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AMRSR recognises the contribution of Professor Lester Johnson (Editor) and the Melbourne Business School.
AJMSR – Editorial

This issue (Volume 14, Number 1) marks the 26th issue of the Australasian Journal of Market & Social Research (there was only one issue in Volume 1, July 1993). In these issues a total of 100 papers have appeared, each issue containing between 3 and 5 papers. Approximately 80% of the papers were authored by academics with the other 20% by practitioners (when co-authored by a combination, fractional allocation was used to arrive at these percentages). About 13% of the papers came from New Zealand authors and about 14% from authors in North America and Europe, the large remainder coming from Australian authors.

There are some authors who have been very active in publishing their work in the journal. The most prolific of all have been Professor Phil Gendall of Massey University in New Zealand and Associate Professor David Bednall of Deakin University in Australia, each of whom has had 6 of his papers published. The table below lists the other prolific AJMSR authors and the issues where their papers have appeared. The top practitioner authors (unless you count Al Marshall who lists his affiliation as both academic and practitioner) are Liane Ringham and Howard Moskowitz, each with 3 papers in the journal (there are also several academic authors with 3 papers who are not listed in the table).

Authors with Most Papers in AJMSR

<table>
<thead>
<tr>
<th>Author</th>
<th>Number</th>
<th>Volume (Number)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phil Gendall</td>
<td>6</td>
<td>3(1), 7(1), 8(1), 10(2), 13(1), 13(2)</td>
</tr>
<tr>
<td>David Bednall</td>
<td>6</td>
<td>6(2), 11(1), 12(1), 13(2), 14(1), 14(1)</td>
</tr>
<tr>
<td>Susan Ellis</td>
<td>5</td>
<td>1(1), 2(1), 2(2), 3(1), 13(2)</td>
</tr>
<tr>
<td>John Dawas</td>
<td>4</td>
<td>8(1), 9(1), 10(1), 10(2)</td>
</tr>
<tr>
<td>Al Marshall</td>
<td>4</td>
<td>2(1), 9(2), 10(1), 12(1)</td>
</tr>
<tr>
<td>Liane Ringham</td>
<td>3</td>
<td>1(1), 2(2), 13(1)</td>
</tr>
<tr>
<td>Howard Moskowitz</td>
<td>3</td>
<td>8(2), 9(2), 11(1)</td>
</tr>
</tbody>
</table>

The current issue contains three papers, all focusing on some aspect of the market research process. Plocinski, Bednall and Adam report on a study of Australian fieldwork managers and conclude that there is limited use of contact enhancing strategies in telephone surveys. This seems at odds with the industry’s recent LIST (Length Introduction Sampling Time) initiative. They provide an insightful discussion of the implications of this on the industry.

Bednall, Valos, Callaghan and Brennan report on a study of Australian research buyers and discuss their perspectives of the effectiveness of market research in their organisations. The theme of research effectiveness is also apparent in the paper by Link, Burke and Fox. They examine the main drivers of market research impact using structural equation modelling techniques.

Collectively these three papers add to the storehouse of knowledge that has appeared in the AJMSR over the past fourteen years. In addition there are two book reviews for your edification; the first of Beyond Listening - Learning the Secret Language of Focus Groups by Stuart Vawser; the second by Michael Milgate covering two books entitled Reflections on Research - the Realities of Doing Research in the Social Sciences and Need to Know - Social Science Research Methods. I encourage readers to consider submitting their work for consideration, particularly practitioners who are underrepresented in the pages of the journal.

Lester W. Johnson
Editor, AJMSR
Managing Contactability in Telephone Surveys

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Abstract
The Australian market research industry relies on telephone interviewing as one of its major data collection methods. Through its LIST initiative, the industry has committed to best practice in research methods in order to address various concerns, especially the decline in response rates for telephone interviews. Response rates are determined by the cooperation of eligible respondents and their degree of contactability. The reported study is concerned with the way the industry attempts to manage contactability. A study of fieldwork managers responsible for over 75% of all phone interviews in Australia revealed a limited use of contact enhancing strategies such as longer fieldwork periods and more callbacks. Commercial imperatives for timely surveys and a lack of end-user concern for response rate issues, along with cost issues, were believed to be responsible.

Introduction
In 2005, the Australian market research industry launched its LIST (Length Introduction Sampling Time) initiative (LIST 2005) for survey research. The initiative aimed to promote best practice within the industry and its clients, in that way doing its utmost to retain the cooperation of respondents. An apparent decline in response rates (Bednall and Shaw 2003) was one of the major motivators for the initiative. Elsewhere, the evidence suggests that industry response rates are already low and declining further (CMOR 2003), indicative of a broader social trend for people to be increasingly difficult to contact (Curtin et al. 2005) and to be more selective about which surveys they complete (Bickart and Schmittlein 1999).

Response rates are a function of two factors - the ability to contact people and the willingness of people to cooperate. In a typical ad hoc market research telephone survey, around fifteen contact attempts are needed to obtain one telephone interview (Bednall and Shaw 2003). This should be of concern to the industry. If people are harder to contact, then more call attempts will be required, together with more callbacks. As a result, the market research industry is facing increasing costs for each completed survey.

In addition, apparent client demand to complete research projects ever more quickly appears to be intensifying the pressure on field managers to get surveys out of field quickly, and in the process compromising their ability to spread out callbacks. Arguably, lower response rates threaten the representativeness of survey results. This has led to a call in LIST for a minimum number of callbacks in a typical survey and for the survey period to be extended. Surprisingly, the evidence in favour of multiple callbacks or extended surveys is not clear cut (Gendall and Davis 1993). Ketter (et al. 2000) compared the results from matched samples of respondents. One survey sample, spread over a five day period, achieved a response rate of 36 percent. The other survey sample, spread over eight weeks with more callbacks, achieved a response rate of 61 percent. In comparing the survey results on a range of attitudinal and demographic measures, the biggest gap between the two sets of results was 9 percent. However, industry evidence from Australia (Bednall and Shaw 2003) and the United States (CMOR 2003) indicates commercial response rates that are well below this 36 percent mark and still declining. People who take part are thus atypical, at least in terms of survey par-
n participation. Given this, it would appear too risky for the industry to ignore the issue of representativeness.

It has been suggested that other techniques might compensate for non-response, when analysing trends in response rates in association with later callbacks (Colombo 2000). This may help in many surveys. The real problem will occur when contactability is related to the key survey issue. For example, frequent flyers are less likely to be contactable at home so an ad hoc household survey might seriously underrepresent this group.

In summary at this point, practical and financial issues, along with fears about a possible lack of representativeness should motivate the industry to boost the contactability of eligible respondents. The paper next examines the likely causes of non-contactability and then discusses potential remedies open to field managers in Australia.

Causes of non-contactability
The most noticeable contact problem is mobility – people may stay at home less often than in bygone years. The growth in single person households, a proliferation of restaurants in urban areas, record travel, long working hours and high rates of car ownership (ABS 2005) are all pointers to the difficulties research companies experience in finding people at home. Finding people at their desks at work is also problematic when conducting business research.

Although the penetration of fixed phones into Australia homes remains high (ABS 2004), there is evidence of some substitution by mobile phones. Some households do not have any fixed line at all. Even when there is a fixed phone, there are a variety of impediments to contact being made. The first is call screening – people may either actively block (e.g., by use of a multifunction answer phone/fax machine) or choose not to answer to callers they do not recognise. Even when contact is made with a household or business, the eligible respondent may be unavailable. Finally, there are silent numbers where the White Pages does not list the number. These have been estimated at around 15 percent of all domestic fixed lines (OESR 2005).

Techniques to boost contactability
Despite these obstacles, market research companies can influence contact outcomes. The main way they can do this is with their calling regime. Companies can choose when they ring people and how often. Ringing consumer homes during a weekday daytime is typically not productive unless the researcher approaches call areas where there are large numbers of retired, unemployed or work from home individuals. Similarly business survey calls made outside working hours are most unlikely to be answered.

The next major influence relates to the number and scheduling of call-backs. With more single person households and more meals purchased outside the home, the chances of finding people at home on any one occasion has become limited. Consequently, around half the initial calls in a typical consumer survey go unanswered. Call-backs – especially those spread across different times and days of the week – are likely to produce a higher response. Dunkelberg and Day (1973) estimated that employing more than three call-backs in personal surveys made little difference to representativeness for most variables. However, their study was based on very high response rates. In an Australian context, Bennett and Steel (2000) have estimated that employing more than four call-backs has a limited effect on response rates. Arguably, the law of diminishing returns applies in such cases.

Call-backs are costly – both in terms of employing people to conduct them and more particularly, in terms of the time available to conduct them. Often clients have rather strict timetables and the ability of research companies to extend the call-back period may be limited. In the present
study it was hypothesised that contactability would be a recognised major issue for market research companies and that they would be implementing proactive strategies to hold or lift contact rates.

Technology can also assist market research companies. CATI systems allow companies to generate a large number of dialups in a short period. Where random digit dialling is involved, databases of past contact attempts can help identify fruitful number ranges from which to generate calls. Some number ranges are not used (ACMA 2006) while others are sparsely populated with valid numbers. Knowledge of these ranges and appropriate strata sampling schemes can help direct most contact attempts to fruitful ranges. However, at the time of the survey the most practical source was the DiMS database of listed numbers (DiMS 2004) which was derived from the White Pages. This database is no longer available.

Finally, predictive diallers are potentially useful in eliminating numbers which are not answered, thus saving interviewer time. The number of dialling attempts might even increase under these regimes, and if interviewer downtime is reduced, the investment may be worthwhile. An issue here is to have a phone room large enough so that by the time a call is actually answered, there is an interviewer available to take the call.

It is clear that survey methods and technologies readily assist the industry to sustain reasonable or even increased levels of contactability. A key question for the present study was to determine which contact boosting techniques were used, the reasons for these behaviours and their perceived effectiveness.

METHOD
The study comprised a qualitative and quantitative phase. In-depth interviews were carried out with 10 respondents from eight companies in Melbourne and Sydney that provided field services for their own company or as sub-contractors to the industry. The respondents were highly experienced in telephone research and held management positions in their firms. Some had been involved in developing relevant software systems used widely in the industry.

A postal survey was then conducted. A census of the Australian suppliers of telephone interviewing services was attempted. Three sources were used to construct a list of target respondents. The first was a list of all market research companies accredited by the industry quality system (MRQA 2003) for telephone interviewing. This list was supplemented by companies shown in the then MRSA Directory (MRSA 2003) as conducting telephone interviews. Market research companies not in either list but shown in the electronic Yellow Pages were added to the list, resulting in over 300 new entries. These new companies were contacted by telephone where possible to enquire whether or not they conducted telephone interviewing. In total, 347 companies were in the final census frame. The survey was addressed to the fieldwork manager of the firm, by name where known. The initial response was poor.

A follow-up mailing was undertaken wherein field managers were reminded that they depended on others agreeing to take part in their research and that the present study was seeking the same generosity from them. A second copy of the questionnaire was provided. This was more successful in eliciting returns.

The characteristics of the obtained sample are shown in Table 1.

Altogether, 54 completed questionnaires, 51 replies indicating ineligibility, and 25 unopened envelopes marked "Return to sender", were received. Using the simple Kvz (1977) measures, the response rate in this study ranged from 18 to 20 percent; depending on the calculated eli-
Table 1. Characteristics of Companies Surveyed

<table>
<thead>
<tr>
<th>Number of Telephone Interviews</th>
<th>Location of Phone Rooms 1</th>
<th>Use of CATI 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total estimated</td>
<td>Adelaide 16%</td>
<td>Oz Quest 18%</td>
</tr>
<tr>
<td>Minimum</td>
<td>Brisbane 19%</td>
<td>Quancept 10%</td>
</tr>
<tr>
<td>Maximum</td>
<td>Hobart 2%</td>
<td>Surveycraft 26%</td>
</tr>
<tr>
<td>Median</td>
<td>Melbourne 39%</td>
<td>Own System 8%</td>
</tr>
<tr>
<td>0-1000</td>
<td>Perth 6%</td>
<td>Other CATI 12%</td>
</tr>
<tr>
<td>1001-5,000</td>
<td>Sydney 40%</td>
<td>No CATI 38%</td>
</tr>
<tr>
<td>5,001-10,000</td>
<td>Other NSW 6%</td>
<td></td>
</tr>
<tr>
<td>10,001-20,000</td>
<td>Canberra 4%</td>
<td></td>
</tr>
<tr>
<td>20,001-30,000</td>
<td>Other QLD 10%</td>
<td></td>
</tr>
<tr>
<td>30,001-40,000</td>
<td>Darwin 2%</td>
<td></td>
</tr>
<tr>
<td>40,001-50,000</td>
<td>Other Aust. 4%</td>
<td></td>
</tr>
<tr>
<td>50,001-100,000</td>
<td>Outside Aust:</td>
<td></td>
</tr>
<tr>
<td>100,001-500,000</td>
<td>England 2%</td>
<td></td>
</tr>
<tr>
<td>Consumer</td>
<td>New Zealand 2%</td>
<td></td>
</tr>
<tr>
<td>Business</td>
<td>USA 2%</td>
<td></td>
</tr>
<tr>
<td>n = 53</td>
<td>n = 54</td>
<td>n = 50</td>
</tr>
</tbody>
</table>

1 Some companies had more than one phone room and some used more than one CATI system

In analysing the results of the survey, the 5% statistical significance level was used.

RESULTS

The analysis first examined the extent to which contactability was seen as a problem, then examined the degree of control field managers believed they had over the field process, and finally, examined the techniques used within their firm – sampling, call-back regimes and technology – to boost contactability.

Contactability problems

Fieldwork managers were acutely aware of the increasing difficulty in contacting people:

[Our contact rates are] a lot less. Answering machines, screening devices – even when they are home people screen their calls so it is a lot harder to get onto people. I think a lot of younger people don't even have phones anymore, they have mobile phones... I think people are basically out more often than what they were five years ago. Certainly answering machines compared to five years [ago] are higher.

