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# 1990 Worldwide Developers Conference

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**Pat Bentley  
and Dan Rubin**

Customer Research Group  
Worldwide Marketing

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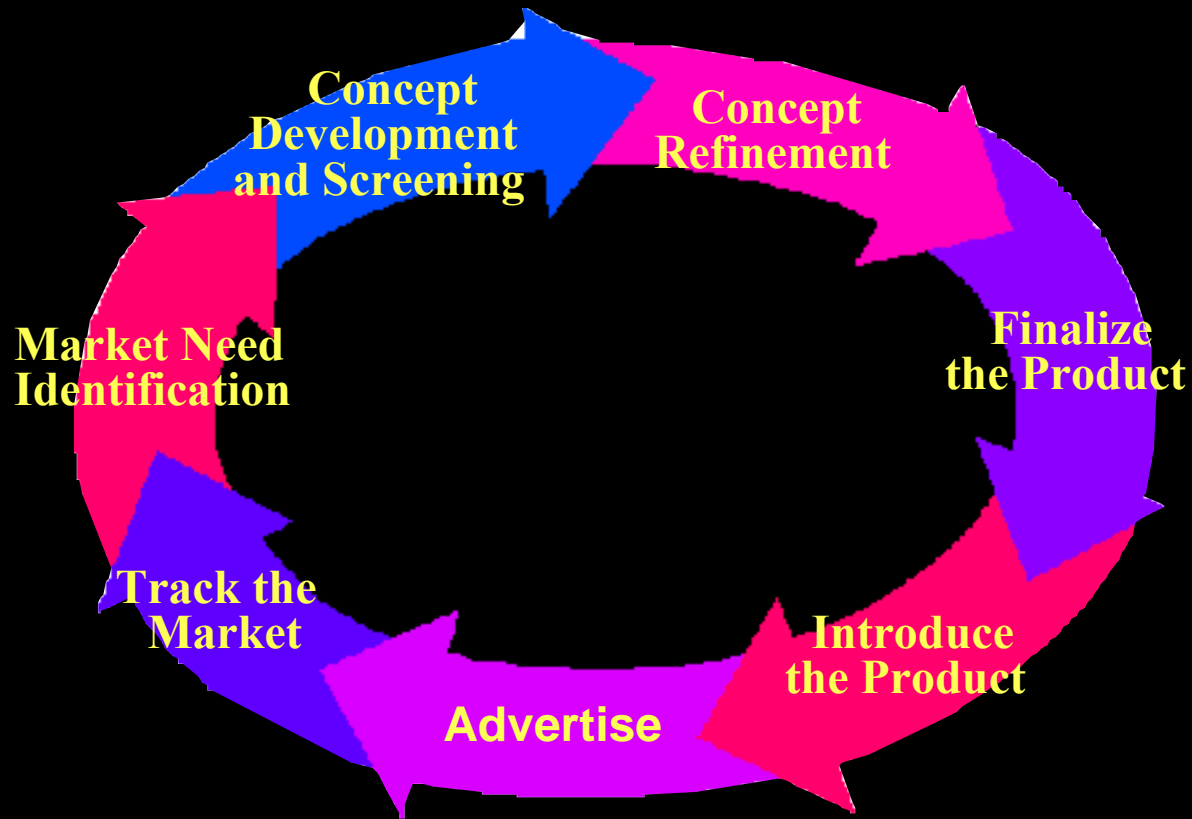


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# Market Research Commando Training

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# The Marketing/Market Research Cycle



# Two Types of Research

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- Secondary research to leverage existing, available information
- Primary research to develop precisely what you need

# Secondary Research

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- Is there a published source of the information you need?
  - There might be
  - When to use it
  - What to expect
  - Where to look

# Why Re-Invent the Wheel?

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- Secondary sources are good for...
  - Gross measures of market opportunity
  - Usage patterns
  - Industry trends

