

Part One  
Market Research: The Context, Main  
Roles and Corner Stones

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# 1

## The Role and Changing Nature of Marketing Intelligence

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### INTRODUCTION

It is helpful to open this book by providing readers with a definition of “marketing intelligence”. The definition used in the last edition of this ESOMAR Handbook by Fredrik Nauckhoff stands the test of time. He described marketing intelligence as follows: “The purpose of marketing intelligence is to provide management with the facts, information and insights it needs to rapidly make the best, most efficient business decisions.”

Later in this chapter we will elaborate on this definition when we describe the different types of marketing intelligence. But this top-line definition remains an informed one because it highlights the way in which these days, business effectiveness hinges, in large measure, on a supply of information from the market place.

Today, organisations, when making key decisions, are mindful of the importance of ensuring that they understand the views and opinions of current and potential customers and know what competitors are doing in the market place. They also need an appreciation of the views of other “stakeholders” involved in the business, including, for example, employees, the financial world and the media.

So, given the importance of using robust consumer and market place evidence to make informed decisions, it is not surprising that the market research industry, since its embryonic days in the 1930s, has gone from strength to strength becoming a vibrant industry providing business decision-makers with highly valued information and advice. Let us start by outlining the structure of this chapter.

### STRUCTURE OF CHAPTER

We start by defining the scope of this chapter. Specifically, we look at the coverage of decision-making in the private and non-private sectors, and also review the issue of the degree to which it is possible to make broad generalisations about market research conducted across different cultures. Having put some parameters on the scope of this chapter, we expand on the above definition of marketing intelligence by looking at the different categories of market research, and comment on the respective strengths and weaknesses of each genre of research.

Next, we look at the way in which organisations are typically structured to deliver effective strategic and marketing plans, prior to reviewing the kinds of marketing information that these

plans demand. Then we review the way that the market research industry is structured in order to meet these information requirements, highlighting the role played by internal client marketing intelligence departments, and also by market research agencies.

Following this, the different stages in the market research process are reviewed. We draw attention to the broad concepts and principles of which the reader needs to be aware in order to explore these issues in closer detail in later chapters of this Handbook. After this, we put the spotlight on the *raison d'être* for much market research, namely, effective evidence-based decision-making. We examine the way in which modern day marketing intelligence should be interpreted and applied in order to improve the quality of organisational decision-making.

This introductory chapter ends by reviewing some of the key changes that are taking place in the world of marketing and market research, before commenting on the implications of these major trends for the way market research is likely to change over the next decade. So let us now define the scope of this chapter: a look at what we will cover and to what depth.

## SCOPE OF CHAPTER

Before looking in closer detail at the different kinds of marketing intelligence available to the decision-maker, we need to first tidy up three issues. First, there is the issue of what falls into the category of marketing intelligence, as opposed to related activities that also provide helpful customer information. Second, there is the question of the role marketing intelligence plays in both profit and non-profit making organisations. And thirdly, there is the issue of the extent to which it is possible to generalise across different cultures and make general statements about the market research craft.

### **What Falls into the Marketing Intelligence Category?**

We have used the term “marketing intelligence”, rather than “market research”, to reflect the way in which today, organisational decision-making benefits not only from market research conducted with different stakeholder groups, but also from lots of other sources of marketing information. Thus, marketing intelligence includes: market research surveys; information about customers held within organisations’ knowledge management systems; the analysis of market trends and developments from a host of sources; and competitor analysis.

In sum, most marketing decisions will benefit from the collation of information from a range of sources that we have labelled “marketing intelligence”. Today, few decisions will pivot solely on the output from a solitary market research study. However, having said this, in this chapter, while discussing the issue of integrating market research with different information sources, we still make sure we alert the reader to the critical elements of the market research process.

### **Marketing Intelligence in Profit and Non-profit Making Organisations**

The emphasis of this book is on using marketing intelligence for commercial decision-making. However, many of these principles apply to market research conducted in the public sector on social issues. Both profit and non-profit making organisations must keep in touch with the changing views of the different stakeholders. Thus, we expect researchers working in the non-profit sector to benefit from this book given the parallels and similarities between undertaking research for profit and non-profit making organisations.

These stakeholders could include: the organisation’s customers or clients; employees; suppliers; those working in regulatory bodies; and individuals from a host of related areas. Without

this feedback from the market place – whether this is for a profit or non-profit making organisation – it becomes difficult for an organisation to stimulate new ideas, ensure it keeps pace with change and make informed decisions between alternative projects competing for scarce resources. In addition, a flow of information from the market place is also a key part of the process of monitoring the effectiveness of different operations within any organisation.

It is true that commercial decision-making is different from decision-making in the non-profit sector. The commercial organisation can focus on what is the most profitable segment upon which to target its efforts. In contrast, non-profit making organisations invariably have a responsibility to deliver services across the community. So, there are clear points of difference in the way the output of marketing intelligence surveys conducted for profit and non-profit making organisations will be deployed. But many of the principles behind the way market information is collected, analysed and applied to the decision-making process remain the same.

And finally it should also be emphasised that the importance of marketing intelligence to organisations – whether they be profit or non-profit – is likely to continue to grow over the next decade and beyond. Both types of organisation will be under increasing pressure to make robust decisions based on the best possible understanding of their customers', and potential customers', needs and requirements.

### **Marketing Intelligence in Different Cultures**

One further scene-setting issue concerns the extent to which it is possible to generalise about market research in a way that will apply to different organisations around the world, each with their own history and culture. And on this point, it has to be accepted that it is clearly impossible to catalogue all of the various approaches that different (commercial and non-commercial) organisations around the world will take in organising their affairs to deliver their end product or service.

However, at a high level of generalisation, it is possible to paint an overall picture of how, in broad terms, the typical client organisation is structured, and how market research agencies will respond to these needs, in a way that we believe will apply around the world.

Having briefly defined marketing intelligence, we now look in close detail at different types of research.

## **DIFFERENT TYPES OF MARKETING INTELLIGENCE**

Having provided a working definition of marketing intelligence – one centring on the value of market information in decision-making – it is now helpful to categorise the broad types of marketing intelligence, pointing out which genres are more robust in comparison with others.

### **Evaluating the Past**

The first distinction to make is the difference between research that is aimed at evaluating the effectiveness of what went on in the past, which could be described as hindsight, and research aimed at helping us better understand the future – foresight. We look at foresight in a moment. Fairly intuitively, the reader will understand that finding out what people think about products and services that they have been using for the past few months poses fewer challenges than attempting to speculate about what respondents think about new developments that are beginning to shape the future. So, asking Audi TT drivers, who have driven the car for a year,

to comment on its strengths and weaknesses, is likely to be a more robust study than asking drivers to comment about whether they are likely to use an electrically powered Audi car in 10 years' time. In sum, evaluating what has happened in the past is a particularly powerful, robust and solid type of market research.

### **Predicting the Future**

Clearly, in many scenarios, the expectation is that market research will provide some form of "foresight", or prediction for the future. At the heart of the prediction process is the need to focus on fully understanding the past and utilising this information to provide an interpretation of likely future events. But predicting inevitably takes market researchers into more challenging methodological territory. And we all know that there have been a number of celebrity prediction failures in the past that have been documented in the marketing literature. But the good news is that, year-by-year, market researchers are getting better at "predicting".

One reason why market researchers have improved in their ability to predict is that, over the years, they have learnt to frame questions in a way that makes it easier for respondents to better understand the nature of the new concept being presented. Today, if a respondent is being asked about a mobile phone with email facilities, text messaging, video photography and web services, we are now much more experienced in presenting fully worked up prototypes to make sure people fully understand what we are talking about.

Market researchers are also now much better equipped at painting a picture for the respondent of the likely future scenario in which a putative new product might be used than in the past. We have put behind us a reliance on rather weak, hypothetical questions along the lines of "How likely are you to buy this new product in the future?" which we know will provide sketchy predictions of likely take-up. And we are now, as an industry, much more able to anchor in the respondent's mind just how this product might operate in the future, thereby making this line of *hypothetical* questioning less vague, abstract and speculative.

Inevitably there will be some weaknesses in the ability of market researchers to spot winning upcoming ideas and trends, or to prevent organisations introducing products that have little potential. But, on balance, the market research industry now has reasonably sophisticated methods for attempting to screen out bad ideas, and for spotting and fostering ideas that find favour with the public.

### **Painting a Top-level Picture**

Another important categorisation of marketing intelligence focuses on its breadth and depth. Is the research in question aimed at assessing people's attitudes in a fairly top-line way in order to build up a general impression of the views on a particular issue? For instance, this might be a study that seeks to build up a picture of the kinds of daily newspapers that people find accessible, friendly and of interest, without exploring individuals' purchase motivations in any great depth. This is in contrast to scenarios where there will be a call for research that seeks to drill down and explore in-depth the motivations behind different types of behaviour.

### **Exploring In-depth Motivations**

On occasions, it will be necessary for informed decision-making to go beyond having a general impression of customer preferences. For example, we may want to find out why people favour, say, tabloid newspapers as opposed to the "quality press". This requires exploring attitudes

in much greater depth. We will want to find out whether there are more deep-seated reasons why particular types of publications may be rejected as opposed to accepted. This latter type of investigation could involve exploring people's early family and social backgrounds, their political preferences (and prejudices), and other issues associated with an individual's level of intelligence and personality. And, not surprisingly, this process of establishing core motivations presents market researchers with more methodological challenges than simply measuring more top-line views.

### **Describing the World**

Continuing with our categorisation of different types of market research, it is helpful to distinguish between market research that helps to *describe* the world, as opposed to research that seeks to understand the *causes* behind different behaviour as a platform for building models, frameworks and theories about how different consumers think and might behave. So, we can think of one type of market research as operating in a "descriptive" mode, where the aim is to describe the phenomena under investigation. Here we would find surveys to describe how people travel to work each morning, with detailed information about the numbers of people who travel by car, bus, bicycle, etc. Comprehensive pictures of how, in this example, people travel – coupled with accounts of the highs and lows of these travel experiences – would provide an important backdrop to decision-making on transport policy.