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Table 2. Factors Influencing Contactability

<table>
<thead>
<tr>
<th>Issue</th>
<th>Very harmful</th>
<th>Somewhat harmful</th>
<th>Negligible/No effect</th>
<th>Can't say</th>
</tr>
</thead>
<tbody>
<tr>
<td>Call screening using answering machines or Caller ID</td>
<td>14%</td>
<td>49%</td>
<td>28%</td>
<td>10%</td>
</tr>
<tr>
<td>Respondents getting out more and therefore less likely to be at home</td>
<td>14%</td>
<td>47%</td>
<td>31%</td>
<td>8%</td>
</tr>
<tr>
<td>Engaged signals due to Internet usage</td>
<td>14%</td>
<td>37%</td>
<td>30%</td>
<td>10%</td>
</tr>
</tbody>
</table>

n = 51

Table 2 shows the main threats to contactability as shown by the survey.

The respondents believed that mobility, call screening and the Internet were making market research more difficult, thereby confirming the qualitative findings. It may be assumed that as broadband becomes more common in the Australian market, competition from dial-up Internet and fax machine usage will become much less of an issue than it was at the time of the survey.

A statistically significant association was found between supplier organisation size (in terms of conducted interviews) and the belief that “respondents getting out more” was harmful to contactability, ($\chi^2 (1) = 9.74$) with respondents from large organisations more likely to think so. Similarly, a statistically significant association was found between organisation size and the perception that “increased Internet usage” is detrimental for contactability, ($\chi^2 (1) = 5.13$). Why organisation size should affect these perceptions is unclear. It may simply be the case that larger organisations have more experience and may keep better records of response rates so they are in a better position to make these judgements. However, no significant relationship was found between organisation size and the trend of increased call screening being harmful to contactability ($\chi^2 (1) = 0.64$).

In the present study, 62 percent believed contactability was in a slow decline, while a further 9% saw it dropping quickly.

Only 21 percent believed it was remaining constant, while 8 percent believed contactability was improving. The findings are consistent with previous studies which have actually measured the decline (e.g. Bednall and Shaw 2003; Tuckel and O’Neill 2002). No significant statistical association was found between organisation size (in terms of the number telephone surveys conducted) and beliefs about contactability trends, suggesting that non-contactability was a problem for large and small organisations alike.

Field Manager Influence

Given the reported findings, it would be expected that research companies would seek to change their practices. In particular, fieldwork managers would seek to influence their companies and ultimately the end-user clients to change practices which are making the task harder. Table 3 presents the areas of responsibility they hold.

When dealing with contact systems and survey design, field managers largely attempted to influence others rather than take direct responsibility. Their major role came in managing and training interviewers and their major preoccupation was strike rates.

What do you consider response rates? To me, because I’m more interested in interviewer performance and productivity, I’m saying: well the ability of the interviewer to get a response from the respondent so I’m thinking refusal...
Table 3. Field Manager responsibilities

<table>
<thead>
<tr>
<th>Activity</th>
<th>Full</th>
<th>Part</th>
<th>None</th>
<th>NA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interviewer Training</td>
<td>74%</td>
<td>20%</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>Hiring of interviewers</td>
<td>74%</td>
<td>24%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Interviewer performance monitoring</td>
<td>63%</td>
<td>33%</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>Deciding the number of callbacks to program into the CATI system for a</td>
<td>41%</td>
<td>30%</td>
<td>6%</td>
<td>20%</td>
</tr>
<tr>
<td>particular survey</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Calculating Response Rates per company's or client's definition</td>
<td>67%</td>
<td>30%</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>Reporting response issues back to project managers</td>
<td>67%</td>
<td>30%</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>Offering input to project managers about the survey structure or content.</td>
<td>65%</td>
<td>22%</td>
<td>6%</td>
<td>2%</td>
</tr>
<tr>
<td>Offering input to project managers about the project methodology</td>
<td>61%</td>
<td>28%</td>
<td>4%</td>
<td>2%</td>
</tr>
<tr>
<td>Reporting response issues to senior management</td>
<td>54%</td>
<td>17%</td>
<td>9%</td>
<td>13%</td>
</tr>
</tbody>
</table>

n = 54. 1 Where percentages add to less than 100, data were missing

Table 4. Controlling the Call Schedule and Extending the Data Collection Period

<table>
<thead>
<tr>
<th>Activity</th>
<th>Very Likely</th>
<th>Somewhat Likely</th>
<th>Somewhat Unlikely</th>
<th>Very Unlikely/ Never</th>
</tr>
</thead>
<tbody>
<tr>
<td>Encourage clients to run the projects during the times of the week you</td>
<td>64%</td>
<td>27%</td>
<td>6%</td>
<td>4%</td>
</tr>
<tr>
<td>number of contacts will be maximised</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Encourage clients to run the project for a longer period of time to</td>
<td>40%</td>
<td>39%</td>
<td>14%</td>
<td>8%</td>
</tr>
<tr>
<td>maximise the number of callbacks that can be made</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

n = 52

rates. Other people may say: no, a response is a completed survey. That's bringing in no answers and refusals and engages and callbacks. That's really to me a contact rate rather than response rate. The interviewer can't control the contact rate and so they're out of our control and we can't do anything about them.

Many clients, according to the field managers, have little concern in general about response rates or the sub-issue of contactability. As one fieldwork house which sub-contracts field services to other companies noted:

Recently I have had a few clients wanting to know about response rates because their clients have also been concerned and they have been asking questions about the validity of research and things like that, but it's very unusual.

Contact times

Some 39 percent reported changing the times for attempting contact, with weekday evenings as opposed to weekends becoming more popular. A statistically significant association was found between company size and the alteration of the calling schedule - larger companies being more likely to do so, \( \chi^2 (1) = 4.33 \). Similarly, 31 percent reported increasing callbacks to "no answer", "engaged" or "answering machine/message bank" numbers. Only 19 percent said they had increased the number of callbacks to soft appointments.

The survey evidence in Table 4 shows active attempts by field managers to
Table 5. Use of RDD and Predictive Dialling

<table>
<thead>
<tr>
<th></th>
<th>Frequency Total Sample</th>
<th>Frequency Large companies &gt;15,000 interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>RDD</td>
<td>19</td>
<td>14</td>
</tr>
<tr>
<td>Predictive Dialling</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>RDD And Predictive Dialling</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>n =</td>
<td>54</td>
<td>26</td>
</tr>
</tbody>
</table>

influence clients over the length of survey period designed into each study.

I actively encourage clients to run their projects from Monday to Thursday if they can. A lot of them still think in terms of weekend is the best time to get in touch with people. ...We’re finding running any projects on the weekend is the worst response rate. Better to be running Monday to Thursday when they’re going to be home.

Sampling
The sampling frame is the basis for telephone survey contact management. The main frame used in their consumer surveys was DtiMS (2004) (37% of interviews). DtiMS was a database product containing all listed residential and business telephone numbers in Australia. Due to successful litigation by Telstra to protect its intellectual property, DtiMS became unavailable in 2004. Other popular sampling frames were random digit dialling from known ranges (29%), customer lists (18%) and the White Pages - in either hard or electronic format (12%). In business surveys the majority of sampling was conducted by selection from customer lists (56%) or random selections from listed phone numbers (40%). Concern was common when finite client lists were used. The issue was whether sufficient uncontacted people would be left to include in further surveys.

All of these sampling approaches have implications for contactability. For example, if lists provided by the client are old or inaccurate, higher levels of non-contactability will result. Furthermore, as the universe of respondents is limited to the list, more callbacks to each number may be needed to gain the required sample size. Some companies kept a database which recorded the outcome of dialling attempts to numbers, facilitating the choice of which numbers or number ranges to call or avoid in future surveys. Not surprisingly CATI use was linked to company size, with almost all large fieldwork companies (more than 15,000 interviews a year) reporting the use of a CATI system.

Table 5 shows the use of random digit dialling (RDD) and predictive dialling.

RDD was used mainly by large fieldwork companies, while predictive dialling was exclusively used by larger companies. Both findings make sense in terms of the investments required.

Callbacks
Callbacks were the primary method of controlling contacts. Table 6 shows the reported practices of firms. Modal responses were three callbacks for both consumer and business surveys. This figure matches previous research (Bennett and Steel 2000, Standards Australia 2004, Wiseman and McDonald 1979) showing that up to three or four callbacks provide the best response rates, relative to effort. It would appear that experience has taught field managers what works best for them. Of course their reports of what is typically prescribed do not necessarily describe what happens at the end of a survey period. Experience suggests
that once the required number of interviews has been obtained, the survey will stop irrespective of the number of callbacks remaining to be completed.

... nowadays ... research has to be turned around so quickly that you don't have time to maximise your callbacks as you would wish to.

Soft appointments were those where the initial person contacted agreed to further contact with themselves or others, but no specific time to call was agreed. Hard appointments involve specific times and people. As expected, more effort to follow up both types of appointments was apparent than with cold calling. Given a typical response rate of one interview per 15 consumer contacts, following up appointments should be cost effective. The six measures shown in Table 6 (consumer vs. business * 3 follow-up measures) were capable of being used as a scale to measure company approaches to follow-up. Among the 39 companies who reported on all six items, Cronbach was 0.85, indicating consistent company policies across surveys and types of respondent.

The next issue was the timing of contact attempts. Most respondents (90%) said they were very or somewhat likely to encourage clients to run their projects during the times when the number of contacts will be maximised. Similarly 79 percent said they encouraged their clients to run the project over a longer time period to maximise the number of callbacks.

We always suggest to a client: it would be much more effective from a point of view of your response rate to have your project in for five days and follow up on the callbacks than rush it through in two or three days and not get the advantage of the follow-ups.

While it is clear that fieldwork managers would like to influence their clients to allow them more time and more callbacks, it is questionable whether they in fact are successful, given time and cost pressures. Further studies of research buyers would be needed to estimate their chances of success.

**Discussion**

Contactability in telephone surveys is a serious and slowly exacerbating problem, with growing call screening and mobile phone use particularly limiting access to respondents. Clearly technology has been used to counteract these trends, in order to minimise the use of interviewer time, the major component of survey costs. With CATI systems, interviewers can manage the recruitment process easily, callbacks can be scheduled into the system and random digit dialling can overcome the problem of silent numbers – at least in terms of contactability. Predictive diallers allow a computer to ring numbers and hand calls over to the next available interviewer when the call is answered. A net result of these technologies is that it is relatively easy to try to contact more and more numbers. However, the growth in VoIP (Internet) calls may result in fewer people having listed numbers, making those that do increasingly unrepresentative.

Where the focus is more on the number of interviews rather than their representativeness, technology may make surveys affordable but may not necessarily increase their reliability. It would appear that these technological advantages favour larger companies or fieldwork houses that can afford to invest in these technologies and have the volumes to make them pay off. Along with cheaper rates for calls at a distance, this suggests that an apparent trend to consolidate interviewing operations into single centres, in places with lower labour rates, is likely to continue. In the longer term, the availability of far cheaper VoIP voice calls may serve to accelerate this trend.

Arguably, one of the by-products of this trend will be a further separation of the
project managers and their clients from the actual data collection practices. Problems with interview length, poor understanding of questions and overall fieldwork quality may be less apparent. Quality standards such as AS4752 (Standards Australia 2004) promote the monitoring of fieldwork, "the organisation shall provide procedures for the ongoing monitoring of a quantitative project while in field to ensure that all requirements of the research proposal are met" (p.41) and in part meet this need for quality assurance. But the active involvement of researchers in terms of validity and in learning in practical terms what works may suffer. Perhaps technology can again come to the rescue and allow project managers and their clients to monitor their telephone surveys remotely.

From the reports of the field managers, the end-users of surveys (the clients in marketing companies) in fact do not appear to be greatly concerned or knowledgeable about response rate issues. Timeliness and cost appear more important than representativeness. Evidence from political polling comparing election forecasts with actual results (Panagakis 1999) shows that representativeness can be achieved even with commercial contact rates. But the risk remains that major decisions will be made on the basis of untrustworthy results.

Apart from more efficient contact systems, fieldwork companies appear to be taking action to enhance contactability by rescheduling contact attempts and making more callbacks. Some attempts were made to seek a longer survey period from their client (or client's client) to improve the chance of contact. However, the practicalities of commercial pressures to get surveys completed in a short time often made extending the period impractical. It is perhaps not surprising that in the face of increasing barriers to contact, field managers see a slow, but inexorable deterioration in the situation. There may come a time when ad hoc telephone surveys will no longer be viable. Paid panels (Bednall and Shaw 2003) and surveys using pre-notified respondents or customer contact lists may become more the norm. Some may see the Internet as the best solution to the contactability problem. However, once more response rates are a likely issue (Adam and McDonald 2003). Future research needs to look at the issues of the willingness of people to be contacted and the conditions under which they are likely to be available and to give their permission to participate.

Telephone research is likely to be an important technique in commercial market research for some time. Industry best practice guidelines as embodied in LIST (LIST 2005) and industry standards (Standards Australia 2004) for procedures such as callbacks, are a useful counterbalance to an industry focus on achieved samples and strike rates. They should help clients minimise the risk of poor decision making based on unrepresentative surveys. And they would give them leverage within their firms to argue for the funding and the timing needed to do their surveys properly.
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Shake, Rattle or Roll? Measuring the Impact of Market Research Projects

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Abstract
A literature search on the topic of the impact of market research on organisations which buy such research identified fourteen pertinent recent articles. The following four themes were represented: measuring financial returns on market research; making market research projects more actionable; modelling the determinants of market research-generated knowledge utilisation; and modelling the determinants of market research impact at project level. No firmly agreed definition or construct for "impact of market research" was found in the literature. The last mentioned theme was closest to the intent of the current paper, but to date, only weak relationships have been found in the literature between drivers and impacts of market research. Few if any rigorous studies have looked at the impact of individual market research projects in this context.

This paper reports on the results of the literature review, together with the findings from purpose-designed qualitative and quantitative research conducted in 2005. The qualitative element sought judgmental data on 107 outsourced market research projects from buyers and users of market research in 20 large Australian marketing organisations.

It was concluded that key elements of market research impact include the notion of action being taken as a result of the market research findings, generation of a more customer focussed organisation, optimisation of business/marketing strategy, increased confidence in existing business/marketing strategy, favourable financial return from the underlying marketing or business project and/or important political needs being met.

The data (using structural equation modelling) revealed that in the kind of organisations and market research projects studied, the main drivers of market research impact included utility of market research outputs, predicted impact, the buyer's market research expertise, level of client involvement in the market research process, supplier quality and level of pro-market research culture in the buyer organisation.

