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What kind of market research do you need?

By Jack Miller

Good question. And the answer is “it depends.” It depends on what you need to know.

Do you want quantitative or qualitative information? Most often, I wanted to understand what people bought and why, and how they made those decisions. These are qualitative questions, and require in depth discussions rather than surveys.

One way to get this kind of input is with focus groups. Focus groups bring a number of people together to discuss whatever it is you’re trying to learn about. As the client, you can observe from behind a one way mirror. A good moderator will get everyone to participate and have the insight to ask the right questions. Sometimes, the participants get a homework assignment, or a task to perform during the session.

It can be fun to observe a focus group, especially when there are surprises. I remember one group where we trying to understand how people in offices bought paper for their copiers. We had them bring in the catalog they used when they ordered paper, and had them go through the exercise of filling out the order form, just as they would at work. Before the exercise we asked how important brands were, and they were all quite sure they didn’t care about brand names. But after they filled out the form, we asked why they ordered what they did, and the answers were quite different. “That’s the name of the copier we have.” “The name was familiar.”

How about advertising? “Nope, that doesn’t matter.”

What about the advertising in the catalog? “What advertising.”

How about the full page ad facing the order sheet? “Never noticed it.”

There are a lot of reasons to do focus groups. If you really don’t know how your customers’ customers think, as in the example above, you can get a lot of good feedback. The open ended structure allows for the surprises that provide fresh

insights. And, if you're trying to prove a point to your boss, or even to a customer, you can video tape the session and your boss or customer can get the feedback first hand - much more impact than reading a report.

There are also a lot of reasons not to do focus groups. They are expensive, and there is some risk that one or two outspoken participants may influence the others. And, depending on what you need to know, another approach may be better. A 90 minute focus group with ten participants allows nine minutes per participant. If you need to dig deeper, you may need in depth one on one interviews. These interviews should be done by a professional researcher or an industry expert. Too often we rely on our sales team for market input, but objective, independent research is much better.

Another reason not to use focus groups is that they don't give quantitative information. If you need to know what percentage of the market will pay a premium for "green" products, or how big the market is, then you need quantitative research.

Be sure to choose the right methodology. If you do, the result will be Need to Know™ Market Intelligence, with actionable findings.

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