### **Building Theories About How the World "Works"**

On occasion, the market researcher is expected to go further than just describing, and to map the linkages between different events. For example, market researchers may be asked to evaluate whether an increase in train travel is the result of a particular sales promotion and/or is due to the effectiveness of a particular advertising campaign and/or due to new pricing initiatives that had been introduced. And the reader will probably realise that the methodological challenges in linking different outcomes with prior events, and trying to build a "theory" that explains these cause and effect relationships, are greater than those in describing behaviour.

### **Monitoring Relative Change**

Pursuing our classification of the broad categories of marketing intelligence we need to register the point that market research is particularly powerful when it is measuring *relative* movements, such as in brand awareness or market share. So, although a market research study may have fallen short of taking a perfect "absolute" reading of market share, it remains very robust when tracking, on a continuous basis, relative movements in market share. So, a market research survey may be slightly off centre in its *absolute* reading of, say, the level of satisfaction with a particular product or service, but it will be an extremely powerful way of monitoring, over time, whether customer satisfaction is improving or declining. Businesses are often less concerned with absolute measurements, and more focused on the relative changes that are taking place in the market place.

### **Triggering Creative Ideas**

Another category of market research is less to do with providing objective, representative measures of what people think or do, and more to do with oiling the creative juices and helping

generate “insights” about customers, or a market, that provides a “trigger” for innovative thinking. So, it has to be acknowledged that some market research will be less focused on taking an independent perspective and providing objective assessments of a situation, and used in a more subjective way in order to generate ideas.

For example, bringing together a group of business people who regularly use different hotel chains to take part in an idea-generating workshop to identify what is an “exciting” and “disappointing” hotel experience, while not following the rules of scientific representative measurement, can nonetheless throw up all sorts of interesting ideas. So, in sum, insights and critical observations that can provide a focal point for a successful strategy can often result from using “research” as the aid to the creative process, rather than thinking about it as part of a grounded investigative process (David Ogilvy called this “data rich creative thinking”).

As we have introduced the word “insight”, we should explain that this could either be the result of a “Eureka” moment – a flash of inspiration when a new idea or way of doing business is identified from a single observation at a focus group or when reading some customer correspondence. An “insight” could also be the product of a profound understanding, built up over time through clear, deep analytical thinking. Thus, a central point being made here is that market researchers use both analytical rigour and *also* their own creativity in finding solutions to business problems.

## THE ROLE OF MARKETING INTELLIGENCE IN STRATEGIC AND MARKETING PLANNING

Having reviewed the nature of the different overall categories of marketing intelligence, we now look at the way organisations – across both profit and non-profit making sectors – broach the task of organising themselves to deliver their end product or service. We look at the kinds of frameworks that they have in place around which to develop the optimum strategy and plan their marketing activities. This review provides a backdrop for then looking at the areas where information collected from the market place by marketing intelligence professionals is instrumental in helping make that organisation more effective at a strategic and tactical level.

### Corporate Strategy

Most organisations will develop a corporate strategy: an overall framework for clarifying at a high level what the company wishes to achieve. It has been argued that “strategic excellence” explains 80 % of all business success. This means that there is only a 20 % chance of achieving success through a misguided or inappropriate strategy that is then “retrieved” by tenacious, day-to-day, on the ground, tactical performance. Today, most would agree that developing a strategy and ensuring that the organisation stays on this course benefits from making use of marketing intelligence. To achieve strategic success, an organisation will need to ensure that it is constantly reading the “business radar”, identifying key trends and developments, and having the information necessary to continually inform and adjust its corporate strategy in an effective way.

### *The Vision*

To deliver strategic excellence many organisations will start the process by preparing some kind of *vision*. A “vision statement” is a description of the business as you want it to be in the future. It involves seeing the optimal future for the business, and vividly describing this vision.

This description might be centred around how you would like things to be, or how you will feel when this ideal is achieved. With a sharp, concise and focused “vision”, it is possible to drive the organisation in a clear direction guided by a set of well-articulated values and standards. So John F. Kennedy’s statement, “By the end of the decade we will put a man on the moon” could be seen as a vision for NASA, because it painted a clear picture of future goals. So in the world of business we find that the Ford Motor company vision is “To become the world’s leading consumer company for automotive product and services”. And Lou Gerstner’s 1994 vision statement for IBM was “To be the world’s most successful and important information technology company”. And the Mayo Clinic has a particularly powerful vision: “The best patient care to every patient, every time”.

### *The Mission*

The vision statement will invariably be supported by a “mission statement”. The mission statement is the organisation’s vision translated into a precise statement of goals and priorities that will turn this big picture vision into practice. So we find that The Body Shop’s mission statement has six elements, including, for example, addressing the issue of striking the right balance between the financial and human needs of stakeholders, employees, customers, franchises, suppliers and shareholders.

It is true that some organisations tend to blur the textbook distinction between *vision* and *mission*. But nonetheless, the discipline of having a clearly articulated vision and/or mission – an understanding of what the organisation stands for, where it is heading in the future, and how it wants to operate – remains at the heart of organisational planning.

In sum, today most organisations will have a concise, clear statement that demonstrates the future focus of the business, explaining what makes it distinctive, and thereby providing a basis for inspiring people to work towards this future. Successful organisations know that they must have a “vision” that is memorable, motivating, customer focused, and can be easily translated into strategy.

### **Business, Marketing and Operational Planning**

Having in place an inspired corporate strategy – vision and mission – is a necessary, but not sufficient, condition of business success. Most organisations will then support these higher level strategic statements with detailed business and/or marketing plans that provide a focus for delivering different elements of the organisation’s goals.

### *Business Plan*

A business plan is a comprehensive planning document which clearly describes the procedures for identifying the markets, customers, expenditures and finances required to carry out the identified business objective. Put another way, this is the document that expresses the corporate vision and/or mission in concrete terms. It provides detailed information about target markets, competitive forces, distribution channels, the overall pricing strategy, and the strategy for positioning the company’s image, and supporting communications, in the market place. This plan will also include detailed budgets and indicate the rate of expenditure in relation to forecasts of revenue and operating profits over the next year, together with highlighting any risks and opportunities associated with the venture.

### *Marketing Plan*

Sometimes the business plan will be supplemented by a marketing plan. The marketing plan allows for more detail to be provided around what is a critical issue for most organisations – exactly how they will win profitable business. Typically the marketing plan will include detailed product-related issues, such as its policy for warranties. It will cover issues such as the trade discount policy, and also address factors such as the service levels to be provided, and a host of other detailed issues, ranging from merchandising to public relations. Many of these will require information input from marketing intelligence’s dialogue with different stakeholders.

### *Operational Plan*

To complete our broad review of the way organisations are structured, so we can see the role played by marketing intelligence within organisations, it should be pointed out that most organisations supplement their strategic business and marketing plans with a series of operational plans about the procedures that the organisation must follow to deliver their products and services. To a large extent, these operational plans will rely on internally generated information, rather than require the skills of the market researcher to conduct a dialogue with different stakeholder groups. However, even at this operational level, we still find marketing intelligence professionals being involved in supplying information. For example, a telecommunications company might want to conduct surveys with its suppliers to ensure that they are operating within the rules laid down by the telecommunication’s regulator. And a clearing bank may wish to conduct a study amongst its employees to find out how easy it is for them to deal with customers, while implementing a new operational process or procedure.

## **Co-ordinating Corporate Objectives**

Most organisations will also usually have an “organising structure” around which to coordinate its strategic and tactical goals as a basis for evaluating the performance of the organisation at the highest level. Different companies will use different approaches, but over the last decade an influential organising framework has been the notion of the “Balanced Scorecard”, first developed by Kaplan and Norton in 1992. It gives managers a comprehensive framework for evaluating the performance of a business from a number of perspectives.

The Scorecard seeks to measure business performance from the financial perspective, the customer angle, the business process viewpoint, and from the standpoint of employees. Specifically, the “Scorecard” provides a focal point by: communicating the “vision” to staff and the outside world; translating the “vision” and “mission” into operational goals; linking this to individual performance; and also providing feedback so that the strategy can be adjusted accordingly on an ongoing basis (competitive renewal).

The critical measures included in the “Scorecard” are often the basis for developing a “dashboard” of key market and consumer metrics that management will access on a day-to-day basis to monitor their progress in achieving key targets. So it becomes important for marketing intelligence professionals to know, in the context of marketing planning, exactly what customer information – and in what form, and with what frequency – is pivotal to the “dashboard”. It is these measurements that management will rely on most to successfully drive the business.

### **Transparent and Accountable Decision-making**

So, in sum, organisations are now very much aware of the cost of making strategic errors and spending vast sums of money on developing products that people do not want. In addition, organisations are much more aware these days of the need to comply with the high standards of corporate governance. This includes demonstrating, in a transparent and accountable way, to shareholders that their strategic thinking is *evidence-based*, rather than based on the speculative whim of a small handful of individuals.

This is not to say that strategic decision-making and marketing planning is driven exclusively by market and consumer information. Strategic decision-making will, of course, also be informed by a host of information inputs, ranging from financial to sales data. In addition, organisational decision-making will continue, in part, to rely on instinctive, intuitive judgements made by senior management. But, in large measure, it is true to say that the strategic success of the modern organisation will depend on the professionalism and flair the organisation shows in collecting and interpreting the evidence collected from different stakeholders, and factoring this into the strategic thinking and planning process.

### **Marketing Intelligence Input into the Strategic Planning Process**

Thus, in preparing a strategic plan, the marketing intelligence professional will first be called upon to paint a picture of the wider economic and cultural context. This will include searching out longer-term analyses of the trends taking place in society, together with financial commentaries on developments in key market sectors. Next, the marketing intelligence team will gather together information about key competitors, including their strategic positioning, together with an analysis of points of differentiation in competitors' product and service offering. This will also include an analysis of competitors' presence in different media.

