



## Market Research Lecture

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- This lecture will cover
  - Quantitative Research
  - When to use Quantitative Research
  - Quantitative Research Methods
    - Survey Methods
    - Observational Research



# Quantitative research

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- About measurement of WHAT is happening
- Representative sample - draw statistical inferences for entire target population
- High level of control and structure of questionnaire and procedures
- Mode of interview varies (face to face, phone, self-completion, internet)
- Relatively large samples



## When used....

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### Quantitative

- Measuring size, characteristics, attitudes and behaviours of target populations
- Determining broad behavioural and attitudinal patterns
- Hypothesis testing
- Validation of qualitative findings



# Cost and Time Factors....

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## **Qualitative**

- Cheaper
- Quicker

## **Quantitative**

- More expensive
- Longer

## **However...**

Online quantitative can be very fast and very cost effective

Large scale qualitative studies can be very time consuming and expensive



When to use quantitative research



## When is quantitative research appropriate...

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- When analysing and explaining consumer behaviour on a large scale
  - Testing a hypotheses (or idea)
  - A more detailed understanding of “what” is happening in the market
- Segmenting customers on a numerical basis, via question on who they are and what they do



# Keys steps in quantitative research

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Define the overall research problem

Define the target sample

Choose the questions to ask

Choose the data collection method

Collect the raw data and process it

Analysis and presentation



# Methods of quantitative research...

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## **The most common methods of quantitative research:**

- Survey interviews
  - Face-to-face; telephone; online; mail / handed out
- Observational research
  - Watch people in action
  - Discrete – hidden observation
  - Obvious – visible observation





# Face to face survey interviews

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- A one on one session asking questions from a prepared questionnaire
- Typically 10 - 20 minutes (up to 1 hour in some cases)
- Interviewer can probe for more detailed responses with flexible questions
- Can be conducted at home, office or other location, such as a street or a shopping mall



# Strengths and weaknesses of face to face surveys

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## Strengths

- Trust and rapport
- Can help the interviewee if they do not understand a question
- Can show physical items to people
- Quality of data is superior

## Weaknesses

- Time consuming
- Hard to contact a lot of people quickly
- Expensive
- Data has to be processed later
- Reliant on skilled interviewers



# Telephone interviews

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Similar to face to face except....

- The telephone is used
- The interview is shorter (5 – 15 minutes)
- The questions are more structured and thus less flexible
- The raw data is usually downloaded automatically, via computer assisted telephone interviewing (CATI)



# Strengths and weaknesses of telephone surveys

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## Strengths

- Faster than face to face interviews
- Able to contact more people quickly
- Can help the interviewee if they do not understand a question
- Quality of data is reasonably good

## Weaknesses

- Harder to build trust over the phone
- Low response rates, causing “timing blow outs”
- Lack of flexibility with probing for answers



## Internet surveys ....

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- Are a self completion survey, so the respondent completes it by themselves
- The respondent (interviewee) is contacted by email or SMS and invited to click onto a survey link
- There they complete the survey by following the prompts and answering the questions
- Data is automatically downloaded and processed
- Duration of 10 – 20 minutes



# Strengths and weaknesses of internet surveys

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## Strengths

- A high response compared to mail surveys (20% vs 5% for mail)
- Respondent can complete at a time suitable for them
- More considered responses
- Automatic data processing

## Weaknesses

- No one to help the respondent if they have a problem with a question
- Vulnerable to sampling error caused by “self selecting”
- Dependant on a good quality data base



## Mail and handed out surveys ....

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- Are both self completion surveys, so the respondent completes it by themselves
- The survey is posted out, or handed out
- Duration of 5 – 45 minutes
- Usually structured with a few flexible questions (known as open ended questions)
- Raw data is then entered manually into the computer for final processing



# Strengths and weaknesses of mail and handed out surveys

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## Strengths

- Cheap, as no interviewers or website are required
- Respondent can complete at a time suitable for them
- More considered responses
- Can use longer surveys in some cases

## Weaknesses

- No interviewer to help the respondent
- Low response rates to mail surveys (5%)
- Takes a long time to get all the mail surveys returned
- For a hand out survey to work, everyone must complete the survey





# Observational research

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- YOU OBSERVE PEOPLE WITHOUT MAKING CONTACT
  - VISIBLE OBSERVATION
    - They know you are watching them
    - They have got used to your presence
  - HIDDEN OBSERVATION
    - They don't know you are watching them
    - Your presence cannot affect their actions



## PERSONAL OBSERVATION

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- Watch what people actually do in a buying situation
- Study things such as:
  - How long they take
  - How many products they look at before buying
  - The order in which they look
  - Are any products always looked at first? Why?
  - Does their behaviour change if the price is discounted?
  - Or do other factors influence them? (Eg time?)



# Strengths and weaknesses of observational research

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## Strengths

- You can watch people in their natural environment
- Everything happens in real time
- It is an objective method

## Weaknesses

- No feedback unless you ask questions
- People will often change their behaviour if they think they are being watched