An Exploratory Investigation of Marketing Research Services in India

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Abstract

The basic purpose of this investigation is to explore and understand what specific types of marketing research services are available to clients/businesses operating in India. An exploratory content analysis of websites of all major marketing research agencies in India is undertaken to identify specifically the types of specialized research services offered, any sector/industry specialization supported, and any specialized capabilities claimed. The results from this qualitative analysis appear to indicate that a wide variety of services and research capabilities are currently available to businesses operating in India. The western firms operating in India should feel very comfortable in identifying a great deal of similarities with the type and range of these services available in their own countries.

Key Words: services, marketing research, emerging economies, customer insights, content analysis, India business, and qualitative research analysis

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Emerging markets are different from mature markets; emerging "Growth" markets have less stable political environments and economies than more mature markets. However, they do have some level of maturing public infrastructure that enables technology adaptation. "Truly" emerging markets have an additional set of challenges because they tend to be limited by a number of factors such as regulatory issues, lack of infrastructure, or political unrest or corruption – all of which tend to breed software piracy, bigger white and gray box markets, and even greater lack of brand loyalty due to price sensitivity (Jonathan, 2011). Primarily due to these differences, conducting marketing research in emerging countries still comes with new and sometimes unexpected challenges.

Marketing Research in India

The marketing research industry in India is about 36 years old and its turnover is about INR 325 cores. In the last few years, the market has been growing at about 10% annually. Marketing research in India has been focused more on fast moving consumer goods (FMCG). Besides, the most significant growth area for the marketing research industry in India is the media measurement business. Next would perhaps be the auto, telecom, healthcare sectors, and durable goods industries. Customer satisfaction and customer insights in all industry sectors are the growing segments for market. Large companies are spending anywhere between $5 million to $100 million on marketing research these days.

It has been posited that research expertise available in India is truly top of the rung, and methodologies used in India are comparable with the best in the world (Abraham, 2004). And

this is part of the reason that India is heading towards becoming an outsourcing hub in market research for the rest of the world. But where India is falling behind is in the area of use of technology for data collection. That is because most of the technologies used for data collection in the advanced world today are internet and telephone based. With low internet penetration and tele-density, Indian marketing research firms have to rely on face-to-face interviewing along with paper and pencil method of data collection. The market for rendering outsourced marketing research services seems to be growing in the country.

Marketing research in India is a monopolistic business, with each sector mostly having one, and occasionally two, players. For example, there's Nielsen in FMCG, GfK in consumer durables, IDC and GfK in mobile phones, and Gartner and IDC in computers, to name a few sectors (Kumar, 2011). They conduct a retail audit within a sample of outlets to arrive at market shares by brand, category and geographies. Companies source this data to see how they are doing in comparison with the competition and to shape their business responses. When issues arise, resolution entails a diplomatic touch, sometimes gentle, sometimes firm. And issues related to two key aspects are common: representation of new product categories, and variation between internal numbers and external estimates.

There is a growing client-side demand for research and the trust-level of Indian researchers is increasing. The current business model is of low-cost, high-volume but this is changing with the advent of MRO (Market Research Outsourcing) and KPO (Knowledge Process Outsourcing). The overall market gets divided into full services Market Research agencies and the KPO Services clocking around 18% of CAGR (Source: Industry Estimation - 2010). During the last couple of years there has been a consolidation between Market Research agencies in their scale of operations and data management practices. Virtual captive centers and offshore partnerships

drive the low- and high-end of research in India: from coding and data entry, through to Data Analytics and Business Intelligence.

There are some common guidelines suggested for conducting marketing research in India (Steinbach and Weil, 2011):

- Try to keep any consumer research simple. Interviewing is not a highly skilled and valued employment option in India. One can operate in this space if you can read and write (especially in English). Additionally, "street interviewing" is not always reliable. Therefore, quality issues are a constant challenge, especially for complex concepts.

- English is the language of business, but there are more than 16 distinct languages among consumers and many additional dialects. Therefore, selecting local moderators and interviewers familiar with several Indian dialects is a necessity. The moderators must be fluent in the language selected for the group or interview. In addition, project leaders must make sure each respondent is fluent in the selected language or dialect.

- Privacy concerns about the home environment means that many people will not want to do in-home interviews. However, research in India should be held in spaces that are most comfortable for the participants.

- Because of traditions held with regards to class, gender, and age, qualitative focus groups in India are typically designed with as much homogeneity as is possible, which helps the participants feel comfortable and thus, allow one to gather useful responses.

- Do not assume that all Indians are interested in following the developed world's model. Many are actively mixing traditional and modern values.

- Many local clients are extremely cost-conscious despite quality risks and other compromises.

- Corruption in the public sector is common and cash payments to "oil wheels" at any level may be requested.

- Good proposals can easily fail because of hidden relationships and alliances within clients and competitors.

- Metro dwellers are the primary consumers, and they typically are younger, educated, modern and westernized. For many companies, the rural masses will not be relevant, but if they are, they will be poorer, more conservative and traditional.

However, there are some conflicting reports from different sources about which methods of data collection (telephone vs. online vs. in-person interviewing) are most convenient and effective in India. Lehardy and Ryan (2001) state that in-person interviewing is the most effective way to collect information, while Steinbach and Weil (2011) assert that "face-to-face and in-person groups often are difficult because of varied travel times within the major metro areas. In order to resolve such conflicting recommendations and to get a quick feel for the nature of marketing research operations in India, an exploratory investigation involving content analysis of web sites by various research agencies was proposed.

