BUSINESS RESEARCH

WHY CONDUCT BUSINESS RESEARCH?

Business organizations must be able to move ahead quickly to **stay competitive** in a technological, changing, global economy. They must be **proactive** in finding and implementing new information about resources that will improve their **marketing techniques** and **business strategies** to ensure their products and services will reach their customers.

SMART COMPANIES KNOW THAT RESEARCH:

- Provides accurate **information** to answer questions, provide ideas or expand interests.
- Allows compiling and analyzing the latest available information in support of various concepts or ideas before it is communicated to others, or prior to marketing new products and services.
- Expands a company's knowledge base and builds upon previous knowledge.

Research is the source of the **"who, what, when, where, why, and how"** to conduct business; providing new strategies and pathways to bringing products and services to the marketplace. It provides business organizations, professionals and students with accurate information about best practices, new trends, competitive markets, public opinion and legal issues in business and in the sciences, the arts and other important areas impacting the economy.

- Technology provides the access to an overwhelming abundance of available information, but one must carefully evaluate that information to ensure that it is **accurate, timely,** and **reliable**. The information produced by your research either supports or disqualifies your hypothesis, and how you use it is a reflection on you, your organization, and the image you want to portray.

RESEARCH METHODS

PRIMARY

Information directly obtained from the source. Examples include: **personal interviews, results from surveys, focus groups, case studies,** and **assessments.**

SECONDARY

Information obtained from materials already printed or information that is widely accepted or generally known to be true. Commonly used for **gathering information** for research papers in schools and university settings, and for presentations. Best used for **background information**. Examples of secondary sources include **books, journals, Internet articles, etc.** based on the ideas of others who have experience in a field of study or an opinion based on their ideas and/or research of others' ideas.

WHERE TO DO RESEARCH

LIBRARIES & MEDIA CENTERS

- Information is available in many forms, including **books, magazines, periodicals, newspapers, encyclopedias, micro-reproductions, videos, filmstrips, slides, photographs, maps, movies** and **computers**.
- The larger the library, the more information and services it provides. Services generally include a **reference librarian** who assists people in their research by directing them to available and appropriate materials or resources.
- **Specialized libraries** exist that cater to the needs of specific subject areas.
- When beginning research in a library, the best place to start is the **catalog**. In many instances, the catalog is electronic. Printed catalogs usually follow an alphabetic system, whereas electronic catalogs are used most effectively with **keyword** searches to pull up the **database matches**.

KEYWORD RESEARCH

- Used to find specific information within a subject area. It is recommended that you select a keyword(s) that "narrows" your search to the specific topic. An example would use **"dogs"** rather than **"animals"** when looking specifically for information about dogs or canines. Although you may retrieve information regarding dogs using the keyword "animals," you will be able to limit the amount of information initially returned to that relevant to your search.
- **Booleans** (the use of *and/or* with keywords) enables you to be as specific with your query as needed and "focus" in on the desired information. Key words are the main ideas or concepts that will lead to information. For example, *Human Resources and Federal Guidelines and American with Disabilities Act* are key words joined by Booleans that will retrieve information using all three terms. The more Booleans used, the more *focused* and specific research information will be produced.
- Computer and Internet information is often gathered electronically into **computer software programs, electronic encyclopedias** or can be found readily on the **Internet** (through searches). Electronic information is usually updated more often than printed text found in libraries.
- Researchers should note that the Internet includes an enormous amount of information, some of which may be:
  - purely opinion
  - outdated, incorrect
  - extremely biased.
- **Validate** all information found on the Internet for reliability before using.

ENSURING VALID & RELIABLE INFORMATION

Information is only as good as the research supporting it.

