

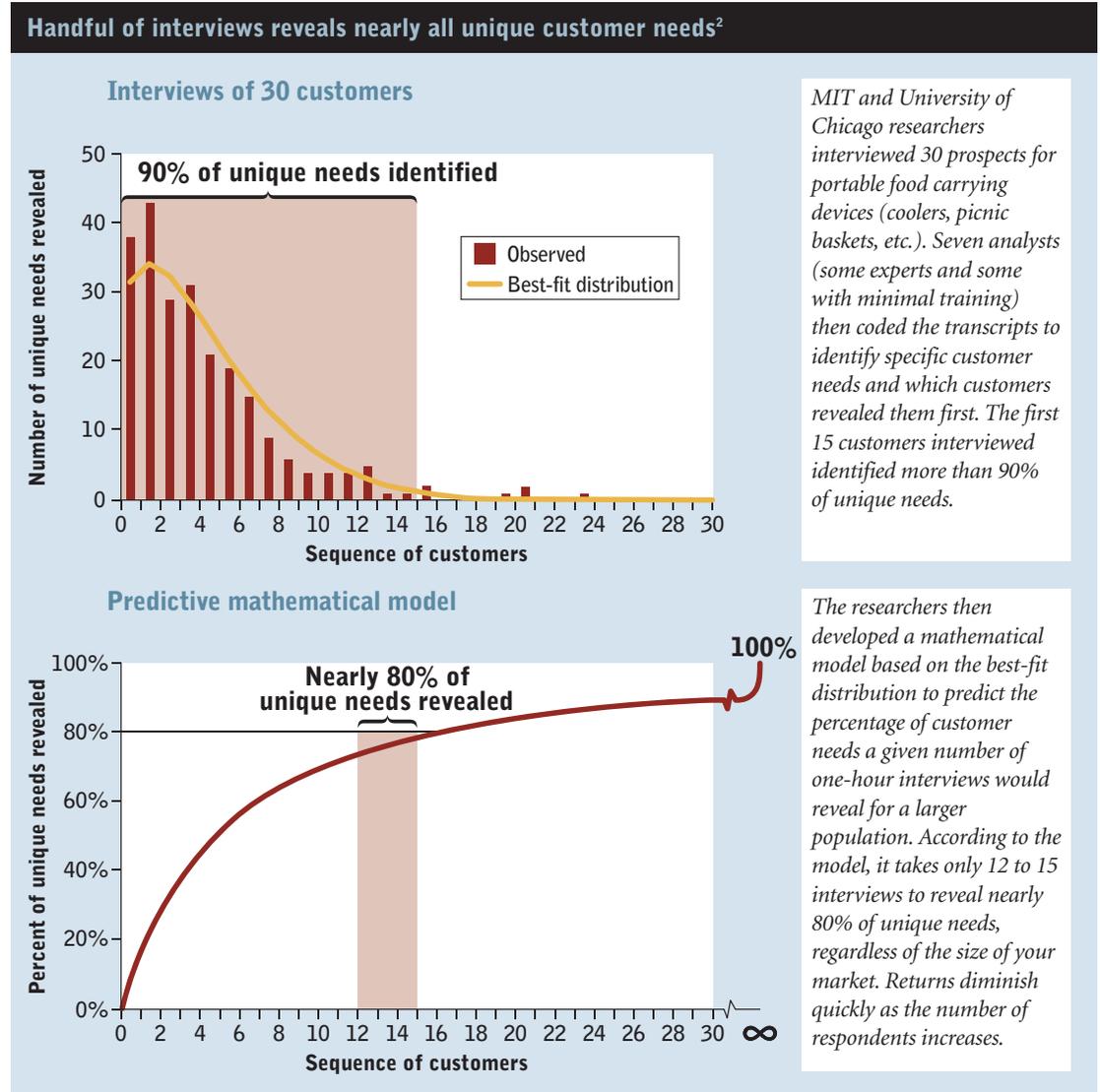
In-depth interviews can deliver valid market research

Research from MIT and the University of Chicago suggests you can glean useful, reliable market research by conducting in-depth interviews with only a few customers.

