

**WHERE DO YOU  
START WITH  
MARKET RESEARCH?**

**RESEARCH**



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## INTRODUCTION

Success in business can depend on many things. Some of these you can't control: the worldwide economy, international trends and pure luck. Others, however, you can control: applying clever business thinking, keeping an ear to the ground and making good decisions.

In order for your business to succeed, you must make sure you are capable of making the best possible business decisions. One of the most important, if not the most important, factors in being able to do this is having the correct information about the industry, people, competitors and target markets that will have an impact on your business. With this information you can then make the necessary decisions to the best of your ability, which significantly reduces the risk of failure.



In this white paper, we look at how you can use market research to gather the information you require.

## PRIMARY VS SECONDARY RESEARCH

Gathering the information you need to make good business decisions is not without its challenges. Very simply, these include cost, time and workload. How the information is gathered becomes of paramount importance. One of the first questions that a business must ask before conducting research is: *'Should I do primary or secondary research? And what's the difference?'*

## Secondary research

We start with secondary research as, despite the name, it should be done first, according to marketing guru Phillip Kotler (and others). It is also known as desk research.

Secondary market research refers to any information collected for one purpose by one party and then put to a second use by, or made to serve the purpose of, a second party. It can also include internal company information such as sales records or financial data.

Secondary research is also the nearest thing to an all-purpose market research tool, because almost every project makes some use of secondary information and almost any decision stage may incorporate some kind of secondary research.

As a general rule, secondary research is a cost effective and quick form of market research as it is usually readily available to the researcher. It can often partially or wholly solve a problem without the need to do primary research.



When undertaking secondary research, you will probably be mining the Internet, books and business publications, annual reports from other companies, magazines and newspapers.

While more immediate in terms of gathering information than primary research, the information gathered from

secondary research is not always going to be as accurate or useful as customised primary research. It's a great starting point, or back up plan – but don't pin all your hopes to it.

Secondary research lays the foundations for further research and can help provide you with new insights and ideas for your primary research or for your product, services and website.

### Primary research

Simply put, “*primary research is research tailored to a company’s particular needs,*” explains Allbusiness.com. It is the collection of totally original data for a specific purpose. By undertaking primary research a business goes straight to the source (customers, potential customers, employees or other relevant groups), rather than depending on information that has already been published by someone else.

Undertaking primary research means you get valuable original information specific to your product, service, website or offering.

Primary research “*delivers more specific results than secondary research,*” reveals Allbusiness.com. “In addition, primary research is usually based on statistical methodologies that involve sampling as little as 1 per cent of a target market. This tiny sample can give an accurate representation of a particular market.”

Although it can reveal fascinating insights, primary research can be extremely time-consuming and expensive, especially when it’s done incorrectly.

You can use various methods to conduct primary research. These include focus groups, face to face interviews, panel research, surveys and questionnaires.

### The Best of Both

In truth, it is important to use **both** primary and secondary research whenever possible.

Secondary research gives a great overview of the information that is currently available and may answer many questions in the process. It can also be an excellent tool to guide your primary research and provide ideas and issues not previously considered.

Primary research is more specific, relevant and up to date than secondary research. However, it is more expensive and a lot more work than secondary research. A balance needs to be struck between the two in order to gather the most effective data efficiently and at a cost suitable to your budget.

## QUALITATIVE VS QUANTITATIVE RESEARCH

When doing primary research, you also need to consider which type of primary research should be undertaken: qualitative or quantitative? Should you choose quality over quantity or vice versa?

In most walks of life, quality generally seems to be the answer to this question. With market research, however, both have value. Your final choice will depend on the kind of information you're looking for and how much time and money you have.

### Qualitative Research

According to the 60 Second Marketer, *“Qualitative research is used to uncover and understand thoughts and opinions thus providing a basis for further decision making.”*

As revealed by the 'quality' part of the name, qualitative research is kind of 'touchy feely' in nature. It is used when you want to understand feelings and identify needs. It can also be used to capture language which uncovers how people perceive a marketing message. Practically speaking, qualitative research:

- Makes use of samples that are generally small and not necessarily representative of an entire population
- Uses unstructured or semi-structured research techniques, such as individual in-depth interviews or focus group discussions, for data collection
- Does not generate data that can be analysed statistically.

Qualitative research is excellent for generating ideas, measuring prevailing moods and trends, gaining understanding of underlying motivations which shape consumer behaviour and providing insights into problems encountered by or in your business. It's worth remembering that the outcomes of qualitative research are more exploratory and probing; they're generally not statistically conclusive and shouldn't be used to make any decisions you need supported by firm numbers.

