Chapter 3
Research Design

Introduction

In this chapter you will learn about:

- The building blocks of intelligence – which includes secondary as well as primary data.
- The applications for qualitative and quantitative research.
- How to match the research design to the research method.
- Things to look out for when choosing a quantitative research method.
- How a company used a range of different research designs to launch and track the success of a new product.

Sources of market intelligence – secondary and primary data

Every day companies make decisions without market research. In fact, the number of business decisions that are underpinned by formal market research is probably very small. This is not necessarily the result of cavalier management, taking decisions without due care and attention; it is most likely because the investment in market research is not judged to be necessary.

There are four sources that management can turn to for intelligence that will help their business decisions. Before spending time and money on market research, managers will scan the quality of infor-
information that sits underneath their noses in the company. This could be factual (such as sales figures, number of enquiries, lists of prospective customers etc) or it could be opinion (such as the views of the sales force). If these sources are considered reliable, there will be no need to look externally for the data.

The internal sources could be considered suspect because they are biased or full of holes, in which case some formal research may be required. This could be similarly viewed as factual (eg official statistics on markets) or opinion (eg the views of one or two experts).

Figure 3.1  The Building Blocks Of Business Intelligence

<table>
<thead>
<tr>
<th>Internal fact</th>
<th>External fact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal opinion</td>
<td>External opinion</td>
</tr>
</tbody>
</table>

Market researchers prefer to label these building blocks of intelligence in a slightly different way. Information that is already available because it is published or has been compiled for some other purpose is called secondary data. The “second hand” tag is unfair because such data may well be extremely useful. It will have passed the test of some public scrutiny if it is in the public domain and this should mean that it has been validated or at least been “checked out”. Furthermore, it is available now (now waiting) and usually at a low (or no) cost. Typical examples of secondary data are:

- Published market research reports
- Articles and publications on the internet or in libraries
- Reports and memos within companies including the reports of sales reps
- Sales data including trends over time
• Lists of companies in directories and data on those companies

• The opinions of experts, possibly those at trade associations or industry bodies.

Because secondary data can be readily obtained by just one or two analysts, sat at their desks or in libraries, it is sometimes referred to as desk research.

**Primary data** is, as the name suggests, collected solely for the purpose of a survey. To get primary data you will need to question respondents directly or observe their behaviour in some way. It should therefore be a good base for decision making as the questions and the sampling will have been designed specifically to meet the objectives of the survey. Of course, primary data has a higher price tag than secondary data and usually requires a few weeks and sometimes months to collect.

The decision to use secondary or primary data or to choose internal or external fact or opinion is based on a trade-off of three things:

- What accuracy and depth of intelligence is required? (Good estimates may be adequate).

- How quickly is the intelligence required? (A decision may have to be made immediately and there is no time to go outside for the information).

- What are the financial implications of the decision that is under consideration? (Where there are small financial implications it will not justify an expensive, external survey).

The researcher must recognise the different types of data that are available as this will help them understand which will be useful in tackling a particular research problem.

**Key point**

Check out secondary sources of data before commissioning expensive primary market research.

The choice of using secondary data and primary data is not mutually exclusive. Very often secondary data is used at a very early stage in the research process, before a decision is made to carry out primary research. It is also the type of research that is easily carried out by the person that requires the information rather than by a market research agency.

Secondary data are used by market research agencies as well. The agency may build a desk research pro-
gramme into a research project to feed in information that supports the survey work. For example, a project that explores the opportunities for coloured road surfacing materials (used for marking cycle and bus lanes) used desk research to show the length of cycle lanes in the different countries in Europe and primary research to find out attitudes of contractors and specifiers to different types of surfacing materials.

Secondary data is often used in support of primary data for the generation of the sample. The secondary sources are the lists and directories of respondents that are used to locate respondents in a survey.

Think about
Where does most intelligence reside in your organization? How much intelligence is in people’s heads or desks and not being shared? Why isn’t it being shared? How could you set up a market intelligence system in your organization that made sure that independent pieces of information scattered around the organization are brought together to be more meaningful?

Qualitative and quantitative methods
Some research techniques don’t attempt to measure things, rather they aim to obtain deep insights and understand why people behave and think in the way that they do. These insights cannot be obtained by hundreds or thousands of interviews; they come from loosely structured interviewing by a skilled researcher or from focus groups. These are flexible research methods that rely heavily on the skills of the researcher or moderator to interact with the respondents and to dig deep into their motivations and experiences. Such methods are qualitative and imply that they seek quality over quantity.

