Challenges and Opportunities for Ethnographic Market Research in Uncertain Times

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While we believe in-depth, observational approaches are still the most powerful way of developing an understanding of users, we must adapt our approach to fit within current economic constraints. One way is to employ economical phases of research that support and strengthen data gathered from in-person, in-context engagements. Specifically, these are preliminary landscape and trends analysis, which provides focused paths of inquiry, and online engagement, which allows us to interact with people over a longer period of time and identify stronger participants for in-person research. The second is to demonstrate to clients how our approaches are broadly applicable and scalable—in terms of activities, participant numbers, and length of engagement—to meet today's immediate goals. Instead of seeing merely compromise, we see opportunity. The adaptations brought on by our new reality are helping us to develop new ways to bring value to clients and challenging us to be creative in ways that will continue to be relevant even after the economy rebounds.

INTRODUCTION

In the fast-changing technology sector, the need for constant innovation seems self-evident as users are becoming increasingly sophisticated and their demands and expectations for a better experience are beginning to outstrip technological developments. However, at just the time when innovation activities are needed most to attract customers, sales are struggling and budgets are being cut. Scaling back is a natural response to an economic downturn, but technology companies might be missing big opportunities, as pointed out in December 2008 *McKinsey Quarterly*:

> "Although delay is the natural response to uncertainty, some companies should continue innovating even in an extraordinarily deep economic downturn—especially with technologies that take a long time to commercialize after discovery. Companies that delay these investments

> may forego significant growth opportunities when uncertainty subsides
> and the economy recovers." [Nicholas 2008]

Not all companies, however, have the vision or resources to pursue large-scale innovation projects. These clients may have different immediate needs that can still be served by user research. Clients and potential clients are approaching us with some different questions today. Many of them are less concerned about large-scale innovation and more concerned with understanding how to do business with their current offerings, especially when their products have remained relatively the same while consumers' motivations and priorities have shifted. Even if this is temporary, it is a real issue. We continue to encourage research for innovation, but we need to also consider these more immediate needs, which have a higher likelihood of delivering return on investment in the short term. We must develop programs that meet client needs within these new constraints, provide answers for survival in these times, and position clients to thrive when the economy rebounds.

Consumer Factors in the Technology Sector

User-centered product development in the technology industry has required an approach slightly different from that of many consumer goods. Often an innovation project is undertaken as a product or service strategy shaped by technological advancements. User-centered design's main mission is then to optimize the user experience of this effort. Our goal in front-end research is to uncover areas of real opportunity based on understanding of users' behaviors, needs, and motivations, and to help our clients match them with appropriate technology and determine where to focus further technology development.

Well-designed research is critical for addressing the challenges related to technology products, which have a high cost of development and exist in a space where user expectations are rapidly changing and becoming more demanding. Several trends that have emerged in recent years influence this need for consumer-driven product development (TNS Tech PDI 2008):

- The relationships users build with their products, particularly mobile devices, which stay with their owners nearly every second of the day;
- The increasing need to design products around the content they support and the complex relationships between the different systems components (device, content, service provider) caused by this phenomenon;
- The importance of anticipating and designing for the holistic user experience, including many elements device manufacturers cannot control but seek to understand, such as the widely varying contexts of mobile product use; and
- The need to be responsive to changing consumer needs and tastes due to quick replacement cycles.

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The complexities described by these trends present strong argument in favor of in-depth engagement with consumers to learn firsthand how they relate to technology products in their daily lives and where gaps exist that lead to new opportunities for our clients.

Methods

At TNS, we are fortunate to have access to expertise in an extensive array of qualitative and quantitative methods. For the purpose of this discussion, we will focus on the tools we have been using in the Technology Product Development and Innovation space that are geared toward addressing our clients' needs at the front end of innovation.

In our approach to front-end user research, we employ a three-phase process (likely quite familiar to anyone working in the same space), based on ethnographic research (in the market research sense of the word, an adaptation of the cultural anthropological practice) and defined here as immersion into the users' behaviors, motivations, and context, to understand the ways in which consumers interact with products and to identify areas of opportunity to address unmet needs and desires. These three phases are landscape analysis, immersive research, and ideation. Here we focus on the first two and some of the ways in which we have been seeking to stretch research budgets, ensure we identify the right participants, and maximize the value of time spent with participants. We will draw on several examples from recent internal and client-sponsored projects, focused on consumer (rather than business-to-business) mobile technology projects.

