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'New' market research

Summary

- Market research is moving away from its roots as a discipline that was detached from the business decision-making process, and is now more actively engaged with decision-facilitation.
- This shift has required new methodological thinking: an 'holistic' analysis approach that provides clients with a rounded view of what *all* their (qualitative and quantitative) marketing evidence is saying.
- The new approach also requires analytical frameworks that combine hard market research data with prior management knowledge and intuition.
- These new frameworks must be disciplined: intuitive thought can be powerful, but it can also be wrong. The new holistic approach to data analysis therefore needs to be based on the rigorous evaluation of prior management knowledge, as well as drawing on conventional data analysis methods.
- We introduce a ten stage guide to analysing market research data in an 'holistic' way. The ten steps are: analysing the right problem; understanding the big information picture; compensating for imperfect data; developing the analysis strategy and organizing the data; establishing the interpretation boundary; applying the knowledge filters (what we know about the survey process); reframing the data (to give us fresh insights); integrating the research evidence and telling the research story; decision-facilitation; and completing the feedback loop (evaluating the effectiveness of the research data in achieving a successful decision outcome).
- In sum, in this opening chapter we explain how the evidence available to market researchers is changing, as a prelude to outlining the critical thinking skills – the interpretation power – needed to master the new world of information.

Reducing uncertainty

The underlying principle behind market research is powerful, yet simple. Market research is about helping individuals make informed, evidence-based judgements and decisions. It is about asking intelligent questions of users, and potential users, of products and services about their opinions and experiences, listening carefully to what they say, and then interpreting the implications of this feedback. This interpretation is then used to help organizations reduce the uncertainty surrounding various decisions that need to be made.

The idea has been around for nearly a century. Thus, today, it is commonplace for businesses, and public sector organizations, to use customer feedback as one of the inputs into their marketing strategies and public policies. There is little sign of there being any downturn in the demand for market research. Who, after all, would speak against taking all the relevant soundings on any issue, interpreting these viewpoints, and taking this into account when making a decision? The issue is not about whether or not market research is useful, but a question of how research evidence should be interpreted.

Interpretation power

Information was once power. But, today, the power lies in interpreting what information *really* means. In the hands of a skilled analyst, survey data may unearth invaluable insights into what makes people 'tick'. But the same data, in the hands of a journeyman analyst, may lead to a creative idea being stifled at birth. The need, therefore, is to cultivate the talent, skill, and techniques required to make sense of customer data. It is this issue – the intelligent, holistic interpretation of market research data – that is at the heart of this book.

The drivers of new holistic market research

It is possible to identify several distinct developments that have shaped the growing demand for a more holistic approach to the analysis of market research data.

Clarifying contradictory market signals

The sheer amount of market and customer information available has increased phenomenally. There has also been a change in the type of information used to inform decisions. Increasingly, use is being made of data that are more imperfect, messy, grey, and less robust than many of the sources used in the past.

The challenge for market researchers is to develop the skills and techniques needed to weave a story from a combination of different, less than perfect, often confusing and contradictory, information sources. Researchers can no longer restrict themselves to working with single, reasonably robust, sources of customer opinion.

Providing grounded business acumen

There is also the expectation that market researchers will operate with a sound contextual awareness of the wider, strategic business picture. Market researchers are required to have a mature understanding of what the client's business is trying to achieve. This has been a driving force in encouraging market researchers to put their heads above their hitherto methodologically defined parapets.

Understanding the complete customer

Market researchers are now expected to better appreciate the 'complete' customer experience. As companies strive to build a complete picture of a customer's interactions with the organization, so too are researchers required to stretch their thinking to find ways of capturing and understanding a wider range of customer data. For example, to understand how a customer relates to a bank, it becomes important to capture that individual's experience across the various personal, business, current and savings accounts they may hold at the bank, and also at other financial institutions.

The quest for understanding and 'insight'

The word 'insight' has many different connotations. Yet whatever the exact interpretation placed on the now rather overworked 'insight' word, there is a clear message here from clients: they want more originality, innovation, clarity, and depth of thinking from their market research analysts.

