Abstract
Purpose – To investigate whether strategic orientation affects the evaluation of specific market research projects in for-profit firms.

Design/methodology/approach – A small-scale follow-up survey was conducted, building on qualitative and quantitative research among a sample of the top-1,000 marketing managers in Australia. The study used an existing market research evaluation tool, the USER scale and items generated from the qualitative research, to investigate the firm’s most recent market research project.

Findings – Four market research performance factors were identified – market research as a knowledge enhancing (KE) function, the internal political use of market research, the misuse of market research and the generation of market understanding. The Miles and Snow strategy types were related to these factors, with Prospector types more likely to use market research rationally and less likely to use it for internal political purposes. Tactical projects were more likely to be misused than were those with a strategic orientation. Prospectors were far less likely and Analyzers far more likely to misuse tactical research projects. Prospectors were more often satisfied with the performance of their most recent market research. The Porter typology was less successful in predicting market research performance.

Research limitations/implications – The study was based on a small sample of market research projects in Australian for-profit firms. Future studies need to study these phenomena more intensively using ethnographic methods and more extensively using larger multi-country samples.

Practical implications – Market research suppliers should learn the nature of their client’s strategic intent to improve their effectiveness. Defender firms should carefully monitor the use of market research, especially that of a tactical nature, which may be wasted or misused.

Originality/value – The paper contributes to an understanding of how strategic orientation relates to the ways market research information is used within the firm.

Keywords Market research, Performance management, Non-profit organizations, Australia

Paper type Research paper

Introduction
A variety of functions have been identified for commercial market research. They include action oriented vs knowledge enhancing (KE) roles (Slater and Narver, 2000); providing information for strategic vs tactical decision-making (Raphael and Parket, 1991; Ohlsson, 1993; Raguragavan et al., 2000); identifying risks vs identifying opportunities (Sherman, 1999); setting strategic direction, providing opportunity analysis, producing exploratory vs confirmatory data (Hart et al., 1999), generating market information and even providing evidence to win an argument (Culkin et al., 1999). With the renewed emphasis on performance measurement, market research has also been used as a tool to evaluate both marketing performance and the performance of decision makers themselves (Shaw and White, 1999) and for monitoring and control purposes (Roberts, 1992).

A classic typology of marketing knowledge was proposed by Menon and Varadarajan (1992), which in turn can be used to predict likely motives for market
research. First, market research can be explicitly designed to assist key management decisions identified prior to the research taking place. Second market research can be designed to evaluate an area of activity, leading to recommendations for action even though the areas for decision could not be specified in advance. Third, market research can be used to evaluate an area against specific performance indicators. Fourth, market research can be launched to build a general understanding of an area, possibly leading to longer-term changes. Finally, market research can be commissioned for internal political reasons to build a power base or to resolve competing positions. These identified motives led to the development of a measure of the performance of specific market research projects, the USER scale (Menon and Wilcox, 1994) that was employed in the current study. The scale focuses on specific market research projects, namely the last project for which the manager received a “report, presentation or briefing”, making USER highly relevant as a performance measure.

In using this scale in the tourism industry, Yamin and Shaw (1998) identified the KE and action-orientation (AO) dimensions of USER. KE functions occur when the organisation achieves a broad scanning of the market place, uses market research to gain an internal appreciation of the market, or uses market research to confirm decisions already made (Bednall et al., 2005). As several studies have indicated, findings, which surprise are often unfavourably received (Deshpande and Zaltman, 1984; Armstrong, 2003). For the less entrepreneurial firms, confirmatory market research may therefore be judged as more effective or at least, less contentious than research which has the potential for surprise.

Action oriented outcomes were those where market research acted as a tool for effective decision-making and change. As Piercy (1983) has pointed out, there is also an opposite, non-rational side to how market research can be treated in the firm. Namely market research may be used (or misused) to resist change and to bolster the manager’s position in the firm. For entrepreneurial firms this would be an anathema. The USER scale contains several items, which reflect this non-rational use, based on the politicised environment of the firm (Deshpandé and Zaltman, 1984).

In addition, the growth of customer relationship management (CRM) systems may provide customer information and analysis that complements, corroborates (Malhotra and Peterson, 2001), or substitutes for information provided by traditional market research. Baker and Mouncey (2003, p. 417) raised the question, “… whether the pursuit of relationship marketing, perhaps through CRM initiatives, demands any changes in how market research is undertaken or delivered”. They related this to the concept of a “listening organisation” which integrates the traditional role of market research with data analysis from internal databases, customer contact points and other internal customer listening systems.

