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# **THE APPLICATION OF ONLINE FOCUS GROUPS IN MARKET RESEARCH**

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### ***Abstract***

*Focus groups, as important exploratory and qualitative methods of research, have become ever more present in theory and practice. The object of this research is to explore the applicability of online focus groups and to find out whether the traditional approach could possibly be exchanged with the new one. Also, the object is to summarize new reachable surveys and to compare theory with practice. The data was collected from in-depth interviews and secondary sources. The main questions are: Is the online focus group an effective method of collecting qualitative data, and is it always the best solution? Moreover, will it replace the traditional focus group? The new approach, however, can be cheaper and easily combined with other methods. For example, interviewees can be reached more easily. Both the traditional and the new approach have, of course, advantages and disadvantages. A researcher has to be well informed about them, so he could decide which approach is appropriate for which survey. Finally, one of the objectives of the research is to check whether the Croatian market is developed enough for a concrete implementation of online focus groups.*

***Key words: focus group, online focus group, exploratory research***

# 1. INTRODUCTION

## 1.1. Analysis procedure of traditional focus groups

The objectives of the research were to examine the applicability of the online focus groups, which makes the new approach different from the traditional approach, to conclude whether the online focus groups in modern business really are a desirable option for collecting qualitative data, to investigate whether the new approach can fully replace traditional focus groups, to summarize a recent research concerning the online focus groups, and finally, to compare theory and practice.

Focus groups are paid a lot of attention and they are very popular. They are usually used for qualitative market research methods. They are basically an unstructured interview of a small group of subjects in which the discussion of a topic takes place. The group is homogenous (Aaker, et al. 2007), Hair, Bush, Ortinau (2000); Malhotra and Birks (2003); Malhotra (2011); Marušić and Vranešević (2001) and usually has eight to twelve participants. The moderator is a person who guides and directs the conversation and encourages participants to debate. The moderator must have excellent observation and communication skills. Participants meet in advance and they are informed about the topic of discussion and participants have to represent the target group. The conversation takes place mostly in a relaxed atmosphere where the discussions are recorded on audio and video recordings. There are six variations of the classic focus groups and they are following (Malhotra and Birks, 2003, p. 169): bidirectional group interview, a group of dual moderators, dual moderator respondents - moderator, client - subjects and the mini group.

The moderator has the key role in conducting focus groups. His or her task is to develop a relationship with the respondent, to lead the discussion and examine the attitude of the participants. Also, he or she has a major role in the analysis and interpretation of results. The moderator has to understand the customer's business, goals, focus groups methodology, and, together with the management, he has to know how results will be used.

The research topics can be the following (Malhotra, 2011., p. 192): understanding the perceptions, preferences and behaviours of consumers, understanding impressions about the new product, collect new ideas for existing products, development of creativity in advertising, impressions about the price, getting the reaction of consumers to the specific marketing program and quantitative interpretation of the obtained results.

It is necessary to pay attention to the following (Aaker, et al. 2007, p. 199): preparation is the key, to manage the process so that it is safe, choose the right people for the discussion, make no conclusions about respondents in advance. During the entire process of the research, the researcher should take care of the basic rights of respondents.

Numerous authors Marušić and Vranešević (2001), Aaker, et al. (2007), Hair, et al. (2000), Hair et al. (2008) Malhotra and Birks (2003), Malhotra (2011) in various ways show the advantages and disadvantages of focus groups. Taking all this into account, the benefits are the following: the group interview results in a lot of information, opinions, views and synergism of ideas. This is popularly called the "Avalanche effect," the term that means expanding the topics. In order to heat up the discussion and have respondents express their opinions stimulation is required to "break the ice". Therefore participants feel safer in a group because there is support in the fact that other people share their opinion. So, people speak only when they really have something to say. A focus group is also an opportunity to discover new ideas, and it can happen that the existing idea that was not paid special attention to previously is developed. This kind of qualitative techniques allow researchers to discover hidden reasons why people behave in certain ways in specific situations. The problem however is that the people who are chosen for the interview are usually more communicative ones, which means that results don't show opinions of regular consumers. The results cannot be generalized because of the problem of representativeness of the sample.