Content Analysis Approach

A content analysis of websites of all major Indian marketing research agencies was undertaken as an efficient way to get a quick assessment of the state-of–the-art of major research operations and capabilities of various Indian marketing research agencies. The use of content analysis of websites is extensively reported in marketing literature covering several areas of the marketing context including global marketing (Dou, Nielsen, and Tan, 2002; Okazaki and Skapa, 2008), consumer culture research (Fletcher, 2006) and brand research (Nacar and Bunaz, 2012). The

reliability of website content analysis is already well documented especially in the area of healthcare marketing (e.g., Macia and Lewis, 2004). It is also interesting to note that in medical marketing research where there are often several challenges in data collection, Marcia and Lewis (2004) were able to identify unique advertising strategies using prescription drug web sites. In addition, the content analysis of websites is shown to be a preferred research approach to capture cultural influence (Callahan, 2006; Nantel and Glaser, 2008). This suggests that the data collected from the websites may provide an efficient and effective method of understanding contemporary practices of marketing research service firms in India.

Sixty four Indian marketing research companies were identified for content analysis of their web sites. There are 15 multinational companies; 8 companies are from the U.S, 4 companies are from the U.K, and the others are from France and Germany. Among 49 domestic companies, at least 22 companies (45 percent) have offices in other countries. The final list of research companies is compiled from Indian market research companies' websites, LinkedIn, and/or ESOMAR directory. Information gathered from the web sites were organized and categorized in several "buckets." Due to the nature of the information given and associated interpretation, some overlap amongst and between the created categories was unavoidable. The major findings reported below are organized according to these "buckets." Where it made sense, we also made an effort to examine some broad categories in terms of the sub-categories that made up those categories. This approach also provided additional insights which would have been lost if we had taken the broad perspective.

Major Findings

Data Collection and Field Services Offered

There are 19 out of 64 marketing research firms that do not report any information about their data collection methods. The information below (Exhibit 1) is based on a sample of 45 firms. Interviewing is the most popular data collection methods used among 45 marketing research firms in India. These interviewing methods include In-depth Interviews (71%), CATI (64%), CAPI (42%), PAPI (39%), and Face-to-Face Interview (38%) and are among top 10 popular methods utilized currently. Other commonly used methods are the Focus Group, Online Survey, Desk Research, Mystery Shopping, and Recruiting. Ethnography Technique and Panel are also used by some firms.

Exhibit 1. Interviewing Methods

| Rank	Content	Percentage
1	In-depth Interviews	71%
2	Focus Group	69%
3	Online Survey	67%
4	CATI (Computer-Assisted Telephonic Interviews)	64%
5	Desk Research	44%
6	CAPI (Computer-Assisted Personal interviews)	42%
7	Mystery Shopping	42%
8	Recruiting	40%
9	PAPI (Paper And Pencil Interview)	38%
10	Face-to-Face Interview	38%
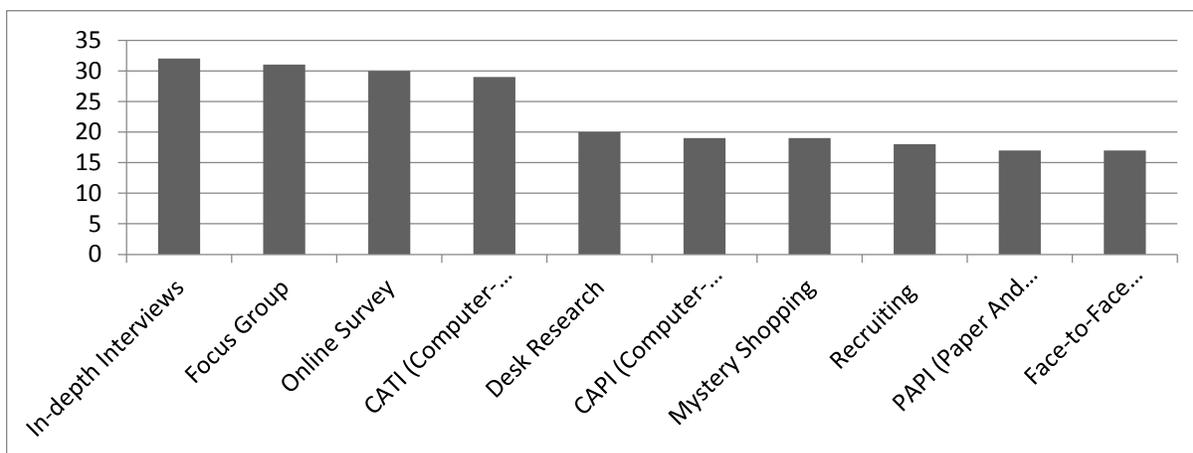
Types of Marketing Research Offered

There are only a few marketing research firms (6) that do not report any information about the types of research services offered. Based on the analysis of the data reported by other firms, we find that. Customer Satisfaction Research is the most popular research services offered in India (62% of all MR firms offer this specific marketing research service). Advertising Research is the second most common (55%); following by Segmentation Research (45%), Usage and Attitude (44%), Consumer Research (42%), Concept Testing (40%), Product Testing (40%), Brand Research (38%), Pricing Research (36%), Tracking Study (33%). Please refer to Exhibit 2 for additional details.