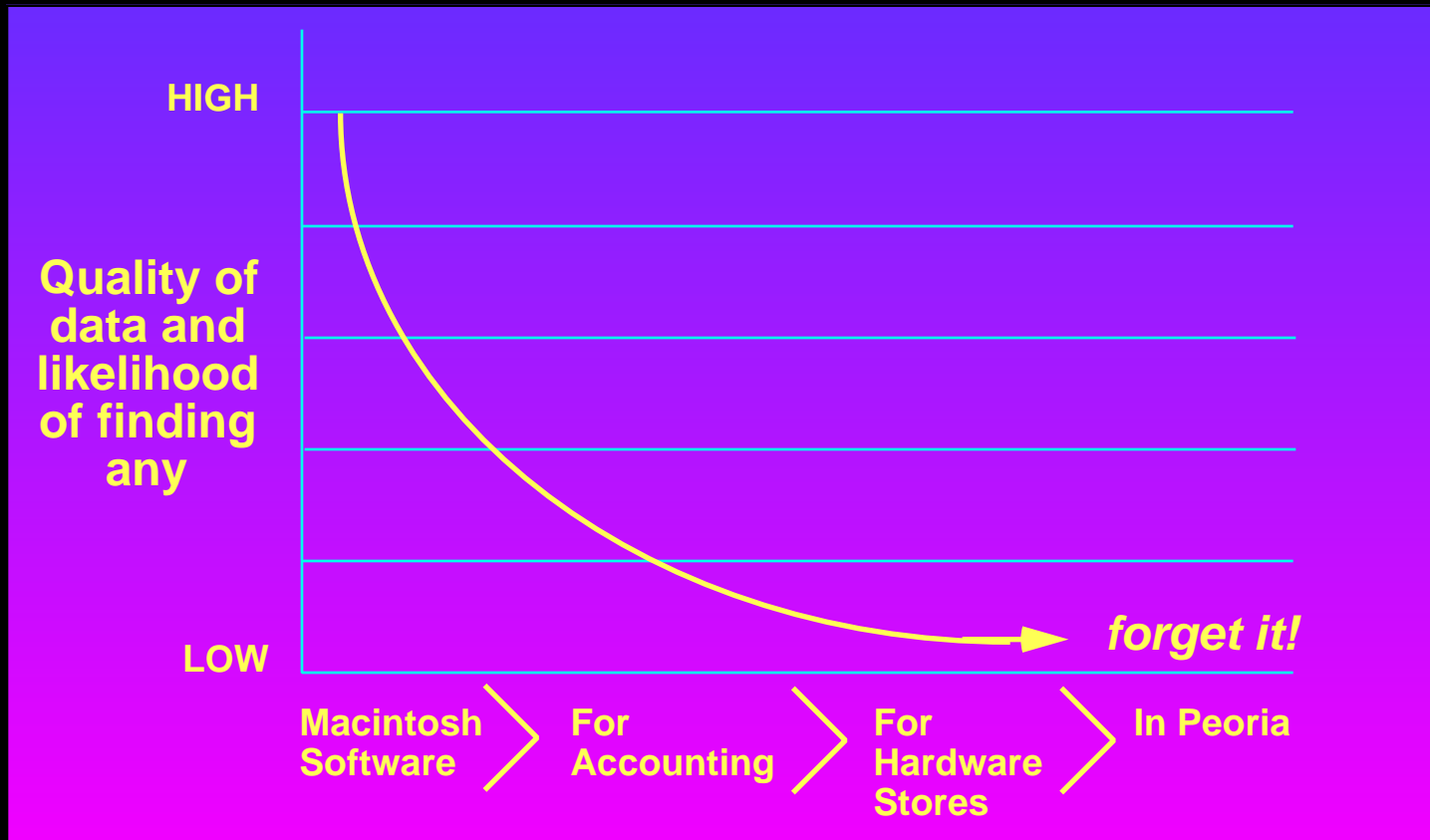
# Will You Get What You Need?

