

# MARKET RESEARCH: AN ESSENTIAL BUSINESS TOOL

**The level of social, market and opinion research conducted within both the private and public sectors has risen significantly in recent years. This has been propelled by business and stakeholders' desire for more informed decision making, and need for better insight into what drives customers – be they the purchaser of a new drinks brand, or the target of a public consultation.**

The need for businesses to deliver fair, ethical and properly conducted research studies is as important as ever. As market research climbs up the corporate ladder, influencing board-level decisions on issues from new product development to recruitment policy, the central role of the researcher at the core of the organisation is essential. This evolution has helped the UK market research industry to become one of the largest and most effective in the world; the 2007 annual survey of the UK sector revealed total industry revenue to have reached a value of £1.353bn.

The Market Research Society (MRS) can help organisations identify the best ways in which research can assist them in providing the optimum results for their customers - using accurate and responsive research to guide and inform the decision making process.

But what exactly is market and social research and how can it help a business?

## *What is research?*

Put simply, market research is the collection and analysis of information about markets, organisations and people to support better business decisions. In today's competitive business environment, the more knowledge a business has about its customers, the more likely it is to succeed. Research is based on the principle that a relatively small sample of people can provide accurate opinion and insight on any given subject or issue that is representative of a much larger population or community. This data can then be applied to gauge public opinion and offer greater insight to perceived attitudes. At its most effective, research can operate as a means of communication between organisations and their stakeholders – whether they are consumers, other businesses or government. Effective research can hold the key to understanding a target audience of any kind.

## *What are the benefits of research?*

Research has a number of specific uses for business including:

- Attitudinal – research can enable organisations to assess a range of perceptions and opinions relating to customer satisfaction and preference in the provision of services and products.
- Product development – research can identify new trends and changing habits, and help a business to stay ahead of its target market, as well as testing new products and strategy before they are launched
- Policy development, implementation and evaluation – in the complex process of policy development, research can provide effective evaluation at every stage
- Public consultation – research can help acclimatise government thinking with public opinion
- Communications – research can enable two-way dialogue with key stakeholders and inform the selection of effective channels of communication
- Public relations – research can help companies understand the behaviour and attitudes of target audiences, helping them with successful media positioning and branding

In short, the benefits of market, social and opinion research are clear, argues Fiona Wood, Director of Research at the Central Office of Information (COI) and member of MRS. She says, “Research is invaluable in making informed decisions across policy formulation, delivery and communications. Public sector campaigns are funded by the taxpayer, so we have a responsibility to get it right first time. Accurate and effective research can help make this happen with cost efficiency and speed.”

#### *Professional guidelines and ensuring accuracy*

For an organisation to feel the true value of research, they must ensure that key professional and ethical rules and guidelines are adhered to when conducting and commissioning research. Sticking to the guidelines ensures that findings are accurate, fair and truly reflective of opinion.

MRS has put in place a number of guidelines, procedures and legislation to ensure good practice throughout the sector. Research companies and professionals that are accredited members of MRS have to abide by the *MRS Code of Conduct*. This ethical framework, which was re-worked in 2005, provides a step by step guide to effective research.

Simon Lidington, Chairman of MRS, comments: “Superficially it may appear that research is merely asking questions and taking answers. In fact, I assure you it is far more complex than that, and getting it wrong can result in some serious issues. Both the *MRS Code of Conduct*, which all MRS accredited companies and individual members have to adhere to, and the Data Protection Act of 1998, offer a strict professional set of parameters that restrict malpractice in research. When these ethical rules and guidelines have been met, research can provide an

unparalleled insight into the thoughts and opinions of customers and audiences that can redefine the way you formulate decisions and policies.”

#### *What type of research do I need?*

There are broadly two types of research used across the industry. These are quantitative and qualitative, and both have their own specific purpose. MRS can help advise on what sort of research suits a specific campaign. Quantitative research involves using large samples of respondents to provide reflective data on major issues, often via face-to-face interviews, surveys by telephone, post, and increasingly, online studies. Such research is particularly useful to inform a decision on, for example, what percentage of mobile phone users are buying a certain brand, or how many people in a local community would like to have mandatory recycling of glass and computing materials for all shops and offices.

Qualitative research, alternatively, involves much smaller samples and far more bespoke, personal questioning, which can provide insight and explore the thinking and behaviour of specific groups. It may use a focus group, where individuals are carefully selected and invited to discuss the prototype of a new product, or their thoughts on an advertising campaign. Of course, a combination of approaches can often yield the most fruitful results.

#### *Where can I go to get advice and guidance?*

The MRS website ([www.mrs.org.uk](http://www.mrs.org.uk)) should be your first port of call. The site includes *A Newcomers Guide to Market Research*, as well as the annually updated *Research Buyers Guide* ([www.rbg.org.uk](http://www.rbg.org.uk)), which lists all the organisations with members of MRS, their contact details, geographic area and industry specialisms. All companies and individuals listed in the *Research Buyers Guide* are committed to adhering to *The MRS Code of Conduct*.

Elsewhere, sector trade bodies frequently link-up with MRS to develop bespoke guidelines tailored to their sectors. For example, LARIA (the Local Authorities Research & Intelligence Association), has its own website ([www.laria.gov.uk](http://www.laria.gov.uk)) and works closely with MRS. In 2005, MRS and LARIA issued *Using Surveys for Consultations* as a joint guide for all local authorities looking to conduct market, social or opinion research, offering advice specifically on researching public and social opinion on issues of local importance, such as planning proposals and local authority service provision.

“The sources on the MRS website provide an excellent starting point for any organisation looking to benefit from research,” says Debrah Harding, Deputy Director General at MRS. “Research can completely alter the way an organisation operates. People need to grasp the opportunity, using

rules and guidance from MRS, in order to take advantage of research and reach beyond traditional barriers of communication and perception.”

*How do I go about commissioning research?*

“Selecting a research agency depends upon the campaign and the target audience,” comments Fiona Wood. “COI advises government departments on the most suitable research suppliers to deliver campaign objectives. We buy a huge amount of research on behalf of our clients, and use a framework which is pre-screened across various criteria, including capability, expertise, experience, resources and quality control procedures.”

Research, whether in the public or private sector, requires absolute precision and professionalism. “It is critical that companies serious about investing in research use researchers who comply to the MRS Code,” comments Simon Lidington. “The MRS Code reassures respondents that their details are kept securely and that information is not misused. The MRS Code also reassures decision makers that research is credible and reliable for policy formulation.”

Further advice on how to commission research that complies with the MRS Code can be found in the *Research Buyers Guide* ([www.rbg.org.uk](http://www.rbg.org.uk)).

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