Module III
Component 1
Nine Steps Required to Design and Implement Your Market Study

Step 1: State the product or service you want to introduce

Refer back to Component IV of Module II and describe the new product or service that your organization has decided to design and launch.

Step 2: Establish the objectives of your market study

The objectives of your market study should express, in measurable terms, the specific information you will have in hand at the end of the study. This information will help you to predict the likely reaction of the sample population to the new product or service. You and your team should decide what information you need and from whom you will get your information: current clients, potential clients, health care providers, or a combination of these sources.

Illustrative Market Study Objectives

- Identify the desired changes that the new product or service is expected to bring about within the sample population, by segment, based on people’s current knowledge, attitudes, and/or practices.
- Determine the proportion and segment of the sample population that has/has not heard of a similar product or service.
- Determine the proportion and segment of the sample population that has/has not used a similar product or service.
- Describe the features your organization's version of the product or service must have to differentiate it from products or services offered by competing organizations.
- Assess the level of client satisfaction with the current product or service if they are already accessing it through a competitor.
- Identify the potential volume and frequency of demand for the product or service, by population segment.
- Establish the appropriate price for the product or service (see Reference Material, “Designing a Willingness-to-Pay Survey”).
- Identify the preferred delivery mechanism for the product or service, by population segment.

Step 3: Choose a research method

At this point, you must choose the market research method or combination of methods that can best help you to meet your study objectives. Keep in mind your budget and your local capabilities for using various methods. View the table below for a description of different research methods and the information each can generate about the product, service, and market.

Research Method	Information Generated about Product, Service and Market by Method						
	Potential Market	**Specific Benefits**	**Adjustments Needed**	**Reasonable Price**	**Delivery Site**	**Production Requirements**	**Promotional Techniques**
Focus Group Interviews with Prospective Users of Product or Service	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*	*No*	*Yes*
Household Interviews with Prospective Users of Product or Service	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*
Exit Interviews with Prospective Users Leaving the Site where the Product or Service will be Offered	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*
Focus Group Interviews with Persons Who Will Deliver the Product or Service	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*
Client Record Reviews at Health Facilities	*Yes*	*Yes*	*No*	*Yes*	*No*	*No*	*No*

Step 4: Define a sample population that reflects your potential target market

Defining Your Sample

To carry out a market study, you will need to define a sample, a representative subset of units drawn from the potential target market. If your sample is well designed, you can be reasonably sure that what you learn from testing, interviewing, or observing the people in the sample reflects very closely what you would learn from the whole target market. There are four factors to consider in deciding how large the sample should be.

Factor 1: Size of the target market**.** The larger the size of the market, the more people you will have to include in your sample. It is not always necessary or practical to use a statistical formula, but you can determine the size of your sample by referring to the following table.

Choice of Sample Size

Market Population Size	**Sample Size**
50 or fewer	At least 50%
51 to 100	35% to 50%
101 to 200	20% to 35%
More than 200	10% to 20%

Factor 2: Variations within the target population. Differences in the characteristics within a population that might affect evaluation results are called variables. If you think there are variables that might affect the results of your study, you need to be sure that the sample includes a reasonable number of people with each of these variables. This can be achieved through stratified sampling. To stratify your sample:

1. Decide what you think are the most important characteristics or variables that could affect the results of your study (gender, geographic location, educational level, socioeconomic status, age, ethnicity)
2. Determine what proportion of the total target market fits each variable. Then define a separate sample for each variable, using the table above to establish the size of each sample. This will enable you to compare the opinions of the respondents who represent contrasting variables (i.e., male/female, rural/urban).

Because stratified sampling requires you to prepare a separate sample for each variable you identify, it can greatly increase your total sample size. Thus, you should pick only variables that are very likely to make a difference in the responses. If your target market is small, it may not be practical to stratify it, since each sample will be too small to yield valid and reliable data.

Factor 3: Precision. The level of precision you need from a market study depends on how important it is to identify very small effects that could be generalized to a larger context. Because market studies look at human behaviors, they cannot be as precise as some studies in the basic sciences, but the sample must be large enough to convince an objective observer that the results are worth acting on.

Factor 4: Feasibility. In designing your study, you may need to compromise the extent to which future results can be generalized in order to achieve a study design that is feasible given your time and resources. What is important is to define a sample that comes as close as possible to the recommended sample size, represents the important variables present in your population, and can be carried out with available resources. Dr. E. A. Scholl, an expert on evaluating training in Asia, Africa, and Latin America, states that if the "statistically minimal sample size is greater than what can be feasibly or affordably carried out, evaluators may need to compromise by using a smaller sample size and accepting results that may still be useful, even if they cannot be used to establish 'statistically' valid conclusions."

You can balance the need for precise results against feasibility by defining a sample that comes as close as possible to the recommended sample size, represents the important variables in the population that may affect their opinions, and allows you to conduct the market study with available resources.

Step 5: Develop and pre-test the questionnaire and data analysis forms

Each objective you formulated in Step 1 needs to be converted into one or more questions that will generate the information you need to predict the reaction of the sample population to the new product or service. There are three types of questions that can be used in most interviews.

- Either/or questions that people can answer with *yes or no*, or *correct or incorrect*
- Multiple-choice questions that have a predetermined list of possible responses
- Ordinal-scale questions that use an ordered range of answers to rate or show agreement, such as *excellent to poor* or *strongly agree to disagree*.

