What's inside: We begin with an introduction, and then it's into the key terms and concepts of market research, quantitative and qualitative research, how to go about gathering data and the distinction between primary and secondary research. Learn about online research communities, conducting research surveys and get to grips with the valuable tools of the trade. Wrap things up with a chapter summary and a case study showing how BrandsEye has developed with the market's demands.
While the Internet was developed as a military project, the World Wide Web was developed as a tool for academics to allow information to be shared freely. This foundation of the Web as an information tool has had profound effects on the markets we transact in.

Consider that consumers are able to research companies and products easily, gathering information to compare prices and service with a few clicks of the mouse. Consumers are also able to share likes and dislikes easily, whether that information is shared with companies or with friends.

Likewise, the Web has an impact on market research. Its foundations in academia make it an ideal tool for secondary research, with reports and data filed, indexed and available via a few savvy searches. Technology can also be used to easily, and accurately, conduct surveys. The connected nature of the Web also makes it possible to record data about consumers’ online habits.

For example, when researching the penetration of broadband in a particular market, a few web searches will reveal plenty of sources that can be compared and verified. If a company is wanting to gauge the demographics of visitors to their website, an online survey may be offered to website visitors. Thirdly, online reputation management tools allow companies to track consumer sentiment expressed online.

Market research is a process that aids business decisions. It involves systematically gathering, recording and analysing data and information about customers, competitors and the market.

Research can be based on primary data and information, or secondary data and information. Primary research is conducted when data or information are gathered for a particular product or hypothesis. This is where information does not exist already or is not accessible, and so needs to be specifically collected from consumers or businesses. Surveys, focus groups, research panels and research communities can all be used when conducting primary market research.

Secondary research uses existing, published data and research as a source of research. It can be more cost effective than conducting primary research, and the Internet opens a wealth of resources for conducting this research. However, the data would have originally been collected for solving problems other than the one at hand, so might not be sufficiently specific. That being said, secondary research can be useful in identifying problems to be investigated through primary research.

Research can also be classified as qualitative or quantitative. Qualitative research...
can be classified as exploratory. Qualitative research aids in identifying potential hypotheses, whereas quantitative research puts hard numbers behind these hypotheses. Qualitative research seeks to find out what potential consumer perceptions and feelings exist around a given subject. This research can often be used to advise the design of quantitative research, which relies on numerical data to demonstrate statistically significant outcomes.

The Internet is a useful tool for both primary and secondary research, and can be used to gather both qualitative and quantitative data. In fact the communities on the Web can be viewed as one large focus group, regularly and willingly sharing their opinions on products, markets and companies. Today, organisations transacting online have a wealth of research information freely available to them, and sophisticated tools for gathering further data.

Market research should produce information that leads to actions.

### quantitative and qualitative research

Quantitative research gathers data that can be statistically analysed to determine results. Data must be formally gathered, and should be collected to test a hypothesis as opposed to determine a hypothesis.

Qualitative data can be more difficult to quantify. Typically, because base sizes are smaller and not necessarily representative of the market under investigation (as it can be more expensive and time consuming to gather and analyse the data), qualitative data cannot be taken as quantified. It is however valuable in aiding a researcher in interpreting the market perspective. It is possible to combine approaches, producing data that can be used both qualitatively and quantitatively.

For example, in the chapter on online reputation management, tools that can track brand name mentions are outlined. This data can then be analysed qualitatively, where the researcher can examine the mentions and use their judgement to determine sentiment, or quantitatively, where mentions can be assigned numeric values across a range of categories which are used to generate a reputation score, such as BrandsEye’s online reputation algorithm.

When both qualitative and quantitative research are used, usually qualitative research takes place first to get an idea of the issues to be aware of, and then quantitative research tests the theories put forward in qualitative research.

The following table aims to look at the main differences between quantitative and qualitative research.