Bridging the data-decision gap

Users of research data want the market research industry to be more committed and involved, than in the past, with the decision-making process, and with the initial implementation of decisions. Decision-makers, assailed with often baffling signals from massive amounts of information, need researchers to cut through this complexity. They want researchers to say what the data really means, rather than to sit back and adopt a more detached, data-centric position. The information professionals who can add this value will be at a massive premium in the future.

From detachment to engagement

In response to the above demands, we have seen the arrival of a new approach to data analysis that represents a significant change from the original conception of market research. Market research began as a discipline based on the model

of psychology, sociology, anthropology, and other social sciences. Its start point was the classic notion of 'research': detached, objective, and keeping as close as possible to the agreed principles of social science-based inquiry. It was a model that worked hard to differentiate professional survey research, from canvassing and selling (under the guise of research). This tradition gave us an industry with a sound set of research practices and a well-established code of ethics.

Factoring intuition into the analysis process

This approach was right for its time and the 'detachment' model has much to commend it. However, users of market research are now looking for an approach that is better equipped to handle the 'messiness' of today's data, and one that 'engages' more with the end decision-maker. Classic, objective analysis of single-survey findings is only the start point. Today's researcher has to both make use of the best of traditional survey methods and *also* embrace more intuitive inputs into decision-making.

The arrival of 'new' market research

In describing how 'new' market research is different from the 'old' *modus operandi*, it is helpful to think of market research as operating on the following four fronts. First, how the quality of each piece of evidence will be assessed (robustness). Secondly, the extent to which the new incoming information will be assessed relative to relevant and related past evidence (context). Thirdly, the techniques used to evaluate the meaning and significance of each item of data (evaluation). And fourthly, the way in which the research findings are presented to the client (application).

It is possible to characterize old market research as being represented by the inner shaded area of Figure 1.1. This illustrates how old market research typically functioned on each of the above four fronts:

- *Robustness*: the emphasis, in the past, was on working with orthodox concepts, such as 'validity' (is the evidence measuring what we think we are measuring, and free from any systematic bias?), and 'reliability' (how likely is it that the data will hold good over time, and that we will be able to reproduce our results?).
- *Context*: in the past, most market researchers would get no further than checking their new incoming study against, maybe, one past related research report.
- *Evaluation*: this would inevitably focus on examining one data set and involve the application of (classic) statistical tests.
- *Application*: the study would conclude with a presentation of the research findings, possibly with some recommendations for action (but would not be *closely* related to the subsequent decision-making process).

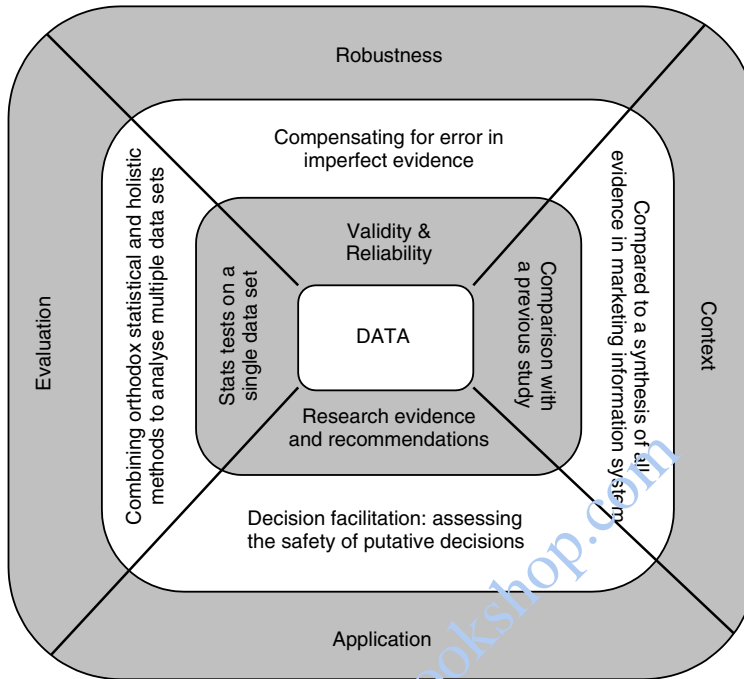


Figure 1.1 – The scope of 'new' market research.

