Asking the wrong question and expecting the right answer is the new definition of insanity.

The Right Questions

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Many respected marketing research industry observers have expressed the view that our product is flawed. For example, researchers jam-pack surveys with attributes, resulting in respondents "rating items very rapidly, using simplification heuristics to speed through the task" (according to Steve Cohen and Bryan Orme's Summer 2004 *Marketing Research* article "What's Your Preference?"). Clients often find expensive segmentation studies difficult to implement, and market segments impossible to reach. In the Fall 1999 *Marketing Research* article "Rx for Marketing Research," Mahajan Vijay and Jerry Wind note that "it's easy to see why some people think marketing research is dead," and refer to a Marketing Science Institute-sponsored study finding "very low use of quantitative marketing research techniques in new product development." Indeed, the entire Winter 2001 issue of *Marketing Research* was dedicated to addressing the maladies of marketing research.

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Executive Summary

Too often, researchers and their clients focus excessive attention on research objectives or "learnings" at the expense of their impact on business decisions—which is primarily how the value of research findings should be measured. Business and research objectives differ, which often leads companies to ask the wrong research questions. A back-to-basics approach can help them ask the right ones, thereby ensuring that business objectives guide research design.

Clearly, there are many factors contributing to poor research quality, and many challenges our industry faces in improving its reputation. One of the main culprits is designing research in the absence of business objectives: statements of how the research findings will affect specific, well-defined decisions. The first step in designing actionable research should be defining business objectives. Many researchers skip it and leap directly to research designs based on research objectives alone, or the specific "learnings" (quickly becoming clichéd in conference rooms) marketing wants to uncover. Business objectives are often glossed over with a statement such as "findings will be used to increase brand sales."

Research objectives should flow from business objectives, not vice versa. Primarily focusing on learnings or research objectives often produces findings that are irrelevant to management decision making. Researchers and their clients can use several research design/marketing decision-making frameworks, tools that more concretely link research projects to business decisions.

Case Studies

Deep vs. broad penetration. A large consumer packaged goods company wanted to conduct a study among a brand's heavy users, to understand the brand's equity. More specifically, it wanted to expand that equity into new products. The brand had very low penetration, so the company needed new products to meet the upcoming fiscal year's volume goal of double-digit growth. Notice the absence of tying research learning—understanding the brand's equity—to the business objective.

The brand had a small base from which to grow, so simply investigating the brand's equity among its most loyal users wouldn't help decision makers reach a double-digit growth rate. Upon reflection, the business objective focused on identifying marketing levers that would increase brand penetration—and thus growth. Accordingly, the research objectives transformed into (1) understanding barriers to current brand purchase and (2) identifying bridges that would motivate category users to buy the brand.

Study results showed that the brand chiefly suffered from awareness problems. Both brand and category users liked the product, but didn't use it as often as others in the category because they simply forgot about the brand. Reminders—in the form of advertising, incentives, and new products—became the levers that could improve brand penetration and growth. Conducting an equity study among heavy users clearly wouldn't have caught this.

Customer satisfaction tracking vs. client acquisition. A national insurance company in the medical field wanted to increase its sales. Management felt that it needed a customer satisfaction tracking study to ensure that its service quality was unsurpassed; it would then use that excellent service reputation to attract new customers. Management's stated business purpose: "Find out what we're doing wrong and fix it; find out what we're doing right, and keep doing it."

A review of company compiled primary and secondary research revealed that the company historically owned the lion's share of the market. The majority of "lost" customers simply were medical professionals leaving the business for a period, and the majority of "new" customers were the same medical professionals reopening their businesses. These professionals seldom switched insurance providers over time; once they established relationships, they stuck with them. Price competition and product feature differentiation apparently didn't play a large role in market share.

When presented with this information, management was hard-pressed to articulate how a customer satisfaction tracking study would help it attract truly new customers. Its attention refocused on the factors that drive newly licensed medical professionals (fresh from hanging their shingles) to make their initial insurance purchases, and influence them to select certain companies over others. The business decision was now clearer: Develop marketing communication strategies designed to motivate these professionals to choose this company. Performing a customer satisfaction tracking study would have missed this opportunity.

