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*Research That Drives Business Success*

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# Pocket Guide to Basic Marketing Research Tools

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### From
## Surveys & Forecasts, LLC

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## Preface

This Guide is aimed at those new to the marketing research field. For seasoned professionals, it may annoy you: the sins of omission are many. A definitive guide to marketing research tests will remain elusive, as the field is vast and ever-changing. My objective in writing this Guide was to cover, at a very high level, about 70% of the most common commercial marketing research tests being conducted now. New methods of obtaining insights and feedback are appearing every day, so it is an exciting time to be in the field. I hope to update this Guide as more methods are established and I have more time.

That being said, the core study designs that worked 30 years ago have not really changed, and are unlikely to change, because they work. This is true for in-person and digital data collection modalities. These core designs help marketers better listen to customers, develop hypotheses, evaluate ideas, and optimize the marketing mix. We use them all the time.

There is no one "right" way to execute good research, but there are many ways to execute really bad research – and I have seen my share. Remember that, as a researcher, _you are the conscience of the business_. Marketing managers come and go, methods come and go, trends come and go. At the end of the day, the most valuable asset that your company has (besides you!) are its people and brand integrity. You are the firewall that protects brand goodwill from the heavy hand of ignorant sales and marketing managers.

Research can be conducted in a "classical" sequence (starting with qualitative and moving into a variety of quantitative studies) but don't let that get in your way. Ask yourself: is the chosen research method appropriate for the problem at hand? That is always the true test.

I have not addressed the issue of online sampling. At the time of this writing, the sample industry was in a state of crisis. Online consumer panel respondents are recruited using a variety of questionable methods with little transparency. Anecdotal evidence indicates larger-scale operations designed to intentionally falsify results and thwart data reliability. Current methods of vetting and validating real respondents are not foolproof. Much more work clearly needs to be done in this area. Our industry is grappling with a solution. Big data is not the answer: we will always need to know "Why?".

Happy researching!

Bob Walker
Surveys & Forecasts, LLC
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<u>**Quantitative Research: Product Testing**</u>

Product tests are designed to evaluate and diagnose product performance. Two precursors of product testing are *sensory testing* and *employee panels,* which are noted here solely for reference:

- <u>Sensory Testing</u>: used to assess changes in ingredients, formulae, or composition under controlled laboratory conditions. Sensory tests guide R&D in improving performance, reducing costs, product sourcing, and developing prototypes. Examples include duo-trio tests (which product matches a reference) and triangle tests (identify the odd sample).

- <u>Employee Panels</u>: convenience samples of "captive" employee-respondents, hence results must be confirmed with external samples.

*When Used*

Product testing is typically performed (1) after concept screening or testing has identified a winning idea; (2) after a product development phase, in which R&D, sensory tests, or employee panels have identified a new product candidate; (3) at any point to assess consumer reactions to product variations (e.g., cost-reduced, improved performance, etc.); or (4) for competitive claims purposes.

*Stimuli*

The stimuli used in product testing varies widely, depending on the type of test and the number of product variations under consideration. Stimuli can range from conceptual product mockups (which are not handled) to fully functional, branded products that are evaluated in a real-world setting. To assess "pure performance", products are exposed without extensive packaging graphics, branding, pricing, or other identifying information. If branding needs to be assessed (concept-product fit test), then branded information is included. Usage, preparation, or safety instructions (if needed) are also provided.

*Product Test Designs*

There are two basic types of product tests: <u>monadic tests</u>, and <u>comparison tests</u>. In monadic tests, the respondent is presented with one product, much like a consumer would be in the real world. Conversely, comparison tests involve evaluating two (or more) products in either a head-to-head or sequential fashion, and are often used as screening studies. Common comparison designs include:

- <u>Sequential monadic designs</u>, where consumers evaluate products in sequential fashion, but are not asked to directly compare them.

- <u>Proto-monadic designs</u>, in which a product is given first and evaluated monadically, then a second product is given and comparison measures are obtained.

- <u>Paired designs</u> such as preference between two products, or multiple paired comparison tests if there are more than two. Decisions must be made about how to split "no preference" votes.

In monadic designs, measures often include:
- Purchase interest, plus open-ended reasons why
- Overall rating
- Voluntary positives (e.g., likes, advantages) and negatives (e.g., dislikes, disadvantages)
- Value, uniqueness, superiority, believability, relevance
- Expected frequency of use, HH members who used/might use
- Anticipated purchase frequency, purchase quantity
- Usage occasions/situations used, Replacement vs. addition use
- Product attribute ratings and product directionals
- Classification questions

In comparison designs, many of these same measures take the form of preference questions.

*Sample Frame*

Unless a new product creates an entirely new category (e.g., when the product is a technological innovation), product tests are conducted among samples of existing category users, with augmented samples for key diagnostic groups. Common sample sizes range from 150-200 per cell (or per product, if a comparative design). However, larger sample sizes may be needed to detect small product or ingredient differences.

*Action Standard*

Similar to concept testing, action standards can be based on purchase interest vs. norms or a threshold level (e.g., pursue if 25%+ "definitely will buy"). Weighted trial values can also be calculated. Directional ratings (e.g., taste, flavor, spiciness) are also used to determine product acceptability.

*Pros & Cons*

Monadic Product Tests:
*Pros*: The purest assessment of product performance, with extensive diagnostics.
*Cons*: More costly, and test interpretation is more difficult if there are no control products or norms.

Comparative Product Tests:
*Pros*: Cost- and sample-efficient way to screen or compare multiple products.
*Cons*: Limited diagnostics, and relative (vs. real world) performance information.

*Timing*

Costs depend on number of products and screening requirements. Cycle time (excluding product prep) from field start to an initial presentation is typically 2-4 weeks.

*Subsequent Steps*

Subsequent steps include concept-product fit testing, controlled store tests, regional test markets, or regional launches.