It is interesting to note that among all those companies that report types of marketing research services offered, there are only three companies that claim to be engaged in Social Media Research (The Nielsen Company, Blueocean Market Intelligence and Onlineextrems).

Exhibit 2. Types of Marketing Research

| Rank	Content	Percentage
1	Customer Satisfaction and Loyalty	62%
2	Advertising Research	55%
3	Segmentation Research	45%
4	Usage and Attitude	44%
5	Consumer Research	42%
6	Concept Testing	40%
7	Product Testing	40%
8	Brand Research General	38%
9	Pricing Research	36%
10	Tracking Study	33%
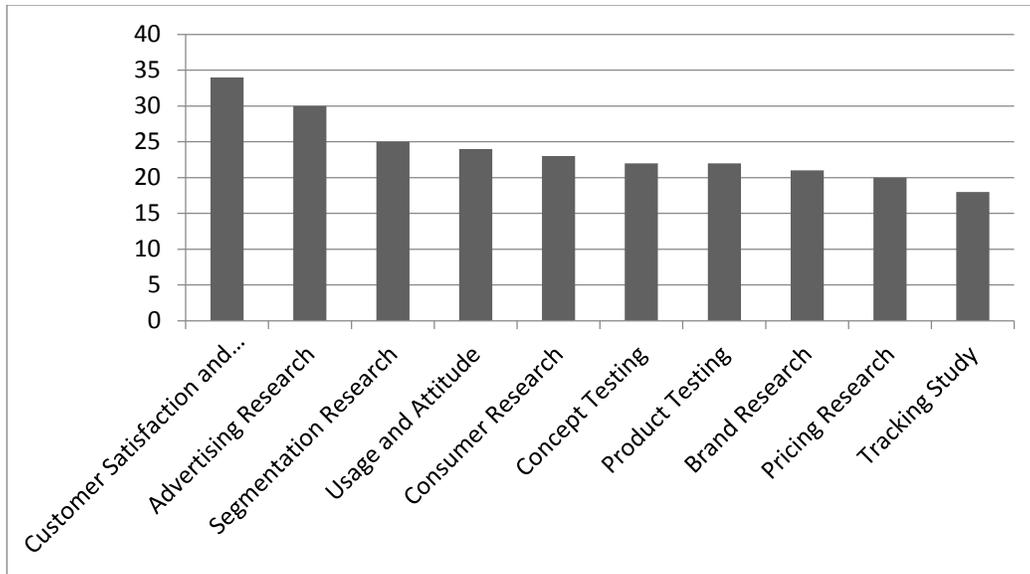
Specialized Research Services & Expertise Offered

Advertising and Promotion Research. Many marketing research firms report Advertising

Research, Promotion Research, Media Research, and Concept Testing under "Advertising and

Promotion Research". The finding support this categorization as indicated in Exhibit 3 below:

**Exhibit 3. Research Approaches Under Advertising and Promotion Research Category**

Rank	Content	Percentage
1	Advertising Research	70%
2	Media Research	19%
3	Promotion Research	9%
4	Concept Testing	2%

Advertising and Promotion Research
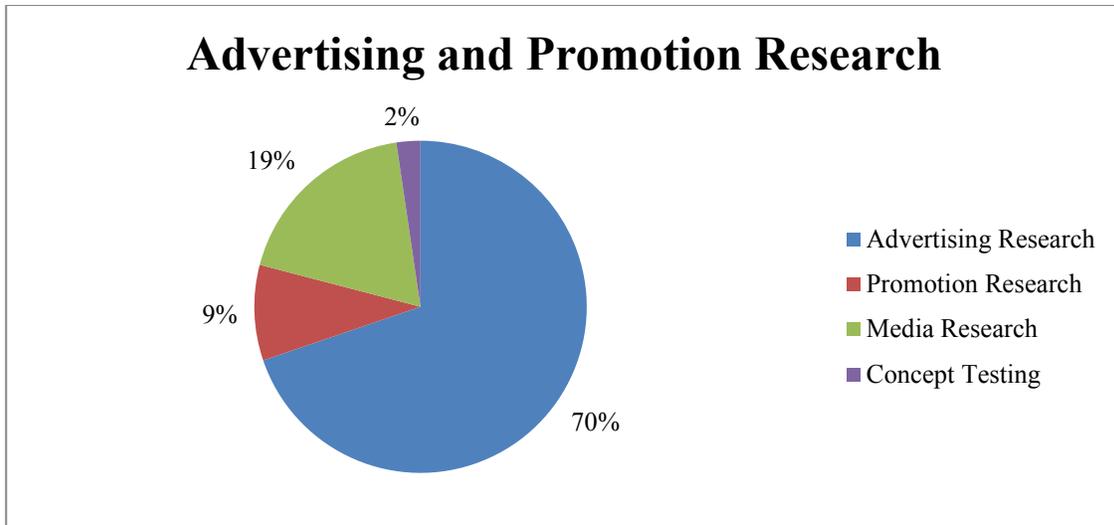
Brand Related Research. Under Brand-Related Research, Brand Research (Broad Category) and Brand Research (General) are the two most popular research services offered. This is followed by Brand Image and Equity, Brand Tracking, Brand Health Measurement, and Other. The "Other" category covers a number of services such as Brand Development, Brand Awareness/Identity/Image Studies, Intermediate Brand Behavior, and Brand Monitoring Research (refer to Exhibit 4 below).