- Consider the **date of publication, scope of information, the author** and **the publisher**. Double-check citations, footnotes, appendices and other sources to be confident the information is from a recognized authority.
- A researcher's information, writings, or presentation will often be judged on the **references** used to formulate them. Information from the Internet is much more difficult to evaluate than printed materials. Remember, **anyone** can put **anything** on a Web site - there is no editor, publisher or any other means of quality control.
- Determine how search engines prioritize returned information. Some Internet search engines "sell" top billing to advertisers.
- Don't assume that an Internet search engine retrieves and evaluates information the same way as a library.
- Examine how often the search engine updates its information.
- Look for **methodologies** of gathering data on the Internet, as well as **how** it was interpreted.
- Seek out the **sources** or **links** within the bibliography to the actual documents to ensure accuracy.
- Paid subscriptions are often used because of their up-to-date and valid information. One such source is **Lexis-Nexis** (www.lexis-nexis.com).

GIVING CREDIT FOR INFORMATION

All sources used in research, whether written or given in an oral presentation, must be **documented** and **acknowledged** so that credit is given to the author or creator of the idea.

- These sources can be documented through citations on a "works cited" or "bibliography" page.
- Any information that is **directly copied** from a source or **paraphrased**, **rephrased**, or **summarized** from another's work or idea must be cited.
- Neglecting to credit others for their work or thoughts is considered **plagiarism**, and can lead to expulsion from academic institutions, termination from employment, and prosecution from the original authors.
- There are various methods of citing sources. Use the preferred method of the person requesting the research.
- A common method is use of **footnotes**, which are found at the bottom of a page and numbered consecutively. They generally refer to the information on that particular page of text.
- A bibliography is found at the end of a research piece to further explain or expand the sources cited.

GIVING CREDIT FOR INFORMATION *cont.*

- Many academic institutions in the United States now require the use of the **Modern Language Association** (MLA) format.
- Information on proper citation can be found in the <u>MLA Handbook for Writers of Research Papers</u> by Joseph Gibaldi or visit www.mla.org. and **BarCharts®**, *Essays and Term Papers*.
- Citations should be given at **appropriate times** throughout oral presentations.
- Citation examples from a Web site:
  - Footnote Format: Author's Name, "Article or Web Page Title," URL, Access Date e.g. Ryan Hunter, " The Northwest Wonder," BarCharts Online, http://:www.chabongroup.com, August 25, 20xx.
  - *Bibliography Format:* Author's name, last name first, "Article or Web Page Title," URL. Access date, City: Producer. e.g. Harrison, Matthew, "The Barney Phenomenon and Learning Styles," SydneyCritiquesOnline, http:/www.JakeProductions.com, December 4, 20xx.

TIPS FOR INTERNET USE

SEARCH ENGINES

Researching information on the Internet can be accomplished most quickly and completely by using one or more **search engines**.

These include such well-known sites as **Alta Vista, Google, Excite, Lycos, Ask Jeeves** and **Yahoo** *(these well-used and recognized sites may change as quickly as new technology changes. Be on the look out for emerging new search engines).*

- They perform various advanced searches to sort out the information most needed and to give access to as much information as possible using the given key words. It is generally wise to use as many **links** as possible to be certain you have accessed as much information as is available. Advanced searches using *links* will route you to multiple sources of information and data. New resources become available on a daily basis. If you require updated resources, check often to access added information.
- Within each search engine, there are other engines that direct you to additional information.

GENERAL SOURCES OF BUSINESS RESEARCH AVAILABLE AT MOST LIBRARIES: (MAY BE AVAILABLE ON INTERNET)

- **Standard & Poor's Industry Surveys:** Provides industry profiles and company information, including industry and company data.
- **Encyclopedia of American Industries**
- **Annual Reports**
- **SEC Filings**
- **Standard & Poor's 500 Guide**
- **Moody's Manuals for Company Reports**
- **Investment Services**
- **Who's Who in Finance and Industry**
- **Financial Yellow Book**

TIPS FOR INTERNET USE *cont.*

- **Standard Industrial Classifications**
- **Encyclopedia of Associations:** Includes data on more than 22,000 national and international trade, business and commercial associations, as well as their publications. Also includes contact names of executive directors and members.
- **Statistical Census Information:** Related to major industries.
- **Thomas Register of American Manufacturers**
- **Services Industries, USA:** Organized by SIC Codes, industry name and region.

