

Developments in Business Simulation & Experiential Exercises, Volume 15, 1988

USING FOCUS GROUPS TO TEACH PROBLEM DEFINITION IN BASIC MARKETING RESEARCH

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ABSTRACT

The subject matter in the problem definition section of the basic marketing research course is difficult for students to grasp without hands-on experience. This paper demonstrates the approach of bringing the focus group concept into the classroom as means of facilitating student learning and understanding in this area.

INTRODUCTION

Many instructors use the development of a survey research project as the vehicle for tying together the concepts and topics in the basic marketing research course. The initial phase of project design--problem definition--presents the student with a uniquely difficult learning situation early on in the course. This article examines the use of in-class focus groups as a means of facilitating student learning during this first critical stage of project development, and is based on two semesters of application in the basic marketing research course

BACKGROUND

Problem definition is difficult for students to grasp because it tends to be unstructured, has few pat answers, and requires a good bit of intellectual "thrashing around" in order to reach a solution. In addition, most students lack practical experience in this area, and a significant minority probably have little interest in the subject. The focus group, however, represents a standard industry procedure for getting a handle on problem definition (Bellinger, Bernhart, and Coldstucker 1976; Goldman and McDonald 1987). The focus group also represents an opportunity for students to get personally involved and also to move them towards obtaining a specific solution of the problem at hand (identification of information needs) so that the class can continue on to the questionnaire design phase of the survey research process.

FOCUS GROUP PROCESS

Inclusion of the focus group in the basic marketing research class can be viewed as a time-sequenced, multi-stage process lasting 3-4 class weeks during a 16 week, 4 semester hour course. The "process" starts with only a general idea as to what is to be researched (e.g., general subject) and ends with a final list of "research information needs."

As this process is carried through to completion, three person student teams and the instructor go through a series of programmed activities described as follows: (1) pre-group activities, (2) focus group session activities, and (3) post-group activities. These activities are summarized in Exhibit 1.

EXHIBIT 1 - FOCUS GROUP PROCESS AND ASSOCIATED ACTIVITIES

<u>PRE-GROUP ACTIVITIES</u>	<u>GROUP SESSION ACTIVITIES</u>	<u>POST-GROUP ACTIVITIES</u>
Schedule appropriate facilities and equipment; arrange for post-group copying of tapes and post-group listening facilities.	Pre-session: (a) verify facilities and equipment; (b) log in group participants upon arrival; (c) supply name tags; (d) have participants fill out "profile."	Assign "Research Information Needs" Activity; grade "Research Information Needs" Activity; compile final list of "Research Information Needs," reproduce and distribute.
Assign "Moderator Guide Activity"; Grade "Moderator Guide Activity"; compile final moderator guide; reproduce and distribute.	Students observe and take notes; Students submit questions to moderator near end of the session.	
Recruit group participants.		

Pre-Group Activities

Pre-group activities cover the facilities, equipment, recruitment process, and paperwork necessary to properly administer a series of two one-hour focus groups, scheduled back-to-back, for each class session.

The first priority is to locate an appropriate place to hold the group session (if the classroom is unsatisfactory) and the necessary recording equipment to create a working-quality tape recording of the event for later use. Since this is an educational exercise and specialized one-way mirror rooms are not available, the basic approach has been to use a carpeted classroom and cluster the group participants around a table in the center of the room with the students (usually 20-40) occupying seats behind the participants in a circular fashion. The physical setup and staffing include 3-4 directional microphones on the table along with an A/V person to monitor the tape deck and "flip" tapes when necessary since sessions often exceed 60 minutes counting administrative time.

Arrangements for post-group copying of tapes and the use of student listening facilities should also be made at this time. In our case, this involves making arrangements with the university media center and communicating appropriate information (hours of operation, days of operation, etc.) to the students.

A basic paperwork requirement for any focus group is a "moderator guide" which is used to keep the group discussion on target. To involve students in the creation of this document, student teams are required to complete the "Moderator Guide" assignment (See Exhibit 2). This assignment is essentially an idea generator which the instructor uses to create the final moderator guide for reproduction and distribution (See Exhibit 3).