New market research takes us into new territory. This is summarized by the activities shown in outer white panel in Figure 1.1:

- *Robustness*: the emphasis today is on 'compensating' for the imperfection in the varied data sources that market researchers now draw upon.
- *Context*: the availability of marketing information systems usually means that new market research evidence will be set in a much richer context than ever before.
- *Evaluation*: orthodox statistical analytical methods will be employed alongside frameworks aimed at factoring prior management knowledge (intuition) into the data analysis process, with this involving the analysis of multiple, not just single, data sets.
- *Application*: new market research goes beyond simply presenting research findings and making recommendations, with market researchers now much more closely involved with decision-facilitation.

The methodological challenges for new market research

There are three distinct methodological challenges in building the new holistic market research approach outlined above:

- The first focuses on finding actionable frameworks to help combine qualitative and quantitative evidence when tackling business problems.
- The second centres on how to develop frameworks to incorporate management intuition into the formal data analysis process.
- And the third involves synthesizing what we know about the overall market research 'craft' – what we know from experience does and does not work – into a form that can be made accessible to data analysts, so that this can enrich their interpretation of the data.

We briefly examine these three issues below, but we also return to these major themes throughout this book.

Integrating qualitative and quantitative data

Holistic researchers tend not to think of qualitative and quantitative research as separate disciplines. The emphasis is on finding ways to integrate the two forms of evidence. Holistic researchers recognize the power of the rigorous statistical analysis of quantitative data, but they also see merit, on occasion, in analysing quantitative data in a qualitative way. Similarly, the holistic researcher understands the benefits, where appropriate, of not only examining qualitative data in a thematic way, but also subjecting the evidence to a more quantitatively-orientated analysis.

Distinguishing the qualitative 'method' from the qualitative 'mode'

In interpreting the increasingly blurred methodological boundaries between qualitative and quantitative evidence, it is helpful to draw a distinction between the qualitative 'mode' and the qualitative 'method': that is, to explicitly delineate the idea of the qualitative *mode of analysis* from the qualitative *method of data collection*.

Most are quite comfortable with the – albeit blurred – distinction between qualitative and quantitative data collection. But what happens to that data is a different matter. We argue that the qualitative mode – an open and flexible way of *thinking* about data – should not be restricted only to the qualitative method. It should be extended to apply also to the quantitative method.

Certainly, the idea of defining 'qualitative' as a way of thinking that can be applied to *all* forms of data is consistent with dictionary definitions of the terms 'qualitative' and 'quantitative':

- *Qualitative*: involving, or relating to, distinctions based on qualities, constituents, or characteristics.
- *Quantitative*: involving, or relating to, considerations of quantities – amount or size.

In sum, the qualitative mode is a powerful concept, one that should not be restricted to the qualitative method. It can add insight to almost any piece of

information. In fact, there is no reason why the qualitative mode of analysis cannot be expanded to encompass *all* forms of marketing evidence. In the matrix in Figure 1.2, we illustrate the way the qualitative mode of thinking can apply to either qualitative or quantitative data.