Next, the marketing intelligence team will, for different markets and product categories, gather together available macro-level reviews of overall customer typologies and other information that allows an intelligent segmentation of the market place. The marketing intelligence team will also integrate into this picture internal knowledge that the organisation holds on its customers from loyalty card schemes and other direct marketing initiatives. In sum, marketing intelligence plays an important role in gathering together wider socio-economic and market data to feed into the strategic planning process. In addition, the marketing intelligence team will often conduct a meta-analysis of ongoing tactical market and product studies in order to identify whether there are any overarching trends that emerge from this ongoing research.

Having examined the importance of including cutting-edge market and customer evidence into an organisation's strategic, tactical and operational planning, we now look at the way in which the marketing intelligence function is structured within organisations, and explain how these internal client professionals then liaise with market research suppliers.

## **THE STRUCTURE OF THE MARKETING INTELLIGENCE PROCESS**

In this section, we introduce the reader to the way in which the marketing intelligence process is structured to provide the kind of marketing intelligence that is needed by organisations to develop effective, strategic and tactical plans. We start by looking at the way in which marketing intelligence professionals working within client companies organise themselves to

respond to the challenge of supplying the information required for business decision-making. We then look at the way that market research agencies are structured to work in partnership with professionals working in client organisations. This sets the scene for the next section in which we review the overall process that a typical market research project then follows.

### **The Marketing Function**

In the early days of marketing, this was often a “central command and control” activity at the heart of an organisation. But, in today’s fast moving dynamic, digital economy, where the company must respond quickly to the market place, the notion of the classic central command and control style marketing departments has, in many cases, given way to a more flexible organisational approach. Today, organisations favour flatter management structures. So, we often find the marketing function very closely aligned – that is to say, intertwined – with particular business units. There are a number of different models that companies might operate as they move away from the classic, top-down approach and respond to a world where marketing has to be even more responsive to, and be so closely in touch with, the consumer.

Today, we live in an era where “consumer-to-consumer” marketing is a powerful force. In this environment the fluid interchange of word-of-mouth product recommendations between customers has become equally as important in shaping the fortunes of a brand as the messages emanating from the organisation’s central marketing function. In sum, there has been a big shift from the classic marketing approach that would have been typified by the way big FMCG giants would have promoted their soaps and detergents in the early days of marketing, and the structures now in place to handle the way today’s leading brands – iPod, eBay and Google – are promoted.

### **The Internal Marketing Intelligence Function**

Given the fact that it is hard to make general statements about the way the marketing function will be structured within any one organisation, it clearly becomes difficult to generalise about the various ways in which the marketing intelligence function within a company will be structured to support the marketing operation. But, notwithstanding the changing role of marketing, in simple terms, there will be two fundamental models for the way market researchers will support the marketing and wider business function.

- First, there will be a model whereby a specialist team of marketing intelligence professionals provide a service *across* all market sectors and brands operated by the organisation.
- The second fundamental approach will be one whereby marketing intelligence professionals are allocated to a different market sector(s) and/or brand(s) and become responsible for undertaking research *within* this particular niche.

#### *Working on the Right Problem*

One of the fundamental skills of the client marketing intelligence professional is their ability to define the precise problem confronting the organisation as a basis for then beginning to clarify how market and/or customer information might best help resolve this issue. These problem definition skills are a prerequisite of then beginning to shape the structure of the market research project best suited to address this issue.

The way the initial presentation of a problem is expressed may be unintentionally misleading. This is because the person explaining the problem might not make critical tacit knowledge explicit. It is also possible that an emotional knee-jerk interpretation of current events will initially dominate the explanation of the problem, thereby throwing the market research team off the scent of the real issue. Furthermore, the initial statement of the problem may show tunnel vision, rather than being based on an understanding of the broader context.

And, of course, the initial briefing about a problem may be only partially correct because of a hasty appraisal of a situation. And it also has to be accepted that the initial stab at trying to define a problem may show a lack of clear, deep, informed thinking. Thus, one of the key skills of the client-side marketing intelligence professional is to go beyond the presented symptoms of an issue and identify the *real* problem.

Thus, we may find that a problem is presented as being about an “unmotivated salesforce”, initially steering us in the direction of a study to be conducted amongst the sales team when, in actual fact, the real problem may be that there are deficiencies with the product they are trying to sell. Another example might be that the initial problem is presented around customers’ difficulties in understanding a new pricing policy for, say, a railway company, whereas the *real* problem is that customers are resentful of the new philosophy on pricing, rather than struggling to understand a particular pricing tariff per se. So, a key skill of the internal marketing intelligence professional is to ensure that they are working on the right problem. The old adage, “a problem well defined is a problem half-solved”, is true.

#### *Always Start at the End*

A key problem definition skill is to always “start at the end” – obtain a clear understanding of the decisions that will need to be made by the company to address this problem. Then, having understood this, the researcher can work back to crystallise the research objectives, and establish what survey questions need to be asked. Thus, the key to success is making sure that, at the outset of the project, you have a clear understanding of the decisions that will be made based on your research.

There are a range of techniques to help with problem definition, including: making sure that you get a “360° view” of the problem by talking to all members of the client “decision-making unit”; fully understanding the wider marketing context to the problem being investigated; ensuring that you have teased out implicit knowledge that may be lurking below the waterline, but has never been made explicit; making sure that the initial research brief is always challenged, including cross-checking any statistics or arguments that are being advanced that are critical to the way the initial problem has been presented.

In sum, the experienced client researcher will learn to focus on the following “golden question”: “At the end of the research project, what do you expect to be able to do with the data/evidence you are requesting?” The answer to this question should then guide the entire progress of the study.

#### *The Boundary*

Having pinpointed the “real” problem, the client market researcher then has an important role to play in deciding what “boundary” to draw around a particular topic before helping to decide on the optimum research solution. If a problem, and the subsequent thinking about the most appropriate research investigation, has been positioned on a pinhead, the failure to collect

related contextual information could be fatal to understanding what is really going on. But if the researcher casts the net on a too wide canvas, the whole project can become unmanageable, with the result that lots of vaguely nice-to-know, but not mission-critical, information is collected.

Thus “delimiting” the study is another key client researcher skill. Is this a study that only makes sense if it includes, for example, all drivers – both of private and commercial vehicles – or can the study put the spotlight on private motorists and study the commercial issues later? In particular, the client market researcher needs to consider to what depth this particular issue needs to be investigated. This skill is critical in shaping the success of the entire project. It is easy for projects to either become too rambling in their scope, or to be set with too fine a focus, or even to be completely off-target in their emphasis.

### *The Register*

The client market researcher also plays a vital role at the outset of the process on deciding the overall “stance” of the putative research study. It is important to ensure at the outset that the initial thinking about the upcoming research study is in the right “register”. The agency, as we will be discussing, will take responsibility for fashioning the final research design. But the client researcher needs to set the process rolling by ensuring that the design chosen will be accepted by the user of the data. Clearly, some problems may just require more top-line overview. For example, a bank might want to know how many people may use a particular ATM cashpoint at different times during the day. But, on other occasions, the study will need to be set in a different register, requiring a much more in-depth assessment of the motives for using some, but not all, of the available services.

In sum, the client researcher is critical in ensuring that the agency who will carry out this project are fully aware at the outset of the investigation of the context – or boundary – within which this issue should be explored and the “register” in which this issue should be pursued. The client researcher will be the person who most understands the expectations of the end decision-makers and will communicate this to the agency.

### **Market Research Agencies’ Role in Designing Research Studies**

We have looked at the way organisations are structured in relation to their need for marketing and customer information, and examined the way in which the marketing intelligence department operates within the company. It is now time to briefly review the typical market research process that will be followed by agencies in responding to a client’s internal statement of a problem (the research brief).

There is a thriving supplier industry, ranging from specialist independent consultancies through to large, full service agencies, which are often part of a PLC that operates a group of marketing services companies. And each agency will respond to a research brief in a different way. But, in most cases, the agency will respond with a document, usually referred to as the “research proposal”.

The agency will start by building on the problem formulation stage of the project already initiated by the client researcher, by attempting to further refine the problem, and thereby add further clarity to the critical process of deciding on the optimum research solution. The agency will then embark on its key role of ensuring that the research design chosen to address a particular problem reaches an acceptable level of robustness, while also ensuring that the research will be delivered in a timely way, and will be in a form that will be listened to by senior

management. Clearly, there is no point in having a perfectly engineered research study that is delivered much too late to help the decision-making process. Neither is it sensible to deliver research findings well ahead of schedule, if the content of the study is “thin”, and thereby likely to make decision-makers feel nervous about using the data.

In sum, the role for the market research “team” – the client researchers working with the agency researchers – is to strike the golden compromise in providing sufficiently robust evidence, generated by methods that are understood by management, that management find reassuring, and that are delivered to a timetable that accommodates the decision-making process.

In preparing the optimum research design, the agency researcher will need to make a number of important trade-off decisions. First, there is the question of how much *precision* is needed from this study. Secondly, there is the issue of how much *depth of understanding* is required on the project. Third, what are the *practicalities* involved in undertaking the project (collecting the data and collating the findings). Fourth, there is the amount of *time* available. Fifth, is the question of the available *budget*. And there is also the issue of making sure that everything is done within the ESOMAR Code of Conduct.

### **A Research Design that is Fit-for-Purpose**

So, let us take the example of deciding on the best way to assess the attitudes of customers towards the service they receive from a low budget airline. The typical design process is described below.

First, there will be issues about the *scope* of the study. Should this study be restricted to *existing* customers of the budget airline in question, or extended to include *potential* customers? Then decisions need to be made about whether the focus should be on *regular* or *occasional* travellers, and so on.