Introduction
Buyers and users of market research are increasingly being asked by management to justify research costs. Both suppliers and buyers will be better able to do this if they more fully understand the impact of their research.

While some researchers have tried to measure some aspects of impact (eg profit returns assignable to research, organisational learning or knowledge acquisition), a preliminary examination of the literature indicated that there is no universal model which predicts the level of impact of a market research project. Impact implies "change" in the organisation as a result of conducting market research — whether economic, behavioural or attitudinal change. Thus, measuring impact can only meaningfully be conducted after a reasonable period of time has elapsed following market research project completion, sufficient to enable impacts to occur. Many prior researchers of this topic appear to have ignored the time dimension.

This paper presents a brief literature review on this topic, and the results of empirical research with 20 large Australian
organisations who buy market research from external suppliers. Opinions and data relating to the impact of 107 market research projects completed at least 6 months ago were collected in mid 2005 from both professional research buyers and marketing managers who used the research. In analysing the qualitative and quantitative data generated, this paper seeks to:

1. Define the term impact, and identify the main components of impact;
2. Measure both the impact of market research (rather than its quality or research buyer satisfaction) and possible drivers of impact;
3. Develop a model which describes how the main driver elements combine to influence overall impact for a given market research project.

Literature Review
Prior to conducting the field research for this project, recent literature from mainstream refereed marketing, marketing research and management journals was scrutinised, yielding fourteen relevant and useful articles. There were four main themes dealt with in these articles.

Measuring financial returns on marketing research
Several articles focussed on the need to measure the productivity of marketing, including the financial productivity of marketing activities.

For example, a reputable tool for measuring the impact of marketing strategy since the early 1970s has been PIMS (Profit Impact of Marketing Strategy), a project which involved collecting empirical data from hundreds of enterprises in many countries beginning in 1972 (Farris & Moore 2005). The PIMS project showed that profitability was driven by a number of environmental and strategic firm related variables. PIMS has been a very important antecedent to modern attempts to sheet home ROI to various marketing and other input variables. However, market research usage was not measured in this model. Elliot (1999) wrote a wide ranging paper on the topic of the payoff from market research, pointing out, amongst many other things, that measuring market research payoff is about as difficult as measuring advertising payoff, and should be viewed in terms of reducing uncertainty and risk associated with marketing and business decisions. The same paper reviewed a number of methods of measuring payoff but concludes that both “before” and “after the project has been conducted” measures have drawbacks. Further it was argued that attempting to anticipate the payoff in deciding whether to conduct market research risks ignoring the significant potential heuristic and creative value of market research.

Rust, Ambler et al (2004) urge that marketers be held more accountable for showing how marketing expenditures add to shareholder value. However, these authors also observed that achieving this is extremely difficult. Further, maximising ROI, which is often a focus of marketing articles and academic research, is not recommended unless management’s goal is efficiency rather than effectiveness, because it is inconsistent with profit maximisation. Instead a framework is proposed, which separates marketing actions, including strategies and tactics, from the overall condition of the firm as reflected in assets (including brand equity, customer equity, market position, financial position and firm value). Two existing systems address the important issue of linking short and long term outcomes:

- The first is based on forecasting long term outcomes and discounting cash flow (eg measuring customer equity).
- The second represents the future in the state of the marketing asset today.

A useful comparison of the various modern models of measuring the return on marketing appears in Rust, Lemon and Zeithaml (2004). However, overall, this and most other articles discuss these

1 Elliot’s paper also addresses, in various ways all of the remaining themes identified in the literature.
issues on an enterprise-wide scale, and omit market research per se as a driver of marketing returns to the firm.

Some authors, eg Lesh & Schmalensee (2004), conclude that the organisations most likely to ask for measures of payoff of marketing research are those who are unconvinced of its payoff. Most market research departments, it is argued, fail to measure any aspect of their performance, feeling that spending time and money measuring ROI of market research leaves less funding and time available for the research itself. It was concluded there is no gold standard that is widely used for demonstrating the payoff of market research.

Making marketing research projects more actionable
Several recent articles reported either anecdotal evidence or on the results of qualitative opinion gathering among marketers to ask how to make market research projects more actionable.

One of these is by Baker and Mouncey (2003), which provides some useful “rules” in this domain, including that market researchers need to:
- Get very close to their customers;
- Use an optimal mix of research techniques;
- Cascade their insights down through the client company, to create a learning organisation;
- Think and act strategically in addressing their clients’ market research projects;
- Forge bridges between other disciplines and influences on the thinking of marketing managers in firms which use their research findings.

While arguably lacking the authenticity which comes from data-generated proof, some of these “rules” were deemed worthy of at least testing in our research project for this paper.

A more credible set of conclusions about making market research more actionable came from a qualitative study reported by Schmalensee & Lesh (1998). These researchers asked 53 market researchers and managers from 22 North American companies to talk about the following:
- Their most successful experiences in moving from research to action;
- Their least successful experiences in moving from research to action;
- What prompted the research in the first place;
- How the research was designed, conducted, analysed and reported;
- How the organisation developed its plans after the research, how plans were subsequently developed and implemented, and how change was monitored.

The goal was to identify the main barriers to action (i.e. barriers to acting on research findings) and ways of overcoming those barriers.

The findings suggested that research results were acted upon more completely where:
- Research objectives were agreed with all key decision makers and where there was a commitment to action on the results, before the project commenced;
- The research asked more specific questions, combined qualitative and quantitative techniques, used comparative benchmarks and/or linked research to the financial bottom line;
- Research reports were simple and clear, told painful news so it could be heard, and were tailored to the (various) stakeholder audience(s).

The same research concluded that to help organisations create effective plans, researchers need to produce specific and action oriented recommendations, help their clients align employee incentives with company goals, and assist their clients to track the impact of changes.
Modelling the determinants of market research generated knowledge utilisation

There have been a series of articles on research based models which attempt to identify and explain the factors which contribute to some firms making more use of marketplace information. Again, these have been focussed at a general organisational level rather than studying the impact of particular marketing research projects. Thus, the findings have lacked practical impact at project level.

For example, one of the more useful landmarks – Deshpande (1982) – showed that marketing managers were more likely to commission and use market research if they perceived themselves to be in a decentralised organisation, where they were free to make decisions in their own operations, based on such research.

Further, Moorman, Zaltman & Deshpande (1992) examined relationships between marketing research suppliers and users. Hypotheses were tested regarding the role of trust as a determinant of the use of market research using data from a sample of 779 users deploying a number of trust related scales. Trust was shown to be a key factor contributing to the level of research utilisation. This was the only piece of work which appeared to focus on particular research projects rather than an overall company’s use of market research, but sadly, the organisational impacts of the research were not measured.

Berry et al (2004) used structural equation modelling in an effort to find relationships between organisational demographics, organisational structure, environmental factors and market research processes, on knowledge utilisation, marketing decisions, and performance outcomes. Very broad conclusions were drawn about financial performance being related to market research usage. The sample in this study included organisations with little or no involvement in marketing research and hence the above conclusion is unsurprising. Prior use of market research and prior satisfaction with market research were shown to be important in determining the degree to which future research may be commissioned and/or used by the organisation.

A very useful and comprehensive doctoral dissertation – Yamani (2000) – examined the process of knowledge acquisition and utilisation through market research in a number of the largest Australian tourism organisations. A large number of outcome variables and of potential driver variables were measured and a model of the effects of some of these driven variables was tested, using structural equation modelling. However, the dependent variable was market research activity in tourism, rather than the impact of that research. It was found that having a market research department and having positive prior experiences and attitudes towards marketing research were significant predictors of market research activity.

Research in the UK – Dibb & Wensley (2004) – recently attempted to measure marketing executives’ knowledge of marketing and of markets, and the extent to which these variables are related to organisational performance. A model was hypothesised including a number of possible drivers of market understanding, marketing practice and performance. The data showed that marketing understanding (extent of market research used) had an indirect positive impact on performance.

Vohries and Morgan (2005) also showed that firms seeking more rather than less market research or firms which are strong in market information management are likely to outperform their peers.

Modelling the determinants of market research impact at project level

Menon & Wilcox (1994), focused more clearly than others on impact of both the research process and research findings on organisations, and was thus closer to our topic than most of the literature we found. This source conceptualised three broad categories of research use or impact: action-oriented use; knowledge enhancing use;
affective use. An example of affective or incongruous use was taking the research findings or recommendations out of context to make a decision. A wide array of measurement scales – some of which are relevant to assessing the impact of marketing research, was used in this (US Marketing Science Institute associated) research.

Overall, the literature review showed that past researchers and authors have found only weak relationships between drivers and usage or impact of market research.

This may be due to the large number of moderating variables at play, and the lack of focus on specific projects. In addition, few (if any) rigorous studies have focussed on the impact of individual market research projects in a manner which provides useful guidance to research buyers and users on maximising the positive impact of their marketing research.

Exploratory Qualitative Research Process and Findings

During May 2005, six senior buyers of marketing research in large organisations conducting regular tracking and ad hoc market research projects, were interviewed by senior marketing researchers, concerning the impact on their organisations of various research projects completed more than six months prior to the interview. The interview discussion guide and stimulus materials were developed using concepts from the above literature review, and were also informed by a workshop among senior market researchers at Chant Link & Associates, in Melbourne, Australia. The main findings were as follows.

Reputation, role and impact of market research
Most respondents felt that marketing research overall enjoyed a good reputation in their organisations, although in some cases the level of research activity was declining rather than increasing, due to organisation and environment factors. For several, the role of marketing research seemed to be central to the organisation.

"Now, everything is evidence based. The MD or other senior managers will always ask for evidence to back decisions."

In some organisations, there was greater attention paid to using market research to track the impact of marketing decisions and programs.

"We didn’t track the impact of advertisements before, but now we do."

"Now we rely on market research results for many aspects of the business – testing product concepts, ad testing, even business statements and promotion materials – all will be tested and all market research results will be acted upon."

Research buyers indicated that the impact levels of market research projects varied widely from one project to the next and over time within their organisations, due to a variety of factors, explored later in this paper.

The nature of positive impacts
Positive impacts were described, where they had been observed, in a variety of categories:

- Aided decision making (eg resource allocation, pricing, advertising concept decisions).
- Provided increased confidence by confirming the merits of existing marketing or business program or strategy. This was seen as a frequent outcome or impact. For example, much tracking research was seen as falling into this category, with some organisations now seeking to establish or refute linkages between tracking measures (such as satisfaction or likelihood of switching) and financial business outcomes such as sales, margins or ROI measures.
• Improved profitability, corporate or brand equity or some other financial measure. These impacts underscored the point that often, research only has a significant impact if two conditions are met – not only does the research have to be effective but also, subsequent marketing or business execution has to be performed, and performed well. In a sense, measuring the impact of market research projects is a nonsense – a marketing project is a more meaningful subject for impact measurement, and research is only one component of a marketing project – albeit, we would argue, an important part.

• Improved understanding of the marketplace. Participants repeatedly stressed that a key impact was enhanced understanding of the marketplace. Several research managers lamented the growing user-led trend to narrower decision parameters used to define research objectives, and the gradual loss of detailed qualitative research reports for example, in favour of top-line findings that often remain unexpanded. Thus, according to some buyers, marketing research is losing considerable value and impact when used in such a narrow fashion.

"Middle management needs the full qualitative report to execute marketing initiatives well."

• Brought a common customer orientation and understanding to a wide group of staff/executives in the organisation. There is no doubt that a key impact of market research, when results are properly communicated through an organisation, can be to bring wide ranging stakeholders to a common view of the world and their place in it. For some projects, this was seen as the most important impact for the organisation.

Other positive impacts covered a variety of more cynical or less tangible impacts, such as:

• Helped to rationalise a decision that had already been taken. This is seen as a similar, though more cynical example of the second category of positive impacts. Some, however, saw this as an example of a negative impact, since research expenditure in these cases had effectively been wasted.

• Served a political role inside the organisation. This can be a positive impact, but according to respondents in the current project, a perennial problem in research-user organisations stems from making the research findings widely available, and then observing that many executives selectively quote results to support their perspective, sometimes quite inappropriately.

Negative impacts

The exploratory qualitative work indicated that few projects displaying negative impacts could be identified, since most research was either neutral or positive in impact. The few examples of negative impact were restricted to issues emanating from poorly planned or executed research:

• Negative financial impacts due to acting on incorrect or incorrectly interpreted research findings.

• Damage to the reputation of marketing research, resulting in the client organisation, or some research originators/users in it, becoming less inclined to conduct further research, thus reducing profit or efficiency prospects for the organisation.

Towards a definition of "impact of marketing research"

Notwithstanding the possibility that it may be more meaningful to think in terms of impact of marketing projects (in which marketing research is but a component), some respondents tended to define market research impacts in terms of three categories of outcomes, all of which included the notion of change:

• The financial difference to the business as a result of the market research (albeit there was thought to be no
practical means of measuring this).
- The change in confidence levels for making business decisions (whether short or long term decisions).
- Change in level of company knowledge about its customers, competitors or channels.

One respondent neatly included several impact concepts within the single notion of equity:

"Positive impact comes from research that builds equity which can occur in any or a mix of three ways: 1) research that is used as a business tool for financial return; 2) research that creates a knowledge base about customer or market, which has a value; 3) estimating brand value. In this context, a negative impact is where the cost of the research is greater than the equity created and a positive impact is the reverse."

Drivers of positive impact

Few research buyers had thought about the main drivers of positive impact or outcomes of the research projects they had managed.

However, extensive discussion revealed the following were likely to be the main drivers of positive impact, listed in the order in which they arise in a typical marketing project:
- Origins of the research - whether initiated and/or championed by senior management or by those who would implement decisions based on the findings.
- Level of strategic importance of the project (thought by some to be associated with larger market research budget for the project).
- Clarity of objectives and of business decisions to be made as a result of the market research.
- User involvement in market research project design.
- Past market research experience, and market research knowledge of the market research user.
- Technical quality of the market research.
- Trust between the buyer/user and market research supplier.
- Communication ability of the market research supplier.
- Practicality/translateability of research recommendations. This also encompassed simplicity of findings.

"Borderline actionable recommendations can be lost unless the researcher can interpret them when it comes to action time. It takes a lot of dialogue at this time for the research to be fully utilised."

