

This is what happens when two researchers are told to argue an opinion they might not agree with.

FACE OFF

MARKET RESEARCH: ESSENTIAL OR POINTLESS?



Katie Clark

What does the business environment look like without market research? Picture this:

- Companies develop products without any feedback and miss the mark in meeting their customers' needs.
- Companies don't listen to their customers' issues and miss the opportunity to jump in and fix problems before the customer defects to a competitor.

- Companies don't investigate the competitive landscape and risk being blindsided by a competitor's new product or service, losing customers and dollars.

It's a dismal picture, isn't it?

Now imagine a world where market research is a *requirement for all companies*: businesses **MUST** conduct market research. I'd like to propose a brave new world where it is an absolute requirement that companies conduct market research; that research becomes hard-wired into the DNA of a business. Imagine a new startup business immediately saying "We need research," in the same breath as "We need an accountant" and "We need office space"!

Some, even in our industry, might argue that businesses do *not* need to conduct market research (cue the overused Steve Jobs quote). Some companies may argue that their product "is what it is," and their business contracts are solid for the next few years; rendering research and new product development "unnecessary." Others may argue that their company knows best about what products to develop and produce; that consumers don't know what they need so why even ask them.



Mike MacLeod

Steve Jobs once famously said, "We were the group of people who were going to judge whether it was great or not. We weren't going to go out and do market research." And, of course, we all interpreted that as Steve Jobs doesn't do market research.

Steve Jobs was correct.

Consumers don't know what they want.

At least collectively, they don't know what the next major leap should be in the development of a product. And they are even more inept when describing what should be included in a product that creates an entirely new category. Truly innovative products and concepts are usually so far away from the current state that it requires the ability to incorporate changes that cannot even be comprehended by most.

Jobs also said, "How can I possibly ask someone what a graphics-based computer ought to be when they have no idea what a graphics-based computer is? No one has ever seen one before."

Consider 2,000 consumers on a panel, balanced to match the census for age, gender and ethnicity. No survey could possibly be written that would result in data supporting the development of the newest, most innovative, cutting-edge product, regardless of the category. What questions would you have asked this panel that would have led to the development of the Mac?

Or, how about a dozen focus group participants, sitting around a conference table, eating deli sandwiches for a couple of hours? There is no moderator in the industry that could have described the iPod to these people 14 years ago. And even if

These companies may rail against a market research mandate. My counter-argument? They have a very narrow definition of market research!

For example, now may not be the right time for extensive consumer research to develop a new product. But what if your competitor is launching a product? Competitive research in this situation would be key! Resting on your laurels with your existing product? Consider some secondary research on your own data to determine patterns that may lead to new thinking about how to increase sales for those existing products. Or perhaps a study on how customers are using those products and how that use has changed over time? Juicy insights abound!

We've all heard the horror stories of companies that have launched products or services without research only to watch those products quickly fail. We've winced when we hear about companies who continue to ignore the voice of their customer.

Now, really, who wants to live in a world where market research isn't conducted? Show me a spectacularly successful company that has ignored all facets of market research: from secondary to primary, from pricing to ethnography, from new product development to the Voice of the Customer!

Research can take many forms, so there's really no need for companies to fight against the "businesses MUST conduct market research" requirement. If companies embrace market research as a necessity and not just a "nice to have," the opportunities for the kinds of research that can be conducted are endless. Research can be primary or secondary, gathering new data, or finding new ways to look at existing data. Startups can focus on researching the marketplace they're getting into and competitive products. Companies that are struggling with accurately positioning and pricing a product might look to an in-depth conjoint study. Companies hoping to more deeply understand customers' experience with their product might do deep dive ethnography.

That said, in no way am I recommending companies do throwaway research – doing research just because it's mandated. Instead, find the right kind of research for the right phase of the company or product that can help the business improve and be competitive.

A requirement to mandate research would be a blessing – how can it be a bad thing to require companies to listen to their customers? Pray tell why *shouldn't* it be a requirement that companies hard-wire the voice of the customer into their organization's DNA?

Should market research be a requirement for all companies? Yes.

Let's make it happen! Now, who's with me?

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Katie was assigned this "side" of the argument to argue. While mandated research might be a stretch in the current business environment, she believes that the most successful companies are those that have made research a priority.

one could, how many of these respondents could understand how an iPod would be better than their portable CD player? What's an MP3? I can't see it? I have to download it? Where do I keep it? How do I pay for it? What's iTunes?

Now, how about a small handful of designers with a narrow focus, led by a leader fixated on a singular mission? A group such as this, combining their time and effort with a superb imagination and the drive to provide something innovative is what is needed to develop the next big thing. They should have zero concerns about the opinions of the masses who have pondered the topic but for a mere few moments.

Consumers that understand and appreciate the results of such a group can become product evangelists. Some consumers won't get it, and others still may hate what is produced. But that's better than feeling that it's just OK. Maybe it's a little better, or a little worse, than something else already on the market. Something that is easily replaced. Something that no one cares about.

When you listen to customers, (existing or potential ones), the result is product development that is evolutionary – but definitely not revolutionary. That may be fine if your goal is to create something that is marginally better than last year's model or if you're looking to compete directly with an existing competitor. This will help you get a sliver of an already existing pie.

Alternatively, if you are looking to revolutionize your existing category, or, better yet, create a brand new product category, then run quickly from your market research supplier and don't look back. No amount of research with writers and typists in the 1970s would tell anyone to build word processors as a replacement for the typewriter.

Henry Ford may have said, "If I asked people what they wanted they would have said faster horses!" Of course, that statement is correct. What would your answer have been if he stopped your horse and buggy to ask about your transportation needs? Even if he could describe the automobile to you, what would you do if it breaks down? Where would you drive it with the terrible road conditions? And where are you going to get gas? The idea sounds silly. We should just stick with horses.

Of course, that's ridiculous. Ford knew better than to even ask such questions. He made his own decisions about what he would produce, how it would be produced, and the features it would or would not have. He would have been much less successful, and had minimal impact on the world, if he catered to the thoughts of the rank and file.

So yes, Steve Jobs was correct. Market research doesn't help with innovation because people don't know what they want. Not until you show it to them.

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