

QUICK AND DIRTY

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Typical Marketing Research texts do a fine job of explaining professional Marketing and other Research. This is the way large American, and other, organizations gather the proper, and useful, information for making important decisions. The texts usually show how large American and other marketers gather and use needed information. They need it to make good multi-million dollar decisions. History has shown that guessing or using good information badly can be disastrous. Using bad information is also very dangerous,

Unfortunately, these concise, proven, methods are often not valuable to a manager of a small organization. This manager must deal with day-to-day “small” questions. Good inexpensive information is often needed quickly. These questions will not determine the success or failure of multi-million or billion dollar organizations. The small organization manager only wants to get through the quarter or month, and not make expensive mistakes.

Old fashioned, face-to-face sales efforts, provide an example of good quick-and-dirty research. An entrepreneur or small organization manager often wants a good answer to a good question in a few days or weeks, at low cost. Years of class and sales experience have provided an entry point for this explanation.

If an entrepreneur, or small organization manager, has a “new” (to the market or world) product s/he starts with a clean slate. There are no past records. There is no database. The question is: what is the best way to find out “who will buy this?” Professional researchers can easily provide answers to the question in weeks or months for thousands of dollars. Good managers will always consider the cost of not knowing. It should be compared to the cost of finding out.

The manager needs to gather data. This can be done in the normal course of business. Samples must be taken from a universe. The universe in this case is all of the contacts that could be made locally or globally. The universe is likely to contain differing groups. Any such groups must be identified.

Research requires that every member of the universe must have an equal chance of being selected, in order to use the rules of probability in making decisions. With these ideas in mind, it is possible to begin the work of correct sampling.

The researcher must be aware of the fact that many things may be affecting the outcome of the effort. It is necessary to keep track of every possibly important variable in the sampling. For a “door-to-door” sales person, this means that anyone who could possibly buy must be considered. It also means that every thing that might affect the buying decision must be kept in mind.

When the sampling rules have been identified, it is possible to go to work. The work is to talk to everyone. If one can find no buyers at all, the work is partly done. It becomes an established fact that no buyers could be found at that time, that location, with whatever presentation was made.

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If red products were offered, nothing was learned about blue or green products. If the sampling was done in June, nothing was learned about March or December. If the offers were made by women, nothing was learned about male presentations. If a specific price was considered or offered, nothing may have been learned about other prices. Each of the offers had certain characteristics. Nothing was learned about other characteristics.

When sales are made, it is critical to know as much as possible about the customers or sample events. If gender is not recorded, the researcher learns nothing about that variable. There is a long list of characteristics that might be important. The more that is learned about the customers, the more value the information has. More recorded variables make the effort more valuable.

It may seem that there are too many variables to keep track of. That is true and important. At first, it is not known what information is valuable, and what can be ignored. The purpose of the research is to learn which variables are important and which are not. The next step in making the study accurate and valuable is to reduce the number of variables to track. This is done when it is discovered that a specific variable produces no valuable information. If there proves to be no difference between male and female presenters, these variables no longer need to be tracked. If Monday, and Tuesday or Saturday are found to be the same, they no longer need to be recorded. It is valuable to discover that no seasonal, or other variable, provides valuable information.

The objective of these observations has been to identify and quantify the variables that are unimportant, and those that can be safely ignored. Then the remaining variables are important and those can be used effectively. When all of the important or significant variables have been identified, the research has become as valuable as it can be. It is used to create a model of offering and response that will reduce wasted time and effort to the minimum level. It becomes possible to assign each person to his or her most attractive time, location, and work. Wasted sales effort has almost been minimized.

One more part must be added to the optimum effort. It is to confirm that the situation and variables have not changed over time. This is done by deliberately making presentations that are not supposed to be successful, according to the model. As soon as the model provides a wrong answer, it must be corrected by the same procedure as it was established.

ILLUSTRATIONS

A local TV advertising sales person had a weekly water adventure program to sell. He contacted a local swimming pool contactors association for the names and contact information of people who had recently bought pools. He got ten names. Every customer responded that their family regularly watched the program. It is extremely rare to find such a high correlation between a product and an important consumer behavior pattern. Researchers know that with a correlation such as this, little more needs to be known.

A different representative made a routine Spring call to a "shoe store". The store owner wanted to clear out his inventory galoshes and other winter footwear. A day was selected to run a group of TV "spot announcements". About mid-morning of the selected day, a snowstorm began. By mid-afternoon, there were several inches of snow on the ground. It was not a surprise that the winter foot wear was quickly sold out. During a routine follow-up, the representative was asked if he could arrange another sellout event.

The lesson learned was that some business disasters and successes cannot be predicted.

Another merchant, in the pre-computer era was planning the fall season for women's coats. He made the discovery that nearly all of the recent sales had been dark colors. He also discovered that a particular cut or style was selling very well. He called his suppliers and bought all of the dark coats in that style he could find.

By the time that the selling season was well underway, the man's competitors made an important discovery. It was very hard to find the dark colored style that was selling so well. The

lesson to be learned was that much valuable market information is readily available, if one knows where to look for it.

Another illustration was a large man who managed a men's sport shirt department. He bought men's sport shirts for many years. As usual, he closed out each season by putting the unsold inventory on sale at substantially reduced prices. A mere young part-time employee noticed that nearly all of the marked downs were large sizes. There were few or no small or medium shirts.

The lesson is that much marketing information is inconclusive. Much good marketing information is expensive. Good researchers should watch for opportunities to get really good information at very low cost.

The important rules are

1. Identify the appropriate universe or population (all relevant subjects).
2. Identify all appropriate subcultures or components.
3. Identify all relevant variables.
4. Match 1-3 with research questions.
5. Prove your model regularly by testing it (looking for false or unpredicted outcomes).
6. Watch for "flecks of gold", or surprising new opportunities.

EXAMPLE

A retailer may hear that a men's shirt style or model is selling well in another market or city. The retailer may do research to see if it will sell well in his or her store. A simple way to do this is to buy a few. This is a normal part of the job. The retailer can put the shirts in stock. If they don't sell, information has been gathered. They can be displayed. This is also part of the job. If they don't sell, they can be moved to different location in the store. If they don't sell, they can be set aside until another season. This is part of the job. It should be obvious that the manager has tested many variables. If they do not sell in any of these situations, the probability of selling any of such shirts is quite low. If the manager has done this with several colors and style variations, enough has been learned, to make a good decision. The cost of the information is minimal.

Nearly all managers have done this, without knowing it. They have made enough observations and mistakes to guess quite well what textiles, colors, pattern are most likely to sell, and which are least likely to sell well. But they also know that tastes and other characteristics of buyers change. They know that fashion leaders change from season to season and locality to locality.

The managers who know their markets best are most successful. Those who know their suppliers best are the most successful. Having the most popular merchandise in stock will generally produce the best sales and profit results. Some markets are very dynamic and change rapidly. Others are not so. Since the marketing of this kind of product is a probability game, it is best to know the rules by which it is played.

This technique can be applied to many kinds of questions. It can be a good guide to hiring people, training them, and making nearly any other kind of decision.