- Availability of market research supplier or manager to the user group/decision makers when planning and executing business decisions based on the market research findings (to re-work recommendations, and/or to continually represent the voice of the customer during these planning/execution stages).

It was considered significant that several of the drivers of impact concerned management communications, decision making and marketing/business program execution occurring well beyond the marketing research project per se.

The issue of trust between the research supplier and the buyers and users of the research was consistently raised as an important driver of research impact. The greater the trust, the more the findings were taken seriously and factored into the business decisions at hand, as opposed to basing business decisions mainly on other information, opinions and considerations. Greater trust also meant less pressure on a supplier, and this was recognised as potentially having either a positive or a negative effect during the market research process, depending on how well the project was initially specified, and how experienced and knowledgeable the supplier was in the industry and target market segment of the client.
Buyer measurement of research impact

Most buyers of market research in this project were frequent buyers, and well versed in market research techniques and the usage of research findings to commercial advantage. And yet surprisingly, none of the companies involved in the exploratory depth interviews were currently measuring the impact of market research projects.

Several, however, were members of the Marketing Research Executive Board (MREB) – an association of 300 corporations in several countries. In Australia, prominent members include banks, large retailers, large utilities and some large manufacturers. This association ascertains and publicises best practice in market research among its members. Among other market research management aspects, MREB has developed tools for prioritising market research investment and engaged in some discussion about evaluating the ROI of market research, however, none of those interviewed in this project were actually measuring ROI or any other financial impacts of market research projects at the time this research was conducted.

Some of the interviewees expressed interest however, in the development and deployment of such a measure.

“We would like something in this area, as it would help in justifying an appropriate level of market research budget. It may turn out we conduct too much research, or too little, but it may help.”

Quantitative Research

Methodology

The quantitative research entailed analysis of information about 107 marketing research projects undertaken by external suppliers at least six months prior to June 2006. This information was provided by a convenience sample of market research managers (25% of records), market research buyers (32%), business and market research analysts (6%), Marketing/Brand Managers (30%) and other personnel (5%) from 20 large government and private sector organisations.

Participating organisations

The following organisations kindly agreed to participate in this research, and their contributions of ideas and judgemental data is gratefully acknowledged. The sample was not intended to be representative of all market research buying organisations, due to budget constraints.

Exhibit 1. Research Participants

| Amgen Australia | Cadbury Schweppes |
| AMP | The Cancer Council |
| ANZ Banking Group | Australia |
| Australian Taxation Office | Child Support Agency |
| Australia Post | Coles Myer Ltd |
| AXA Australia | ESANDA |
| Bristol-Myers Squibb | GlaxoSmithKline |
| | Mayne Pharmacy |
| | Merck Sharp & Dohme |
| | QANTAS |
| | RACV |
| | Sensis |
| | Telstra |
| | Tourism Australia |

Questionnaire

Data was collected via a short self-completion questionnaire which included the following items.
Exhibit 2. Summary of Contents of Survey Instrument

<table>
<thead>
<tr>
<th>Demographics</th>
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<tbody>
<tr>
<td>Cost</td>
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<tr>
<td>MR technique</td>
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<tr>
<td>Type of research</td>
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<tr>
<td>Originating party</td>
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<tr>
<td>Respondent role</td>
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<tr>
<td>MR user expertise</td>
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<td>MR buyer expertise (Q9)</td>
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<table>
<thead>
<tr>
<th>Key Impact Measures</th>
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</thead>
<tbody>
<tr>
<td>Overall (positive) impact (Q10)</td>
</tr>
<tr>
<td>Predicted (positive) impact (Q11)</td>
</tr>
<tr>
<td>Negative impact</td>
</tr>
<tr>
<td>Nature of any negative impact(s)</td>
</tr>
</tbody>
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<table>
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<tr>
<th>Types of Impact</th>
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<tbody>
<tr>
<td>Results were acted on</td>
</tr>
<tr>
<td>Increased confidence; confirmed a marketing/ business strategy</td>
</tr>
<tr>
<td>Enhanced/validated understanding of the marketplace</td>
</tr>
<tr>
<td>Helped create a customer focus in the organisation</td>
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<tr>
<td>Rationalised a decision that had already been taken</td>
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<tr>
<td>Served a political role in the organisation</td>
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<td>Generated favourable financial outcomes</td>
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<table>
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<tr>
<th>Potential Drivers of Impact</th>
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<tbody>
<tr>
<td>Organisation has a high regard for MR</td>
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<tr>
<td>Organisation is skilled in managing MR suppliers</td>
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<tr>
<td>End users had had prior favourable experiences with MR</td>
</tr>
<tr>
<td>Supplier was high quality</td>
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<tr>
<td>Project was well designed &amp; used appropriate techniques</td>
</tr>
<tr>
<td>End users involved from the early stages of research specification</td>
</tr>
<tr>
<td>Research objectives clearly defined and agreed by stakeholders at the commencement of the research</td>
</tr>
<tr>
<td>Clear from the outset what business decisions the research should assist with</td>
</tr>
<tr>
<td>Project cooperatively &amp; well managed in the organisation</td>
</tr>
<tr>
<td>High level of trust in supplier</td>
</tr>
<tr>
<td>Supplier communicated the results effectively</td>
</tr>
<tr>
<td>Findings put the organisation/proposed initiative in a positive light</td>
</tr>
<tr>
<td>Supplier made actionable recommendations</td>
</tr>
<tr>
<td>Supplier ensured that the outputs were clearly understood with the organisation</td>
</tr>
<tr>
<td>Findings were widely disseminated in the organisation</td>
</tr>
<tr>
<td>Outputs were later shown to be an accurate reading for the marketplace</td>
</tr>
<tr>
<td>Delivered novel or difficult to access information</td>
</tr>
</tbody>
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Quantitative Results

Overall and predicted impact
For the majority of MR projects included in this study, both the Overall Impact and the Predicted Impact were positive. Further, in the majority of cases, expectations were either met (37%) or surpassed (36%). In 25% of cases, the Overall Impact was less than the Predicted Impact, but was nonetheless positive.
Exhibit 3. Overall and Predicted Impact Scores

Overall Impact scores varied significantly ($p < 0.05$) between some segments as follows:
- Overall Impact was significantly higher with projects that employed a mix of MR techniques (mean = 7.7) than with projects that used only a quantitative technique (mean = 6.9);
- Projects that were originated by senior management personnel had higher Overall Impact scores (mean = 7.6) than did projects that were originated by 'end users' (mean = 6.8);
- Projects managed by MR buyers with a high level of MR expertise had higher Overall Impact scores (mean = 7.3) than did projects managed by those with low experience (mean = 6.0).

Interestingly, research budget (which ranged from $14,000 to $900,000) was not related to Overall Impact.
Types of positive impact
The following frequencies of impact scores were found by impact type.

Exhibit 4. Positive Impact Scores for Various Impact Types

<table>
<thead>
<tr>
<th>Impact</th>
<th>Results Were Acted On</th>
<th>Increased Confidence; Confirmed a Marketing/Business Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(n = 107; mean = 7.6)</td>
<td>(n = 107; mean = 7.5)</td>
</tr>
<tr>
<td>Enhanced/Validated Understanding of the Marketplace</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(n = 107; mean = 7.7)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rationalised a Decision That Had Been Taken</td>
<td>(n = 106; mean = 4.8)</td>
<td></td>
</tr>
<tr>
<td>Served a Political Role in the Organisation</td>
<td>(n = 107; mean = 3.5)</td>
<td></td>
</tr>
<tr>
<td>Generated Favourable Financial Outcomes</td>
<td>(n = 107; mean = 5.7)</td>
<td></td>
</tr>
</tbody>
</table>

Legend
0 = Strongly disagree
10 = Strongly agree

Negative impacts
Negative impacts were reported for only 13% of the 107 projects. In decreasing order of mentions, these were of the following nature:

- Poor technical quality (e.g. bias, misinterpretation of findings, low quality moderator);
- Lack of impact (nothing new or compelling generated from the research);
- Internal reaction (e.g. divisiveness, resistance);
- Unclear outputs (e.g. inconsistent findings).

At face value these overall findings paint a rosy picture of the Australian marketing research industry. However, it is important to note that the sample for this research com-
prised large organisations that commission appreciable amounts of marketing research and have experienced Marketing Research personnel (81% of MR buyers were classified as having a high level of experience with respect to MR). Had smaller organisations with less experienced MR personnel, or a wider array of supplier quality been included in the study, the findings may well have been quite different.

**Relationships between overall impact and types of impact:** As indicated in the following exhibit, five of the seven Type of Impact variables were positively and reasonably strongly correlated with Overall Impact. The exceptions were ‘Served a Political Role’ and ‘Rationalised a Decision that Had Already been Taken’; the two impact measures that were not applicable to a sizable number of the MR projects assessed in this study. The negative relationship between ‘Rationalised a Decision that Had Already been Taken’ and overall impact supported the qualitative finding that from the buyers and users’ perspective, such research was a waste of the organisation’s resources, reflecting poorly on the management of the commissioning organisation.

**Exhibit 5. Impact Types Predicting Overall MR Impact**

<table>
<thead>
<tr>
<th>Type of Impact</th>
<th>Correlation with Overall Impact</th>
<th>Beta Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Helped create a customer focus in the organisation</td>
<td>0.64</td>
<td>0.31</td>
</tr>
<tr>
<td>Results were acted on</td>
<td>0.62</td>
<td>0.42</td>
</tr>
<tr>
<td>Enhanced/validated understanding of the marketplace</td>
<td>0.62</td>
<td>0.24</td>
</tr>
<tr>
<td>Generated favourable financial outcomes</td>
<td>0.51</td>
<td>**</td>
</tr>
<tr>
<td>Increased confidence; confirmed a marketing business strategy</td>
<td>0.50</td>
<td>**</td>
</tr>
<tr>
<td>Served a political role in the organisation</td>
<td>0.09</td>
<td>0.22</td>
</tr>
<tr>
<td>Rationalised a decision that had already been taken</td>
<td>0.06</td>
<td>-0.15</td>
</tr>
</tbody>
</table>

**Excluded from regression model (Probability-of-F-to-enter ≤ 0.05, Probability-of-F-to-remove ≥ 0.10)**

Multiple regression analysis showed that five of the seven Type of Impact variables were effective in predicting Overall Impact (explaining 63% of variance in Overall Impact scores). See Exhibit 5 above.

Drawing from these results the following tentative model was developed of the different types of positive impacts that can be delivered via marketing research in large Australian organisations.

**Exhibit 6. Main Impacts of Marketing Research**
These findings support the broad definition of MR impact which emerged from the qualitative findings, but adds a crucial marketing project/process dimension – that of action being taken on the MR results.

**Drivers of impact**

Factor analysis was used to reduce the set of 17 Potential Drivers of Impact to five underlying dimensions (explaining 73% of the variance in the Potential Drivers of Impact data set).

Factor loadings $\geq 0.50$ are presented in Exhibit 7. Four of the 17 Potential Drivers of Impact variables loaded on two factors (see entries in parentheses).

The “Supplier Quality”, “Client Involvement”, “Pro-MR Culture” and “Useful Outputs” dimensions are self-explanatory. The fifth dimension – “Good News” – was more difficult to interpret. The “Good News” label was assigned to communicate the following common themes among the three contributing variables to this dimension:

- Findings put the organisation/proposed initiative in a positive light: With this variable the outputs were the “Good News”;
- Supplier made actionable recommendations: Here the “Good News” is that the research delivered a plan of action;
- End users had had prior favourable experiences with MR: With this variable, the “Good News” was prior satisfaction with MR (and hence, a positive predisposition to MR).

### Exhibit 7. Factor Analysis Outputs; Potential Drivers of Impact

<table>
<thead>
<tr>
<th>Potential Drivers of Impact</th>
<th>Underlying Dimensions (factors)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>“Supplier quality”</td>
</tr>
<tr>
<td>Supplier was high quality</td>
<td>0.84</td>
</tr>
<tr>
<td>Project was well designed &amp; used appropriate techniques</td>
<td>0.79</td>
</tr>
<tr>
<td>Supplier communicated the results effectively</td>
<td>0.73</td>
</tr>
<tr>
<td>High level of trust in supplier</td>
<td>0.61</td>
</tr>
<tr>
<td>Supplier ensured that the outputs were clearly understood with the organisation</td>
<td>0.50</td>
</tr>
<tr>
<td>Clear from the outset what business decisions the research should assist with</td>
<td>0.60</td>
</tr>
<tr>
<td>Research objectives clearly defined and agreed by stakeholders at the commencement of the research</td>
<td>0.79</td>
</tr>
<tr>
<td>End users involved from the early stages of research specification</td>
<td>0.78</td>
</tr>
<tr>
<td>Project cooperatively &amp; well managed in the organisation</td>
<td>0.63</td>
</tr>
<tr>
<td>Organisation has a high regard for MR</td>
<td></td>
</tr>
<tr>
<td>Organisation is skilled in managing MR suppliers</td>
<td></td>
</tr>
<tr>
<td>Findings were widely disseminated in the organisation</td>
<td></td>
</tr>
<tr>
<td>Delivered novel or difficult to access information</td>
<td></td>
</tr>
<tr>
<td>Outputs were later shown to be an accurate reflection for the marketplace</td>
<td></td>
</tr>
<tr>
<td>Findings put the organisation/proposed initiative in a positive light</td>
<td></td>
</tr>
<tr>
<td>Supplier made actionable recommendations</td>
<td>(0.50)</td>
</tr>
<tr>
<td>End users had had prior favourable experiences with MR</td>
<td></td>
</tr>
</tbody>
</table>
**Structural equation modelling**

Structural equation modelling (SEM) enables multiple inter-variable relationships to be simultaneously examined (Hair et al., 2006). With this technique, diagrams (models) are used to test implied causal relationships among variables.

Regression-based path analysis enables the prediction of a measured variable by other measured variables and factor analysis enables clustering of measured variables into unmeasured constructs. As such, SEM can be viewed as a combination of regression and factor analysis in that it enables the predictive ordering of factors.

