25

Consumer Research

> Consumer research leads you to do the things today
> which will keep you in business tomorrow.

The chapter is designed to give an understanding of:
- *The importance of consumer research*
- *Steps involved in consumer research*
- *Importance and sources of secondary data and primary data*
- *Purchase behaviour*
- *Methods of scaling, observation and experimentation*

Consumer Research

■ 25.1 Introduction

Consumer Research is an off shoot of Marketing Research. Both follow the same steps and both are used for making better decisions. Consumer research is carried out to understand the behaviour of consumers. How they would react to promotional messages and how their attitudes change after being exposed to the media messages. These studies and understandings can help the marketeer to frame appropriate strategies to woo the consumer, to face competition and to locate target markets.

The consumer research follows almost the same steps as are carried out in marketing research, which is known as research methodology.

    I. To define the problem and formulating the objectives of the research.

  II. Collecting and evaluating secondary data.

 III. Designing a primary research study if secondary data is insufficient.

 IV. Collecting Primary Data by means of interviews, questionnaires, surveys etc.
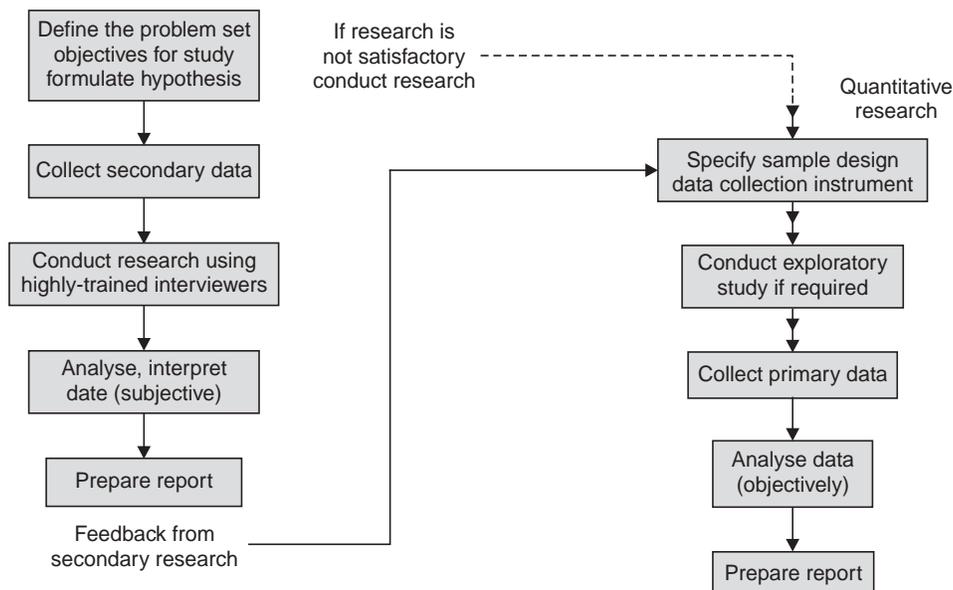
  V. Analysing the data.

 VI. Preparing a report.

Fig. 25.1 Process of consumer research

■ 25.2 The Objectives of the Study

Mostly consumer researches are undertaken to find out the attitudes of the consumer about a product. Their preferences, likes and dislikes which lead to the further modernisation of the sales strategies by the marketeer.

Researches can be conducted to find out the percentage of people using a certain product or facility (a pager or mobile phone).

Researchers may also like to know the types of consumers and their demographic characteristics for a particular product.

They may also like to experiment with new promotional campaigns, and since these campaigns require a lot of expenditure, they may do researches to be sure of the campaign's success, before the final launch of the campaign.

The decline in sales may require the marketeer to conduct researches which can give a clue of the changing consumer behaviour.

The objective therefore, must be clearly set and followed strictly. Then only can we decide what type of Research Design should be used. The researches can be quantitative or qualitative in nature.

Qualitative research design is undertaken to come up with new ideas, and in this design, brain storming tools and other face to face techniques with experts are used. This is confined indoors, and is less expensive than the quantitative research.

Quantitative research design is used in the market place where we have to interview people, to find out the number of persons using the product, or how frequently they use the product etc. This can be done by means of questionnaire, a survey or by observations. This will be discussed later in this chapter.

