

Chapter 8

Observation

Business Research Methods

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Marketing Research



“Never trust to general impressions, my boy, but concentrate yourself upon details.”

Sir Arthur Conan Doyle

“I believe in evidence. I believe in observation, measurement, and reasoning, confirmed by independent observers. I’ll believe anything, no matter how wild and ridiculous, if there is evidence for it. The wilder and more ridiculous something is, however, the firmer and more solid the evidence will have to be. ”

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CONTENTS

- **General concepts and characteristics**
- **Observation types**
- **Observation applications**
- **Pseudo-purchase**

- OBSERVATION:

“Tools researchers can use to collect primary data about human behavior and marketing phenomena, regardless of the research design, whether exploratory, descriptive or causal”

Hair et al. 2006

- **Advantages of observation:**
- They allow **measurement of actual behavior** rather than reports of intended or preferred behavior.
- There is **no reporting bias**, and potential bias caused by the interviewer and the interviewing process is eliminated or reduced, because there is no communication.
- **Certain types of data** can only be collected by observation, for example information on preference of babies for toys can only be assessed by observing babies at play.
- Besides, if the observed phenomenon occurs frequently, observational methods **can be cheaper than survey methods**.

- **Disadvantages of observation:**
 - The **reasons** for the observed behavior **may not be determined** because little is known about the underlying motives, beliefs, attitudes and preferences. For example, somebody buying a specific brand of biscuits may or may not like them, since she may be buying them for a different person.
 - Additionally, **selective perception** (bias in the researcher's perception) can **bias** the data.
 - Observational data is often **time consuming** and expensive, and it is difficult to observe certain forms of behavior such as personal activities.
 - **Ethical reasons:** sometimes observational methods may be border on being unethical. The ethical issue regarding the monitoring of people's behavior without their consent is still under debate (Malhotra, 2012).

- **Structured vs unstructured observation**
- **Structured observation:**
 - the researcher specifies in detailed the behaviors to be observed and the way in which the measurements are to be recorded
 - This reduces the potential for observer bias and enhances the reliability of the data. Structured observation is appropriate when the marketing research problem has been clearly defined and the information needed has been clearly specified. Structured observation is best suited for conclusive research.
- **Unstructured observation,**
 - the observer watches all actions of the phenomenon that seems relevant for the problem at hand. This form of observation is appropriate when the problem has yet to be clearly specified and observation is needed to identify key components of the problems and to develop hypotheses. In this type of observation, potential for observer bias is high, and therefore, the findings should be treated as hypotheses to be tested rather than as conclusive findings. Unstructured observation is thus best suited for exploratory research.

- **Direct vs indirect observation**
- **Direct observation:**
 - Respondents are unaware that they are being observed. This enables respondents to behave naturally because people tend to behave differently when they know they are being observed. It can be achieved using one-way mirrors, hidden cameras, or mechanical devices. Observers may be disguised as shoppers, sales clerks, or other roles.
- **Indirect observation,**
 - the respondents are aware that they are being observed, and they are normally aware of the presence of the observer. Researchers do not agree on the degree of effect the presence of an observer has on behavior. One viewpoint is that the observer effect is minor and short-lived. The other is that the observer can seriously bias the behavior patterns (Malhotra, 2012).

- **Natural vs contrived observation**
- **Natural observation:**
 - involves observing behavior as it takes place in the environment. For example, one could observe the behavior of respondents eating fast food in a Burger King. The advantage is that the observed behavior will reflect the true phenomenon more accurately, the disadvantages are that the costs of waiting for the phenomenon to occur and the difficulty of measuring the phenomenon are high.
- **Contrived observation,**
 - the investigator creates an artificial environment in order to observe a behavior, such as a test kitchen

