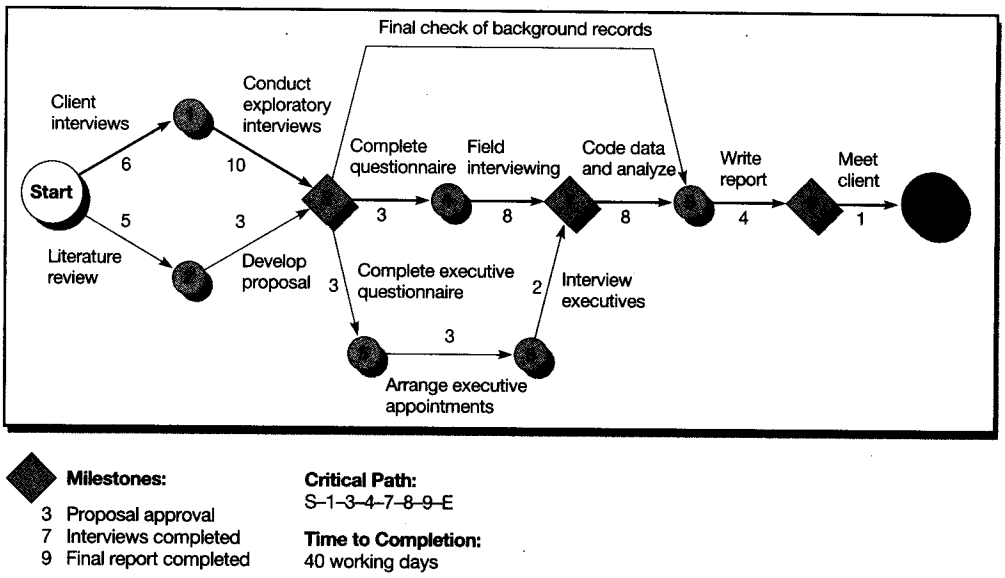
> Exhibit 4-7 CPM Schedule



proposal, (3) questionnaire revision, (4) field interviews, (5) editing and coding, (6) data analysis, and (7) report generation. Each of these phases should have an estimated time schedule and people assigned to the work.

It may be helpful to you and your sponsor if you chart your schedule. You can use a Gantt chart, shown in Chapter 3, Exhibit 3-6. Alternatively, if the project is large and complex, a **critical path method (CPM)** of scheduling may be included.[10] In a CPM chart, the nodes represent major milestones, and the arrows suggest the work needed to get to the milestone. More than one arrow pointing to a node indicates all those tasks must be completed before the milestone has been met. Usually a number is placed along the arrow showing the number of days or weeks required for that task to be completed. The pathway from start to end that takes the longest time to complete is called the *critical path,* because any delay in an activity along that path will delay the end of the entire project. An example of a CPM chart is shown in Exhibit 4-7. Software programs designed for project management simplify scheduling and charting the schedule. Most are available for personal computers.

Facilities and Special Resources

Often, projects will require special facilities or resources that should be described in detail. For example, a contract exploratory study may need specialized facilities for focus group sessions. Computer-assisted telephone or other interviewing facilities may be required. Alternatively, your proposed data analysis may require sophisticated computer algorithms, and therefore you need access to an adequate system. These requirements will vary from study to study. The proposal should carefully list the relevant facilities and resources that will be used. The costs for such facility use should be detailed in your budget.

Project Management

The purpose of the **project management** section is to show the sponsor that the research team is organized in a way to do the project efficiently. A master plan is required for complex projects to show how all the phases will be brought together. The plan includes:

- The research team's organization.
- Management procedures and controls for executing the research plan.
- Examples of management and technical reports.
- The research team's relationship with the sponsor.
- Financial and legal responsibility.
- Management competence.

Tables and charts are most helpful in presenting the master plan. The relationships between researchers and assistants need to be shown when several researchers are part of the team. Sponsors must know that the director is an individual capable of leading the team and acting as a useful liaison to the sponsor. In addition, procedures for information processing, record control, and expense control are critical to large operations and should be shown as part of the management procedures.

The type and frequency of progress reports should be recorded so that the sponsor can expect to be kept up to date and the researchers can expect to be left alone to do research. The sponsor's limits on control during the process should be delineated.

This section also discusses any details such as printing facilities, clerical help, or information processing capabilities to be provided by the sponsor rather than the researcher. In addition, rights to the data, the results, and authority to speak for the researcher and for the sponsor are included.

Payment frequency and timing are also covered in the master plan. Finally, proof of financial responsibility and overall management competence is provided.

Bibliography

For all projects that require a literature review, a bibliography is necessary. Use the bibliographic format required by the sponsor. If none is specified, a standard style manual will provide the details necessary to prepare the bibliography.[11] Many of these sources also offer suggestions for successful proposal writing.

Appendices

Glossary

The researcher should include a glossary of terms whenever there are many words unique to the research topic and not understood by the general management community. This is a simple section consisting of terms and definitions, similar in format to the glossary in this textbook. Also, the researcher should define any acronyms used, even if they are defined within the text (e.g., *CATI* for "computer-assisted telephone interviewing").

Measurement Instrument

For large projects, it is appropriate to include samples of the measurement instruments if they are available when you assemble the proposal. This allows the sponsor to discuss particular changes in one or more of the instruments. If the proposal includes the development of a custom-designed measurement instrument, omit this appendix section.

Other

Any detail that reinforces the body of the proposal can be included in an appendix. This includes researcher vitae, profiles of firms or individuals to which work will be subcontracted, budget details, and lengthy descriptions of special facilities or resources.

To see how some of these elements were incorporated in the MindWriter research proposal, see Exhibit 4-8.

> Exhibit 4-8 Proposal for MindWriter CompleteCare Satsifaction Research

When last we checked, Sally and Jason were preparing a proposal for Gracie Uhura, product manager at MindWriter Corporation. Sally decided to exclude the "executive summary" for two reasons: The proposal is short and the essentials will be contained in the cover letter. The proposal follows the components discussed in this chapter. It is an appropriate acceptance for a client of small scale study. The module "qualification of researcher" was not needed because MindWriter's employee solicited the proposal. Sally had previously the researcher's qualifications.

Repair Process Satisfaction Proposal
MindWriter Corporation CompleteCare Program

Problem Statement

MindWriter Corporation has recently created a service and repair program, CompleteCare, for its portable/laptop/notebook computers. This program promises to provide a rapid response to customers' service problems.

MindWriter is currently experiencing a shortage of trained technical operators in its telephone center. The package courier, contracted to pick up and deliver customers' machines to CompleteCare, has provided irregular execution. MindWriter has also experienced parts availability problems for some machine types.

Recent phone logs at the call center show complaints about CompleteCare; it is unknown how representative these complaints are and what implications they may have for satisfaction with MindWriter products.

Management desires information on the program's effectiveness and its impact on customer satisfaction to determine what should be done to improve the CompleteCare program for MindWriter product repair and servicing.

Research Objectives

The purpose of this research is to discover the level of satisfaction with the CompleteCare service program. Specifically, we intend to identify the component and overall levels of satisfaction with CompleteCare. Components of the repair process are important targets for investigation because they reveal:

(1) How customer tolerance levels for repair performance affect overall satisfaction, and

(2) Which process components should be immediately improved to elevate the overall satisfaction of those MindWriter customers experiencing product failures.

We will also discover the importance of types of product failure on customer satisfaction levels.

Importance/Benefits

High levels of user satisfaction translate into positive word-of-mouth product endorsements. These endorsements influence the purchase outcomes for (1) friends and relatives and (2) business associates.

Critical incidents, such as product failures, have the potential to either undermine existing satisfaction levels or preserve and even increase the resulting levels of product satisfaction. The outcome of the episode depends on the quality of the manufacturer's response.

An extraordinary response by the manufacturer to such incidents will preserve and enhance user satisfaction levels to the point that direct and indirect benefits derived from such programs will justify their costs.

This research has the potential for connecting to ongoing MindWriter customer satisfaction programs and measuring the long-term effects of CompleteCare (and product failure incidents) on customer satisfaction.

Research Design

Exploration: Qualitative. We will augment our knowledge of CompleteCare by interviewing the service manager, the call center manager, and the independent package company's account executive. Based on a thorough inventory of CompleteCare's internal external processes, we propose to develop a mail survey.

Questionnaire Design. A self-administered questionnaire (postcard size) offers the most cost-effective method for securing feedback on the effectiveness of CompleteCare. The introduction on the postcard will be a variation of MindWriter's current advertising campaign.

Some questions for this instrument will be based on the investigative questions we presented to you previously, and others will be drawn from the executive interviews. We anticipate a maximum of 10 questions. A new five-point expectation scale, compatible with your existing customer satisfaction scales, is being designed.

Although we are not convinced that open-ended questions are appropriate for postcard questionnaires, we understand that you and Mr. Malraison like them. A comments/suggestions question will be included. In addition, we will work out a code block that captures the call center's reference number, model, and item(s) serviced.

(continued)

> Exhibit 4-8 Proposal for MindWriter CompleteCare Satsifaction Research *(concluded)*

Logistics. The postal arrangements are: box rental, permit, and "business reply" privileges to be arranged in a few days. The approval for a reduced postage rate will take one to two weeks. The budget section itemizes these costs.

Pilot Test. We will test the questionnaire with a small sample of customers using your tech-line operators. This will contain your costs. We will then revise the questions and forward them to our graphics designer for layout. The instrument will then be submitted to you for final approval.

Evaluation of Nonresponse Bias. A random sample of 100 names will be secured from the list of customers who do not return the questionnaire. Call center records will be used for establishing the sampling frame. Nonresponders will be interviewed on the telephone and their responses compared statistically to those of the responders.

Data Analysis

We will review the postcards returned and send you a weekly report listing customers who are dissatisfied (score a "1" or "2") with any item of the questionnaire or who submit a negative comment. This will improve your timeliness in resolving customer complaints. Each month, we will provide you with a report consisting of frequencies and category percentages for each question. Visual displays of the data will be in bar chart/histogram form. We propose to include at least one question dealing with overall satisfaction (with CompleteCare and/or MindWriter). This overall question would be regressed on the individual items to determine each item's importance. A performance grid will identify items needing improvement with an evaluation of priority. Other analyses can be prepared on a time and materials basis.

The open-ended questions will be summarized and reported by model code. If you wish, we also can provide content analysis for these questions.

Results: Deliverables

1. Development and production of a postcard survey. MindWriter employees will package the questionnaire with the returned merchandise.
2. Weekly exception reports (transmitted electronically) listing customers who meet the dissatisfied customer criteria.
3. Monthly reports as described in the data analysis section.
4. An ASCII diskette with each month's data shipped to Austin by the fifth working day of each month.

Budget

Card Layout and Printing. Based on your card estimate, our designer will lay out and print 2,000 cards in the first run ($500). The specifications are as follows: 7-point Williamsburg offset hi-bulk with one-over-one black ink. A gray-scale layer with a MindWriter or CompleteCare logo can be positioned under the printed material at a nominal charge. The two-sided cards measure 4¼ by 5½.

This allows us to print four cards per page. The opposite side will have the business reply logo, postage paid symbol, and address.

Cost Summary

Interviews	$ 1,550.00
Travel costs	2,500.00
Questionnaire development	1,850.00
Equipment/supplies	1,325.00
Graphics design	800.00
Permit fee (annual)	75.00
Business reply fee (annual)	185.00
Box rental (annual)	35.00
Printing costs	500.00
Data entry (monthly)	430.00
Monthly data files (each)	50.00
Monthly reports (each)	1,850.00
Total start-up costs	$11,150.00
Monthly run costs	$ 1,030.00*

*An additional fee of $0.21 per card will be assessed by the post office for business reply mail. At approximately a 30 percent return rate, we estimate the monthly cost to be less than $50.

> Evaluating the Research Proposal

Proposals are subject to either formal or informal reviews. *Formal reviews* are regularly done for solicited proposals. The formal review process varies, but typically includes:

- Development of review criteria, using RFP guidelines.
- Assignment of points to each criterion, using a universal scale.
- Assignment of a weight for each criterion, based on importance of each criterion.
- Generation of a score for each proposal, representing the sum of all weighted criterion scores.

The sponsor should assign the criteria, the weights, and the scale to be used for scoring each criterion before the proposals are received. The proposal then should be evaluated with this checklist of criteria in hand. Points are recorded for each criterion reflecting the sponsor's assessment of how well the proposal meets the company's needs relative to that criterion (e.g., 1 through 10, with 10 being the largest number of points assigned to the best proposal for a particular criterion). After the review, the weighted criterion scores are added to provide a cumulative total. The proposal with the highest number of points wins the contract.

Several people, each of whom may be assigned to a particular section, typically review long and complex proposals. The formal method is most likely to be used for competitive government, university, or public sector grants and also for large-scale contracts.

Small-scale contracts are more prone to informal evaluation. In an *informal review,* the project needs, and thus the criteria, are well understood but are not usually well documented. In contrast to the formal method, a system of points is not used and the criteria are not ranked. The process is more qualitative and impressionistic. Exhibit 4-9 shows Sally Arens's informal review of the proposal discussed in the opening vignette.

In practice, many factors contribute to a proposal's acceptance and funding. Primarily, the content discussed above must be included to the level of detail required by the sponsor's RFP. Beyond the required modules, other factors can quickly eliminate a proposal from consideration or improve the sponsor's reception of the proposal, among them:

- Neatness.
- Organization, in terms of being both logical and easily understood.
- Completeness in fulfilling the RFP's specifications, including budget and schedule.
- Appropriateness of writing style.
- Submission within the RFP's timeline.

Although a proposal produced on a word processor and bound with an expensive cover will not overcome design or analysis deficiencies, a poorly presented, unclear, or disorganized proposal will not get serious attention from the reviewing sponsor. Given that multiple reviewers may be evaluating only a given section, the reviewer should be able to page through the proposal to any section of interest.

In terms of the technical writing style of the proposal, the sponsor must be able to understand the problem statement, the research design, and the methodology. The sponsor should clearly understand why the proposed research should be funded and the exact goals and concrete results that will come from the study.

The proposal also must meet specific RFP guidelines set by the sponsoring company or agency, including budgetary restrictions and schedule deadlines. A schedule that does not meet the expected deadlines will disqualify the proposal. A budget that is too high for the allocated funds will be rejected. Conversely, a low budget compared to competing proposals suggests that something is missing or there is something wrong with the researchers.

Finally, a late proposal will not be reviewed. While current project disqualification due to lateness may appear to be the worst result here, there is a possible longer-term effect created. Lateness communicates a level

> Exhibit 4-9 Informal Proposal Review

Sally Arens

200 ShellPoint Tower
Palm Beach, Florida 33480

Mr. Harry Shipley, President
Economic Development Council
1800 ShellPoint Tower
Palm Beach, Florida 33480

Dear Harry,

I have reviewed Robert Buffet's proposal for an investigation of the job creation practices of local companies and, in short, I am very much concerned with several aspects of the "proposal." It is not really a proposal at all, as it lacks sufficient detail.

First let me mention that I shared Buffet's proposal with Mr. Jason Henry, an independent research consultant working with me on a MindWriter project. Mr. Buffet and his organization may one day represent competition for Mr. Henry, and you must therefore be aware of a potential conflict of interest and perhaps discount the opinions stated here. Since I am delivering this letter to you in two days rather than the two weeks you requested, you may wish to discuss my comments with others.

What you and Mr. Buffet gave me is an abbreviated research plan for our county, but since it lacks many features found in a comprehensive proposal, I immediately saw it was not the full proposal that had been funded by the state commerce secretary. I called Tallahassee and reached a young woman who hemmed and hawed and refused to say if she was authorized to mail me the full proposal. Finally, I gave up arguing and gave her your address and told her she could mail it to you if she experienced an outbreak of belief in government-in-the-sunshine.

I then made several calls to people in Tallahassee whom I know from my days in TV. Did you know that this research idea is being floated by our senior U.S. senator, who is eager to throw a monkey wrench into the president's tax incentives plan? The senator whispered it to the governor and the governor whispered it to her commerce secretary, and here we are.