For either/or questions, make sure that both alternatives are clearly stated. For multiple-choice questions, check to see that each response that you list does not overlap with any other response. Match the response you receive with one of the answers on your list, or check "other," and write in the answer received. Both the objectives and questions are only illustrative; you may formulate other objectives and questions that are more pertinent to your market study. The questions can remain open or be converted to multiple-choice or ordinal-scale questions.

Guidelines for Survey Questions

As you develop or modify your questionnaire to relate directly to your objectives, keep in mind the following guidelines for interview questions.

- Make sure questions correspond to the study objectives.
- Use simple words commonly understood by the survey population.
- Use words that do not suggest a positive or negative response.
- Make sure the questions are not ambiguous—that they say exactly what they mean.
- Use multiple-choice questions where there is a range of probable answers.

When your questionnaire is complete, design one form for tallying the data that are collected on the questionnaires (Master Tabulation Sheets). Develop another form for summarizing the tallied data as percentages (Summary Sheet). Instructions for the development of the Master Tabulation and Summary Sheets can be found in the issue of The Manager, Vol. VII, Number 1, 1998, *Conducting Local Rapid Assessments in Districts and Communities.* These can be developed using an automated or manual format.

To finalize your questionnaire and data analysis forms, you should pretest them. Pretesting ensures that the questions and instructions are easy to understand, answers can be recorded and tallied easily, and data can be summarized correctly. Select and interview 10 to 20 households in an area where you will not be gathering data for the market study. Tally and summarize data from these interviews. Revise the questionnaire and data analysis forms as necessary and use the finalized forms to train the data collectors and supervisors who will check and analyze the data.

Step 6: Arrange for collecting data

Before undertaking your market study, you need to set the stage for collecting data by making sure that your team takes certain important steps to support efficient data collection. In particular, you and your team should:

- organize transportation and develop a data collection schedule
- prepare a data collection budget
- obtain funds for data collection
- select and arrange training for data collectors and supervisors
- inform key individuals at the sites included in the sample
- reproduce questionnaires and data analysis forms

In selecting interviewers, choose members of your business plan team, and augment their numbers with other members of your staff, community health workers, or local nursing and midwife students. Be aware that respondents may not be comfortable discussing product and service problems with staff members. The interviewers you select should be able to relate to the population being interviewed, follow directions, and complete tasks efficiently. Finally, you should make sure someone on your team is available to oversee the data collection.

After you have selected your sites, contact local authorities and others who may be involved in the survey, either as respondents, interviewers, or supervisors of those being surveyed, and inform them about the purpose and schedule of your market study.

Step 7: Collect the data

Some tips for ensuring a smooth interview process can be found in the box below.

Tips for Improving Responses to Interviews

Nametags. When conducting the interviews, the interviewers should wear nametags. In addition to identifying who they are, nametags help to establish that the interviewers are professional.

Time. Pick a time of day when people are likely to be at the site where you expect to interview them (the home, the clinic, etc.). For example, evenings are probably best for speaking with men or women who work outside the home.

Rapport. Arrange to have women interview women and men interview men when the survey's focus could make respondents guarded in their responses to interviewers of the opposite sex. In many cultures, interviewers of the same sex can more easily establish rapport with respondents.

Introduction. Make sure that respondents understand the purpose of the interview and the intentions of your organization.

Privacy. If questions involve personal matters, ask the respondent to suggest a private place for the interview. Leave it up to your respondent to decide whether s/he wants to move to a more private location.

Unwelcome respondents. When a husband answers the questions that you ask his wife, tactfully request that the woman answer the questions herself. If this is not possible, use your best judgment to decide whether the answers are valid.

Neutrality. Avoid asking questions in a leading way that suggests what the "right" answer should be. Many respondents want to please the interviewer by providing the answers that they think the interviewer wants to hear.

Goodwill. Spread goodwill by providing something for respondents and non-respondents alike, such as iron tablets for mothers and children in areas with iron-deficiency anemia. However, do not give free gifts as an incentive for respondents to answer questions.

Step 8: Analyze the results

In the next step of the market research process, you and your team will clean, consolidate, analyze, and interpret the data the interviewers have collected on the questionnaires.

Cleaning the data. Once your interviewers complete the questionnaires, the team members who are data collection supervisors should count the questionnaires to ensure that the right number have been filled out. They should check each questionnaire to be sure it is complete, legible, and correctly filled out (i.e., that the respondent has followed instructions for skipping questions after specific answers). This is called "cleaning the data." By checking the questionnaires before leaving the field, supervisors can re-question respondents if there are errors or inconsistencies in the way their answers were recorded.

Consolidating the data. Detailed instructions for data consolidation, as well as examples of the forms cited below, are located in *The Manager*, Vol. VII, Number 1, 1998, *Conducting Local Rapid Assessments in Districts and Communities*. Once supervisors have cleaned the data, you and your team will transfer data from the questionnaires to the Master Tabulation Sheets. The Master Tabulation Sheets condense the data from a few hundred questionnaires onto a dozen or so pieces of paper. The Master Tabulation Sheets yield totals for each variable addressed in the questionnaire. After completing the Master Tabulation Sheets, you will transfer the data onto a single Summary Sheet. The Summary Sheet collapses totals computed on the Master Tabulation Sheets into percentages for the sample.

Analyzing and interpreting the data. By consolidating the data, you will begin to see patterns and clarify what is needed to successfully design, launch, market, and deliver the new product or service to the target market.

Step 9: Develop an action plan for modifying the product or service, if necessary

Once you have analyzed and interpreted the findings from your market study, you may find that adjustments need to be made to the new product or service prior to its launch. Develop a plan for modifying the product or service; this should include what needs to be done, by whom, and when.