■ 25.3 Secondary Data

After identifying the research problem and determining specific information required to solve a problem, the researcher looks for appropriate data to solve the problem. This can be done by secondary data which is already published and is accessible. If secondary data is not sufficient to solve the problem, primary data which is generated by the researcher through questionnnaires, surveys and interviews is utilised. We shall discuss here the secondary data first. A problem can be partially solved by the secondary data. It is economical. It saves money and time. In some cases where new products are to be launched or new marketing practices are to be adopted, secondary data may not be adequate or sufficient or may not be of much use. Secondary data is however, an important source of consumer research.

Merits of using secondary data

1. It is economical both in terms of money and time.
2. It has no bias as it is already published and the facts and figures are already collected for some other purpose.

Limitations

1. It has limited applicability.
2. The accuracy of the data is doubtful.

Sources of secondary data

Internal data: It is procured from the company itself. It includes orders, shipments, sales, advertising expenditure, detailed statement, inventory records, transportation costs, raw material cost, research reports, profit/loss statements. Some companies have their own data banks where they store, retrieve, analyse and evaluate information whenever necessary.

External data consists of:

(*a*) Government sources

(*b*) Commercial sources

(*c*) Industrial sources

(*d*) Miscellaneous sources

Government sources: Consists of information accessible from (*i*) Department of Census (*ii*) State Government (*iii*) Central Government Census, carried out for information on burning issues, *i.e.,* agriculture, population, transportation, manufacturing, minerals and other industries.

The central government can give information on health education and social welfare industries, agriculture and housing. The Central Government Secretariat, New Delhi keeps all this data for records.

Similarly, state governments and union territories have their secretariat at the capital cities.
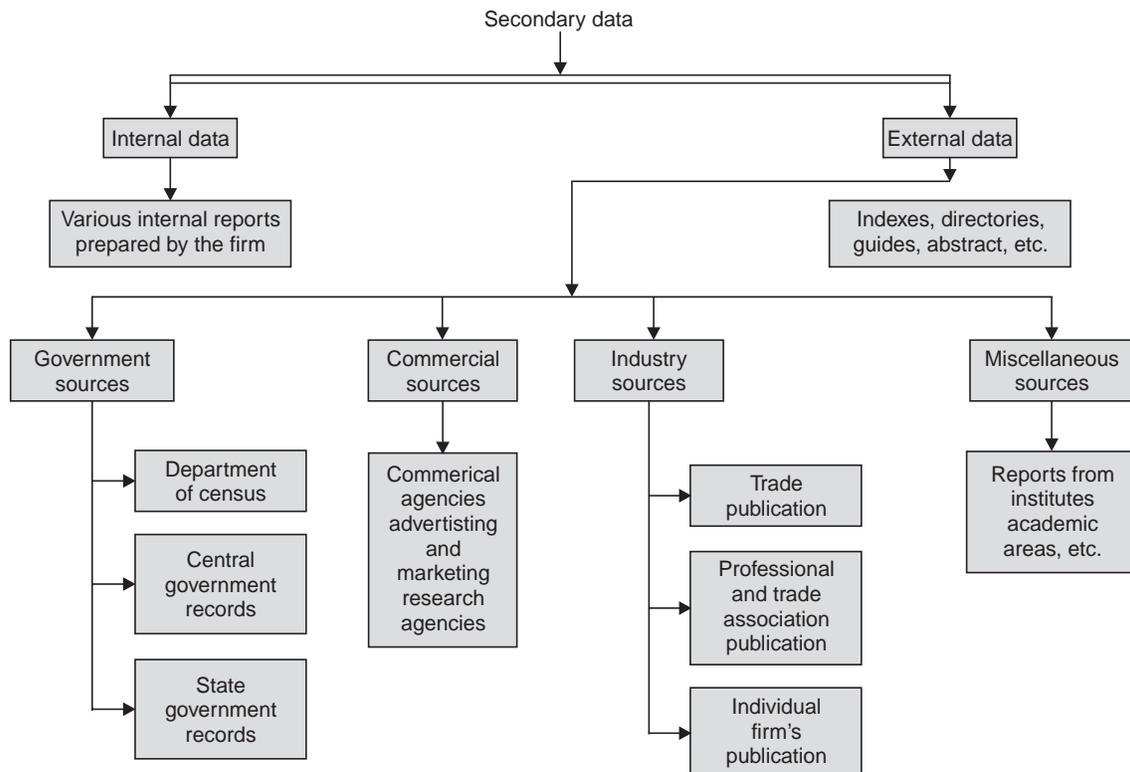

Fig. 25.2

Source: Commercial, industry and miscellaneous sources are illustrated in the above diagram.