The problem statement is rather long and convoluted, but, in short, it poses the questions, "Are new high-tech companies creating jobs for residents of our county? Or are they bringing technical and manufacturing workers from outside the state and bypassing the local work force? Or are they doing research in these companies with a low level of manufacturing job creation? Or are they investing in 'smart' capital equipment that does not create jobs?" If you cut through the verbiage, I think you can see the project is dead on the mark with its questions.

The research objectives section is fairly straightforward. Buffet's people are going to identify all the companies in this county in the NAICS code groups associated with "high tech" and collect information on the number of locally hired employees in various job categories, chiefly in production, and also collect data on capital investments, debt, and other financial data, which Mr. Henry says makes good sense to collect and ought to be easy to do.

There is a section called Importance of the Study, which is full of platitudes and does not get around to mentioning the pending tax legislation. But at least the platitudes are brief.

I become nervous in the Design section. It calls for Mr. Buffet's group to go on site with a "team" and conduct in-depth interviews with the chief operating officer (COO), treasurer, and comptroller of each company and enter the data into a spreadsheet. I have double-checked this with Mr. Henry and also with a banker friend, and both of them assure me that a simple questionnaire might be mailed to the COO. There is no need whatsoever to send in a team to conduct open-ended interviews. While there might be a noncompliance problem associated with filling out a form, this might appropriately be attended to by pointing out the auspices—the state commerce secretary and your Economic Development Council—with an interview request as a last resort.

The proposal contains no budget and no specific list of researchers who will comprise the team. The firm would have carte blanche to go in with anyone on their payroll and try to induce the subjects to stray beyond the stated research objectives to talk about anything at all. Obviously such license would be a marketing tool and might allow the researchers to collect a list of researchable problems not related to the secretary's needs, as stated in the problem section.

I strongly advise you to tell Mr. Buffet to collect the information through a simple mail survey. Offer to send it out under your council's letterhead, or see if you can get the commerce office or even the governor's office to send it out. But do not subject your local business community to unstructured, free-ranging visits, which are clearly not justified by the research objectives.

Sincerely,

Sally

of disrespect for the sponsor—that the researcher's schedule is more important than the sponsor's. A late proposal also communicates a weakness in project management, which raises an issue of professional competence. This concern about competence may continue to plague the researcher during future project proposal reviews.

>summary

1 A proposal is an offer to produce a research product or render a service to the potential buyer or sponsor. The research proposal presents a problem, discusses related research efforts, outlines the data needed for solving the problem, and shows the design used to gather and analyze the data.

Proposals are valuable to both the research sponsor and the researcher. The sponsor uses the proposal to evaluate a research idea. A request for proposal is a formal document by a sponsor to solicit services from research suppliers. The completed proposal provides a logical guide for the investigation.

2 We discuss two types of proposals: internal and external. Internal and external proposals have a problem-solving orientation. The staff of a company generates internal proposals. External proposals are prepared by an outside firm to obtain contract research. External proposals emphasize qualifications of the researcher, special facilities and resources, and project management aspects such as budgets and schedules. Within each type of proposal there are varying degrees of complexity; a proposal can vary in length from a 2-page memo to more than 100 pages, from a telephone conversation to a multimedia presentation.

Proposals can be written with a set of sections or modules. The difference in type of proposal and level of project complexity determines what modules should be included.

3 Proposals can be evaluated formally or informally. The formal process uses a list of criteria and an associated point scale. The informal process is more qualitative. Important aspects beyond content include presentation style, timeliness, and credibility.

>keyterms

critical path method (CPM) 101
executive summary 96
literature review 97
project management 101
proposal 91
solicited 95
proposal—*cont.*
unsolicited 95
request for proposal (RFP) 84

>discussionquestions

Terms in Review

1 What, if any, are the differences between solicited and unsolicited proposals?

Making Research Decisions

2 You are the new manager of market intelligence in a rapidly expanding software firm. Many product managers and corporate officers have requested market surveys from you on various products. Design a form for a research proposal that can be completed easily by your research staff and the sponsoring manager. Discuss how your form improves communication of the research objectives between the manager and the researcher.

3 Consider the new trends in desktop publishing, multimedia computer authoring and display capabilities, and inexpensive videotaping and playback possibilities. How might these be used to enhance research proposals? Give several examples of appropriate use.

4 You are the manager of a research department in a large department store chain. Develop a list of criteria for evaluating the types of research activities listed below. Include a point scale and weighting algorithm.
   a Market research.
   b Advertising effectiveness.
   c Employee opinion surveys.
   d Credit card operations.
   e Computer service effectiveness at the individual store level.

From Concept to Practice

5 Select a research report from a management journal. Outline a proposal for the research as if it had not yet been performed. Make estimates of time and costs. Generate a CPM schedule for the project following the format in Exhibit 4-7.

6 Using Exhibit 4-5 as your guide, what modules would you suggest be included in a proposal for each of the following cases?
   a A bank interested in evaluating the effectiveness of its community contributions in dollars and loaned executive time.
   b A manufacturer of leather custom-designed teacher development portfolios evaluating the market potential among teachers, who are now legally required to execute a professional development plan every three years.
   c A university studying the possible calendar change from three 11-week quarters to two 16-week semesters.
   d A dot-com that monitors clicks on banner ads interested in developing a different pricing structure for its service.
7 Review the Seagate proposal on your text CD. Using Exhibit 4-5 as your guide, comment on what is or what is not contained therein.

>wwwexercise

Several research firms offer newsletters and white papers as a part of their customer service and as a way to demonstrate their ability to do quality research. Decision Analyst offers this service on its Web site. Can you find a white paper on buying research services or preparing RFPs on this or another research company's Web site?
http://www.deci-sionanalyst.com

>cases*

AgriComp

BBQ Product Crosses over the Lines of Varied Tastes

Calling Up Attendance

Donatos: Finding the New Pizza

HeroBuilders.com

Inquiring Minds Want to Know—NOW!

Mastering Teacher Leadership

McDonald's Tests Catfish Sandwich

NCRCC: Teeing Up and New Strategic Direction

Ramada Demonstrates Its *Personal Best*™

Retailers Unhappy with Displays from Manufacturers

State Farm: Dangerous Intersections

Sturgel Division

T-Shirt Designs

USTA: Come Out Swinging

* All cases appear on the text CD; you will find abstracts of these cases in the Case Abstracts section of this text. Video cases are indicated with a video icon.

>appendix4a

Covering Kids RFP

Wirthlin Worldwide earned the Ogilvy Research Award for creative and effective research instrumental in the development of the Covering Kids advertising campaign. This RFP from sponsor Robert Wood Johnson Foundation started the process that resulted in enrolling more than one million additional children for a health insurance initiative.

March 13, 2000

Name
Firm
Address
City, State Zip code

Dear XXXX:

As you know, we are working with GMMB&A to support the national Covering Kids Initiative (CKI). We appreciate your recent response to a proposal to support this effort's marketing research requirements. Since that time, we have further refined our requirements. We hope that you will be willing to review this request, and revise your previous proposal in any ways needed to meet these altered needs.

The Covering Kids Initiative is a $47 million national program of the Foundation that works to enroll eligible children in Medicaid and the Federal-state Children's Health Insurance Programs (SCHIP). Three-year grants for the Covering Kids Initiative support coalitions in 49 states and the District of Columbia. These coalitions conduct outreach initiatives and work to simplify and coordinate the enrollment processes for health coverage programs for low-income children. In its first two years of activity, the CKI has focused largely on simplifying the enrollment process. During the second year, in addition to continuing a focus on simplification and coordination, there will be target marketing campaigns to encourage adults to enroll eligible children in both the SCHIP and Medicaid programs.

The Foundation will work with its Covering Kids communications contractor to support these CKI coalitions in marketing, advertising, public relations, coalition building, and cause-related partnerships at the national and state levels. The tasks described here will help provide direction for the strategic development of communications and provide support for testing and measuring communications campaigns in six markets prior to introduction nationwide.

Background

There are approximately five million uninsured children in the US eligible for either SCHIP or Medicaid. While income eligibility requirements in the federally funded SCHIP programs vary from state-to-state, they all generally cover children in households of four with incomes up to $33,400 (higher in some states). About half of the eligible-uninsured Americans are non-Hispanic white, about 30% are African-American, another 20% are Hispanic/Latino. Although the numbers are much smaller, a large proportion of Native-Americans are also eligible but not covered.

There are many reasons why so many eligible children are not enrolled. Some primary barriers to enrollment are: lack of awareness of the availability of health programs, especially SCHIP; lack of knowledge of eligibility criteria for these programs; complicated/onerous application processes; a stigma attached to government-funded health care programs (especially for working parents); the lack of outreach experience and expertise (most states have never conducted outreach for programs like Medicaid).

The primary challenge for this project is to create a nationwide campaign to enroll children—yet the "fulfillment mechanisms" (the state SCHIP and Medicaid programs) vary from state to state. Many states have developed their own distinct marketing and branding campaigns, so that the SCHIP programs in Connecticut (HUSKY B) and in Georgia (PeachCare) and in Illinois (KidsCare) resemble traditional private health plans more than they do government programs based on income eligibility. A national 1-877-KIDS-NOW phone number is in use that seamlessly routes calls through to the appropriate state program office. We will likely use that toll-free number as a marketing and fulfillment mechanism for this effort.

The communications campaign will target specific groups of parents and other adults who could play a key role in enrolling eligible children in existing programs. Specific messages will be tested for use with subsets of low income Americans, including African-Americans, Hispanic/Latino, Native Americans and others. The Campaigns will first be tested and measured in six regional markets before national advertising begins. Ad buys and other communications activities will be coupled with local enrollment events. Communications activities and enrollment events will likely intensify twice annually, during the back-to-school and winter cold and flu seasons.

Contractual Needs

Requirements for market research and evaluation support are described in the two tasks below.

Task 1. MARKET RESEARCH. Design, conduct, analyze, and provide conclusions relevant to communications planning.

Task 1a. Develop an in-depth comprehensive profile (through a series of in-depth interviews) of the families of eligible-but-uninsured children—who are they, where are they, why are they not enrolled, the most effective messages/concepts to move individuals in specific groups to enroll in SCHIP/Medicaid, what messages/words/concepts are definite turn-offs among specific groups, etc.

Of particular interest:

- Hispanic/Latino rural/lurban
- African-American rural/urban
- Native-American rural/urban
- White rural/urban
- Parents of children enrolled in SCHIP
- Parents of children enrolled in Medicaid
- Parents of uninsured children eligible for SCHIP and/or Medicaid who haven't applied
- Parents of uninsured children eligible for SCHIP and/or Medicaid who have applied but are not enrolled

Level of effort: approximately 120 in-depth interviews. [Alternative suggestions invited.]

Task 1b. Qualitative research among opinion leaders: their perceptions of SCHIP; their definition of success/failure, etc. These might include federal and state legislative staff, regulatory staff, child health advocates, constituency group leaders, and media gatekeepers.

Level of effort: approximately 25 in-depth interviews. [Alternative suggestions invited.]

Evaluation Task

Task 1. A comprehensive national survey. This survey will: help direct communications development; provide content for news placement; provide a pre-campaign benchmark (baseline data). We anticipate repeating this survey in the future to help gauge change and progress. However, at this time we are interested only in one benchmark survey.

We are considering two options for survey sampling: a) a national sample including oversamples of lower-income families as described above, or b) a sample consisting of lower-income families with sufficient subsets (described above) to be statistically reliable. We are interested in receiving recommendations regarding which option to pursue as well as a description of how this work would be done.

Task 2. An evaluation of the media campaign in 6 test markets. Because the national advertising and public relations components of the communication campaign will be large in scope and level of effort, this test market phase will be used to test and refine media messages, techniques, and decisions. The test market evaluation is critical to decision making for this effort.

Six mid-sized media markets will be selected to obtain a mix of the targeted demographic groups and geographic diversity. The Foundation will provide the list of selected sites to the contractor. The advertising and public relations test phase will span 4–6 weeks, planned for late-August–early-September 2000. The market test will be planned and executed through close collaboration with the communications contractor, the Covering Kids National Program Office and coalitions in the target markets, and the Foundation. It will be designed to gauge heightened awareness, perceptions of target audiences, willingness to apply, and impact of campaign on overcoming any attitudinal barriers to applying.

This market test will include

Task 2a. Benchmark survey—a random sample telephone survey with oversamples of target audiences. To include both benchmarking questions (such as awareness, attitude, intention measures) and message development questions (such as questions about message concepts, language).

Task 2b. Post-campaign survey—a brief telephone follow up survey using same sampling; to include questions to assess recall/awareness, attitudes, intentions.

Task 2c. Tracking of callers to the promoted toll-free number—the Foundation/National Program Office will provide a liaison to the toll-free manager(s). At this time it is not clear whether this will include only the national toll-free number or/and some state operated numbers. This task will include both compiling and analyzing call data and identifying ways to re-contact callers to assess further actions.

Task 2d. Follow-up with callers—brief telephone survey to identify any questions taken. Phone numbers will be provided through the liaison described above. [Alternative method of assessment may be needed.]

Alternative suggestions for test market evaluation, with approximately the same level of effort required, are acceptable.

Anticipated Time Schedule

April 2000	contract awarded begin development of all tasks
May 2000	conduct national survey
June 2000	conduct research with potential beneficiaries, opinion leaders conduct benchmark survey in 6 test markets
August 2000	begin ads in test markets begin telephone tracking
September 2000	conduct testing market post-test surveys begin follow-up with telephone callers
October 2000	present findings of national survey present findings from caller callbacks

Proposal Instructions

We invite you to submit a proposal addressing one or both of the tasks described above. Your proposal should address:

- your approach to conducting the work
- any alternative methods or procedures you would like to suggest for accomplishing the work described (optional)

- a discussion of any anticipated challenges to completing these tasks, and how you would propose handling the challenges
- comments on methodology and other recommendations for producing the needed information
- specific work to be performed, description of the deliverables to be provided, and all costs (included out-of-pocket costs), by task
- relevant experience and expertise
- references

The Foundation is not seeking lengthy or elaborate proposals. Rather proposals should succinctly provide information that will permit a review using the criteria listed below.

Review Criteria

In reviewing proposals, we will consider:

- your approach to the needs and tasks described here, including recommended methodology
- anticipated problems and how these would be handled
- company and staff experience in conducting similar market research and evaluation
- company and staff experience in conducting qualitative and quantitative research with a similar population
- company and staff experience with a health insurance or similar health care issue
- personnel, task and time line, project management
- proposed budget
- ability to respond to time schedule.

In addition we will expect that your company has no conflicts of interest with the Foundation.
Proposals will be due no later than COB Monday, March 27, delivered to

Stuart Schear (Four Copies)
Senior Communications Officer
The Robert Wood Johnson Foundation
Address
City, State Zip code
Phone

David Smith (Four Copies)
GMMB&A
Address
City, State Zip code
Phone

Kristine Hartvigsen (Three Copies)
Covering Kids National Program Office
Address
City, State Zip code
Phone

Elaine Bratic Arkin (One Copy)
Address
City, State Zip code
Phone

We anticipate notifying those who submit proposals of our decision no later than April 1, 2000. I am available by e-mail @ smr@rwif.org to answer any questions you might have. The following websites offer a wealth of information as well:

<http://www.coveringkids.org>—the website for "Covering Kids," the RWJF-funded initiative that these tasks will support

<http://www.insurekidsnow.gov>—the HHS/HCFA website for the CHIP programs

<http://www.cbpp.org>the Center on Budget and Policy Priorities

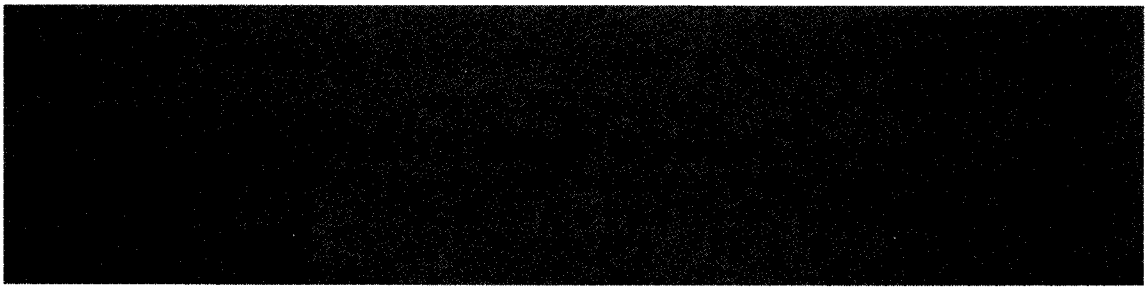
Thank you for your thoughtful consideration of this request.

