



PEARSON NEW INTERNATIONAL EDITION



Basic Marketing Research
Naresh K Malhotra
Fourth Edition

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Focus Groups

Social networks provide you with a large audience eager to talk for free. Companies have very cleverly come up with ways to carry out a form of focus group and other forms of qualitative research using social media. Just being a part of different types of social media and analyzing what people are talking about can yield a basic understanding of customers, but if you really want something constructive to take shape from all that talking, you need to listen to the right people. For this reason—besides increasing their presence on varying social networks—companies are creating private online communities, which can play the role of extended focus groups. The members are carefully recruited, and membership is only by invitation. Expert facilitators engage the members regularly to build familiarity and a pattern as the customers start to view the community as their own. A lively, friendly place is designed to assist customers in engaging in insightful conversations. Enterprise-class software that excavates deeply to get the most out of every conversation is also a part of the community. JCPenney presents a case study of successfully using a private online community to conduct an extended form of focus group.

Research in Action

JCPenney: Using Social Bodies to Design Body Lingerie

JCPenney, one of America's leading retailers, launched a private online community called the *Ambrielle Team*, which was dedicated to consumers of the JCPenney lingerie line. This team aimed at learning more about the Ambrielle customer and her fit concerns. This was a type of focus group that was conducted through forming a private community. The sample size was small, and the information was collected in a natural and unstructured manner. The product team played the role of moderators and facilitated conversations in the right direction. Team members were handpicked and limited in number. JCPenney also gathered lifestyle, demographic, and psychographic information about members, so as to make sure that the firm had a reasonably complete picture of each member. The Ambrielle team had a series of online discussions within the community so as to help JCPenney figure out the basic fit and quality issues of women. This was followed by a "wear" test to give a more definite focus to the feedback regarding specific products. After the "wear" test, members were again asked to express their views via the private discussion board, an online activity, and live online chats with the product team.

Based on this customer alliance and consumer response, JCPenney made substantial product changes to the lingerie bands, straps, and overall sizing so that customer needs were better satisfied. These changes were posted in the community to make the team realize that the company had inculcated their insights and feedback into the product. Store sales of Ambrielle products soon increased.¹⁰



Source: AP Wire World Photos/Douglas C. Pizac.

Another way to conduct a focus-group type of research involves participant blogs. The general approach is to define a specific topic and then recruit participants to blog about that topic. Each participant is given his or her own blog to maintain. The number of participants typically ranges from 8 to 60. Blog projects tend to last from 1 to 4 weeks. Qualitative analyses of the blogs' content results in rich insights.

Depth Interviews

Burger King conducted a form of depth interview using social media. Burger King customers were secretly filmed after being told that the company's signature Whopper sandwich was being discontinued. A 1-minute funny TV commercial was developed using this episode. However, an 8-minute video called *Whopper Freakout* was posted on a companion Web site. Visitors viewing the video were encouraged to post their comments, and follow-up one-on-one interviews were held online with select respondents. The analysis of these comments and interviews revealed a consistent theme. When customers were confronted with the

idea that they could no longer order a Whopper, they immediately recalled their childhood memories of Whoppers. Remarks such as “The people in this video are still eating at Burger King today because their parents brought them there as kids” were obtained. This led Burger King to build a marketing campaign for the Whopper based on childhood memories and nostalgia.

Projective Techniques

Several projective techniques can be easily implemented using social media communities. The unstructured and indirect form of questioning on social media has consumers willing to project their underlying thoughts, motivations, and feelings regarding the issues of concern.

SENTENCE COMPLETION GlaxoSmithKline Consumer Healthcare used Communispace (www.communispace.com) social network groups to closely define the customer base for its new line of Alli weight-loss products. The research company used sentence completion online when it was trying to investigate self-image issues with overweight people. Community members were asked to complete sentences like, “When you talk to yourself, you refer to yourself as ____.” Members were also asked to post photos showing what they most regretted about their obesity. Analysis of sentence completion and photos indicated that people were frustrated about being excluded from everyday activities. However, they were willing to take responsibility for their own weight loss. They were also willing to accept slow progress in return for long-term results. Alli was targeted at this segment, and Glaxo sold \$155 million worth of Alli in the first 6 weeks after introduction.

