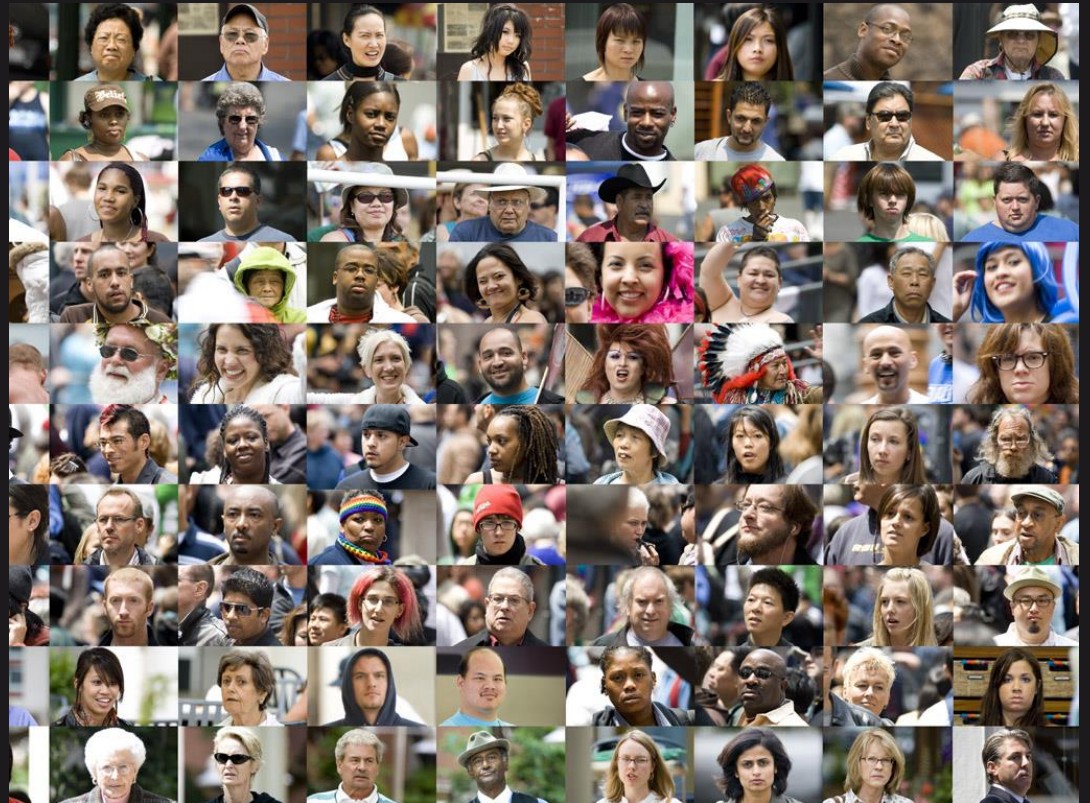


# *CONSUMER RESEARCH: TYPES | COSTS | EFFECTIVENESS*



CREATING BREAKTHROUGHS LLC  
BUSINESS STRATEGISTS

**Forbes**

**QUOTE OF  
THE DAY**

“Everyone has his or her own unique power. It is our responsibility to find that power and use it to the fullest capacity we can in the service of other people.”

- *Toan Lam*

*Three  
Major  
Categories  
Of  
Market  
Research  
Tools*

---

- Qualitative
- Quantitative
- Secondary



# *What Is Qualitative?*



- ❖ The primary aim of Qualitative Research is usually exploratory.
- ❖ It reveals a target audience's range of behavior and the perceptions in reference to specific topics or issues.
- ❖ It uses in-depth studies of small groups of people to guide and support the construction of hypotheses.
- ❖ The results are descriptive rather than predictive.

# *Benefits Of Qualitative*



- ❖ Respondents can build on each other's comments and ideas.
- ❖ The interview or group discussion engages respondents more actively versus a more structured survey.
- ❖ Respondents can engage in projective techniques/exercises, overcoming the self-consciousness that can inhibit spontaneous reactions/comments.
- ❖ Moderator can probe to reach beyond initial responses and rationales.
- ❖ Ability to observe, record and interpret verbal and non-verbal communication.



# *Key Types Of Qualitative*



- ❖ **Focus group** –Typically one to two hours in length and often includes from two to ten respondents
- ❖ **In-depth interview (IDI, one-on-one)** Interview with a single individual, typically lasting from 30 to 90 minutes. Historically conducted in person or by telephone
- ❖ **Dyads, triads** – In-depth interviews with two or three people
- ❖ **Ethnographic** - Systematic study of people and cultures. The researcher observes society from the point of view of the subject of the study

# *When To Use Qualitative*



- ❖ Evaluating New Product or Services
- ❖ Positioning/Marketing Strategy
- ❖ Reaction to Advertising, Social Strategy, PR, Branding, Packaging
- ❖ Strengths/Weakness
- ❖ Understanding Purchase Dynamics
- ❖ Exploring market segments, such as demographic/customer groups
- ❖ Determining consumer language
- ❖ Defining consumer attributes

# DEVELOPING PERSONAS

And then, for a different example, let's look at a buyer persona that a fitness app might create to help inform and manage their marketing:

## Susan

**40 year old, Single Mother, Income \$80,000/year**

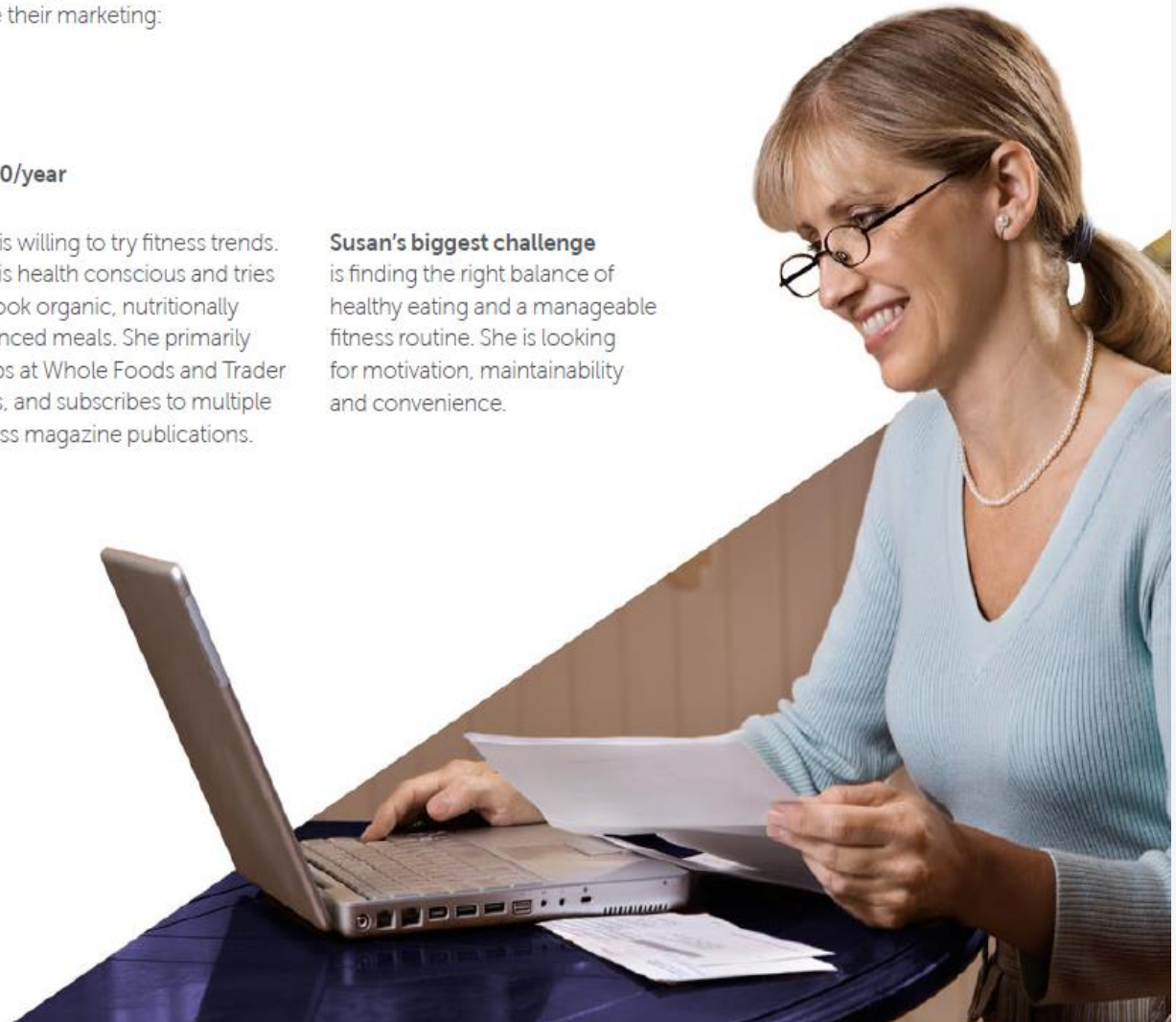
### **Susan is responsible for**

1. Taking care of her 2 boys,
2. Managing a demanding, high-stress corporate finance job, and
3. Trying to stay active and maintain her fitness level.

**In a typical week,** Susan works from 9 -5 in the office, eats lunch at her desk, and then goes to pick up her boys from after school day care. She often logs back on and does more work after her boys go to bed. To work on her fitness, she always takes the stairs and tries to do an at-home fitness video two days a week. Susan is organized, busy, and tired but likes to work out; she cooks her own meals,

and is willing to try fitness trends. She is health conscious and tries to cook organic, nutritionally balanced meals. She primarily shops at Whole Foods and Trader Joes, and subscribes to multiple fitness magazine publications.

**Susan's biggest challenge** is finding the right balance of healthy eating and a manageable fitness routine. She is looking for motivation, maintainability and convenience.