If you wish to speak with someone about this project, please call me at 609-951-5799. Either Elaine Arkin, a consultant to the Foundation, or I would be happy to speak with you.

Sincerely

Stuart Schear
Senior Communications Officer

>chapter 5



"In the new e-frontier, one set of protagonists—merchants—would like to be cowboys, free to roam the range, and continue to share, rent or sell information they've collected about citizens without any fences or conditions."

Robert E. Litan, director, AEI-Brookings Joint Center

>learningobjectives

After reading this chapter, you should understand . . .

1 What issues are covered in research ethics.

2 The goal of "no harm" for all research activities and what constitutes "no harm" for participant, researcher, and research sponsor.

3 The differing ethical dilemmas and responsibilities of researchers, sponsors, and research assistants.

4 The role of ethical codes of conduct in professional associations.

"My brother-in-law, 'Slick Billy' Henderson, has been in and out of trouble all his life," says Sally, "but hasn't spent a night in jail. He knows the difference between what is unethical and what is actually illegal."

"Have they ever prosecuted the guy?" asks Jason.

"No, but he may soon be broke. He is in computer peripherals in Silicon Valley and has taken a near-lead position in peripherals for laptop computing. Well, laptop peripherals are volatile. Do I have to tell you? They grow smaller every month and have to be sold more cheaply. According to my sister, Janet, a detailed market report was needed, which Bill could very well afford to pay for, but he decided to get it through one of his notorious fiddles. So he went to a hungry headhunter—a management placement specialist—and said he wanted to interview six candidates for senior diversification manager.

"His security chief, who Jan swears is an ex–secret police Eastern Bloc immigrant, rigged Bill's office and conference room with listening devices and recorded every interview. Bill even wore a 'wire' so he could record conversations in the men's room and over lunch. The first few interviews added greatly to Bill's understanding of the competition, but when the headhunter brought in an exec from ConToCon, the company that was Bill's number-one competitor, he knew he had struck pay dirt.

"On the basis of the interview with Mr. Smithson from ConToCon, Bill decided to shut down the California production line for a certain peripheral and open production in Mexico for a smaller, faster, cheaper version. Bill summoned his vice presidents to announce his decision and provide transcripts of his interview with Smithson. Immediately, without actually reading the transcripts, Bill's chief attorney scrawled her resignation on a notepad and walked out, without even stopping to empty her office. The human resource VP caved in, however, and soon announced a layoff of their California factory employees, and the production VP flew to Mexico to ink a contract to expand a plant there."

"Did your brother actually make any of the candidates a job offer?"

"Please, Jason. He is my *brother-in-law,* not my brother, and no, he saw no need to make any offers. He told Jan that the 'tricky s.o.b.'s,' as he called them, probably never intended to work for him. He insisted that the interviewees were wasting his time and money and they only wanted job offers to extract a raise from their current employers."

"Slippery folks believe the world is populated by even slipperier folks," says Jason, philosophically.

"Well, no sooner had Bill laid off his California workers and flown to Mexico to make a down payment on a plant there, when ConToCon announced that it was expanding in California, exactly contrary to what Smithson had said. In fact, according to the trade press, Smithson was given the boot; no one ever knew why, although there was no shortage of rumors.

"So Bill has sunk his own ship and cannot bail it out now. Nevertheless, he remains unrepentant and blames the lawyer who quit, the headhunter, the

interviewees, Smithson most of all, and his production VP. Bill maintains he is the victim of an innocent mistake.

"Jan filed for divorce yesterday. She has 8 by 10 glossy pictures of him frolicking on a private beach in Acapulco with a local señorita."

"And how is Bill taking this?"

"Bill is incensed, of course, and demands to know what sort of woman hires a detective to spy on her husband."

> What Are Research Ethics?

As in other aspects of business, all parties in research should exhibit ethical behavior. **Ethics** are norms or standards of behavior that guide moral choices about our behavior and our relationships with others. The goal of ethics in research is to ensure that no one is harmed or suffers adverse consequences from research activities. This objective is usually achieved. However, unethical activities are pervasive and include violating nondisclosure agreements, breaking participant confidentiality, misrepresenting results, deceiving people, invoicing irregularities, avoiding legal liability, and more.

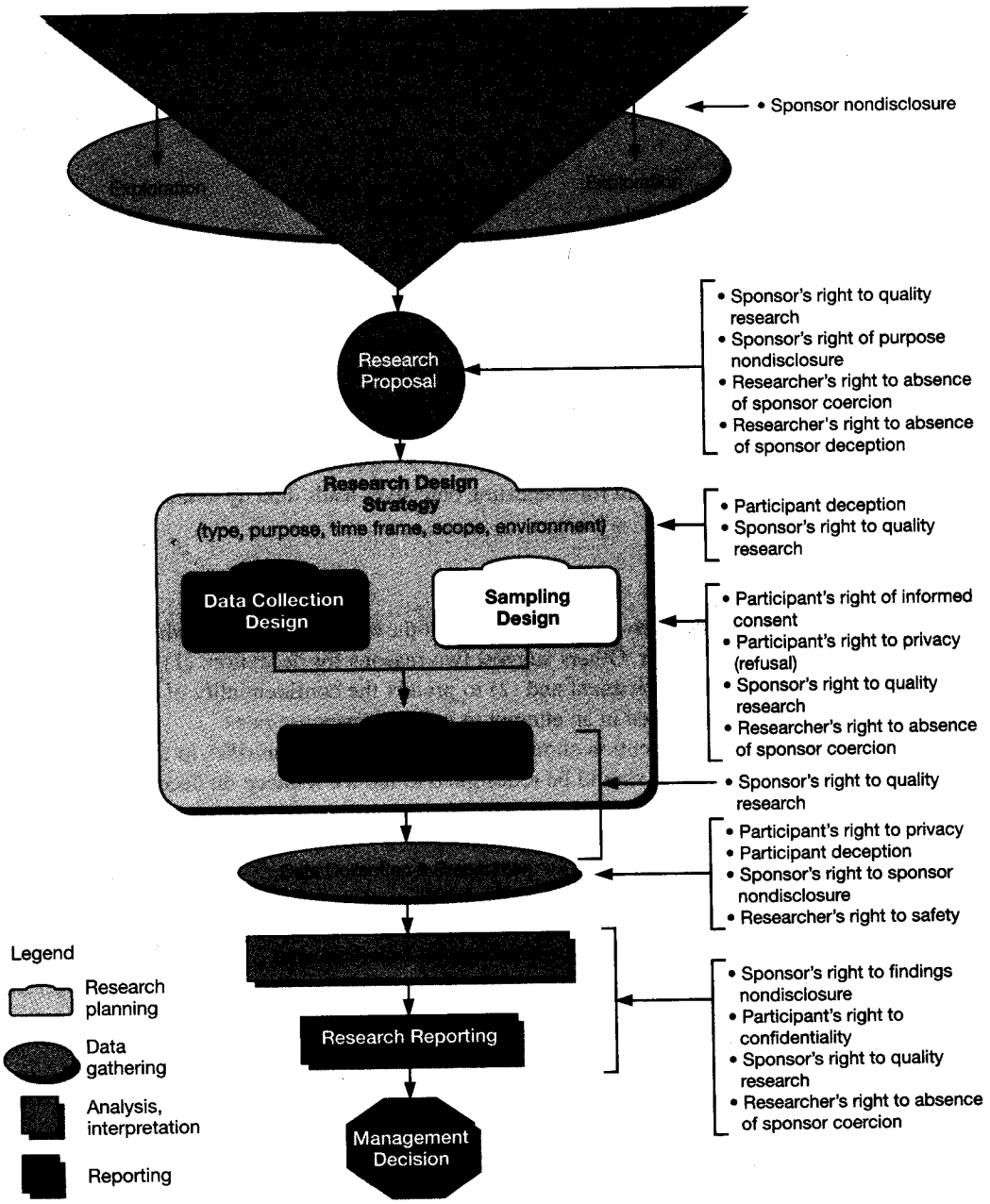
The recognition of ethics as a problem for economic organizations was revealed in a survey where 80 percent of the responding organizations reported the adoption of an ethical code. Surprisingly, the evidence that this effort has improved ethical practices is questionable. The same study reports limited success for codes of conduct that attempt to restrain improper behavior.[1]

There is no single approach to ethics. Advocating strict adherence to a set of laws is difficult because of the unforeseen constraint put on researchers. Because of Germany's war history, for example, the government forbids many types of medical research. Consequently, the German people do not benefit from many advances in biotechnology and may have restricted access to genetically altered drugs in the future. Alternatively, relying on each individual's personal sense of morality is equally problematic. Consider the clash between those who believe death is deliverance from a life of suffering and those who value life to the point of preserving it indefinitely through mechanical means. Each value system claims superior knowledge of moral correctness.

Clearly, a middle ground between being completely code-governed or relying on ethical relativism is necessary. The foundation for that middle ground is an emerging consensus on ethical standards for researchers. Codes and regulations guide researchers and sponsors. Review boards and peer groups help researchers examine their research proposals for ethical dilemmas. Many design-based ethical problems can be eliminated by careful planning and constant vigilance. In the end, responsible research anticipates ethical dilemmas and attempts to adjust the design, procedures, and protocols during the planning process rather than treating them as an afterthought. Ethical research requires personal integrity from the researcher, the project manager, and the research sponsor.

Because integrity in research is vital, we are discussing its components early in this book and emphasizing ethical behavior throughout our coverage. Our objective is to stimulate an ongoing exchange about values and practical research constraints in the chapters that follow. This chapter is organized around the theme of ethical treatment of participants, clients, research sponsors, and other researchers. We also highlight appropriate laws and codes, resources for ethical awareness, and cases for application. Exhibit 5-1 relates each ethical issue under discussion to the research process introduced in Chapter 3.

> **Exhibit 5-1** Ethical Issues and the Research Process



> Ethical Treatment of Participants

When ethics are discussed in research design, we often think first about protecting the rights of the participant, participant, or subject. Whether data are gathered in an experimnt, interview, observation, or survey, the participant has many rights to be safeguarded. In general, research must be designed so that a participant does

not suffer physical harm, discomfort, pain, embarrassment, or loss of privacy. To safeguard against these, the researcher should follow three guidelines:[2]

1. Explain study benefits.
2. Explain participant rights and protections.
3. Obtain informed consent.

Benefits

Whenever direct contact is made with a participant, the researcher should discuss the study's benefits, being careful to neither overstate nor understate the benefits. An interviewer should begin an introduction with his or her name, the name of the research organization, and a brief description of the purpose and benefit of the research. This puts participants at ease, lets them know to whom they are speaking, and motivates them to answer questions truthfully. In short, knowing why one is being asked questions improves cooperation through honest disclosure of purpose. Inducements to participate, financial or otherwise, should not be disproportionate to the task or presented in a fashion that results in coercion.

Sometimes the actual purpose and benefits of your study or experiment must be concealed from the participants to avoid introducing bias. The need for concealing objectives leads directly to the problem of deception.

Deception

Deception occurs when the participants are told only part of the truth or when the truth is fully compromised. Some believe this should never occur. Others suggest two reasons for deception: (1) to prevent biasing the participants before the survey or experiment and (2) to protect the confidentiality of a third party (e.g., the sponsor). Deception should not be used in an attempt to improve response rates.

The benefits to be gained by deception should be balanced against the risks to the participants. When possible, an experiment or interview should be redesigned to reduce reliance on deception. In addition, the

>snapshot

Engendering Trust Online

With the Internet a growing source of research information, participants in such research deserve to know how the information they share will be used. According to Truste.org, "As an Internet user, you have a right to expect online privacy and the responsibility to exercise choice over how your personal information is collected, used, and shared by Web sites." Truste.org is especially interested in information collected from children under 13 years of age. "A Web site displaying the Children's Seal is committed to obtaining prior verifiable parental consent when and if information will be collected, as well as giving parental notice of how that information will be used." Truste.org offers its trustmarks to Internet sites that follow its privacy guidelines:

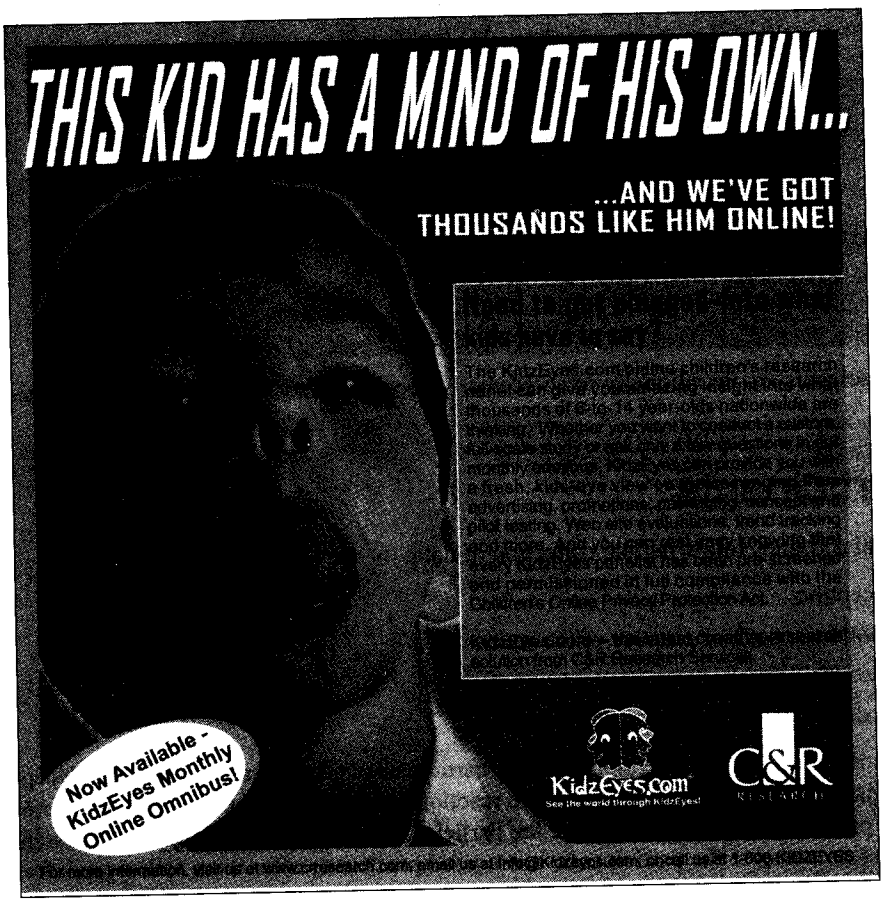
- *Adoption and implementation of a privacy policy* that takes into account consumer anxiety over sharing personal information online.
- *Notice and disclosure* of information collection and use practices.
- *Choice and consent*, giving users the opportunity to exercise control over their information.
- *Data security and quality and access* measures to help protect the security and accuracy of personally identifiable information.

www.truste.org

participants' rights and well-being must be adequately protected. In instances where deception in an experiment could produce anxiety, a subject's medical condition should be checked to ensure that no adverse physical harm follows. The American Psychological Association's ethics code states that the use of deception is inappropriate unless deceptive techniques are justified by the study's expected scientific, educational, or applied value and equally effective alternatives that do not use deception are not feasible.[3] And finally, the participants must have given their informed consent before participating in the research.