The following SEM inputs and outputs are presented in this paper:
- A Hypothesised Model of the key drivers of (positive) impact of MR projects. This model was derived from the findings of the literature review, exploratory qualitative research and preliminary quantitative analyses (correlations, factor analysis, multiple regression analysis). As this model was not sufficient to explain the pattern of relationships between variables, only the goodness of fit statistics are reported.
- A Derived Model of the key drivers of (positive) impact of MR projects. Using the following criteria, a number of pathways incorporated in the Hypothesised Model were excluded from the modified Derived Model:
  Path weights with negative coefficients (contrary to common sense) or with very small values (i.e. pathways where the magnitude of one variable influencing another was in the order of 0.09 or below);

Critical ratios less than ±1.0 (i.e., pathways with large standard errors and hence decreased statistical significance). While a cut off of less than ±1.96 is often used, with small sample sizes, a less rigid criterion can be applied.

Two additional pathways that were found to be effective in predicting impact were incorporated in the Derived Model.

Goodness of fit and path weights (direct effects and total effects) are presented for this model which was successful in defining predictors of MR impact.
Exhibit 8. Hypothesised Model; Drivers of Positive MR Impact

Goodness of Fit Statistics for Hypothesised Model

<table>
<thead>
<tr>
<th></th>
<th>Chi-sq</th>
<th>df</th>
<th>Chi-sq/df</th>
<th>RMSEA</th>
<th>AGFI</th>
<th>CFI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hypothesised</td>
<td>72.0**</td>
<td>8</td>
<td>9.0</td>
<td>0.28</td>
<td>0.48</td>
<td>0.66</td>
</tr>
</tbody>
</table>
| Notes: N = 107. **p < 0.01

In summary, on all five goodness of fit measures, the Hypothesised Model was deficient in describing the data.

Exhibit 9. Derived Model; Drivers of Positive MR Impact

Notes: Standardised pathway estimates are reported as these are free of measurement scale bias. Direct effects are reported on pathways. Total effects (of each variable on Overall Impact) = direct effects plus any indirect effects (not shown above) and are reported inside boxes using Σ notation. Red pathways are additional pathways not included in the Hypothesised Model.

Goodness of Fit Statistics for Derived Model

<table>
<thead>
<tr>
<th></th>
<th>Chi-sq</th>
<th>df</th>
<th>Chi-sq/df</th>
<th>RMSEA</th>
<th>AGFI</th>
<th>CFI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derived model</td>
<td>16.02</td>
<td>15</td>
<td>1.07</td>
<td>0.03</td>
<td>0.92</td>
<td>0.99</td>
</tr>
</tbody>
</table>
| Notes: N = 107. Chi-square not significant

All goodness of fit measures indicate that the Derived Model is an ‘adequate’ fit to the data and is more successful in explaining the pattern of relationships between these variables than the Hypothesised Model.
Discussion

The variables displaying the greatest effect on Overall Impact were (in decreasing order) as follows:
- 'Useful Outputs' (0.48): The observed variables used to define this latent variable were as follows:
  - Findings were widely disseminated in the organisation;
  - Delivered novel or difficult to access information;
  - Outputs were later shown to be an accurate reading for the marketplace.
That is, the single most important predictor of MR projects having a positive impact was that the findings were accurate, new and actionable. This fits with the earlier finding that the key Type of Impact was that the Results were Acted On.

'Predicted Impact' (0.29): Ideally, predicted impact would have been assessed prior to the commencement of the research projects assessed in this study. Nonetheless (experienced) commissioners of MR projects are assumed to be well placed to accurately predict the impact of an MR project, based on its strategic importance and other criteria.

'Buyer's MR Expertise' (0.23): The relatively greater importance of the MR Buyer's Expertise compared with Supplier Quality, on the impact of MR projects, may please buyers but disappoint suppliers. However, most suppliers would no doubt agree that projects commissioned by inexperienced research buyers have a much lower likelihood of achieving a high positive impact (no matter how experienced the research supplier).

'Client Involvement' (0.20): The observed variables used to define this latent variable were:
  - Clear from the outset what business decisions the research should assist with;
  - Research objectives clearly defined and agreed by stakeholders at the commencement of the research;
  - End users involved from the early stages of research specification;

- Project cooperatively & well managed in the (client) organisation.
  This driver highlights the importance of internal processes: intellectual rigour (clearly defining the research and related business objectives); achieving ‘buy in’ by stakeholders; effectively managing the MR project.

'Supplier Quality' (0.19): The observed variables used to define this latent variable were:
- Supplier was high quality;
- Project was well designed & used appropriate techniques;
- Supplier communicated the results effectively;
- High level of trust in supplier;

Supplier ensured that the outputs were clearly understood with the organisation. These variables demonstrate the importance of technical quality, communication skills, and the development of a high level of trust between MR supplier and client (buyers and users).

Client Involvement was a key predictor of Supplier Quality. That is, when MR projects are clearly defined, approved by internal stakeholders, and the project is well managed internally, this enhances appraisals of Supplier Quality.

In turn, Supplier Quality was a predictor of Good News (the latent variable that reflects the client’s sense of satisfaction after the completion of the research).

Supplier Quality was also a predictor of Useful Outputs, which matched the qualitative results.

'Pro-MR Culture' (0.17): While this latent variable (based on Organisation has a high regard for MR and Organisation is skilled in managing MR suppliers) had a relatively low total effect on Overall Impact, it was associated with a number of other drivers of impact and in particular was strongly associated with Client Involvement.

'Good News' (0.08): This latent variable had the lowest total effect on Overall
Impact. As discussed above, this variable is to do with the residual effect which involvement in MR projects has on commissioning clients. The three observed variables that defined this variable (Findings put the organisation/proposed initiative in a positive light, Supplier made actionable recommendations and End users had had prior favourable experiences with MR) may well be what is recalled about MR projects long after the completion of the research, despite its weak contribution to overall impact of the MR project.

Conclusion

This research suggests a definition of MR impact on client organisations as follows:

A market research project has had a positive impact on the organisation if one or a combination of the following changes or outcomes has occurred within the client organisation as a result of the MR:

- The results of the research were acted upon in some way;
- A customer focus has been established or enhanced;
- The organisation’s understanding of the marketplace has been enhanced or validated;
- There has been a favourable financial outcome for the organisation (although usually considered difficult to measure);
- An important political need has been met.

The results also suggest that where the main outcome of research is to rationalise a decision that has already been taken, buyers and users of research tend to perceive a reduction in positive impact (or a more negative impact) on the organisation. An array of seventeen drivers of impact appeared to be at work in this sample. The results of factor analysis and structural equation modeling suggested, at a summary level, that there were seven important drivers of the level of positive impact of a particular MR project and that these acted in declining order of effect on overall impact, as follows:

- Usefulness of the research outputs;
- Predicted level of impact;
- Buyer’s MR expertise;
- Level of client involvement in defining objectives and efficiently managing the project;
- MR supplier quality (noting that generally high quality suppliers were deployed by this sample of buyer organisations);
- The level of pro-MR culture in the organisation;
- The level of “good news”, which included the degree to which the findings shed a favorable light on the client organisation, while at the same time provided actionable recommendations.

Overall, it is suggested that where high quality MR suppliers are used, and where high involvement, high interest research outputs are forthcoming, a key differentiator between high and low impact MR projects is likely to be the level of MR expertise among buyers and users of the research.

The findings generated from this research should be seen as tentative, given the small sample size and that only large and experienced MR respondent organisations participated. Mainly high quality MR suppliers were used in these 107 projects, and thus a wider sample in future research is required to validate and/or further develop the models presented in this paper.

In the meantime, the authors will be satisfied if this paper serves to:

- Provide MR buyers and users with guidelines concerning the nature of the main impacts they should expect from MR projects.
- Provide MR buyers and users with guidance on crucial issues in managing MR projects, which need to be addressed if MR impact is to be maximised.
• Encourage and provide guidance to MR suppliers on critical issues in delivery of MR projects, particularly on the need to attend to providing actionable recommendations, MR quality issues, the role of supplier/client trust and the value of extensive, tailored and thoughtful communication of findings throughout the client organisation.

• Stimulate buyers, users and suppliers of MR to objectively measure or at least apply some retrospective assessment of MR impact to each project, allowing at least six months following project completion to pass before doing so. An accompanying introduction of a rigorous, though rapid and inexpensive post mortem evaluation of the causes of the achieved impact levels may be assisted by the deployment of the (concise) bank of impact drivers developed in the current research.

• Motivate and provide guidance to further researchers who may profit from the literature review, research instruments, models and other outputs of this exploratory research.

References


The Research Buyer’s Perspective of Market Research Effectiveness

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Michael J. Valos, Deakin University
Bill Callaghan, Strategic Mapping
Linda Brennan, Swinburne University

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Abstract

This study examines the views of research buyers about the efficacy of market research used within their firms. A sample of research buyers from Australia’s top 1000 companies was asked to evaluate the research outcomes of their most recent market research project in terms of their overall business strategy. Specialist market research buyers (insights managers) believed their commissioned research was very effective. This was in contrast to research buyers in generalist roles who did not believe in the effectiveness of the research outcomes to the same extent. The overarching strategic direction adopted by the buyer’s firm did not make a difference to the type of research conducted (‘action orientated’ vs. ‘knowledge enhancing’). However, entrepreneurial firms were more likely to rate their research as effective and to have dedicated research buyers generating insights into their markets. The results of this study are inconsistent with earlier studies and indicate that the market research function within Australian firms still plays an ambiguous role.

Keywords

Market research, Performance, Research Buyer, Strategic type, Miles and Snow, Porter, Customer insights, Effectiveness

Introduction

The views of the market research buyer have received little empirical attention, yet market research buyers act as intermediaries between external suppliers and their internal clients. They are in a unique position to assess the effectiveness of research projects in terms of both technical aspects as well as the strategic purpose to which the market research is put. Our contention is as follows: since research buyers are involved in developing and commissioning research projects to meet the strategic intent of the firm, there should be a relationship between their firm’s strategy and their rating of the effectiveness of market research projects they are asked to commission. An earlier study of marketing managers (Bednall and Valos 2005) showed just such a relationship. The current study allows the internal research buyers views to be considered and aims to establish if strategic intent influences market research activities.

The earlier study by Bednall and Valos (2005) showed entrepreneurial and proactive firms placed a higher value on market research than did their more reactive counterparts. This was due to entrepreneurial firms using market research for rational marketing decision making purposes, rather than for internal political reasons. If buyers are heavily involved in strategy, it would be expected that similar linkages would be found between firm strategy and the rated effectiveness of market research.

Market research effectiveness can be judged in several ways. Slater and Narver (2000) focused on a distinction between ‘action orientated’ (e.g. use of research to make major decisions) vs. ‘knowledge enhancing’ (e.g. using research for market scanning or internal communication) roles for market research. A second way of judging effectiveness is based on whether...
research fulfills a strategic rather than tactical function (Faguragavany, Lewis and Kearns 2000; Raphael and Parket 1991; Ohlson 1993). Other criteria relate to the technical quality of the research (Bednall and Valos 2005), its usefulness in providing performance indicators (KPIs) for marketing performance (Shaw and White 1999) or its service quality attributes (e.g. Dawson, Bush and Stern 1994).

In this study, the unit of analysis for studying research effectiveness is a specific market research project. This was defined as the last market research project for which the research buyer received a “report, presentation or briefing” on behalf of their internal client. An internal client would generally be a product or marketing manager.

**USER Scale and Market Research Motives**

Effectiveness of market research is likely to be a function of the match between strategic decision-making requirements and research project characteristics. To understand the relationship between strategy and characteristics of market research commissioned by research buyers a measure of research purpose is required. The USER scale (Menon and Wilcox 1994) reflects the five motives or five purposes firms have for acquiring market knowledge. These motives proposed by Menon and Varadarajan (1992) were:

1. To assist key management decisions identified prior to the research taking place;
2. To enable recommendations for action even though the areas for decision could not be specified in advance;
3. To evaluate an area against specific performance indicators;
4. To build a general understanding of an area, possibly leading to longer-term changes;
5. To build a power base for internal political reasons or to resolve competing positions.

According to Yamin and Shaw (1998), the USER measurement scale reflects two main sub-dimensions: ‘action orientation’ (AO) and ‘knowledge enhancement’ (KE). The first dimension, ‘action orientation’ describes projects where market research was actively used for effective decision making and change. Firms with a low action-orientation may misuse research for internal political purposes. This usage is characterised by Piercy (1983) as non-rational. In these circumstances, the research can be used to resist change and to bolster the manager’s position in the firm. For entrepreneurial firms this non-rational use of research would be an anathema. Entrepreneurial firms have a critical need for information as they face ongoing major strategic choices. The USER scale contains several items which reflect this non-rational use, based on the politicalised environment of the firm (Deshpandé and Zaltman 1984).

In contrast, the second USER scale dimension, ‘knowledge enhancement’, occurs when the firm uses research for broad market scanning, for developing an appreciation of the market or for confirming decisions already made (Bednall and Valos 2005). Baker and Mouncey (2003) talk of a ‘listening organisation’ which integrates the traditional role of market research with data analysis from other customer and competitor information systems, increasing their knowledge of the marketplace. For those organisations whose orientation is entrepreneurial, just listening to the marketplace is a necessary but not sufficient condition for success. Rather these firms need to act on this deep understanding of customers and marketplace. They act by creating and seizing opportunities (Bednall and Valos 2005); that is, by being proactive. For the less entrepreneurial and more reactive firms, confirmatory market research may be judged as more effective because they perceive that less critical issues are faced. Further, they believe that radically different issues are not common. In addition, these reactive firms may reject rather than
embrace surprising findings because they suggest change which may be threatening. As has been demonstrated by others, a surprising research finding may result in an unfavourable evaluation of a specific study (Deshpandé and Zaltman 1984; Armstrong 2003) for these reactive firms. On the other hand, entrepreneurial firms may view surprising or unexpected findings as opportunities to learn and adapt to a new environment.

There have been attempts to study market research effectiveness and performance. A number of studies have focused on the technical quality in terms of research design, methodology and implementation (Shaw and White 1989; Dawson, Bush and Stern 1994). Others have examined effective reporting practices (Bechill, Huynh and Alford 2005) and the service quality of market research suppliers to internal clients (Gombeski 1989). While these studies provide insight into the functioning of the market research process, they give little insight into why organisations differ in the types of research they conduct. The purpose of this study is to test the link between strategic orientation of the firm and the characteristics of the research buyer, research project motivation and research performance. It is contended that market research performance cannot be judged merely against technical quality but must match strategic requirements to be effective.