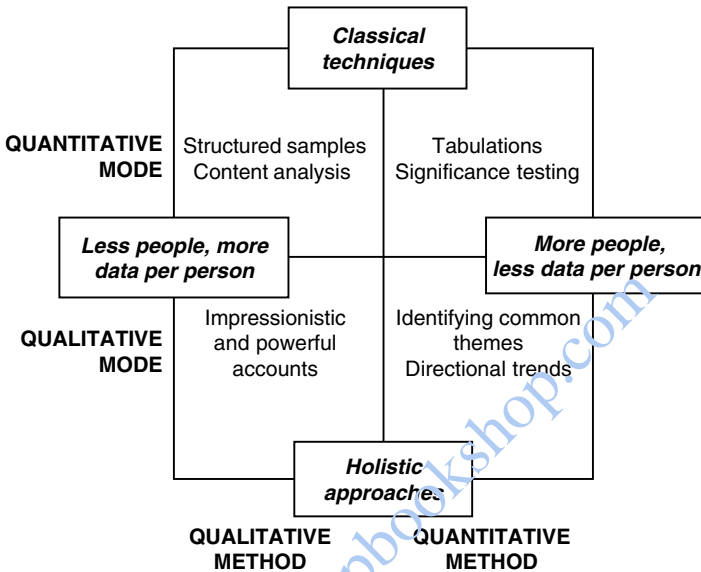


Figure 1.2 – Distinguishing the qualitative ‘method’ from the qualitative ‘mode’.

Many will argue that, working across the qualitative/quantitative ‘divide’ is what they already do, and in some cases, this may be true. But the point is that the *qualitative mode* has only been sporadically articulated as a skill set in its own right, separate from the business of collecting data – the *qualitative method*. We believe that in promoting the holistic school of data analysis, the articulation of our concept of there being a qualitative mode, not just method, concentrates the mind and helps us to define what holistic data analysis is all about.

This observation challenges quantitative researchers to bring the same level of attacking interpretation to the numbers as qualitative specialists routinely deliver based on fewer, but deeper, observations. The challenge to qualitative research is to take what we define as the ‘qualitative mode of thinking’ out of its rather introspective methodological box.

Developing analytical frameworks to embrace prior management knowledge and intuition

In the past, it seemed that business problems were tackled via two, almost mutually exclusive, channels of thought. There would be the ‘traditional’ market

researchers, with their scientific data, in one corner, and in the other, we would find entrepreneurial business leaders, such as Richard Branson and Anita Roddick, talking up the virtues of looking at business problems from an 'intuitive', rather than just data-led, approach. Now, it is increasingly recognized that ignoring management intuition on the grounds that it does not meet the formal criteria of 'scientific enquiry' is ill-advised.

Intuition as an 'organized' process

A key point to acknowledge is that, if we arrive at a solution using our intuition, it does not mean that we did not adhere to an organized process. If we arrive at a solution by intuition, it simply means we got there without consciously knowing how we did it. It does not mean we have not been following a sound set of principles. After all, Alan Turing broke the Enigma code by combining his brilliant, deductive mathematical logic, with his intuitive insights about how a young German soldier, asked to follow the operation manual for the Enigma machine, might actually behave in a hostile wartime environment. Another powerful analogy is the idea of modern day holistic data analysis being a kind of musical 'jamming' session. When musicians jam a jazz piece, invariably they do not just invent something completely new. They tend to start working around reasonably traditional structures, and only then begin to improvise out from this more conventional starting point.

The power of archetypal evidence

The fact that market researchers may, in the past, have been dismissive of so-called 'anecdotal' or 'intuitive based evidence', even when it was being advanced by seasoned marketing professionals, has been largely unhelpful. A more constructive approach is to think of the powerful intuitive insights provided by senior marketing management as being potentially rich, 'archetypal' evidence. (That is, evidence that is *not* simply an isolated snapshot of one individual's 'personal' perspective on the world, but the sum of a rich body of reinforcing experiences built up over many years across various markets, and corroborated by what others also think.) This archetypal evidence, albeit informal, is indeed worthy to sit alongside formal survey evidence.

Market researchers have made progress in accepting that intuition – knowing, without knowing why – is not a mystical phenomenon that sits outside the formal decision-making process. However, the pendulum must not swing too far. It will be unhelpful if intuitive reasoning becomes exclusively associated with flair and creativity, and the evaluation of the hard customer data is relegated to being a dull and lacklustre irrelevance. This would be dangerous because, as we all know, hunch and intuition can often be plain wrong. The key to success is, of course, combining 'informed' intuition with the rigorous scrutiny of data.