## **1.2. Procedure of online focus groups**

Due to the development technologies and social networks, 50% of all qualitative research in the US has elements of online research - in the form of online focus groups (Parker, 2011, p. 120). The advantage of online research is the speed of data collection in order to quickly respond to market demands. Europe follows these American trends and, in general, online research has become a widely accepted method of collecting data (Comley and Beaumont, 2011, p. 316).

The traditional and the new approach are basically the same method, but there are some technical variations. The new approach requires the understanding of (Stancanelli, 2010, p. 761): general rules of qualitative research, exploring the traditional approach, learning about the support (YouTube, etc.) and reading scientific articles. Moreover, researchers have developed virtual community focus groups consisting of a waiting room, a room for groups and interview rooms for clients. Respondents are selected from a list of websites where they signed up for discussion. The new approach has 4 to 6 respondents since more than that would cause difficulty in conducting research. Emotions are expressed through "emoticons" (a combination of symbols which express feelings) and they are placed directly behind the sentence.

Burgess (2010) classifies online group interviews into "simultaneous" or "duplex" and depending on where the participants are located (Burgess, 2010, p. 61): same time / same place, same time / different place, different time / same place and different time / different place. The rule is that the moderator writes in capital letters and the participants use a combination of small and large printed letters. Also, participants are required to write answers under numbers so the moderator can quickly connect the question with the answer. It facilitates and simplifies the process of discussion that lasts between sixty and ninety minutes. Also, it is important to group subjects with less experience in online discussion who are in a group with those who are already acquainted with this way of communication.

There are five types of behaviour of participants in the online discussion: (Hughes, Lang, 2004, p. 99): "leading monologues" (Monologuing), "stating the same" (Dittoing), "one-way" (one-liners), "essays" (Essays) and "challenging" (Challenging).

## **1.3. Comparisons of advantages and disadvantages of traditional and online focus groups**

In online focus groups first results are available after the discussion, and the final version is available within 48 hours, so compared to the traditional focus groups, the entire research process is much faster.

Online research is particularly good (compared to the traditional approach) in the following situations (Aaker, et al. p. 201): anonymity is necessary, studies have dispersed the crowd, it's not profitable to gather respondents in physical space because it is small, the studies are related to information technology, which include feedback on related topics and web assessments, and studies involving professionals, and time is limited. However, online focus groups are not the best choice when (Aaker, et al. 2007, p. 201): the "body language" and facial expressions cannot be detected, when it should show a prototype, when then product need to be touched or tasted. Of course, the key limitation of online focus groups is reflected in access to computers and the Internet. Only 62% of Croatian households have Internet access (Index, 2011, Sept. 6, 2012). Finally, respondents who participate in traditional focus groups often do not want to participate in online focus groups. Online focus groups are a better solution for researchers with limited budgets and for the audience that is available only online. Topics that require tasting products and stimulation is better left to the traditional focus groups. And in both approaches it is very important to have a quality moderator. Since people today spent a lot of time on social networks and virtual communications, researchers should take advantage of such possibilities in order to improve online customer service. Its main limitations of the research market through social media are (Malhotra, 2011, p. 206): the problem of generalization, duration and complexity of operations.