# Package Design Options



# *What Not To Expect From Qualitative*



- ❖ Count, measure or offer statistical validation
- ❖ Determine the best product concept or price point
- ❖ Establish the importance of specific customer needs or satisfaction criteria
- ❖ Be a substitute for quantitative research

# *What's Online Qualitative?*



❖ Qualitative Research such as focus groups have historically been conducted in person

❖ Digital tools have been developed to allow them to be conducted remotely:

- Internet text chat
- Online bulletin boards
- Desktop video conferencing
- Smartphone



Video



# *The Cost Of In Person Qualitative*

# \$32,600

Plus Travel Expenses For  
Moderator and Client.  
Refreshments For Respondents

Key Project Details	
Research Primarily Taking Place In...	U.S.
# of Cities for Research	3
Focus Groups per City	2
Recruiting Cost Per Respondent	Low (\$100 / Respondent)
Incentive Cost per Respondent	Low (\$100 / Respondent)
Video Streaming for Remote Observers Required?	NO
Would you like a detailed findings report and analysis from the moderator?	YES
Ballpark Costs	
Moderation Cost	\$6,000.00
Screenener Development	\$400.00
Facility Rental	\$3,600.00
Recruiting Costs	\$5,400.00
Respondent Incentives	\$3,600.00
Respondent Refreshments	\$1,500.00
Project Management	\$600.00
Video Streaming for Remote Observers	\$0.00
DVDs	\$1,500.00
Moderator's Analysis / Full Report	\$10,000.00

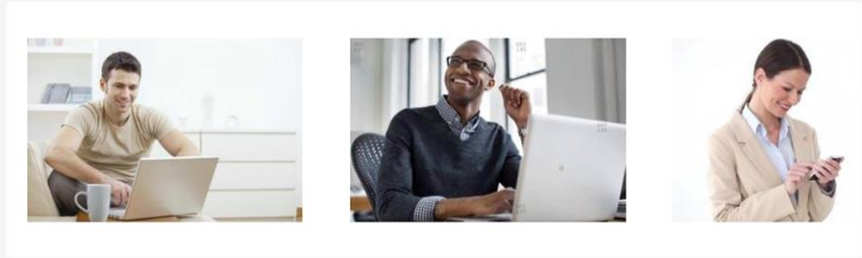
Focus Group Cost Calculator



# *The Cost Of Online Qualitative*

# \$23,600

No Travel Expenses For  
Moderator or Client. No  
Refreshments for Respondents



Moderator	\$6,000
Screeners	\$400
Platform	\$1,800
Recruiting Costs	\$2,000
Respondent Incentives	\$3,000
Project Management	\$300
Video	\$100

Moderator's Analysis/Full Report \$10,000

ANY  
QUESTIONS  
?

# *What Is Quantitative?*



- ❖ Focuses more on empirical data collection and statistical models to explain what is observed
- ❖ It is conclusive in its purpose, as it tries to quantify a problem and understand how prevalent it is by looking for projectable results to a larger population
- ❖ Typically involves development and completion of a questionnaire along with measurement scales