Strength in small numbers

How many subjects should you interview for a reliable snapshot of your market? Although there's no hard-and-fast rule, managers and researchers have determined that as few as 12 to 15 randomly-selected interview subjects can represent an entire segment accurately.¹

Marketing Insights
from 5MetaCom



Executive Summary

- Researchers from MIT and the University of Chicago concluded that in-depth (± 1 hour), individual interviews can provide reliable market research.
- Although there's no hard-and-fast rule, as few as 12 to 15 customer interviews can represent an entire market segment accurately.¹
- In-depth, individual interviews work well for identifying customer needs, understanding your product's value and predicting marketplace behavior.^{1,3}
- Individual interviews may be more cost-effective than a comparable series of focus groups.²

The pros and cons of interviews

Numerous market research experts from the business world and academia have studied the benefits and limitations of interviews. Here are a few of their observations:

Advantages	Disadvantages
<p>Helps you generate ideas and address problems you hadn't considered before¹</p> <p>"Would a spill-proof container be an appealing feature?"</p>	<p>Limited ability to project trends⁴</p> <p>"What will customers want 5 years from now?"</p>
<p>Reveals customer wants and needs effectively²</p> <p>"Do customers really care about data security?"</p>	<p>Not ideal for testing design appeal and/or ease of use¹</p> <p>"Do customers understand how to use this product?"</p>
<p>Provides opportunity for interaction and nuanced responses¹</p> <p>A smaller sample allows more time with each participant and more flexibility to ask insightful follow-up questions that hadn't been considered in advance.</p>	<p>Requires more time per participant than other methods²</p> <p>A typical individual interview should last about an hour compared to a two-hour focus group with six to eight participants.</p>
<p>Helps predict behavior¹</p> <p>"Will customers find enough value in this product to buy it?"</p>	<p>No statistically valid data⁵</p> <p>"How many customers prefer Brand A to Brand X?"</p>
<p>Defines and approximates product value³</p> <p>"Why would customers buy this product, and how much would they pay?"</p>	<p>Unable to determine an ideal price point³</p> <p>"Exactly how much should I charge?"</p>
<p>Enables precise sample control⁶</p> <p>Lets you select specific participants—some who love your product, some who won't buy it, and some who have never heard of it.</p>	<p>Introduces interviewer bias⁶</p> <p>External factors such as the interviewer's personal appearance can bias participants.</p>
<p>Prevents subjects from influencing each other's responses⁴</p> <p>Participants can't intimidate or influence one another.</p>	<p>Eliminates group synergies²</p> <p>Subjects can't learn from one another or arrive at a consensus.</p>
<p>May be more cost-effective overall than focus groups²</p> <p>Fewer total participants are required to reveal the same number of customer needs.</p>	<p>High cost per interview (requires a highly-skilled interviewer)²</p> <p>Interviewer must be constantly ready to explore new lines of thinking instead of just reading from a prepared list of questions.</p>
<p>Short data collection period⁷</p> <p>Get data in days or weeks, not months.</p>	<p>Complex transcription and analysis²</p> <p>You might need to train several analysts.</p>

Although interviews are not ideal for every research need, consider trying a few before moving to your next expansive (and expensive) study.

¹ Zaltman, G. *How Customers Think: Essential Insights into the Mind of the Market*. Boston, MA: Harvard Business School Press, 2003.

² Hauser, J. and Griffin, A. The voice of the customer. *Marketing Science* Vol. 12 No. 1, Winter 1993.

³ McDonald, S. How to design and implement successful pricing research: counsel & caveats from the trenches. Professional Pricing Society Sixth Annual Pricing Conference, 1995.

⁴ U.S. Small Business Administration. Market research—types, methods & techniques. *Online Women's Business Center*. Available: www.onlinewbc.gov/docs/market/mk_research_types.html. Accessed October 14, 2004.

⁵ Research Concepts, LLC. In-depth interviews. Available: www.research-concepts.com/qual-research-indepth.php. Accessed May 23, 2005.

⁶ Informa Research Services. Condensed guide to market research. Available: www.markettrends.com/guides/guide_method.htm. Accessed May 23, 2005.

⁷ Oklahoma State University Bureau for Social Research. Study development and consultation. Available: www.ches.okstate.edu/bsr/study.html. Accessed March 23, 2005.