Qualitative research is exploratory and involves using unstructured techniques based on small samples. It helps to find out what it is that people like – or dislike – about a product, service or advertisement, and why they feel that way.

The data arising from qualitative research are largely words – the responses from people in the focus groups and depth interviews. Body language may be a further input as this could provide additional clues as to the inner feelings of respondents.

Qualitative research is carried out by just one or two researchers who steep themselves in the subject, building their understanding
of the situation as the interviews take place. Inevitably the samples of respondents are small as there are physical limits as to how many interviews or focus groups one or two researchers can carry out. This means that the analysis is interpretative, subjective, impressionistic, and diagnostic.

Qualitative research is used for:

- Exploring and understanding people’s needs
- Testing reactions to concepts such as new products and services, advertising messages, approaches to buying etc
- Working out what the real issues or problems are.

Qualitative research should not be used when the research objectives require quantification such as determining the proportions of a population that behave or think in a certain way. This is the task of *quantitative research*. Quantitative research relates to quantity and is based on enough numbers of interviews to be able to obtain a robust measurement. Large numbers of interviews require considerable structure in the questionnaire, so the interviews are made up of closed questions rather than open and probing questions which invite free responses.

The numbers of interviews that separate quantitative and qualitative research is not a clear cut but most researchers would accept that sample sizes of 200 or more are most certainly quantitative while those of 50 or less are qualitative. In between is the grey area of qual/quant. See figure 3.2.

![Figure 3.2 Numbers of Respondents in Qualitative & Quantitative Research](image)
Quantitative research is used wherever a head count is needed or where there is an interest in comparing the views and behaviours of people of a different ages, genders or income groups.

Although qualitative research can have its problems, it is increasingly valued as a supporting research method and used as preliminary or follow-up research alongside quantitative surveys. Important quality control issues exist and these are being continuously addressed by research agencies, industry representatives and professional bodies. The table below compares quantitative and qualitative research on a number of key issues.

**Figure 3.3 Comparison Of Quantitative And Qualitative Research On Key Issues**

<table>
<thead>
<tr>
<th>Quantitative</th>
<th>Issues</th>
<th>Qualitative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relatively large (200 or more)</td>
<td>Sample size</td>
<td>Relatively small (50 or less)</td>
</tr>
<tr>
<td>Structured and standardised; mostly closed with some open ended</td>
<td>Questions</td>
<td>Unstructured or semi-structured; mostly open ended with some closed</td>
</tr>
<tr>
<td>Team often involved: research executive, data processing executive, fieldwork executives, fieldforce</td>
<td>Administration</td>
<td>The design and the fieldwork and analysis is usually all handled by the research executive</td>
</tr>
<tr>
<td>Questionnaire, computer generated tables, statistical analyses</td>
<td>Data conversion tools</td>
<td>Interview or discussion guide, audio and/or videotapes, notes, content/narrative analysis</td>
</tr>
<tr>
<td>Relatively high</td>
<td>Replicability/reliability</td>
<td>Relatively low</td>
</tr>
<tr>
<td>Relatively low</td>
<td>Validity</td>
<td>Relatively high</td>
</tr>
</tbody>
</table>
Matching the research design to the research objective

Take the case of a manufacturer of carpets whose sales are flagging and needs to know which new designs to launch. Before any decision to carry out new product research, the carpet manufacturer must be certain that product designs are the real problem. For example, the designs could be perfectly acceptable but there is limited distribution that is holding back sales. Equally, sales could be falling because the sales staff in the retailers selling carpet are being financially induced to sell a competitor’s carpet. Some exploratory research is needed before launching a product test.

The research that is being discussed here is dealing with business problems that need a quick decision. A research project to solve this problem would be a one-off or ad hoc study, designed to meet the needs of that specific project. This is different to continuous research which is undertaken continuously, or repeated at regular intervals.

Where the problems or opportunities facing the business have not been defined, exploratory research is required and it is likely that the methodology will be “open” with the emphasis on identifying issues or hypothesis rather than solving or testing them. At this stage, high levels of accuracy are not likely to be required. Quite possibly discussions with the sales staff at the carpet retailers will point to the where the real problem lies.

