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6 Ways to Get the Best "Bang" for your Research "Buck"

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WHITE PAPER

If you lived through the drastic reductions in market research budgets of 2009-11, you know the general upswing in research funding since then hasn't necessarily made your job any easier.

Yes, market research spending has come back to pre-recession levels and is still climbing. But as budgets have gone up, expectations have gone up faster. There are now many more aspects involved in marketing research, such as the influences and impacts of social networks and ubiquitous digital devices. And technology in today's marketing world has created intense pressure on timelines, reflecting the demand for seemingly instantaneous, and simultaneously evolving, results.

So getting the most insights possible from every market research dollar is still crucial.

Here are six ideas to help you get more out of today's MR budget...

01

METHODOLOGY

Find the intersection between appropriate and cost-effective.

Quantitative

Check to see if the population you are considering can be found online first. The availability of Internet samples is ever-expanding and includes many specialty panels (e.g., physicians, teachers, benefit managers). You may also want to consider initiatives to develop your customer database to include emails; client-sponsored Internet studies often have very high response rates and offer a substantial cost advantage.

For low incidence populations or hard to reach respondents, Internet surveys may not work; but when surveying broader populations, customers, or certain specialty populations, the Web is both viable and less expensive. It can also be timelier and give you more options in terms of visuals and complex designs.

Qualitative

While many of us are accustomed to gathering qualitative data using traditional focus groups, there are other options that can provide the same or better information along with cost savings. Webcam focus groups, teleconferences, phone in-depth interviews (IDIs), and online bulletin boards work very well for gathering qualitative data, with the bonus of no travel expenses. They also can keep the benefits of focus groups (participant interaction, displaying materials, live client monitoring) while providing the enhanced features of national vs. regional data collection, reducing influence or posturing (IDIs), including hard-to-reach or high-level participants, and a fluid topic guide that can be changed mid-stream.



02

DON'T OVER-DESIGN

Sometimes Less is More

Quantitative

If you are like many of our clients, you are always looking for the elusive "magic number" in terms of sample size. What we have found is that many times our clients insist on large sample sizes (500, 1000, or more; at least 100 per subgroup) without an appropriate rationale. Key factors in determining appropriate sample size include: acceptable margin of error, sufficient sample for subgroup analyses, and the size of your population.

But it is also important to consider practical concerns such as budget. In most situations, a sample size of 50 per key subgroup (and even as little as 30 for less crucial subgroups), can go a long way toward saving money while maintaining statistically valid sample sizes and enabling rich analyses.

Qualitative

Don't forget that qualitative is just that, a qualitative read on your data. It is not usually necessary or helpful to conduct 50+ in-depth interviews, with 5 or 10 per subgroup. In most cases, the story does not change after the first 10-12 interviews. Stay in contact with your research vendor, and ask for a summary of findings after the first 8-10 interviews.

You may find that the story is 90% complete, and that you are seeing diminishing returns with additional interviews.



03

INCREASING RESPONSE RATES

The better the participation, the lower the cost

You can reduce your costs dramatically by increasing the number of respondents who want to take your survey or participate in your focus group. The best way to do this, especially with customers or those with whom you have a relationship, is by sponsoring the research with your company name whenever doing so will not bias your results.

We see online response rates of 15% and above when the research is client-sponsored (vs. 1% or less with list sample when it is not). In addition, if you send out an advance letter or email to your respondents telling them you are conducting research and asking for their participation (and preferably signed by someone senior in your organization), response rates can be boosted even further.

Of course, you can also offer incentives to respondents, but be creative with them. Offering cash is not always the most effective incentive. Consider Amazon or Paypal gift cards, drawings for larger prizes, donations to charity, and with certain business-to-business studies, the offer of a brief summary of the research findings can often be a great way to increase participation.



04

Reduce Cost at the Margin

A little can go a long way

Quantitative

Try reducing the number of open-ended questions you have in a survey.

Often, there is a great deal of overlap in different open-ends, and just one may do the trick, particularly in online surveys, as participants frequently give minimal answers to subsequent open-ends. This can reduce survey time and save on coding costs. Or, in a telephone survey, ask a question as an open-end, but have pre-coded responses that are not read to respondents and an "other specify" to capture responses that don't fit the pre-codes.

This is especially effective on a tracking survey; you may choose to ask an open-end in the first wave and then use those responses to "close up" the question for subsequent waves.

Qualitative

There are many small ways to reduce qualitative study costs.

- Recruit 10 instead of 12 for focus groups, depending on subject and target.
- Consider quality over quantity: recruit smaller groups but use a screener that identifies the most articulate participants who are more likely to add value to the discussion.
- Use real-time video streaming services such as Focus Vision to watch the focus groups and reduce travel costs.
- If you are paying for transcripts, consider summary transcripts which are less expensive and eliminate any non-relevant discussion from the groups.



05

Alternative Sources

Sometimes what you need is already out there

Often the answers to your questions already exist in some form, and using these resources, even if they are not customized to your needs, can bring a huge cost savings.

Perhaps someone in another part of your organization has done this research before, or at least enough of it that you can shorten your questionnaire. Or you can do a secondary search (or have a research vendor do a secondary search) to see what already exists through publicly available sources.

Alternatively, consider syndicated or multi-sponsor studies that may be less costly, especially if you have only a few questions that can be asked of the general population.

Finally, if you do need a custom study, you might outsource only part of the process and keep some of the project in-house to save money. Most research vendors will be happy to do just a piece of the process: data collection, questionnaire design, reporting, etc.

06

Expand Your Research Company Choice

Partnering to maximize your research dollars

Finally, while the five suggestions above can help reduce your research costs on a project-by-project basis overall, you may want to consider using a more cost-effective research vendor. Of course, quality of research and actionable insights into your findings should be your most important criteria, but often, a more nimble firm can offer those things at a substantial savings.

If you are buying a specialized technique or product, are conducting thousands upon thousands of interviews, or need a recognizable name for a public-release study, you may have need to choose a more costly firm, but for 99% of your research needs, a well-respected, experienced, custom research firm will deliver quality, a valuable partnership, and considerably lower costs.

