EVERYTHING YOUR STUDENTS SHOULD KNOW ABOUT THE MARKETING RESEARCH INDUSTRY--BUT ARE AFRAID TO ASK

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Purpose

Students taking courses in marketing research are typically subjected to methodological and/or decision-making approaches. When they emerge from their class, they may know how to compute an ANOVA or interpret its results, but few have a practical feel for the variance in practices and quality that occur in the field. The students who intend to work in the field have some control over both factors. Those who will only come into contact with research in the role of a user need to understand that it is basically a "buyer beware" market. This article provides information about the "health" of the marketing research industry and what students need to know in order to be intelligent buyers and users of research. Further, a solution is offered which will help the industry, in the long-run, stabilize the quality of marketing research for all parties--research buyers, practitioners, and respondents.

Background

In today's fast-paced and unpredictable business environment, an increasing number of firms are turning to research as a means of reducing the risks associated with important marketing decisions. Who conducts the research depends on the availability of internal expertise and relative cost efficiencies. According to recent estimates, more than one-half of United States companies have marketing research departments (Moehlis and Stanley 1984). In some instances, research is exclusively conducted in-house. In many situations, however, in-house personnel are involved in only a portion of a study or merely act as a coordinating link between their firm and an outside specialist. It is estimated that approximately five billion dollars is spent worldwide on outside marketing and public opinion research firms, with one-half of that total coming from the United States (The Economist 1989). With this large scale of activity, it seems prudent to examine how key players in the process--namely research providers and research users--perceive how the industry is performing.

Although some market research involves the collection of secondary source data, much of it involves primary data collection from individuals in their home or place of business. Over the years, the professionalism of this primary research in marketing has been questioned. Further, there has been a concern that unprofessional or unethical research practices could seriously jeopardize the public's willingness to cooperate in surveys (McDaniel, Verile, and Maddan 1988). There is now evidence of possible decline in the quality of interaction between the survey researcher and respondent which may be due to a lack of consideration and/or abuse of respondents (McDaniel, Verile, and Maddan 1985). A portion of this occurs because some research is being disguised as sales ploys and part because researchers lack necessary technical skills or respondent empathy. To elaborate on the latter, it is utterly amazing how many surveys exceed generally accepted "length" norms and how many interviewers give respondents a false estimate of interview length because the pretext length was not measured or communicated in the training sessions.

In an effort to measure respondent satisfaction with survey interviews, Walker Research has conducted a longitudinal study which is referred to as The Industry Image Study. Their conclusions are optimistic in that 78 percent of the respondents in 1986 reported that their last interview experience was pleasant--a figure which has not significantly changed since 1982 (Walker 1989). One other way to view this, however, is that for the past six years 22 percent of the interview experiences could not be described as pleasant--a figure that has not been improved upon during this time frame.

Another way to evaluate the marketing research efforts are through the firm's eyes. Krum (1978) surveyed marketing research directors, their supervisors, and users of the research department's services in Fortune 500 companies. Although users were generally favorable, they were critical of the creativity of marketing research departments. In addition, less than 20 percent were completely satisfied with the relevance of data to decisions and the recommendations provided. In what appears to be a ten-year follow-up study using a similar method, Krum, Rau, and Keat (1987, 1988) concluded that only 38 percent of users are very satisfied with how well their marketing research department understands the problems to be studied. Slightly more than half of the users would like to be consulted about research methods being employed. Most, however, are satisfied with the methods used.

A study of researchers in a dozen markets by Danbury (1985) uncovered a number of different segments and attitudes toward the industry. First is the Midwestern corporate researcher who is very positive about market research. Next are the research directors of large advertising agencies. These persons are highly concerned about the professionalism of market research and quite critical of the industry. They feel that researchers often ignore scientific fundamentals, have little understanding of what business is about, and rarely produce high quality work. Next are the Eastern researchers, who take a more laissez faire approach. They care little about the industry issues, professionalism, and the right to privacy. They feel research is more of an art than a science and do not feel that the type of academic training one has makes much difference. They do not feel that market researchers should be certified. Next is the analyst who feels that only a few firms are doing high quality work and are unhappy about how most researcher projects are conducted. The marketing fan and the critics also exist, but have few professional opinions about the field.