Next there are questions about the *structure* of the overall research approach. Is this to be an ad-hoc, one-off survey, or is it to be part of a continuous series of surveys that look at progress over time?

Third, there will be *sampling* issues to be addressed. There is the decision to be made about the size of the sample that will be needed. In part, this will be driven by the level of accuracy required for headline measures taken among customers, such as their overall satisfaction. But the sample size will also be decided by the extent to which it is necessary to put the spotlight on particular customer sub-groups, such as people travelling with young children.

Fourth, there will be *data-collection* issues to resolve. Should this study be conducted as a self-completion questionnaire administered to passengers on the plane, or be administered as an online web survey? Other alternatives include conducting a telephone study, or possibly interviewing passengers while they are at the airport. So the optimum choice of data collection method (or combination of data collection methods) needs to be resolved.

Fifth, there are issues associated with the *type of analysis* that will be conducted on the study. In some cases, a straightforward presentation of the findings, showing variations among different age and socio-economic groups, and so on, would be sufficient. In other cases, it may be appropriate to develop some form of customer segmentation, illustrating the different typologies of customer who travel on the budget airline.

In sum, the experienced agency professional will consider all of the above issues and undertake the trade-off process described above in arriving at a research design that is fit-for-purpose.

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## THE KEY CHARACTERISTICS OF THE MARKET RESEARCH PROCESS

We have built up a picture of the broad types of market research available to the researcher in solving a business problem and briefly reviewed the different data collection and analysis options available. We now look in closer detail at the key characteristics of the market research process. We look at the key tenets of acknowledged good practice that must be followed if robust results are to be obtained. This contextual review will put the reader in a good position to then study – in closer detail, later in this Handbook – particular aspects of the market research process.

### Market Research Follows a “Scientific” Approach

Market research is a pragmatic process and, as such, cannot be considered to adhere to “pure” scientific method, but nonetheless most research projects do adhere to a quasi-scientific approach. This reflects the fact that market research developed out of adapting fundamental social science investigative principles developed in the 1950s. This rigorous school of thinking gave market researchers many of the critical tools they needed to operate.

These tools include the concepts of “validity”. That is, is the evidence “true”: is it free from systematic bias? It also gave us “reliability”. That is, is the evidence that has been collected likely to hold good over time? There is also the issue of “sensitivity” of the method. For example, establishing whether very small changes in the fortunes of the company are due to a specific marketing initiative or the result of normal fluctuations in the market place is more of a challenge than measuring big shifts in performance. There is also the question of “generalisability”. This is about the extent to which research findings can be applied to settings other than that in which they were originally tested. Thus, a research finding may be entirely valid in one setting, but not in another.

Thus, market researchers will attempt to follow, in a systematic way, the principles that we know will provide objective and robust evidence. But given the complexity of the commercial world, on many studies, market research will be characterised by high levels of pragmatism. Respondents will need to adapt to a range of methodological, practical and commercial challenges. These are the design “trade-offs” we reviewed in the earlier section. Importantly, the professional market researcher will know how to adjust for any shortfalls in the “perfect”, or ideal, design, and factor this understanding into their interpretation of the evidence at the end of the project.

We can, therefore, think of market research as a process that starts with an understanding of the scientific principles that would define the “ideal” study. But then the process becomes subject to a series of pragmatic trade-offs necessitated by various practical commercial, and cost considerations. Thus, the experienced researcher knows how to *compensate* for the departure from the “ideal” study to the pragmatic research design trade-off that was eventually selected.

### Building Up the Picture through Exploratory Research

Most market research projects start with someone in an organisation asking a question about something that they do not know about in the expectation that some form of information – rather than using guess work – may help shape a more informed decision. This questioning process

may follow the “classic” form of setting up a working hypothesis, that will then be “tested” by the research. But more often than not researchers will respond by getting under way with a “working view” of the topic under investigation and use this as a starting point for the research. For example, if we were asked to improve customer service at a hotel, researchers will often get the investigative process under way by reviewing, from their own personal experience, the best and worst hotel experiences they have encountered. This initial “view of the world” will trigger the investigative process.

### *Looking for Clues*

So, at the beginning of most studies, the researcher will assemble little clues and snippets of information. These will be obtained by reading various industry reports, checking available sources on the Internet, looking at past customer research reports, and informally talking to people about their own “anecdotal” experiences. It may also involve collecting more “archetypal” information, that is, feedback from senior people experienced on this topic who can talk authoritatively about the views of other experts in this field. This type of evidence will be subjected to “face validity”, that is, do these preliminary “findings” ring true at a common sense level, and also, does this evidence square with existing “prior knowledge” – what we already know. Sometimes these kinds of clues and insights – drawn together into a formal summary of the strengths and weaknesses of the idea – will be sufficient to answer management’s questions. But, usually the project will need to go forward into a phase of more “formal” qualitative research aimed at identifying the *range* of attitudes and behaviour that prevail on this issue.

### **Qualitative Research**

Qualitative research tends to be – but is not always – conducted on a smaller scale, and its key strength is that it allows the researcher the flexibility of steering the research enquiry based on what is emerging from the interview, rather than having to follow a pre-ordained question structure. In short, qualitative research is a “response-led”, not “question-led” methodology. Qualitative research can be progressed via focus group discussions, where groups of individuals share their experience, or through individual face-to-face depth interviews, and a range of other techniques described later in this book.

There are various theoretical underpinnings for qualitative research, but one that will be familiar to many researchers is the notion of “grounded theory”. By grounded theory we are referring to a process of building up our understanding from observations made from the sampling process and relating this to our existing knowledge. Each piece of new evidence emerging from the research is evaluated in relation to what we already know about this topic. This theory tells us that you gradually refine – through a series of qualitative interviews – the overall picture of the issue under investigation, until you reach “saturation point”. Here, subsequent interviews will add little to our *conceptual* understanding of the issue under investigation. We will, at this point – and this might be only 10 to 30 individuals – have identified all the key concepts and issues relevant to the investigation.

For example, if we spoke to 30 drivers of a particular brand of car, we would be confident that all of the major issues that characterise this car will have surfaced from this comparatively small number of interviews. Thus, if there were major problems with the steering, then this

issue would emerge by the time we had interviewed 30 owners of this type of car. We would not need a large sample to confirm that the steering on this car is a problem issue, particularly if this finding squares with other feedback and knowledge the company has on this safety issue.

### *Identifying the Range of Attitudes and Behaviour*

Qualitative research conducted with a comparatively small number of respondents is sufficient to map the *range* of behaviour and attitudes on that particular topic. However, it should not be used to precisely measure the existence of any type of behaviour or the presence of a particular attitude. In summary, grounded theory tells us that if we have identified the key issues from a small number of observations, provided this is consistent with our prior knowledge on this topic, then we can “rely” on this small sample to provide an indication of the *range* of customer attitudes and behaviour. But we should not rely on this research for a precise measurement of the extent of these attitudes.

On certain projects, management may feel that they can take an informed decision by using qualitative evidence, in conjunction with other sources of organisational knowledge and their own judgement. But in other cases, more quantitative information will be required. This will either be because measuring, not just identifying the range of attitudes on an issue, is critical to the decision, and/or possibly because the decision-maker knows that they must demonstrate a *quantified* business case for a new initiative.

### **Ensuring the Research is Representative**

We now move on to the area of quantitative research and here, fundamental to the market research process, is the notion of being able to represent the wider population from the sample of people interviewed. Later in this book, we will be learning about the knowledge and skills needed to draw robust samples. But, in this introduction it is helpful to overview two broad sampling approaches open to survey researchers.

First, where precision is paramount, such as with certain Government sponsored studies, “probability sampling” methods will be followed. This is a procedure whereby everybody has a known or equal chance of being included in the survey sample. Specifically, a “sampling frame” needs to be constructed: all individuals who are in the universe to be researched must be included in this listing. Critically, with probability sampling, once the random sampling process has “chosen” an individual, then only this individual – not any other “substitute” – should be approached to take part in the survey. If they take part in the survey then this can be declared as part of the successful “response rate”. If they do not take part, they are a “non-responder”.

However, most market research studies follow a more pragmatic approach, often referred to as “quota sampling”. Here, the age, gender, socio-economic, and other key characteristics of the target category of consumers to be researched are noted. Interviewers are then issued “quotas” that match this population profile. That is, interviewers will be asked to find people in a particular age, gender and socio-economic group. Then a “haphazard”, but not truly random, process will be followed by interviewers as they approach people to establish whether they fit these “quotas”.

Thus, a critically important difference between “probability” and “quota” sampling is that with probability sampling the interviewer must attempt to interview the “chosen” respondent, but with quota sampling, the interviewer does not have a designated person to interview, but can select any individual who meets the quota. However, we know from comparative

methodological studies that have been conducted that, in the vast majority of cases, quota sampling roughly approximates the results achieved by more pure random sampling

### **Building Up a Picture of People's Profile Characteristics, Behaviour and Attitudes**

Before looking in closer detail at the different data collection options open to the market researcher, it is helpful to reflect on what is at the heart of the market research process – understanding the relationship between who people are, what they do, and what they believe. Here it is helpful to review the three key types of information that will be collected in a market research study. These are: “classification” information (who people are); “behavioural” information (what people do); and “attitudinal” information (what people think about different issues).

#### *Classification Data*

When asking questions in order to *classify* individuals, market researchers are on fairly firm ground. So we know that when asking questions to identify a person's age, gender, income level, country of origin, and so on, we have some powerful tools in the tool-bag. But, absolute precision of wording, and an understanding of the context in which the question is framed, remain important.

For example, answers given by women to the apparently crystal clear issue of “Do you have any children?” are dependent on the exact way the question is contextualised and phrased. This is because in some cultures women, when answering the question about how many children they have, will include children who subsequently have been adopted, whereas for other cultures this is not the case. And in some cultures women may include stillborn children in the answer to such a question, whereas in other cultures it is not the norm to answer in this way. So, even in the heartland of obtaining classification information, absolute precision is required. But, asking about a person's basic characteristics remains a strong suit of market research.

