

Research 2.0 (Web 2.0 and Market Research)

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ABSTRACT

Today, Web 2.0 is one of the biggest buzzwords in small, medium and large businesses. It is a term used to describe a new phase of how web is being used. Web 2.0 is the term given to describe a second generation of the World Wide Web that is focused on the ability for people to collaborate and share information online. Always the market research industry makes every effort to use the latest technology available in the market place to improve all aspects of survey design starting from data collection to analysis. But, Web 2.0 is very new to the researchers because it has entered the market research industry very recently.

In today's competitive business world, many MR companies are evaluating the benefits of Web 2.0 and its usefulness in the qualitative market research methods. Thus, the market research industry is likely to undergo key changes and Web 2.0 acts as a catalyst for changes that in turn provide cost effective, quick turn around and new breed of insights comparatively far better than traditional qualitative research methodologies like focus groups and in-depth interviews. It symbolizes the transformation of market research process that needs to be carried out in the future. This research paper highlights growing importance of Web 2.0 in the Market Research industry.

Introduction

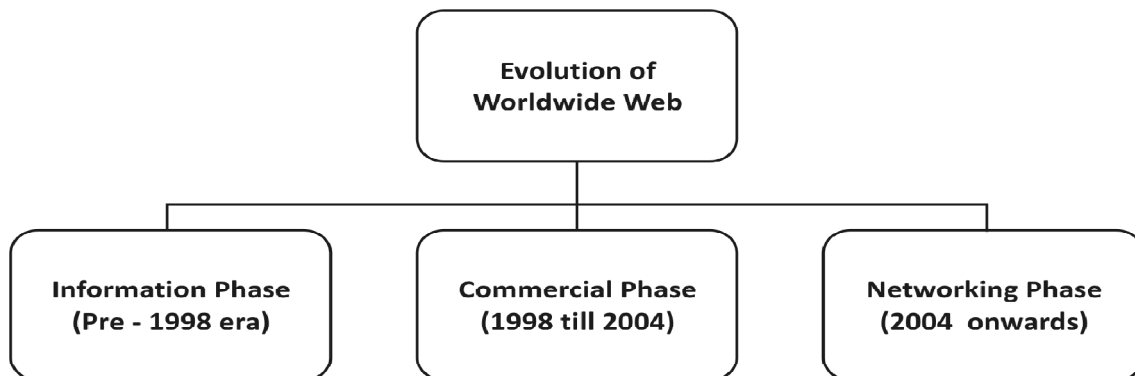
In recent years, the Internet has revolutionized human's entire way of living in every sphere. With the introduction of Web 2.0 technologies, the Internet landscape has transformed the consumers' and business arena overall. Web 2.0 is one of the biggest buzzwords in every part of today's business world. So, what is exactly Web 2.0? Is it a computer technical jargon, a software program or another marketing or management exhortation?

The real truth is that there is no standard definition of Web 2.0 in the business world. But, the term 'Web 2.0' was officially coined in 2004 by Dale Dougherty, a vice-president of O'Reilly Media Inc. (the company famous for its technology-related conferences and high quality books) during a team discussion on a potential future conference about the Web (O'Reilly, 2005a). In general, Web 2.0 refers to the new generation of web based services and communities characterized by participation,

collaboration and sharing of information among users online.

Thus, Web 2.0 is a term used to describe a new avatar of worldwide web in terms of how web is being used with more advanced technological applications. Web 2.0 technologies comprise of blogs, wikis, social networks, real-time information feeds, user generated content, podcasting, mashup, social bookmarking etc. The evolution of worldwide web has undergone a massive transformation into following phases:

The information phase is used to publish information only; commercial phase includes the increases usage of web activities towards e-commerce and trade functions and networking phase in recent years contribute for social interaction among consumers and business overall. This paper discusses about Web 2.0 concepts and suggests ways in which market research companies can participate and exploit web 2.0.



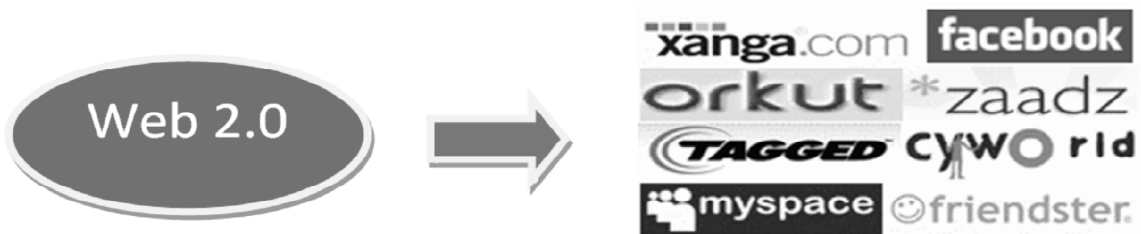
Evolution to Web 2.0

There is a subtle difference between Web 1.0 and Web 2.0. Web 1.0 helps Internet users to find information alone i.e. first generation of Internet services but Web 2.0 is defined as a source of

medium in the World Wide Web that allows people to communicate, collaborate and share information/ideas online i.e. second generation of internet services. In short terms, it empowers users contribution and participation overall.

