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A Blueprint for Success in Market Research

How to Avoid the Ten Most Common Market Research Mistakes
and Aim for 360-Degree Success with the Research You Undertake

Market research is essential to identifying market opportunities in product and program development. All too often market research is carried out too casually or hastily: this diminishes its effectiveness, or worse yet leads to spectacular market failures. Marketing guru Jim Nelems' article in the mid-70s identified the ten most common mistakes made in market research. Forty years later, after a decade of conducting market research for some of the world's leading information technology and consumer electronics companies, IntelliClear revisits the question of what leads to market research success. The result is a formula that rejuvenates and informs the findings of Nelems, as it offers fresh perspectives to the ten most common market research mistakes made in our days – the ones from which even the most competent organizations are not immune.

Three-Phase Formula

Conquering a complex process starts with breaking it down into digestible parts. Successful market research projects have three distinguishable phases: 1) Preparation, 2) Design and Execution, and 3) Synthesis and Reporting. Performing well in all three phases is critical to market research success.

Phase 1: Preparation

Doctors will attest to the power of positive attitude in the healing process; likewise IntelliClear has noticed the best-in-class companies view market research as an investment, not an expense. Investments are made so as to understand customer insights, reduce decision making risk, and identify the levers of market success.

Smart investors look for savvy management teams who clearly understand the goals and priorities of their business and are relentless on execution against those. Successful market research relies on a clearly defined set of business objectives that flow into market research objectives.

Preparation would not be complete without establishing a realistic set of expectations for the research. Market research can greatly impact business success by helping to decisively reduce risks; however, there are no guarantees that all questions will be answered and all solutions identified. If there is interest in developing an all-knowing intelligence model, search Google on “crystal ball.”

Phase 2: Design and Execution

A capable team that is responsible for maximizing return on the research investment is crucial to success. Such a team consists of internal and/or external resources. The ideal resources embrace the business and research objectives, have the clear-eyed yet full support of management, are skilled and proven in their craft (analysis, moderation, etc.), and understand the market intuitively.

The saying “don’t bring a knife to a gun fight” suggests understanding the battle and the right weapons to bring to the conflict. Allowing the assembled team to analyze the research objectives before selecting a method makes good sense. There are major differences between qualitative and quantitative research, between conjoint and straight surveys, between focus groups and in-depth interviews, and so on. The chosen methodology should soundly address the research objectives, and balance quality and quantity across the research spectrum.

Probing the wrong audience, even slightly, can lead to the entire research effort being wasted. Tight screeners are a pain to develop and execute against, but will ensure the right target audience. Recruitment via social media is inexpensive and exciting; however, without painstaking screening to ensure candidates fit the target description, social media-only recruiting is risky and difficult to control.

Preparation



Design and Execution



Synthesis and Reporting

Mistake #1:
Viewing Market Research as an Expense

Mistake #2:
Failing to define Research Objectives

Mistake #3:
Over-Promising on the Results of the Research

Mistake #4:
Assembling a Weak Team of Resources

Mistake #5:
Selecting the Wrong Research Methodology

Mistake #6:
Addressing the Wrong Target Audience

You've assembled a crack team, chosen the perfect methodology and ensured a relevant audience—now what is needed is a research instrument that decisively addresses the research objectives. Inadequacy in research instruments can come in the form of asking too many questions, not probing deep enough, including “nice to haves” that burden respondents, and/or structuring questions that lead to bogus answers. Effective survey instruments are two parts science, one part creativity, and a pinch of compassion for the target respondents.

Phase 3: Synthesis and Reporting

The data has been collected and the focus groups recorded, now it's time to review again the research objectives and to execute the appropriate synthesis and reporting plan. Synthesis should ensure sub-sectors are addressed, geographies are comprehended, and nuances are identified and highlighted, so as to uncover the hidden nuggets that are often missed. Excellence and informed creativity in the use of Excel, SPSS, simulators, index creation, multi-variate data analysis and PowerPoint are essential, examining each piece of data fully and completely.

If there is one juncture between success and failure in market research, it is client processing of the results. Everyone wants “the answer” but most are unwilling to work for it and instead want it handed to them in a single PowerPoint slide. While excellent summaries are critical, over-simplifying results can lead to erroneous conclusions and out of context perspectives. The research team's responsibility is to be thorough and concise; the stakeholder's responsibility is to be engaged and committed to absorbing the research.

When the dust settles after the presentation(s), it is time for the stakeholders to make decisions, to fully apply the market research to meet the business objectives. Effective application means setting aside personal biases and agendas, and aligning research results with available options toward optimal decision making. Ignoring the research, or explaining away the facts, brings with it significant risks and potentially expensive lessons.

Apply the Formula, Avoid the Mistakes

There are spectacular examples of one or more of these ten market research mistakes causing devastating consequences from the Ford Edsel to New Coke, and Burger Chef to Osborne Computer. Perhaps some of the most spectacular failures are those you will never hear about. By employing the three-phase market research formula, strictly managing the key aspects of each phase so as to avoid the classic mistakes, organizations can maximize their return on market research investments, leading to market success in products and programs.

About IntelliClear

IntelliClear specializes in commercial IT and consumer electronics markets, with an emphasis on the small and medium business (SMB) and large enterprise markets. With a stellar track record of developing results-oriented market segmentation strategies, IntelliClear utilizes powerful data synthesis and seasoned IT industry experience to deliver unique real-world solutions to even the most complex business problems. Through our experienced global partner network, IntelliClear can extend its services into over 65 countries across the globe including North America, Western and Eastern Europe, Asia Pacific, and Latin America.

Mistake #7:
Fielding an inadequate research instrument

Mistake #8:
Conducting poor analysis on the data

Mistake #9:
Forcing Oversimplification of the Research Results

Mistake #10:
Wrongfully applying market research