Online Market Research

Online market research shares the same goal as traditional market research - to gather as much knowledge/information about a target audience, product or target market as possible: because of its velocity, high research performance and internationalization, online market research is still on advance. Like market research, online market research aimed as well getting as much knowledge your target group, product or market.

Definition of online market research

Online market research can be interpreted in three different ways.[1]

- Internet as a method of research
- Internet as a object of research
- Internet as a medium of research

This article focused on the first topic „Internet as a method of research". In that case the internet is the instrument of research. The methods of online market research are the same methods used in the traditional market research: interview, observation, case studies and focus groups.

Methods of online market research

Similar to market research, online market research falls into primary and secondary research as well. secondary research is not bulid on own data, it falls back to pre-existing data on the internet. For example search engines, databases or information sites. Primary research on the other hand builds its own data. Holger Lütters, expert for online market research and author, varies regarding primary research in reactive an non-reactive methods.[2] Reactive methods in the context of online market research are online surveys, online observations and online focus groups. Online case studies and online panels belong to non-reactive methods.[3]

Online survey

The participant fills out a survey featured by the medium internet. The survey is programmed and the processing occured through local browsers. Online surveys have different advantages such as the possibility of a comfortable, program-controlled filtering error or the access to a target group that is

difficult to reach offline (e.g. young men or visitors of specific websites). But there are also existing different disadvantages such as the missing possibility to control the situation of the survey (similar to normal surveys, researchers can check the time to fill out the survey. If it is far below the average, the researcher has to take into consideration that the infomation provided might not be as sufficient as surveys provided by other members of the group)

Online Observation

Via online observation, market researchers basically examine the reaction of users about companies, organizations, products or services. The behavior of the user is for example analyzed by logfile-analysis, cookies or clickstream-analysis. Market researchers can also use blogs, for example, to inform about the users opinion.[4]

Online focus groups

Another subset of the methods of online market research are online groups. Online focus groups have between 8 and 10 participants and last usually from 60 minutes up to 90 minutes. The online focus group is lead by a moderator who uses predeterminded questions and unscripted probes.[5]

Online panel

An online panel is a group of users, who confirmed participating in constant online studies. Advantages of online panels are the costs, because online panels are much cheaper than the conducting of real panels, and the researcher has more flexibility in conducting the online panel. Because of the own decision to participate at the panel, the the biggest problem of online panels is the missing representativeness. This causes the sample not to be fully representative of the target audience.[6]

Advantages and disadvantages of online market research

Online market research has revolutionized the tradtional aspect of market research. The possibility of online market research provides both advantages and disadvantages for researchers.[7]

Advantages of online market research

- large numbers of participants can be reached at the same time
- international market research becomes easier
- costs

- time - rapid turnaround („same-day delivery")

Disadvantages of online market research

- difficulties arising from the check of the respndents identity
- representativeness (skewed representation of the target audience)
- the possibility to participate on a survey more than once
- data privacy
- missing standards in recruiting and data collection

[1)]

Online-Marktforschung: Theoretische Grundlagen und praktische Erfahrungen; A. Theobald/ M. Dreyer/ T. Starsetzki (Hrsg.) 2. Auflage; 2001, p. 8

[2)]

Definition reactive methods: the proband knows about the market research situations, while giving the answers. The proband is conscious about the survey. Online-Marktfoschung: Eine Positionsbestimmung im Methodenkanon der Marktforschung unter Einsatz eines webbasiertern Analytic Hierachy Process (webAHP); Holger Lütters, 1. Auflage, 2004, p. 53

[3)]

Online-Marktfoschung: Eine Positionsbestimmung im Methodenkanon der Marktforschung unter Einsatz eines webbasiertern Analytic Hierachy Process (webAHP); Holger Lütters, 1. Auflage, 2004, p. 53

[4)]

http://www.online-targeting.com, [date: 16.08.2010]

[5)]

http://en.wikipedia.org/wiki/Online_focus_groups, [date: 17.08.2010]

[6)]

http://de.wikipedia.org/wiki/Online-Panel, [date: 17.08.2010]

[7)]

http://www.synergy.de, [date: 17.08.2010]

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