<table>
<thead>
<tr>
<th>QUALITATIVE RESEARCH</th>
<th>QUANTITATIVE RESEARCH</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assumptions</strong></td>
<td><strong>Assumptions</strong></td>
</tr>
<tr>
<td>Reality is socially constructed</td>
<td>Social facts have an objective reality</td>
</tr>
<tr>
<td>Subject matter is most important</td>
<td>Method is most important</td>
</tr>
<tr>
<td>Variables are complex, interwoven, difficult to measure</td>
<td>Variables can be identified and relationships can be measured</td>
</tr>
<tr>
<td>Insider’s point of view</td>
<td>Outsider’s point of view</td>
</tr>
<tr>
<td><strong>Purpose</strong></td>
<td><strong>Purpose</strong></td>
</tr>
<tr>
<td>Context of issues</td>
<td>Generalisation</td>
</tr>
<tr>
<td>Interpretation</td>
<td>Prediction</td>
</tr>
<tr>
<td>Understand perspectives</td>
<td>Explain causes</td>
</tr>
<tr>
<td><strong>Approach</strong></td>
<td><strong>Approach</strong></td>
</tr>
<tr>
<td>Ends with hypotheses for further research</td>
<td>Begins with hypotheses</td>
</tr>
<tr>
<td>Inductive</td>
<td>Deductive</td>
</tr>
<tr>
<td>Searches for patterns</td>
<td>Analyses components</td>
</tr>
<tr>
<td>Seeks complexity</td>
<td>Seeks consensus, the norm</td>
</tr>
<tr>
<td>Makes minor use of numerical indices</td>
<td>Reduces data to numerical indices</td>
</tr>
<tr>
<td><strong>Researcher Role</strong></td>
<td><strong>Researcher Role</strong></td>
</tr>
<tr>
<td>Personal involvement, partial</td>
<td>Detachment, impartial</td>
</tr>
<tr>
<td>Empathetic</td>
<td>Objective</td>
</tr>
</tbody>
</table>

Source: [http://www.gifted.uconn.edu/siegle/research/Qualitative/qualquan.htm](http://www.gifted.uconn.edu/siegle/research/Qualitative/qualquan.htm)

Both quantitative and qualitative research can be conducted using primary or secondary data, and the Internet provides an ideal tool for both avenues.

Web analytics packages are a prime source of data. Using data such as search terms, referral URLs and internal search data can lead to qualitative assumptions about the consumers visiting a website. However, when data is measurable and specific, such as impressions and click through rates, this leads to quantitative research.

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**Quantitative and Qualitative Research**

With larger sample sizes, qualitative data may be analysed quantitatively.

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**Gathering data: quantitative and qualitative research**

Sample size is an important factor in conducting research, and that sample should be representative of the population you are targeting as a whole. If your business transacts both online and offline, beware that using only online channels for market research might not be representative of your target market. However, if your business transacts only online, offline channels for your market research are less necessary.
Research panels and research communities are two means for conducting research. Whereas research panels are primarily used when conducting quantitative research, research communities primarily provide quantitative data. The Internet comes to the fore when considering research communities, as social media such as social networks and blogs already provide the framework for people to connect and interact with each other. Most panels, whether online or offline, are not about member-to-member interaction. Research panels seek to address the “what” using surveys to gather quantitative data. Research communities primarily use discussions, driven online by blogs and other media sharing communities.

For example, for the launch of a new product a company might want to determine what customers have in their fridge. Quantitative analysis would be to develop a survey that could be completed by a representative sample of their target market, aimed at discovering what consumers have in their fridges.

Qualitative analysis would be to go to a community photo sharing site, such as www.flickr.com, and use a simple search to look at the photos the members have uploaded of the content of their fridges (http://www.flickr.com/search/?q=in+my+fridge).

Surveys are an ideal means of gathering quantitative data, provided they are designed in such a way that the answers are assigned values that can be measured statistically. See later in this chapter for a consideration of survey design.

Focus groups have long been a stalwart of market research, and the Internet provides a means to conduct regular focus groups. Focus groups can consist of one person, such as in a listening lab when testing the usability of a website, or can be of the entire Internet population, such as when looking at global search data.

If your online audience is large enough and vocal enough, their opinions can and should be tracked and measured as part of a market research process. Be aware, however, to account for the bias in this group.

The Internet is a useful tool when conducting both primary and secondary research. Not only are there a number of free tools available when it comes to calculating things such as sample size and confidence levels (see Tools of the Trade for some examples), but it is also an ideal medium to reach large numbers of people for a relatively low cost. Notably, the origins of the Web as a network for academics to share information make it a useful tool for researching existing research reports.

Market research based on secondary resources uses data that already exists for analysis. This includes both internal data and external data, and is useful for exploring the market and marketing problems that exist.

Research based on secondary data should precede primary data research. It should be used in establishing the context and parameters for primary research.