According to one veteran researcher, marketing research is in a sorry state right now and there is a malaise in the field (Schlosberg 1986). One reason that accounts for less-than-professional quality research in the market is the feeling that anybody can do it (Payne 1988). Research "appears" to be a deceptively easy set of skills to acquire. Most people, for example, feel that they can construct a survey questionnaire. According to Stern and Crawford (1986) there is a difference between a questionnaire and a good questionnaire, at least to those who are knowledgeable. To complicate this, even when executives realize that they have no time or expertise to design or conduct research internally, most do not know how to assess outside research firms (Fugel 1983). Many, assuming that researchers must all be similar, choose the lowest bidder. Then, rather than working closely with the chosen supplier, they play the role of quarterback and simply hand the ball off to the research "experts."

Unfortunately, no license is required for a person or firm to become qualified to conduct marketing research. As a
result, the quality of researchers' methods and their resulting information can vary considerably (Moehlis and Stanley 1984, Stern and Crawford 1986). To assist managers in evaluating a firm, Flegel (1983) suggests that one examines the size and role of staff, the firm's inquisitiveness, its flexibility, methodological detail in the proposal, and the firm's quality control efforts. In addition, Moehlis and Stanley (1984) suggest that the researcher's background, especially his education and experience, be investigated. In addition, research users should request to see brief resumes of people likely to work on a project in their proposals. Before the supplier is chosen, research buyers should personally interview the finalists, preferably on their premises. They can ask questions pertaining to the proposal, ask that methodological decisions absent of rationales in the proposal be justified, examine sample reports and output styles, and assess the intangible character of the research firm.

Marketing Research and the Legal Arena

The combination of uneven professionalism in the research industry, the inability of many research users to effectively discriminate among alternative research suppliers, and the willingness of many users to totally delegate the research inputs to outside suppliers have all contributed to a legal concept which faces the industry today. In a statement reflecting much foresight, Frey and Kinnear (1979, p. 296) noted that 'the marketing research industry must face the challenge of recognising abuses within its ranks and communicate effectively with both policy makers and colleagues to avoid overly restrictive legislation.' In addition, these foresighted authors felt that key industry groups such as the Marketing Research Association, the Market Research Institute, and the Council of American Survey Research Organisations (along with the American Marketing Association, which was omitted from this list) have typical means to unite under a powerful, actional stance on controversial activities which might cause the entire industry to be dragged into the legal arena. The first major "warning shot" was fired in 1987 when Beecham sued Yankelovich and its parent Saatchi & Saatchi Holdings for more than 20 million dollars in damages because of alleged faulty overestimation of Delicarea's market potential (Business Week 1987).

According to Newsweek (1987) sources, the threat of lawsuits could force market research suppliers to re-examine the way they conduct business. Business Week (1987) sources note that research firms are recalling for legal advice in anticipation of more lawsuits. Some researchers, instead of taking an offensive stance, are rather taking a defensive posture by placing disclaimers in their agreements. A sample of such a research contract has been drawn up by American Marketing Association attorneys and is offered as a model in one of their publications (Marketing News 1989). The American Marketing Association, in addition, has begun a series of seminars on the liability issue, while at least one research buyer has said that it will require all suppliers of research data to sign detailed performance agreements. In response to all this, one manufacturer's research director noted "how now, that lawyers have discovered market research... it will never be the same" (Newsweek 1987).

It is the opinion of Frey and Kinnear (1979) that researcher qualifications, data quality, method appropriateness, and interpretation of findings are all areas in which professional research firms have a responsibility. Unfortunately, not all persons acknowledge researchers as professionals. Stern and Crawford (1986) feel that to bring marketing research up to the level of a profession its leaders need to explore the benefits of certification. Payne (1988, p. 19) puts it more strongly by stating "...until we formalise the process of teaching and evaluating marketing research practitioners we'll continue to live under this cloud of sub-professionalism." She advocates a system of certification by exam that indicates that a person can, in fact, do research.

Thus far, no trade group or consortium of groups have taken the problem of controlling the quality of research output beyond CPAs' jurisdiction. Fortunately, the American Marketing Association, through their Professional Development Program, has come close to dealing with the problem. Their program, although well-intentioned, is more of a learning program than a program that assures a research buyer that "this person can do research."