Project Examples

The example we will draw on most here is a recent client project design that included landscape analysis, online ethnography as an extended homework assignment, and finally, in-person sessions structured around observation and interviewing across several contexts within participants' mobile experience. We will focus here on the first two parts as most of our audience is familiar with observational engagements.

This study involved 16 participants across 4 loosely constructed user profiles in 4 US metropolitan areas. As the mobile experience is such a broad area of inquiry, we needed to develop a focus and understood that, given the time constraints for data collection, travel budget, and professional budget, we could only spend about 3 hours with each participant.

Landscape analysis leveraging client knowledge, internal and syndicated reports, as well as blog harvesting and impromptu contextual observation, helped us narrow our topics of inquiry, while our online ethnography platform provided a cost-effective and efficient way to gain a wider view into participants' mobile lives. These preliminary research activities augmented our in-person data collection, providing insight into the context of the current US mobile device market.

LANDSCAPE ANALYSIS

Landscape analysis involves several activities that help us develop a focused path of inquiry. We build a foundation of understanding about the context into which new products, services, and solutions will be launched. The goal is to mine an existing wealth of information in order to assemble a body of relevant knowledge; form hypotheses about consumer behaviors and preferences, product use, and new opportunities; and focus our lines of questioning. As research budgets are limited and time is often constrained by development cycles, we often cannot afford to engage consumers with an open agenda. Landscape analysis helps us focus on subjects most meaningful to our clients. Trends analysis helps us understand relevant societal, consumption, lifestyle, and design trends. Online data harvesting allows us to "listen" to consumers voicing their opinions in online forums. Contextual observation allows us to experience environments and witness real consumer behaviors. Through these methods, we begin to develop an understanding of the context and focus our exploration on the most strategically relevant and opportunity-rich topics.

Trends Analysis

Trends reflect and affect the way people think, how they behave, what they buy, what they expect. Bernard Brenner of TNS Custom Research equates trends research with checking the weather at your destination before embarking on a trip. Trends analysis involves secondary research that leverages data from our clients, external syndicated reports, and trends data gathered by TNS. When planning new products and services, we must consider what the landscape will be when the product is launched, which in the technology space may be 6 to 60 months from the outset of a project. Trend analysis allows the innovator to "begin with the end in mind" (TNS Tech PDI 2009).

Research for innovation focuses on the following types of trends because their durations are short enough to be perceptible but long enough to have an impact:

- Societal trends address broad forces on society such as economics, culture, technological developments, conscience;
- Consumption trends address patterns of product selection, use, and disposal;
- Lifestyle trends address how societal trends are reflected in the way people live their lives; and
- Design & form trends influence (and reflect) consumer's aesthetic tastes and expectations more broadly than simply color and materials.

To identify trends, we "listen" to what people are saying, particularly in online forums; leverage industry expertise through syndicated reports; and examine what key influencers and industries are doing (for example, for design trends we might look toward the fashion, auto, and technology industries).

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In a 2008 internal study on mobile technology, we examined manifestations of a trend JWT dubbed in 2007 "the New Antisocial," which addresses the way technology is separating people from one another (TNS Tech PDI 2009; JWT 2007). Building on this knowledge and the more recent rise of collective consciousness (JWT 2008:20) and importance of social networking, we sought to understand from participants the interplay of these personal and social phenomena. By acknowledging that they may be cutting themselves off from others in real social situations, participants indicated they were becoming very conscious of these behaviors and setting boundaries to prevent themselves from becoming "that kind of person." We also observed people engaging in localization of their social networks, leveraging them for connection and meaningful action in a tighter geographic area (TNS Tech PDI 2009). Trends exploration allows us to identify areas we want to explore further, and observational research then allows us to identify manifestations of these trends.