PICTURE-RESPONSE TECHNIQUES Online photo-sharing sites include Flickr (a leader in this category), PhotoBucket, Shutterfly, Smugmug, and Snapfish. Many people communicate better with photos than they do with words. Concepts such as beauty, color, aesthetics, emotions, and feelings can be captured visually and investigated by analyzing photo-sharing sites. When analyzing these photos, look for *tags*, descriptive labels applied by photographers to their own work as well as the work of others. Analyses of tags can identify perceptions, emotions, and beliefs that may be quite revealing and relevant. During March 2010, Tropicana posted pictures on their Facebook photo page. The album was named “Tropicana Juicy Rewards,” which was part of the advertising campaign for Tropicana. The picture-post on Facebook gave consumers a brand new look at their advertising slogan, packaging, and pictures that Tropicana was going to use. Feedback on the pictures gathered 47 “likes” and a majority of the consumers commenting “Yummy!” or “Slurp!” This feedback, along with the posted comments, helped shape the advertising campaign for Tropicana.

ROLE PLAYING Procter & Gamble (P&G, www.pg.com) used role playing in social media to determine consumer reaction and build upon its “Talking Stain” commercial aired during the 2008 Super Bowl. The company set up a profile on YouTube and invited comments and submissions of commercials that would build upon the Super Bowl commercial. Thus, consumers were asked to play the role of a TV commercial producer. The winning entry was to be aired on prime-time television. More than 100 entries were received. Through this research, P&G was able to tap into consumer feedback and innovative thinking that served as the basis for future commercials. In addition, the company was able to sustain the Super Bowl commercial long after its 30 seconds of fame ended.

Limitations

Using social media to conduct qualitative research is not without drawbacks. Often the amount of information generated can be voluminous, drowning the company and its marketing research personnel in weeks of work. General Motors’ Chevy Apprentice research effort, in which visitors contributed TV commercials assembled from video clips on a Web site, logged about 22,000 submissions. That amounted to a lot of video to view and to analyze.

Ethics in Marketing Research

Respondents' rights and privileges must be respected when conducting qualitative research. Some of the salient ethical issues relate to misleading or deceiving respondents, not maintaining their anonymity, and embarrassing or harming the respondents. An additional issue with wider ramifications is the use of research results in an unethical manner.

Some qualitative researchers allow their clients to be present at focus-group discussions by introducing them as co-researchers. Nonetheless, many participants are able to discern that the co-researcher is in fact the client. This deception raises ethical concerns and generates mistrust that has an adverse impact on the quality of the data and the integrity of marketing research.

As mentioned earlier, focus-group discussions often are recorded using hidden video cameras. Whether or not they are initially told of the hidden camera, the respondents should be informed about the recording at the end of the meeting. The purpose of the video, including who will be able to view it, should be disclosed. In particular, if the client will have access to it, this should be made known as well. Each respondent should be asked to sign a written statement granting permission to use the recording. Participants should be given the opportunity to refuse signing, in which case the recording should be edited to completely omit the identity and comments of the respondents who refuse.

Social Media

With the use of social media panels, panelists are enrolled and told of the objective and their duties. However, ethical issues arise when the consumers are not told that the very objects, items, or even words that they use online could be monitored without their knowledge. To continue the use of social media monitoring techniques without adverse impact, consumers should be adequately informed about such stealthy activities. Moreover, firms can act ethically by extracting only the keywords that they are looking for without looking for more than necessary information. Firms should also consider donations or being involved in a community cause to defray the negative association of such techniques.

The researcher has an obligation to make the respondents feel comfortable. If a respondent is experiencing discomfort or stress, the interviewer should show restraint and should not aggressively probe any further. At the end of the interview, respondents should be allowed to reflect on all they have said and be allowed to ask questions. This helps reduce their stress and return them to their preinterview emotional state.

The ethical issues involved in social media research are very similar except that the need to protect the privacy of respondents assumes greater importance. A final issue relates to the ethics of using qualitative research results for questionable purposes, as in the presidential campaigns profiled here.

Research in Action

Focus (Groups) on Mudslinging

The ethics of negative or "attack" ads has been debated for some time. The focus, however, has shifted from the ads themselves to the ethics of employing marketing research techniques to design the ad message. Nowhere is this phenomenon more prevalent than in political "mudslinging" campaigns. The pronounced use of negative ads goes back to the George H.W. Bush campaign against Michael Dukakis in the 1988 U.S. presidential election and, unfortunately, has remained in force since.

Before designing negative ads about Dukakis, Bush campaign leaders tested negative information about Dukakis in focus groups. The idea was to develop some insight into how the American public would react if this negative information was released in the form of advertisements. Negative issues that

elicited very negative emotions about Dukakis from the focus groups were chosen for Bush's political advertising. The result? Partly because he was painted "as an ineffectual, weak, liberal, do-gooder lacking in common sense," Dukakis lost the election by a wide margin.