■ 25.4 Primary Data

This is the data collected by the researcher himself and there are many ways of collecting this data. In consumer research we are concerned with the behaviour of the consumer and the behaviour is influenced by the consumers' demographic and socio-economic characteristics as well. Therefore, it becomes necessary to be aware not only of customers demographic characteristics, but also of his attitudes, interests, opinions, knowledge, intentions, motivation etc.

Awareness/knowledge

This is used to find out what the consumers are aware of and what they do not know. This is imparted to them by advertising and by other promotional methods.

This can be done by using awareness approaches of unaided recall, aided recall, or by recognition. The idea is to find out whether the consumer is aware of product:

- aware of the attributes of the product.
- aware of the availability of the product
- aware of the price of the product
- aware of where the product is available
- aware of the company making the product
- aware of the use of the product

Intentions

Whether a person is inclined to buy the product. What can be one's purchasing behaviour:

- Does he have definite intention to buy the product
- Does he have a probable intention to buy.
- Is he undecided.
- He has no intentions to buy.

However, one cannot freely trust the statement regarding purchases as there is a definite deviation between what is said and what is practised.

Motivation

A consumer researcher wants to find out why people behave as they do. Motives refer to a need, a want or a drive an urge, a wish or a desire that leads to goal directed behaviour. There are various needs that must be fulfilled. A marketeer has to know what he can do to fulfil these needs:

1. Physiological needs of food, shelter and clothing.
2. Security needs
3. Social needs
4. Aesthetic needs
5. Esteem needs
6. Ego needs
7. Self-actualising needs

■ 25.5 Purchase Behaviour

It is carried out to find what the customer does to fulfill has consumption needs. It involves the description of activities with respect to components of *what, where, why, how, how much* in

what situation, and also for instance "what" (one of the components). This what may mean which product or brand.

"Where"	: Where to purchase, from which store, which city, which place?
"Why"	: To consume himself, or to give as a present?
"How"	: In what manner? To purchase by going himself, by ordering, by cash/credit, etc.?
"How much"	: In what quantity, in bulk or in small amounts?
"What situation"	: Emergent situation; *e.g.,* medicines, umbrella, etc.
"Who"	: Who is to purchase, husband, wife, children or jointly?

Methods of collecting primary data

There are a number of ways in which primary data can be collected. These can be classified as under:

Questionnaires

Can be open ended, close ended, alternative provided, direct questions, indirect questions.

Observation

Experimentation, surveys and interviews.

Questionnaire

It is a self-administered process, whereby the respondent himself reads the questions and answers without the help of an interviewer. They can broadly be classified under four types of questions. These can be on the basis of structure and disguise, and methods of communication.

(*a*) *Structure Undisguised:* The question is framed before hand and is structured. It is undisguised in the sense that the respondent knows why the question is being asked. For example "Do you feel family planning measures should be given more importance?"

(*b*) *Unstructured Undisguised:* "What do you feel about family planning in India?"

(*c*) *Unstructured-Disguised:* These questions are for the respondents who hesitate, feel shy, or are threatened to answer the questions. This leads to motivational research. This is also known as projective technique, where the questions are designed to tap the underlying motives of the individuals despite their hiding them. This has been discussed under projective techniques.

(*d*) *Structured designed questionnaire:* These are least used and they are structured. They do not have the flexibility of the unstructured questionnaire.

Besides this, we also have attitude measurements which can be done by scaling techniques. Attitude is a behavioural disposition of the structure of human perception. In rating scales, respondents indicate their degree of agreements or disagreements. There are various types of scales:

(*a*) Numerical scales

(*b*) Comparative scales

(*c*) Non-comparative scales

(*d*) Method of comparison

(*e*) Constant sum scales

There are also some specific scales for measuring attitudes, and there are (*f*) Likert scale + (*g*) Semantic differential scales (*h*) Rank order rating scales. We shall discuss the last three in brief.

Likert scale

This scale consists of an equal number of agreement or disagreement choices on either side of a neutral choice. A series of statements are given to find out the attitude of the respondents. This can be done on a five- or a seven-point scale.