#### *Behavioural Information*

In the next category, we have questions to map an individual's *behaviour*, such as how many times people go by car to the supermarket, as opposed to travelling on public transport. Again, on balance, this is comparatively straightforward territory for the market researcher. It is true that we have to take into account the accuracy of people's memories. Individuals may remember all the different houses they have lived in over the last 20 years, but not be able to remember a few weeks back about their travel patterns on a particular day. In addition, attention to detail is required in the framing of the question to avoid any ambiguity and/or lack of precision that could affect the responses. For example, in asking people whether they “go to a supermarket by car”, it is necessary to define whether we mean as a “driver” or a “passenger”. And there is the issue of how we classify trips made by taxis, and whether this includes using rented cars, and a host of other detailed points. But, by and large, assessing behavioural information is comparatively strong territory for market researchers.

#### *Attitudinal Information*

In the next category we have the more challenging task of attempting to assess people's *attitudes*. There are many different definitions of “attitude”. A simple dictionary definition tells

us that attitude is “a mental state of readiness prior to action”. But market researchers’ lexicon on the subject of “what is an attitude?” extends to more detailed definitions that entreat us to acknowledge important differences between “values”, “beliefs”, “needs”, “wants”, “feelings”, “expectations”, and more. But for the purpose of this introductory chapter, we can think of an “attitude” dividing into three elements. Let us describe these with an example.

If we want to know what someone thinks of the idea of banning fox hunting in the UK, in part, this person’s “attitude” will be based on an *intellectually* derived assessment. It will be driven by what he or she knows about the way that people living in the countryside attempt to control the numbers of what they perceive to be “pests”. But, this more rational, intellectual assessment could also be accompanied by a strong *emotive* element that perhaps includes our respondent associating “hunting with hounds” with the less attractive features of the British class system. And finally, there is the issue of the extent to which this mixture of the intellectual and emotive elements to our respondent’s overall attitude to fox hunting, are related to his or her propensity to act (the conative element). Is our respondent just mildly annoyed by the idea of fox hunting, or are they motivated to join protest groups, and possibly run the risk of being arrested?

### *Going Beyond Limp Platitudes*

Unless the acknowledged principles of how to assess attitudes are followed, we can end up capturing what we might call “platitudes”, not true “attitudes”. By “platitudes” we mean rather superficial, clichéd responses to a generalised issue that individuals repeat back to the interviewer as a response to a rather loosely worded, or ill thought-out question. So, this understanding of how attitudes are formed, and change, is a challenging part of the researchers’ skill set. In sum, getting to grips with “why” people do what they do presents market researchers with their biggest challenge.

### **The Data Collection Options**

Today, market researchers have a number of options when it comes to collecting information from consumers. These are discussed in detail elsewhere in this Handbook. But, in summary, these include face-to-face and telephone interviews, and, increasingly, online surveys. In addition, there is the option of observing respondents’ behaviour, either in shops or in their homes. Moreover, with the arrival of the new digital age, there are now a host of opportunities to set up interactive dialogues with consumers via brand user sites and Blogs.

To illustrate the point about the range of data collection open to today’s market researchers, let us outline the way today’s researchers might assess customers’ attitudes towards a new high quality camera that offers the best of leading-edge digital technology, together with the familiar and sought-after features of the traditional single-lens reflex camera.

Here, in building up a picture of customers’ attitudes, the options would include a face-to-face, telephone or online survey, with users of the product. It could also include observation of individuals about to buy a camera in different shops. Further options include *usability* studies, where individuals are invited to attend an interview where they can use the camera. This process is then filmed, and then an interview takes place around the user’s experience. There is also the option of collecting information from brand user websites, where different camera enthusiasts post their experiences on different message and discussion boards. In some cases, camera users may be sent a self-administered questionnaire, whereby they can record their experiences of

using the camera in different photographic scenarios. Other data collection options may include contacting by phone camera users who we know are on holiday and getting them to report back, in an immediate way, their experiences of using the camera in a particular situation. In short, the data collection options are extremely varied, and the experienced market researcher will use a number of different methods to build up a rounded picture of the “total customer experience”.

### **Can We Trust What People Say?**

The majority of individuals welcome the opportunity to express their views on the range of products and services they use. Most individuals realise how their feedback, although helping give the organisation sponsoring the research a commercial edge in the market place, can also lead to an improvement in product quality and service that will benefit everybody. So it is important to register the point that most individuals are simply *not* in the business of being devious when asked questions. If someone asks you what car you drive, why not tell them, to the best of your ability, the truth, rather than mislead the interviewer? So, for the vast majority of market research we can rely on individuals who reasonably enjoy, and are cooperative in taking part in, research.

It is true that there are a few specialist situations where, when interpreting the evidence, one would need to be mindful of some form of “mendacity” creeping into the question and answer process. This essentially comes down to certain political election scenarios where, for various tactical reasons, someone who is, say, a lifelong supporter of Party X may tell the pollster that they will vote for this party, but know that, in reality, they are going to vote for another party because this “tactical voting” is the best way of dislodging the incumbent candidate. But this is fairly rare, and not relevant to most commercial or government-sponsored market research studies. So the bedrock of market research are individuals who we know will try to be as helpful as they can in giving their responses. But in return we must show respondents respect by setting up the interview as a “conversation” – a natural dialogue.

### **The Interview as a Conversation with the Respondent**

The idea of an interview as a “natural dialogue” – a conversation – with the respondent is a very simple principle. But it is one that can often be overlooked by market researchers who perhaps think that respondents can just answer random questions that are fired at them in a staccato like way, with these being contextualised and presented without any form of order or structure. In these situations, respondents will give answers, but these will be much less robust than questions that are constructed as part of a structured dialogue that follows the conventions of a normal conversation.

Thus, a lot of poor research is the result of researchers not setting their questions in the appropriate context and, related to this, not ensuring that the questions are salient to the respondent. Clearly, it is difficult for people to answer questions that are outside of their frame of reference, and/or pitched at a far too generalised level, or alternatively are cast in a much too detailed way. Thus, a good questionnaire is not only about following the rules for scripting the questions, but also about developing some empathy with the respondent, and trying to construct a “vehicle” around which a dialogue – which is as close as possible to a normal conversation – can take place.

Looking to the future, with the opportunities opening up with the new Web 2.0 platform, this issue of developing a two-way dialogue with respondents will be even more on the agenda as researchers seek to use this interactive technology to “engage in conversations” with consumers, rather than hit them with a procession of pre-determined questions. In short, the new interactive technology is going to put the respondent at the centre of our research and give us a new window into the consumer mind-set.

### **People Do Not Always Say What They Mean and They Do Not Always Mean What They Say**

If the researcher sets up a sound professional dialogue between interviewer and respondent, then people taking part in market research studies will be willing to discuss a wide range of often sensitive issues, including their sexual behaviour, or views on controversial religious or political topics. But it has to be accepted that the process of asking questions and listening to the answers in order to find out what people think is essentially a coarse instrument.

This presents market researchers with the enormous challenge of interpreting what people are trying to tell us in a survey. Here we are learning from the findings of neuroscience which, put simply, is confirming what many researchers have instinctively known for many years. This is that in a straight choice between reason and emotion, emotion usually wins. That is to say, there is a tendency in all of us to over-state the rational reasons for what we do, and underestimate, in our explanations, the emotional element. So we know that some individuals may give highly generalised, rounded out accounts of their behaviour that tends to flatter what they have done. For example, a person may realise that they have purchased the wrong product, but then may post-rationalise this by providing a different set of reasons for their purchase than was actually the case. But this is not done with any malevolence. It happens because individuals generally come to think that this “post-rationalised” account is the reason why they purchased the product. So being able to interpret *literal* survey responses is a key researcher skill.

### **Analysing the Evidence in the Context of What We Know about the Market Research Process**

To help with the interpretation process, the market research industry has built up over the years an impressive array of normative evidence and insights into the research process that are critical in helping us to interpret the survey evidence we have conducted. Specifically, the market research industry has built up an array of “knowledge filters” through which analysts will pass their “literal” survey responses before arriving at a particular conclusion.

Thus, as we have seen, although well intentioned, some individuals, in giving responses to survey questions, may tend to accentuate the rational reasons for a purchase and underestimate the emotional factors. However, as researchers know about this tendency, it is possible to factor this knowledge into their interpretation.

Thus, the analyst will pass this data through a wide body of knowledge filters in interpreting survey data. These include: what we know about the accuracy of people’s memories; what we know about how the context within which survey questions are presented might affect the results; the way in which small changes in wording could change the way people perceive the meaning of different ideas; and the fact that people, although trying to be helpful and honest in their replies, may tend to talk in more generalised “platitudes” and “clichés” rather

than providing their “true” attitudes. In sum, past experience of how accurate our surveys have been can be factored into our analysis of the latest data. In addition, over the years, market researchers have built up a considerable body of knowledge about how well certain predictive market research models work, and so again, this understanding can be factored into the interpretation of the current survey.

### **The Statistical Analysis**

In analysing market research data, the analyst has a number of different options. The analysis process starts with simply assembling and understanding the structure and pattern of the raw data. This will involve ordering raw data, applying various “data reduction” rules, and invariably introducing “cross-tabulation” to examine various sub-group variations. This type of elementary analysis would invariably also include using measures of location – mean, mode, median – to summarise the data, and also include various measures of variation to look at the variability of the data. The analyst may also apply certain statistical tests to look at whether or not the difference between different percentages can be seen to be as “statistically significant”.

Building on this basic analysis, the analyst may then attempt to measure the relationship between two sets of data, and try to establish causative relationships through correlation analysis. This type of analysis may then be extended to visual mapping, using techniques, such as multiple correspondence analysis, to find ways of visually displaying the relationship between, for example, a business’s turnover and the sectors in which it operates.