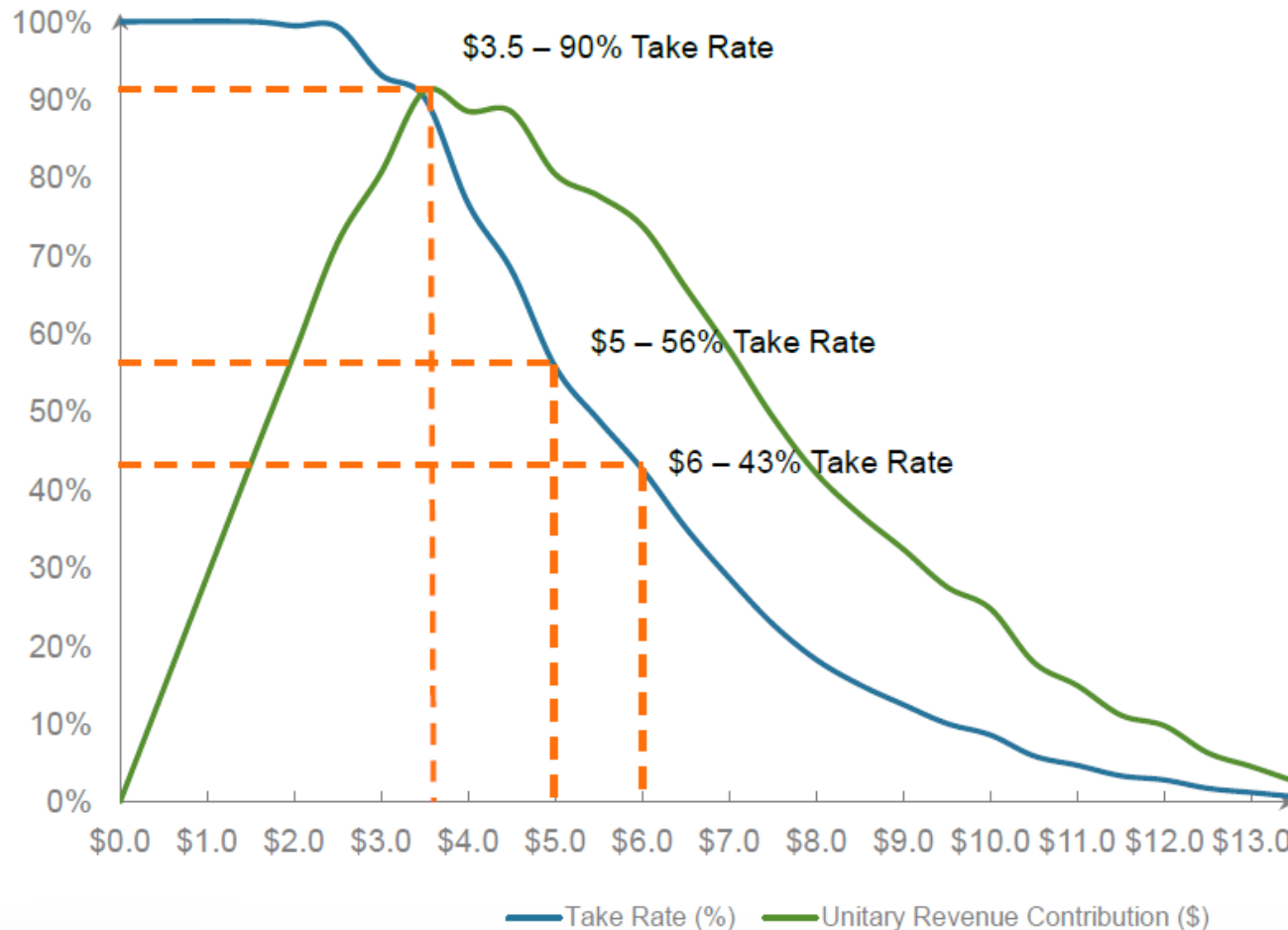
# *Product Purchase Interest*

After reading the description of this food product rate your level of interest in purchasing. N=300 People

Percentages	National
Top Two Box	74.7
Definitely Would Purchase	40.0
Probably Would Purchase	34.7
Might Or Might Not Purchase	13.0
Definitely Would Not Purchase	12.3

# Van Westendorp Price Analysis

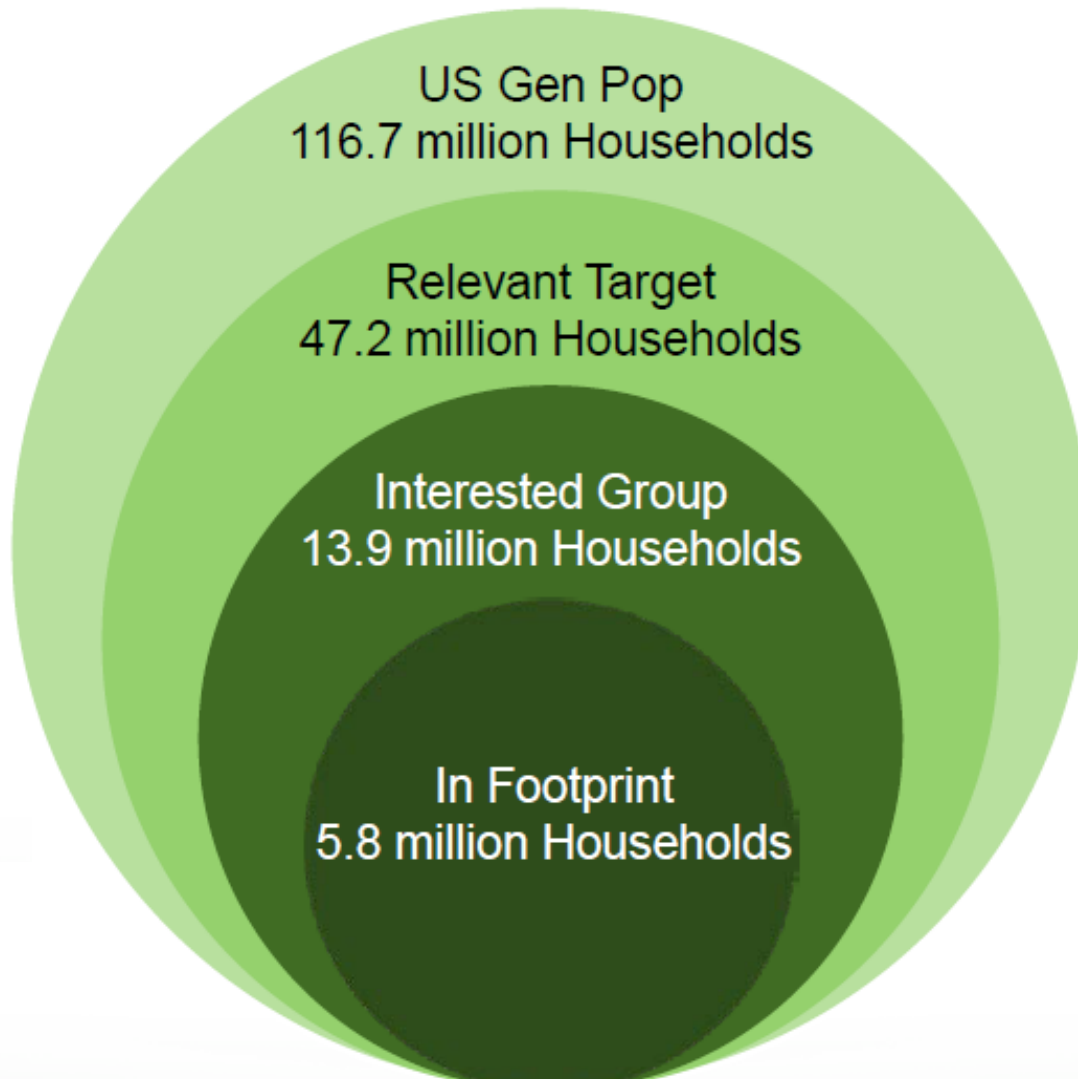
- The take rate at the Optimal price point (\$3.50) is 90%, at \$5 it drops to 56% and at \$6 it is 43%.