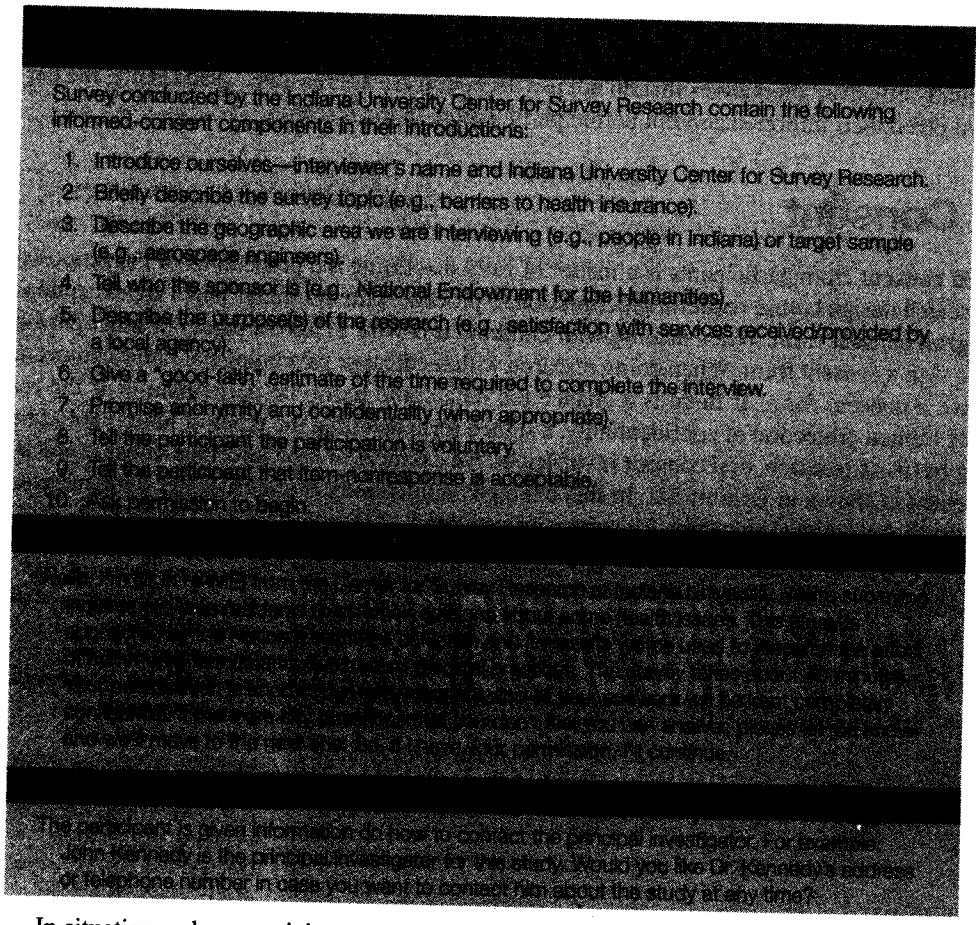
Informed Consent

Securing **informed consent** from participants is a matter of fully disclosing the procedures of the proposed survey or other research design before requesting permission to proceed with the study. There are exceptions that argue for a signed consent form. When dealing with children, it is wise to have a parent or other person with legal standing sign a consent form. When doing research with medical or psychological ramifications, it is also wise to have a consent form. If there is a chance the data could harm the participant or if the researchers offer only limited protection of confidentiality, a signed form detailing the types of limits should be obtained. For most business research, oral consent is sufficient. An example of how informed-consent procedures are implemented is shown in Exhibit 5-2. In this example, a university research center demonstrates how it adheres to the highest ethical standards for survey procedures.[4]



Researchers have special ethical responsibilities when using children as participants. Besides providing informed consent, parents are often interviewed during the selection process to ensure that if their child is chosen, he or she is mature enough to handle the activities planned and has the verbal and physical capabilities necessary. Researchers who work with children want the child to perceive participation as an enjoyable—and sometimes even an exciting—experience.
www.crresearch.com

> Exhibit 5-2 Informed-Consent Procedures for Surveys



In situations where participants are intentionally or accidentally deceived, they should be debriefed once the research is complete.

Debriefing Participants

Debriefing involves several activities following the collection of data:

- Explanation of any deception.
- Description of the hypothesis, goal, or purpose of the study.
- Poststudy sharing of results.
- Poststudy follow-up medical or psychological attention.

First, the researcher shares the truth of any deception with the participants and the reasons for using deception in the context of the study's goals. In cases where severe reactions occur, follow-up medical or psychological attention should be provided to continue to ensure the participants remain unharmed by the research.

Even when research does not deceive the participants, it is a good practice to offer them follow-up information. This retains the goodwill of the participant, providing an incentive to participate in future research

>snapshot

According to data from Nielsen/NetRatings and SearchEngineWatch.com, Internet users in the United States spent about 15.1 million hours in August 2002 searching at Google. Additionally, more than 150 million inquiries a day flow to the Internet through Google's search engine. Google tracks a search by time of day, originating IP address, and sites on which the user clicked. Even though queries come from more than 100 countries, according to Greg Rae, a member of the Google team that logs those inquiries, patterns emerge. "It's amazing how similar people are all over the world based on what they are searching for." Google provides some of these patterns on its Web site, Google Zeitgeist, but it protects its raw data from prying eyes due to privacy concerns. It knows, for example, that Britney Spears has become a benchmark of sorts based on the large number of inquiries that include her name and that major events—like September 11, 2001—or even minor ones—like a question posed on ABC's *Millionaire*—can cause spikes in inquiries. But what makes Google a marketing gold mine is its ability to predict future trends as well as mirror them. Marketers are interested not only for these predictive capabilities but also because searches reveal things about individuals that they wouldn't willingly talk about with researchers. So while Google publishes some of its aggregate trends on its Web site, it is just beginning to explore how or whether to use its data for marketing purposes.

www.google.com/press/zeitgeist.html;
www.nielsen-netratings.com/

projects. For surveys and interviews, participants can be offered a brief report of the findings. Usually, they will not request additional information. Occasionally, however, the research will be of particular interest to a participant. A simple set of descriptive charts or data tables can be generated for such an individual.

For experiments, all participants should be debriefed in order to put the experiment into context. Debriefing usually includes a description of the hypothesis being tested and the purpose of the study. Participants who were not deceived still benefit from the debriefing session. They will be able to understand why the experiment was created. The researchers also gain important insight into what the participants thought about during and after the experiment. This may lead to modifications in future research designs. Like survey and interview participants, participants in experiments and observational studies should be offered a report of the findings.

To what extent do debriefing and informed consent reduce the effects of deception? Research suggests that the majority of participants do not resent temporary deception and may have more positive feelings about the value of the research after debriefing than those who didn't participate in the study.[5] Nevertheless, deception is an ethically thorny issue and should be addressed with sensitivity and concern for research participants.

Rights to Privacy

Privacy laws in the United States are taken seriously. All individuals have a right to privacy, and researchers must respect that right. The importance of the right to privacy is illustrated with an example.

An employee of MonsterVideo, a large video company, is also a student at the local university. For a research project, this student and his team members decide to compare the video-viewing habits of a sample of customers. Using telephone interviews, the students begin their research. After inquiring about people's viewing habits and the frequency of rentals versus purchases, the students move on to the types of films people watch. They find that most participants answer questions about their preferences for children's shows, classics, best-sellers, mysteries, and science fiction. But the cooperation ceases when the students question the viewing frequency of pornographic movies. Without the guarantee of privacy, most people will not answer these kinds of questions truthfully, if at all. The study then loses key data.

The privacy guarantee is important not only to retain validity of the research but also to protect participants. In the previous example, imagine the harm that could be caused by releasing information on the viewing habits of certain citizens. Clearly, the confidentiality of survey answers is an important aspect of the participants' right to privacy.

Once the guarantee of **confidentiality** is given, protecting that confidentiality is essential. The researcher protects participant confidentiality in several ways:

- Obtaining signed nondisclosure documents.
- Restricting access to participant identification.
- Revealing participant information only with written consent.
- Restricting access to data instruments where the participant is identified.
- Not disclosing data subsets.

Researchers should restrict access to information that reveals names, telephone numbers, addresses, or other identifying features. Only researchers who have signed nondisclosure, confidentiality forms should be allowed access to the data. Links between the data or database and the identifying information file should be weakened. Individual interview response sheets should be inaccessible to everyone except the editors and data entry personnel. Occasionally, data collection instruments should be destroyed once the data are in a data file. Data files that make it easy to reconstruct the profiles or identification of individual participants should be carefully controlled. For very small groups, data should not be made available because it is often easy to pinpoint a person within the group. Employee-satisfaction survey feedback in small units can be easily used to identify an individual through descriptive statistics alone. These last two protections are particularly important in human resources research.[6]

But privacy is more than confidentiality. A **right to privacy** means one has the right to refuse to be interviewed or to refuse to answer any question in an interview. Potential participants have a right to privacy in their own homes, including not admitting researchers and not answering telephones. And they have the right to engage in private behavior in private places without fear of observation. To address these rights, ethical researchers do the following:

- Inform participants of their right to refuse to answer any questions or participate in the study.
- Obtain permission to interview participants.
- Schedule field and phone interviews.
- Limit the time required for participation.
- Restrict observation to public behavior only.

Data Collection in Cyberspace

Some ethicists argue that the very conduct that results in resistance from participants—interference, invasiveness in their lives, denial of privacy rights—has encouraged researchers to investigate topics online that have long been the principal commodity of offline investigation. The novelty and convenience of communicating by computer has led researchers to cyberspace in search of abundant sources of data. Whether we call it the "wired society," "digital life," "computer-mediated communication," or "cyberculture," the growth of cyberstudies causes us to question how we gather data online, deal with participants, and present results.

In a special ethics issue of *Information Society,* scholars involved in cyberspace research concluded:

> All participants agree that research in cyberspace provides no special dispensation to ignore ethical precepts. Researchers are obligated to protect human subjects and "do right" in electronic venues as in more conventional ones. Second, each

participant recognizes that cyberspace poses complex ethical issues that may lack exact analogs in other types of inquiry. The ease of covert observation, the occasional blurry distinction between public and private venues, and the difficulty of obtaining the informed consent of subjects make cyber-research particularly vulnerable to ethical breaches by even the most scrupulous scholars. Third, all recognize that because research procedures or activities may be permissible or not precluded by law or policy, it does not follow that they are necessarily ethical or allowable. Fourth, all agree that the individual researcher has the ultimate responsibility for assuring that inquiry is not only done honestly, but done with ethical integrity.[7]

Issues relating to cyberspace in research also relate to data mining. The information collection devices available today were once the tools of the spy, the science fiction protagonist, or the superhero. Smart cards, biometrics (finger printing, retinal scans, facial recognition), electronic monitoring (closed circuit television, digital camera monitoring), global surveillance, and genetic identification (DNA) are just some of the technological tools being used by today's organizations to track and understand employees, customers, and suppliers. The data mining of all this information, collected from advanced and not necessarily obvious sources, offers infinite possibilities for research abuse.

The primary ethical data-mining issues in cyberspace are privacy and consent. (See Exhibit 5-3.) Smart cards, those ubiquitous credit card–sized devices that embed personal information on a computer chip that is then matched to purchase, employment, or other behavior data, offer the researcher implied consent to participant surveillance. But the benefits of card use may be enough to hide from an unsuspecting user the data-mining purpose of the card. For example, The Kroger Co., one of the largest grocers in the United States, offers significant discounts for enrollment in its Kroger Plus Shopper's Card program.[8] Retailers, wholesalers, medical and legal service providers, schools, government agencies, and resorts, to name a few, use smart cards or their equivalent. In most instances, participants provide, although sometimes grudgingly, the personal information requested by enrollment procedures. But in others, enrollment is mandatory, such as when smart cards are used with those convicted of crimes and sentenced to municipal or state correction facilities or those attending specific schools. In some instances, mandatory sharing of information is initially for personal welfare and safety—such as when you admit yourself for a medical procedure and provide detailed information about medication or prior surgery. But in others, enrollment is for less critical but potentially attractive monetary benefits—for example, free car care services when a smart card is included with the keys to a new vehicle. The bottom line is that the organization collecting the information gains a major benefit: the potential for better understanding and competitive advantage.

General privacy laws may not be sufficient to protect the unsuspecting in the cyberspace realm of data collection. The 15 European Union (EU) countries started the new century by passing the European Commission's Data Protection Directive. Under the directive, commissioners can prosecute companies and block Web sites that fail to live up to its strict privacy standards. Specifically, the directive prohibits the transmission of names, addresses, ethnicity, and other personal information to any country that fails to provide adequate data protection. This includes direct mail lists, hotel and travel reservations, medical and work records, and orders for products, among a host of others.[9] U.S. industry and government agencies have resisted regulation of data flow. But the EU insists that it is the right of all citizens to find out what information about themselves is in a database and correct any mistakes. Few U.S. companies would willingly offer such access due to the high cost;[10] a perfect example of this reluctance is the difficulty individuals have correcting erroneous credit reports, even when such information is based on stolen personal identity or credit card transactions.

Yet questions remain regarding the definition of specific ethical behaviors for cyberresearch, the sufficiency of existing professional guidelines, and the issue of ultimate responsibility for participants. If researchers are responsible for the ethical conduct of their research, are they solely responsible for the burden of protecting participants from every conceivable harm?

>snapshot

The European Union's data protection directive was adopted October 25, 1998. It sets strict standards for companies sending, sharing, or receiving data within EU member countries. On November 1, 2000, the voluntary U.S. Safe Harbor guidelines for transferring personal data between the United States and member countries of the European Union took effect. Claiming that "consumer confidence will be enhanced by ensuring customer privacy rights on- and off-line," Hewlett-Packard's customer privacy manager Barbara Lawler announced February 12, 2001, that HP would be the first high-tech company "to participate in the 'safe harbor' agreement between the U.S. Department of Commerce and European Union Data Protection Authorities." HP's privacy policy directly addresses globally recognized fair information practices, including notifying customers about data collection, giving customers a choice for marketing contact and data sharing, allowing customers to access and modify collected data, and providing strong security and third-party oversight. The safe-harbor provisions provide legal protection and a framework allowing for the safe transfer of personal information from European Union countries to the United States. As of 2003, 267 U.S. organizations had certified their compliance with the safe-harbor principles.

www.hp.com

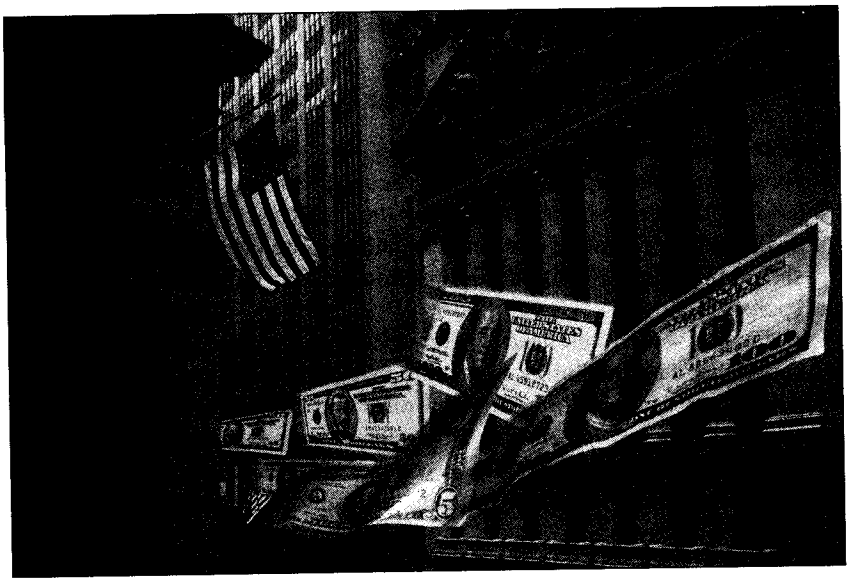
> Exhibit 5-3 The Seven Basic Principles of the U.S. Safe Harbor Agreement

- *Notice.* Companies must notify consumers/participants about what information is being collected, how that information will be used, who that information will be shared with, and how individuals can contact the organization with any inquiries or complaints.
- *Choice.* Consumers/participants must be provided with an opt-out mechanism for any secondary uses of data and for disclosures to third parties. For sensitive information, participants must opt in before providing data that will be shared.
- *Access.* Individuals must have access to personal information about themselves that an organization holds and be able to correct, amend, or delete that information where it is inaccurate, except where the burden or expense of providing access would be disproportionate to the risks to the individual's privacy.
- *Security.* Organizations must take reasonable precautions to protect personal information from loss, misuse, and unauthorized access, disclosure, alteration, and destruction.
- *Onward transfer.* Companies disclosing personal data to a third party must, with certain exceptions, adhere to the notice and choice principles. A third party must subscribe to the safe-harbor principles.
- *Data Integrity.* Reasonable steps must be taken to ensure that data collected are reliable, accurate, complete, and current.
- *Enforcement.* Companies must ensure there are readily available and affordable independent mechanisms to investigate consumer complaints, obligations to remedy problems, procedures to verify compliance with safe-harbor principles, and sufficiently rigorous sanctions to ensure compliance.