Exhibit 4. Research Approaches Under Brand Related Research Category

Rank	Content	Percentage
1	Brand Research (Broad Category)	40%
2	Brand Research (General)	25%
3	Brand Image and Equity	13%
4	Brand Tracking	7%
4	Brand Health Measurement	7%
4	Other	7%

Brand Research

Brand Research (Broad Category)
Brand Research (General)
Brand Image and Equity
Brand Tracking
Brand Health Measurement
Others

40%
25%
13%
7%
7%
7%
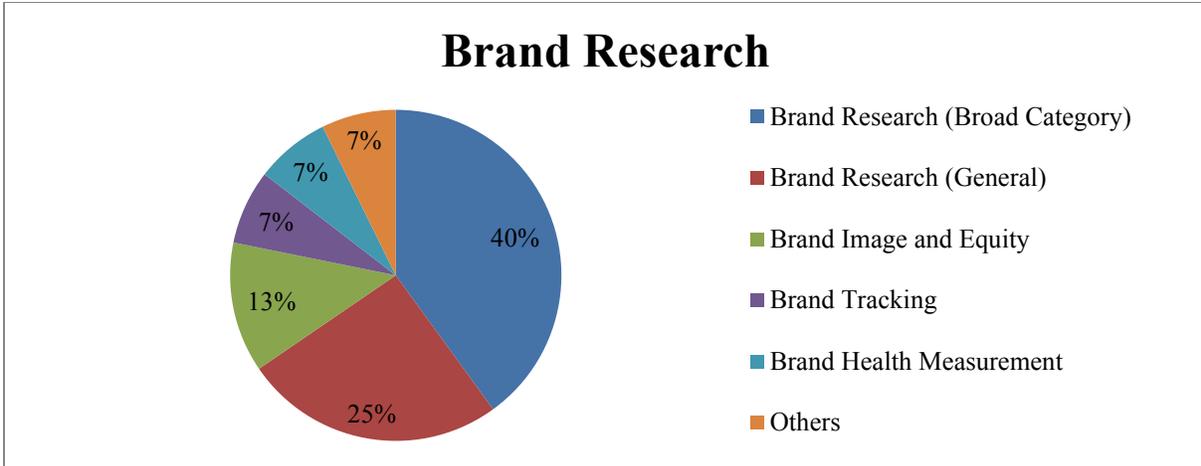
There are several Brand-Related Research approaches under Brand Research Broad Category, among which Customer Segmentation and Positioning, Brand Performance Tracking, and Value Proposition are the most popular research solutions. Refer to Exhibit 5 below.

Exhibit 5. Research Approaches Under Brand Research (Broad Category)

Rank	Content	Percentage
1	Customer Segmentation Positioning	18%
2	Brand Performance Tracking	14%
2	Value Proposition	14%
3	Segmentation and Profiling Studies	9%
3	Usage and Attitude	9%
3	Customer Satisfaction Measurement	9%
4	Brand Health Measurement and Tracking	5%
4	Motivation Study	5%
4	Buyer Behavior	5%
4	Triggers and Barriers	5%
4	Brand Equity	5%

Brand Research Broad Category

- * Name Test
- * Segmentation and Profiling Studies
- * Usage and Attitude
- * Brand Performance Tracking
- * Customer Satisfaction Measurement
- * Customer Segmentation & Positioning
- * Value Proposition
- * Brand Health Measurement and Tracking
- * Motivation Study
- * Buyer Behavior
- * Triggers and Barriers
- * Brand Equity
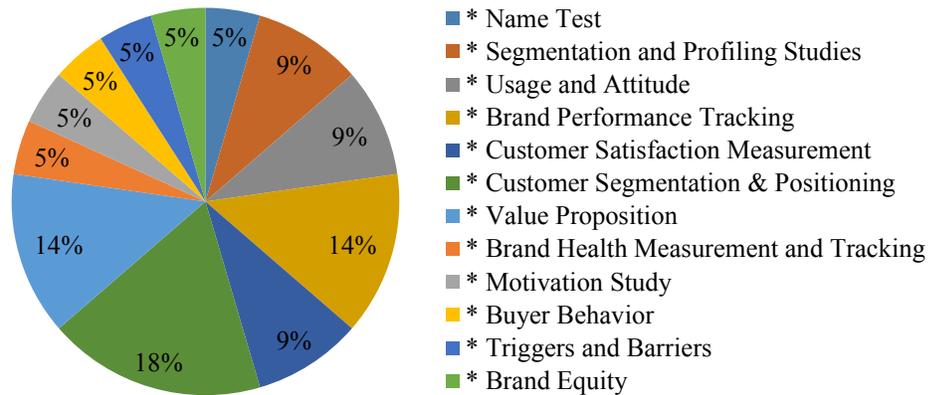
Product Related Research Approaches. Among Product related research approaches (Broad Category, 20%), Product Testing is the most popular (32%), following by New Product Development Research (25%), Product and Packing Research (Broad Category) (20%), and Product Research General (10%). See Exhibit 6 below.