Sometimes qualitative research is required to fully diagnose what the problem is or what the options could be for solving the problem. Exploratory and diagnostic research is often qualitative and is nearly always quantitative. However, there is not a perfect fit here by any means; sometimes research techniques which are regarded as quantitative are appropriate for the diagnostic stage. Desk research too can be a valuable tool at this early juncture.

Think about

Are you a qual or a quant person? Do you put your trust in numbers or into insights? What about your colleagues in the company, including senior managers who may need market research? Are they convinced by numbers or insights? How could this influence your choice of research design?
The techniques of market research rest on scientific method. However, uncovering the problems which need solving, defining the decision options and choosing appropriate research tools, have a strong creative element. The organisational context in which the work is carried out also has an important bearing on the value of the outcome. Too often the research expert is brought in only towards the end of the decision making sequence and after the problems and options have been diagnosed or more likely simply assumed. Researchers are well placed to assist in the early stages through qualitative research or “brainstorming” when they can assist managers uncover the real issues that are affecting their business.

Exploratory research can involve either primary or secondary data collection and helps to identify business or social problems and can be used, for example, to try to get a better understanding of the consumer, the market, the buying process or the economic and social environment. Some examples of exploratory research questions include:

- Thinking about the growth of the EU, what is the market potential for certain products or services?
- Who are the customers, and what is their current behaviour?
- Where are the products purchased and consumed?
Every research project should have a defined and explicit objective which succinctly states why the research is being carried out. All other aspects of planning and carrying out the research flow from this objective; in other words if they do not contribute towards achieving this objective they almost certainly should not be undertaken. The objective should relate to the marketing decision which will have to be made or the problem that needs a solution (and decision). Some examples of questions which have specific objectives and require a conclusive answer are:

- Should we launch our carpets in France or Italy first?
- Will the retailers accept our range?
- What prices will they pay for our carpet?
- Is the labelling understood by our potential customers?

Research objectives should be brief and should not be confused with a listing of the information required to meet them (sometimes referred to as detailed objectives). Examples of detailed questions are:

- How many brands of carpet are retailers stocking at the present?
- Which brands are they stocking?
- What prompts them to stock more than one brand?
- What awareness do they have of our brand?
- What would prompt them to stock our brand of carpet?

It is vital to get the specific goals for the research signed off by the person that is sponsoring the study. It would be fatal to carry out an extensive market research project and then to find out that the marketing manager not only wanted information on carpets but also on wooden flooring and floor tiles.

Where the starting point for the research is a problem (or potential problem/opportunity) rather than a clear-cut decision to be made, an effective approach is to think of and list as many explanations as possible. In other words, you should develop a list of alternative hypotheses. This may be done by the researcher but better still at a “brain-storming” of all the key staff involved. Still sticking with carpets, the hypotheses could be:

- We have the wrong products
- Our prices are too high
Our range is too narrow
Our quality is unacceptable
Our merchandising is poor
Our distribution is weak
Our sales incentives are too low.

With only a little effort, the list of hypotheses generated is likely to be quite extensive and some selection will have to be made of those that should be covered in the research project. Informal sources may enable some hypotheses to be confidently discounted although care should be taken not fall victim to the internal bias and assumptions that exist in all companies.

To meet the defined objective, a range of information will be required and will in turn be an input into the decisions which will be eventually made. For a given objective the information list, with only a little thought, will soon be quite long; possibly too long. In the case of the carpet project the list might be as follows:

**Assess the effect of launching a new range of carpets in Germany and show which designs should be included in the new range.**

1. The acceptability of each carpet design by customer demographics
2. The optimum price for each design
3. The likely sales of the new designs
4. The degree to which the new designs will cannibalise other carpet designs in the Company’s range
5. The competitors’ that will most likely lose sales to our new designs

This list is by no means exhaustive. There is no such thing as an absolutely right or wrong coverage although the effectiveness of the research will be shaped by what is included or left out. Often the problem is not so much that headings are left out but that the coverage is too comprehensive in relation to the research resources that are available, namely budget, time and people. This is the “while you are at it” syndrome that leads to research projects growing in size as people within the sponsoring company dream up things that would be nice to know but that aren’t essential to the project.
In the example of the carpet study, the research could be carried out in stages. For example, the first stage could be to concentrate on getting a design range that suits consumers while a further stage could examine the attitudes of retailers and how to get the range launched in the carpet shops. Staging allows the researchers and the research sponsors to digest the information that is collected and to begin responding to the data. In this respect a staged study is more manageable. However, breaking a study into stages does take longer and tends to cost more because there are more reporting sessions.

