ESOMAR hits selling disguised as research

BY LYNN COLEMAN
Assistant Managing Editor

SELF-REGULATION of telemarketing is being called for by ESOMAR (the European Society for Opinion and Marketing Research) to stem potential backlash against marketing researchers.

At issue is the practice known as "sugging," an acronym for "selling under the guise of market research," which has become a major problem in Europe, according to Fernanda Monti, secretary-general of ESOMAR in Amsterdam.

A discussion document was drafted last year by John Downham, outgoing chairman of ESOMAR's Committee on Professional Ethics and Standards, and submitted to key marketing associations and research companies worldwide for comment. The comments received so far favor adoption of the proposal, Monti said, and many respondents suggested that the tone of the draft document is not strict enough.

Downham, a research consultant and retired head of marketing research at Unilever in London, is studying the comments and will submit a final version of the document to the ESOMAR council for approval at its February meeting.

FEAR OF LEGISLATION is the driving force behind the proposal. Monti said Germany has passed a law prohibiting companies from calling people in their homes for any reason. "We don't want that to happen everywhere," she said.

Because of the interdependence of European countries, legislation in one country has a negative effect on all European marketing research firms, Monti said. ESOMAR also is concerned that the growing use of telemarketing will have increasing effects on response levels to telephone research.

The general public often is unable to differentiate between marketing research and telemarketing, she said, and may become increasingly irritated with unsolicited calls, especially when they are for sales purposes.

AS IT STANDS, the draft document outlines the dangers of sugging for the marketing research industry and offers recommendations for self-regulation that may help marketing researchers avoid the difficulties of restrictions imposed from outside the profession.

The recommendations include the following:

- When marketing research and telemarketing are carried out within the same organization or group of companies, the two activities should be clearly differentiated in the minds of consumers. Different company names and business addresses should be used in conducting the different activities, even

CONTINUED ON PAGE 24

Without good research, quality is shot in dark

BY JOHN R. HAUSER
and ROBERT L. KLEIN

EXPERTS IN every branch of engineering, design, and manufacturing preach the gospel of quality, and many companies are making quality part of their advertising and corporate goals.

Unfortunately, too many marketing researchers think quality is a problem for the engineers alone to solve. Or they think that their only role is to point out how bad the problem really is.

In reality, the role of marketing researchers is much, much larger.

Without good market research, the company aiming for better quality may be taking a shot in the dark, because defining exactly what quality means is a job that can be done best by market research.

CONTINUED ON PAGE 2

Ease anxieties of elderly or disabled participants during focus groups

BY JAMIE C. CHRIST

While there are the anxieties of work to deal with them before the session is
Quality

CONTINUED FROM FRONT PAGE

Some innovative engineering groups do have a big part of the solution. A procedure called Quality Function Deployment (QFD) has been imported from Japan in the last few years and applied in a growing number of companies in the U.S.

Customer Driven Engineering (CDE) is a market research model and measurement system that defines quality as "conformance to customer specifications and begins with the identification and specification of customer wants and needs that can then be used to drive design, engineering, manufacturing, and distribution." Consider an illustration from the automobile industry. Because automobiles are complex, we look at just part of the design. Let's consider the customer-Fred, who commutes an hour each way, through traffic and hot weather on toll roads to a middle-management job.

The concept is simple. To assure that customer perceives products to be of high quality, manufacturers must deploy the voice of the customer throughout design, engineering, manufacturing, and distribution.

The End: The process begins by identifying customer needs and wants, deriving customer-based specifications that define quality in customer terms, and then focusing manufacturing resources on achieving that definition of quality.

What makes this a real revolution is the tremendous opportunity for market research that has for the first time, in many cases, engineers and designers are being pushed to think explicitly about who their customers are and what they need the product to do for them.

In the past, most engineers and those in the quality control business defined quality as "zero defects" or "conformance to specifications." This definition often misses the mark because it left open the important issues of exactly whose specifications were being met.

Anxieties

CONTINUED FROM FRONT PAGE

sharing her feelings in the focus group.

Once trust was established, there was still the problem of the women's insecurities about their abilities to manage. Most women had no more than sixth-grade educations and were defensive about proper child care practices. It came out in sessions that they didn't attend the program for fear they would be found to be unfit mothers and spouses, and they fear what lies ahead. Eager for opportunities to socialize, some seniors will participate in a focus group only to become angry if faced with issues of dependency or declining health.

During one group, it became necessary to address participants' anxieties about growing old. The challenge in this group was to minimize the redundancies of making daily or even weekly calls to their friends, who they identified as potential activities that could be done in couples or as a group.