Exhibit 6. Research Approaches Under Product Related Research Category

Rank	Content	Percentage
1	Product Testing	32%
2	New Product Development	25%
3	Product Research (General)	10%
4	Product Design and Development	5%
5	New Product Research	3%
5	Product Launch Strategy	3%
5	Product Image Studies	2%

Product Related Research

- Product and Packing Research (Broad Category)
- Product Image Studies
- Product Design and Development
- Product Launch Strategy
- Product Research (General)
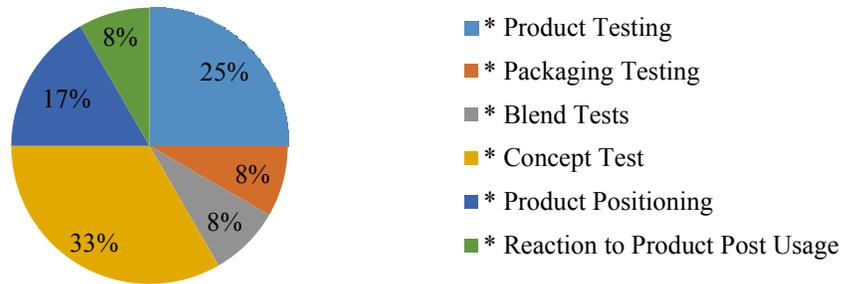- New Product Development
- New Product Research
- Product Testing
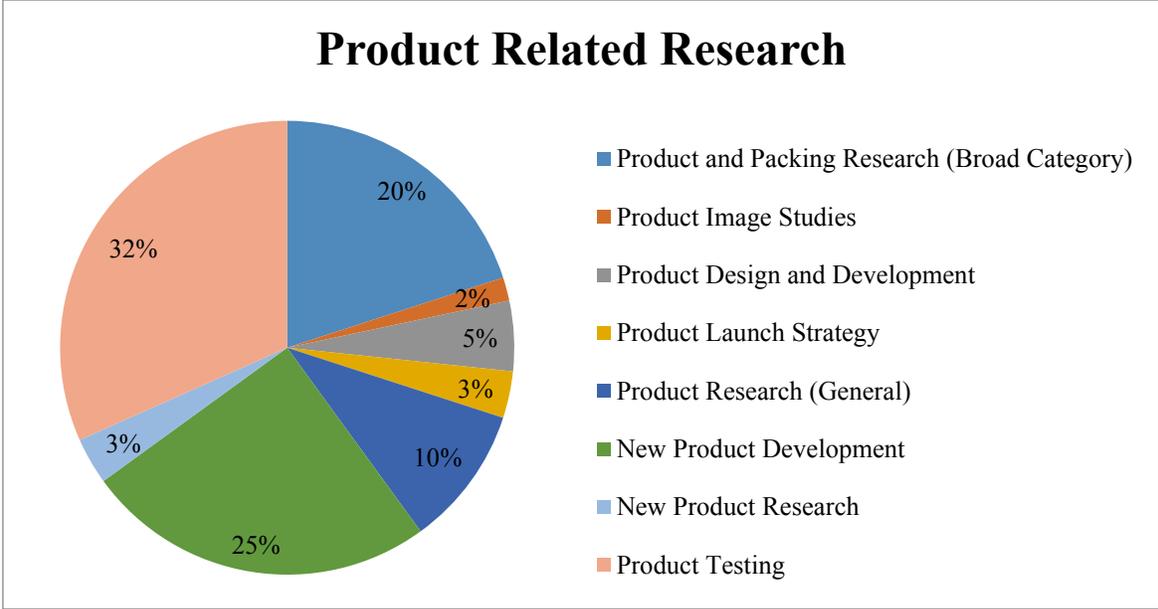
There are several Product-Related Research approaches under Brand Research Broad Category, among which Copy Testing, Product Testing, and Product Positioning are the most popular research solutions.

Exhibit 7. Research Approaches Under Brand Research Broad Category

Rank	Content	Percentage
1	Concept Test	33%
2	Product Testing	25%
3	Product Positioning	17%
4	Packaging Testing	8%
4	Brand Testing	8%
4	Reaction to Product Post Usage	8%

Product and Packing Research -Broad Category

Legend:
- ■ * Product Testing
- ■ * Packaging Testing
- ■ * Blend Tests
- ■ * Concept Test
- ■ * Product Positioning
- ■ * Reaction to Product Post Usage

Pie chart values: 25%, 8%, 8%, 33%, 17%, 8%

Customer Related Research Services. Among Customer Related Research, Customer Satisfaction and Loyalty (44%), Customer Research (30%), and Customer Behavior (12%) are the most common research services offered (refer to Exhibit 8).

