

Five Times When You Shouldn't Do Research

Product life cycles accelerate faster than you may keep up. Customers change their preferences as readily as their clothes. No surprise, marketing managers can feel caught between the proverbial rock and a hard place in decision-making. What information do you need to make a good decision? What is the cost of decision making when you don't have all the data you need?

Frequently, companies seem to swing toward one extreme or the other – executives won't accept a decision without research to support it, or the marketing team believes that all research data is suspect and forges ahead on judgment.

Sales, research, marketing, or management staff in your company may be clamoring for research to take the risk out of a decision. **How do you decide when research is worth the time and cost?**

Here are five scenarios in which research is **NOT** worth the price you will pay.

1) When not taking action today will eliminate your chance for action tomorrow.

Sometimes, "ready – fire – aim" really is the best choice. For example, your product is about to be de-listed from a key distributor. First, work on your relationship with the distributor to regain the partner's confidence. Then consider research to learn why your sales may not be high enough to sustain distribution.

2) When the cost of the risk to move ahead with your decision is less than the cost of the research.

Believe it or not, an astounding amount of dollars are spent each year to guide decisions that could have been made more cheaply and quickly without the research.

For example, a business team "needs" to know whether a new promotion will generate enough sales to exceed the cost. However, the research methodology necessary to gauge that impact can be very expensive. Rather than conduct a smaller, cheaper study, it is probably better to conduct an in-market experiment of the promotion and simply see what happens.

3) When you have enough time to do it over.

Remember the "Ready – Fire – Aim" syndrome? It can work to your benefit...sometimes. Yet, it is amazing how often companies claim they must make rapid decisions, then find themselves later going back over ground they thought they didn't need to cover.

If you have unlimited time, go ahead and make your decisions. Really. You may save some money by not pursuing the research project, and taking action can boost your staff's enthusiasm. If your marketing doesn't deliver your objectives, you have time to loop back and conduct the research.

Are you faced with a large opportunity AND have to move quickly? Then do the research you need the first time around.

4) When you don't have or aren't willing to spend the dollars to do it right.

Poor information disguised as good information is dangerous. After data have been gathered, numbers – even shaky numbers - acquire lives of their own. It's human nature to forget any of the caveats about the data reliability. We don't remember data, we remember the stories we created about what we felt the data mean.

You often don't need to spend tens of thousands of dollars to gain insight into your marketing issues. But deciding to conduct just one or two focus groups to get a "feel for what the customer wants" is equivalent to collecting eight of your friends and family members around the kitchen table for a chat – it's simply a more expensive chat. You respect your mother, but are you willing to run your business on her advice?

If you're faced with a significant marketing decision affecting your brand or company and can only afford the cost of a focus group, you're usually better off using any secondary data you can find along with your best judgment.

5) When someone wants the information to bolster his or her position.

Millions of dollars are spent every year just to support company politics. I know, because I've worked with companies on those very projects.

For example, a large packaged goods manufacturer conducted research to evaluate a new product. R&D and Marketing disagreed on the product formula, despite previous research showing that consumers were indifferent to the more expensive formula. The group that supported the costlier product formula insisted on carrying the test version forward through additional research. This research cost the company about \$250,000 that they didn't need to spend. And by the way, their consumers still didn't care about the pricier formula.

If you're in a position to impact the decision to launch research for political ends, try to open the issues to the teams involved and reach consensus before plowing ahead with the research project. You may be able to trim your costs, and your teams will be stronger from the discussion.

If the decision you face is high-risk or critical to your business and these five scenarios don't apply, then research designed to deliver just the insights you need – and only those – is a bargain.

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