The Charlie Brown Effect

Often, crafting the right business question to be answered by research is easier said than done; just ask comic strip character Charlie Brown. One famous *Peanuts* strip depicts him sauntering down a sidewalk, lost in daydreams and oblivious to the world around him. He unexpectedly comes upon Lucy perched on a chair behind her "Psychiatric Advice 5¢" kiosk. Just as he notices her, Lucy leans over, staring daggers at him.

She shouts, "Charlie Brown! Do you know what your problem is?"

Momentarily speechless, he ponders this and replies with a soft and halting, "No."

"That," Lucy rejoins, "is your problem!"

In spite of the best analyst's efforts to get clients to identify the decisions they want proposed studies to affect, sometimes they just don't know what these are. Clients want to increase product sales, but they don't understand where to focus their attention. So when pressed to define studies' business objectives, they give the knee-jerk response of "to increase sales and profits." They also might want to identify their products' weaknesses, but until they know what these are, they will have difficulty articulating what business decisions research will affect.

Driving Actionable Research

If researchers conduct research and marketers run the business, then should researchers be responsible for clarifying business objectives? Yes, because corporate researchers ultimately are responsible for the research being actionable. This role shouldn't be relegated to marketers (who aren't as well-versed in research) or research suppliers (who are less familiar with the business as "outsiders," and don't know how the research fits into a larger research/business plan).

Therefore, to design actionable research, researchers must play both marketing and market research roles. If you ran the business, then what would you need to know to make it successful? Starting with this question—and knowing how to answer it—will help you better define business objectives in the absence of clear definition from others.

Putting yourself in the decision maker's shoes is the first step in understanding what information to gather. Albert Einstein was known for doing "mind experiments," in which he would think through the effects of gravity on time and the speed of light. Our goals might not be as lofty, but engaging in this activity can be just as useful. Ask yourself questions such as, "If the research study discovered 'X,' then what decision would I make and how would it affect the business?"

In addition to mind experiments, referring to the business basics can guide your thinking on research design. The following primer covers most strategic business issues that clients face, and the levers at their disposal for addressing them. Understanding the specific business issues that the research will help address brings clarity to the business objective and thus, the research.

Strategic Business Considerations

Basic business objectives. Volume loss or desire to gain volume is the crux of most business issues. Three basic objectives and corresponding strategies can gain volume, depending on the business' nature.

- Increase penetration: Grow awareness and trial of new or existing low-penetration products.
- Increase buy rate: Grow usage or loyalty among current customers for high-penetration products.
- Steal/stave off competitive volume: This usually occurs as a share-defense strategy, or a way to increase buy rate in a competitive, mature product category.

Ask yourself, or your client, under which category the business problem falls; the answer will help guide not only the development of research objectives, but also sample composition. To increase penetration, talk to consumers who are in the category but not currently using the brand. To increase buy rate, talk to current customers. To steal/stave off competitive volume, talk to competitive brand users and/or brand switchers.

Basic consumer dynamics. Almost all businesses face the prospect of losing current customers, also called the "leaky bucket" principle: Given all options available to them at a reasonable cost, consumers will desert a brand unless given a reason to stay with it. Two tactics can address this, depending on the target population most likely to leave the brand.

- Light users and nonusers: Design research to attract and incentivize them, and to determine what levers will motivate trial or at least one more purchase.
- Heavy and medium users: Design research to remind them, and to reward their loyal behavior.

Marketing Mix Levers

Businesses use five tactics to motivate consumers to "pull" products through the marketing channels—an expanded version of the four Ps taught in business school.

- positioning: brand positioning/equity, awareness, and advertising
- product: anything to do with the actual product, including packaging
- price: perceived price/value, including all benefits and costs (e.g., lack of service, difficulty in using product) associated with the brand
- promotion: in-store promotions/sales, coupons, and on-package offers to attract or induce a purchase
- place: where to distribute and how to shelve the product

Research should determine which levers will successfully address the business issue. In the first case study, research uncovered an awareness issue, so point-of-purchase or advertising displays/incentives were the most useful levers. In the second case study, research revealed positioning and place issues, so building awareness at professional schools and increasing the frequency of agent visits at these campuses were the most effective levers.

Push vs. pull. Companies also can accomplish business objectives by using channel members to "push" products to customers. One national retailer with independently owned stores wanted to refresh its customer loyalty program. The initial business objective was to increase program member sales by providing more incentives—to induce members to shop more often. The company planned a multimillion dollar investment in new marketing materials and media expenditures for launching the new program. This business decision primarily focused on pull levers.