This misuse of qualitative research was observed in the 1992 and 1996 presidential elections that Bill Clinton won, in part, by negatively attacking the Republicans. In the 2000 presidential election, Al Gore unfairly attacked George W. Bush as lacking in experience after data culled from focus groups and surveys revealed that experience was an important criterion for voters. The 2004 presidential election also was noted for negative attacks by both parties, particularly by John Kerry on

George W. Bush, again based on focus-group and survey findings.

Similar (mis)use of qualitative research was attributed to Clinton and Barack Obama in the hotly contested 2008 Democratic primaries and by Obama in the 2008 presidential elections. When Obama discovered through focus groups, analysis of social media, and survey research that President George W. Bush had low approval ratings, he linked John McCain closely with Bush. By linking McCain to Bush, the Obama campaign successfully undercut McCain's image as an independent maverick. For example, the Obama ad called "Two Faces" that targeted Hispanic voters featured two lines in the script:

"John McCain and his Republican friends have two faces. One tells lies to get our votes. The other, even worse, follows the failed policies of George Bush, putting the interests of powerful groups ahead of working families."

"John McCain: more of the same Republican deceit."

The rest is history. Obama became the first African-American president of the United States.¹¹



Source: K2 Images/Shutterstock.

**Social
Media**

WHAT WOULD YOU DO?

Lotus Development Corporation: Developing Its Web Site

The Situation

Mike Rhodin is the CEO of Lotus Software (www.ibm.com), which is one of the brands of the IBM Software group. Lotus is a company that recognizes the need for individuals and businesses to work together. Therefore, it redefines the concept of conducting business through practical knowledge management, e-business, and other groundbreaking ways of connecting the world's ideas, thinkers, buyers, sellers, and communities via the Internet. As of 2011, Lotus marketed its products in more than 80 countries worldwide through direct and extensive business partner channels. The company also provides numerous professional consulting, support, and education services through the Lotus Professional Services organization. To help Lotus stay ahead of its competitors, Mike Rhodin wishes to increase the number of Web site visitors and for Lotus to maintain a Web site that is going to best meet the needs of its customers.

Lotus conducts focus groups of customers and business partners every 4 months to determine users' reactions to its Web site. This routine recognizes the fact that Web sites have very short lifecycles and need ongoing attention to keep them up-to-date. The focus groups evaluate Lotus' Web site and those of other companies. Some objectives for the focus groups include identifying factors that lead Internet users to visit a Web site, identifying what factors entice visitors to return often to a Web site, and identifying users' technological capabilities.

The use of focus groups enables Lotus to actively collect some information that is not collected passively. Passive counters can keep track of the number of visitors to a Web site as well as the number of visitors who actually use the site. For example, Lotus can monitor the number of visitors who use its chat rooms

that pertain to specific products. Just knowing that the number of visitors is changing, however, does not provide a company with insights concerning why there is a decrease or increase in visitors. Focus groups can be used to gain those insights.

From focus groups, Lotus learned that customers wanted improved navigation and a higher level of consistency. In the past, the emphasis was on making sure that information was delivered quickly to customers. Focus groups revealed that the company needed to further develop the site to make it easier for Web site visitors to navigate through all of the information.

The Marketing Research Decision

1. Do you think that Lotus adopted the right research design? Which one of the following types of research designs would you recommend and why?
 - a. Focus groups
 - b. Depth interviews
 - c. Survey research
 - d. Projective techniques
 - e. Focus groups followed by survey research
2. Discuss the role of the type of research you recommend in enabling Mike Rhodin to design an effective Web site.

The Marketing Management Decision

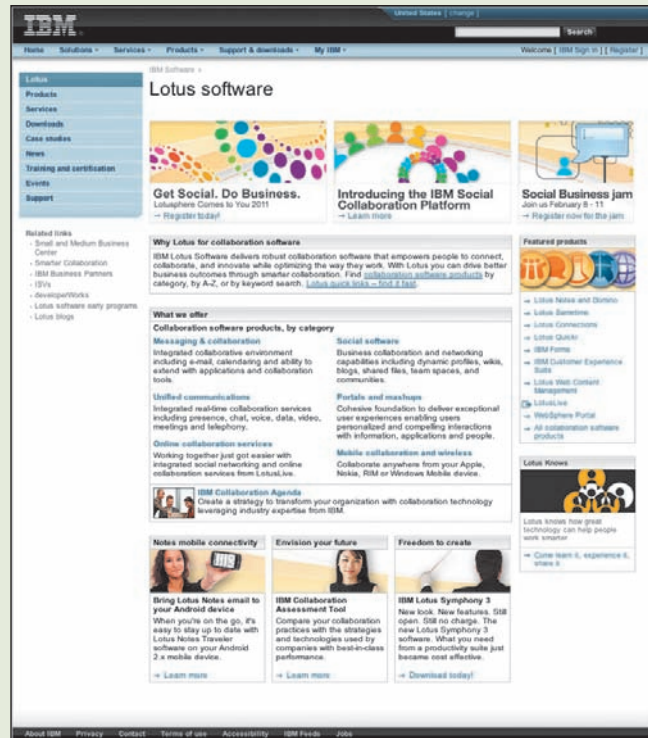
1. What should Mike Rhodin do to increase traffic to the Web site and enhance the user experience?
 - a. Redesign the Web site.