Going beyond this, certain market research studies will involve prioritising customers’ needs by using various trade-off techniques, such as conjoint analysis, to establish which issues are more important to customers than others. Then, a further option in analysing the data is to identify discreet groups that share similar patterns of attitude in order to create customer segments and typologies that help us better understand a market.

In sum, the market research analyst will decide what is the most appropriate level at which to take the analysis for a study on a “fitness-for-purpose” basis.

### **Incorporating the Market Research Evidence with Other Internal and External Evidence Available to an Organisation**

In the early days of market research, analysts would tend to analyse solitary data sets on a particular issue. Today, however, problems are invariably solved by looking at a whole host of different types of information sources. These days organisations, for instance, in the retail sector, will have a massive amount of customer information available from the data generated from participation in their customer loyalty card scheme. In addition, there will be lots of other information available from competitor analysis and various information sources available by searching the Internet. And, of course, there is lots of other feedback, including insights gleaned from correspondence with customers and dialogues conducted via website discussion forums and message boards. And, in addition, there is, of course, information to be incorporated from the financial world.

Thus, today, market researchers must know how to integrate their market research evidence into the massive jigsaw of information that is available to today’s organisations. This is changing the face of market research because it requires the industry to develop analytical frameworks that can accommodate a mixed array of “formal” and “informal”, and “hard” and “soft”

customer evidence into the evidence-based decision-making process. Thus, as an industry we now urgently need techniques to analyse data in a more “holistic” way.

#### *Understanding the Weight, Power and Direction of Evidence*

One holistic framework that is helpful in drawing together hard and soft data from a range of different sources – thereby allowing us to examine its respective strength in shaping an evidence-based decision – is the notion of looking at the combined “weight”, “power” and “direction” of a data-set.

Thus, in looking at the *weight* of evidence, we take each piece of evidence and inspect it on two dimensions. First, what is the numerical balance of support in favour of this particular issue? And secondly, what is the depth of feeling that is expressed on this topic?

Next we look at the *power* of the evidence. This also has two dimensions. First, to what extent does the latest survey evidence square with what we already know on this topic? Second, just how confident are we about this particular genre of research evidence based on our understanding of the knowledge filters?

And then there is the *direction* of the evidence. This again has two dimensions. What is the internal consistency within any one data-set? And secondly, how consistent is the data from one data-set to another?

#### *Applying the Fuzzy Logic Principle*

Applying the principle of fuzzy logic, we can use our concepts of weight, power and direction to establish whether a data-set has “high” or “low” actionability. Thus, we start by seeing if we have assembled a case that has strong numerical support, and firmly articulated emotional support. Then we see if the evidence squares with our prior knowledge, and is drawn from a reliable methodological category of research. We also check if the data is internally and externally consistent. If the answer to all these questions is “yes”, we have highly actionable evidence.

And clearly, we would feel more confident about making a decision based on *high actionability*, than if the weight, power and direction of the combined data-sets told a confused story. That is, where the data that was not consistent, did not square with our existing knowledge, relied on methodologies with question marks over its wider track record of success, and which also showed limited numerical support, coupled with little firm expression of commitment to the product.

This is just one illustration designed to demonstrate the way researchers now need to develop holistic frameworks to make sense of “hard” and “soft” data arriving from lots of different sources.

## **THE ROLE OF MARKETING INTELLIGENCE IN THE DECISION-MAKING PROCESS**

At the beginning of this chapter, we defined market research as being essentially about providing information to improve the quality of organisational decision-making. So it follows that we should end this introduction to the role and nature of marketing intelligence by looking at the contribution it makes to evidence-based decision-making. Let us start by looking at the conditions for sound evidence-based decision-making in organisations.

### Conditions for Ideal Evidence-based Decision-making

In an *ideal* world, senior management – who accept, appreciate and understand, and value the role of market research – would be supplied with evidence generated through an independent, objective, systematic and rigorous process and that followed the tenets of good research practice. In addition, ideally this evidence would be a measure that was provided on a continuous basis over time so as to provide sound relative assessments of the issue under investigation.

Staying in this “ideal” evidence-based decision-making world, we would expect managers who have received this robust evidence to then evaluate it in a balanced and rational way. This would require managers to give equal weight to both *softer*, more impressionistic, qualitative data, and to *harder*, more technical, quantitative-based arguments. Moreover, decision-makers faced with this type of evidence would also not rush to judgement by selecting the more easily accessible, and more straightforward to understand, information, but instead make sure that they embraced the full gamut of different types of information.

In addition, decision-makers would ideally ensure that they did not fall into the trap of selectively picking evidence that supported their own prior position. And, of course, it would be *ideal* if decision-makers followed a rational process in the way they actually made decisions. This would involve developing clear, explicit decision criteria and prioritising the criteria upon which the final decision will be made. After this, the decision-maker would carefully review all of the alternative courses of action against these prioritised criteria, including looking at the consequences of following different decision outcomes, before making a decision.

But, of course, in practice, we know that in the hurly burly of commercial decision-making rarely is it possible to generate incontestable evidence, and to evaluate this highly robust evidence in the systematic way described above. The reality of everyday decision-making is that busy decision-makers must take decisions in a less than optimum way.

#### *Framing the Choices for the Decision-maker*

Because organisational evidence-based decision-making can be less than optimum – in some cases dysfunctional – it becomes important for today’s marketing intelligence professionals to take responsibility for helping decision-makers make informed decisions. Today, market researchers are increasingly being asked to help reduce the gap between the ever burgeoning amount of available marketing data and the decision that needs to be made. This puts the spotlight on market researchers’ ability to operate as “decision advisers” or “decision facilitators”.

This is not to suggest that market researchers are involved with the final decision-making per se, but rather to make the point that marketing intelligence professionals now have an important role in making sure they – based on their analysis of the evidence – help frame the choices that are in front of decision-makers, and then advise on the “safety” of relying on different kinds of evidence to make decisions about the various choices.

So, with this in mind, let us now look at one of the key issues with which market researchers need to grapple in helping with the practical day-to-day decision-making process. This centres on the challenge of balancing the hard evidence against the intuitive gut feel of the experienced business decision-maker.

### Balancing the Consumer Evidence with Management Intuition

Only a decade ago many market research professionals would reject the idea that they needed to factor management intuition into the evidence-based decision-making process. “Hunch”

was largely seen by market research purists as playing second fiddle to the “hard” consumer evidence. But, in today’s complex business environment, management intuition is now a much more accepted, and legitimate, part of the business decision-making process. Today, with the success of books, such as “Emotional Intelligence” by Goleman, and authoritative accounts of how intuitive thinking “works” by authors such as Claxton and others, we now need to respond to the challenge of combining the logic of the data, with the power of intuitive contributions from entrepreneurs and experienced decision-makers.

In the current climate, marketing intelligence professionals are constantly being encouraged to be “engaged” with, rather than being detached from, the business decision-making process. These days, there is an expectation that market researchers will put more of themselves into the analysis. As Virginia Valentine says, “In today’s complex world, researchers must begin to think of themselves as admissible data.” Thus, today the growing pressure on organisations to understand the complexity of the modern consumer requires market researchers not only to be sound methodologists, but also to apply greater levels of creativity in their attempt to unearth those key insights that are so important to shaping the fortunes of a business.

#### *The Data May Be Dumb But Beliefs Can Be Blind*

There is not the space here to review in detail the tricky issue of how, on the one hand, market researchers must draw out the power of intuition, while at the same time making sure we honour the robustness and legitimacy of the evidence. Inevitably, this activity is somewhat of an art form. On the one hand, market researchers want to respect “intuitive” contributions, but they must not let the pendulum swing too far in favour of the entrepreneur. When we hear Henry Ford’s famous comment, “If I listened to my customers I would have invented a faster horse”, we can be easily persuaded to ignore all of the consumer evidence, and go with the gut feel of the entrepreneur. But, if we lurch too far in favour of intuition, we are in danger of letting blind faith and prejudice dominate organisational decision-making, without giving sufficient weight to the voice of consumer reason in tempering these “judgements”.

Providing tuition on how to strike the balance between embracing the best of (informed) intuition and learning from the hard consumer evidence is a big and complex topic. So all we can do in this introductory chapter is to provide a checklist of key questions that those associated with making an evidence-based decision might like to ask prior to making a judgement based on marketing intelligence evidence. These provide a focal point for two key checks. First, we need to be sure that the conclusions to a study are based on a full understanding of the robustness of the hard evidence. And secondly, we need to be sure that the conclusions have been through a process that sets the data in a wider context and has done justice to management hunch, intuition and instinctive feelings on the topic.

### **A 21 QUESTION GUIDE TO INFORMED, YET CREATIVE, EVIDENCE-BASED DECISION-MAKING**

Below we provide a checklist of 21 questions that will firstly help the user of market research evidence ensure that they are making decisions that are based on an informed understanding of the robustness of the evidence. But, in addition, give them the confidence to know that they are making decisions that have benefited from going slightly beyond the “literal data” to embrace

the wider implications of the evidence in front of us. So, in sum, the following 21 questions are designed to achieve the twin objectives of making sure you make safe decisions that are based on an understanding of the robustness of the data, while at the same time going beyond the immediate evidence in order to better understand the hinterland around the evidence that can help shape a better decision.

### **Question 1: Have we Assessed the Core Objectivity of the Source of this Evidence?**

Thinking about the agency that conducted the research, is there any way they are linked with the need to produce a particular outcome for political, financial, or methodological reasons? In short, just how likely is it that this piece of evidence has been subject to systematic “spin” aimed at presenting a particular view of the world, including possibly the use of the technique of presenting “selected soundbites”, thereby distorting the overall evidence in order to promote a particular point of view.