The various motives for doing market research and the various functions set for it suggest that a simple set of performance metrics may be inadequate. Beyond the USER scale, several studies have attempted to measure performance by examining the methodology used and the process of conducting research (Shaw and White, 1999; Dawson et al., 1994; Gombeski, 1989), the usefulness of particular elements such as reporting (Bednall et al., 2005) or the success in consulting to clients or more generally in delivering a high value service (Gombeski, 1989). While these studies give good insight into the functioning of the market research process, they give little insight into why organisations might differ in the types of research they conduct.
An entrepreneurial organisation seeking new customers and new markets would be expected to use research to aid strategic decision-making, to identify opportunities and to estimate business risks. A market leader, in a relatively static market, may be more interested in market monitoring and competitor analysis, while a niche player may do little or no research on the grounds of high market knowledge and high cost. Given this, market research performance should be judged not just for its technical quality, but also for its fit with the strategic intent of the firm.

From a strategic perspective, the generic conceptualisations devised by Miles and Snow (1978) and Porter (1980, 1985), assume that the classification of business units or organisations according to marketing strategy provides deeper and more specific guidelines for human resource, organisational structure and information requirements (Hagen and Amin, 1995). According to Miles and Snow (1978), there are three successful generic strategies. The Prospector strategy achieves competitive advantage through being first into new markets with new products. It is innovative and adapts to new technology well. In contrast, Defender firms achieve competitive advantage by becoming more efficient and remaining in traditional markets with existing products. They are firms where there is less uncertainty compared with other Miles and Snow strategic types. The third of the successful generic strategies is the Analyzer strategy. This strategy combines elements of the Prospector and Defender.

Previous research has shown that the Miles and Snow typology is related to the level of market scanning activity. Thus, Subramanian et al. (1993) found that Prospectors had more advanced environmental scanning than Defenders while Hagen and Amin (1995) found differences in external environment scanning and opportunity analysis practices between Differentiators and Cost Leaders. Although they found the amount of research was similar for both strategies, the type of issues being researched differed. Similarly Du Toit (1998, p. 207) found differences between Prospectors, Analyzers and Defenders in “…the way in which information was managed (for competitive advantage)…”. They found differences in internal records, competitive information and external information. Slater and Narver (2000) believed there would be differences between Prospectors, Analyzers, and Defenders in terms of market intelligence generation.

Based on these findings, it could reasonably be expected that Prospectors would be the group most in need of market focused research aimed at deciding which opportunities were the most promising. Prospectors should also be keen to make effective use of market data throughout the organisation. They would do this in an attempt to expose staff to market changes and to link internal activities to the external marketplace. Their strategy deals with greater uncertainties than do the other strategic approaches and they therefore are likely to have an urgent need for market data. Similarly, as an entrepreneurial group, they need to avoid the worst of the internal politicking over information and should therefore be less likely to use market research for non-rational purposes.

Porter’s (1980, 1985) focus was on competing through being a Cost Leader, product or brand Differentiator, or through niche strategies. The Differentiator strategy achieves competitive advantage through offering something unique beyond competitors. This could be a brand or a product or service feature. Like the Prospector, the Differentiator must be oriented to the external marketplace, both to identify opportunities and to monitor the activities of competitors.
In contrast, the Cost Leader firm achieves competitive advantage by becoming more efficient in production and resource usage. It will often have older products, greater internal focus and often a lower priced product. Finally, the focus strategy type can be either a Differentiator or a Cost Leader but differs in that it targets a market niche rather than the broad market. Hagen and Amin (1995) found differences in external environment scanning and opportunity analysis practices of Differentiators and Cost Leaders.

These internal contrasts suggest Differentiators and Cost Leaders require contrasting roles for market research and internal CRM systems. Firms with a low cost orientation would be reluctant to conduct research, focusing instead on internal efficiencies. Those with a product or brand orientation would most likely seek to compete by providing either leading edge solutions or premium quality products. Thus they need good understanding of customer needs, resources and current usage patterns. In contrast, niche players would be looking to position themselves uniquely against competitors in tight, specific market segments. They may have little need for market research.

Both the Miles and Snow and Porter typologies were included in this study since, Segev (1989) showed they deal with largely different strategic dimensions. Despite the obvious link between strategy and the use of market research, this relationship has been poorly investigated. It was hypothesised that:

- **H1.** Prospectors will have a high KE use for market research and Defenders a low KE use.
- **H2.** Prospectors will have a high action orientation (AO) use for market research and Defenders a low action oriented use.
- **H3.** Differentiators will have a high KE use for market research and Cost Leaders a low KE use.
- **H4.** Differentiators will have a high action orientation (AO) use for market research and Cost Leaders a low action oriented use.