Uses of secondary data:
1. The data can provide enough information to solve the problem at hand, thereby negating the need for further research.
2. Secondary data can provide sources for hypotheses that can be explored through primary research.
3. Sifting through secondary data is a necessary precursor for primary research, as it can provide information relevant to sample sizes and audience, for example.
4. The data can be used as a reference base to measure the accuracy of primary research.

Companies that transact online have a wealth of data that exists due to the nature of the Internet that can be mined. Every action that is performed on the company website is recorded in the server logs for the website.

Customer communications are also a source of data that can be used, particularly communications with a customer service department. Committed customers who...
either complain, comment or compliment are providing information that can form the foundation for researching customer satisfaction.

Social networks, blogs and other forms of social media have emerged as forums where consumers discuss their likes and dislikes, and can be particularly vocal about companies and products. This data can, and should, be tracked and monitored to establish consumer sentiment. If a community is established for research purposes, this should be considered primary data, but using social media to research existing sentiments is considered secondary research.

The Internet is an ideal starting point for conducting secondary research based on published data and findings. But, with so much information out there, it can be a daunting task to find reliable resources.

The chapter on online reputation management goes into detail on using the Internet to track and monitor online mentions of a product, company or brand.

Google shows many entries for “research”.

The first point of call for research online is usually a search engine, such as www.google.com or www.yahoo.com. Search engines usually have an array of advanced features, which can aid online research. For example, Google offers:

- Advanced search [http://www.google.co.za/advanced_search?hl=en]
- Google Scholar [http://scholar.google.co.za/scholar?hl=en]

Learning how to use search engines to find the information you need is a valuable skill in using the Internet for research.

Many research publications are available online, some for free and some paid for. Many of the top research companies feature analyst blogs, which provide some industry data and analysis for free. Some notable resources are:

- www.e-consultancy.com
- www.jupiterresearch.com
- www.hitwise.com
- www.pewinternet.org (US data)
- www.worldwideworx.com (SA data)

online research communities

Although online communities are a valuable resource for secondary research, communities can also provide primary data. General Motors’ Fast Lane blog is an example of an online research community that aids gathering of research data. The blog can be used as a means to elicit feedback to a particular research problem. This is qualitative data that can aid the company in exploring their research problem further.

listening labs

When developing websites and online applications, usability testing is a vital process that will ensure that the website or application is able to meet consumers’ needs. Listening labs involve setting up a testing environment where the use of a website or application by a consumer may be observed.

conversion optimisation

Conversion optimisation aims to determine the factors of an advert, website or webpage that can be improved so as to make the website convert best. From PPC advertising, to email subject lines to shopping cart design, tests can set up to test what variables are affecting the conversion rate of visitors to the website.

In the chapter on web analytics are details and tools for running tests, such as A/B split testing and multivariate testing.
online surveys: gathering data

When developing surveys you can combine qualitative data with quantitative data – it just depends on how the questions are asked. Conducting surveys online allows for data to be captured immediately, and data analysis can be performed easily and quickly. By using email or the Web for conducting surveys, geographical limitations for collecting data can be overcome cost effectively.

Developing technology also allows for sophisticated and user-friendly surveys to be compiled. For example, as opposed to indicating impressions on a sliding scale, respondents can indicate emotional response.

Compare the images above to the following survey question:

Rate how you feel about a brand:
- negative
- neither positive nor negative
- positive

developing surveys: asking questions

The success of a survey in gathering useful data is largely determined by the design of the survey, and particularly by the questions that are asked. A survey can comprise of any number and types of questions, and these should be structured in such a way that more complicated questions only appear once users are comfortable with the survey.

Be careful when creating questions that you do not introduce bias by asking leading questions.

Example of leading question bias:

Example question:
We have recently introduced new features on the website to become a first class web destination. What are your thoughts on the new site?

Replace with:
What are your thoughts on the changes to the website?

Note:
If there are enough respondents to an open-ended question, the responses can be used quantitatively. For example, you can say with some certainty, “37% of people thought that case studies were an important feature.”

types of survey questions

1. open-ended types
Open-ended questions allow respondents to answer in their own words. This usually results in qualitative data.

Example:
What features would you like to see on the website for the eMarketing textbook?

2. closed-ended types (multiple choice – one answer or multiple answers)
These questions give respondents specific responses to choose from. This results in quantitative data.

Example:
Do you use the eMarketing textbook website? Choose one that applies.
- Yes
- No

What features of the eMarketing textbook website do you use? Check all that apply.
- Blog
- Case studies
- Free downloads
- Additional resources

3. ranked or ordinal questions
These questions ask respondents to rank items in order of preference or relevance. Respondents are given a numeric scale to indicate order. This results in quantitative data.