An important thing to keep in mind about trends is that different trends have different effects on specific products and categories. Trends also manifest differently around the world; we must take ingrained cultural factors into consideration. Finally, trends are not iron-clad predictions, but rather a guide to understanding what has a good chance of exerting significant influence on consumers' expectations, choices, behaviors, and perceptions.

Online Data Harvesting

Online media provide a wealth of information that can be analyzed both qualitatively and quantitatively. Technology has provided us with a wealth of information that can be leveraged rather economically. Consumers are very vocal and willing to publicly share their experiences with and expectations for products. Social media let us look into the minds of engaged and influential users, yielding insights about aspects of brands, products, or services that are critical for success. Users consume and contribute to online social media to learn about and provide feedback on products and experiences, maintain personal connections, and share experiences. The interplay of social and traditional media shows how the "official" message communicated about and by products is received and interpreted. Social media also provide context to existing findings and can begin to explain motivations behind observed behaviors.

At TNS, the harvesting of online data is completed in two phases. In the first phase, a more qualitative approach, we examine our network to determine the major points of interest around a key topic. Using a variety of public sites and blogs, we compile a list of potential insights as well as areas needing further exploration. This information is used to describe the market ecosystem and help shape the approach for in-context research. The second phase includes quantitative validation of the insights gathered in the qualitative phase. This helps to confirm the weight of the findings: first-tier insights are highly relevant and visible in today's market, second-tier insights are on the horizon, and third-tier insights indicate "weak signals," which may become key differentiators. A variety of companies can perform this analysis, including our sister company, TNS Cymfony.

Contextual Observation

Contextual observation allows us to examine various environments and behaviors to provide a baseline understanding of what we might experience when we engage with individuals. This helps us tune into what we might see and prepares us for the types of questions we will want to ask. It is relatively low cost and oftentimes can be done in parallel with our daily lives. For example, in our mobile technology studies, we kept a log of interesting mobile behaviors and the contexts we visited, which helped us plan our discussion and observation guide and also to develop requirements, suggestions, and possibilities for the mobile part of our engagement with participants. For example, we observed people desperately checking email on a precariously balanced laptop at airport baggage claims, searching for power outlets and table space in coffee shops so they could settle in to work or surf the Web, and pursuing a variety of entertainment and productivity tasks on commuter trains.

One Part in a Process

Though landscape analysis is a powerful part of our process, largely because it helps us develop hypotheses and make sure we are asking the right questions of the right people – either directly or implicitly – and trends reports are useful to our clients, we firmly believe these methods should not stand in isolation. Combined with in-depth engagement with real consumers, landscape analysis increases the power of our findings, providing a basis for understanding our observations.

Conducting some initial analysis of the landscape and including it in proposals has also helped us secure projects. Demonstrating domain knowledge and providing useful, well-articulated tidbits of information, especially through examples of our internal research, helps to capture the interest of clients and establish commitment and credibility.

CONSUMER ENGAGEMENT

We cannot stress enough that consumer engagement is critical for a successful front-end research program. However, we also understand that this is one of, if not the, most expensive types of research and in today's economy can be particularly intimidating, even to clients who have experienced its value before. Our approach strives to provide a scalable offering focused on gathering insights from the most relevant and responsive participants in two phases: online and in-person engagement.

Selecting Participants

Once we have identified key paths of inquiry, we must ensure that we engage the right type of consumers. While much of market research strives for representative "everyman"

sample, we take the view that knowledge about all consumers is not equally useful, and for projects where innovation—especially in technology—is concerned, we need creative, outgoing participants who are highly involved in the category we are studying. Our screening process, combined with the TNS Future View tool—a battery of questions designed to identify the most-involved 10% of consumers in a product category—allows us to select the most forward-thinking lead consumers, those who exhibit characteristics of early adopters, connectors, and new consumers (Rogers 2003; Gladwell 2000; Lewis and Bridger 2001). Creative, involved consumers can provide rich information and clues into innovative behavior and show us where the future is headed. By learning from these people, we are able to better match technological capabilities with evolving consumer needs and desires. By understanding lead consumers, we can be better prepared for the later-blooming majority.