However, previous research revealed that the prime factor affecting program membership was whether a store's sales clerk had encouraged customers to join. What's more, ongoing customer program participation was strongly linked to how much the store owner promoted the program, with in-store promotions and direct mail. Additionally, a significant number of store owners didn't participate in the customer loyalty program in the first place.

In reviewing this information, management changed its focus from designing research supporting a total pull strategy to a total push strategy: allocating significant resources toward building a greater level of program participation among its independently owned stores. It realized that it didn't have sufficiently deep pockets for national media expenditures to appreciably affect demand over the long run; its greatest return on research investment was going to come from motivating store owners to more enthusiastically support the customer loyalty program.

Sometimes it benefits decision makers to focus on whether their actions on marketing research projects will be pull, push, or a blend. Here, it forced management to make a complete turnaround in the kind of research it wanted.

Symptoms and Treatment

The preceding prescriptions go only so far in guiding researchers to ask the right questions. If only the world were so simple. Sometimes research is conducted not to help decision makers reach the right decision, but to cover the marketer if a decision proves to be bad. Even worse, sometimes it's conducted to do management's thinking for it.

In an ideal world, research would have guided marketers along their way. As David Ogilvy said, "I notice increasing reluctance on the part of marketing executives to use judgment; they are coming to rely too much on research, and they use it as a drunkard uses a lamppost for support rather than for illumination." Conducting a study—which was more an insurance policy than a decision-making tool—prior to product launch wouldn't be necessary if research was used for illumination.

That research would be brought in at such a late stage in the marketing process is indicative of a larger malady. Why do organizations have such difficulty differentiating between (1) learnings and research objectives and (2) the business decisions on which research should be shedding light? And why does this problem exist? Our opinion (and we invite letters to the editor on this point) is that the problem is multidimensional, with no easy solution. At least three factors contribute to it.

No time to think. Researchers have little-to-no time, between having back-to-back meetings and being asked to do more with less. Clients increasingly tell us, "I really appreciate suppliers who can do the thinking for me." This isn't because research organizations are incapable of thinking or don't want to; it's because there's only so much time in the day. If a trusted and strategic supplier can shoulder this task, then it's one less thing with which researchers need to be concerned.

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The tail wagging the dog. Researchers have passive or secondary authority to marketing departments. Too often, research departments are relegated to order takers, or corporate politics don't allow them to play proactive roles in helping managers ask the right questions. At one organization, senior managers instructed the department to conduct a pricing study on an upcoming consumer electronics product. The price had already been set, so the study's purpose was to support the senior managers' pricing strategy. Instead, the study results contradicted the strategy, and the managers pooh-poohed the study, ignoring its results. It turned out the research was right—and the product failed when it was introduced.

Lack of expertise. Some researchers have a shortage of marketing management knowledge or experience. Crafting a statement of how research findings will affect specific, well-defined marketing decisions requires knowledge of both marketing research and strategic marketing management. Research departments should be just as interested in sending their staffs to marketing management conferences/seminars as to research ones.

Research departments must take action to correct these problems. The following steps can minimize their frequency, if not severity.

- Assume the role of crafting the business objectives or challenging internal marketing clients, to articulate how the research will affect business decision making.
- In the request-for-proposal process, include a review of the business objectives and action steps to be taken as a result

of the research. This will trigger more critical thinking on the subject.

- Require that business objectives and action steps be written and discussed before initiating research and requesting bids. Otherwise, nothing will change. This also ensures that time is dedicated for doing so. (Alas, there is no way to include more than 24 hours in a day.)

Stop the Insanity

When reflecting on the various case studies, it might seem like the answers to the research design questions were obvious, or at a minimum could have been discovered with a modicum of critical thinking. Although hindsight is nearly 20/20, researchers and their clients often don't possess the tools for thinking through the research design/marketing decision rubric.

We offer no new research paradigm flavors of the month here. Again, before designing research, ask how it will affect the business decisions. Then return to the fundamentals of business strategies and consumer dynamics to devise influential research. Make this practice a required and ongoing part of the research process, to avoid the crazy conundrum of asking the wrong questions and expecting the right answers. ●

Additional Reading

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