Example: The respondent has to agree or disagree, and the degree of agreement or disagreement has to be marked on the scale.

1. Coca Cola is the best drink for teenagers.
2. Coca Cola is very sweet and contains sugar.
3. Coca Cola gives a good fizz.
4. Coca Cola is very refreshing.
5. Coca Cola is a universal drink.
6. Coca Cola has a very good flavour.

Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
or +2	+1	0	−1	−2

Fig. 25.3

This scale gives the option to the respondent for their responses. The responses can be combined to produce a summated score, and this is done by giving the score of +2 +1, −1 −2, to the five options, so that the overall attitudes can be measured.

■ 25.6 Semantic Differential Scale

As attitudes are difficult and complex to measure, indirect approaches are used to measure them. One of the methods developed in 1930 by Charles Osgood was the semantic differential scale. This is similar to Likert differential scale, and in this Bipolar adjectives are used to indicate the attitude towards a given subject. It is used to find out the preferences of the consumer for brand and company images. Five to seven levels of intensity are used to separate the Bipolar adjectives.

	1	2	3	4	5	
Expensive	–	–	–	–	–	Inexpensive
Convenient	–	–	–	–	–	Inconvenient
Reliable	–	–	–	–	–	Unreliable
Friendly	–	–	–	–	–	Unfriendly
Modern	–	–	–	–	–	Old fashioned
Wide selection	–	–	–	–	–	Very limited selection

Semantic differential scale for using the attitude towards a retail store. This scale is simple and easy to use. It can be used for a variety of subjects.

Rank order scale

Customers are asked to rank items (products) in order of preference, in term of some criterion such as economy or quality or style, etc. Rank the following in terms of your choice on economy, durability, style, comfort, maintenance, etc. giving rank (*a*) to most preferred and (*b*) to least preferred.

1. Zen
2. Santro
3. Matiz
4. Alto
5. Ambassador

It produces competition data and is used for ranking only

	1	2	3	4	
Expensive	–	–	–	–	Inexpensive
Convenient	–	–	–	–	Inconvenient
Reliable	–	–	–	–	Unreliable
Modern	–	–	–	–	Old fashioned

Sampling

For conducting research it is not possible to interview or question each and every customer. Therefore, a sample is chosen which should be representative of the population (all customers). There are many methods of sampling for choosing whom to survey. These can be broadly classified as:

I. *Probability or Random sampling:* Every member of the population has an equal chance of being selected.

(*a*) Simple random sampling: A sample is drawn from each strata or group.

(*b*) Stratified random sampling: A sample is drawn from each strata or group of the population.

(*c*) Cluster sampling: Clusters or groups are formed and samples drawn randomly from these groups.

II. *Non-probability sampling:* Every member of the population does not have an equal chance of being selected.

(*a*) Convenience sampling: Researcher takes a sample from the population convenient to him.

(*b*) Judgement sampling: Judges and chooses from respondents who can give good accurate information.

(*c*) Quota sampling: Researchers from quotas of the population for drawing samples (Men, Women, Children). The numbers of these categories are specified.

We shall now discuss the methods of:

∎25.7 Observation, Experimentation, Survey and Interviews

Observation is an important method of consumer research. In this the researcher observes the process of buying and using products. Some companies also make videotapes of consumers while they are in the process of buying etc.

It provides a good insight into the habits of the consumers, and their likes and the preferences they show while in the store.

Observation can be of several types:

(*a*) Disguised observation: The consumer does not know that he is being observed.

(*b*) Undisguised observation: Customer knows that he is being observed.

(*c*) Controlled observation: Customer is asked to operate an apparatus (in a shop).

(*d*) Uncontrolled observation: They may be observed operating a refrigerator or any other gadget in their house.

(*e*) Structured: Guidelines are provided to the researcher which he is supposed to follow.

(*f*) Mechanical: Mechanical devices, automatic counting of entry.

Like a galvanometer, a pupilometer, or an eye camera can be used to register the respondents.

Experimentation

This is a common method to collect the data from customers. An experiment is process where events occur in a setting at the discretion of the experiment. Controls are used to register the responses. In this we have an *independent variable* or a test unit. The *treatment,* which is given, and all *dependent variables* to measure the responses which change with the treatment.