Group member recruitment presents special problems because we cannot follow the usual practice of offering participants a monetary incentive. The solution has been to offer students a 2% course grade curve if they successfully deliver a participant to the scheduled session (the normal day and time of class meeting). The participant must meet

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certain criteria (which depend on the study) but usual restrictions include avoiding immediate family members, fellow students, and faculty members. While the 2% curve is an important incentive to some students, it is usually necessary to overbook to a level of 12-14 participants in order to be insured of having an ideal 7-10 participants "on-hand" at the session.

EXHIBIT 3 - MODERATOR GUIDE ACTIVITY - ATM STUDY

MEMORANDUM

TO: All Students, MAR 30/11
 FROM: Dr. Fuller
 DATE:
 SUBJECT: Written Outside Assignment Due Tuesday

Your team is to meet and create a list of ten (10) intelligent questions to ask our focus group participants. Format: Typed on one side of 8 1/2 x 11.

For Section 0001 (9:30 a.m.), questions will focus on why they use ATMs and any factors associated with ATM use.

For Section 0002 (12:30 p.m.), questions will focus on why they don't use ATMs, any factors associated with non-use, and how they presently make routine transactions.

Grading: Subject to 1-5 negative penalty points; see syllabus.

EXHIBIT 3 - EXAMPLE MODERATOR GUIDE - ATM STUDY

MODERATOR GUIDE #2

1. INTRODUCTION

- Who we are -- PG concept -- class purpose.
- What we'll be doing -- tone -- openness -- non-staccato -- talk distinctly.
- Who they are -- the data sheet.

2. ROUTINE BANKING -- DEPOSITS & WITHDRAWALS

- We're looking at the ways people deal with their banks/ATMs.
- How do you take care of making routine deposits?
- How do you take care of getting cash for day-to-day expenses?
- On a monthly basis, how many times do you go to a bank/ATM? Routine.

3. HYPOTHETICAL EMERGENCY

Suppose it is 9:00 at night, and out of the blue you need \$100 cash for an emergency - and you don't have it - how would you get it?

4. ATM FAMILIARITY

- I know you all have heard of automated teller machines - or ATMs.
- How familiar are you with what these machines are? What they can do?
- On a scale of 1-10, with 10 being the easiest and 1 being the most difficult, how difficult do you think ATMs are to use? 10? 1?, etc. Why do you say that?
- Have any of you ever used one? Any of you ever had a bad experience?
- What have you heard about them? Good? Bad?

5. ATM REACTIONS

- When I mentioned ATMs I felt several of you winced - or did I?
- What had or negative things immediately came to mind when ATMs were mentioned?
 - don't know how to use
 - computer error/mistakes
 - computer silliness/feat/non-personal
 - too slow/irresponsible use
 - record keeping hard
 - personal safety
 - too long to credit account
 - inconvenient
 - costs to use
 - don't do needed service

- What positive or good things?
- What kind of people use 'em?
- Do you think you'll ever use 'em?
- If someone at your bank were to show you how, would you try it?
- What could your bank do to get you to become a user of ATMs - or routine business? What about a drive-thru ATM?
- Do you use a PC at home or work?
- CLINCHER: If your bank decided to require all routine deposits and withdrawals to be made by ATM, what would you do?

THANK YOU FOR COMING

DRONES: Why do you say that?
 Could you clarify (explain) that some more?
 What do you mean by that?
 What else?

Group Session Activities

These activities mainly insure that participants are handled courteously and professionally upon their arrival, and are properly identified by name so the moderator can refer to them by name during the session. In addition, each respondent fills out a very limited personal data profile (age, sex, employment, etc.) which helps to further identify the respondent in the subsequent analysis of the tapes (See Exhibit 4).