Strategy and Research

To capture strategic orientation and assess if it determines the roles of the research buyer and/or the use to which market research is put the generic conceptualisations devised by Miles and Snow (1978) and Porter (1980, 1985) were used. Both typologies were included in this study since Segev (1989) showed they deal with complementary rather than duplicated strategic dimensions. These typologies classify firms or business units according to their business strategy and provide guidelines for human resources, organisational structure and information requirements (Hagen and Amin 1985). The Miles and Snow (1978) classification, proposes three successful generic strategies each with different internal characteristics. The Prospector strategy achieves competitive advantage through being first into new markets with new products. In other words, it is highly entrepreneurial in orientation. It is innovative and adapts to new technology well. Such an approach would lend itself to market focused research aimed at deciding which opportunities were the most promising. Prospectors are also likely to make effective use of all types of market data available in the organisation (Bechill and Valos 2005). Since entrepreneurial firms deal with great uncertainty and organisational change, they are likely to need to distribute information widely - both to gain acceptance of change and to sensitise the organisation to the opportunities in the external market.

In contrast, Defender firms achieve competitive advantage by becoming more efficient and remain in traditional markets with existing products rather than invest in new markets. These are firms that face less uncertainty compared with Prospector strategic types. Defenders would be more likely to use market research to monitor their market share and track perceived service quality. They face fewer dilemmas and fewer strategic choices than Prospectors. The third Miles and Snow generic strategy is the Analysers strategy. This strategy combines elements of the Prospector and Defender and is likely to have a mix of Prospector and Defender market research traits.

The complementary strategy typology of Porter (1980, 1985) has firms competing on cost leadership; product or brand differentiation; or thirdly, through focused market niche strategies. The most entrepreneurial firms within this typology are Differentiators who compete by providing either leading-edge solutions, pre-
mium quality products or uniquely branded products. **Differentiators** are likely to require good understanding of changing customer needs, resources and behaviour as they offer premium products and services. In common with the Prospectors of Miles and Snow, they are likely to be the most dedicated and reliant users of market research. On the other hand Cost Leaders would be reluctant to conduct research, focusing instead on internal efficiencies. They have less change to monitor and face less apparent risks. They do not need to adapt to change quickly. The final Porter type is the Focus Strategy which seeks a position against competitors in smaller, specific market segments. They may have little need for market research due to a high degree of customer intimacy.

The two strategies most likely to rely on market research appear to be the most innovative ones which are the entrepreneurial oriented Prospector and Differentiator firms. In their use of market research they are likely to have the following characteristics:

- Frequent in commissioning research
- Demanding of their market research suppliers
- Action-oriented in the application of research findings
- Demanding of their internal research buyers
- Satisfied with their research outcomes.

Given these characteristics, and the assumption that strategy shapes the allocation of internal resources, it would be expected that more entrepreneurial firms would place greater value on market research compared to more reactive firms. In this case, the more reactive firms are considered to be Miles and Snow's Defenders and Porter's Cost Leaders. For these firms, the greater value placed on market research should be reflected in the job design or task characteristics of the market research buyer role. In contrast to these organisations would be Prospectors. For example, Olian and Rynes (1984) proposed that Prospectors would require employees who are able to deal with task ambiguity, unstructured environments and have a high tolerance for change. Olian and Rynes believed the stable and predictable environment of the Defender would not require these traits. This is because the Defender would aim for efficiency in their activities rather than innovation. In such firms, the market research function would most likely become degraded over time, since it was not required to produce action oriented or new information. Instead the acquisition of 'routine' market knowledge would become the norm. When one is evaluating the routine, functions such as market research could easily be reduced without obvious ill-effects. In these firms, there is little dynamic change to adapt to and few critical strategic choices to be made. As a result it was expected that research buying as a specialist task would occur more frequently in Miles and Snow Prospector firms. In the same way, it was felt that Porter's Differentiators would allocate more resources into the research buyer role. These firms would be more likely to have a separate role for the buying function (rather than combining buying with other tasks) and they would put emphasis on the job title using terms such as 'Consumer Insights Managers' because these position titles imply actionable outcomes to the research conducted.

**Research Hypotheses**

There are a number of issues that underlie the following research hypotheses which propose that firms will differ in their market research activities according to their strategic characteristics. Firstly, more innovative strategic types such as Miles and Snow's Prospectors and Porter's Differentiators firms operate in more ambiguous and dynamic external environments. This results in greater task uncertainty and a greater need to identify and exploit market opportunities. Secondly, these innovative
firms have an ‘action orientation’ rather than a ‘knowledge enhancement’ orientation. Thirdly, these innovative firms operate in dynamic and ambiguous external environments which require them to be more demanding of their research suppliers which in turn will lead them to better exploit market research conducted.

As a result it was hypothesised that:
1. Prospector firms will be more likely than Defender firms to have dedicated market research buyers.
2. Differentiator firms will be more likely than Cost Leader firms to have dedicated market research buyers.
3. Prospector firms will have greater ‘knowledge enhancing’ use for market research than Defender firms.
4. Prospector firms will have greater ‘action orientation’ use for market research than Defender firms.
5. Differentiator firms will have greater ‘knowledge enhancing’ use for market research than Cost Leader firms.
6. Differentiator firms will have greater ‘action orientation’ use for market research than Cost Leader firms.
7. Prospector firms will be more satisfied than Defender firms with market research performance as they need to better exploit market research conducted.
8. Differentiator firms will be more satisfied than Cost Leader firms with market research performance as they need to better exploit market research conducted.

Method

The study was conducted in Australia. Based on recent estimates (ABS 2003), Australian market research expenditure comprises approximately 2% of the world total (Honovich 2003). The research was conducted over three phases. The first phase comprised 16 in-depth interviews with senior marketers and research managers in Australia and the United States. They were interviewed about market research performance and its value to client organisations. The second phase of the study surveyed marketing managers in major Australian firms as end-users of research.

This paper represents the third phase of the research. The unit of analysis in this phase was the principal research buyer of market research within major Australian firms. As no single sampling frame for principal research buyers could be located, two sources of respondents were used. The first source was a list of firms developed from contacting major ‘for-profit firms’ in industry sectors known to conduct market research. These industry sectors included banking and finance, telecommunications, food, clothing, transport, media and retail. A list of 98 principal research buyers was developed from this method. A questionnaire and a stamped return envelope were posted to each of these potential respondents. A follow-up letter was sent to the entire list three weeks later. The second source of potential respondents was developed from members of the Australian Market and Social Research Society (AMRSRS). A questionnaire and reply-paid envelope was posted to approximately 300 members who describe themselves as research buyers. A follow-up email, with a questionnaire in an attachment, was sent to all research buyers on the AMRSRS list three weeks later. A total of 80 questionnaires were returned from both sources, which resulted in a gross response rate of 20%. The timing of the survey returns suggested that approximately 50% of questionnaires came from each sampling frame. The relatively lower response rate from AMSRS ‘research buyers’ may have been due to some members continuing to work in client firms, and who had left their buyer role. To assess the representativeness of the findings the market research expenditure of participating firms was aggregated. This figure was equivalent to approximately 33% of the overall Australian market research market reported by ABS (2003). While the
response rate of the study is greater than that of many business surveys (Dillman, 2000), a shorter questionnaire, use of incentives and further follow-up would have improved it.

The questionnaire contained questions that would evaluate or assess the most recent market research project conducted by the research buyer. Three sets of measures were used. The first evaluation measure was the USER scale (Manon and Wilcox 1994; Yamin and Shaw 1998; Bednall and Valos 2005) which measures ‘action oriented’ and ‘knowledge enhancing’ attributes of research. Rather than impose a structure on the data a priori, a reflective factor analysis was used. A four-factor solution using a varimax rotation was applied to the USER scale, as Yamin and Shaw (1998) had done. The second set of evaluation items were adapted from scales measuring performance of business communication (Mohr and Sohi 1996) and business service quality (Patterson, Johnson and Spreng 1997). The third and final set of market research evaluation measures were derived from the phase one in-depth interviews with buyers and users of research. These questions addressed the performance of the research in terms of the following attributes: timely, credible, useful, well-communicated information and capable of being integrated with other data.

To measure strategy, a set of multi-item scales based on both the Miles and Snow and Porter strategic dimensions were used. The Miles and Snow items were scaled from 1 (Never) to 7 (Always) and were based on twelve items measuring characteristics of the Miles and Snow strategy types (Conant, Mokwa and Varadarajan 1990). The Porter items were scaled from 1 (No emphasis at all) to 7 (Major constant emphasis) and were based on eight items measuring the Porter strategy types (Pelham and Wilson 1996). An additional three strategic items not captured in the Miles and Snow and Porter scales were derived from the in-depth interviews. In order to improve face and content validity, minor changes in wording were made to ensure the items had contemporary meaning and were appropriate for the Australian context. Scale items were summed to make a composite score for both the a) Miles and Snow and b) Porter strategic measures. Items were reversed where wording made this necessary. The Miles and Snow composite scale was divided into thirds, with the lowest scoring group classified as Defenders, the mid-group classified as Analysers and the highest-scoring group deemed Prospectors. The Porter scale was similarly divided into three groups resulting in Cost Leader, Mixed strategy and Differentiator strategy types. Using one-way ANOVA, both the Miles and Snow and Porter typologies were used to predict the USER factor scores and the other two sets of items. Given the small sample size, a Type I error rate of 0.10 was adopted for this study. Tamhane’s test for ad hoc comparisons was used throughout.

RESULTS

Relationship between Research Buyer Job Title and Strategy

Research buyers in the survey were asked to indicate their job title as well as describing the structure of the market research function within their firm. Respondents were classified into three groups. The first group had ‘market research’ in the job title, e.g. ‘market research manager’, the second group had a job title that indicated a knowledge specialisation that included responsibility for market research, for example General Manager – Customer Insight Analytics”. The final group of research buyers were in broader management roles such as “Group Brand Manager.” Clearly people in this third group had responsibilities beyond buying or using market research. Table 1 shows the frequency of buyer job title classified by the Miles and Snow strategy types.
Table 1: Buyer job title by firm strategy

<table>
<thead>
<tr>
<th>Job title</th>
<th>Defender</th>
<th>Analyser</th>
<th>Prospector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market research manager</td>
<td>13%</td>
<td>40%</td>
<td>48%</td>
</tr>
<tr>
<td>Knowledge manager</td>
<td>26%</td>
<td>24%</td>
<td>32%</td>
</tr>
<tr>
<td>Broader management</td>
<td>61%</td>
<td>36%</td>
<td>20%</td>
</tr>
<tr>
<td>n</td>
<td>23</td>
<td>25</td>
<td>25</td>
</tr>
</tbody>
</table>

As expected, differences between research buyer job title and strategy type were clear (chi-square (4) = 10.23). The table shows the more entrepreneurial firms, namely Prospects, as being the most likely to have both the ‘classic’ market research manager role as well as the more contemporary ‘knowledge manager’ role. On the other hand, Defender strategy types appear to place less importance on the market research function, with making research buying part of the responsibility of more generalist managers. Surprisingly no relationship was found between the Porter strategy types and research buying. It was expected that Differentiators would be more entrepreneurial than Cost Leaders and ‘mirror’ the Miles and Snow findings to some degree. This finding supported Segelv's (1989) contention that the Miles and Snow typology was generally more successful than the Porter typology in explaining the organisational structure and relationships between strategy and implementation. Thus there is support for the Miles and Snow related Hypothesis 1, but not the Porter related Hypothesis 2.

Other research buyer characteristics were noted. Firstly most firms (66%) had a central, specialised research buying group, with 13% of firms organising the research function within each business unit. The remaining firms used a mixture of buying structures (23%) or had the research functions organised by individual managers (8%). In terms of individual buyer characteristics, 50% were female, 60% were 35 and over, 58% had at least three years of buying experience, 65% had taken a degree unit in market research and 40% had worked for a market research supplier.

Relationship between USER Scale and Strategy

To examine the hypothesized relationship between market research characteristics and strategy, respondents were asked to describe the “most recent market research study where you received a report, presentation or briefing”. This would allow differences between the USER scale dimensions of ‘knowledge enhancement’ and ‘action orientation’ and either Miles and Snow and Porter strategies to be identified. A classification of ‘most recent project’ showed ad hoc research projects comprising 66%, on-going research projects comprising 30% (e.g., advertising tracking or customer satisfaction) with 2% of projects undisclosed. An alternative classification of ‘most recent project’ showed quantitative studies comprising 44%, qualitative studies comprising 33% and 22% of projects being a combination of both. Projects were classified as either strategic (e.g., ‘strategic brand/corporate strategy’) or tactical (e.g., ‘monitor service performance’). To do this the researchers independently classified a list of market research projects and compared the results. Using independent coding there was an initial 80% agreement between the researchers as to the classifications. Classification discrepancies were resolved by jointly considering the remaining 20% of items in dispute.