Example:
Rate the features of the eMarketing textbook website, where 1 is the most useful and 4 is the least useful.
- Blog
- Case studies
- Free downloads
- Additional resources
4. matrix & rating types
These types of questions can be used to quantify qualitative data. Respondents are asked to rank behaviour or attitude.

Example:
The eMarketing textbook website is a useful tool for further studies.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

Or
The eMarketing textbook website is a useful tool for further studies.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

Rating scales can be balanced or unbalanced. When creating the questions and answers, choosing balanced or unbalanced scales will affect whether you are collecting data where someone can express a neutral opinion or not.

Balanced
<table>
<thead>
<tr>
<th>Very Poor</th>
<th>Poor</th>
<th>Average</th>
<th>Good</th>
<th>Very Good</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
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</table>

Unbalanced
<table>
<thead>
<tr>
<th>Poor</th>
<th>Average</th>
<th>Good</th>
<th>Very Good</th>
<th>Excellent</th>
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<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
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</table>

how to get responses: incentives and assurances
As the researcher, you know what’s in it for you in sending out a survey: you will receive valuable data that will aid in making business decisions. But what is in it for the respondents?

According to Survey Monkey, the ways in which the surveys are administered play a role in response rates for surveys and these can be relative:
- Mail: 50% adequate, 60-70% good to very good
- Phone: 80% good
- Email: 40% average, 50-60% good to very good
- Online: 30% average
- Classroom pager: 50+% good
- Face to Face: 80-85% good

Response rates can be improved by offering respondents an incentive for completing the survey, such as a chance at winning a grand prize, a lower priced incentive for every respondent, or even the knowledge that they are improving a product or service that they care about.

There is a train of thought that paying incentives is not always a good thing. Amongst less affluent or educated respondents it may predispose them to feel that they need to give so-called “good” or “correct” answers which may bias your results. Alternatively you may attract respondents who are in it just for the reward. One approach could be to run the survey with no incentive with the option to offer one if responses are limited.

Designing the survey so as to assure respondents of the time commitment, and privacy implications, of completing the survey can also help to increase responses.
As with all things eMarketing, careful planning goes a long way to determining success. As market research can be an expensive project, it is important that planning helps to determine the cost vs. the benefit of the research. Qualitative research and secondary research are critical steps in determining whether a larger scale research project is called for.

Bear in mind that many tasks that fall under the umbrella of research should be ongoing requirements of eMarketing activities, such as conversion testing and optimising and online reputation management. Polls and small surveys can also be conducted regularly, and non-intrusively, among visitors to your website.

1. Establish the goals of the project - What you want to learn
   Secondary research can be used to give background and context to the business problem, and the context in which the problem can be solved. It should also be used to determine alternative strategies for solving the problem, which can be evaluated through research. Qualitative research, particularly using established online research communities, can also help in determining what the business problems are that need to be solved. Ultimately, determine what are the actions you will be considering after the research is completed, and what insights are required to make a decision on those actions.

2. Determine your sample - Whom you will interview
   You do not need to survey the entire population of your target market. Instead, a representative sample can be used to determine statistically relevant results. See Tools of the Trade for some online calculators for determining sample size.

   In selecting a sample, be careful to try to eliminate bias from the sample. Highly satisfied customers, for example, could give very different results to highly dissatisfied consumers.

3. Choose research methodology - How you will gather data
   The Internet provides a multitude of channels for gathering data. Surveys can be conducted online or via email. Online research panels and online research communities can all be used for gathering data. Web analytics can also be used to collect data, but this is passive form of data collection. Determine what will provide you with the information you need to make decisions. Be sure whether your research calls for qualitative or quantitative data as this determines the methodology as well.

4. Create your questionnaire - What you will ask
   Keep the survey and questions simple and ensure that the length of the survey does not overwhelm respondents. A variety of questions can be used to make sure that the survey is not repetitive.

   Be sure when creating the questions that you keep your goals in mind: don’t be tempted to try to collect too much data, or you will likely overwhelm respondents.

5. Pre-test the questionnaire, if practical - Test the questions
   Test questionnaires to determine if questions are clear and that it renders correctly. Ensure that test respondents understand the questions, and that they are able to answer them satisfactorily.