Data is dumb but beliefs are blind

Arriving at what we might describe as ‘informed intuition’ represents a major challenge. On the one hand, we are all attracted to the power of ‘intuitive thinking’: we are all aware that many successful business people claim that they ‘just know’ what the different signals and messages are telling them to do. But beliefs, unsubstantiated and unchecked, can be ‘blind’. Not all of intuitive thought will be correct. It can enrich the analysis process, but it can also point us in the wrong direction.

However, if we totally resist intuition, this can stifle our understanding. Totally literal, uninspired reportage of customer data will often be plain ‘dumb’. Without that extra flair, insight, and indefinable hunch, the true power of what the data is trying to tell us may be lost.

In sum, truly informed business decision-making requires a combination of intuitive thinking skills, and a rigorous interrogation of all of our evidence. We need to embrace intuition, but only in the context of controlled analysis frameworks and with appropriate checks and balances. Responding to this challenge is one of the central preoccupations of this book.

Developing an account of how new market research ‘works’

There is a gap in the methodological literature between the ‘classic’ (and often statistical-based accounts of how market research ‘works’) and the more pragmatic and flexible (yet still rather vague and abstract) approaches being advocated by the emerging holistic school of data analysis.

We do, of course, have a general appreciation of the way holistic researchers work. But this falls short of providing a practical step-by-step guide to holistic data analysis. The absence of a comprehensive organizing framework, explaining the holistic approach to data analysis, makes getting to grips with the art and science of the market research ‘craft’ – a mixture of classic social scientific enquiry and practitioner know-how – a particular problem for newcomers.

There are numerous excellent books, from leading academics in the field, on the theoretical grounding behind market research. There are also numerous first class contributions from practitioners on various specialist aspects of the market research process. But there is a limited number of books that – based on an overview of market research theory *and* practice – provide a transparent account of how market researchers now interpret their data in a more holistic way.

Developing an organizing framework to help us learn about holistic analysis is now vitally important. If we do not spell out exactly how market researchers, in ‘real life’, actually analyse data, there is the danger of an ‘anything goes’ approach emerging to the way research evidence is used for decision-making by the commercial and public sectors.

The challenge of developing a 'universal' framework

We strongly believe that there is tremendous value in developing a universal framework that explains how new (holistic-based) market research really works. Here, we fully accept that developing any unified account of how such a broad church as the 'market research industry' operates will be open to challenge. It is an industry with many varied niches, ranging from focus group specialists through to those who are experts in undertaking Internet surveys.

Fitness-to-purpose

In mapping out a universal framework, we must also be mindful of the dangers of implying that there is a set standard that operates across different business problem-solving scenarios. This is clearly not the case. Market research is about finding solutions to business problems that are 'fit-to-purpose'. It is a way of reducing uncertainty in business, rather than an attempt to always model itself on the 'classic' tenets of what constitutes pure scientific enquiry. So, in certain situations, the appropriate approach may be a 'classic' research study, possibly requiring an experimental design, that delivers high levels of methodological rigour. Yet, in other scenarios, the appropriate research design solution may be one that only provides broad insights and directional guidelines, with a much less rigorous methodology. Thus, in outlining our approach, the reader needs to relate what we are saying to the nature of the marketing problem under investigation.

A synthesis of key theory and best practice

There have been few attempts to synthesize what the market research industry knows about the interpretation of data into a single book that would serve as a basic introduction to the holistic interpretation of market research data for newcomers. One reason for this is that providing a synthesis of best market research theory *and* practice – the art and the science – requires making difficult decisions about which points, from the vast body of literature available, to draw upon. It is literature that incorporates statistics, psychology, sociology, anthropology, marketing, economics, geography, communications theory, and much more.