Exhibit 8. Research Approaches Under Customer Related Research Category

Rank	Content	Percentage
1	Customer Satisfaction and Loyalty	44%
2	Consumer Research	30%
3	Consumer Behavior	12%
4	Consumer Profiling	6%
5	Customer Relationship Management and Analysis	3%
6	Consumer Psychographic Profiling	3%
7	Consumer Churn and Conversion Studies	1%
7	Customer Experience Measurement	1%

Customer Related Research

Legend:
- Consumer Behavior
- Consumer Psychographic Profiling
- Consumer Research
- Consumer Profiling
- Consumer Churn and Conversion Studies
- Customer Satisfaction and Loyalty
- Customer Experience Measurement
- Customer Relationship Management and Analytics

Pie slices: 12%, 3%, 30%, 6%, 1%, 44%, 1%, 2%, 3%
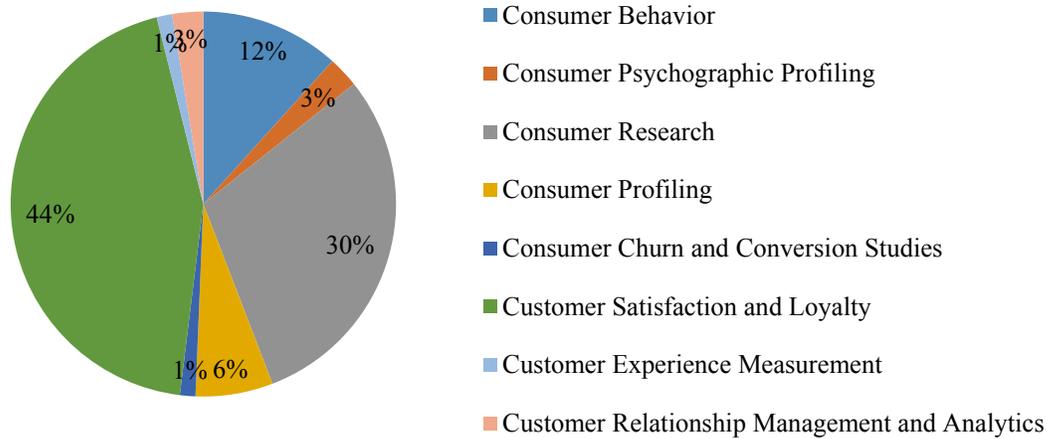
Specialized Software Services for Marketing Research Business. There are only 7 companies that stated the specific soft wares that they use for data analysis. Among that, SPSS is still the most popular software used, following by Quantum, MS Excel, WinCross, SAS, MS Access, ASCII, and Quanvert DB (Exhibit 9). However, they all appear to offer comparable software services.

**Exhibit 9**. **Software for Marketing Research Business**

Rank	Content	Percentage
1	SPSS	100%
2	Quantum	86%
3	MS Excel	71%
4	WinCross	57%
5	SAS	43%
6	MS Access	43%
7	ASCII	43%
8	Quanvert DB	29%
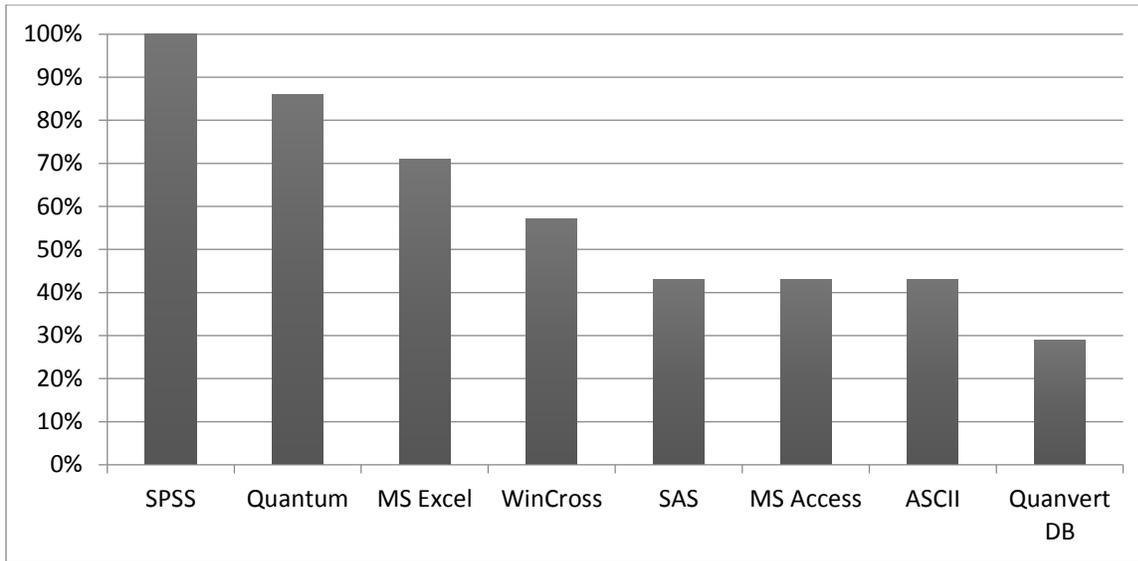
Marketing Research Project Specific Services. There is a small but significant proportion of firms that indicates project specific research services offered to their clients. The most common services offered are related to Data Collection and Processing. Report Writing is the second most common one. However, as observed earlier, a large majority of the companies offered full range of these services – from data collection to data analysis and report writing. The differences might be related to how these services get reported on their web sites (refer to Exhibit 10).