EXHIBIT 4 - EXAMPLE RESPONDENT PROFILE - ATM STUDY

First Name _____

PASTEL MEMBER DATA SHEET

- Sex: Female Male
- Approximate age group: 18-24 25-34 35-44 45+
- Marital status: Married Single
 If married: Who handles the majority of the routine banking transactions (deposits, withdrawals, check cashing) in the household?
 Yourself Spouse Both equally
- How long have you been a customer at your main bank?
 Less than 1 year 1-5 years Over 5 years
- Which of the following general types of banking services do you currently use? Please check all that apply.
 - Regular checking
 - Interest-earning checking
 - Regular savings
 - Money Market Account
 - Certificate of Deposit
 - Individual Retirement Account
 - Home mortgage
 - Personal installment loan (auto, boat, etc.)
 - Bank credit card (MasterCard or VISA)
 - Automated teller machine
- If you did not check "Automated teller machine" above, have you ever used an automated teller machine? Yes No

Conducting the sessions can only be described as a "center stage" activity that must be handled by the instructor. The moderator's guide is essential to this task. Students are required to attend and, for the most part, serve as observers. However, the teams are required to sit together, take notes, and to formulate written questions which are passed to the moderator near the end of the session to "pick up" on overlooked subjects, topics, etc.

Post-Group Activities

The major post-group activity involves completing the "Research Information Needs" activity (See Exhibit 5). In a nutshell, the student teams get together, listen to the topics, and extract relevant ideas which they submit in a written memo using an outline format. The instructor distills the best information from these, adds personal input, and creates a final list of "Research Information Needs" (See Exhibit 6). This final list becomes the "target" for the next stage in the research design process---questionnaire design.

EXHIBIT 5 - RESEARCH INFORMATION NEEDS - ATM STUDY

This assignment is largely given on a verbal basis in class as follows:

- Teams are to see, and digest whatever is on the tape.
- Develop lists of topics, concepts, dimensions, variables to be researched. Classify in the following areas:
 - Demographics
 - Banking relationships
 - ATM usage patterns
 - Psychographics (fears, likes, dislikes, problems, etc.)
- Submit a 1-page single spaced memo of results.
- Grading: See table penalty points as before

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EXHIBIT 6 - FINAL RESEARCH INFORMATION NEEDS LIST - ATM STUDY

MAR 30 13
Summer 1987
Dr. Fuller

Part I - Information Needs - ATM Study

1. Demographics (All Respondents)
 - Age
 - Sex
 - Income
 - Number children
 - Occupation
 - Work status
 - Educational level
 - Marital status
 - Number full-time wage-earners in household
 - Familiarity with computers/PC's
2. Banking relationships (All Respondents)
 - Use/non-use of basic deposit and loan-credit accounts
 - Use of ATM, bank-by-mail, bank-by-teller and drive-in teller for routine deposits/withdrawals
 - Use of other sources to "cash" checks
 - Have an ATM access card?
3. ATM Usage Patterns (ATM users only)
 - Frequency
 - Time of day
 - Day of week
 - Alternative to lobby or drive-in
 - Home bank
 - Foreign bank
 - Main function used
 - Types of problems experienced
4. Psychographic Factors (All Respondents)
 - Trust/Confidence in banks
 - general
 - to fix errors
 - Preference for human interaction vs. machine on routine transactions
 - Force of habit - use tellers because always have, etc.
 - ATM functional issues
 - ease/difficulty of use
 - Fear of error/getting errors corrected
 - no information on how to use -- what it is, etc./not educated in use/lack of familiarity -- awareness/what machine can be used (home, foreign)
 - Fear of computer/what computer may do (eat card, etc.)
 - Fear of losing PIN or card/ fraud
 - Fear for personal safety
 - Fear of overusing (Card abuse?)
 - Perception of costs (home/foreign)
 - Error in crediting of transactions/wrong balance information on machine
 - Limits on daily cash withdrawals
 - Fear of losing track of funds (not recording transactions in checkbook, etc.)
 - Fear of deposit function
 - ATM location not convenient
 - Not having right kind of account to get ATM card
 - Prior bad experience with ATM
 - Image of ATM
 - cold and impersonal
 - only for people in a hurry
 - just an excuse for bank not to "serve" people
 - shows bank to be modern/progressive
 - personal need for "fast" routine transactions
 - Likelihood of using in future (begin to use/continue to use)
 - Potential response to usage incentives
 - Personal need for 24-hour access to Accounts/Desire for, etc.