• Applications

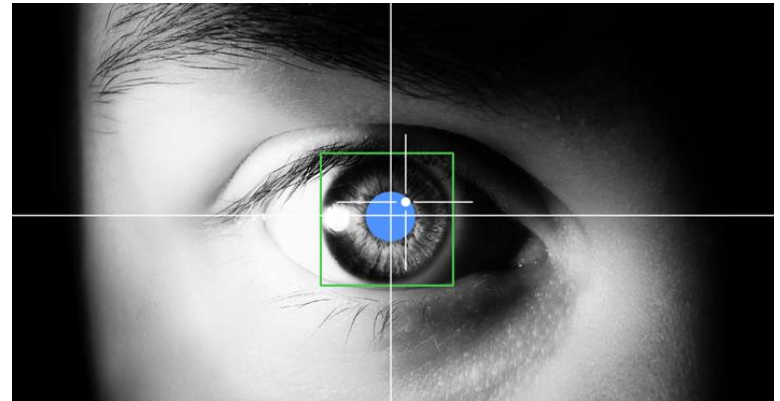
*Observation
methods:
applications*

- Personal*
- Mechanical*
- Audit*
- Content Analysis*
- Trace Analysis*



• Applications

1. **Personal observation:** An observational research strategy or application in which human observers record the phenomenon being observed as it occurs.
2. **Mechanical observation:** An observational research strategy or application in which mechanical devices record the phenomenon being observed. Mechanical observations include:
 - Tv monitoring
 - Monitoring website traffic
 - Scanner based research
 - Measuring physiological reactions
 - Eye tracking monitoring
 - Pupilometer
 - Voice-pitch analysis
 - Response latency
 - Psychogalvanometer



• Applications

3. **Audit:** The researcher collects data by examining physical records or performing inventory analysis (Malhotra, 2012). The two main features of audit are: 1.- the data are collected personally by the researcher. 2.- the data are based upon counts, normally of physical objects.
4. **Content analysis:** This method is appropriate when the phenomenon to be observed is communication instead of behavior or physical objects
5. **Trace analysis:** Data collection is based on physical traces, or evidence of past behavior. These traces can be left by the respondents intentionally or unintentionally. Eg. Credit card usage behavior

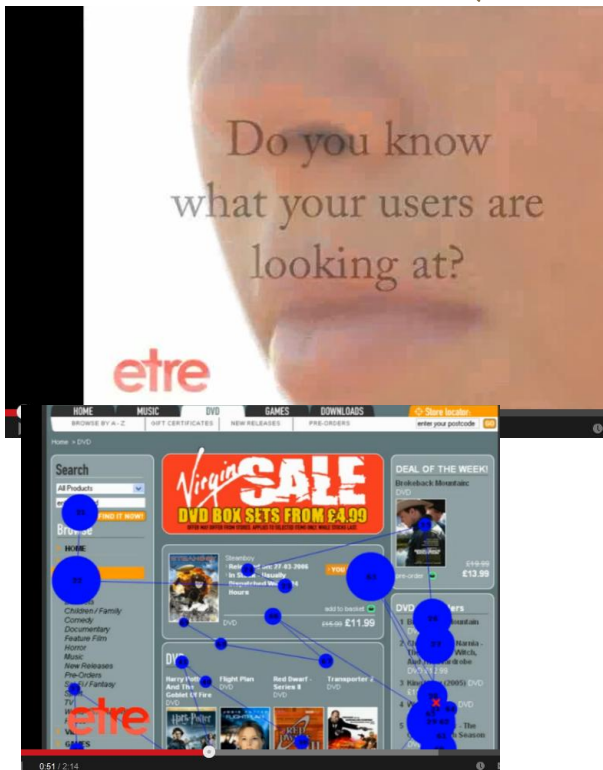
- **Pseudo-purchase**

The pseudo-purchase is an observational technique which involves that the researcher acts as a client and observes the behavior of a given sales person, with the aim of assessing his/her level of knowledge about the products or services s/he sells, the attitudes towards the different brands, the skills and abilities to sell them, and the quality of the service given to the client.

For instance, researcher working for Michelin and CAMPSA travelling guides tend to use this technique.

EXAMPLE

- The following video links show you an example of the eye-tracking technique.
- http://www.youtube.com/watch?v=lo_a2cfBUGc
- <http://www.youtube.com/watch?v=2NcUkvIX6no&feature=related> (featuring: Cristiano Ronaldo)



Eye Tracking Cristiano Ronaldo Using the Dikablis Mobile Eye Tracker

Taken from "Ronaldo - Tested to the Limit" - Copyright 2011 Castrol



Mazda and Syzygy

- When Mazda Motor Europe set out to improve its website, the company wanted details about how consumers were using the site and whether finding information was easy. Mazda hired a research firm called Syzygy to answer those questions with observational research. Syzygy's methods include the use of an eye-tracking device that used infrared light rays to record what areas of a computer screen a user is viewing. For instance, the device measured the process computer users followed in order to look for a local dealer or arrange a test drive. Whenever a process seemed confusing or difficult, the company looked for ways to make the website easier to navigate.

Mazda and Syzygy

- To conduct this observational study, Syzygy arranged for 16 subjects in Germany and the United Kingdom to be observed as they used the website. The subjects in Germany were observed with the eye-tracking equipment. As the equipment measured each subject's gaze, software recorded the location on the screen and graphed the data. Syzygy's result included three-dimensional contour maps highlighting the "peak" areas where most of the computer users' attention was directed.