**Method**

The locus of the current study was Australia. Based on recent estimates (ABS, 2003), it comprises around 2 percent of the world market quoted by Honomichl (2003). The research was conducted in three phases. In the first, 16 in-depth interviews were held with senior marketers and research managers in Australia and the United States about market research performance and its value to client organisations.

The second phase was a personally addressed self-completion mail survey based on a list derived from Dun and Bradstreet’s top 1,000 senior marketing managers in for-profit Australian companies. Repeat mailings were sent to non-respondents and if contact information was available, telephone or Internet follow-up was used. Usable replies were received from managers in 241 companies. This may be considered a reasonable response for an industrial survey (Jobber et al., 1991), though higher rates would have been desirable. In the third phase, those respondents who participated were asked if they would consent to a follow-up survey about their last specific
market research “where you received a report, presentation or briefing”. This resulted in additional information being obtained from 57 firms, using telephone interviews and internet follow-up. The results reported here are based on this sub-sample. There were no significant differences between the main and the sub-samples on the basis of spending on market research, suggesting no apparent bias in the follow-up sample.

Evaluations of the most recent market research project were based on the three sets of measures. The first was the USER scale (Menon and Wilcox, 1994; Yamin and Shaw, 1998). Rather than impose a structure on the data a priori, factor analysis was used. A four-factor solution, as in Yamin and Shaw (1998), was used. A varimax rotation was then applied to the USER scale.

The USER scale was released in the mid-1990s when CRM and other customer analytics systems were yet to make the impact on the type of market research conducted. The in-depth interviews also indicated that managers felt under increasing time pressure, while still needing their research to provide credible information. For this reason a second set of items was added. They covered the performance of the research supplier in providing timely, credible, useful and well-communicated information capable of being integrated with other data. Finally, a set of satisfaction measures was added to provide a summative view of market research performance.

For strategy, a modified set of multi-item scales based on both the Miles and Snow and Porter strategic dimensions were used. The Miles and Snow items were scaled from 1 (never) to 7 (always) and were based on 12 items measuring characteristics of the Miles and Snow strategy types (Conant et al., 1990). The Porter items were scaled from 1 (No emphasis at all) to 7 (Major constant emphasis) and were based on eight items measuring the Porter strategy types from Pelham and Wilson (1996) and on three items from the in-depth interviews. Minor changes in wording were made to ensure the items had contemporary meaning and suited the Australian context. Scale items were summed to make a composite score for the Miles and Snow and Porter measures, with the items reversed where wording made this necessary. The Miles and Snow composite scale was divided into thirds, classified as Defenders, Analyzers and Prospectors. The individual items used are shown in Table I. One item (shown in italics) was reversed in direction before the results were computed. A Cronbach’s standardised alpha of 0.83 indicated good internal consistency.

The Porter scale was similarly divided resulting in Cost leader, Mixed, and Differentiator types. Table II shows the results, with three items shown in italics reversed in direction. A Cronbach’s standardised alpha of 0.68 indicated sufficient internal consistency.

Using one-way ANOVA, both the Miles and Snow and Porter typologies were used to predict the USER factor scores and the other two sets of items. Given its small sample size, a Type I error rate of 0.10 was adopted for this study. All results shown are significant at or beyond this level. Where post hoc comparisons between means were made, Tamhane’s T2 test was used.

Results

Relationship of strategy types to the USER scale

The most recent project was reported to be either an ad hoc (54 percent) or an ongoing (37 percent) study, such as advertising tracking. The remaining 9 percent did not
The products/services we provide are more innovative and continually changing 4.60 1.44
My Business Unit has an image in the marketplace of being innovative and creative 4.60 1.55
My Business Unit spends significant amounts of time continuously monitoring the marketplace for changes and trends 4.54 1.40
The increases or decreases in sales we have experienced occur because we aggressively enter new markets with new products/services 3.95 1.37
Our objective is to have available the people, resources and equipment required to develop new products and markets 4.44 1.23
Our managerial employees are entrepreneurial, flexible, diverse and broad – enabling change 4.40 1.35
The one thing that protects my Business Unit from its competitors is that we are able to consistently develop new products/services and new markets 4.07 1.37
Our management staffs concentrate more on developing new products/services, new markets, and new market segments 3.93 1.33
We identify marketplace trends and opportunities that can result in product/service offerings new to our industry or new markets 4.60 1.33
The organisation structure of my Business Unit is product oriented 3.44 1.52
The organisation structure of my Business Unit is market oriented 4.54 1.51
Our Business Unit performance evaluation procedures are decentralised and participatory 3.93 1.65