PROBLEMS AND OPPORTUNITIES

Taking a detailed look at any process inevitably uncovers a number of basic problems and opportunities. Several associated with in-house focus groups are discussed below.

Student Team Size

Team input, rather than individual input, is clearly the way to go in this case. First, the lack of experience on the part of individual students clearly shows the need for interaction with others to help come up with the abstract ideas required in this process. Second, real world marketing research activity of this type almost always involves a consulting team, a departmental team, or other small working group. Why not put the student in the "real world" setting?

Grading of Student Activities

In this process, a rather liberal grading system has been used for each graded activity. Due to the "totally creative" type of inputs sought from students (Moderator Guide, Research

Information Requirements), I have chosen a system that awards "0" points for "expected" behavior, and a negative 1-5 points (percentage points off final course percentage grade a negative curve) for less than "expected" work. What's "expected"? A professionally done memo (both activities) which exhibits reasonable organization and provides evidence of insightful thinking; in other words, a good first cut at the problem. I save the negative points for groups that obviously "trash" the assignment. My experience has been that very few groups take the latter approach and that allowing a rather wide range of creative approaches to qualify as "expected" behavior frees students up so that the teams really do deliver what is needed--creative, insightful input.

Group Participant Recruiting

The main difficulty is being absolutely sure enough "outside" people show up to staff the group (between 7 and 10 participants is ideal). Overbooking, plus the 2% grade incentive previously mentioned, has worked to delivery enough bodies in the past.

Another caution is to always use all participants who arrive for the session. Students are told to use the "help me as a student, help the university" appeal when recruiting participants from the community. To have an individual come to a session not the university and then to be told they are not needed results in absolutely negative public relations!

Facilities and Equipment

Since ideal facilities are not available, classrooms and conference rooms are the usual places focus groups are held. This means that in order to participate and observe the session, students must be present in the same room which tends to make the group session less spontaneous and intimate. I find that simply explaining this situation to the group participants relaxes them considerably.

One problem that can be avoided is poor quality audio recording. This is accomplished by selecting a room with carpeting (to dampen background noise) and by doing a dry run with the recording equipment and making physical adjustments as necessary.

Murphy's Law

Whenever one sticks his/her neck out to bring a "real world" approach into the classroom, the potential exists for "everything that can go wrong to go wrong!" While examples abound, two specific incidents are enough to convey the point:

Case I - The group meets for the session in classroom 212 on the second floor. Unknown to us, building construction is going on one level below. Just after the tape is turned on and the group has been "settled in," a jack hammer begins removing the concrete floor 25 feet below the meeting room.

Case II - The group meets for the sessions in classroom 212 on the second floor. The session starts normally, but five minutes later the lights go out (the room has only one small window) and stay out for 2 hours (a cable has been severed on the other side of the campus). The group goes on in the lark.

While these types of episodes do happen and cause certain difficulties (tapes in both Cases I & II were not available for later use), they also make excellent "war series" for the next class, demonstrate the need to stay cool and see the work

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through, and give students a working knowledge of “Murphy’s Law.”

Student Feedback

Students who like real world involvement and participation type events like this approach; those who only want to read a book and pass an objectives test for a grade are less enthusiastic. Most, however, appreciate the opportunity to earn a 2% curve early in the course, and the practical nature of the work (attempting to solve a real problem in a real world setting) and its potential for later application on the job appeals to all but the most apathetic of students.

CONCLUSION

The in-class focus group offers the opportunity to get students directly involved in problem definition. The activity demonstrates a “real world” technique with its attendant problems/opportunities in terms of implementation and results. This type of in-class activity will be continued in the belief that it does strengthen the student’s understanding of problem definition phase of the market research process.

REFERENCES

- Bellenger, Danny N., Kenneth L. Bernhart, and Sac L. Goldstucker (1976), Qualitative Research in Marketing, Chicago, Illinois: American Marketing Association, Monograph Series #3
- Goldman, Alfred E., and Susan Schwartz McDonald (1987), The Group Depth Interview: Principles and Practice, Englewood-Cliffs, New Jersey, Prentice-Hall, Inc.