questionnaires is no more than 2 A4 pages double sided, approximately 25 – 30 questions, with about 3 questions that invite people to put a

interpretation commentary, and also a final question that invites people to comment about how they could see your company improve.

Questions should be open ended questions, and should have model answers, 3 answers to a question. One answer which should be the ideal situation, another answer which should be an average situation, and a third answer is a “needs improving” description.

The design of the written questionnaire should follow a formula of questions that is, an easy question followed by a slightly harder question, followed by a “hardest” question, and then ease back to the same formula – easy, hard, hardest, easy, hard, hardest – this then encourages the person answering the questions to keep going as there is at least one question in every 3 that they can answer very quickly.

Areas in which you can ask questions would include:

- How long they’ve been doing business,
- What products or services do they know you actually supply,
- What do they think of your customer service,
- How often does a sales representative call,
- What do they think of the quality of the sales representation,
- What do they think of the knowledge of the sales reps,
- What do they think of the knowledge of the customer service people,
- What do they think of the quality consistency of your products,
- What do they think of your pricing of your products,
- How do they rate your products or services compared to other suppliers,
- How are your delivery services received,
- What new products or services would they like to see your company supplying,
- And any other attitude information gathering type questions that you would like to use.

The written questionnaire should be mailed out with an accompanying, personalised letter which explains the reason for doing your research, and an invitation for the customers to return the research in, preferably, a freepost envelope, and recognition that the replies are confidential.

Don’t attempt to relate the replies to particular individual customers, otherwise you will take into account personalities of the customer instead of the attitude of the information. It is better to get quality replies than quantity replies.

Once your replies have been received, and you can analyse where they came from by the postmarks, you can then analyse the questions that were answered for information, and by having pre-modelled answers you can very quickly set up a Excel spreadsheet to analyse the information, and also analyse the questions that were not answered.

The comments questions, where you invite a customer to make particular individual comments, can then be analysed for pertinent ideas and information that may add further to your research, or ideas for new developments.

Watched Action research is where you monitor, either on a face-to-face basis or through a video camera or through hidden cameras, actions that people take as a result of reactions that you cause them.

A typical watched action may be when a restaurant wants to observe people at their buffet or smorgasbord to see how easy it is for people to obtain the food, or which items they go for first, or pile their plates, etc. From this watched action, you can then make observations that will help you in your marketing strategy planning. Frequent users of watched action would be manufacturers of children's products, children's toys, computer games, and technology developments where you need to find out how the customer is going to react to your new developments.

Watched action research is also quite often used in a forum type questionnaire where you have a facilitator who is drawing out information from your group of customers, who are replying to predetermined questions.

Frequency of Research

Verbal research can be ongoing and continuous all the time. Attitude and written research is best done no more frequently than once a year to your customers, because while it will have an effect on increasing customers' purchase, it will also, if done too often, will have an annoyance factor. If it is the standard quality control research questionnaire that is a written, tick-in-a-box which goes out with every delivery, you will find that the satisfaction level of clients to filling in the questionnaire falls off and reduces.

Watched action research can be done whenever it is required to solve a particular problem.

Research details and analysis should be kept so they can be analysed from year to year to identify changes, and pick up new trends that may be occurring within the customer base.

Market research can be conducted for you be professional marketing research consultants, marketing managers, or you can do your own, depending on where the level of expertise and investment needs to be made.

However, always do the market research to find out the information, and then take the completed information into your planning principles to organise to make sure that you are offering to the right customer segment, the right products and services, at the right price, to make you the right profit. Market research works.

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