Web 1.0	Web 2.0
"The mostly read only web"	"The wildly read-write web"
45 million global users (1996)	1 billion+ global users (2006)
Focused on companies	Focused on communities
Publishing	Participation
Personal websites	Blogging
Content management systems	Wikis
HTML, portals	XML, RSS
Web forms	Web applications
Directories (taxonomy)	Tagging ("folksonomy")
Pages views	Cost per click
Advertising	Word of mouth

Pictorially, Web 2.0 is nothing but:



Web 2.0 and the Market Research Industry

In recent years, Web 2.0 has a huge potential to transform the way market research is conducted i.e.

- **Change agent** – It really changes the relationship between the researcher and respondent
- **Research direction** – The respondents control the direction of the research project unlike the researchers in traditional market research.

Due to above enlisted benefits; the market research industry has started embracing Web 2.0 technologies as a medium of data collection activities. Thus, the researchers recently coined the term 'Research 2.0' for applications of web 2.0 tools to conduct market research globally.

Web 2.0 has entered the market research industry very recently and it's new to the researchers in terms of the real benefits and applications. There is a tremendous potential for researchers to adopt Web 2.0 way in future because the market research industry is adept at applying new technologies and techniques in different aspects of research design process.

Now days, the respondents demand interactivity and play a pivotal role in the areas of research by

means of asking more questions to the researchers. Overall, Research 2.0 stuffs market researchers with deeper insights that in turn provide the clients with richness in consumer information.

In recent years, the market research industry experts feel that Web 2.0 has the potential to overcome the following key challenges in the industry:

- *How do we engage and motivate the respondents to increase the survey response rates?*
- *How do we derive deeper insights from the respondents without compromising on cost factor?*
- *How Web 2.0 technologies are transforming the needs of the market research industry?*
- *What's the future road map for market researchers to evaluate the potential of Web2.0 technologies to conduct market research?*
- *How do market researchers perceive the comments and discussions evolving out of the forums, blogs, and social networking sites?*
- *How effectively these comments/discussions are being used to derive insights for better business decision making?*

Live examples of Web 2.0

BuzzBack Market Research - Uses eCollage tool. This tool is re-engineered using recognizable web functionality that records image selection, swapping, sequence, placement to reveal their innermost beliefs, characteristics, and attitudes towards a product or service

- **Opinionator** – Ipsos Mori has pioneered a website ‘**Opinionator**’ that allows consumers to showcase their opinions about product or service
- **Buzz Metrics** – Nielsen Buzz Metrics has pioneered the concept of tracking blogs activity overall.

Growth Drivers

In recent years, there is an enormous growth of user generated content in the web due to proliferation of Web 2.0 tools and technologies. There are following three growth drivers for Research 2.0 namely :

- *Rapid decline of response rates among online and offline surveys*
- *Rapid adoption of internet and social networking sites that in turn allows consumers to post reviews of services, products, technologies, companies etc. online*

- *A web based market research pose a great cost savings up to 40% as compared to traditional based market research methods (Stafford and Gonier, 2007)*

Growth Inhibitors

Till date, the market research industry has evolved in such a way that it has made significant improvements and adaptation of latest technologies in entire supply chain of market research process. But today, growing number of affluent consumers online lead to the growth of Web 2.0 technologies that in turn have made umpteen amount of user generated information widespread available on the web.

Thus, the real growth inhibitors is due to the fact that the market research industry is really not capitalizing on this opportunity to an extent overall. It has not made inroads in engaging the online consumers in a more productive way i.e. try to harness the power of Web 2.0 by means of where consumers interest lie. If it engages promptly, this will definitely revolutionize the entire research industry in terms of deriving deeper insights with richness of data available online.

