GUIDE FOR IMPLEMENTING A SUCCESSFUL RESEARCH PROJECT

The following guide helps project managers focus on the tasks ahead once they receive a research directive. Preparation before writing the request for proposal or project plan will guarantee successful results. Further, solid preparation will also allow the process to run smoothly.

Results: How will management use these results?

Once you receive a research topic assignment topic, ask the manager for more information, such as geographic boundaries, implications, pros and cons. Also find out from what management level this directive stems. Full understanding and comprehension of the objective will lead to efficient use of time and energy. Keep management focused on the objective and the ultimate need by only asking those questions that are needed to complete the project. The longer the survey instrument, the more expensive it is. Also, a lengthy interview process may result in termination of the interview and customer complaints, which defeats the purpose of conducting marketing research.

When writing the survey, make sure that every question can be acted upon, or at least become a factor in an index (see pages 22 and 36.) For example, consider a behavior that management has deemed part of the sales and service culture, like smiling at the customer. Independently, smiling has no correlation to loyalty; but, if it is a behavior that is important to the institution, it should be included as a service quality factor.

Methodology: Which methodology will best meet the objective?

There is no right or wrong method of data collection as long as the client understands what will be delivered and/or the limits of the data collected. For instance, if an institution requires statistically-valid data in order to build strategies, incentives and policies, then that institution should implement a telephone-based methodology. If an institution wants to explore broad behavioral or exploratory topics, then it may utilize focus groups or mail-based studies.

- **Telephone interviewing** is the best overall method for gathering data, because it allows one-on-one contact with the customer. The client has control over whom they speak with in a controlled environment. Due to the integrity of the data garnered from telephone interviewing, results can be used to affect incentives, strategies and in extreme circumstances, employment termination. Statistical significance and cost move in lock-step, so telephone interviewing is usually more expensive.

- Although there are about twelve people in a **focus group**, the opinion is the consensus of that twelve as a collective whole, not individual opinions. For this reason, it is qualitative research and not statistically significant. When exploring an issue such as a possible new product offering, wording or phrasing that would be clearly understood by customers or developing hypotheses and surveys for larger studies, focus groups are the best method for gathering data.

- An institution utilizes **mystery shopping** to observe behaviors necessary for sales and service. Mystery shopping is the view of a single individual who is neither a customer nor an employee of the institution. Therefore, mystery shopping does not measure customer satisfaction, because a customer does not supply the information. Information gathered from mystery shopping is subjective and should be used for coaching employees and improving training.

- **Mail-based studies** are best used when the institution needs to measure customer satisfaction, new loans, new accounts or new mortgage customers, yet budgetary constraints will not allow telephone surveying. The drawback to mail is that there is no guarantee that the actual customer is the one who completes and mails in the survey. Another negative to mail is the response rate, which is usually below 8%. Typically those who respond fall into the extreme categories: very satisfied or very dissatisfied. This is the reason why significant changes in the data might only occur on an annual basis. In many cases, the very dissatisfied and very satisfied responses cancel each other out. Mail is adequate for changing direction within an institution and employee bonuses, but not for finite change.

- **Comment cards** in the branch or **statement stuffers** are excellent compliments to a service quality program but are weak as sole providers of information. Both of these data collection methods serve as effective public relations tools, for they communicate how important the customers' opinions are to the institution. Although it is healthy for customers to freely express their opinions, as with any non-controlled respondent methodology, there is no proof of who actually completes the survey. Responses also tend to be extreme: very satisfied or very dissatisfied.

Regardless of the data collection methodology chosen, the data gathered is only as good as the sample provided by the institution. For instance, if the sample provided for telephone surveying only contains one correct phone number for every twenty names, the calling sample will only represent 5% of the population. Bancography's interviewers average a 25% response rate for retail and 22% for businesses. Therefore for this example, the data gathered would only represent 1.25% of the client's population (5% sample x 25% response rate = 1.25%).

Frequency: How often do we track these measurements?

Marketing research should be an ongoing commitment, not episodic. As long as the institution invests in advertising, sales training, new branches and employees and does not know every customer by name, it should conduct research.

It is important to those targeted by the research to see commitment by the institution. A monthly, semi-annual or annual survey reflects a commitment to service quality and will increase the response rate, ultimately saving you time and money. This is especially important for internal surveys. For example, if branch managers are surveyed on how the multiple departments within the institution serve them, they expect some type of ongoing commitment before spending their time to complete a survey. This assurance demonstrates that upper management is involved and supportive of the research *(see page 34 for Internal Service Quality, Branch manager survey.)*

Sample size: At what level do the results need to be significant or actionable?

The answer to this question will also determine the type of data collection - qualitative or quantitative. If this research endeavor is more exploratory in nature, then a qualitative approach is adequate, such as focus groups or open-end interviews. If the results are going to be used to change policy, set strategic objectives, or affect employee incentives, then a quantitative study is needed for its statistical significance. *Note: Reaching statistical significance requires surveying a larger number of consumers, thus increasing the cost of the study.*

Outsource versus in-house: How much staff, money and time can be devoted to this endeavor?

The method of the data collection and the reason for choosing this method has many implications on whether the research can be conducted internally or externally. For example, any research that will affect employee incentives, has sensitive results and will impact careers should be outsourced.

However, any exploratory research on customer perceptions of service or products can be conducted internally. Research that can be conducted internally should be. Not only does the institution save money, but the corporate staff will learn volumes about its customers. It is the project manager's responsibility to decide whether the objective can be met with internal resources and by whom. However, if the objective has political implications or ramifications, it is advisable to outsource the work to a third party.

Reporting: Know your industry

Only the health care industry is on par with the level of customer sensitivity experienced in banking. People are very protective of their health and their money. For this reason, choose your data collection vendor carefully and call its financial industry references. Secondly, avoid means if possible and utilize scales like 1 to 5 with 5 representing the best response. In this industry as with health care, only those that are "very satisfied" or "very likely" correlate to loyalty (top 1 box). Reports should depict the percentage of those awarding the institution the highest or best score possible, for only this score is correlated with retention and cross-sell.

Preliminary research

Once the objective is clear, but before drafting the request for proposal or project plan, research the topic first. Conduct literature searches for white papers and other secondary research on the Internet to become educated on this topic in the industry. *(An expansive list of informative web sites is listed on pages 37-38.)* Secondly, investigate this topic on your competitors' web sites and those of financial industry leaders. Financial institutions, especially large banks, often post news releases of their activities.

Preparing yourself on the research topic will enable you to answer questions from management. Further, costly primary research might not be necessary if secondary studies are available. Thirdly, if primary research is necessary, you will be able to direct and design a targeted and cost effective study.