

Strategic Survey Research:

How It Differs from Tactical Research

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The traditional “4Ps” approach to marketing (product, price, place and promotion) focused attention on the sales transaction. The newer “relationship marketing” approach, by contrast, takes a broader view. Since its focus is on the consumer, not the sales transaction or the brand, it demands a larger-scale, longer-term, cross-functional approach – that is, a strategic approach.¹

This change in the practice of marketing presents an opportunity for survey researchers to provide the knowledge clients need to make sound strategic decisions and, in doing so, to play a more strategic role in their organizations.

RESEARCH TO SUPPORT STRATEGIC DECISION-MAKING

The goal of strategic decision-making is to focus the organization’s resources on the actions and communications that will give it the greatest competitive advantage.

Competitive advantage is seldom – if ever – won by conventional thinking. The strategic survey researcher should be willing to think outside the proverbial “boxes” that industries, organizations, functional areas and even disciplines often build for themselves.

The most important intellectual tool for strategic research is the scientific precept of “systematic doubt.” While it is important for strategic researchers to understand the conventional wisdom about the industry and the organization, they should treat truisms as hypotheses-- not as assumptions. Often, the most valuable finding is the one that discredits a time-honored but outmoded truism.

¹Richard Brooks and Victoria Little. Marketing and Research Today. “The metamorphosis of marketing – how will the marketing research industry adapt?” *Marketing and Research Today*:

All of this makes strategic research a “high risk, difficult task in an undiscovered country.”² It is also an ambiguous task. The word, “strategic,” like the word, “actionable,” is commonly-used and often misused. It is the proverbial “honorific” term that is too often applied to make a study’s findings seem more important, or more profound, than they are. Many types of studies – corporate reputation, brand image, customer satisfaction, segmentation, product development, to name a few – can be strategic, but many, perhaps most, are not.

WHAT DIFFERENTIATES STRATEGIC RESEARCH?

So we must ask we mean by the term, strategic research? How is it different from tactical research, or research that is merely descriptive? We believe that there are six basic factors that differentiate strategic survey research:

1. Broad perspective
2. Understanding value from the consumer’s point of view
3. Competitive analysis
4. Assessment of the consumer’s profit potential
5. Novel approaches to segmentation
6. Causal approach

Broad Perspective. Thinking beyond the conventional wisdom requires a broad perspective. Clients should expect lead researchers with the outside survey research organization to be “cross-fertilizers” with experience in a variety of industries and a solid understanding of marketing and communications processes. However well qualified,, the outside researcher should set aside preconceptions and, instead, approach each strategic survey research project with “beginners’ mind.” A good way to start is by seeking out the views of different functional managers and front-line staff within the organization.

Understanding Value from the Consumer’s Point of View. In the military, tactics are used to win battles, but strategy is used to win wars. In marketing, the consumer is the ultimate theater of war. Thus, while tactical marketing research usually focuses on specific management

The Journal of the European Society for Opinion and Marketing Research. February, 1998.

² Ibid.

decisions, often involving just one functional area, strategic marketing research must focus on understanding the value to the consumer in the context of the company's (or brand's) overall mission and goals.

To understand value to the consumer, the researcher must adopt the consumer's frame of reference, focusing not so much on the client's brand but on the needs and desires it fulfills. The line of questioning should be consumer-centric, not brand-centric. While a brand-centric questionnaire might introduce the brand and ask the respondent to rate it on a number of criteria, a consumer-centric questionnaire would introduce the need or desire and ask respondents to rate the brand as one of several options available to fulfill it. This consumer-centric approach is not only more objective than the brand-centric approach but it often yields serendipitous findings that lead to new strategic directions.

Competitive Analysis. A focus on value to the consumer means considering all the options available to meet consumer needs, that is, the competition.

One of the main reasons that customer satisfaction studies fail to provide strategic information is that they fail to consider the impact of competition. It is also the reason that some organizations complain that customer retention rates are decreasing despite high customer satisfaction scores. Several clients have come to our firm with this dilemma. We have solved these problems by simply asking respondents to give blind ratings of both our client and the competition on the same set of attributes. In every case, we found that our clients' customers were at least moderately satisfied but that a substantial proportion thought they would be more satisfied if they switched to a competitor.

Assessment of the Consumer's Profit Potential. Strategic survey research considers consumer preferences and priorities in the context of profit potential, or the value that would accrue to the organization from having the consumer's business. Failing to assess the potential profitability of each survey respondent can result in misdirected marketing efforts that result in more customers but lower profits.

