

Market research in social and in solving problems of uncertainty

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Abstract

This work is a result of the author's great experience in the market researches field. Mixing both theoretical and practical aspects, it analyses market research as a useful tool to take decisions when uncertainty is dominant, in the light of the social changes occurred over the last 15 years.

Keywords: uncertainty, market researches, social changes.

1. Introduction

This discussion focuses on two key issues: market research analysis of issues related to uncertainty, the social changes over the last 15 years and their impact on the market and methods of investigation.

2. The market research analysis of issues related to the uncertainty

What is a market research?

A manufacturing company or a company of provision of services will face a problem of uncertainty at some point in his life. I will refer to a private company in this article because it is the most common case, but the customer can be in the same way a public body or a non-profit organization, a celebrity or a political leader, in general, anyone seeking a review by a population detected on the basis of a sample, which is then analyzed and summarized through statistical methods. For example, is it convenient to launch a new product/service? Would a company be successful by expanding its gamut of products or increasing its range? Further on, what is the degree of satisfaction of its customers (*customer satisfaction*)? What is the image of a product for its consumers? Which message

is convenient for a new advertising campaign? How to improve a service? How to make customers faithful? What additional services to offer its customers? These and other questions lead companies to invest their time and money on a *market research*, which is the gathering of all those necessary information to get a response as trustworthy as possible which helps the applicant to make a decision.

Of course, the problems to be analyzed may be various and are still more different depending on the time of life when the company is at a certain time. It is clear that a new firm need to get different news than a thriving business -not to mention the fact that a new or small company is unlikely to have enough budget to deal with a large amount of expenditure such as that required for a market research!

The phases of a market research

It is difficult to divide the complex world that we are dealing here into clear-cut phases, as it involves an infinite series of intermediate steps which would be laborious and tedious to rigidly schematize in a list.

However, the “path” that extends from the observation of uncertainty up to its solution it through a decision inevitably goes through some basic steps.

Objectives and definition of the problem (uncertainty): it is quite clear that any decision starts from a goal that has been fixed in advance, but, as it may seem trivial, it is essential to examine with great clarity what the answer that we seek is and what the best way to get it. Only with a clear idea you can choose the best formula for investigation and the most efficient way to achieve the survey.

Sampling: it must provide the best representation of the reference population. In fact, errors in sampling often lead to distortions or gaps in the final outcome, so we realize too late that we conducted an essentially useless or even incorrect analysis.

The questionnaire: it should be structured in a clear, concise, simple and direct way. Questions must be of quick understanding, without digressions that lead to be on the wrong track and made in such way to solicit the level of attention of the interviewee, in order to get sincere and in topic answers, avoiding the other person to provide false information in order to early conclude or, worse, to take leave the interviewer unceremoniously. Even in this case, therefore, a badly structured questionnaire leads to biased results and makes the study invalid.

Gathering: the research is now ready to go and begins with the actual execution of the survey, which consists in contacting and interviewing people that are suitably selected in the previous phase of recruiting, according to the targets dictated by the sample.

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Coding and data processing: the collected information is then encoded, ie converted into digital form for analysis in the data processing, through appropriate statistical techniques.

Decision. The results are then displayed in a detailed report and delivered to the client of the research, with a detailed explanation of all salient information.

Methods of research

Market research is classified according to various criteria. However, in practice it is customary to adopt the categorization that is based on the structured or exploratory approach which divides *qualitative* and *quantitative* survey.

A qualitative research, usually preliminary to the quantitative one, proposes an in-depth analysis of consumer behavior, studying reasons and criteria. The researcher explores in depth the reasons of a certain attitude, urging the respondent through the formulation of hypotheses and spontaneous questions, links, ideas and emotional associations of thought. In this phase, the trace of the questionnaire is not rigidly structured but developed in points that the interviewer is to investigate, even in relation to the answers given by the interviewee. Often respondents are chosen equally between users and non-users of a certain product/service, in order to obtain a more complete response, which examines in depth the strengths and weaknesses and possible improvements to be made. In substance, it is important to catch the reasons of those who do not use the product in order to study and understand the possible strategies to transform the *non-user* (or *potential client*) in a real client.

The qualitative instruments mostly used are:

- *focus groups*, which are meetings in which a sample belonging to a specific target freely expresses opinions about a certain product or service, expressing its attitude towards the use of it. Usually each group consists of 8-10 people but the number can vary between 5-6 (mini-groups) and 12 persons and may provide a format in which the customer-client attends himself the meeting;
- *in-depth* (or *motivational*) *interviews*, which have the same goals and use the same methods of focus but through individual interviews or with a maximum of 2 people (*duos*);
- *projection techniques*, a term borrowed from psychology, in which a group of people is being subjected to a series of stimuli to develop ideas that initially have no connection with the goods/services covered by the research and only later are adapted to it. Therefore, the debate is arranged in a totally unstructured and imaginative way as the invention of a story, to observe behaviors and reactions of every participant, each of which shall be abstracted as an actor in the adventure that was born and developed during the meeting.

Is adopted in this case, a technique called *funnel technique* that goes from general to specific, as the moderator starts from a situation completely out of context of marketing, allowing the creativity of each respondent to create groups of images and thought, and then attach these representations to the specific

subject of the study, by compelling the discussion to the topic, just like a liquid in a funnel.