Online Ethnography

Online "ethnography" has been the subject of growing interest in the market research community for some time, and TNS offers its own proprietary Deep Dive system, which provides a cost-effective web-based interface through which participants can respond to survey questions, complete photo journals, and communicate with our research team. Without engaging in the academic debate about its legitimacy as an ethnographic approach, we have learned from experience that Deep Dive, in conjunction with in-person engagement, provides a richer view into participant context and behaviors by allowing us access to details we may not have been able to observe during our limited time face-to-face with participants.

In the recent mobile experience project, participants used their digital cameras to show us far more about the context of their mobile situation than we could have seen in the 3 hours we spent with them. For example, we were able to watch their attempts at productivity in an airport, be there when their mobile phone alarms woke them up in the morning, and see how technology supported them as they moved through their day. They also connected these experiences for us by creating mobile maps of their daily paths and highlighted the importance of mobile technology for each situation.

The online component was an invaluable way for us to become acquainted with participants, engage them in dialogue prior to in-person meeting, help them feel comfortable with us, and get them thinking about the study topic by examining their own behaviors. It enabled far greater two-way exchange than traditional paper-based homework assignments. Participant feedback also indicated that they found this to be an enjoyable activity, and no participants dropped out of the study due to the homework burden.

From a practical and economic standpoint, the online tool allowed us to easily and efficiently collate data and generate reports, and it allowed the clients to be involved because they were able to log on to the site and observe participant activity while the study was running.

Online engagements can be used to screen for particularly good participants and eliminate poor ones. In another upcoming study, we will be using homework to engage with a large number of people, and from this group, we will select a subset for in-person observations. This serves largely as a means of cost control; we need numbers from some aspects of the study and in-depth information from others, so the online portion will help us screen for the best participants to meet in person.

Finally, when resources are limited, this type of study can be designed as a standalone project, which allows us to engage with a large number of people, regardless of geographical location and without incurring travel expenses. This type of study can be used as an "update" or "check in" with consumer groups who have already been studied in-depth, providing some insight into how behaviors and values might have changed recently, for example. However, because the data collected are mediated by the participants and their abilities to capture and convey information, we find it to be most powerful in conjunction with in-person engagement, as it allows us to gather both broader and deeper information from the same group of participants. It was also helpful not only in preparation for in-person engagements, but also in retrospect as we could look back and understand more of the context from which that information was provided.

In-person Observation and Interviews

By the time we begin our in-person engagement with participants, we have strong, general contextual knowledge, focused hypotheses, and the beginning of good rapport with our participants, which enable us to make the most of our time in the field. For the mobile experience study, we observed and interviewed people while they were on-the-go, examining the meaning and experience of mobility and mobile technology in one space (such as the home, office, coffee shop, etc.), then observing the transition between spaces, and finally examining the mobile experience in a second space.

The design of this research was intended to cover as many contexts as possible, given our time constraints, and provide depth to our understanding of consumer behaviors, motivations, and needs. It allows us to explore further what participants had shown us through the online studies, confirming, questioning, and connecting the different aspects of what we learned.

Unlike the other phases, the combination of observation and interviewing can stand alone in a study, or it can be added, even at a small scale, to a quantitative study to provide additional depth and explanation to the meaning behind the numbers. Even in difficult economic situations, these studies hold value in helping clients to understand how they might adjust their messages or offerings to help consumers see the relevance of their products despite changing attitudes and priorities. For example, examining consumer behavior in retail spaces can provide insight into how the experience may be improved to

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alleviate reservations about spending money and encourage people to purchase products, currently a top-of-mind question for many of our clients.

CONCLUSION

Though what we have described here is currently being positioned as a flexible, scalable, and economical approach to maximizing the benefit of in-depth consumer engagement under constrained budgets, we truly believe that comprehensive studies like this will continue to be relevant and more robust as the economy rebounds. In the meantime, we hope to develop as many ways as needed to adapt our approaches and continue helping clients move their offerings forward, despite current constraints and apprehension. Above all, we want to encourage our clients to avoid letting their knowledge of consumers and their product and service offerings stagnate.

NOTES

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