In addition, much of this literature is difficult to access for the busy market research practitioner, locked as it is in many important, but sometimes obscure, tomes. A further difficulty is that any account of everyday market research analysis also relies on a body of knowledge that exists mainly in the form of proprietary techniques and knowledge that is housed within individual market research agencies. Clearly there is a limit to the extent to which different agencies – keen to seek a commercial advantage – will put this body of knowledge in the public domain.

An overview of our 'holistic' data analysis framework

Before outlining what we have elected to label our 'holistic' approach to the analysis of market research data, a brief explanation of why we have opted to align our approach to data analysis with the word 'holistic'.

Why call it 'holistic' data analysis?

We favour the word 'holistic' because it explains the broader, richer, and fuller way in which new market researchers now successfully operate on the wider marketing information stage, offering strategic advice based on a grounded understanding of why customers say what they say. It is a term that neatly highlights the way market researchers now operate in a more integrated way, drawing together different types of desk, observation, qualitative and quantitative evidence into a combined whole, rather than just analysing solitary pieces of uncoordinated evidence. We believe that the word 'holistic' also effectively conveys the way in which researchers are now much more 'engaged' with, rather than remaining 'detached' from, the decision-making process.

Of course, the word 'holistic' is not perfect. To some, it will suggest an approach that lacks credibility and does not have any 'scientific' underpinning. It is also a word that could be seen as rather faddish. Notwithstanding this, we believe that the word 'holistic' provides a useful shorthand for conveying what client organizations now want from the market research industry. Clients are looking for an integrated, insightful understanding of what *all* their customer evidence is telling them. They want their data to have been inspected by an independent third party for its resonance with prior management thinking on the subject, and they want their data presented in an explicit, transparent, and actionable way that enhances the decision-making process. The word 'holistic' seems to convey many of these dimensions.

Our ten-stage framework

Our approach guides newcomers to market research through ten stages for better understanding the craft of holistic data analysis. Our framework lays out ideas and suggestions aimed at helping the analyst go beyond the data, to provide insightful interpretations. But our framework is not intended to be exhaustive. Our model can be no more than a set of general principles which we believe all interpretations of data, at least in part, should, as a minimum, take into account. Many of the techniques to which we refer have their origin in qualitative research, where the holistic interpretative approach comes naturally. But, at each stage of our framework, we always demonstrate how holistic data analysis principles can be applied, in a fluid way, to *both* qualitative and quantitative evidence.

- *Analysing the right problem*: we start with the all-important issue of ensuring that we understand the *real* problem that drives the analysis requirement. Get this wrong and no amount of data analysis skill will save you.
- *Understanding the big information picture*: next, we explain how holistic data analysts make use of *all* the available data on the problem. The holistic analyst knows how to combine clues, anecdotes, archetypal evidence, qualitative

evidence, survey data, conceptual marketing models, and management hunch and intuition in unravelling the overall storyline.

- *Compensating for imperfect data*: the holistic analyst knows that most customer and marketing data is 'imperfect'. They know that effective analysis means knowing how to compensate for this imperfection as part of the interpretation process. Here, we look at techniques to help the analyst establish the core robustness of, and compensate for any 'errors' in, the evidence.
- *Developing the analysis strategy and organizing the qualitative and quantitative data*: we then look at developing a clearly thought through analysis strategy, including organizing the qualitative and quantitative evidence. The emphasis here is on making the evidence accessible, thereby pushing up the chances of an insightful and creative interpretation of the true meaning of the data.
- *Establishing the interpretation boundary*: we then provide guidance on how to establish the overall 'boundary' within which a particular piece of evidence can be 'safely' interpreted. The holistic data analyst will first use the orthodox statistical and methodological principles to establish the 'constraints' within which their data should initially be interpreted. But the holistic analyst will then 'stretch' this classically derived boundary by applying various 'enabling' principles that will allow them to take the relevant prior knowledge and informed intuition into account.
- *Applying the 'knowledge filters'*: the holistic analyst will then set new data in the context of what is known about the limitations of even the most professionally designed and conducted survey research. Based on past experience of the power and robustness of different genres of consumer evidence, the skilled analyst, in unravelling 'true' behaviour and attitudes, will pass their new incoming data through various 'knowledge filters'.
- *'Reframing' the data*: we then look at how the holistic data analyst may turn the evidence on its head, and look at it from a totally fresh stance. The goal here is to throw up fresh perspectives that will provide a deeper understanding and/or add a new 'insight'. This might involve 'reframing' the evidence from, for instance, a semiotics perspective, to enhance the power of the analysis.
- *Integrating the evidence and presenting research evidence as a narrative*: next we look at ways of integrating qualitative and quantitative evidence, while also factoring prior knowledge and intuition into the analysis. This provides a platform for constructing true and powerful narratives around which to present the research story in an engaging and authoritative way.
- *Facilitating informed decision-making*: then we arrive at the key issue of establishing what our data looks like from the standpoint of those who will apply the analysis to the original problem – the end decision-makers.
- *Developing holistic data analysis*: the final part of the holistic researcher's task is to complete the loop that runs from the problem to the solution, by drawing together the general principles and lessons learnt during the analysis

