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April 2013  
Volume VII Issue 1

## *The truth about do it yourself market research*

By Jack Miller

It often happens that companies need help with marketing decisions. They might need insight into what drives their customers, or what drives their customers' customers. (Hint: the customers' customers drive the customers.) They might need market intelligence about potential markets for a new product. Or they might need to know about the value of certain marketing initiatives. Or they might be re-thinking a particular marketing strategy.

There are many reasons why a company might need market intelligence or market research.

But market research can be expensive. Of course, wrong decisions can be much, much more expensive. So, a company might identify the critical Need to Know™ market intelligence for a specific decision. And they might commission a consultant or market research firm to do the research.

Or, they might decide to do it themselves to save money.

Is this wise? To get some wisdom about this, I asked my friend Melinda Head, Founder and President of Head Research, for some thoughts. Here are her Top Ten Truths about do it yourself market research.

1. What people say is important is not usually what drives decisions. You can ask what they think, but you might also ask what they've done recently and why. Decisions are often driven more by what is different than by what is said to be most important. After all, differentiation is critical in marketing.

2. Research can help companies establish priorities based on statistically derived measures such as drivers of customer satisfaction or decision drivers. This is more meaningful than perception alone. If you ask what is most important, price, quality, or service, some will say, “quality and service.” If you then ask, “What about price?” they will reply, “Price is a given. The price has to be right.” So, then, which is really most important? I can often get you any answer you want by how I ask the question, but statistical analysis can cut through this.
3. Research can also help companies be sure they’re not missing any key elements in the mix. Sometimes companies can’t see the forest for the trees. You don’t know what you don’t know. Experienced researchers know how to ask questions that bring out the unknowns.
4. Often data is interpreted without any statistical tests. Without such tests, differences observed may not truly exist and conclusions drawn may be erroneous.
5. There is no point in measuring customer attitudes or customer satisfaction if staff is not empowered to effect change. If you can’t act on it, it’s not Need to Know™ so don’t waste time and money measuring it.
6. Customers don’t always answer survey questionnaires the same way when a study is conducted by a supplier as when it is conducted by an independent agency, where anonymity is assured.
7. Standard do-it-yourself survey software does not allow companies to design or analyze complex survey questionnaires with imbedded logic and customization. They are only suitable for very simple research that may not add value.
8. If research is done internally, especially by phone or in person, people in the company may assume too much about the answers, or hesitate to ask the “dumb” questions. It is the “dumb” questions that get beyond the conventional wisdom – and it is when the conventional wisdom is wrong that there is the greatest opportunity to effect meaningful change.
9. When data is collected internally, there may also be pressure to present research findings in a certain fashion that is politically correct. When research is conducted independently, research findings are what they are.
10. Companies that design their own survey questionnaires often have no research training and no expertise in designing questionnaires. As a result, they ask questions in the wrong order, questions that are leading or suggestive, questions that can be easily misunderstood, or questions that are tiresome to answer. This is especially critical for web based surveys.

Bonus: Do it yourself research costs more than you think. If you have an employee who makes \$100,000 per year, the cost to the company for that employee is more than double that when you add benefits, vacation, the cost of office space, administrative support, etc. The rule of thumb is that the total cost of an employee is 2.2 times salary, or more if there is expensive equipment or infrastructure supporting the staff. Based on 230 work days per year, this comes to about \$1,000 per day. You may not see that cost because it is “sunk” – but it is there nevertheless.

If you have questions about what drives your customers, or what drives your customers' customers, or need any market intelligence, make sure you have a clear need for this information, and know how to make it actionable. Make sure it is Need to Know™.

**For Need to Know™ market intelligence, call Jack Miller at 203 925 0326 or email [jack.miller@market-intell.com](mailto:jack.miller@market-intell.com).**

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