RESEARCHING BUSINESS ONLINE

Business information available on the Internet includes many of the resources listed above and other forms of **corporate information, sales prospects, contact information, company home pages, financial information, public opinion, press releases, professional and trade associations, conferences and seminars, industry information, government and legal requirements, advice from experts** and **international resources**.

USEFUL BUSINESS SITES

Some databases and useful sites require **subscriptions** or a **request for assistance** to make the best use of them. Instructions are provided online. Please note that databases change on a regular basis; some are deleted while new ones may be added. Consider how you will be using the research and continue to use keywords to find new resources.

- **Hoover's Online; www.hoovers.com:** Up-to-date corporate and financial information on more than 50,000 public and private companies.
- **Corporate Information:** Keyword resource for research reports, company profiles, financial information, and analysts' reports on national and international companies.
- **Business.com:** Business-related search engine.
- **ABI/Inform (Global):** One of the largest subscription electronic sources of business information, with complete bibliographic information, indexing, abstracts and full text articles from business journals.
- **Academic Universe; www.findarticles.com:** Provides access to comprehensive range of news, business legal, and reference information.
- **WWW Commercial Use Survey; www-personal.umich.edu/~sgupta/hermes:** Contains data on the commercial use of the World Wide Web conducted periodically with a standard format by an academic institution. Results considered more reliable than the sporadic studies done commercially.
- **Wall Street Executive Library; www.executive library.com:** Provides comprehensive content areas, including newspapers, privacy resources,

USEFUL BUSINESS SITES *cont.*

top downloads, technical support and tools, the invisible Web, business publications, corporate Web site search links, public records, quick reference tools, government guides and Federal forms, business toolkit, encyclopedias, grammar & usage, and libraries.

- **D&B Small Business Solutions (Dunn & Bradstreet; www.sbs.dnb.com):** Can lead you to supplier searches, credit services, collection services, business prospects and industry locators using the Standard Industry Classification (SIC).
- **CEO Express; www.ceo.com:** Comprehensive site with extensive links to a variety of useful information and other sites.

ON-LINE TUTORIALS FOR RESEARCH
- These include definitions of **terminology** and how to expand and limit searches using **keywords** and other Internet terminology. Resources for evaluating materials found on the Web can also be found within many University links on research.

WIDELY ACCEPTED URLS
- **.edu** - educational institutions
- **.gov** - government resources
- **.com** - commercial products or commercially sponsored sites
- **.net** - Internet Service Provider
- **.org** - not-for-profit organization

Warning: A URL with a proper name may be a personal home page with no official approval, even if **.edu** or **.com** is included.

RESEARCH INFORMATION ON FUTURE TRENDS

To stay in business, good companies understand people's lifestyles and how they affect business practices and the communities being served. The successful company has effective methods to determine if change in the market place requires an alternate business plan.

Magazine subscription sources for that kind of information may be found in the following:
- **The Futurist Magazine, World Future Society**
  www.wfs.org/wfs
- **American Demographics**
  www.demographics.com
- **Soundview Executive Book Summaries**
  www.summary.com
- **Fast Company**
  www.fastcompany.com
- **World Watch**
  www.worldwatch.com
- **Yahoo Internet Life**
  www.yil.com
- **Far Eastern Economic Review**
  www.freer.com
- **Strategy & Leadership**
  www.emeraldinsight.com
- **Cam Report**
  Mckinl18@pilotmsu.edu

SURVEYS & FOCUS GROUPS

- The purpose of these methods is to determine what **customers** and **the public** thinks or knows about your products or services.
  - Additional information that can be compiled includes data related to benchmarking, tracking, customer and employee satisfaction, pricing, promotions and brand awareness, surveys of competition, assessment of marketing strategies, new product development, available technologies, suppliers and vendors, and raw material, as well as staff recruiting and hiring.
- These methods are effective for **quantitative** and **qualitative** measurement in business organizations, government institutions, and not-for-profit agencies requiring opinions of preferences and patterns, and characteristics of opinions.
- Results often lead to **new marketing concepts** or **programs and services**; also used to make informed decisions that will boost profits or build an organization.
- They can also be used **internally** in organizations for **strategic issues, to develop management, assess quality issues**, and **to improve systems and processes**.