- Unique Target Price (UTP)** is the mid-point between the individuals' bargain price and his or her point of "getting expensive"
- Unitary Revenue Contribution (URC)** is a mean revenue generated by each individual in the market at each given price point
- Optimal Price Point** is a price point that will maximize revenue for any size of population



# Market Sizing



## Retention Through Funnel

46% are Above \$50K  
95% are Interested  
Relevant Topics

83% Would Consider  
58% Would Purchase\*

32% are in Footprint

# *Benefits Of Quantitative*



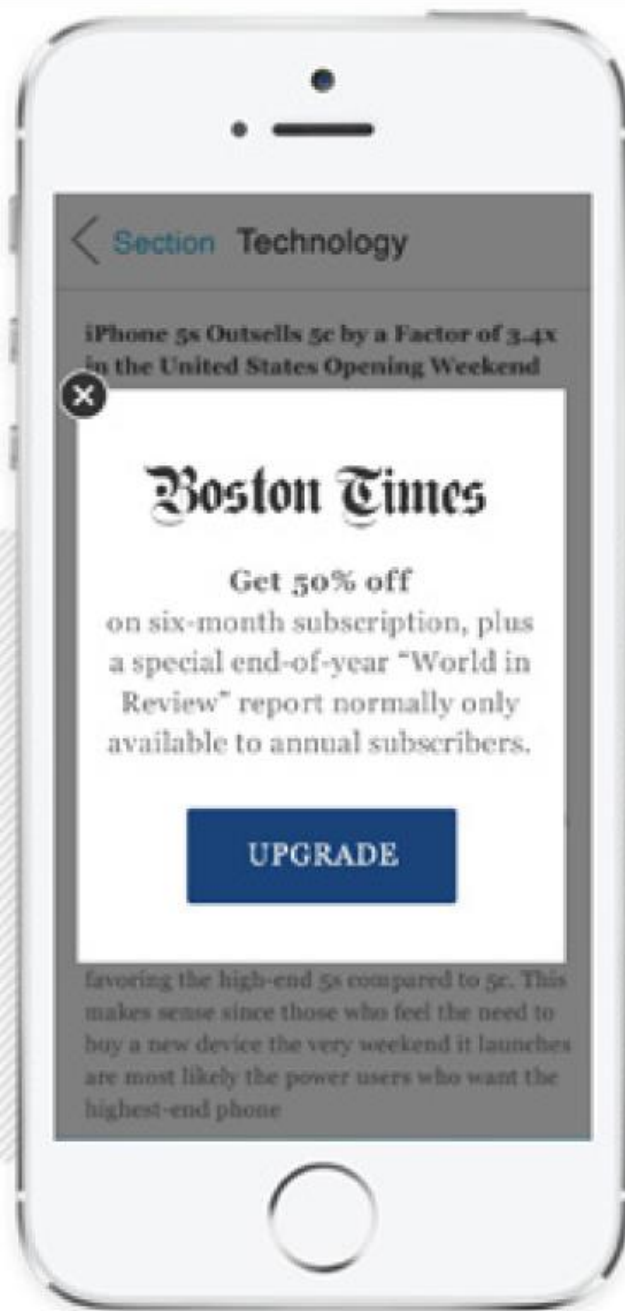
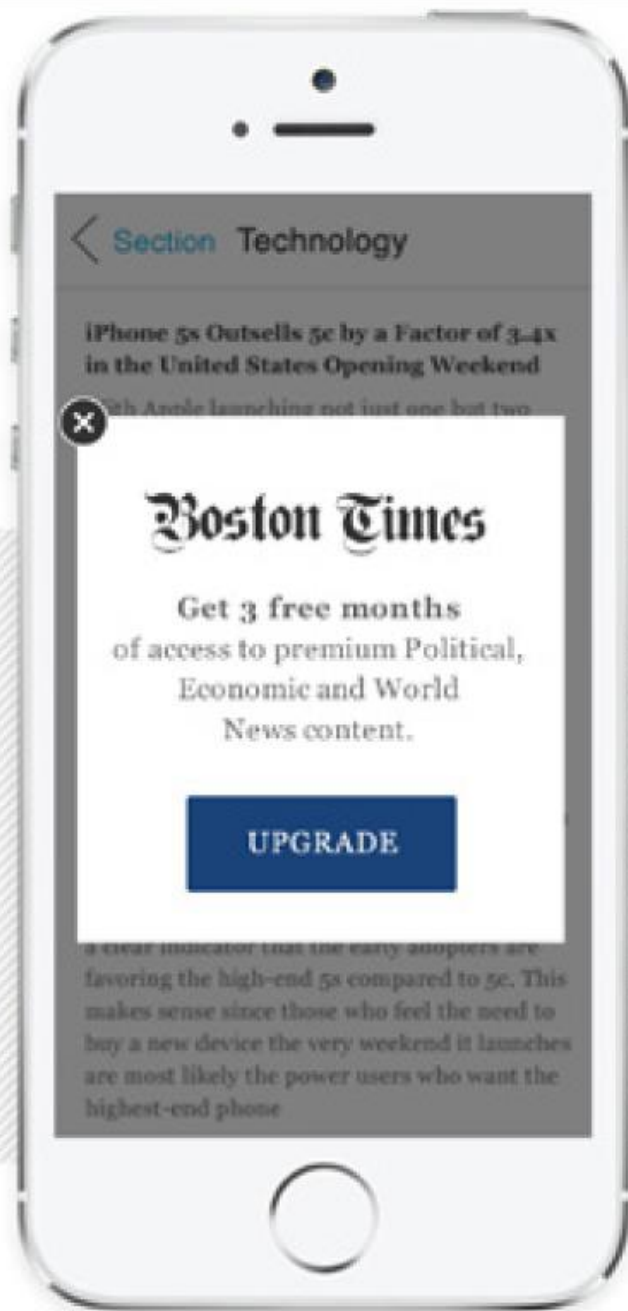
- ❖ More reliable and objective
- ❖ Large amounts of information can be collected from a large number of people in a short period of time and in a relatively cost effective way
- ❖ Looks at relationships between variables and can establish cause and effect in highly controlled circumstances
- ❖ Excellent finalizing results and proving or disproving a hypothesis.
- ❖ The structure has not changed for centuries, so is standard across many scientific fields and disciplines.