Source: Diane Bowers, "Privacy and the Research Industry in the U.S.," *ESOMAR Research World,* no. 7, July–August 2001, pp. 8–9 (http://www.esomar.nl/PDF/DataPrivacyUpdateUSA.pdf); Lori Enos, "Microsoft to Sign EU Privacy Accord," www.EcommerceTimes.com, May 16, 2001 (http://www.newsfactor.com/perl/story/9752.html); U.S. Department of Commerce, "Safe Harbor Overview," accessed November 30, 2002 (http://www.export.gov/safeharbor/sh_overview.html).

> Ethics and the Sponsor

There are also ethical considerations to keep in mind when dealing with the research client or sponsor. Whether undertaking product, market, personnel, financial, or other research, a sponsor has the right to receive ethically conducted research.



Information can make or break a business on one of the world's busiest avenues, Wall Street. That's why you need a researcher that can extract information while keeping results strictly confidential. Seaport Surveys is one such firm. It specializes in executive recruiting, as well as business-to-business interviewing and executive focus groups in the greater New York area. **www.seaportsurveys.com**

Confidentiality

Some sponsors wish to undertake research without revealing themselves. They have a right to several types of confidentiality, including sponsor nondisclosure, purpose nondisclosure, and findings nondisclosure.

Companies have a right to dissociate themselves from the sponsorship of a research project. This type of confidentiality is called **sponsor nondisclosure.** Due to the sensitive nature of the management dilemma or the research question, sponsors may hire an outside consulting or research firm to complete research projects. This is often done when a company is testing a new product idea, to avoid potential consumers from being influenced by the company's current image or industry standing. Or if a company is contemplating entering a new market, it may not wish to reveal its plans to competitors. In such cases, it is the responsibility of the researcher to respect this desire and devise a plan that safeguards the identity of the research sponsor.

Purpose nondisclosure involves protecting the purpose of the study or its details. A research sponsor may be testing a new idea that is not yet patented and may not want the competition to know of its plans. It may be investigating employee complaints and may not want to spark union activity. Or the sponsor might be contemplating a new public stock offering, where advance disclosure would spark the interest of authorities or cost the firm thousands or millions of dollars. Finally, even if a sponsor feels no need to hide its identity or the study's purpose, most sponsors want the research data and findings to be confidential, at least until the management decision is made. Thus sponsors usually demand and receive **findings nondisclosure** between themselves or their researchers and any interested but unapproved parties.

Right to Quality Research

An important ethical consideration for the researcher and the sponsor is the sponsor's **right to quality** research. This right entails:

- Providing a research design appropriate for the research question.
- Maximizing the sponsor's value for the resources expended.
- Providing data-handling and -reporting techniques appropriate for the data collected.

From the proposal through the design to data analysis and final reporting, the researcher guides the sponsor on the proper techniques and interpretations. Often sponsors will have heard about a sophisticated data-handling technique and will want it used even when it is inappropriate for the problem at hand. The researcher should guide the sponsor so that this does not occur. The researcher should propose the design most suitable for the problem. The researcher should not propose activities designed to maximize researcher revenue or minimize researcher effort at the sponsor's expense.

As you learn about research design, sampling, statistics, and reporting techniques, you'll learn the various conditions that must be met for results to be valid.

Finally, we have all heard the remark, "You can lie with statistics." It is the researcher's responsibility to prevent that from occurring. The ethical researcher always follows the analytical rules and conditions for results to be valid. The ethical researcher reports findings in ways that minimize the drawing of false conclusions. The ethical researcher also uses charts, graphs, and tables to show the data objectively, despite the sponsor's preferred outcomes.

Sponsor's Ethics

Occasionally, research specialists may be asked by sponsors to participate in unethical behavior. Compliance by the researcher would be a breach of ethical standards. Some examples to be avoided are:

Short cases in the Discussion Questions section at the end of this chapter are designed to have you articulate your own ethical standards as you respond to real ethical dilemmas.

- Violating participant confidentiality.
- Changing data or creating false data to meet a desired objective.
- Changing data presentations or interpretations.
- Interpreting data from a biased perspective.
- Omitting sections of data analysis and conclusions.
- Making recommendations beyond the scope of the data collected.

Let's examine the effects of complying with these types of coercion. A sponsor may offer a promotion, future contracts, or a larger payment for the existing research contract; or the sponsor may threaten to fire the researcher or tarnish the researcher's reputation. For some researchers, the request may seem trivial and the reward high. But imagine, for a moment, what will happen to the researcher who changes research results. Although there is a promise of future research, can the sponsor ever trust that researcher again? If the researcher's ethical standards are for sale, which sponsor might be the highest bidder next time? Although the promise of future contracts seems enticing, it is unlikely to be kept. Each coercive reward or punishment has an equally poor outcome. The "greater than" contracted payment is a payoff. The threats to one's professional reputation cannot be carried out effectively by a sponsor who has tried to purchase you. So the rewards for behaving unethically are illusory.

What's the ethical course? Often, it requires confronting the sponsor's demand and taking the following actions:

- Educate the sponsor to the purpose of research.
- Explain the researcher's role in fact finding versus the sponsor's role in decision making.
- Explain how distorting the truth or breaking faith with participants leads to future problems.
- Failing moral suasion, terminate the relationship with the sponsor.

> Researchers and Team Members

Another ethical responsibility of researchers is their team's safety as well as their own. In addition, the responsibility for ethical behavior rests with the researcher who, along with assistants, is charged with protecting the anonymity of both the sponsor and the participant.

Safety

It is the researcher's responsibility to design a project so that the safety of all interviewers, surveyors, experimenters, or observers is protected. Several factors may be important to consider in ensuring a researcher's **right to safety.** Some urban areas and undeveloped rural areas may be unsafe for research assistants. If, for example, the researcher must personally interview people in a high-crime district, it is reasonable to provide a second team member to protect the researcher. Alternatively, if an assistant feels unsafe after visiting a neighborhood by car, an alternate researcher should be assigned to the destination.[11] It is unethical to require staff members to enter an environment where they feel physically threatened. Researchers who are insensitive to these concerns face both research and legal risks—the least of which involves having interviewers falsify instruments.

Ethical Behavior of Assistants

Researchers should require ethical compliance from team members just as sponsors expect ethical behavior from the researcher. Assistants are expected to carry out the sampling plan, to interview or observe participants without bias, and to accurately record all necessary data. Unethical behavior, such as filling in an interview sheet without having asked the participant the questions, cannot be tolerated. The behavior of the assistants is under the direct control of the responsible researcher or field supervisor. If an assistant behaves improperly in an interview or shares a participant's interview sheet with an unauthorized person, it is the researcher's responsibility. Consequently, all assistants should be well trained and supervised.

Protection of Anonymity

As discussed previously, researchers and assistants protect the confidentiality of the sponsor's information and the anonymity of the participants. Each researcher handling data should be required to sign a confidentiality and nondisclosure statement.

> Professional Standards

Various standards of ethics exist for the professional researcher. Many corporations, professional associations, and universities have a **code of ethics.** The impetus for these policies and standards can be traced to two documents: the Belmont Report of 1979 and the *Federal Register* of 1991.[12] Society or association guidelines include ethical standards for the conduct of research. One comprehensive source contains 51 official codes of ethics issued by 45 associations in business, health, and law.[13] The business section of this source consists of ethics standards for:

Accounting—American Institute of Certified Public Accountants.

Advertising—American Association of Advertising Agencies; Direct Marketing Association.

Banking—American Bankers Association.

Engineering—American Association of Engineering Societies; National Society of Professional Engineers.

Financial planning—Association for Investment Management and Research; Certified Financial Planner Board of Standards/Institute of Certified Financial Planners; International Association for Financial Planning.

Human resources—American Society for Public Administration; Society for Human Resource Management.

Insurance—American Institute for Chartered Property Casualty Underwriters; American Society of Chartered Life Underwriters and Chartered Financial Consultants.

Management—Academy of Management; The Business Roundtable.

Real estate—National Association of Realtors.

Other professional associations' codes have detailed research sections: the American Marketing Association, the American Association for Public Opinion Research, the American Psychological Association, the American Political Science Association, the American Sociological Association, and the Society of Competitive Intelligence Professionals. These associations update their codes frequently.

We commend professional societies and business organizations for developing standards. However, without enforcement, standards are ineffectual. Effective codes (1) are regulative, (2) protect the public interest and the interests of the profession served by the code, (3) are behavior-specific, and (4) are *enforceable.* A study that assessed the effects of personal and professional values on ethical consulting behavior concluded:

> The findings of this study cast some doubt on the effectiveness of professional codes of ethics and corporate policies that attempt to deal with ethical dilemmas faced by business consultants. A mere codification of ethical values of the profession or organization may not counteract ethical ambivalence created and maintained through reward systems. The results suggest that unless ethical codes and policies are consistently reinforced with a significant reward and punishment structure and truly integrated into the business culture, these mechanisms would be of limited value in actually regulating unethical conduct.[14]

Federal, state, and local governments also have laws, policies, and procedures in place to regulate research on human beings. The U.S. government began a process that covers all research having federal support. Initially implemented in 1966, the Institutional Review Boards (IRBs) engage in a risk assessment and benefit analysis review of proposed research. The Department of Health and Human Services (HHS) translated the federal regulations into policy. Most other federal and state agencies follow the HHS-developed guidelines.

Since 1981, the review requirement has been relaxed so that research that is routine no longer needs to go through the complete process.[15] Each institution receiving funding from HHS or doing research for HHS is required to have its own IRB to review research proposals. Many institutions require all research, whether funded or unfunded by the government, to undergo review by the local IRB. The IRBs concentrate on two areas. First is the guarantee of obtaining complete, informed consent from participants. This can be traced to the first of 10 points in the Nuremberg Code.[16] Complete informed consent has four characteristics:

1. The participant must be competent to give consent.
2. Consent must be voluntary.
3. Participants must be adequately informed to make a decision.
4. Participants should know the possible risks or outcomes associated with the research.

The second item of interest to the IRB is the risk assessment and benefit analysis review. In the review, risks are considered when they add to the normal risk of daily life. Significantly, the only benefit considered

is the immediate importance of the knowledge to be gained. Possible long-term benefits from applying the knowledge that may be gained in the research are not considered.[17]

Other federal legislation that governs or influences the ways in which research is carried out are the Right to Privacy laws. Public Law 95-38 is the Privacy Act of 1974. This was the first law guaranteeing Americans the right to privacy. Public Law 96-440, the Privacy Protection Act of 1980, carries the right to privacy further. These two laws are the basis for protecting the privacy and confidentiality of the participants and the data.

> Resources for Ethical Awareness

There is optimism for improving ethical awareness. According to the Center for Business Ethics at Bentley College, over a third of Fortune 500 companies have ethics officers, a substantial rise. Almost 90 percent of business schools have ethics programs, up from a handful several years ago.[18] Exhibit 5-4 provides a list of recommended resources for business students, researchers, and managers. The Center for Ethics and Business at Loyola Marymount University provides an online environment for discussing issues related to the necessity, difficulty, costs, and rewards of conducting business ethically. Its Web site offers a comprehensive list of business and research ethics links.[19]

> Exhibit 5-4 Resources for Ethical Awareness

Journals and Magazines			
Business Ethics	*Business Ethics Quarterly*	*Ethikos*	*Journal of Business Ethics*

Research, Training, and Conferences
Applied Research Ethics National Association (ARENA), Boston, MA (617-423-4412; www.primr.org/).
Business ethics conferences, The Conference Board, New York, NY (212-759-0900; www.conference-board.org).
Center for Ethics and Business, Loyola Marymount University, Los Angeles, CA (310-338-2700; www.ethicsandbusiness.org).
Centre for Research Ethics, Göteborg University, Göteborg, Sweden (46 31 973 49 22; www.cre.gu.se/).
Center for the Study of Ethics in the Professions, Illinois Institute of Technology, Chicago, IL (312-567-3017; www.iit.edu/departments/csep/).
Council of American Survey Research Organizations (CASRO), Port Jefferson, NY (631-928-6954; www.casro.org).
Electronic Privacy Information Center, Washington, DC (202-483-1140; www.epic.org).
Ethics Corps Training for Business Leaders, Josephson Institute of Ethics, Marina del Rey, CA (310-306-1868; www.josephsoninstitute.org).
Ethics Resource Center, Washington, DC (202-737-2258; www.ethics.org).
European Business Ethics Network, Breukelen, The Netherlands (32 016 32 37 79; www.eben.org).
Graduate Research Ethics Education Workshop, Association of Practical and Professional Ethics, Indiana University, Bloomington, IN (812-855-6450; www.indiana.edu/nappe/gree.html).
Institute for Business and Professional Ethics, DePaul University, Chicago, IL (312-362-6624; http://commerce.depaul.edu/ethics/index.shtml).
Marketing Research Association, Rocky Hill, CT (860-257-4008; www.mra-net.org).
Teaching Research Ethics, Poynter Center, Indiana University, Bloomington, IN (812-855-0261; www.indiana.edu/~poynter/index.html).

(continued)

> Exhibit 5-4 Resources for Ethical Awareness *(concluded)*

Research, Training, and Conferences *(concluded)*
The Beard Center for Leadership in Ethics, A. J. Palumbo School of Business Administration, Duquesne University, Pittsburgh, PA (412-396-5475; www.bus.duq.edu/Beard/).
The Center for Business Ethics, Bentley College, Waltham, MA (781-891-2981; http://ecampus.bentley.edu/dept/cbe/ethicscenters/domestic.html).
The Center for Professional and Applied Ethics, University of North Carolina, Charlotte, NC (704-687-3542; www.uncc.edu/colleges/arts_and_sciences/philosophy/center.html).
The Ethics Institute, Dartmouth College, Hanover, NH (603-646-1263; www.dartmouth.edu/~ethics/).
The Program in Ethics and the Professions, Harvard University, Cambridge, MA (617-495-1336; www.ethics.harvard.edu).
The Wharton Ethics Program, University of Pennsylvania, Philadelphia, PA (215-898-5847; http://ethics.wharton.upenn.edu/).
World Association of Public Opinion Research (WAPOR), Lincoln, NE (402-458-2030; www.unl.edu/WAPOR).
World Association of Research Professionals, Amsterdam, The Netherlands (31 20 664 21 41; www.esomar.nl).

>summary

1 Ethics are norms or standards of behavior that guide moral choices about our behavior and our relationships with others. Ethics differ from legal constraints, in which generally accepted standards have defined penalties that are universally enforced. The goal of ethics in research is to ensure that no one is harmed or suffers adverse consequences from research activities.

As research is designed, several ethical considerations must be balanced:

- Protect the rights of the *participant* or subject.
- Ensure the *sponsor* receives ethically conducted and reported research.
- Follow ethical standards when *designing research.*
- Protect the *safety* of the researcher and team.
- Ensure the *research team* follows the design.

2 In general, research must be designed so that a participant does not suffer physical harm, discomfort, pain, embarrassment, or loss of privacy. Begin data collection by explaining to participants the benefits expected from the research. Explain that their rights and well-being will be adequately protected and say how that will be done. Be certain that interviewers obtain the informed consent of the participant. The use of deception is questionable; when it is used, debrief any participant who has been deceived.

3 Many *sponsors* wish to undertake research without revealing themselves. Sponsors have the right to demand and receive confidentiality between themselves and the researchers. Ethical researchers provide sponsors with the research design needed to solve the managerial question. The ethical researcher shows the data objectively, despite the sponsor's preferred outcomes.