SURVEY METHODS

Used to develop **in-depth interviews** of small and large demographically chosen groups. Can be **conducted in-person**, **in writing**, **by telephone** or by using the **Internet**. Questionnaires must be developed and written so the answers reflect the specific information required or relate to the needs of the organization. Developing appropriate questions should be done by a **trained professional** to obtain the most useful, valid and reliable information.

- Reporting the survey results should include the number of persons participating (often called the *sample)*.
- When using surveys sent randomly to potential customers or to determine patterns of thought, a **10%** respondent rate is considered a good response.
- Unless conducted one-on-one, survey results may be difficult to interpret and conclude that the respondent was being unbiased and/or truthful. Questions to double-check validity of answers should be included.
- Questions can be **open-ended, yes or no, choice ratings of items, rank-ordered** or other variations. Make certain that results can be interpreted easily from the answers given.

SURVEYS ON THE INTERNET

Using this method poses **problems**, whether one is using surveys as citations, as backup to support ideas, to make a presentation or to produce new information. Surveys are other people's "opinions." The following are *caveats*:

- **Methods** of surveying do not always assess real usability of a product or service.
  - They may be **misleading** or **several levels removed from the truth**, since users often rationalize their thinking based on the survey methods or their experiences.
- Be aware that the "Number of Hits" on an Internet website is **meaningless** to surveys. There is no way to trace why that person entered the site, whether they had or would use the services or products being highlighted.

FOCUS GROUPS

An **informal** or **formal strategy** to assess user needs and feelings before a product or service is introduced or after it has been implemented. Another name for a **group interview** or a **group discussion** to elicit information on a given topic.

Provides an understanding of the assortment or collection of **opinions, beliefs, feelings** about a given topic. Information from focus groups is a **qualitative research technique** and can be used to formulate further specific research needed to provide quantitative interpretations. Opinions of a focus group can be the basis of formulating a questionnaire that will produce data that can be quantified or measured numerically.

A GOOD FOCUS GROUP:

- Produces **spontaneous responses** from a small number of persons (4-15) led by a skilled facilitator who keeps the discussion moving and on target.
- May have **simultaneous groups** going on at one time or a series of groups dedicated to the same topic or idea.
- Should include a **variety of products** or **samples** to produce unbiased results.
- Allows discussions that appear to be free-flowing, yet must be **pre-scripted** to keep them moving and to make certain that all involved will have contributed their ideas or feelings.
- Records responses accurately for data analysis. **Videos** and **tape recordings** often used. Must have participants sign a release of information statement.
- Compensates participants with actual **cash** or with a **company product** for their participation. Names of participants are not generally published; however, the demographic group they represent can and should be made public.
- Provides an **advantage** of collecting more information from a group in a short time period while simultaneously checking the reliability of the information. Checks and balances are usually present within a focus group if it is a cross-section of the population.
- The major **disadvantage** of focus groups is that only a limited number of questions can be covered. Some research indicates that there be no more than ten questions per hour. Power struggles among participants can occur, and it requires considerable group process skills to make it effective and efficient.
- Participants usually represent a sample of the population whose ideas or opinions will be of value.
- May run different **subgroups** for differing members of a population based on age, ethnicity, race, gender, religion or other diverse factors. However, if data is used to formulate information related to any or all of the above differences, it should be noted in the methodology or sampling report.
- Do **not** use a focus group if the intent is not research; when a group discussion is not appropriate; when participants and the topic are not carefully matched by experiences with the subject material or if you do not intend to validate the information with other research methods as well.