(continued)

- Upgrade the existing Web site, making only the necessary changes.
 - Engage in aggressive banner advertising.
 - Engage in aggressive print advertising.
 - Offer price discounts to customers on the Web site.
- Discuss how the marketing management-decision action that you recommend to Mike Rhodin is influenced by the research design that you suggested earlier and by the findings of that research.

What Mike Rhodin Did

Mike Rhodin redesigned the Lotus Web site completely to improve navigation and enhance the efficiency with which visitors could search and download the information they wanted. He also engaged in aggressive print and banner advertising. IBM launched Lotus Workplace with print advertising in the *Wall Street Journal*, the *New York Times*, and the *Boston Globe*. In addition, banner advertising was launched on a wide variety of Web sites, including eWeek, Information Week, BusinessWeek, and Forbes. These ads were all part of the “Can You See It” ad campaign that demonstrated how IBM Software enables on-demand business and invited readers to the Web site.¹²



Source: Reprint: Courtesy of International Business Machines Corporation, © International Business Machines Corporation.

Summary

Qualitative and quantitative research should be viewed as complementary. Qualitative research methods tend to be much less structured and are based on small, nonrepresentative samples. The various qualitative options vary in terms of how directly they ask questions of the respondent. Direct methods, such as focus groups and depth interviews, do not attempt to disguise the purpose of the research. Focus groups, the most frequently used qualitative technique, are conducted in a group setting, whereas depth interviews are done one-on-one.

Indirect techniques make a deliberate attempt to disguise the true purpose of the research. They are called projective techniques because they seek to project the respondent's motivations, beliefs, attitudes, and feelings onto ambiguous situations. Projective techniques can be classified as association, completion, construction, or expressive techniques. Projective techniques are particularly useful when respondents are unwilling or unable to provide the required information by direct methods.

In the international context, qualitative research can reveal differences between foreign and domestic markets. Social media have enhanced both the quality and quantity of qualitative research. Ethical issues in qualitative research relate to respecting respondents' rights and privileges.

Key Terms and Concepts

Qualitative research
Quantitative research
Direct approach

Indirect approach
Focus group
Depth interviews

Grounded theory
Projective techniques
Association techniques

Word association
Completion techniques
Sentence completion
Story completion

Construction techniques
Picture-response techniques
Cartoon tests

Expressive techniques
Role playing
Third-person technique

Suggested Cases and Video Cases

Case with Real Data

Hewlett-Packard

Critical Thinking Cases

American Idol Baskin-Robbins Akron Children's Hospital

Cases with Real Data

Bank of America McDonald's Boeing


Comprehensive Brief Harvard Business School Cases

TruEarth Healthy Foods: Market Research for a New Product Introduction (4065)
The Springfield Nor'easters: Maximizing Revenues in the Minor Leagues (2510)
Metabical: Positioning and Communications Strategy for a New Weight-Loss Drug (4240)
Saxonville Sausage Company (2085)

Online Video Cases

Nike Starbucks P&G Nivea Dunkin' Donuts
Motorola Subaru Intel Marriott

Live Research: Conducting a Marketing Research Project

- For most projects, it will be important to conduct some form of qualitative research.
-  Different teams can be assigned different responsibilities (e.g., interviewing key decision makers, interviewing industry experts, conducting depth interviews with consumers, doing a focus group, analyzing social media content, and so forth). Alternatively, all the teams can work on these tasks.
- If possible, have at least one team use the qualitative research software discussed in this chapter and make a presentation to the class.

Acronyms

The key characteristics of a focus group may be described by the acronym FOCUS GROUPS:

F ocused on a particular topic
O utline prepared for discussion
C haracteristics of the moderator
U nstructured
S ize: 8 to 12 participants
G roup composition: homogeneous
R ecorded: audio- and video-recording
O bservation: one-way mirror
U ndisguised
P hysical setting: relaxed
S everal sessions needed: 1 to 3 hours each