process. This involves looking at how effective different research designs (information packages) have been in improving the quality of the evidence-based decision process. This understanding can then be fed back into the problem-definition of the next (holistic) data analysis task, thereby helping to build a body of normative knowledge about which holistic analysis techniques ‘work’, and which do not.

Building on past work

This book builds on an earlier book by the same authors, entitled *Inside Information: Making Sense of Marketing Data*. In this previous work, we began the process of explaining how holistic analysis works, and laid down some frameworks to explain how today’s market researchers make sense of what is often contradictory customer evidence.

This book goes one step further, by providing a far more comprehensive and detailed account of the analysis tools, concepts and principles that practising holistic market researchers use when analysing multiple data sets. In addition, we provide the reader with a number of concrete examples of how our earlier, more abstract, ideas can be applied in practice.

Scope of this book

The task we have set ourselves in this book is a very ambitious one. It requires synthesizing what we know from a *theoretical* standpoint about market research, with various *practical* approaches that are taken to the discipline. In attempting this, we realize that there will be gaps. For example, in demonstrating how to integrate different types of evidence, space has not allowed us to address the important issue of working with specialist kinds of marketing data – such as media, and continuous consumer panel, data. Neither do we tackle the complexities of data fusion. We are also aware that we have not addressed the issue of the integration of customer information with financial data.

But we believe that the overall frameworks we lay down in this book will allow others – using similar principles – to establish how best to integrate other types of marketing information into this holistic way of thinking.

Supplementary reading

We are not advocating the holistic approach as an alternative to more ‘traditional’ data analysis methods. We are simply suggesting that the holistic approach can often add depth and breadth to these more conventional approaches. Given this, we have tried to structure this book, so that it will guide the newcomer to market research through the principles of holistic data analysis, while at the same

time – in the Notes section – referring the reader to where detailed reading of more traditional market research knowledge and techniques will pay dividends.

So, in sum, our book paints the holistic data analysis story in broad strokes. We show the reader the overall canvas on which holistic commercial market researchers operate, but we do not take any one issue into any great depth. Our aim is to explain – at a meta level – how the various holistic principles and concepts fit and ‘work’ together, with the supporting Notes section alerting the reader how to pursue certain issues in more detail. There is also a Glossary, which includes the key terms we have used to explain the holistic approach.

What should come first: holistic or traditional?

There is, of course, the issue of whether the principles of holistic data analysis should be read *after* a detailed review of more ‘conventional’ market research material, or whether our primer in holistic data analysis should be read *before* studying the more traditional analytical techniques. Here, it is difficult to be prescriptive. Much will depend upon whether the reader is coming to market research for the first time, or has already had some experience. The simple compromise would be to read our book on holistic data analysis in parallel with other more traditional market research textbooks.

In this book, we have alternated the use of the male and female pronoun on a random basis.