Qualitative research can however, be a great way of uncovering issues you need to explore in more detail and is often a very useful precursor to quantitative research.

One of the challenges with qualitative research is that it is often difficult to extract and analyse the exact information you want. It's often more productive to work with a professional in the area to make sure you get relevant, reliable results as cost effectively and quickly as possible.

### **Quantitative research**

From the 60 Second Marketer again: "Quantitative research is used to measure and predict, leading to a final course of action."

Here, we're talking numbers (just in case the 'quantity' part of the name wasn't a dead giveaway). With quantitative research:

- Sample is usually large and represents the population of interest
- Data collection uses structured techniques such as online questionnaires or telephonic interviews;
- Data can be statistically analysed
- Findings are conclusive.

Quantitative research should be used when you want to quantify data and generalise results from a sample to the population of interest or to measure the incidence of various views, opinions, awareness and/or satisfaction in a chosen sample. The statistical validation offered by quantitative research is undeniable, but it bears remembering in this instance that feelings, views and opinions are liable to change. Such is human nature.



Sampling is key when undertaking quantitative research. Consider these issues when you are selecting your research sample:

- **Sampling unit:** Who should we survey? The sampling unit is generally the identified target market of the product or service.
- **Sample size:** How many people should we survey? Large samples give more reliable results but it is not necessary to sample the whole target population. Samples of 1% or sometimes less can often produce accurate results if a credible sampling procedure is used.
- **Sampling Procedure:** How should we choose the respondents? There are two main ways of doing this: probability sampling and non-probability sampling.

Probability sampling methods include selecting a:

- Simple random sample. Every member of the population has an equal chance of getting picked.
- Stratified random sample. The population is divided into mutually exclusive groups (eg age groups) and random samples are drawn from each group.
- Cluster (area sample). The population is divided into mutually exclusive groups (eg city blocks), and the researcher picks a sample of the groups to take part.

Non-probability sampling methods include:

- Convenience sample. The researcher selects the most accessible population members.
- Judgement sample. The researcher selects population members who are good prospects for accurate information.
- Quota Sample. The researcher finds and interviews a prescribed number of people in each of several categories.

Judging which sampling method or combination of sampling methods is the best for your business offering can often be difficult to figure out. Getting it right is vitally important to the accuracy of the quantitative research results and should be looked at in some depth. In many cases, working with consultants who are specialists in these fields can make a big difference to the success of your research undertakings.

## CONCLUSION

Information is a key ingredient in helping you to make sensible business decisions. Getting the information you need, when you need, it is a challenge businesses face regularly.

We believe both secondary and primary market research are essential in helping you gather information about the products, services and ideas you are investigating. Secondary research should be conducted first in order to lay a good foundation for primary research and provide you with cost effective and easily obtainable information regarding your area of study.

Primary research is vital in order to gather up to date and relevant information. It enables you to find answers to specific questions and can often lead to previously unheard opinions and ideas being uncovered. This means you can make better decisions. Outsourcing your research may be a very prudent decision.

When you're conducting primary research, we believe it is best to use a combination of qualitative and quantitative research. Qualitative research provides information that may reveal new thoughts and ideas but can be limited because it generally reflects the views of a small sample only and is difficult to analyse. Quantitative research allows you to gather the views of a larger, more representative sample but can be a resource-intensive exercise to manage on your own.

## ABOUT SURVEYSHACK

SurveyShack specialises in developing and running flexible feedback and reporting systems that are designed to make collecting, analysing and reporting on data efficient and cost effective.

We use our own unique technology to automate questionnaire design, deployment, response collection and collation, data analysis and reporting. Feedback can be collected via multiple mediums such as web, email, or paper questionnaires.

We have helped a broad range of clients across several industries to gather insight about their customers, their staff, their products and issues that affect their businesses. We have helped organisations to:

- Understand and benchmark customer satisfaction levels
- Gather market research data from niche sectors
- Conduct reader surveys and audience polls
- Collect employee and member feedback
- Evaluate events
- Assess new products prior to launch
- Develop pricing, distribution and packaging strategies
- Measure brand awareness and advertising effectiveness
- Implement 360 degree appraisals of leadership and management teams
- Learn about current and desired organisational skills
- Identify training needs.
- Measure organisational stress and wellbeing.

We are accredited by the Market Research Society (MRS).

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