# *Key Types Of Quantitative*



- ❖ Concept Testing
- ❖ In-Home Use / Taste Test
- ❖ Ad Testing | A/B
- ❖ Attitude and Usage
- ❖ Brand Tracking
- ❖ Media Testing: Online & Offline
- ❖ Package Design
- ❖ Segmentation/Market Sizing
- ❖ Pricing/Purchase Intent
- ❖ Positioning
- ❖ Social Media
- ❖ Shopper Behavior

A



B



✉ WANDR - Content Test - Outerwear B

306

Recipients

16%

Open rate

10%

Click rate

19

Bounces



✉ WANDR - Content Test - Outerwear A

306

Recipients

36%

Open rate

60%

Click rate

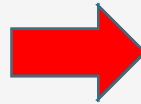
1%

Bounce rate



# Original 6 Options Reduced To 3 Options for Quantitative Testing

Explored in  
Qualitative Study



Finalized In  
Quantitative Study

# *When To Use Quantitative?*



- ❖ When you seek to test theories or hypotheses against a large number of people
- ❖ When you want to be confident about moving forward with a service, product or strategy

# *What Not To Expect From Quantitative*



- ❖ Exploration – it is structured with few if any opened ended questions. Respondents have limited options to make a selection
- ❖ It may not allow for understanding some forms of information - i.e. changes of emotions, behavior, feelings etc.
- ❖ Ability to change in process

# *The Cost Of Quantitative...*

*Varies Considerably*

- Concept Test
  - \$100/Idea Omnibus
  - \$2,000 – \$5,000 Single Concept with 20 Questions



- Digital Advertising
  - Emma



- Attitude & Usage \$40,000
- Market Segmentation \$50,000
- In Home Testing \$40,000 +

ANY  
QUESTIONS  
?



# *Secondary Research*



PewResearchCenter



❖ Resources published by others:

Newspapers/Magazines

Industry Reports

Government Publications

Educational Journals

Institutional Reports

Blogs

Websites

Corporate Publications

POS Data: Volume/Share

# They Are Dedicated To Health & Wellness



BRIEF

**New clear plastic can offers**



And good, healthy food makes millennials happy. The push to eat healthier, more eco-friendly foods like [cage-free eggs](#) and the rise of the meal preparation companies that send customers nutritious, fresh ingredients that they can quickly make into a cooked meal – that's all been attributed to the influence of the millennials.



≡ Forbes

GOOD ENOUGH  
TO TWEET

# 1/3 Own Pets

Business

## Millennials are picking pets over people

By Abha Bhattarai September 13, 2016



Millennials have supplanted Boomers as the largest US pet-owning population, according to data released by research firm GfK during Global Pet Expo 2015. That means 35.2% of the US' **75 million Millennials**, defined by GfK as people age 18 to 34, own a pet, compared to 32.8% of Boomers. Apr 1, 2015

**The Washington Post**

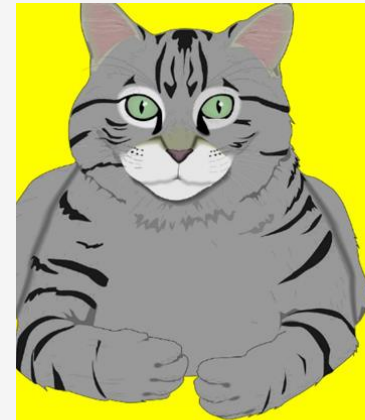
### MILLENNIAL PET OWNERSHIP

Millennials = 24% of US pet owners...