Many customer satisfaction studies fail to yield strategic information because they do not distinguish between customers with low and high profit potential. Trying to satisfy all of the customers all of the time is not only a waste of resources, it is doomed to failure. On the other

hand, strategic customer satisfaction studies show clients how to use their resources to retain their most profitable customers. United Airlines' recent efforts to woo "road warriors," who travel frequently and pay full fare, is a case in point.

Sometimes, analysis of profit potential can avert disaster. Our firm once conducted a study for an issue-based membership organization that was considering changing a long-standing position. They wanted to know how their membership would react to this change. The overall results suggested that there would be no problem since the great majority of members said they would not object to the change. However, one cluster of members opposed it strongly, and many said they would drop their memberships and cease to contribute to the organization. This cluster – which we called "core members" included the most of the organization's largest and most faithful contributors. The organization decided not to change their policy.

Novel Approaches to Segmentation. This is one of the few areas in which novelty has value for its own sake. Market segmentation is a very old idea. Virtually every serious survey research study includes some type of segmentation.

But strategic survey research has a special imperative – to find new ways of looking at the marketplace, new niches, and new, more efficient ways of defining and marketing to groups of prospects with similar needs, desires and values. It is particularly important that the research identify segments whose needs are not being met by competitors. Thus, there is a premium on discovering new ways to define meaningful segments of consumers.

Segmentation strategies are based on relatively enduring characteristics, such as values, needs, product benefits sought, usage patterns, psychographics and demographics. Researchers find new segmentation strategies by either identifying new characteristics or by finding new ways to combine multiple characteristics to identify relatively homogeneous clusters of consumers.

What might be considered a novel segmentation strategy varies widely from industry to industry. What is old hat in one industry is often cutting-edge thinking in another, an advantage for the researcher with experience in several industries.

Causal Approach. Most clients who contract for a strategic study want to know what is happening, but they also want to know why it is happening and what they might do to change the

situation. Thus, causal analysis is an essential part of strategic studies.

The most appropriate type of causal analysis depends on the study objectives. For example, experimental methods like Conjoint Analysis are used in product development and pricing studies, while regression-based methods like Multiple Regression, Discriminant Analysis and Causal Modeling (also known as Path Analysis or Structural Equations Modeling) are used in customer satisfaction studies, corporate/brand image studies and message development studies. There are several different ways to conduct each of these types of causal analysis, and discussions of their relative advantages and disadvantages fill the pages of scholarly journals.

But all of these methods share a common *raison d'être*: Because they sift through a virtual mountain of information to reveal a few critical findings, they help organizations concentrate their marketing efforts in areas most likely to give them a strategic advantage. For example, a typical study of customer loyalty might include ratings of 30 or more attributes, but only a few have an important impact on customer loyalty. Causal analysis separates the important from the unimportant, allowing the researcher to present the results of a complex analysis as a simple graphic, such as the hypothetical causal model of customer loyalty shown below. This type of model focuses management attention on the factors that drive customer loyalty, especially those that represent key strengths and critical weaknesses.

THE CHALLENGE OF STRATEGIC SURVEY RESEARCH

Successful strategic research requires a collaborative relationship between the client and the survey research organization. There must be a common understanding of the goals of the research and the requirements for success.

The most critical challenge is achieving the broad perspective necessary for successful strategic research.

- Many clients set up cross-functional teams to act as a resource for strategic survey research projects. In addition, we often conduct confidential depth interviews with managers, staff and consultants – such as advertising and public relations agencies – and invite them to share any insights, opinions, hypotheses, or hunches they might have.

- Survey researchers often bring new ideas, based on experience with other industries and a thorough grounding in marketing, communication and other social science disciplines.

Strategic survey results often have far reaching implications. Thus, they often need to be presented, read, mulled over, talked over, and, perhaps, presented again before they are fully digested. In some cases, we have made multiple presentations and participated in work sessions with advertising and public relations agencies, as well as marketing and communications managers, to develop detailed strategies and tactics.

But presentations cannot replace thorough reporting, which is necessary to preserve institutional memory and orient newcomers.

Strategic survey research involves far more effort on the part of senior staff in both the client organization and the survey research organization than does the typical tactical research study. The added effort, however, can have a very large payoff for both. The client gets not only information that can give the organization an advantage in the marketplace but a process for continuing to collect strategic information.. And, of course, survey researchers benefit when survey research becomes a more integral part of the organization's strategic planning process.