## **2. Methodology**

Data were collected from secondary and primary sources. Secondary sources are common and predominantly represent books and scientific articles. The primary sources of data were collected through in-depth interviews conducted to provide insight into the Croatian business practice. The aim is to gain insight into the extent to which market research agencies in the Croatian market conduct online focus groups. The study included five experts from three leading market research agencies in Croatia: Gfk (two respondents), Henda (one respondent) and Ipsos Puls (two respondents). So this is a deliberate pattern and a sample specialist. The reason for choosing these three agencies is tied to the fact that only these three agencies in some form had experience with the implementation of online focus groups. Although a small sample of a key constraint is clear that the inclusion of experts from research agencies that did not have any experience with the implementation of online focus groups would not make sense. Also, the inclusion of experts from research agencies operating in the Croatian market is logical since the primary objective of the study was to determine the use of online focus groups on the Croatian market. Respondents are professionals and therefore a detailed interview was the most appropriate method of testing. The study was conducted at the premises of the agency, and interviews on average lasted forty minutes. The survey instrument used was a guide.

## **3. RESULTS**

The paper analyses the differences between online and traditional focus groups, and the advantages and disadvantages of these approaches. The results that follow are predominantly related to the opinions of five experts in the field of market research working in three leading research agencies operating on Croatian market. Focus groups are increasingly gaining in popularity because the resources of modern enterprises are limited. The new approach to focus groups is used for different topics and purposes. Furthermore, the number of participants, duration of the discussion, the results, the method of gathering participants, accompanied by discussions and activities provided for the selection of respondents in the sample differ from author to author. Topics are varied: launching new products, testing products, developing ideas, products names and advertisements assessment websites, marketing studies (psychographic, relationship marketing, positioning, studying the older and younger generations X and Y), e-learning, adolescent sexuality, experience and violence through technology applications in information systems, shared health information online and the comparison of traditional and new approach to focus groups, questions about a new approach to combine the online focus groups with other methods. The mentioned topics are suitable for online research, because the target group is primarily online and is designated as "Net Gen"(Internet generation). Also, in this way specific group of people can be accessed more easily. Furthermore, one can easily come up with a theoretical background of online focus groups (comparison of traditional and new approaches). Researchers have generally similar research purposes. It is the most efficient way to gather information and make changes on the market. Results indicate high satisfaction with researchers using this method. All have positive experiences with online focus groups as it fulfils the purpose of research. The results are different, but in essence the positive impact on all researchers is visible. This leads to the following results: a good overview of the product or brand and the consumer's perception of the benefits thereof, modification sales strategy, product customization demands of consumers, an excellent (and good) feedback, improve marketing relationships, improving communication with customers and proven theoretical background.

Therefore it can be concluded that a new approach to focus groups is an effective qualitative test method. Number of respondents varies from researcher to researcher. Minimum number of participants is five and the maximum eighteen. The number of respondents is higher if the issue is more complex (we try to examine the differences in cultures or violence through technology), i.e. higher studies if they are expert respondents.

Online focus groups lasted between forty-five and ninety minutes. Furthermore, if the topic is simple, discussions take place faster (especially if it is a "simultaneous" online collaborative interview). Since it is primarily used by "asynchronous" online focus groups, the discussion can last for two nights in a row, a week or three months. Basically, most of the research is carried out only in one group, but at least two discussion groups. Very rarely, six discussion groups are organised. It also increases the cost of online focus groups (which is often cited as an advantage of using this method). On the other hand, the respondents are grouped in different ways: self-selection, i.e., voluntary participation, client sites and from a database of researchers (telephone, from an online panel, e-mail lists).

One can say that the website of the client in a way is a "filter" for potential candidates who are carefully selected in order to sample the results of the research were as credible. It has been proven that online focus groups ideally complement other research methods. Focus groups have also proved to be an ideal method to lower the costs (travel and other expenses).

Most experts believe that the online version of qualitative research is not relevant to the Croatian market because it is very small and the need for an online version is there due to foreign companies. Online data collection in Croatia took place between 2007 and 2008. The dominating point of view is that the benefits of the new approach to data collection in relation to the classical method are the following: price, comfort, speed, gathering subjects (specific groups: managers, mothers, etc., users of specific products, different nationalities, etc.), time, and "upload" material from any location at any time, a wealth of answers, sensitive topics and openness of the respondents (possibly enter the lifestyle).