**Exhibit 10. Marketing Research Project for Specific Projects**

Rank	Content	Percentage
1	Data Analysis and Processing	86%
2	Data Collection	59%
3	Report Writing	59%
4	Survey Programming	55%
5	Data Entry and Tabulation	41%
6	Open-ended Coding	32%
7	Data Cleaning and Validation	32%
8	Transcription	32%
9	Questionnaire Design	27%
10	Multivariate Analysis	27%
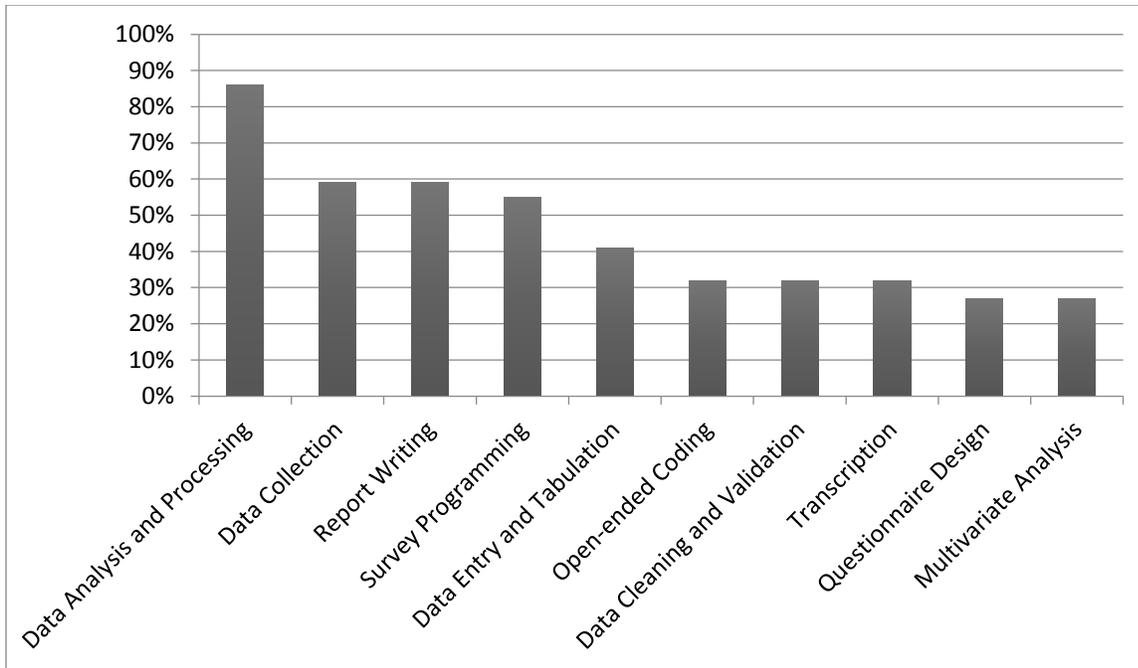
Special Capabilities & Niche Services. There are a large number of special capabilities and niche services that marketing research companies in India offer. However, the four most popular services are Consulting (20%), including services related to Market Overview, Trade Competition, Customer, Retail & Shopper Marketing, Brand & Portfolio Management, Pricing & Promotion Strategies, Product Innovation & Renovation, Social Media Intelligence, Strategic Consulting, and Segment Consulting. The second popular service is Retail Audit. There are other types of Audit, such as Audits for Life –Cycle Analysis, Audits for Multi-brand Outlets, Mystery Audits, Image measurement, Retail Store Audits, Retail Performance, Stock Audits, and Disabled Access Audits. Not surprisingly, the other common (29%) specialized research service offered among India marketing research companies is Social Research. Refer to Exhibit 11 for further details.

Exhibit 11. **Special Capabilities and Niche Services**

| Rank	Content	Percentage
1	Consulting	54%
2	Retail Audit	38%
3	Social Research	29%
4	Audit (General)	13%
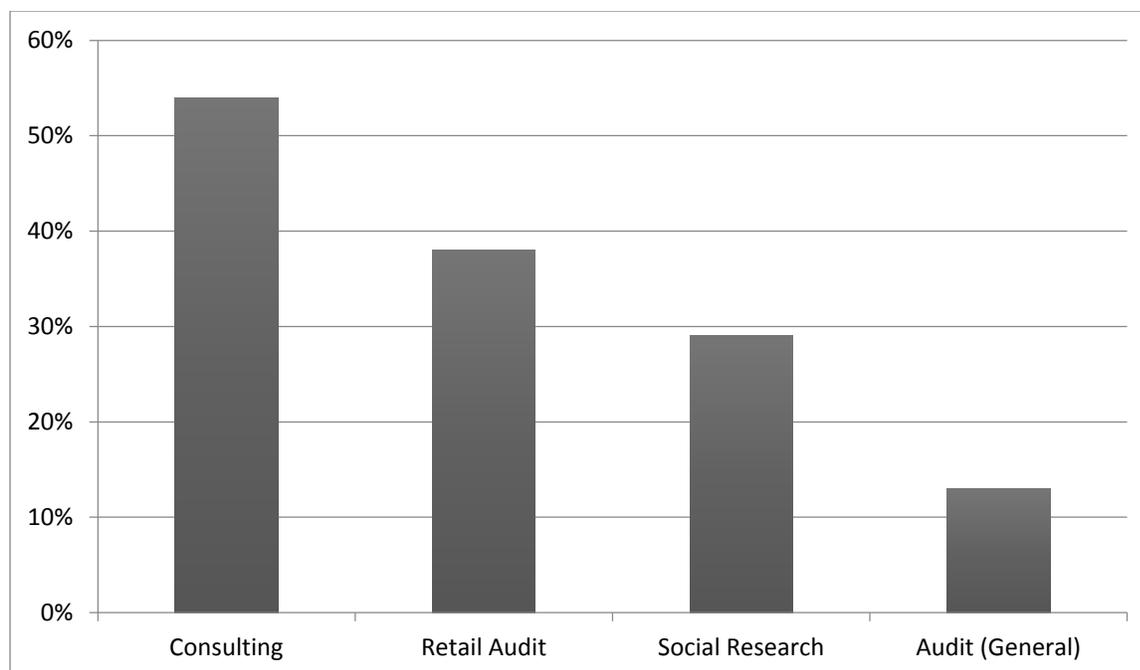
Market Sector/Industry Specialization