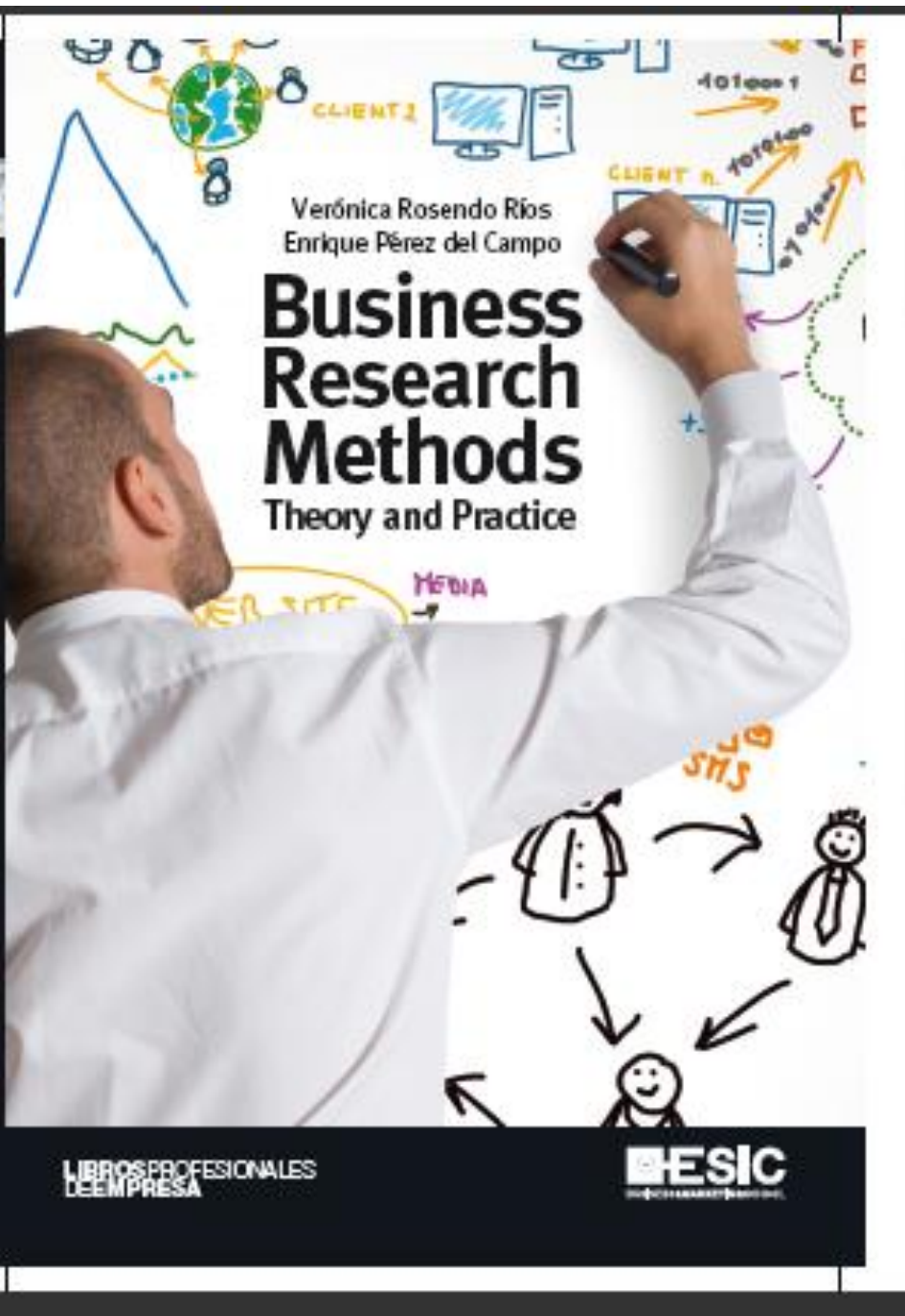
Mazda and Syzygy

- What could Mazda learn from eye-tracking software that would be difficult to learn from other observational methods?
- Along with eye-tracking research, what other research methods could help Mazda assess the usability of its website?
- Summarize your advice for how Mazda could use complementary methods to obtain a complete understanding of its website's usability.

- Source: Based on “Mazda Turns to Eye-Tracking to Assist Revamp of European Site”, New Media Age (November, 3, 2005). Zikmund et al. (2013).

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