A final aspect of defining the information coverage is to scope the study. This involves setting boundaries or limits to the research which could be geographical (eg the market in Northern Germany), by product range (eg high quality carpets) or by market or application (eg carpets for use in the home rather than offices etc). Again these boundaries should be explicit and agreed with the “client” and should at least initially be based on the decision making needs of the business rather than research convenience or practicality. With the objectives stated, and the coverage defined it becomes much easier to choose the right survey design.

Figure 3.5 is a framework for developing a research design with the choices driven by the objectives and information requirements of the project.

The most fundamental choice in research methods is between secondary or desk research and primary research or fieldwork. A difficulty at the planning stage is that there is often some uncertainty of the likely outcome of desk research – what will be found or not. Also there are some types of information which in principle cannot be obtained in this way (eg people’s attitudes to a product design). In many projects, however, carrying out an initial desk research stage is strongly recommended as a way of gaining the maximum benefit from the research budget. Desk/secondary research is nearly always far cheaper (and quicker) than primary research/fieldwork and there is no point in spending time and money interviewing to find out what is already available and accessible at little cost. Too often money and time is spent “re-inventing the wheel”.

Key point
When thinking about a market research problem, separate out the actions (what will be done with the research), the objectives (what should be found out), and the questions (specific questions to which answers are required).
One reason why secondary research sources are often omitted is institutional. Most research is carried out by in market research agencies which for various reasons find problems in offering desk research as a profit earning service. In this respect in-house research can have an edge over buying-in.

Once desk research is completed (and assuming it does not yield all the information required for the project) primary research or fieldwork can be planned to fill in the gaps.

**Think about**

When did you last visit a commercial library? What do you think you could obtain from a library that you cannot obtain from the internet? Are you aware that some libraries will carry out short desk research assignments for you for a small fee? If you had £5,000 to spend, how much could you find out by desk research? How much could you find out by primary research?
Decisions in primary research design

When contemplating the research method for primary data, the following should be considered:

- Whether the nature of the information sought is primarily quantitative or qualitative.

- Sampling issues including:
  - the universe to be covered eg: all adults, housewives, buyers of specific products in consumer markets and comparable aspects of industrial markets.
  - sectors or sub-groupings of the whole universe which are of specific interest and need to be considered in sampling design.
  - sampling method and size (number of interviews).

- Data collection methods – eg face to face or phone interviews, postal survey, observation etc.

- How the resulting data will be analysed – particularly relevant for more sophisticated techniques such as conjoint analysis.

The basis of which of the above should be covered in the design, depends on the research objectives, the information coverage, and the accuracy sought. Or at least this should be so in theory. In practice other factors have to be taken into account and especially the resources available including the budget. For example, the ideal method may be face to face interviews with a sample of 1,000 people in their home. However, but for practical reasons (speed and cost) street interviews with 200 may be used instead. There is, of course, some point beyond which compromises are a danger to the accuracy of the result.

What budget should be made available for the research project? This is not a question of arguing that the budget should be whatever is needed to meet the research objectives at the required accuracy level. It is more a question of what funds are available or can be afforded for the project relative to other calls on business expenditure. Furthermore, even if cash is freely available, there are other considerations and especially the amount at risk in the decision which the research is to guide. For example, a research budget of £30,000 may be well worth spending if it is to guide a decision that entails capital expenditure of £5 million. However, if the decision has much lower cost implications, the value of doing the research...
will be less and obviously there is no point to spending £30,000 on research to decide whether to invest in a project entailing only this level of expenditure. For this reason, many businesses cannot afford to test the effectiveness of their advertising campaigns because the cost of the research is more than the campaigns themselves.

Apart from a cash budget, the major resource required for a research project is suitably qualified people. An in-house researcher may be able to carry out desk research but would find it very difficult to carry out extensive fieldwork and for this would need the help of an agency.

A research plan needs a timetable. The deadline for the project may well be driven by external events such as a board meeting or input for a marketing plan. The timeline available for the research often influences the research methods. Face to face interviews may be preferred but telephone interviews are quicker. Certainly good research can be carried out within a short timetable but beyond some point, quality will be compromised if the timetable is squeezed too much.

### Key point

The research method that is chosen to achieve the objectives is usually a compromise between the accuracy and detail of the information required, the budget that is available and the timetable.

### Think about

What is the smallest sample that you would feel comfortable with if you were sampling your markets? What do you think would be an optimum sized sample in your markets?