**74%  
own  
dogs**



**49%  
are cat  
owners**



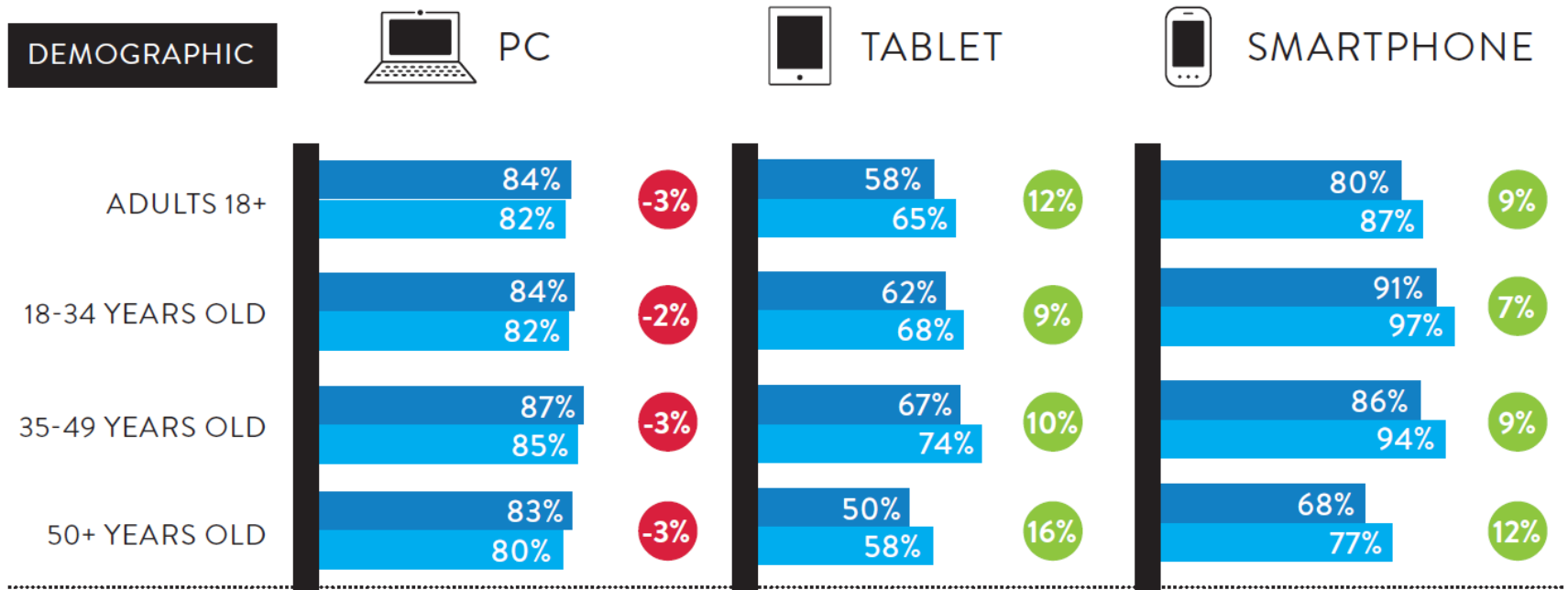
**19% have  
freshwater  
fish**



# They Are Connected

## DEVICE PENETRATION

PERCENTAGE OF U.S. WITH ACCESS TO PCs, TABLETS AND SMARTPHONES



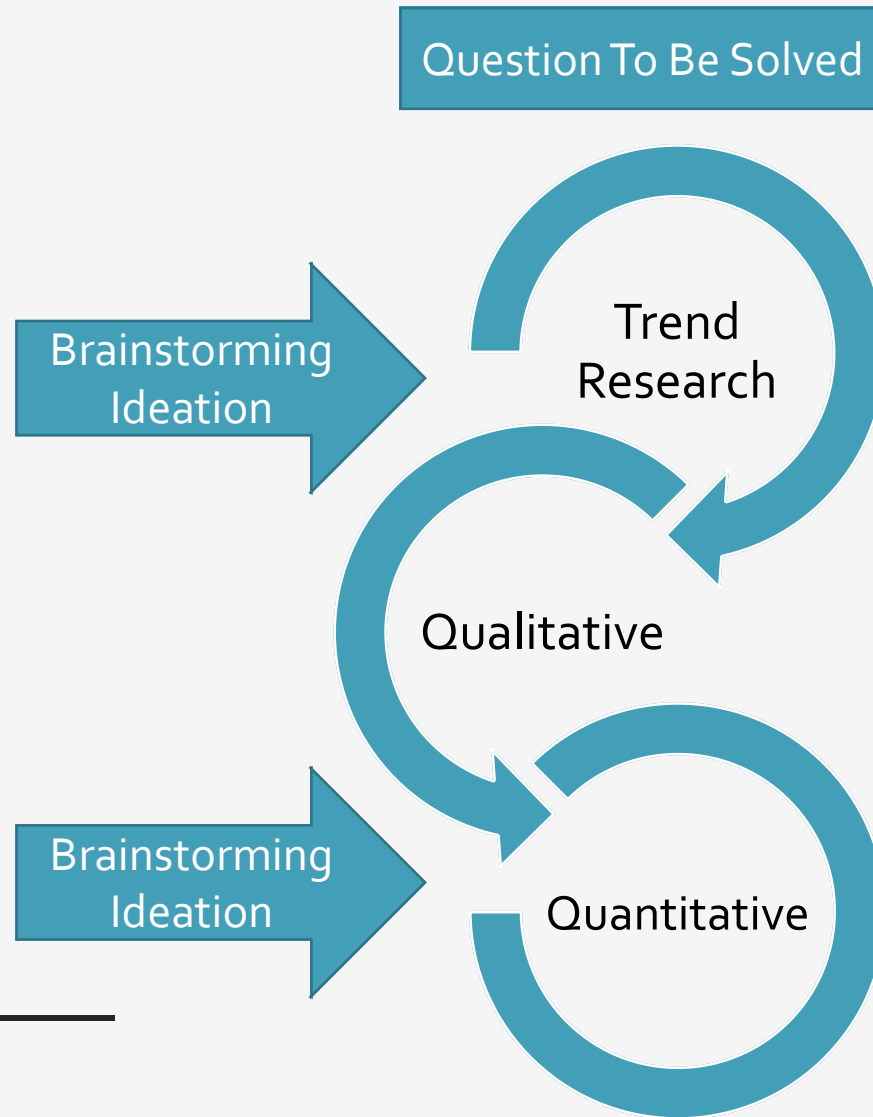


ANY  
QUESTIONS  
?

