



Research Field Notes

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Stretch Your Research Budget

It's not like last year!

"We need to do some positioning market research for our new product, but it's not like last year. The research budget has been seriously cut. What would you recommend?" A client recently asked us this question while emphasizing the value her company placed on quality market research.

Budgets are tight almost everywhere, but the need for market research has increased, because no one can afford to spend product development or marketing money the wrong way, especially in this tough environment.

Therefore, we have come up with strategies to reconcile these conflicting demands and stretch your marketing research dollars.

To make your marketing research budget work harder for you:

- Spend research dollars in proportion to your ignorance
- Use virtual research to create real information.

Spend research dollars in proportion to your ignorance

Many organizations use the approach of dividing research dollars equally among segments or products. However, when research dollars are limited, you need to focus them where you have the most uncertainty.

For example, you may have much more knowledge about certain segments (e.g., large enterprise), than others (e.g., SMB), so research dollars may be more productively allocated against the ones in which you are less certain.

In addition, new initiatives such as brand extensions, new geographic launches, or marketing to brand new segments are risky due to a relative lack of market knowledge. Mitigate the risk by transferring research dollars from segments or products where you know your market to new markets.

You may even consider combining approaches; for example, perhaps conduct account visits with mature customer segments, but consider fielding primary research among newer, less well-understood segments.

Use virtual research to create real information

Several tactics can help you maximize your knowledge while minimizing the cost of research. In the right situations, these techniques can provide information that rivals more costly techniques.

Other tactics

There are several other tactics for reducing costs:

1 RapidReports™: When fast information is key

You can opt for a fast PowerPoint presentation with key findings and recommendations (but no supporting quotations) rather than the normal extensive 30 – 40 page report. Receive the report in two days instead of two weeks and save thousands of dollars.

2 Recruit fewer respondents.

You may have smaller focus groups but get a deeper discussion. It places a premium on having a good screener and good recruiters. Recruiting 9 respondents rather than 11 can save almost 10% on a six-group project.

When will these strategies work?

Different research questions require different techniques. For example, Teleweb may be right for one product or one stage of a product's development, but face-to-face may be best for another.

1 Telewebs

Researchers can conduct phone based depth interviews or conference call-based focus groups with sophisticated teleconferencing facilities, which can be used to show respondents web-based research stimuli (e.g., messaging; product concept descriptions), and which permit clients to listen real-time, and have input via instant messaging.

This technique can save up to 27% versus conducting the research face-to-face.

2 Depth interviews

Skilled interviewers can perform depth interviews by telephone with numerous respondents. Although the interviews are structured, the interviewer can be flexible with the questions in order to maximize the information obtained from each respondent. In many situations, depth interviews can be an appropriate alternative to focus groups.

Phone depth interviews can save up to 47% over traditional in-person focus groups.

3 Video streaming

And of course, you can save on domestic or international travel costs by watching and listening to a focus group or depth interview via streaming video. Even though you and your colleagues may be in an office (or anywhere you have access to broadband) across the country or the globe, you can interact with the group by instant messaging follow up questions to the focus group moderator.

Sometimes seeing makes all the difference. Whether or not you physically go to the focus group, you can enable as many people as you like at your company to view it using video streaming on their computer monitors. That way, like you, they can see first-hand how customers will respond to your product. In addition, as with in-person focus groups, you can view the recorded proceedings at another time.

Video streaming can save thousands of dollars in travel costs.

Call us with your questions and we will work with you to figure out which techniques will maximize your dollars while getting the information you need to be successful.

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