Experiments can be of:

  I. Informal experimental design

   (*a*) Before, after, without control

   (*b*) Before, after, with control

   (*c*) After, only, with control

   (*d*) Ex-post Facto design

 II. Formal experimental design

   (*a*) Completely randomised design

   (*b*) Randomised block design

   (*c*) Latin square design

   (*d*) Factorial design

   (*e*) Four group six study design

Surveys

It is the systematic gathering of data from respondents through a questionnaire. Surveys can be in the form of personal interviews, mail survey, telephone survey.

Table 25.1

S. no.	Criteria	Personal interview	Telephone survey	Mail survey
1.	Cost	Most expensive	Intermediate	Least expensive
2.	Speed	Slowest	Fastest	Intermediate
3.	Accuracy	Most accurate	Intermediate	Least accurate
4.	Respondent Rate	Highest	Intermediate	Lowest
5.	Flexibility	High	Intermediate	Low
6.	Sample			
	(*a*) Sample control	Intermediate	Worst	Best
	(*b*) Interview control	Best	Intermediate	Worst
	(*c*) Administrative control	Worst	Intermediate	Best

Above data gives the option to the respondents for their responses. The responses can be combined to produce a summated score, and this can be done by giving the scores of + 3 + 2 + 1 0 (–)2 (–)1 to the six options, so that the overall data can be measured. In this case we have + 6 – 3 = + 3 which is the summated score.

Interviews: There are various types of interviews:

Depth Interview: In this a respondent is persuaded to discuss freely about a brand or a product under the watchful eyes of an expert trained interviewer. It is a lengthy (about half an hour) session, of non-structured interview. The expert may encourage the participants to talk about his own attitudes, habits and interests, in addition to the topic of discussion. Some experts minimise their participation, while others take an active part in the discussion, depending upon the situation. The responses are video-taped or recorded, and later studied in detail to interpret the moods, gesture and body language of the participant. Later these are used to formulate better strategies for positioning and repositioning of the products.

Focus group interview

A focus group consists of eight to ten participants. The moderator or the expert initiates the discussion about a product or a brand. The group talks about the usage of the product and their experiences. They also discuss their opinions, attitudes, lifestyle interest in product category and other aspects. The exercise takes about two hours. While the interview is going on, other experts can also watch the reactions of the respondents sitting in a separate room by the help of a mirror. The proceedings are videotaped and later analysed for the purpose of effective selling and marketing.

Projective techniques

Sometimes respondents do not want to reveal their feelings and they avoid questions that are threatening to them. These techniques are designed to tap the underlying motives of individuals

inspite of their concealment. These are carried out by means of unstructured disguised questions that are in the form of Word Association test.

- Sentence completion tests
- Story completion technique
- Thematic apperception test

These reveal the inner feelings of the respondent and how they perceive ambiguous stimuli. The responses reveal their underlying needs, wants, fears, aspiration and motives. The main thing in projective techniques is that the respondents are unaware that they are exposing their own feelings. The picture shows a fat lady and a slim lady with a bottle of milk between them. The respondent has to insert the dialogues of both the ladies in the balloon provided.

Fat lady   Milk   Thin lady

Fig. 25.4

■ 25.8 Data Analysis

After all the data has been collected and compiled, the researcher tabulates the data, edits it, and then analyses it by various methods. These could be by means of:

1. Percentages
2. Averages: Mean, Median, Mode
3. Disposition: Range, Mean obsolete deviation (MD), Standard deviation (SD)
4. Statistical methods: Second test, Third test
   chi-square analysis
   Regression analysis, etc.
   Multivariate analysis

Presentation of the report

After the analysis, the report is prepared and presented. It includes the summary of findings, methodology, sampling techniques, use of primary and secondary data, list of tales, recommendations and suggestions, appendices and bibliography.

Conclusion

Consumer research is therefore an important step to understand consumer behaviour. In this world of competition, consumer research has gained importance as no company can afford to neglect or overlook the changing behaviour of consumers. Consumers want ease, convenience,

economic satisfaction, and their needs are changing. They are becoming more intelligent and sophisticated in their buying and they are equipped to make better and quicker decisions.

Consumer research gives an input to marketeers to foresee and reframe their strategies so that they can remain in the market and maintain and improve their standings.

Questions

1. What do you understand by consumer research? What are the main steps in conducting research?
2. What are the sources and importance of secondary data in consumer research?
3. What is sampling? What are the various methods of sampling?
4. What are the scaling techniques? Describe a method of scaling to collect the primary data.