The items from the USER scale of market research motivation are shown in Table 2. Each item is coded according to the scale dimensions of “knowledge enhancing” (KE) or “action-oriented” (AO) following Yamin and Shaw (1998). A factor analysis of the USER Scale items was conducted.
The KMO test at 0.74 was adequate for the small sample size as was the Bartlett test of sphericity. Following Yamin and Shaw (1998), a four factor solution was used. Table 2 shows the varimax rotated solution. Two of the resulting factors reflected the 'action orientation' domain with the remaining two factors reflecting the 'knowledge enhancement' role of research. The first USER factor displayed the 'classical view' that the market research project served a useful 'knowledge enhancing' (KE) function by collecting insightful information as a means of 'forcing' or 'requiring' the firm to confront its marketing issues. Neither the Miles and Snow or Porter strategy typologies were significantly related to this factor. Thus hypotheses 3 and 5 were not supported. The second factor loaded mainly on the 'action oriented' (AO) role of market research. This factor was labelled the 'internal political use of market research'. Neither strategic typology was related to

<table>
<thead>
<tr>
<th>Table 2: USER scale items and factors</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>One or more findings of the study had a significant direct impact on a decision. (AO)</td>
<td>0.22</td>
<td>-0.14</td>
<td>0.87</td>
<td>0.03</td>
</tr>
<tr>
<td>It is possible that without the research results a different decision would have been made. (AO)</td>
<td>0.13</td>
<td>-0.10</td>
<td>0.79</td>
<td>0.23</td>
</tr>
<tr>
<td>It was worth waiting for the research results because some of them materially influenced a decision. (AO)</td>
<td>0.25</td>
<td>-0.15</td>
<td>0.88</td>
<td>0.00</td>
</tr>
<tr>
<td>The study was used to make a decision, which was inconsistent with at least some of the findings and conclusions. (AO)</td>
<td>0.08</td>
<td>0.52</td>
<td>0.22</td>
<td>0.26</td>
</tr>
<tr>
<td>The results of the study were taken out of context to make a decision. (AO)</td>
<td>0.20</td>
<td>0.71</td>
<td>-0.11</td>
<td>0.06</td>
</tr>
<tr>
<td>A decision based on the research project was hard to reconcile with the results of the project. (AO)</td>
<td>0.14</td>
<td>0.63</td>
<td>-0.31</td>
<td>-0.18</td>
</tr>
<tr>
<td>The research was used for appearance sake. (AO)</td>
<td>-0.23</td>
<td>0.77</td>
<td>-0.13</td>
<td>-0.01</td>
</tr>
<tr>
<td>The study was used for political purposes. (AO)</td>
<td>-0.13</td>
<td>0.78</td>
<td>0.02</td>
<td>0.10</td>
</tr>
<tr>
<td>At least in part, the study was used as a scapegoat. (AO)</td>
<td>-0.16</td>
<td>0.80</td>
<td>-0.25</td>
<td>-0.03</td>
</tr>
<tr>
<td>The research study was used to build awareness and commitment. (AO)</td>
<td>0.17</td>
<td>0.31</td>
<td>-0.18</td>
<td>0.36</td>
</tr>
<tr>
<td>The study was used to validate or confirm our understanding of something. (KE)</td>
<td>0.17</td>
<td>-0.04</td>
<td>0.09</td>
<td>0.87</td>
</tr>
<tr>
<td>The research study was used to promote awareness and appreciation for an issue of importance. (KE)</td>
<td>0.14</td>
<td>0.00</td>
<td>0.12</td>
<td>0.88</td>
</tr>
<tr>
<td>We learned from having to clarify the problem to be addressed by the research. (KE)</td>
<td>0.39</td>
<td>0.12</td>
<td>0.15</td>
<td>0.68</td>
</tr>
<tr>
<td>Apart from what we learned from the results, doing the study was educational. (KE)</td>
<td>0.75</td>
<td>0.09</td>
<td>-0.06</td>
<td>0.23</td>
</tr>
<tr>
<td>We gained new insights while providing the researchers with background information on the business unit, and/or competitive situation. (KE)</td>
<td>0.77</td>
<td>0.08</td>
<td>0.03</td>
<td>0.31</td>
</tr>
<tr>
<td>The study results were used to provide new insights. (KE)</td>
<td>0.74</td>
<td>-0.16</td>
<td>0.38</td>
<td>0.13</td>
</tr>
<tr>
<td>The study results provided new knowledge about something. (KE)</td>
<td>0.80</td>
<td>-0.08</td>
<td>0.37</td>
<td>0.01</td>
</tr>
<tr>
<td>The study results were used to learn something new about our business. (KE)</td>
<td>0.77</td>
<td>-0.09</td>
<td>0.21</td>
<td>0.17</td>
</tr>
</tbody>
</table>

Variance | 29.8% | 19.6% | 8.8% | 8.5% |
Table 3: Performance measures for the specific research project

<table>
<thead>
<tr>
<th>Item</th>
<th>Mean</th>
<th>s.d.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 The research was well designed.</td>
<td>5.68</td>
<td>1.16</td>
</tr>
<tr>
<td>2 The quality of the data collected was high.</td>
<td>5.71</td>
<td>1.05</td>
</tr>
<tr>
<td>3 The data analysis was well done.</td>
<td>5.58</td>
<td>1.22</td>
</tr>
<tr>
<td>4 The information produced could be readily combined with other information we have about this area.</td>
<td>5.35</td>
<td>1.30</td>
</tr>
<tr>
<td>5 I was very satisfied with our decision to conduct this project</td>
<td>5.91</td>
<td>1.31</td>
</tr>
<tr>
<td>6 Un及时</td>
<td>5.75</td>
<td>1.32</td>
</tr>
<tr>
<td>7 Inaccurate</td>
<td>5.80</td>
<td>1.13</td>
</tr>
<tr>
<td>8 Inadequate</td>
<td>5.84</td>
<td>1.05</td>
</tr>
<tr>
<td>9 Incomplete</td>
<td>5.87</td>
<td>1.04</td>
</tr>
<tr>
<td>10 Not Credible</td>
<td>5.91</td>
<td>1.13</td>
</tr>
<tr>
<td>11 Totally dissatisfied</td>
<td>5.78</td>
<td>1.17</td>
</tr>
</tbody>
</table>

This factor so no support was provided to Hypotheses 4 and 6.

Factor 3 was based on action-oriented items and was labeled "decision making". This is because it relates to the effective use of market research insights in making significant decisions. The Miles and Snow strategy types were weakly related to this factor, F(2,26) = 2.41. This gave limited support to Hypothesis 4. Although Prospector scored highest on this factor, the post hoc comparisons were not significant. The Porter strategy types were not related to factor 3 which meant Hypothesis 6 was unsupported. The fourth and final factor concerned the knowledge enhancing use or role of market research and was labeled "market commitment". This factor was based on confirming and socialising market knowledge. Neither Miles and Snow or Porter strategy types were related to this factor, meaning Hypothesis 3 or 5 were not supported.

An examination was undertaken to assess if stronger relationships between USER factors could be found by separating the 'most recent research project' into strategic and tactical research projects classification. However, the findings showed no significant relationships between the Miles and Snow types and the USER factors for either the strategic or tactical research projects. In contrast, a relationship was found between factor 3 "decision making" and the Porter typology F(2,26) = 4.32 when the strategic projects were considered. Firms pursuing a Mixed strategy, being both Differentiator and Cost Leader, were far more likely than Cost Leaders to use market research for decision making. It appears that having a mixed strategic focus requires greater emphasis on market research. It is likely that the risk of being confused or in two minds in terms of strategic direction can be avoided by the use of appropriate market research. Firms undertaking a mixed strategy run a high risk of losing competitive advantage and being 'stuck in the middle' which is Porter's 'recipe for failure'.

Relationship between Research Performance and Strategy

Items included to evaluate performance of the market research projects are shown in Table 3. They are and based on 7-point Likert and semantic differential scales.

In general most items scored approximately 6 on the 7-point scale. Ten of eleven items scored higher than the rating given by marketing managers in the previous study (Badnall and Vakos 2005). Since buyers have the responsibility for selecting
suppliers and setting the parameters of the research projects, it was unsurprising that they rated performance highly. There were no differences in research buyers’ performance ratings of strategic versus tactical projects.

The findings did show significant differences between the Miles and Snow strategy groups for two items. The first, “credibility of the research results”, showed a significant overall difference (F(2,69) = 3.25). Prospects rated credibility higher than did Defenders. Possibly they have greater expertise than Defenders and are more confident at assessing credibility. The second item was “very satisfied with our decision to conduct this project.” (F(2,69) = 2.55) with Prospects scoring higher than Analyzers on this item. Possibly Prospects’ greater expertise means they can commission projects more ‘tightly’ at commencement and findings are more targeted to their needs. In contrast the Porter strategic types showed no differences in their research performance evaluations. Thus there was some support for Hypothesis 7, but not Hypothesis 8.

Relationship between Research Performance and Research Buyer Job Title

A number of differences in research performance assessment were found between specialist research buyers and generalist research buyers. These were:

- “research was well-designed” (F(2,76) = 4.81);
- “the quality of the data collected was high” (F(2,76) = 5.52);
- “the data analysis was well done” (F(2,76) = 3.45);
- “the information produced could be readily combined …” (F(2,76) = 2.34); and
- “I was very satisfied with our decision to conduct …” (F(2,73) = 5.53)

In all cases, the generalist managers were more sceptical of the value of the project, than were both the ‘consumer insights’ specialists and the ‘market research manager’ groups.

Two further market research performance items showed differences:

- “Timely” (F(2,73) = 2.64); and
- “Inaccurate” (F(2,73) = 3.11).

Generalist managers were less likely than ‘market research’ managers to rate the research as timely. They were also less likely than the ‘consumer insights’ managers to rate the market research as accurate.

DISCUSSION

Relationship between Research Buyer Job Title and Strategy

As expected, the findings showed that research buyer job titles and job roles varied with the characteristics of the Miles and Snow strategy types. The Prospects were more likely than Defenders to have specialised and dedicated market research managers or customer analytics managers. This is inconsistent with the Miles and Snow theory that task specialisation only occurs in well-defined environments such as those faced by Defender firms. Possibly Prospects, in striving to capture and act on market insights in changing environments, need the deepest possible understanding of research issues and methods and spend more effort in establishing this understanding. This may only be possible if they are highly skilled almost to the point of being ‘narrow’ specialist research buyers. In terms of the Porter strategic types no relationship was found between Differentiator and Cost Leaders and research job specialisation. This result suggests that no link appears to exist between information needed to differentiate in the market place and the job breadth of research buyers. Rather it appears that research buyer specialisation and job breadth vary by firm size and firm context rather than the Porter stra-
tactic dimensions of ‘how you compete’. That is – Differentiation or Cost.

Relationship between USER Scale and Strategy
Our key hypothesis was that strategy type would have a relationship with the USER roles of ‘knowledge enhancement’, or ‘action orientation’. However, the findings showed very limited support for this hypothesis. This finding was not consistent with the Bednell and Valos (2005) study of marketing managers where Prospectors were found to be proactive in exploiting the value of market research.

To assess if this finding was related to the market research project characteristics, a separation of respondents into those deemed ‘tactical’ compared to those deemed ‘strategic’ was done. Comparisons by strategy type were then conducted. However, it was found that neither strategic typology was related to the USER factors. While this finding was not entirely surprising, it is inconsistent with the Bednell and Valos (2005) study of marketing managers which showed Prospectors as much more likely to emphasise the knowledge enhancing uses of tactical market research. This suggests that both strategic and tactical market research projects can have ‘knowledge enhancing’ and ‘action oriented’ dimensions.

Relationship between Market Research Performance and Strategy
It was surprising that only one relationship was found between strategy types and market research performance. Again these findings were in contrast to the Bednell and Valos (2005) study of marketing managers where the Prospectors were more positive about the value of specific market research projects than were the other strategic types. Since the current study involved research buyers as respondents, their high positive evaluation of most projects may have produced a ‘ceiling effect’. This may have reduced the relationship between market research performance and strategy type. Nevertheless, the finding that with Prospectors were more satisfied than Analysers and but not more satisfied than Defenders (as hypothesised) suggests there may be difficulties in simultaneously pursuing opposing competitive strategic objectives. For example, those firms simultaneously pursuing both Prospecting and Defending strategies may find that the differing objectives of each strategy lead to differing research requirements (and therefore different expectations of the outcomes). In another example, Analysers may be less clear on what constitutes an appropriate market research agenda and may find it harder to match research with strategic needs.

Relationship between Market Research Performance and Research Buyer Job Title
Compared with generalist managers, market research buying specialists were more likely to rate the quality of market research highly. This outcome was not unexpected. After all, the buying function was one of their major roles. Given that generalist managers are likely to be less technically expert as researchers, it is possible that they are in a poorer position to exploit the value of the research. It could be that the generalist manager may be less able to apply the research into a broader organisational context while the information specialist may be better able to understand and exploit the value of the information obtained. Willis and Williams (2004) have argued that insights teams, rather than internal market researchers, are better placed to deliver strategic information to their companies. In this sense they echo Valentine’s (2002) call for market researchers to free themselves from the more traditional fact-centric view of market research. Valentine urges market researchers to see themselves more often as creatives, persuaders and generators of insight. Similarly Malhotra and Peterson’s (2001) call for market researchers to assume a wider role. Yet it could
be argued that market research buyers gain legitimacy from their technical skills, one of which is an ability to interpret and represent the 'voice of the customer'. But perhaps the greatest contribution of market researchers might come as part of strategy development teams, where the strategy is based on market insight. In this team role they can be advocates for the research they have organised, while still having the best understanding of what the research represents and the ability to see research outcomes properly utilised.

Limitations and Further Research
Our results are based on a limited sample of companies in the comparatively small Australian market research market. While the current survey approach could well be extended to larger markets and more countries, extensive ethnographic studies studying strategy teams and alliances within firms may also be required to fully understand how strategic and implementation factors affect the performance and utility of market research. Issues such as the fusion of primary research with CRM and internal marketing decision support systems would be captured and may help to explain findings such as these.

REFERENCES


Beyond Listening – Learning the Secret Language of Focus Groups

By Bonnie Goebert and Herma Rosenthal.
Published by John Wiley & Sons, New York, 2002

Reviewed by Stuart Vawser, Director, Chant Link & Associates, Melbourne, Victoria.

Overview
This book is based on the fairly extensive experience of Bonnie Goebert in conducting qualitative group discussions or focus groups. It is directed at marketers and consumer brand managers in the form of advice for managing ‘your brand’. Her emphasis is on ‘listening skills’ and how marketers can get the most valuable or powerful consumer insights by using such skills. Much of the book involves the development and management of consumer brands and the importance and role of ‘listening to the customer’ in that brand management process. It contains numerous real world examples and experiences and contains lists of tips for marketers at the end of most chapters. The author’s stated objective is to emphasise that listening to what your customers have to say and how they say it is crucial to developing and maintaining a brand. The underlying theme is to go ‘beyond listening’. She concludes that focus groups are and should be here to stay as they are the best way to ‘be with the consumer’.

Context and Content
The book begins by talking about why someone might conduct a focus group and the value of focus groups. The author believes that focus groups work best for the following tasks:

- To explore customer’s purchasing habits;
- To understand more about a particular consumer in the category;
- To learn more about consumer attitudes;
- To examine a brand’s image;
- To discern consumer’s emotional bonds with a product;
- To develop an effective advertising campaign to feed an educated hunch.

The key points at the end of the first chapter include: Focus groups don’t provide solutions. They help form a picture that reveals your possibilities and limits. They are particularly useful to understand ‘why.’ A good focus group will yield better questions, not definitive answers.