The research team's safety is the responsibility of the researcher. Researchers should require ethical compliance from team members in following the research design, just as sponsors expect ethical behavior from the researcher.

4 Many corporations and research firms have adopted a code of ethics. Several professional associations have detailed research provisions. Of interest are the American Association for Public Opinion Research, the American Marketing Association, the American Political Science Association, the American Psychological Association, and the American Sociological Association. Federal, state, and local governments have laws, policies, and procedures in place to regulate research on human beings.

>keyterms

code of ethics 127
confidentiality 122
debriefing 120
deception 118
ethics 116
informed consent 119
nondisclosure:
findings 125
purpose 125

>discussionquestions

Making Research Decisions

1 **A Competitive Coup in the In-Flight Magazine.** When the manager for market intelligence of AutoCorp, a major automotive manufacturer, boarded the plane in Chicago, her mind was on shrinking market share and late product announcements. As she settled back to enjoy the remains of a hectic day, she reached for the in-flight magazine. It was jammed into the seat pocket in front of her.

Crammed into this already tiny space was a report with a competitor's logo, marked "Confidential—Restricted Circulation." It contained a description of new product announcements for the next two years. Not only was it intended for a small circle of senior executives, but it also answered the questions she had recently proposed to an external research firm.

The proposal for the solicited research could be canceled. Her research budget, already savaged, could be saved. She was home free, legally and career-wise.

She foresaw only one problem. In the last few months, AutoCorp's newly hired ethicist had revised the firm's Business Conduct Guidelines. They now required company employees in possession of a competitor's information to return it or face dismissal. But it was still a draft and not formally approved. She had the rest of the flight to decide whether to return the document to the airline or slip it into her briefcase.

a What are the most prudent decisions she can make about her responsibilities to herself and others?

b What are the implications of those decisions even if there is no violation of law or regulation?

2 **Free Waters in Miro Beach: Boaters Inc. versus City Government.**[20] The city commissioners of Miro Beach proposed limits on boaters who anchor offshore in waterfront areas of the St. Lucinda River adjoining the city. Residents had complained of pollution from the live-aboard boaters. The parking lot of boats created an unsightly view.

The city based its proposed ordinance on research done by the staff. The staff did not hold graduate degrees in either public or business administration, and it was not known if staff members were competent to conduct research. The staff requested a proposal from a team of local university professors who had conducted similar work in the past. The research cost was $10,000. After receiving the proposal, the staff chose to do the work itself and not expend resources for the project. Through an unidentified source, the professors later learned their proposal contained enough information to guide the city's staff and suggested data collection areas that might provide information that could justify the boaters' claims.

Based on the staff's one-time survey of waterfront litter, "pump-out" samples, and a weekly frequency count of boats, an ordinance was drafted and a public workshop was held. Shortly after, a group of concerned boat owners formed Boaters Inc., an association to promote boating, raise funds, and lobby the commission. The group's claims were that the boaters (1) spent thousands of dollars on community goods and services, (2) did not create the litter, and (3) were being unjustly penalized because the commission's fact finding was flawed.

With the last claim in mind, the boaters flooded the city with public record requests. The clerks reported that some weeks the requests were one per day. Under continued pressure, the city attorney hired a private investigator (PI) to infiltrate Boaters Inc. to collect information. He rationalized this on the grounds that the boaters had challenged the city's grant applications in order to "blackmail the city into dropping plans to regulate the boaters."

The PI posed as a college student and worked for a time in the home of the boater organization's sponsor while helping with mailings. Despite the PI's inability to corroborate the city attorney's theory, he recommended conducting a background investigation on the organization's principal, an employee of a tabloid newspaper. (The FBI, on request of city or county police organizations, generally performs background investigations.)

The PI was not a boating enthusiast and soon drew suspicion. Simultaneously, the organization turned up the heat on the city by requesting what amounted to 5,000 pages of information—"studies and all related documents containing the word 'boat.'" Failing to get a response from Miro Beach, the boaters filed suit under the Florida Public Records Act. By this time, the city had spent $20,000.

The case stalled, went to appeal, and was settled in favor of the boaters. A year later, the organization's principal filed an invasion of privacy and slander suit against the city attorney, the PI, and the PI's firm. After six months, the suit was amended to include the city itself and sought $1 million in punitive damages.

a What are the most prudent decisions the city can make about its responsibilities to itself and others?

b What are the implications of those decisions even if there is no violation of law or regulation?

3 **The High Cost of Organizational Change.** It was his first year of college teaching, and there were no summer teaching assignments for new hires. But the

university was kind enough to steer him to an aviation firm, Avionics Inc., which needed help creating an organizational assessment survey. The assignment was to last five weeks, but it paid about the same as teaching all summer. The work was just about as perfect as it gets for an organizational behavior specialist. Avionics Inc.'s vice president, whom he met the first day, was cordial and smooth. The researcher would report to a senior manager who was coordinating the project with the human resources and legal departments.

It was soon apparent that in the 25-year history of Avionics Inc., there had never been an employee survey. This was understandable given management's lack of concern for employee complaints. Working conditions had deteriorated without management intervention, and government inspectors counted the number of heads down at desks as an index of performance. To make matters worse, the engineers were so disgruntled that word of unionization had spread like wildfire. A serious organizing effort was planned before the VP could approve the survey.

Headquarters dispatched nervous staffers to monitor the situation and generally involve themselves with every aspect of the questionnaire. Shadowed, the young researcher began to feel apprehension turn to paranoia. He consoled himself, however, with the goodwill of 500 enthusiastic, cooperative employees who had pinned their hopes for a better working environment to the results of this project.

The data collection was textbook perfect. No one had asked to preview the findings or had shown any particular interest. In the fifth week, he boarded the corporate jet with the VP and senior manager to make a presentation at headquarters. Participants at the headquarters location were invited to attend. Management was intent on heading off unionization by showing its confidence in the isolated nature of "a few engineers' complaints." They had also promised to engage the participants in action planning over the next few days.

An hour into the flight, the Avionics Inc. VP turned from his reading to the young researcher and said, "We have seen your results, you know. And we would like you to change two key findings. They are not all that critical to this round of fixing the 'bone orchard,' and you'll have another crack at it as a real consultant in the fall."

"But that would mean breaking faith with your employees . . . people who trusted me to present the results objectively. It's what I thought you wanted . . ."

"Yes, well, look at it this way," replied the VP. "All of your findings we can live with except these two. They're an embarrassment to senior management. Let me put it plainly. We have government contracts into the foreseeable future. You could retire early with consulting income from this place. Someone will meet us on the runway with new slides. What do you say?"

a What are the most prudent decisions Avionics Inc. can make about its responsibilities to itself and others?

b What are the implications of those decisions even if there is no violation of law or regulation?

4 Data-Mining Ethics and Company Growth Square Off. SupplyCo. is a supplier to a number of firms in an industry. This industry has a structure that includes suppliers, manufacturers, distributors, and consumers. Several companies are involved in the manufacturing process—from processed parts to creation of the final product—with each firm adding some value to the product.

The scenario in the Cummins Engines video case has some of the same properties as this ethical dilemma.

By carefully mining its customer data warehouse, SupplyCo. reveals a plausible new model for manufacturing and distributing industry products that would increase the overall efficiency of the industry system, reduce costs of production (leading to greater industry profits and more sales for SupplyCo.), and result in greater sales and profits for some of the industry's manufacturers (SupplyCo.'s customers).

On the other hand, implementing the model would hurt the sales and profits of other firms that are also SupplyCo.'s customers but which are not in a position (due to manpower, plant, or equipment) to benefit from the new manufacturing/distribution model. These firms would lose sales, profits, and market share and potentially go out of business.

Does SupplyCo. have an obligation to protect the interests of *all* its customers and to take no action that would harm any of them, since SupplyCo. had the data within its warehouse only because of its relationship with its customers? (It would betray some of its customers if it were to use the data in a manner that would cause these customers harm.) Or does it have a more powerful obligation to its stockholders and employees to aggressively pursue the new model that research reveals would substantially increase its sales, profits, and market share against competitors?

a What are the most prudent decisions SupplyCo. can make about its responsibilities to itself and others?

b What are the implications of those decisions even if there is no violation of law or regulation?

>wwwexercises

1 Do research companies have special ethical guidelines for research involving children? Use a Web search engine like Google.com to find out.

2 Visit at least two of the Web sites of research trade associations and compare their codes of ethics. Are these codes identical? If not, what differences do you perceive?

>case*

* Written cases new to this edition and favorite cases from prior editions appear on the text CD; you will find abstracts of these cases in the Case Abstracts section of this text. Video cases are indicated with a video icon.

>part II

The Design of Business Research

>chapter 6

"One of the greatest challenges facing marketing research is the steady decline in response rates."

Wally Balden, director of Internet research, Maritz Research

>**learning**objectives

After reading this chapter, you should understand . . .

1 The basic stages of research design.

2 The major descriptors of research design.

3 The major types of research designs.

4 The relationships that exist between variables in research design and the steps for evaluating those relationships.

Jason Henry tosses his empty paper coffee cup into the trash receptacle. "These anchors on cable news are totally unscientific," he comments, seemingly to no one in particular.

"She's an inexperienced kid getting her first break," states Sally Arens, Jason's partner, as she surveys the remnants of that morning's bagels, "at an hour when no sane person is watching TV anyway, let alone subjecting it to scientific criticism."

"It is terrifically unscientific," he says, "to make unsubstantiated conclusions as she did."

"I thought she did an amusing job interviewing that psychiatrist," observes Sally. "He was a beautiful choice. With his accent and a beard, he reminded me of Freud himself. And don't you agree he was effective presenting his theory of hurricane-induced anger causing people to lash out at business."

"That's not the issue, Sally, and you know it. The fact is, she should not have claimed that when the recent hurricane brushed Galveston, it caused a rash of complaints against auto dealerships."

"But you have to admit that adorable young couple picketing the Mercedes dealership—the girl in a mink jacket and her husband in Gucci loafers, and both of them complaining they were powerless against big business—really helped make her point."

"As entertainment it was admirable. But as news supported with evidence, it was rotten science. She had no before-after comparison. I want to know how many people had complaints against dealerships before the hurricane hit. Pretty clearly, she not only had no file footage of before the hurricane but also had no statistics. For all I know the complaint behavior has not changed."

"Do you really believe, Jason, that anyone would have the foresight to collect such information?"

"Why not? The newspapers and TV stations on the Gulf are continually hyping the threat of hurricanes. They must make a fortune selling commercial time at inflated rates during hurricane season. So, yes, they knew a hurricane was due sometime in the near future, or was at least possible, and if they were responsible they would have done baseline measurements . . . "

"Not really feasible . . . "

" . . . or at least refrain from such pseudoscientific bunkum."

"Is that it? Is that your complaint?"

"That's part of it. The other part is that the hurricane brushed Galveston and then skittered out into the Gulf. Forty miles away, Houston was barely touched. Did she bother to check if complaint behavior in Houston was also elevated? Because if it was, that would debunk her theory that the hurricane caused the complaint behavior. You can't blame something that occurred in one location and not in the other for causing behavior seen in both locations. Can you?"

"I guess not."

"Got ya, Sally!" he exclaims, with his characteristic quirky grin firmly in place.

Sally groans good-naturedly, realizing Jason has once again suckered her into an argument on his most favorite topic—the abuse of causality and logical reasoning—and she has fallen into the trap.

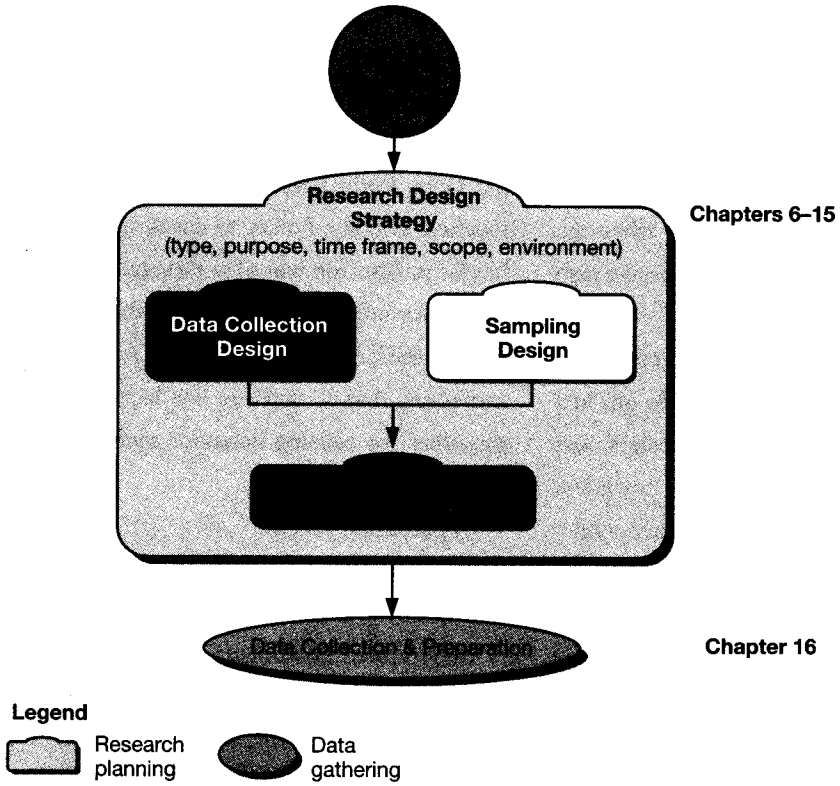
> What Is Research Design?

The topics covered by the term *research design* are wide-ranging, as depicted in Exhibit 6-1. This chapter introduces a classification of research designs and provides an overview of the most important design types (exploratory, descriptive, and causal). We refer you to subsequent chapters for a more thorough coverage of the unique features of qualitative studies, observational studies, surveys, and experiments. Our objective here is not for you to acquire the details of research design in one reading but for you to understand its scope and to get a glimpse of the available options for tailoring a design to an organization's particular research needs.

There are many definitions of research design, but no single definition imparts the full range of important aspects.

- Research design constitutes the blueprint for the collection, measurement, and analysis of data.
- Research design aids the researcher in the allocation of limited resources by posing crucial choices in methodology.[1]
- Research design is the plan and structure of investigation so conceived as to obtain answers to research questions. The plan is the overall scheme or program of the research. It includes an outline of what the investigator will do from writing hypotheses and their operational implications to the final analysis of data.[2]
- Research design expresses both the structure of the research problem—the framework, organization, or configuration of the relationships among variables of a study—and the plan of investigation used to obtain empirical evidence on those relationships.[3]

> Exhibit 6-1 Design in the Research Process



These definitions differ in detail, but together they give the essentials of **research design:**

- An activity- and time-based plan.
- A plan always based on the research question.
- A guide for selecting sources and types of information.
- A framework for specifying the relationships among the study's variables.
- A procedural outline for every research activity.

Classification of Designs

Early in any research study, one faces the task of selecting the specific design to use. A number of different design approaches exist, but, unfortunately, no simple classification system defines all the variations that must be considered. Exhibit 6-2 classifies research design using eight different descriptors.[4] A brief discussion of these descriptors illustrates their nature and contribution to research.

Degree of Research Question Crystallization

A study may be viewed as exploratory or formal. The essential distinctions between these two options are the degree of structure and the immediate objective of the study. **Exploratory studies** tend toward loose structures with the objective of discovering future research tasks. The immediate purpose of exploration is usually

> Exhibit 6-2 Descriptors of Research Design

Category	Options
The degree to which the research question has been crystallized	• Exploratory study • Formal study
The method of data collection	• Monitoring • Communication study
The power of the researcher to produce effects in the variables under study	• Experimental • Ex post facto
The purpose of the study	• Descriptive • Causal
The time dimension	• Cross-sectional • Longitudinal
The topical scope—breadth and depth—of the study	• Case • Statistical study
The research environment	• Field setting • Laboratory research • Simulation
The participant's perception of research activity	• Actual routine • Modified routine

>snapshot

Is sponsorship of the Super Bowl a wise promotional investment? It certainly looks promising. In its annual report, *The Final Score: 2004 Big Game Ad Effectiveness Study,* Claria Corporation reveals that sponsor Pepsi experienced the highest unaided awareness score of any advertiser and experienced a significant increase in traffic to its pepsiworld.com Web site. During the five weeks leading to the 2004 Super Bowl, pepsiworld.com experienced a 294 percent increase in visits. The visitors were drawn from the more than 480,000 superbowl.com visitors who clicked directly from Pepsi's ad on superbowl.com. Unprompted by a listing of advertisers, more than 40 percent of survey participants cited seeing a Pepsi ad on superbowl.com, six times the level of awareness of the next cited advertiser. When prompted with a list of advertisers, the number of participants citing they had seen a Pepsi ad rose to 52 percent.