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- Lots of sources in pc industry, but look out...
  - Timeliness
  - Specificity
  - Accuracy



# Don't Expect the World



# Sources

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- Government data
  - Cheap and easy to get
  - Great for demographics
  - Usually dated, but still useful
  - Often less accurate than you'd believe

# More Sources

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- Trade publications
  - It may be there, but can you find it?
  - Computerized lit searches a must
- Professional and trade associations
  - Very good for vertical-market info

## Still More Sources

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- Syndicated research firms
  - Dataquest, InfoCorp, IDC, etc.
  - \$10k-\$20k/year
  - Can be your market research department
  - Often way too general

# Resources—How to Tap Into This Stuff

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- Business libraries
- Associations
- Information brokers

# When Do I Do What Research?

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## Stage

Market Need Identification

Concept Screening

Concept Refinement

Finalize the Product

## Research Action

- Interview users. Probe for “weaknesses,” “gaps,” “wants,” “needs”
- Qualitative evaluation of multiple concepts by target customers
- Expose concept to buyers, get feedback on strong points/weak points
- Alpha and Beta testing

# When Do I Do What Research? (*cont.*)

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## Stage

Introduce the Product

Advertising

Track the Market

## Research Action

- Survey to identify target, refine message, positioning, pricing, packaging
- Test ad/collateral roughs to insure that the message gets through the way you intend
- Track sales, competition, the market. Talk to customers about products

# Limitations of Market Research

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- Idea Generation
  - Research can provide a spark. You have to have everything else in place in order to make a fire
- Pricing
  - There are no substitutes for the actual buying process



# Limitations of Market Research (*cont.*)

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- Questions
  - You have to ask the right question
  - People can react to something  
They can't tell you what to do
  - Answers have to be interpreted

# Focus Groups: What are They?

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- A group discussion, usually involving concept refinement
- Useful when feedback is desired quickly and in depth
- Group interaction is valuable for building thoughts

## Focus Groups: What are They? (*cont.*)

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- Participants should be homogenous
- Standard group size: 7 to 12
- Mini group size: 4 to 5

# Research Techniques

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<u>Technique</u>	<u>Pros</u>	<u>Cons</u>
• <b>Focus group</b>	Group interaction. In-depth. Observation	Group-think danger Interpretation
• <b>Mini-group</b>	Cheaper More in-depth	Risk one-man domination
• <b>In-person interviews</b>	Real. No group-think	Expensive

# Research Techniques (*cont.*)

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<u>Technique</u>	<u>Pros</u>	<u>Cons</u>
• <b>Phone surveys</b>	Cheap, quick	Can't show anything
• <b>Mail</b>	Cheap. Can show	Slow. Return bias
• <b>Mail-phone</b>	High return rate Fast.	Cost. Confidentiality
• <b>Disk by mail</b>	High return rate Slick.	Cost. Time

# How Large a Survey?

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- How large is the market?
- Who should you talk to?
- What is the budget?
- At what point do you get consistent answers?
  - If you get inconsistent answers will you know why?

# Writing the Questionnaire

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- Limit the objectives
- Keep duration to 15 minutes
- Qualify the respondent up front
- Go general to specific
- Keep easy demographics until the end
- Use closed-in question as much as possible. Always allow for “other”
- Code the answers for easy tabulation

# Cheap Internal Sources of Info

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- **Registration Cards**      Name, address, phone number  
Why bought. Price paid. etc.  
Don't overdo it!
- **Customer Service**      Log calls. Identify needs
- **Sales Force**              Regular reports on  
competitive situation, pricing,  
and product ideas
- **Customers**                Panels, surveys, letters.  
Know what they like/don't  
like/need



# Primary Research Resources

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- Tab Houses
- Small research firms
- Dedicated research firms
- Full-service firms
  - Yellow Pages
  - Market Research Green Book



The power to be your best