### The case of the Softone light bulbs

At this stage the reader may find it helpful to think about a case study that incorporated a number of different design issues that have been discussed.

Philips Lighting is an established player in the light bulb market where it faced a number of challenges:

- Consumers are not very interested in the product
- They are sold at low prices
They have a strong seasonality of sales (winter months) and low growth

There is considerable competition and margins are low

Light bulbs low brand awareness and strong own brand presence.

A product development from the Philips research laboratories was a technique for electrostatic coating the inside of a lamp to produce a softer light. The additions of pigments offered the opportunity to produce light with a hint of colour. The new product was given the brand name Softone. Philips decided to use this product to stimulate interest in a commodity market and to help build its position as an innovative lighting supplier. Market research played a crucial role at all stages in the life cycle of this product development.

The first market research gateway was to establish that the product had significant consumer appeal, especially at a premium price. If the results of the research proved negative, it would be back to the technical drawing board to improve the product features or the launch would be dropped.

As is often the case with new product research, there is considerable pressure for the research to show a green light as the new product will have gained a momentum with many people in the organisation banking on its success. The market researchers had to use a method that would deliver a true understanding of the new lamp's appeal and that would stand up to the political attacks it could face if the results were less than positive.

The research method chosen to test the new product's appeal was a survey of 200 face to face interviews with a quota sample of lamp buyers in two locations several hundred miles apart (Dewsbury in Yorkshire and Southampton in Hampshire). Respondents were recruited in shopping malls and brought into “halls”2. A sample of 200 could be expected to yield an accuracy of + or – 7% (ie if 50% of the sample expected to buy the lamp, the true level among the whole population might be expected to be between 43% and 57%). Restricting the sample to only two locations ruled out any true regional analysis but would at least indicate whether major geographical differences existed (it was assumed they did not). Quotas were imposed to ensure that a mix of demographic groups representing the population as a whole was covered. In a hall test of this type and without quotas, there would be an over representation of lower social grades and older people.
The results from this preliminary research were positive and although not many people bought conventional coloured lamps, the interest in the pastel concept was high with 79% saying that they would be very or quite likely to buy the new product. A small price premium was acceptable to most people. It should be pointed out that it would be dangerous to extrapolate the high interest into a propensity to buy figure but it did suggest that there was a significant body of interest and it was worth going forward to the next stage.

Instead of carrying out the hall test, the research team could have opted for a more qualitative approach using focus groups. However, they believed that groups on their own would not have given them a feel for the size of the demand and some quantitative method would still have been needed. In the interests of budget and speed, the groups were skipped. Focus groups did play a part in the next phase of the research as the marketing team needed help with ideas for the pack design.

Philip’s design agency developed various alternative pack concepts for evaluation and these were tested in four focus groups. Women aged 22 to 45 (the main group of lamp buyers) were recruited to the groups which were split between the North (two groups) and the South (two groups). It was also decided that the group respondents should be restricted to those with a strong interest in home decoration and colour coordination in their homes.

The focus groups confirmed the high level of interest in the new range of lamps and gave some interesting pointers for the pack designers. The brand Softone worked well on its own without the need to emphasise the words pastel or stronger colours. In fact, it was thought most appealing to communicate that the lamps offered just a hint of ....(colour) because subtlety in lighting was considered paramount.

Philips backed the Softone launch with both television and press advertising. This was going to incur a substantial sum and again, market research was called upon to help guide the decisions. Three alternative TV advertising styles were developed to the animatics stage (moving story boards) and the press adverts were developed in storyboard form (artist prepared visuals without the detail of the final artwork). Research had to establish the effectiveness of the alternative TV and press treatments in terms of impact, memorability and the interest in the Softone product.

It was thought that focus groups would not be a suitable method to test the advertising concepts as there could be contamination in
respondents’ views caused by the debate that would be sure to take place. It was considered better to carry out face to face depth interviews and for this the researchers used a *mini-hall test*.

Halls were taken in four locations and at each hall 40 people were shown the TV ads and 40 were shown the press ads. The interviews lasted half an hour and asked questions such as:

- What sort of product is being advertised? Is it a *new* product or just another coloured light bulb?
- What is the impact of the advert? Would it stop the reader/viewer and catch their attention?
- What is the message of the advert?
- Is the advert believable?
- Is the product for the respondents? Would they buy it? Where would it be used?