So what was the research design? First, using Web analytics, Claria tracked GAIN Network volunteers as they browsed the Internet between December 1, 2003, and February 1, 2004, using search terms like *super bowl, NFL, Patriots, Saints,* and so on. The Claria GAIN Network comprises 45 million Internet users who have agreed to receive advertising based on their browsing behavior (Claria indicates that GAIN Network members share the same demographics as other online users). Then Claria's Feedback Research division presented a pop-up invitation to participate in a Web survey to a sample of visitors to superbowl.com. More than 500 completed this first survey between January 9 and January 28, 2004. Finally, on Monday, February 2, 2004—the day following the big game—Feedback Research again recruited GAIN Network participants with a pop-up invitation to respond to a Web survey to reveal how they watched and reacted to Super Bowl ads; 900 people participated in this second survey.

www.claria.com; www.pepsiworld.com

To learn more, you may download the study report from the Claria Web site **(www.claria.com/companyinfo/press/feb04report).**

to develop hypotheses or questions for further research. The **formal study** begins where the exploration leaves off—it begins with a hypothesis or research question and involves precise procedures and data source specifications. The goal of a formal research design is to test the hypotheses or answer the research questions posed.

< You may find it helpful to revisit Exhibit 3-1 as we discuss these descriptors.

The exploratory-formal study dichotomy is less precise than some other classifications. All studies have elements of exploration in them, and few studies are completely uncharted. The sequence discussed in Chapter 3 (see Exhibit 3-1 and the model on the inside front cover) suggests that more formalized studies contain at least an element of exploration before the final choice of design. More detailed consideration of exploratory research is found later in this chapter.

Method of Data Collection

We use the term communication *to contrast with* monitoring *because collecting data by questioning encompasses more than the survey method.*

This classification distinguishes between **monitoring** and communication processes. The former includes studies in which the researcher inspects the activities of a subject or the nature of some material without attempting to elicit responses from anyone. Traffic counts at an intersection, license plates recorded in a restaurant parking lot, a search of the library collection, an observation of the actions of a group of decision makers, the State Farm Dangerous Intersection Study—all are examples of monitoring. In each case the researcher notes and records the information available from observations. Monitoring for MindWriter might include "following" a computer through the repair process, documenting each activity or interaction between CompleteCare and call center employees and the damaged laptop.

In the **communication study,** the researcher questions the subjects and collects their responses by personal or impersonal means. The collected data may result from (1) interview or telephone conversations, (2) self-administered or self-reported instruments sent through the mail, left in convenient locations, or

transmitted electronically or by other means, or (3) instruments presented before and/or after a treatment or stimulus condition in an *experiment.* Sally and Jason propose a communication study, using a response card inserted in the packaging of laptops returned after CompleteCare servicing.

Researcher Control of Variables

In terms of the researcher's ability to manipulate variables, we differentiate between experimental and ex post facto designs. In an **experiment,** the researcher attempts to control and/or manipulate the variables in the study. It is enough that we can cause variables to be changed or held constant in keeping with our research objectives. Experimental design is appropriate when one wishes to discover whether certain variables produce effects in other variables. Experimentation provides the most powerful support possible for a hypothesis of causation.

With an **ex post facto design,** investigators have no control over the variables in the sense of being able to manipulate them. They can only report what has happened or what is happening. It is important that the researchers using this design not influence the variables; to do so introduces bias. The researcher is limited to holding factors constant by judicious selection of subjects according to strict sampling procedures and by statistical manipulation of findings. MindWriter is planning an ex post facto design.

The Purpose of the Study

The essential difference between descriptive and causal studies lies in their objectives. If the research is concerned with finding out *who, what, where, when,* or *how much,* then the study is **descriptive.** If it is concerned with learning why—that is, how one variable produces changes in another—it is causal. Research on crime is descriptive when it measures the types of crimes committed, how often, when, where, and by whom. In a **causal study,** we try to explain relationships among variables—for instance, why the crime rate is higher in city A than in city B. At the outset, the MindWriter project is descriptive, although subsequent studies might be causal.

The Time Dimension

Cross-sectional studies are carried out once and represent a snapshot of one point in time. **Longitudinal studies** are repeated over an extended period. The advantage of a longitudinal study is that it can track changes over time. Jason and Sally's proposal describes a longitudinal study, with satisfaction measurements taken continuously over several months and reported monthly.

In longitudinal studies of the *panel* variety, the researcher may study the same people over time. In marketing, panels are set up to report consumption data on a variety of products. These data, collected from national samples, provide a major data bank on relative market share, consumer response to new products, and new promotional methods. Other longitudinal studies, such as *cohort groups,* use different subjects for each sequenced measurement. The service industry might have looked at the needs of aging baby boomers by sampling 40- to 45-year-olds in 1990 and 50- to 55-year-olds in 2000. Although each sample would be different, the population of 1945 to 1950 cohort survivors would remain the same.

Some types of information once collected cannot be collected a second time from the same person without the risk of bias. The study of public awareness of an advertising campaign over a six-month period would require different samples for each measurement.

While longitudinal research is important, the constraints of budget and time impose the need for cross-sectional analysis. Some benefits of a longitudinal study can be revealed in a cross-sectional study by adroit questioning about past attitudes, history, and future expectations. Responses to these kinds of questions should be interpreted with care, however.

The Topical Scope

The statistical study differs from the case study in several ways. **Statistical studies** are designed for breadth rather than depth. They attempt to capture a population's characteristics by making inferences from a sample's characteristics. Hypotheses are tested quantitatively. Generalizations about findings are presented based on the representativeness of the sample and the validity of the design. MindWriter plans a statistical study.

Case studies place more emphasis on a full contextual analysis of fewer events or conditions and their interrelations. Although hypotheses are often used, the reliance on qualitative data makes support or rejection more difficult. An emphasis on detail provides valuable insight for problem solving, evaluation, and strategy. This detail is secured from multiple sources of information. It allows evidence to be verified and avoids missing data. Remember the proposed monitoring study for MindWriter? If MindWriter tracked one or more laptops, this could serve as a case study of the CompleteCare program.

Although case studies have been maligned as "scientifically worthless" because they do not meet minimal design requirements for comparison,[5] they have a significant scientific role. It is known that "important scientific propositions have the form of universals, and a universal can be falsified by a single counterinstance."[6] Thus, a single, well-designed case study can provide a major challenge to a theory and provide a source of new hypotheses and constructs simultaneously. Discovering new hypotheses to correct postservice complaints would be the major advantage of tracking a given number of damaged MindWriter laptops through the case study design.

The Research Environment

Designs also differ as to whether they occur under actual environmental conditions **(field conditions)** or under staged or manipulated conditions **(laboratory conditions).**

To simulate is to replicate the essence of a system or process. **Simulations** are increasingly used in research, especially in operations research. The major characteristics of various conditions and relationships in actual situations are often represented in mathematical models. Role-playing and other behavioral activities may also be viewed as simulations. A simulation for MindWriter might involve an arbitrarily damaged laptop being tracked through the call center and the CompleteCare program, monitoring results at each workstation. Another popularly used simulation is the retail service study involving "mystery shoppers."

Participants' Perceptions

The usefulness of a design may be reduced when people in a disguised study perceive that research is being conducted. **Participants' perceptions** influence the outcomes of the research in subtle ways or more dramatically as we learned from the pivotal Hawthorne studies of the late 1920s. Although there is no widespread evidence of attempts by participants or respondents to please researchers through successful hypothesis guessing or evidence of the prevalence of sabotage, when participants believe that something out of the ordinary is happening, they may behave less naturally. There are three levels of perception:

1. Participants perceive no deviations from everyday routines.
2. Participants perceive deviations, but as unrelated to the researcher.
3. Participants perceive deviations as researcher-induced.[7]

The "mystery shopper" scenario is the perfect example of the final level of perception noted in the above list. If a retail sales associate knows she is being observed and evaluated—with consequences in future compensation, scheduling, or work assignment—she is likely to change her performance. In all research environments and control situations, researchers need to be vigilant to effects that may alter their conclusions.

Participants' perceptions serve as a reminder to classify one's study by type, to examine validation strengths and weaknesses, and to be prepared to qualify results accordingly.

> Exploratory Studies

Exploration is particularly useful when researchers lack a clear idea of the problems they will meet during the study. Through exploration researchers develop concepts more clearly, establish priorities, develop operational definitions, and improve the final research design. Exploration may also save time and money. If the problem is not as important as first thought, more formal studies can be canceled.

Exploration serves other purposes as well. The area of investigation may be so new or so vague that a researcher needs to do an exploration just to learn something about the dilemma facing the manager. Important variables may not be known or thoroughly defined. Hypotheses for the research may be needed. Also, the researcher may explore to be sure it is practical to do a formal study in the area. A federal government agency, the Office of Industry Analysis, proposed that research be done on how executives in a given industry made decisions about raw material purchases. Questions were planned asking how (and at what price spreads) one raw material was substituted for another in certain manufactured products. An exploration to discover if industry executives would divulge adequate information about their decision making on this topic was essential for the study's success.

Despite its obvious value, researchers and managers alike give exploration less attention than it deserves. There are strong pressures for quick answers. Moreover, exploration is sometimes linked to old biases about qualitative research: subjectiveness, nonrepresentativeness, and nonsystematic design. More realistically, exploration saves time and money and should not be slighted.

Qualitative Techniques

The objectives of exploration may be accomplished with different techniques. Both qualitative and quantitative techniques are applicable, although exploration relies more heavily on **qualitative techniques.** One author creates a verbal picture to differentiate the two:

> Quality is the essential character or nature of something; quantity is the amount. Quality is the what; quantity the how much. Qualitative refers to the meaning, the definition or analogy or model or metaphor characterizing something, while quantitative assumes the meaning and refers to a measure of it . . . The difference lies in Steinbeck's [1941] description of the Mexican Sierra, a fish from the Sea of Cortez. One can count the spines on the dorsal fin of a pickled Sierra, 17 plus 15 plus 9. "But," says Steinbeck, "if the Sierra strikes hard on the line so that our hands are burned, if the fish sounds and nearly escapes and finally comes in over the rail, his colors pulsing and his tail beating the air, a whole new relational externality has come into being." Qualitative research would define the being of fishing, the ambiance of a city, the mood of a citizen, or the unifying tradition of a group.[8]

When we consider the scope of qualitative research, several approaches are adaptable for exploratory investigations of management questions:

> We explore qualitative research in more detail in Chapter 8.

- Individual depth interviews (usually conversational rather than structured).
- Participant observation (to perceive firsthand what participants in the setting experience).
- Films, photographs, and videotape (to capture the life of the group under study).
- Projective techniques and psychological testing (such as a Thematic Apperception Test, projective measures, games, or role-playing).
- Case studies (for an in-depth contextual analysis of a few events or conditions).
- Street ethnography (to discover how a cultural subgroup describes and structures its world at the street level).

>snapshot

As part of the negotiated settlement in the landmark sexual harassment suit brought against Smith Barney by 25 current and former employees [*Martens et al. v. Smith Barney* (S.D.N.Y., 96 Civ 3779)], the financial services firm was charged with conducting research to assess underlying perceptions contributing to the illegal behavior. Catalyst, a New York firm committed to advancing women in business, conducted the multistage study ordered by Judge Constance Barker-Motley. Nine focus groups (eight single-gender, one mixed-gender) were used to help define various concepts and constructs, followed by a mail survey of 838 men and women employed in seven firms in the financial services industry. Catalyst conducted in-depth interviews with six women who left lucrative jobs in the financial services industry to start their own firms, in addition to identifying exemplary policies and programs—"best practices"—currently used in the industry. While the study revealed some similarities, it reinforced that statistically significant differences exist between men and women on key variables that define job performance and job satisfaction. To learn more about this benchmark study, see "The Catalyst for Women in Financial Services" in the Cases section of this text.

www.catalystwomen.org; www.salomonsmithbarney.com

- Elite or expert interviewing (for information from influential or well-informed people in an organization or community).
- Document analysis (to evaluate historical or contemporary confidential or public records, reports, government documents, and opinions).
- Proxemics and kinesics (to study the use of space and body-motion communication, respectively).[9]

When these approaches are combined, four exploratory techniques emerge with wide applicability for the management researcher:

1. Secondary data analysis.
2. Experience surveys.
3. Focus groups.
4. Two-stage designs.

> We explore secondary data searches in Chapter 7.

Secondary Data Analysis

The first step in an exploratory study is a search of the secondary literature. Studies made by others for their own purposes represent **secondary data.** It is inefficient to discover anew through the collection of **primary data** or original research what has already been done and reported at a level sufficient for management to make a decision.

Within secondary data exploration, a researcher should start first with an organization's own data archives. Reports of prior research studies often reveal an extensive amount of historical data or decision-making patterns. By reviewing prior studies, you can identify methodologies that proved successful and unsuccessful. Solutions that didn't receive attention in the past due to different environmental circumstances are revealed as potential subjects for further study. The researcher needs to avoid duplication in instances when prior collected data can provide sufficient information for resolving the current decision-making dilemma. While MindWriter's CompleteCare program is newly introduced, it is likely that one or more studies of the previous servicing practices and policies revealed customer attitudes on which MindWriter based the design of the current program.

We provide a detailed list of secondary data resources on the text CD.

The second source of secondary data is published documents prepared by authors outside the sponsor organization. There are tens of thousands of periodicals and hundreds of thousands of books on all aspects of business. Data from secondary sources help us decide what needs to be done and can be a rich source of

hypotheses. Special catalogs, subject guides, and electronic indexes—available in most libraries—will help in this search. In many cases you can conduct a secondary search from your home or office using a computer, an online service, or an Internet gateway. Regarding MindWriter, thousands of articles have been written on customer service, and an Internet search using the keyword *customer service* reveals tens of thousands of hits.

If one is creative, a search of secondary sources will supply excellent background information as well as many good leads. Yet, if we confine the investigation to obvious subjects in bibliographic sources, we will often miss much of the best information. Suppose the Copper Industry Association is interested in estimating the outlook for the copper industry over the next 10 years. We could search through the literature under the headings "copper production" and "copper consumption." However, a search restricted to these two topics would miss more than it finds. When a creative search of the copper industry is undertaken, useful information turns up under the following reference headings: mines and minerals; nonferrous metals; forecasting; planning; econometrics; consuming industries such as automotive and communications; countries where copper is produced, such as Chile; and companies prominent in the industry, such as Anaconda and Kennecott.

Experience Survey

While published data are a valuable resource, it is seldom that more than a fraction of the existing knowledge in a field is put into writing. A significant portion of what is known on a topic, while in writing, may be proprietary to a given organization and thus unavailable to an outside searcher. Also, internal data archives are rarely well organized, making secondary sources, even when known, difficult to locate. Thus, we will profit by seeking information from persons experienced in the area of study, tapping into their collective memories and experiences.

When we interview persons in an **experience survey,** we should seek their ideas about important issues or aspects of the subject and discover what is important across the subject's range of knowledge. The investigative format we use should be flexible enough so that we can explore various avenues that emerge during the interview.

- What is being done?
- What has been tried in the past without success? With success?
- How have things changed?
- What are the change-producing elements of the situation?
- Who is involved in decisions and what role does each person play?
- What problem areas and barriers can be seen?
- What are the costs of the processes under study?
- Whom can we count on to assist and/or participate in the research?
- What are the priority areas?

The product of such questioning may be a new hypothesis, the discarding of an old one, or information about the practicality of doing the study. Probing may show whether certain facilities are available, what factors need to be controlled and how, and who will cooperate in the study.