The recreation department was eager to provide a normalizing experience and was planning to incorporate the participants into an existing program, which included competitive activities.

Focus group research, later quantified in the survey, clearly demonstrated the importance of quality of life to these women. For example, acceleration, graduality, hauling capacity, and engine noise all have causal impacts on consumers' perceptions of power. These EAs become important if power is one of the important customer attributes.

These ECA linkages specify the amount by which changes in one or more EAs causes changes in CAs. They are the heart of CDE.

Of course the engineering challenge remains to link EAs such as acceleration, graduality, etc., to fundamental characteristics such as horsepower, weight, gear-ratios, and wind drag. Once these linkages are made, it is important to link the engineering design to the manufacturing process.

The methodological challenge of CDE is to link the EAs to the CAs in a manner that is valid, reliable, and provides usable guidance to engineering, quality control, and manufacturing.

A typical new product could have 50 or more CAs and twice that many EAs. Reliance on any single model or measurement procedure can lead to real dangers. Conjoint-like techniques, where customer rank or rate product descriptors (clusters of EAs) on CAs, can provide valuable input, but the task is many realizable problems is overwhelming. and realism is an issue.

On the other hand, econometric techniques (statistical analysis) are for a sample of real vehicles) run around of collinearity. That is, many EAs (length, wheelbase, front seat room, engine size, etc.) vary together in the data, so much that individual effects are confused. Even in our example, acceleration, graduality, and hauling capacity are all interrelated.

Each set of descriptions must be customized to the industry and corporate culture of the manufacturer. When feasible, state-the-art market research and statistical techniques quantify the ways in which customer preferences change on customer attributes.

When complex engineering decisions are required, judgmental techniques summarize relationships in a form that managers and engineers accept. Each application requires the diverse skills of sophisticated market research, engineering, manufacturing, and quality control.

CDE is a commitment through the life cycle of the product. The customer-driven design is examined through a post-launch customer exposure. Product launches are monitored carefully for

CONTINUED ON PAGE 43
Quality
CONTINUED FROM PAGE 2
early customer feedback, in-use analy-
ses identify product improvements, and
periodic customer input identifies so-
lutions to problems before they under-
nmine a product’s reputation.
When CDE is implemented prop-
ertly, the benefits are tremendous.
Because the product is designed and
built with customer input, the customer
is willing to pay for the product’s bene-
fits. This means higher margins and
more sales. Because engineering, manu-
factoring, and quality control are in-
volved from the beginning, because
key tradeoffs are made early, because
the focus is on relevant qualities through-
out the design and manufacturing pro-
cess, the complete costs are decreased
and the product is perceived by cus-
tomers as being better built.
All of this leads to a competitive
advantage that is hard to beat.
Our example was drawn from au-
mobiles, but CDE applies to almost
any product. The heavy-duty, fast-
action feel of the keyboard, the crisp-
ness of the text on the monitor, the
effective speed during an application
program, and the quietness of the cool-
ing fan affect the image of a desktop
computer.
Even in services, CDE establishes
the appropriate level of personal con-
tact and which protocols have the right
professional image.  

Make sense of your data with... STRATMAP™ GRAPHIC SOFTWARE
Now, perceptual mapping is easy...
you visualize research with precision.
• Create boardroom-quality graphics.
• Download up to 10,000 numbers.
• Summarize up to 96 tables on one correspondance map.
• Measure relationships among all categories with a ruler.
• Automatically test significance. • Use ASCII or Lotus files.
• Menu driven on PC compatible(640K), • Color or monochrome.
Full version $495, student version $9.95. Satisfaction guaranteed.
FREE DEMO DISK & MANUAL
Call Betsy Goodnow at (309) 677-3299 for free demo and manual.
Market ACTION, Inc.
Bradley University • Business Technology Center • Peoria, IL 61625
(Inquire about workshops on multiple correspondence analysis.)

Bookshelf
Focus Groups
By Jane Parley Templeton, Probus Pub-
lishing Co., 118 N Clinton St., Chicago,
IL 60606, 315 pp., $24.95. A guide for
marketing and advertising professionals that explains how to design and organize focus

A t Elrick & Lavidge, we value
the kind of people who won’t
stop at 100%. Without them, our
nationwide data collection and
data processing facilities would be
useless.
That’s why we attract the
calibre of people we do—planners,
thinkers and research
analysts from backgrounds like
computer science, economics,
marketing and psychology.
These are people who come
to you already up to speed on
your issues and speaking your
language—like Chet Zaleski, at left, Senior Account Manager,
publisher of research articles and
designer of analytical plans and

Reader Service Card No. 167