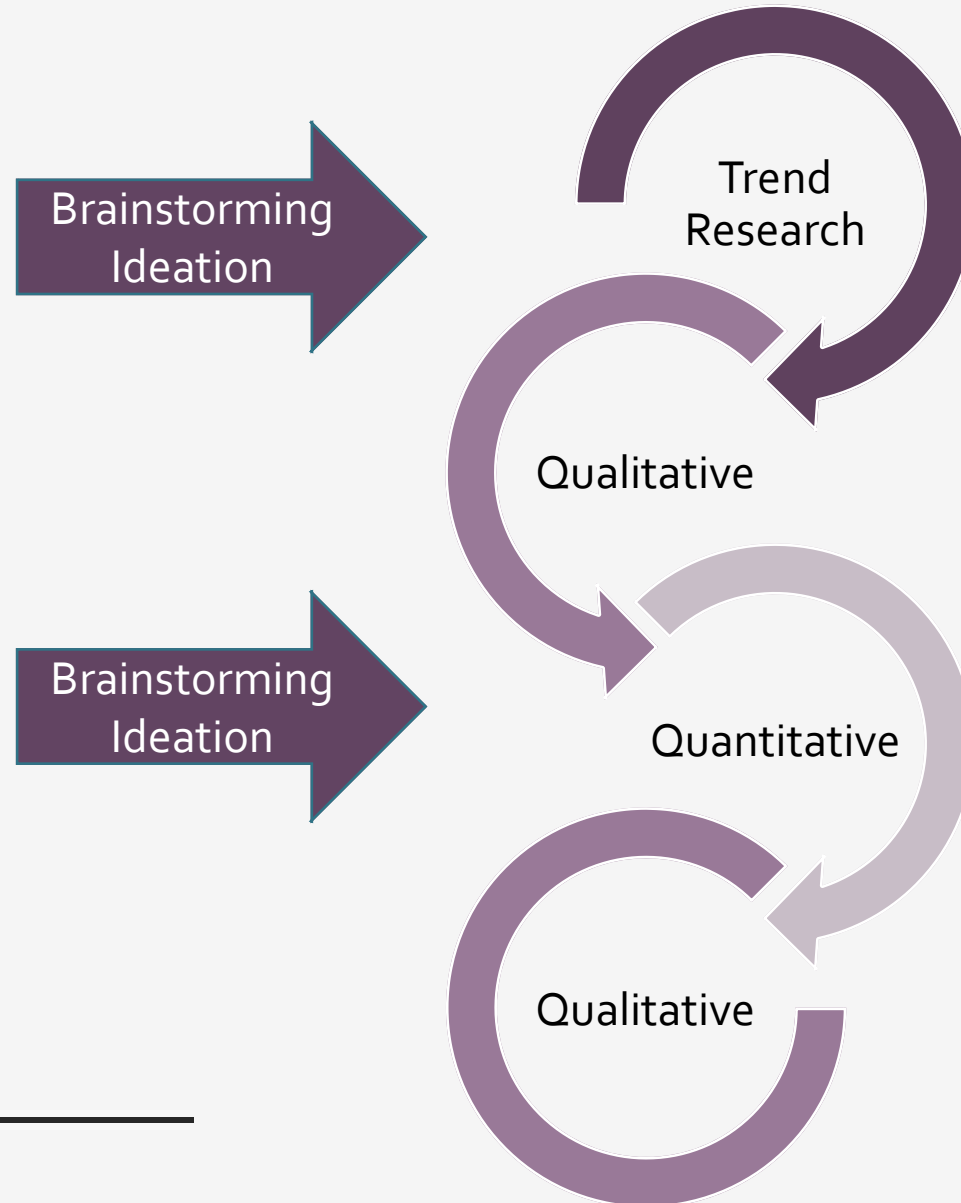
Qualitative: Exploratory	Quantitative: Conclusive
Hypothesis Broad: Big Picture Early In Process	Hypothesis Narrow: Focused Later In Process
Seeks to explore, explore and understand – What? Why?	Seeks to confirm the hypothesis – How Many?
Data provided as a narrative, pictures	Data is in the form of numbers and statistical results
Methods less structured	Highly structured method – data gathered using tools, questionnaires
Asks open-ended questions, projective exercises to explore	Asks closed-ended questions that give quantifiable answers
Research has flexibility-can evolve as study develops	Research design highly structured and developed in advance of the study
Results may be presented subjectively. May reveal biases, values or experiences that impact how results are interpreted	Results documented objectively



# Multi- Strategy Process



# Multi- Strategy Process



ANY  
QUESTIONS  
?

# Thank You



CREATING BREAKTHROUGHS LLC

B U S I N E S S   S T R A T E G I S T S

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