The book then discusses who should and who should not be in a focus group. It particularly discusses the importance of considering who should not be in a focus group and the need to carefully develop a respondent profile for the purposes of recruiting the right respondents.

The author identifies ‘brand bashers’ as respondents to avoid because of their negative impact on other respondents and suggests avoiding polar or extreme opposites for the same reason. She advocates homogeneous groups of respondents but says that dimensions like age and gender depend on the circumstances. She suggests using behavioural similarities to develop hunches about attitudinal differences in consumers.
The book then discusses clients who view focus groups and the need for such clients to come and view with an open mind. The author says clients should be there to listen and learn, not listen and criticize. Clients should listen carefully even if they don’t like what they are hearing or think they have heard it all before. She believes that clients can gain valuable insights by interacting with consumers. She advocates having consumers and clients together in the same room for brainstorming sessions because it encourages spontaneous and real time building on ideas. She thought clients should use focus groups to explore, expand, and evaluate ideas and concepts rather than expecting a group to provide the idea itself.

There is some discussion of the role of the moderator and various skills and tactics to use while conducting a group. The need to observe body language, the use of guidance rather than direct questioning (non verbal cues / unfinished sentences etc), the value of creative or projective techniques, gaining honesty from respondents, dealing with difficult respondents, looking for consumer reference points, using silence, being empathic, showing the consumer you are really listening and using a reality overlay when considering respondent comments. The author believes that you need to use human communication to understand human motivation and focus groups give you the opportunity to use your own innate logic to understand your customer’s logic.

There is quite some emphasis on the need to understand the consumer’s perspective and particularly the need to see your product or brand through the eyes of the consumer. Products and communications messages need to make sense to the consumer and thus the more you understand how the consumer lives, the more you will be able to deliver meaningful messages. Product benefits have to offer the consumer meaning and value.

The author says consumers are continually saying they want simplicity and convenience. Product proliferation and / or too much choice can create confusion and disturb existing consumer brand loyal purchase behaviour. She says consumers don’t like to break their habits and thus don’t tinker or play with the brand unless you have to. A disappointed consumer is hard to reclaim. The product or brand is in trouble if the consumer has to work at the aisle to make a decision.

If you can effectively assess and understand your brand and recognise what being a brand means, you are better able to gage where you can go and what you can do with it (maintain a loyal customer base, attract new customers, move into new product areas, respond to the competition etc). If you have no brand image there is a great opportunity to step forward and stand for something.

But if you don’t tell the customer what your brand stands for consumers may make something up or the competitor or the media may do it for you.

She says the next level of achievement after establishing a brand identity is to solidify the relationship so that customers not only know the brand, but relate and believe in it, and are loyal to it through adversity. She says we buy products because of what they do. We buy brands because of how they make us feel. Brands are about perceptions and impressions. An emotion is involved in almost every choice consumers make in choosing one brand over another in any category. Brands create a relationship with your consumer and most brand preference is on an emotional level. A genuine brand bond is usually price resistant.
The author particularly focusses on the value of loyal product / brand users suggesting they should be separated out from other customers when conducting market research. She suggests they should be researched as an affinity group and be advertised to as a separate segment. She suggests isolating loyalist characteristics when looking for new users and using loyalists to research brand changes or new moves. She believes that brand loyalty has to be earned and takes time to develop. Marketers need to understand the value of their loyal customers as they are the soul of the brand.

There are chapters on ‘strategies for winning brands’ and ‘protecting brands in a changing marketplace’.

While acknowledging massive change in technology the author believes consumers remain fixated on the same age-old needs and desires. She says in a world of infinite choice there is a need to differentiate your brand to build a loyal consumer base. The cornerstone of a successful strategy comprises knowledge of a brand’s distinguishing characteristics and communication of those differences in a clear, unswerving manner that respects consumer logic and behaviour. The best brands become so entrenched in our daily lives that they enter our language as verbs or adverbs (We Fedex packages, Xerox documents, Yahoo something – although Google would be a better example at present). Being first in a category with a unique offer is the best way to gain ownership of that category. Line extensions should be based on your own unique position of strength. A loyal consumer will trust your name and reputation on new products.

She discusses pricing and the dangers of not managing this element properly. She advocates justifying the brand’s price before lowering it and teaching consumers to value the brand. She advises that discounts and rewards should only be used occasionally.

She discusses changing markets and the need to change with them. She says a brand is most vulnerable when it is successful and even the most powerful brands cannot rest on their laurels. Brands need reinvigorating from time to time. She states that staleness is the kiss of death but virtually any brand can be resurrected. When the paradigm shifts so should you. She advocates listening ‘with your competitor’s ears and interests’ as well as your own and to market to your target consumers in a language and with symbols and values that are meaningful to them.

Towards the end of the book she talks about likely changes in the American consumer in the new millennium including radical changes in the definition of convenience and many changes in consumer lifestyles. She says consumers will be savyer and have an excellent understanding of marketing. Skilled marketers will see consumers as collaborators in a two way (rather than one way) proposition. She discusses the greying of the baby boomers and reticence of this group to see themselves as old. The implication for marketers is a need to see people as they see themselves and market to that perception. She says the future rests in innovative ways and places to get the word out, connect with the consumer, and offer convenient methods of procurement.

Her final chapter explains the goal of the book – to underscore that listening to what your customers have to say and how they say it is crucial to developing and maintaining a brand. She believes focus groups are a key way of achieving this. Again she reinforces key points made earlier in the book – that marketers using focus groups shouldn’t be looking for the answers. Rather they should be looking for possibilities, hints and clues about their business (insights and possibilities). Recognise that consumers may not be able to tell you exactly what they want. She reinforces that focus groups are particularly...
useful to diagnose, examine, explore, think about, and directionally understand the probable success of ideas and new thinking. The directional advice is the most important and product of groups and can only be achieved by asking 'why'.

The value of on-line focus groups was briefly discussed and some useful applications acknowledged. She contrasts these with face to face groups concluding that in-person interaction remains the best way to understand the human condition and its implications for marketers. To really listen you have to establish a trust level with respondents and allow for spontaneous discussion. She thought having to type something (as with on-line) got in the way of spontaneity.

The underlying theme in her final paragraph is to go 'beyond listening'. She states that focus groups are and should be here to stay because consumers are here to stay. If you are there with your customer and are compassionate with your audience you get a foot up on the competition because you know more. The focus group is the best way to be there with the consumer. It is the best way to find out what they are doing and why, what they are thinking and why, how they are feeling and why. It is the best way to ask them in person.

Reviewer Comments
An excellent book for young or new brand managers and young and new qualitative researchers. Through passion and her personal experiences the author positions the importance and value of getting close to the customer via group discussions (focus groups) for brand development and brand management over time. It is a strong and compelling message.

However, the book neglects to look at the value of other qualitative research techniques (such as depth interviews, paired depths, mini groups etc) in achieving the same. It is very much written around the American consumer and examples used are mainly American consumer brands.

Being three or four years old, the book is now a little dated in a technology sense. For example, it assumes that online groups involve respondents mainly using key boards rather than high quality video delivered by fast broadband. It talks about using Yahoo rather than Google as the highest profile search engine. It discusses the internet and new technology from an older rather than younger person's point of view.

Overall an easy to read book of value to the new brand manager and new qualitative researcher looking to better understand the power of qualitative research and particularly group discussions in consumer brand development and management.
Reflections on Research – the Realities of Doing Research in the Social Sciences

Published by Maidenhead: Open University Press. xv + 156pp pbk RRP$55.00 (subject to change, AMSRS member discount available).

Need to Know – Social Science Research Methods

By McIntyre, L.J. (2004).
Published by Boston: McGraw Hill. xv + 303pp pbk RRP$85.00 (subject to change, AMSRS member discount available).

Reviewed by: Michael Milgate, PhD, C5C Group Pty Ltd, Armidale NSW.

When it comes to learning about social research methods students have never had it so good. Scores of textbooks are currently available, few are bad and many are excellent. Sage Publications alone probably have more general methods textbooks in their catalogue than would have been available from all publishers together 20 years ago. This plethora of books is probably the outcome of a number of factors: the increase in the amount of university courses in the social sciences and humanities that include social research methods, faster and cheaper publishing processes and perhaps, more tendentially, an overall increase in the number of people who teach methods and a growth in their repertoire of methods skills. Consequently, it is difficult both for the consumer of these texts to decide which to buy and, for the teacher of methods, which ones to recommend – though in the latter case it is increasingly their own text!

The question of what should be in a general-methods textbook these days is harder than it was some years ago. On the one hand, the growth in the number of courses in which social research is taught requires a breadth of examples, disciplinary orientation and techniques, but on the other, many courses now demand much more of their students, particularly in data analysis. Virtually all graduate courses teach to the level of multivariate analysis (and some undergraduate ones) and many require qualitative analysis techniques using NVivo, N5, etc. Should the text include only methodological underpinnings and design, or should it include analysis? How much statistics? Should it link to procedures in SPSS, or qualitative packages? Should it emphasise quantitative or qualitative methods? The risks in trying to include all or most of these things generate either very big and expensive books, superficiality or worse still a dry recipe book approach. In my view, a priority for an introductory methods book is to encourage students to develop a research imagination. Thus, a book such as Cathie Marsh’s (1982) Survey Method (sadly long out of print) was short on many of the above components yet instilled that imagination and made you want to do research.

The good news is that both of the books here are strong on research imagination and both have features that make them stand out from many of the standard works, though in a crowded market the extent to which their publishers will be able to convey these characteristics may be limited – but that is another story!
They are, however, very different from each other. The McIntyre book initially looks and feels like so many other introductory texts (but initial appearances are deceptive), whereas the Hallowell et al. collection is a most unusual book.

This latter could have been subtitled ‘Tales from the field’ for it is indeed a collection of travellers’ tales from the world of social research. It is not really a textbook (though undoubtedly it will be marketed as such), though students and especially students in health-related fields would benefit enormously by reading this alongside a more standard textbook. Forty-six contributors have written short autobiographical pieces on the research process across a wide range of issues including how one presents oneself as a researcher in the field, recruiting, respondents, ethics, being an outsider, working as a team member, dealing with the press and interviewing. Though inevitably autobiography raises issues of recall or self management, there is nevertheless bite and authenticity in all of the contributions. For the most part it is the world of research as it is, messy, uncertain, frustrating and rewarding. To give a flavour: Alice Lovell tells us about one of her first depth interviews where the respondent gave her tea, but locked the door on her and then confided in Alice that her neighbour was trying to poison her by putting ground glass in her tea! Laura Potts describes the conflict she felt between being a detached interviewer and her convictions as a feminist and political activist when interviewing people living in extremely impoverished circumstances. Elizabeth Etterre recounts her experiences of conducting ‘expert interviews’. The usual power relationship (as famously described by Oakley 1984) was inverted with the respondent taking control. For Etterre this was a learning experience and indeed, throughout these vignettes one gets the impression that the writer’s experiences, however painful at the time, were valuable. This is such a positive message for new researchers faced with difficult interviews, non-response or worrying ethical decisions.

Though this is a splendid book in so many ways it is marred a little by organisation and style. The editors admit it is light on examples from quantitative research and this is a pity. Contents are minimal and tell the reader very little. There are only six sections with enigmatic titles such as Research in Practice, Self, Others. These are more touchy, feely buzz words than useful descriptions of what the reader might find. Indeed on a re-reading to write this review I found it difficult to relocate the pieces I wished to refer to. Stylistically, it is mostly splendid, sometimes very humorous or poignant, but occasionally the start of a piece is trite or clichéd: ‘One bright morning in 1979…’ or in the editorial introduction there is an imagined dialogue between the reader, complaining of another boring methods book and the editors who advise ‘Stop! Calm down and DO NOT PANIC’.

Actually, it is style that is both a strength and an annoyance in the McIntyre book. Let’s get the annoyance out of the way first. This is a book written for the US market, without any thought of anyone else reading it in the Anglophone world. In this book, students live in dorms, ‘fraternities’ or ‘scorities’ (whatever these last are!). Rush Limbaugh makes a cameo appearance (smoking a cigar?!), people vote in School Board elections. Apparently (p. 157) one’s retirement options are ‘Regular IRA’ and ‘Roth IRA’. The in-your-face US style is off-putting enough to reject this text (unless of course you are in the US!), but that would be a pity, for in virtually every other way it is excellent. Indeed my earlier reference to Cathie Marsh was prompted by how good this book is in stimulating that research imagination.

The other side to the very US style is its accessible language, clarity of explanation and the grounding of social research in some key rules of method and logic that apply
across any investigative enterprise – characteristics unfortunately often missing in books published in the UK. The title is clever, for it implies both the importance of the need to know, but also the importance of knowledge on a need to know, as opposed to a superfluous, basis. Much of the contents list is pretty standard fare including chapters on survey methods, research design and qualitative methods, but there are also sections on “Working on the Internet”, Experiments and the Logic of enquiry. This latter chapter introduces researchers to deductive and inductive reasoning, logical fallacies and rules of evidence etc. These are rarely present in textbooks these days, but are just so useful to the enterprise of rigorous research. The examples and exercises are stimulating and where they are US-focused, could easily be adapted to non-US circumstances by a methods teacher. The chapter on sampling is a model of clarity, though frustratingly it never gets as far as telling the reader about sample size and how to calculate it – in my experience a key issue for new researchers. Indeed here, as in many places, it risks superficiality, but this is avoided by a constant emphasis on reflection and doing. Throughout there are Stop and Review sections that are problem orientated and other sections (Working Outside the Book) that encourage and help the new researcher to actually do research.

A feature shared with the Hallowell et al. book is an attempt to inject researcher experience into the enterprise. This mostly consists of boxes entitled The Voice of Experience. These vary in kind from the nicely anecdotal story from George Homans about how he reasoned why the sea water in Maine is colder during an offshore wind (!) to a brief summary of how Gallup does its sampling. These are mostly pitched at the right level, though some are so short as to be almost enigmatic (e.g. the quote from Peter Berger on p. 224).

These books left me feeling optimistic about social research. The McIntyre text is very much introductory, but it is both rigorous, and stimulates the all-important research imagination. The Hallowell et al. book reminds us that in the last couple of decades we have begun to reflect more carefully upon what we do and this, combined with rigour, is the best recipe for good research.

References