SOME DEFINITIONS & LANGUAGE OF RESEARCH

Understanding the **jargon** or **terminology** associated with the process of research will help determine the levels of research you want to conduct or what kinds of results you expect from others conducting the research for you or your company.

- **Facilitator**: Trained person who consults with owners or key personnel of a business or organizations to determine session objectives and plans. The facilitator develops a strategy for the methods and approach to achieve focus group session objectives. Also manages the group to keep their focal point on achieving desired objectives.
- **Groupware**: Software specifically designed for surveys or to provide the individual and group results of a focus group.
- **Brainstorming, values voting, group writing, decision-making, process modeling, story boarding** and **mapping** are group activities and processes used often in focus groups.
- **Cross-Sectional Studies**: Take place at a single point of time, measuring or studying a "slice" of information or of a representative group.
- **Longitudinal Study**: Takes place over a duration of time and includes two further distinctions. Multiple measurements of time are known as a **time series** and should include at least 20 repetitions of the study. Repeated measures of study do not, in general, require more than two or three repetitions.
- **Fallacy**: An error in reasoning based on mistaken assumptions or conclusions. Usually occurs if one makes conclusions about individuals within a group when analyzing group data or, conversely, if one assumes that an entire group thinks or believes the same way one or two individuals think or believe.
- **Unit of Analysis**: Represents any of the following in a research project: Individuals; groups; artifacts (books, photos, newspapers); geographical units (towns, states, counties); social interactions (relationships, divorces, arrests).
- **Quantitative Data**: Based on making judgments using numbers. Leads to making qualitative decisions or assumptions.
- **Qualitative Data**: Not based on numbers, usually associated with descriptions, pictures and recordings, but can be manipulated numerically by translating or transforming information into units of measurement.

SAMPLE FOCUS GROUP MODERATOR GUIDE

This general outline can be used to facilitate a large variety of focus groups; customize it to fit your needs.

FIRST, DETERMINE WHAT INFORMATION WILL BE THE GOAL OF THE FOCUS GROUP

- Some examples of questions you might want to address:
  - What marketing information and promotional materials are necessary to provide the potential purchaser with the information they need to make a decision?
  - Some purchasers already trust this company's current products and others want more detailed information. How far should we go in providing that information? Can we offer a minimum of information at sales calls, but refer them to the Web site or other sources for additional information?
  - The answers to these questions will influence the questions posed to the focus group.

SET-UP & PRE-EVENT

- Have a "greeter" at front desk and a check-in table outside of conference room.

SAMPLE FOCUS GROUP MODERATOR GUIDE cont.

- The room will be set up with the tables connected in a small square.
- Participants will check in and get a tent card with their name on both sides.
- Allow approximately one half-hour for check in.

MATERIALS
- Tent cards with names of participants on front and back.
- Easel with paper and markers.
- Pens and pads of paper at each place.
- In groups, compile 20 of each of current marketing pieces.

INTRODUCTION BY FACILITATOR
- Thank everyone for participating in this evening's focus group.
- The facilitator may say something like, "By joining us here, you already know that you're here to help evaluate promotional materials for (company name). The purpose of our group meeting will be to help us determine what marketing materials will help improve our communication with you on this coming year's products."
- Make sure to tell the group the time the discussion will end. Usually one-and-one-half hours is sufficient.

INTRODUCTION TO FOCUS GROUP GROUND RULES, PROCEDURES & DYNAMICS:
- Seek to generate a wide range of opinions.
- Emphasize that there are no right or wrong answers.
- Remind people to be courteous, and to speak in turn or when called on.
- Inform the group that the meeting will be tape-recorded and/or videotaped, and staff members who are watching will also take notes. Reassure them that tapes and notes will not be used for any other purpose other than to produce results for marketing department.

- Take a moment to allow the group members to introduce themselves. Usually their name and occupation are sufficient.