Marketing research firms in India report a wide variety of sector or industry specialization and idiosyncratic services for those sectors. There are 53 market sectors included. The most common market sector is Healthcare/Pharmaceutical (79%), following by Automotive (67%), and Telecommunications (64%). Marketing research services focusing on IT/Software/Hardware, Media/Entertainment, and Financial Services industry are all offered by 45% of all research companies (refer to Exhibit 12).

Exhibit 12. Market Sector and Industry Specialization

Rank	Content	Percentage
1	Healthcare/Pharmaceutical	79%
2	Automotive	67%
3	Telecommunications	64%
4	Finance Services	48%
5	Media/Entertainment	48%
6	IT/Software/Hardware	48%
7	Retail/Wholesale	45%
8	Durables/Electrical Goods	40%

9	Travel /Tourism /Sport/Leisure	40%
10	Food	36%
11	Beverage	36%
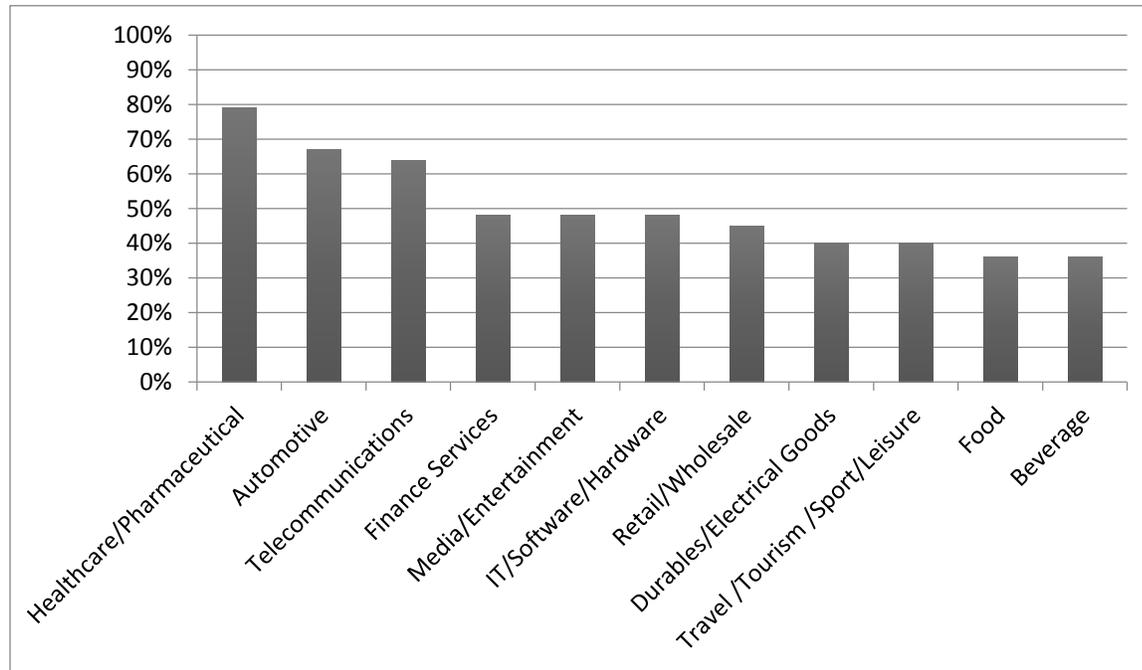
Conclusion

There is a dearth of information on the emergence of the field of Indian marketing research, and very few scholars have begun to study it. This study is used to reduce this gap by developing abasic knowledge and understanding of emerging marketing research in India. The purpose of this exploratory investigation is to explore the nature of various marketing research services that are available to international and domestic clients/businesses operating in India. A content analysis of websites of all major marketing research agencies in India was undertaken to identify specifically the types of specialized research services offered, any sector/industry specialization supported, and any specialized & niche capabilities claimed. The results from this qualitative analysis indicate that a wide variety of services and unique research capabilities are already available to businesses operating in several market sectors in India. However, a caution is

necessary both in the interpretation of findings from the website content analysis and in generalizing the findings from this exploratory investigation. The website description may well be different from the actual operations, especially in a country such as India where the data captured from the website content is largely developed from the company perspective and may be designed to offer enhanced promotional appeal. Therefore, these web sites may give more "lip-service" and PR information than describing what these firms do. Analyzing actual use of marketing services from a buyer perspective should also be further investigated. To address this problem and capture the data from a customer's perspective, Herring (2010) suggested that researchers could perhaps use computer-mediated communication (e.g., threaded discussion forums, chat rooms, social media). Additionally, future researchers working in this area should also consider collecting data from both company and customers *simultaneously*. That said, this investigation is a necessary first step for future research that can be more quantitative and subject to appropriate statistical analysis, it will allow the findings from it to be projectable.

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