The quantitative survey, on the contrary, analyzes the statistical dimension of the phenomenon, that provides a quantitative information, in fact -for example, the percentage of respondents who adopt a certain attitude instead than another.

This category includes questionnaires with closed questions in general, as phone calls, face-to-face interviews with computer (online, CAPI, CATI, etc).

Of course, what's to come out of the quantitative phase of the research is purely statistical data, while qualitative research can investigate the results, considering the emotional aspects that underlie the choices of consumers. It is in the qualitative phase that we will study the product/service to identify its strengths and weaknesses, analyzing its real and potential market.

In fact, as mentioned above, in addition to the user target, there is another area in the market that could be gained from a company through appropriate marketing strategies. Even in this case the research market comes to our rescue and helps us get ideas and gather suggestions from consumers with the added advantage of allowing the company to be close to the customer and relate to it with innovative communication techniques.

3. The social changes over the last 15 years: impact on the market and methods of investigation.

In years of great cultural and social, such as the 90s and early new millennium, it was inevitable that the consumption habits of the people underwent substantial changes. This trivial consideration helps us to consider the different approach that we adopt today compared with the one adopted in the past also in the methodologies relating to market research, beginning with the new criteria for recruiting respondents.

Speeding up of events: effects on the habits of consumers

The application of technology to communication systems and the rapid technological development have led to an extraordinary speeding up of events. If we consider only the internet phenomenon, the huge growth in use of the mobile phone, the ever increasing specialization in all sectors of the economy, and if we add that globalization has dictated tastes and trends especially in these recent years, we are not surprised about the fact that today it seems to exist a whole generation between a 20 and a 30 aged man.

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We should also mention the liberalization of economy, with the related phenomenon of privatization, which led to changes in mentality and language in those who produce goods such as in those that use them.

The fact is that consumer habits have changed, just like their approach to the market, which brought the company to be faced with different problems. For example, in 1999 I carried out a survey on the use of the Internet, particularly of search engines. It was not at all easy finding people who were familiar with the then nascent Google, Virgilio, Yahoo, Altavista etc.

Just imagine the same research today: as well as the extremely easiness that would be in recruiting people (the Internet is daily bread for individuals of all ages), it is unlikely to be relevant to know how they make use of search engines, or at least the research would have a different approach, since the web is used for all different needs, especially among young people.

Social changes: consequences on the ways of recruitment

Even the social changes have affected the way of obtaining the samples. Think of Viagra: at the end of the 90s a study was carried out on the blue pill, then at a stage of launching. Tracking down those who used it and, above all, convincing them to come and tell their experience required great effort. Today the situation is different. Obviously this does not mean that men are used to disclose their intimate problems today, but certainly sexual habits and general way of thinking about certain issues go towards a greater freedom. In addition, it is now possible to create databases, such as client profiles with their permission as dictated by the laws to protect privacy, making the access to certain information more fluid. Thus, to organize a focus group on private concerns, it is sufficient to contact the referring physician who can provide names of patients corresponding to the profile required by the target of the survey, without making direct screening embarrassing both the interviewee and the interviewer.

Technology and new forms of implementing surveys

I conclude this discussion by analyzing a further evolution of market research occurred in recent years: the support of PC in conducting surveys.

Even before the advent of the Internet, the computer was used in carrying out interviews to allow a more rapid analysis of results. Interviews called CAPI (Computer Aided Personal Interviewing) and CATI (Computer Aided Telephone Interviewing) have been used for many years to achieve greater precision and clarity in the survey (avoiding, for example, errors in recording the answers), and to allow a neater storage of information.

However, in the last 5 years or so, the use of online interviews has spread more and more in this field. These mean that survey have been carrying out entirely via web: the interviewee will compile the questionnaire by accessing a web page where he finds structured questions and answers, with appropriate

filters which automatically switches from one section to another in case of non-relevance of a topic.

This methodology has significant and numerous advantages, including reducing the time and especially the cost of running (just think about the saving of all the paper documents and related shipping costs), a greater easiness in analyzing the results and a better warranty anonymity. Nevertheless, there are risks to be taken into account, primarily related to a more indirect relationship with the interviewee, and consequently the difficulty to be sure that the respondent is really the person who has been contacted.

Apparently, though, market research companies little care of this disadvantages, and perhaps online interview is now preferred by these companies (at least this is my impression), probably attracted by the savings in terms of resources and time. On the other hand, there being great rigour about data privacy issues, even in a survey carried out by traditional methods the accuracy of personal information provided by respondents is by no means assured.

4. Conclusions

The market is just one of many useful tools for solving problems related to uncertainty, but what makes it interesting, in my opinion, is its intrinsic capacity to link many areas of interest, ranging from science to social subjects to the stochastic field, thereby creating a world of diverse skills.

Everything written in this paper is mainly the result of the wide experience that I gained in years of practice, since I have been working in this field for over 10 years, and in relation to the changes that I discussed above I had the chance to witness a continuous evolution of methods and results.

This, coupled with my education in economics and statistics, has ignited in me the desire to tackle a perhaps overworked topic, accompanied by some personal reflections and with the purpose (which I hope has been successful) to expose more practical concepts that, as theorized, may not be rigidly schematized.

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