Discovery is more easily carried out if the researcher can analyze cases that provide special insight. Typical of exploration, we are less interested in getting a representative cross section than in getting information from sources that might be insightful. Assume we study StarAuto's automobile assembly plant. It has a history of declining productivity, increasing costs, and growing numbers of quality defects. People who might provide insightful information include:

- *Newcomers to the scene*—employees or personnel who may have been recently transferred to this plant from similar plants.

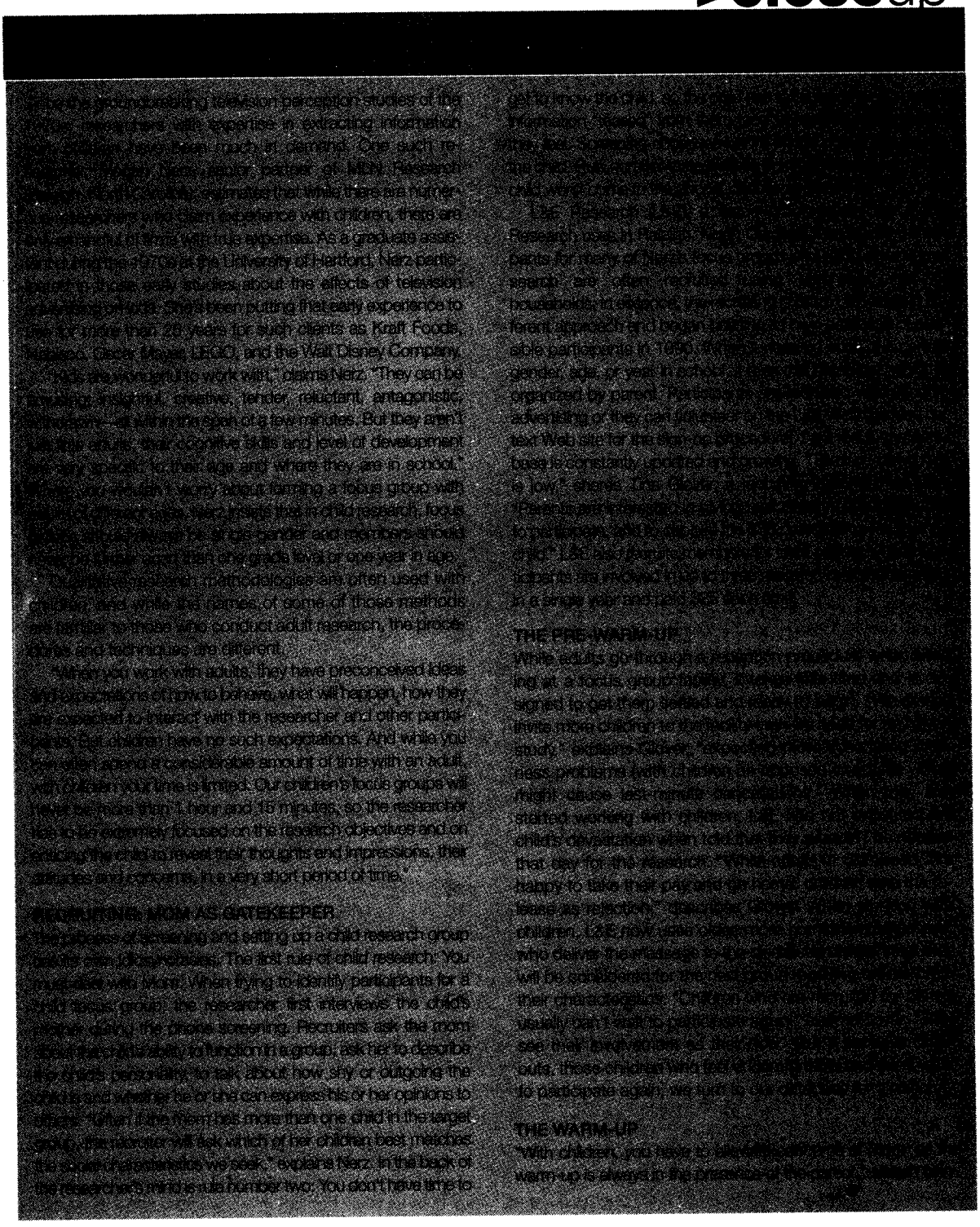
- *Marginal or peripheral individuals*—persons whose jobs place them on the margin between contending groups. First-line supervisors and lead workers are often neither management nor worker but something in between.
- *Individuals in transition*—recently promoted employees who have been transferred to new departments.
- *Deviants and isolates*—those in a given group who hold a different position from the majority, as well as workers who are happy with the present situation, highly productive departments and workers, and loners of one sort or another.
- *"Pure" cases* or cases that show extreme examples of the conditions under study—the most unproductive departments, the most antagonistic workers, and so forth.
- *Those who fit well and those who do not*—the workers who are well established in their organizations versus those who are not, those executives who fully reflect management views and those who do not.
- *Those who represent different positions in the system*—unskilled workers, assemblers, superintendents, and so forth.[10]

Jason and Sally plan to interview three managers during the early phase of their research for MindWriter: the managers of (1) the service facility, (2) the call center, and (3) the contract courier service. Their emphasis should be not only on finding out what has been done in the past but also on discovering the parameters of feasible change. They might want to expand their interviews to include long-term employees of the various departments, as their views are likely to be different from those of their managers. Because postpurchase service problems might be directly related to product design, expanding their experience survey to individuals associated with engineering and production should also be considered.

Focus Groups

Focus groups became widely used in research during the 1980s and are used for increasingly diverse research applications today.[11] A **focus group** is a group of people (typically 6 to 10 participants), led by a trained moderator, who meet for 90 minutes to 2 hours. The facilitator or moderator uses group dynamics principles to focus or guide the group in an exchange of ideas, feelings, and experiences on a specific topic.

This focus group facility at Maritz Marketing Research, Inc., has been designed to permit the research sponsor to observe participants and confer or adjust measurement questions while the research is in progress.
www.maritz.com/mmri/



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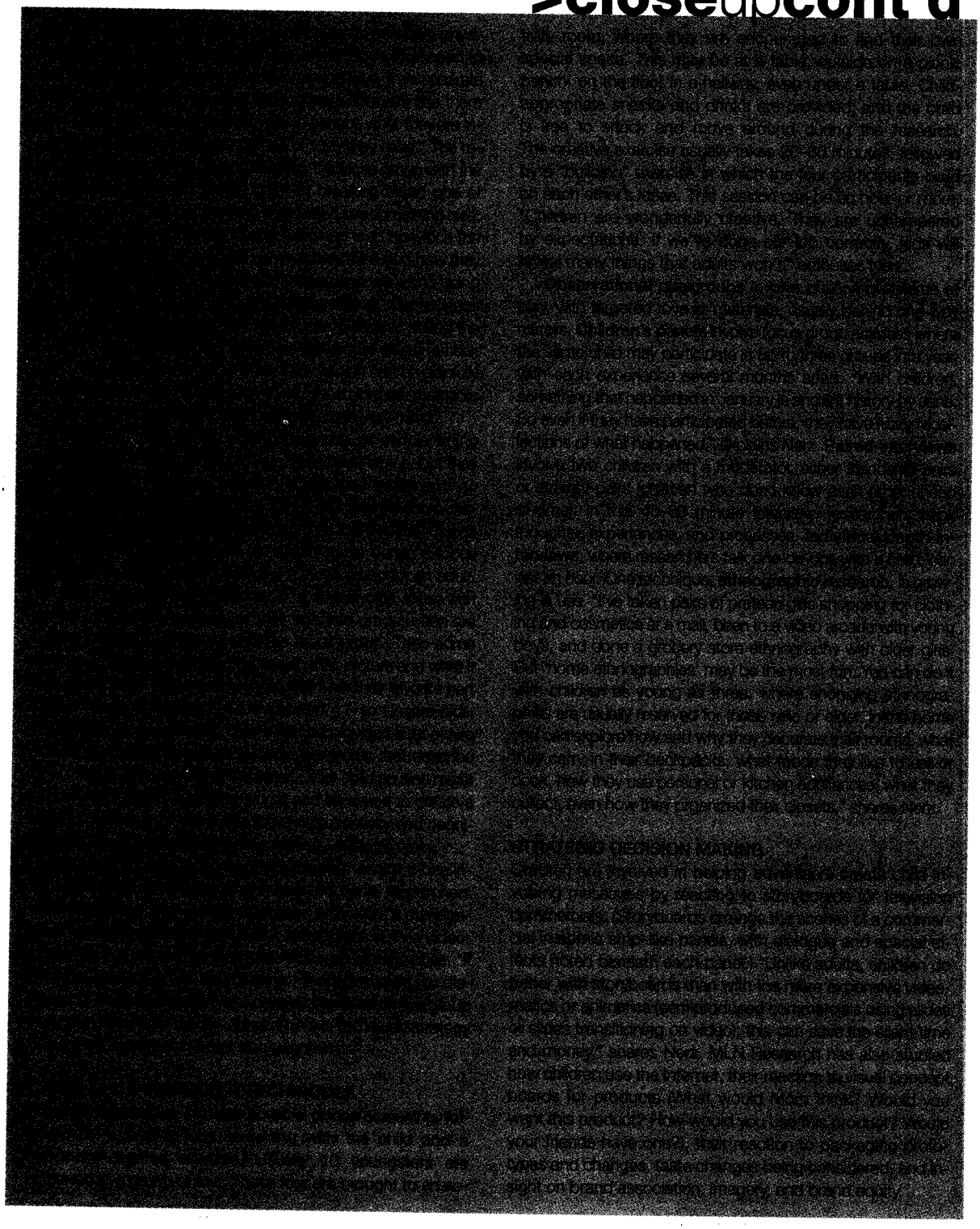

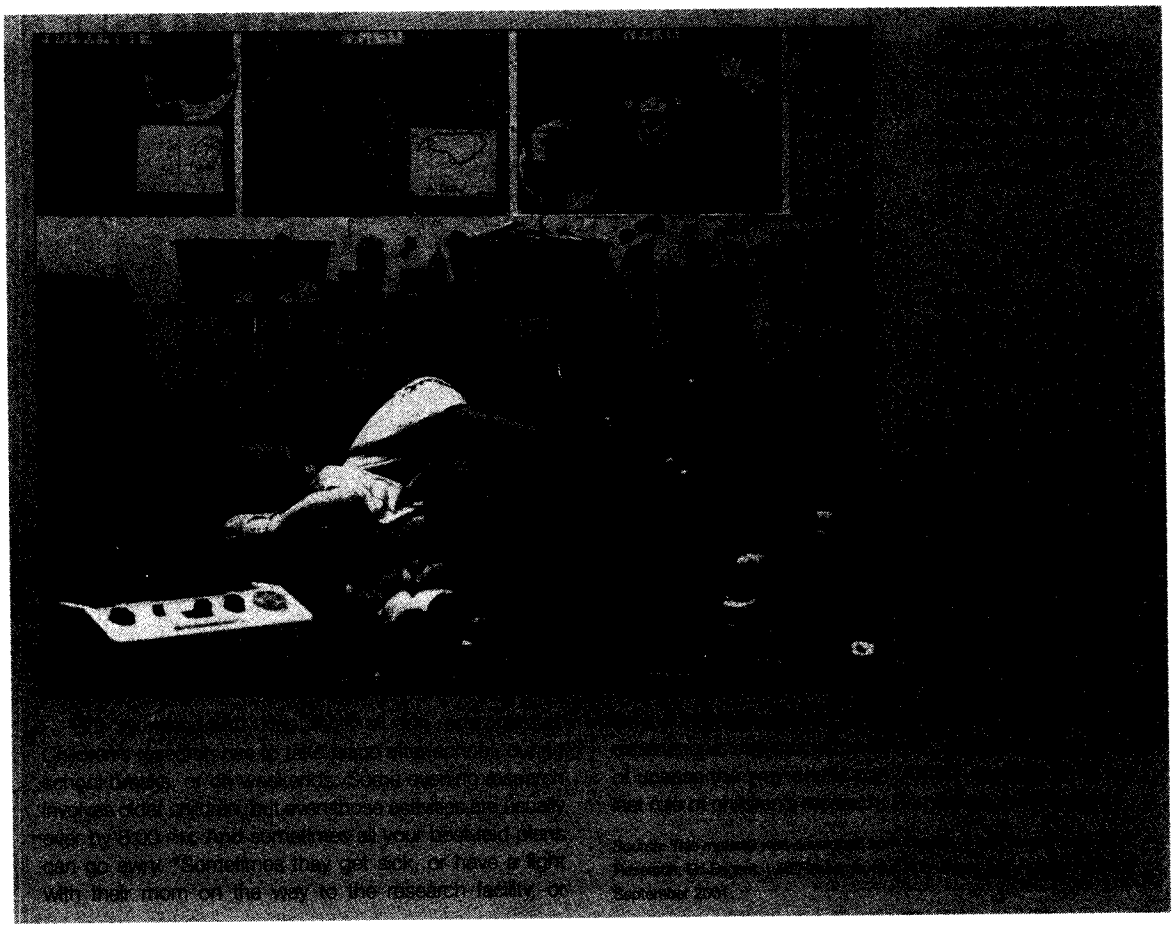

One topical objective of a focus group might be a new product or product concept, a new employee motivation program, or improved production-line organization. The basic output of the session is a list of ideas and behavioral observations, with recommendations by the moderator. These ideas and observations are often used for later quantitative testing. In exploratory research, the qualitative data that focus groups produce may be used for enriching all levels of research questions and hypotheses and comparing the effectiveness of design options. The most common application of focus group research continues to be in the consumer arena. However, corporations are using focus group results for diverse exploratory applications.

> As the focus group is the most used qualitative research methodology, we study it in detail in Chapter 8.

MindWriter could use focus groups involving employees (of the call center and service departments) to determine changes and provide an analysis of change ideas. It may want focus groups with customers (both dissatisfied and satisfied) to uncover what has occurred in their different experiences. In another application, when a large title insurance company was developing a computerized help system, it ran focus groups with its branch office administrators to discover their preferences for distributing files on the company's **intranet** (a company's proprietary network—behind a security "firewall" that limits access to authorized users only). In other cases, a small college used focus groups to develop a plan to attract more freshmen applications, and a blood center used a focus group to improve blood donations.[12]

>snapshot

All great research starts with a question. When Pepsi, GM, and Purple Moon needed a realistic and strategic understanding of the teen population to help guide product development and communications strategies, they turned to Cheskin. A 50-year-old consulting and strategic research firm, Cheskin designed a research approach that looks at teens the way they look at themselves.

- Cheskin sends cameras out to hundreds of teens, asking them to photograph their lives as they really are.
- Cheskin researchers interview friends together, asking them about their dreams, fears, cares, and concerns.
- Cheskin interviews experts who have built careers on understanding teen psyche.
- Cheskin researchers visit common teen hangouts, observing how teens act when away from adults.

As a result, Cheskin identified five main types of teenagers. Then the researchers designed a new model that tracks the relative influence of these teen types over time, to accurately predict how trends move through the teen population. "We classify youth by their social cliques instead of by demographic constructs, and create portraits you'll recognize in the street." This project is now an annual study of teen culture and behavior.

www.cheskin.com

Two-Stage Design

A useful way to design a research study is as a **two-stage design.** With this approach, exploration becomes a separate first stage with limited objectives: (1) clearly defining the research question and (2) developing the research design.

In arguing for a two-stage approach, we recognize that much about the problem is not known but should be known before effort and resources are committed. In these circumstances, one is operating in unknown areas, where it is difficult to predict the problems and costs of the study. Proposals that acknowledge the practicality of this approach are particularly useful when the research budget is inflexible. A limited exploration for a specific, modest cost carries little risk for both sponsor and researcher and often uncovers information that reduces the total research cost.

An exploratory study is finished when the researchers have achieved the following:

- Established the major dimensions of the research task.
- Defined a set of subsidiary investigative questions that can be used as guides to a detailed research design.
- Developed several hypotheses about possible causes of a management dilemma.
- Learned that certain other hypotheses are such remote possibilities that they can be safely ignored in any subsequent study.
- Concluded additional research is not needed or is not feasible.