6. Conduct interviews and enter data - Ask the questions
   Run the survey! Online surveys can be completed by respondents without your being present, you just need to make sure that you get it in front of the right people. A survey can be sent to an email database or can be advertised online.

7. Analyse the data - Produce the reports
   Remember that quantitative data must be analysed for statistical significance. The reports should aid in the decision making process and produce actionable insights.

With all research, there is a given amount of error that needs to be dealt with. Errors may result from the interviewers administering a questionnaire (and possibly leading the respondents) to the design and wording of the questionnaire itself, sample errors and respondent errors. Using the Internet to administer surveys and questionnaires removes the bias that may arise from an interviewer. However, with no interviewer to explain questions, there is potential for greater respondent error. This is why survey design is so important, and why it is crucial to test and run pilots of the survey before going live.

Respondent error also arises when respondents become too used to the survey process. There is the possibility of respondents becoming desensitised. There is even a growing trend of professional survey takers, especially where there is an incentive involved. The general industry standard is to limit respondents to being interviewed once every six months.
Sample error is a fact of market research. Some people are just not interested in, nor will ever be interested in, taking part in surveys. Are these people fundamentally different, with different purchasing behaviour, from those who do? Is there a way of finding out? To some extent, web analytics, which tracks the behaviour of all visitors to your website, can be useful in determining the answer to this question.

When conducting any survey, it is crucial to understand who is in the target universe, and what the best way to reach that target universe is. Web surveys exclude elements of the population, due to access or ability. It is vital to determine if this is acceptable to the survey, and to use other means of capturing data if not.

Regular research is an important aspect of the growth strategy of any business, but it can be tough to justify the budget necessary for research without knowing the benefit to the business. Conducting research can cost little more than the time of someone who works for a company, depending on the skills base of employees, or it can be an expensive exercise involving external experts. Deciding where your business needs are on the investment scale depends on the depth of the research required, and what the expected growth will be for the business. When embarking on a research initiative, the cost to benefit ratio should be determined.

Testing should be an ongoing feature of any eMarketing activity. Tracking is a characteristic of most eMarketing, which allows for constant testing of the most basic hypothesis: is this campaign successful in reaching the goals of the business?

BrandsEye ([www.brandseye.com](http://www.brandseye.com)) is an online reputation management tool that was launched in March 2008. It scours the Internet in near real-time for mentions of specific keywords and then develops a reputation score based on those mentions. Online reputation monitoring tools are fairly new to the online scene which meant that business and technical developments following the launch of BrandsEye relied heavily on feedback from users, and potential users, of the system.

BrandsEye requires a rapid rate of development to ensure its product remains competitive. With a relatively small number of vocal individuals discussing its industry online, BrandsEye decided that traditional, and expensive, focus groups and surveys were out. These could instead be replaced by real-time analysis and one-to-one consumer engagement. BrandsEye also realised that in the relatively new field of online reputation measurement and management it was important to have online evangelists on board in order to, over time, heighten brand awareness amongst its big business target market.

In the week following its launch there were over a 120 conversations about BrandsEye from many smaller companies and individuals. They loved the service, but found the price prohibitive. Over the next three months more than 300 unique conversations were tracked, with important outcomes for BrandsEyes product offering.
An example comment which represented a common theme was “BrandsEye ... was launched a few days ago ... BrandsEye Online Reputation Management for Big Business ONLY.”

While big business sales continued to grow, BrandsEye realised that the more people who engage with its more product, the more feedback they could collect and with that increase the rate of market-driven development. Secondly, the comments made them realise that there was a considerable untapped market amongst small businesses and individuals.

Instead of conducting focus groups, BrandsEye found that one already existed! Using feedback from early commenters, BrandsEye developed a small business and blogger product. The service was priced to be accessible to this target market at only $1 a month.

Since the launch of the new service, BrandsEye has grown considerably. Several new features have been added in direct response to market needs. BrandsEye has seen an over 800% turnover increase for its big business offering and a 2500% increase in the overall number of accounts. It just took a little research.

BrandsEye: www.brandseye.com

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case study questions

1. How is the data used both quantitatively and qualitatively?
2. Why was BrandsEye able to conduct consumer research without conducting focus groups? What are the limitations of doing this that they would need to be aware of?
3. How has market research helped BrandsEye’s business to grow?

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chapter questions

1. What are some of the challenges of using the Internet for market research?
2. In what ways can the Internet be used as a focus group?
3. How does the Internet change the role of the researcher when it comes to market research?

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