A Solution for the Long-Run

It is felt that a solution to the problems in the marketing research industry can be best approached on two fronts: (1) educating research users and (2) developing a certification program for practicing marketing researchers.

Educating Research Users

Perhaps the most efficient way to reach research users is by educating them while they are marketing students in colleges and universities. In the long-run, these are the people likely to be the decision-makers who have the highest probability of using research as an aid in making important decisions.

In order to ensure that these future marketers are effective users of research they, first, need to be made aware of the vast differences in the technical quality of people who call themselves marketing researchers. Incorporated into the initial course in marketing research should be a frank discussion of the problems facing the industry. Perhaps this can be partially accomplished by a panel of marketing managers discussing their experiences with internal or outside researchers. Another important teaching unit should focus on how to choose a market research supplier. In this module one would cover such topics of finding out who does marketing research, requesting written proposals, checking credentials, interviewing finalists, and choosing the best supplier for your situation. Once chosen, then the subject of how to work with the researcher is in order. It should be made clear that it is essential that the research user be involved in the determination of information needs, approving the sampling strategy and questionnaire, and providing input into the kinds of analysis desired.

Once the student is familiar with the nature of the industry, how to choose suppliers, and how to work with researchers, then they should be exposed to the research methods. There are those who believe that marketing managers do not need to understand all of the details of how to do research in order to make decisions from it. The far wiser person, however, realises that only a technically-informed manager can evaluate the research methods and thereby judge the quality and usefulness of the data. To make a decision based upon the data with no understanding of the process which lead up to the data is analogous to playing Russian Roulette with company funds.

Certification of Marketing Researchers

There are those who believe that the certification of marketing researchers, in a manner similar to how accountants certify CPA's, is a part of the solution to the industry's problems. Larry Gibson, a consultant, is not sure that certification is the way to fix things. Diane Bowers of the CASRO feels that "because researchers come from so many different backgrounds it would be difficult to classify them, let alone credential them" (Schloseberg 1989). Others are
pro certification, yet are not excited about dealing with another bureaucracy, or perhaps paying higher prices that are normally associated with credentialed personnel.

Cecil Philips (1989) believes that "considering how often marketing researchers are used by U.S. businesses, certifying them is just as important as certifying accountants." He continues his analogy by stating that "Certification of public accountants is the tool that triggered educational support for that profession ... As a result, colleges and universities found they needed to produce graduates capable of meeting the standards that had been set for the profession." He, for one, believes that certification should begin at the state level, and that once a handful of key states get certification, that others would follow suit.

Another manner in which to provide certification is through a consortium of interested professional organizations, such as MRA, CASRO, and AMA. Certification could be granted as a result of passing a multi-part exam covering global topics such as secondary data sources, primary data methodology, fieldwork basics, qualitative research, statistical methods, and marketing essentials.

For certification to work, its initial organizational efforts need to be well represented by academics, practicing marketing researchers, and marketing managers. Further, certification should be voluntary. Just as one can work as a bookkeeper or public accountant, marketing researchers can also have non-certified designations. By having these designations, however, research users will have a better idea of the competence level of the person they are dealing with. Certainly the certification cannot assure the buyer ethical standards or competence in a specialized research area, but it can communicate that at the time of passage this person demonstrated an overall competence in their field.

Finally, if certification of marketing researchers ever becomes a reality it will have to overcome the fears and objections of those currently practicing in the field. These concerns may come from persons who only have competence in one or a few of the testing areas, or those who have the experience and competence, but fear failing the examination. To get the ball rolling and, thereby, do what is best for the profession as a whole, marketing researchers may have to do what engineers recently did and certify through a "grandfather" provision all those in the field that have X number of years of experience.

Conclusion

Making students better prepared to be effective research buyers and users is a step in the right direction to improving the "health" of the field. This should make buyers of research more discriminating which should thereby put pressure on marginal researchers to become better educated practitioners or face the increasing likelihood of dwindling demand for their services.

Certification is the final piece to the puzzle. Not only will it encourage initial proficiency but continuing education in the field. The largest roadblocks to date are fearful and possibly misinformed practitioners along with professional organizations that are unwilling to cut through the initial miasma in order to make the system work for the betterment of all concerned.

REFERENCES


Krum, James R., "B For Marketing Research Departments," Journal of Marketing, 42 (October), 8-12.