Advantages of Web 2.0

- The applications of Web 2.0 technologies are enormous and play a pivotal role in conducting qualitative research projects and

report the findings. This is due to the fact that inherent nature of Web 2.0 tools enables interactivity. With the help of Web 2.0, the market researchers embrace Web 2.0 technologies to conduct research studies that will call off face-to-face focus groups in lieu of online focus groups in order to explore deeper insights from consumers' opinions and reviews of products and services. Online focus groups are emerging recently in the world of qualitative research

- Web 2.0 technologies have increased the number of tools available to qualitative researchers such as message boards, video clips, blogs and online focus groups. It also encourages smart, strategic thinking, which boosts the professionalism in the market research industry. The bottom-line here is that if a client wants the market researchers to consider video ethnographies, online focus groups or even be part of a WebEx presentation, the researcher simply must understand how to do so
- The emergence of Web 2.0 technologies in the market research industry is not likely to see the death of questionnaires as similar to the arrival of internet surveys have not seen the demise of the paper survey. Therefore, there will be new forms of research, new companies will be formed with specific

expertise in Web 2.0 techniques to address few challenges such as falling response rates and expensive research panels

- Web 2.0 enables "Opinions on-the-go" i.e. real-time data collection is a big advantage of Web 2.0 technologies. Therefore, respondents are aware of using different online social networks to provide their opinions about product or service. Web 2.0 offers instant communication and support in terms of executing the research projects very efficiently
- Web 2.0 is less expensive and less time consuming for conducting qualitative research study

Clients success stories

Moms Insight Network - Moms are playing a vital role in market research online communities (MROCs) i.e. nowadays, moms online panels are growing in multiple numbers. Moms are a major buying force for their families starting from breakfast cereal to education. MarketTools, Inc. has introduced a new market research solution, called Moms Insight Network, for marketers to better understand one of the most highly influential consumer groups — moms. The Moms Insight Network is the first research solution that synthesizes input from millions of moms' online conversations, lets marketers engage directly in

ongoing conversations with moms to uncover pressing needs and new ideas, and helps to turn those findings into innovative products and services.

Jonathan's Blog - Sun CEO Jonathan Schwartz has done with Jonathan's Blog. Schwartz's blog receives some 50,000 hits per month, and each post generates dozens of comments from existing and prospective customers, as well as shareholders. By actively participating in online conversations, these companies are engaging with their customers and demonstrating that they care about their opinions — which gives them a fair shot at influencing those opinions.

Nuts about Southwest - Southwest Airlines has done with Nuts about Southwest. Southwest's blog has received more than 6,300 comments since it started in April 2006, in response to little more than 250 posts. And Southwest says that it has adjusted its approach to assigned seating and advance scheduling as a direct result of customer feedback on its blog.

GM's Fastlane Blog - General Motors Vice Chairman Bob Lutz, for example, author of **GM's Fastlane Blog**, says that "the consumer intelligence he gets from reading the comments on his blog is better than what he's ever received from traditional market research channels such as

surveys and focus groups and he gets it for free."

Virtual Surveys - UK online specialists, Virtual Surveys are using Web 2.0 technologies to allow respondents to discuss the issues even after the survey ends. Therefore, there exists a back and forth communication in the form of feedback from the brand, additional questions, and to ask their own questions, makes their own comments. The forums will allow the respondents to suggest add on topics for conducting future research as well.

Nokia – Finnish mobile company Nokia has made social media a cornerstone of its marketing strategy in several markets for its E series and N series. Nokia has also created accounts on Orkut, Twitter and Facebook to promote its device. In addition, the company setup a "shout box" where consumers could post comments and queries to it, which then will be answered by experts.

SWOT Analysis

Strengths

- Rapid adoption of broadband internet
- Rapid adoption of social networking sites
- Provide real-time information
- Quick turnaround of information and new breed of insights
- User generated content

Weakness

- Market research industry undermine the potential of worldwide web
- Fall in response rates
- Expensive research panels
- Lack of subject matter expertise on Web 2.0 tools among market researchers

Opportunities

- 'Listening' to consumers
- Rapid advancement of technologies at its disposal
- Umpteen number of Web 2.0 tools provide market researchers with an opportunity to gain richer insights
- Emergence of different consumer online communities

Threats

- Credibility of available information
- Data compliance issues
- Protecting data from hackers and competitors

Conclusion

In future the researchers will realize the fact that listening is certainly the future because

respondents are becoming highly knowledgeable and getting more power. This in turn will call off the traditional methods of putting forth the "forced questions" to get answers from the respondents. At the same time, the researchers have to master the skills and expertise of traditional market research methods to leverage the control to respondents and work collaboratively to derive insights and to improve brands for the benefits of consumers.

At a recent New Media workshop, John Shanahan, CEO of Australian research agency Colmar Brunton said "We need to move away from a model where agencies wait for briefs. If we are truly connected with customers then we should be going to clients telling them the customers' issues and suggesting the research that needs to be conducted."

In order to be successful in a competitive business world, the market research agencies who embrace the new forms of market research using Web 2.0 technologies will prosper and grow at a phenomenal rate. Thus, Web 2.0 acts as a catalyst of change in the qualitative market research methods that in turn will provide more cost-effective, less time consuming and new breed of consumer insights as compared to traditional qualitative research methods.

Therefore, the organization has to opt for Web 2.0 tools depending on the nature of its research needs, ability to accept and lead the way of Web 2.0 and sufficient budget to handle the same.

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