### **Question 2: Has the Detail of the Survey Evidence been “Tested to Destruction” to Ensure that it is Logical and There are not Stupid Howlers?**

The next question to ask is whether the evidence and conclusions were based on logical reasoning. For example, this could include checking whether any of the original questions had a hint of ambiguity that could open the door for misinterpretation at the analysis stage. So, the start point for sound decision-making is to generate a checklist of where there might have been any possible opportunities for “error” creeping into the logical reasoning process.

Here, an important device is presenting the presentation (on a dry run basis) to a “Devil’s Advocate” who has been instructed to “test” the robustness of each critical piece of the evidence to “destruction”. That is, to scrutinise every aspect of the evidence that could be open to different interpretations given the way it has been collected and analysed.

A technique that helps us test to destruction the survey evidence is to take a particular recommendation and then role play the implications of the recommendation from the perspective of the “customer from hell”. In addition, it is often helpful to take the interpretation of a piece of survey evidence and ask a dispassionate third party what they think of this particular “take” on the world.

### **Question 3: Understanding the Context in Which the Evidence was Conducted**

At the time the fieldwork for the study was being conducted were there many major events happening on a worldwide, countrywide or local community basis that could have in any way influenced the thinking, and actions, of people taking part in the study? And a word to clients, if there is any vagueness in what the agency is saying, do not be too afraid at this point in the process to ask the agency for concrete examples of exactly what it is they are recommending based on this evidence. The effective client decision-taker will know how to “spar” with the supplier of the data in order to get to grips with the interpretation of data that has got no further than a glib initial narrow interpretation, as opposed to evidence that has been subject to clear, deep, logical and creative contextual thinking.

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**Question 4: How Does this Survey Evidence Square with Our Bigger Picture Understanding of this Issue?**

What reliance would the team place on the consumer evidence (what would your score be out of 10, using a scale where 10 is total belief in the research evidence and 1 means you are extremely unsure about how much reliance to place on the meaning of the research evidence) given what else we know? Has any member of the research team been on to Google and pinpointed all the writers/“pundits” (from the business and academic communities) who have prepared models, frameworks or schemas that help explain how this particular phenomena “works”? And what were the key lessons learnt – how does this add power to our understanding of the current consumer research evidence? Has the evidence for this particular study been related to other studies conducted over the last six months by the agency/client company on this same market/product category/brand? What overall lessons have been learnt from this “meta-analysis”? What does this add to, or change, what we already knew from just looking at our (one) latest piece of survey evidence?

**Question 5: How Far is this Study from the “Ideal” Study?**

If the research team – with the benefit of 20/20 hindsight – was to (theoretically speaking) construct the “ideal” research solution to deal with this problem, just how far away from this ideal would be the research approach actually chosen? Here, it is particularly important to assess whether there are any fundamental omissions in the evidence that, in an ideal world, would have been collected to understand this issue. It is worth imagining just what this critically important missing data might have told you, and to weigh up the implications of taking a decision without this evidence. Should the decision then be delayed while we attempt to plug this missing gap, or do we feel that we are able to proceed with a decision even though there is a gap in our knowledge?

**Question 6: Was a Fitness-for-Purpose Approach Adopted?**

Was the method used to collect the data – online, telephone, face-to-face – appropriate? Specifically, to what degree, if at all, do the research team think they would have obtained different results with a different method? If different, would these be substantially different or slightly different? If substantially different, has this been factored into the current interpretation?

**Question 7: Will this Survey Evidence “Travel”?**

Here we are talking about the reliability of the evidence. Is it evidence that although collected about issue X in scenario Y, could nevertheless apply to different business situations and scenarios over a period of time? Specifically, when making decisions based on analysis like this, it is important to know whether the evidence collected related to a moment frozen in time, or whether it is the kind of evidence that will still be pertinent over a longer period. This is important as many decisions taken will go wrong because the evidence that was collected quickly becomes outdated. So, it is important to have a clear perspective on the extent to which the decision is grounded in a strategic understanding that holds good over time, as opposed to having a temporary insight into a changing phenomena.

**Question 8: The Level of “Compensation” Required by the Analyst**

It is important to recognise that literal survey evidence needs to be set in context and interpreted in light of what we know about how the survey process works (our “knowledge filters”). We need to be sure that the appropriate level of “compensation” has been applied to the evidence so that we can make informed, rather than naïve or unsophisticated, interpretations of the evidence. Specifically, we need to know exactly how this compensation process has been conducted. And it should have been made transparent and explicit to the client.

**Question 9: What is the Success Track Record of the Method Being Employed?**

How many times has the methodology/technique being employed in this particular study been used by the research team in the past, and what observations would the research team make about the past track record of the success and/or failure of this particular technique? And specifically, what do they feel about the past success of this methodology in relation to the current project? In sum, what do we know about the overall effectiveness of this genre of research and have we established the implications of this for our particular study?

**Question 10: Do the Findings from this Latest Study Square with Our Prior Knowledge on this Topic?**

Has this study, in essence, confirmed our initial thinking? If so, what extra thinking, fresh ideas and techniques have been applied to challenge this original viewpoint to reassure us that this is indeed the true position? Or has this study produced completely fresh insights on the problem? If so, what “checks and balances” have been put in place to ensure that these new observations truly reflect what is really going on in the market place?

**Question 11: Is There Any Sample Bias, that is, are There People to Whom We Should Have Spoken that We Haven’t?**

If you were to compare the profile, the perfect/ideal target sample, of the respondents to whom we should have been speaking to in this study, with the profile of those we actually interviewed, are there any critical points of departure in these two profiles? If so, what implications do these points of difference have for the interpretation of the findings – and has enough been done to “compensate” for this discrepancy? Is it now “safe” to proceed with this off-target, less than ideal, sample?

**Question 12: The Sensitivity of the Evidence to a Particular Technical Aspect of the Methodology Used**

Thinking about the most critically important piece of evidence being presented in this survey, just how sensitive is this to a particular methodological approach or technical effect? What has been done to monitor the chances of a particularly powerful “technical irregularity” inadvertently steering the findings slightly off course? How do we adjust for this?

**Question 13: Were the Survey Questions Asked in an Objective Way?**

Did any member of the research team answer the questionnaire themselves, as if they were a respondent? Would this person say the interview has done justice to what they knew, and/or wanted to say, about this topic, or did the questionnaire only do partial, or little, justice to what they wanted to say? What does this mean for our results?

**Question 14: Have We Attempted to “Stretch” the Literal Consumer Evidence – Within an Acceptable Boundary – to Extract the Maximum Creative Potential of the Evidence?**

So far we have put the focus on testing the robustness of the evidence itself and ensuring that the way the decision-maker is evaluating the evidence is not based on any misunderstandings. But it is also important on certain projects to ensure that the decision-making process is also informed by a phase of what we might call “data stretching”. We want to make maximum use of the creativity of the analyst.

What can happen with decision-making is that individuals get gripped with what we might describe as “corporate think”, whereby they become risk adverse on behalf of their company. They become nervous of more ambitious interpretations of the data, given concerns about what this might mean for their career, and generally operate in a way that is away from their “gut instinct”. So an ingredient within the optimum decision-making process is one that combines all of the above discipline and rigour with some techniques for getting individuals to lighten up and look at the opportunities within the data.

***Some Ideas for Creatively Looking at the Decision-Making Process***

Why not deliberately make the decision-making “personal” and ask people what they would do if they were making a decision that involved spending their own money? It also perhaps worth getting feedback on different ideas on an anonymous basis, thereby encouraging people to get in touch with their true feelings and provide “gut feel” responses, free from any corporate constraints. Encouraging individuals to think more conceptually – to raise the level of abstraction with which issues are being discussed – can also be helpful. This helps decision-makers get out of the trenches of “win”/“lose” and “black”/“white” decisions, and look at issues from what we might call the *third corner*. Just how would this putative decision look from the perspective of different stakeholders?

Other techniques that can help liberate decision-makers include “visualisation” exercises. Get the decision-making team to cast forward five years in their mind and look at what different decision outcomes might look like from this standpoint. Related to this it is helpful to work through different “what if” scenarios, in terms of your company’s own performance, and what competitors might do. Techniques, such as “game theory”, that help individuals to grasp the bigger picture and better see what the competitors might do in relation to different decision scenarios, can be helpful.

Linked to this task, there is value in mapping out of some of the perceived uncontrollable factors that could affect this decision and reviewing closely the degree to which these are likely to kick-in and affect different types of decisions. Here, one technique is to work through the “nightmare” outcome scenario, and compare and contrast this with the “dream” outcome scenario.

In short, there are a range of techniques to get people out of their organisational comfort zone and go beyond their corporate “default” position. The purpose of this element of the decision-making process is to ensure that decisions are based on maximum strategic vision, and not just the result of short term, tactical consideration.

**Question 15: Has a Balance Been Struck in Analysing the Different “Types” of Critical and Creative Thinking that Have Been Applied to the Analysis?**

Firstly, have the facts been verified? Has the right level of critique and critical thinking been applied to the evidence? Then, have all of the feelings, hunches and emotions been drawn out from the facts? Have all the implications that flow from these facts and insights been explored? Have all of the creative possibilities, alternatives, new angles, perspectives, concepts, perceptions and lateral thinking been applied?

And has the right balance between all of these different types of cautionary, and creative thinking, been brought to bear in a balanced way in arriving at the final recommendation? In sum, did the analytical framework deployed to analyse the evidence achieve the appropriate balance between rigour and creativity?

**Question 16: Do We Fully Understand the Role that the Survey Evidence will Play in the Context of the Decision to be Made?**

If there was no consumer evidence available to make this decision, how much would the risk of making a wrong decision be increased? Would this take the decision to an “unacceptable” level of risk, a “manageable” level of risk, or hardly make any difference?

**Question 17: How Generalisable is the Evidence Across Different Countries and Cultures?**

In a scenario where, increasingly, findings of a study conducted in one particular country may be “generalised” out to wider parts of the globe, just how reasonable and sensible is it to do this? Why not ask someone who lives in another country to ask the equivalent of the UK’s “ordinary man on the Clapham Omnibus” whether a one-line summary of your key research findings from one country would make sense in another, say China, Japan, or wherever?