Having seen the adverts, the great majority of respondents were enthusiastic about Softone, they saw it as innovative and many were keen to have it in their homes. None of the adverts had a particularly good impact but there were some strong pointers as to how to make improvements. The more direct approaches in the adverts were considered important for a novel product where guidance in home use was thought to be needed. One of the TV ads and one of the press ads was stronger than the others and these were the ones that were modified by the agency for final use. (In theory the revised ads should have been tested again but it was essential not to delay the campaign any further so no further testing took place).

The campaign was extremely important to Philips and it was considered important that its effectiveness should be measured in terms of brand awareness, whether the product had been bought (and intentions to repurchase) and the recall of the content of the ads which were used. In the choice of the tracking design, the results from each stage of the research had to be capable of yielding awareness levels and other measures that showed a true difference and not one that could be within the bounds of sampling error. A sample size of 200 was considered the minimum in each of the 12 TV regions which meant that a national sample of 2,400 lamp buyers would need to be interviewed in each wave of the test. Philips knew from previous research that amongst a random sample of the adult population, two thirds would have bought a lamp within the last six months and therefore be classed as “lamp buyers” for the purposes
of the survey. This meant that a minimum sample of 3,500 adults would have to be approached to achieve the 2,400 interviews.

The study aimed to track awareness and behaviour over a period of three years and this required nine stages – each of them with the large sample of 2,400 interviews. This would have been a very costly exercise if nine ad hoc studies had been carried out. Omnibus surveys offered the solution. Omnibus surveys run regularly, and subscribers can buy space on the questionnaire on a pay as you go basis. Using this tracking measure, Philips was able to see that the recall of its Philips/Softone brand doubled from 15% to over 30% in the three years of the campaign.

Sometimes market research is used in an ad hoc way to guide a business decision. In the Philips Softone case study we saw how research was used continuously over a number of years to ensure the successful goal of building a significant share in the lighting market with a new and innovative brand of lamp. The case study also illustrates that there are no methods or research designs that have to be used to meet an objective. Research designs are often a compromise between the trade-off of the accuracy of the information required against the time and cost of carrying out the research. We saw that Philips research team used a mixture of research designs:

- Hall tests to establish that the lamp concept was attractive and would be successful.
- Focus groups to get ideas for the pack design.
- Depth interviews to test TV and press ads.
- Omnibus interviews to track brand recall.

Market research followed the Softone product through a number of stages of its life cycle. Figure 3.6 shows the role of research in a typical product’s life cycle. In the Softone case study, there was very little secondary research used because Philips already had a good knowledge of the lighting industry. For other companies there may be a considerable use made of secondary research in the early stages of a product’s life cycle.

**Think about**

Looking back over the Softone market research programme, what if anything would you have done different to the Philips market research team? How do you think the market research could have been improved?
In 1981 Ernest Gallo, one of the largest wine producers in the world, decided that it would research the concept for serving wine mixed with a non alcoholic drink such as sparkling water. It hypothesized that this would be attractive to modern lifestyles and especially to women who may not want a heavy drink.

The concept was given to Gallo’s in-house market research department, which set up focus groups in nine cities at a cost of more than $100,000 at the time. The concept bombed. Comments were received such as “Why should you tell us what proportions to mix it in?” and “Why should you tell us what to mix it with?”

At the same time, in a garage on the West Coast of the US, two young men started mixing a drink of wine and sparkling water which they called California Cooler. Four years later they sold out to Brown Foreman, a big US distiller; for £150m and the “wine cooler” became a phenomenon.

What went wrong with the Gallo research? There are a number of possibilities.
1. New products are taken up by a very small percentage of the population. For example, what if only a very small percentage of the population is made up of true innovators who will try anything? Some people believe that this proportion could be less than 20%. If the focus groups comprised drinkers representing the general public, it is quite likely that over 80% would be reluctant to try something new and not the right targets for the new product.

2. Sometimes the focus group environment can kill new product ideas. It only needs one person to say that they do not think it will work for it to sew the seeds of doubt in the others. Especially if the person who is negative is articulate in their views. It may be better to consider depth interviews for the test so that there is no contamination of opinions.

3. If the focus group had restricted the discussion to the environment into which the wine cooler was to be sold, it could have found a more positive result. If people had restricted their comments to drinking and driving, attitudes to consuming alcohol and calories, the interest in a lighter drink etc, it is possible that there would have been a green light to proceeding with the concept. A subsequent product test would have checked out if the formulation was correct.