FOCUS GROUP INTERACTION
- Before handing out promotional materials, ask an open-ended question:
  - What do you want or need to know before making your decision to purchase?
- Hand out **ranking sheet** (a separate sheet). Please rank the following from 1 to 5 in order of importance when you are deciding to make a purchase; 1 is the least important, and 5 is the most.
  - ___ Names of Other Companies Using Products
  - ___ Percentage Of Marketing Costs Tied to Cost of Product
  - ___ Success Stories Of Companies That Used Products
  - ___ Can Get More Information On Web Site
  - ___ Colors Used
  - ___ Size of Print
  - ___ Type of Paper
  - ___ OTHER_____
  - From last year's promotional materials, do you remember which:
    - Attracted your attention the most?
    - Did not attract your attention at all?
- Have the group fill out a **mail information card**. Tell them to imagine, hypothetically, that their budget has increased and they want to make a commitment to purchase between 700 and 1,000 more products this year. We're interested in how they make decisions.
  - Some questions to ask:
    - What was your first reaction to the card?
    - Did the colors or graphics influence you in any way?
    - What do you think about the format…Is it too long? Too short? Hard to read?
    - On the front, were you influenced by the promise of a bonus gift for every increase?
    - On a scale of 1 to 5, with 1 being the easiest and 5 being the most difficult, how would you judge how easy it was to complete the card?
    - Did anyone turn over the card to see what was on the back?
- Now, hand out a series of statements (on a separate sheet) about a special bonus program your company is offering.
  - Would you be more likely to order, less likely or will it make no difference?
- Individually hand out some printed materials. The following general questions provide a guideline to get the information you need.
  - Have you seen this [brochure, poster, TV ad, video, etc.]?
  - Does it help you determine if you will or will not place an order? Why or why not?
  - Would customizing this to your company make a difference?
  - What could we do differently to make this a better [brochure, poster, TV ad campaign, etc.] ?
- Put posters of ads on the wall and request separate responses to each:
  - How do these posters work as a group?
  - Show some posters from previous years. How do these compare?
- If you have them, distribute key materials from competitor.
  - Ask the same questions.
- If you have a video presentation, show it and ask the following:
  - Did you have an emotional connection?
  - What was your reaction to the video?
  - Did it have any influence on whether you made a purchase?
  - Overall comments.

SUMMARY & WRAP-UP
- Be sure to thank each participant.
- A cash gift or product is customary compensation.
- Later, the information will be collated and evaluated by the marketing department.
- You may or may not want to send results to participants.

GATHERING INFORMATION

METHODOLOGY	PURPOSE	BENEFITS	DISADVANTAGES
Questionnaires, surveys, checklists	•Obtain needed information from many people	•Anonymous respondents •Inexpensive to administer •Data can be easily analyzed •Samples for use already exist	•Feedback not always accurate •Biases of respondent •Need expert to determine proper sampling •Responses can include interviewer bias
Interviews	•Deal directly with people and their experiences •Ability to probe answers	•Depth of information •Build relationship with customer or group member •Can adapt to individual needs	•Time •Difficult to analyze •Costly
Focus Groups	•In-depth, uses group processes and reactions •Useful in marketing	•Consensus impressions •Efficient way to obtain data in short time	•Responses difficult to analyze •Need trained facilitator •Can be difficult to schedule groups of people
Case Studies	•In-depth study of one subject or person at a time	•Compelling portrayal of effect of programs or services to stakeholders	•Time-consuming •Represents depth of one person or one topic rather than breadth

THE PROCESS OF BUSINESS RESEARCH

- Identify Needs
- Determine Method of Gathering Data
- Develop Goals, Objectives & Expected Outcomes
- Create Questionnaire for Surveys or Script for Focus Group
- Choose Appropriate Demographic Group
- Distribute Surveys or Schedule & Hold Focus Groups
- Make Recommendations, Inferences or Conclusions Based on Data
- Implement Results
- Evaluate Process & Results