**Question 18: The Acceptability of the Genre of Your Research Approach to Senior Management**

It is important to have an understanding of the acceptability to the “decision-making unit” of this genre of market research evidence. It is no good to naïvely assume that a quantitative-based set of actuaries who run an insurance company will warm to what they could perceive to be a rather “soft” presentation based *exclusively* on qualitative evidence.

And by the same token, “creatives” brought up in an advertising agency environment will not automatically engage with rather anonymous, bland, quantitative statistical evidence. So, have you done a “reality check” on the overall acceptability of your genre of evidence to your decision-making audience? That is, have you established what types of evidence are appropriate to what types of audience and managed this “fit”?

**Question 19: Has Enough Been Done to Help the Decision-maker Navigate the Decision “Minefields” Associated with this Genre of Evidence?**

What has the research team unearthed about this broad category of evidence-based marketing decision? What are the typical traps that individuals/organisations fall into when using this kind of evidence to make this type of decision? What are the top three lessons we have learnt over the years when applying this category of research evidence to this type of decision?

For example, we know that decision-makers often tend to reduce complex choices down to two simplistic alternatives, which can lead to naïve decision-making. We also know that certain decision-makers attach too much importance to the most accessible or easy-to-understand evidence, thereby taking some of the subtlety out of the decision process. Decision-makers also tend to talk up selective evidence that confirms their initial judgements, even in the face of other telling counter-statistics. Furthermore, we know that certain decision-makers will be overly influenced by powerfully delivered emotional messages, rather than concentrating on the wider, more representative, but dull facts.

Similarly, we know that decision-makers will be reluctant to let go of a project in which they have been heavily involved in the past, even though it is beginning to falter. This is called “anchoring”. We also know that decision-makers might set up arbitrary benchmarks or criteria to making the decision that have no relation to the problem. For example, “let us go 50/50” seems a fair attempt at a resolution, but nonetheless, on certain issues, this may have no basis in logical reasoning.

The list of common decision-making flaws continues, but there is not the space in this chapter to review them all. But the above provides a flavour of what the professional market researcher will need to be aware of in helping with the decision facilitation process.

**Question 20: Striking the Golden Compromise between “Reason” and “Emotion”**

Our evidence needs to be, on the one hand, tested to destruction from the standpoint of its rigour and robustness. But at the same time, also set in the context of its compatibility with wider, more instinctive, intuitive observations. Given this, we now need to ask whether these two sides of the decision-making “equation” have been put together in a formal way and dispassionately evaluated in arriving at an overall judgement about the safety of different types of formal and informal qualitative and quantitative and other sources of evidence. Have we constructed the *balance sheet* of pros and cons in a considered way? So, for example, thinking about this decision, what are the three top pieces of evidence that most suggest that we should go ahead with this venture? And what are the top three pieces of evidence that suggest we should not go ahead, or proceed cautiously, or rethink the project? And, critically, which one piece of evidence do we personally most believe to be telling us the “truth”?

**Question 21: Taking Personal Responsibility**

The final ingredient of successful decision-making is about taking *personal responsibility* for ensuring the most effective decision is taken. Having ensured that sufficient rigour has been taken to evaluate the robustness of the evidence, and creative risks have been taken in stretching the meaning of the literal evidence, now is the time to make sure your views will be actioned. We know from the decision-making literature that it is quite common for individuals making a decision in a group to assume that someone else within the overall decision-making team

will be making a key point and, therefore, do not bother articulating this point themselves. In addition, we know from post mortems of many bad decisions that individual members of the decision-making unit are often aware of potential problems, but think they should not raise their concerns because other members of the group do not seem so concerned about this issue. But later it becomes clear that *everybody* was thinking along the same lines, but nobody said anything!

We also know that it is common for members of decision-making teams to be aware of a potential problem but allow this issue, over time, to become “normalised”. That is, the problem remains acknowledged as an issue, but without anyone actually rectifying this particular shortcoming. The most tragic example of this is the Challenger Space Shuttle disaster. Everybody realised that there was a longstanding problem with a particular O-ring in the rocket engine. But this had become “accepted” as a potential problem to the point where the rocket successfully “passed” numerous trials – with the qualification always being added that the problem with the O-ring must “one day” be sorted. This procrastination carried on until it was too late, when this tiny O-ring fault became the cause of a major disaster. So, in sum, taking personal responsibility for ensuring that all aspects of the problem have been, not only intellectually identified, but actioned, is important. The lesson should be not to leave things to others. Stand up and be counted. Always ensure that your voice is heard. In short, take personal responsibility for achieving successful outcomes.

## FUTURE DEVELOPMENTS

We end this introductory chapter by reviewing the way in which the marketing intelligence industry is responding to the changing business environment, and seizing the various exciting opportunities being opened up by new technology. This provides a backdrop for then discussing the extent to which “new marketing intelligence” can be considered to be a modification of what market researchers have always done, or whether the changes that are taking place are so profound that we are now entering what we might term a different marketing intelligence “paradigm”.

### **Finding Robust and Creative Solutions to Business Problems in an Ever More Complex and Fragmented Market Place**

In response to the calls from business for faster, cheaper and better solutions, market research is responding by moving out of its technical “comfort zone”, to work in a smarter and more creative way in order to meet its clients’ changing needs and requirements. This reflects the way that products and services are now developed, distributed and advertised, in a market place that is becoming ever more complex and fragmented.

This change places heavy demands on market researchers whose role it is to understand the world and use this knowledge and insight to help take some of the risk out of business decision-making. Moreover, we also now live in an environment where the growing uncertainty in the way businesses operate has triggered a greater demand from different stakeholder groups for corporate decisions to be made in a transparent and accountable way. The confluence of these two trends creates a major challenge for market researchers. We have the relentless quest for customer insights that will generate profit for shareholders, coupled with the need for transparent evidence-based business decision-making.

Thus today, the call is for market researchers to be, on the one hand, objective, methodologically sound collectors and analysts of data, but at the same time, creative “interpreters” of what consumers are trying to tell us. In addition, market researchers need the added skill of being able to map out – in an impactful, credible way – the implications of their findings for busy decision-makers.

So, looking to the future, market researchers will increasingly be judged on their ability to help generate ideas that can be converted into profitable products and services. At the same time they will also be required to produce robust evidence and be the voice of reason and sound judgement. The future of marketing intelligence is about the industry’s ability to develop its existing technical skill-set, while at the same time equipping researchers with the skills they need to be more creative and to operate as evidence-based information consultants.

### **The Pace of Technological Change**

In responding to the need for more creative and actionable, yet still robust and evidence-based, insights, the marketing intelligence industry has been successful over the years in capitalising on changes in technology. The market research tool-bag has never been so full of exciting ways to find out what is happening in the world and how people feel about issues. There is not the space here to list all of the technical advancements that market researchers are now embracing. But the reader can see how market research is now increasingly relying on online surveys to gain access to busy respondents. In addition, it is an industry that is responding to the fantastic potential of the video mobile phone, with the opportunities this offers to sample large numbers of individuals at particular moments in time – possibly asking them to take photographs of what they are experiencing.

#### *Instant and Interactive Interviews*

In addition, in the world of qualitative research, market researchers can now “web-stream” what people are saying in focus groups conducted anywhere around the world to an HQ, where a client and agency brainstorming team can instantly analyse and action this information. And we have the re-emergence of photographic supported ethnography as a way of observing customers’ behaviour. In addition, we have technologies that allow massive amounts of customer information generated by organisations’ point-of-sale systems to be more readily integrated into other marketing intelligence evidence.

All of this means that market researchers have never been better placed to capture what is happening in the market place and establish what consumers think. And inevitably, market researchers will gradually be making more use of the interactive Web 2.0 platform, where respondents can feed their views to us when they want, rather than us relying on respondents to work to our subject, and timetable, agendas. This interactive technology gives market researchers a new and powerful window into the world of the customer.

### **The Changing Market Research Model**

The changing environment and fast-moving technology provides challenges for the marketing intelligence professional. It means we are constantly trying to strike a balance between the application of our traditionally sound methodologies to generate rigorous and robust research, whilst at the same time responding to calls for innovative ideas and insights to be generated

from new alternative, often less robust, approaches. So, the marketing intelligence professional is constantly, on the one hand, breaking new ground, but on the other, defending the faith with regard to what is safe evidence-based decision-making. This requires market researchers – in the spirit of being faithful to their objective roots for providing valid knowledge – to being totally transparent in the way they are now trying to blend its traditional new approaches.

Over the last decade we have seen a seismic shift in the way in which the marketing intelligence industry operates. The industry has moved away from just being seen as a quasi-scientific activity, providing hard quantitative measurement that is detached from the creative process and the complexities of intuitive decision-making. Today, it is seen as also embracing a much more pragmatic approach that requires high levels of creativity and imagination in order to tease out key insights.

The issue of whether these changes that have occurred in marketing intelligence over the last decade can be described as ongoing modifications to our existing *modus operandi*, or whether they represent a “fundamental shift of mind” in the way market researchers operate remains a moot point. It is true that our traditional market research methods are still in place to handle surveys that require objective measurement and description. But many would argue that as the industry now embraces so many creative approaches aimed at teasing out fresh insights, that this change warrants being described as a “paradigm” shift.

We accept that some feel uneasy about describing market research as now operating within a new “paradigm”. They think that “paradigm” is an over-worked word. But whatever words we use to describe the overall framework, or model, that market researchers now operate to ply their craft, most would accept that our mode of operation has changed dramatically over the last decade. It is this changing role and nature of marketing intelligence that makes this edition of the ESOMAR Handbook so invaluable. It will help readers understand the journey that marketing intelligence has taken in recent years towards enhancing the quality of effective evidence-based decision-making. These are exciting times for marketing intelligence professionals.

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