Furthermore, experts cite the following shortcomings: there is no personal contact, lack of well-described condition of patients, no tasting product, or physical contact with the product, you cannot use all projective techniques, the lack of interaction (as respondents seek stimulus), the time, the lack of non-verbal communication and limited information.

All market research agencies used a pilot study. In comparison to other test methods, the traditional focus groups were often applied. Most experts do not see the advantage of online focus groups in relation to traditional ones and market research companies do not invest in it often because it requires additional training, time, new skills and introducing moderator respondents with a new approach. Clients are sceptical about the new approach and decide for the traditional approach. All agencies believe that online focus groups could be an effective method for collecting qualitative data but few believe that in the near future, the Croatian market will have a significant need for the implementation of online focus groups. All experts say that online focus groups are suitable for the younger population. Clients are biased, respondents are not well informed, and the representativeness of the sample is questionable. Looking at trends, the online version has a future, but currently is not well recognized by clients.

While focus groups became popular worldwide because of the specific approach, the Croatian market is of an opposite opinion. The reasons can be found in the culture, traditionalism and underdeveloped markets. Also, the level of education negatively affects the perception of the new approach. It is evident that there are numerous alternatives to online focus groups but in practice they are not used and experts believe that online focus groups are too complicated and do not currently expect them to be significantly applied to the Croatian market.

#### **4. CONCLUSION**

After analysing the research results, it can be concluded that online focus groups are relevant and effective method for collecting qualitative data which is consistent with the theoretical background. However, the new approach can not completely suppress the traditional approach. Also, the online focus groups are different in theory and practice. The number of respondents is higher in practice than in the theoretical claims. Respondents were even divided into several groups and costs online group interviews growth ("duplex"

group interview - two moderators, more subjects and groups, longer duration). Duration of discussions can be less than an hour, depending on whether the discussion "at the same time" or "non-simultaneous" and with which groups. Also, it is difficult to gather the respondents at the same time for online discussion ("simultaneous" group interview). Contrary to theoretical assertions, too, we can see that the respondents can somewhat be identify. Especially if there is a requirement for the selection of the sample (e.g. librarians who are members of the RIS). Furthermore, the dynamics of the discussion can be triggered by digital stimulator. The moderator is expected to do a lot more compared to the theoretical claims. He must have new skills - to be "fashionable" to do fewer errors. Also, discussions with the observer can be communicated in person, and not necessarily through a computer. If the discussion takes place "non-simultaneously", the moderator may be a little more committed to examining the individual, resulting in a wealth of ideas. Online focus groups requests audience to use the Internet and technology. Furthermore, when the technology or logistics is a problem, we should consider that the traditional approach will be used. For example, with children it is difficult to organize a traditional focus group because they are dependent on transportation (public or parental) and the online version offers a better solution (for example, research by Nicholas, et al. (2010.)). From the above it can be concluded that online focus groups are not always the ideal solution. It is because of these qualities we cannot completely replace the traditional approach with the new one. On the other hand, the traditional group interview (in relation to the online group interview) results in higher costs and more demanding testing methods. On the basis of in-depth interviews it can be concluded that the Croatian market has no significant application of online focus groups, although it is considered that it is an effective and ethical method for data collection. Leading Croatian market research agencies are foreign-owned and have the appropriate technology to conduct online focus groups, but do not apply it to a significant extent because the Croatian market hasn't yet reached the required stage of maturity. Moreover, there is a lack of IT literacy of Internet users in Croatia. It is expected that the quantity of the research through the new approach has a tendency to increase in the future (due to specific types of research topics and inaccessibility or dispersion of respondents). This can be attributed to cultural differences, traditionalism and underdeveloped markets. It takes a lot of knowledge (in the world and Croatia) to skilfully handle and use a new approach to benefit all parties - customers, researchers and consumers.

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