Table I. Miles and Snow items

<table>
<thead>
<tr>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.91</td>
<td>1.74</td>
</tr>
<tr>
<td>4.89</td>
<td>1.69</td>
</tr>
<tr>
<td>4.09</td>
<td>1.68</td>
</tr>
<tr>
<td>5.16</td>
<td>1.40</td>
</tr>
<tr>
<td>4.74</td>
<td>1.34</td>
</tr>
<tr>
<td>5.09</td>
<td>1.30</td>
</tr>
<tr>
<td>5.18</td>
<td>1.00</td>
</tr>
<tr>
<td>4.33</td>
<td>1.38</td>
</tr>
<tr>
<td>4.93</td>
<td>1.55</td>
</tr>
<tr>
<td>4.98</td>
<td>1.66</td>
</tr>
<tr>
<td>4.89</td>
<td>1.77</td>
</tr>
</tbody>
</table>

Table II. Porter items

<table>
<thead>
<tr>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.91</td>
<td>1.74</td>
</tr>
<tr>
<td>4.89</td>
<td>1.69</td>
</tr>
<tr>
<td>4.09</td>
<td>1.68</td>
</tr>
<tr>
<td>5.16</td>
<td>1.40</td>
</tr>
<tr>
<td>4.74</td>
<td>1.34</td>
</tr>
<tr>
<td>5.09</td>
<td>1.30</td>
</tr>
<tr>
<td>5.18</td>
<td>1.00</td>
</tr>
<tr>
<td>4.33</td>
<td>1.38</td>
</tr>
<tr>
<td>4.93</td>
<td>1.55</td>
</tr>
<tr>
<td>4.98</td>
<td>1.66</td>
</tr>
<tr>
<td>4.89</td>
<td>1.77</td>
</tr>
</tbody>
</table>
disclose the type of research. The most common type of project combined qualitative and quantitative methods (47 percent) while 25 percent used purely qualitative and 25 percent purely quantitative methods.

The items from the USER scale are shown in Table III and each is coded as KE or action-oriented (AO) following Yamin and Shaw (1998).

A factor analysis of the items was conducted. The KMO test of sampling adequacy was adequate for a small sample at 0.67 and the Bartlett test of sphericity was acceptable. Yamin and Shaw (1998) have suggested that the negative wording of some USER items may somewhat limit the robustness of the factor solutions.

The first USER factor reflected the classical view that the market research project served a useful KE function by forcing the firm to confront its marketing issues, by collecting insightful data and by communicating the data within the organisation. The Miles and Snow types were weakly related to this factor, with \( F(2, 52) = 2.40 \). Although it appeared that Prospectors had the highest scores on this factor, none of the ad hoc comparisons were significant. Thus there was only weak support for \( H1 \). No relationship with the Porter typology was found; thus \( H3 \) was not supported.

In contrast, the second factor loaded mainly on action oriented (AO) functions and was labelled the “internal political use of market research”. The opposite signs on two sets of loadings indicated a tension being played out between the rational and internal political uses of market research to justify decision-making. Contrary to \( H2 \) and \( H4 \), neither strategic typology was related to this factor.

Factor 3 was again largely based on action oriented items and has been labelled “misuse of market research” since it reflected a flawed interpretation of research findings. The Miles and Snow strategy types were weakly related to this factor, \( F(2, 52) = 2.48 \). Prospectors were somewhat less likely to misuse market research than were Defenders. This result was significant, but the difference was small. Thus there was some limited support for \( H2 \). However, the Porter typology was not related; thus \( H4 \) was again not supported.

Factor 4 related largely to KE uses of market research and was labelled “market understanding”. Neither typology was related to this factor, thus no further support was provided to either \( H2 \) or \( H4 \).

Only the Miles and Snow typology was related to the USER factors and then only weakly, to both action oriented and KE outcomes of specific research projects. It appeared that the Prospector type of firm was somewhat more careful in exploiting research results and making rational use of them.

Strategic versus tactical projects

In examining the actual projects reported, it became evident that only 47 percent could be classified as strategic, for example, saying that the study was used to “identify potential markets for a new business segment” or was “value proposition research”. Another group of 46 percent could be considered tactical, for example, measuring the “success of radio ad” or researching “customer service – feedback”, while 7 percent did not describe the purpose.

When the strategic projects were considered separately, there were no significant relationships shown between the Miles and Snow or Porter strategy types and the USER factors. In the case of more strategic projects, it may be that compelling market or environmental circumstances forced the commissioning companies to confront
One or more findings of the study had a significant direct impact on a decision. (AO) 0.158 0.744 0.098 0.123
It is possible that without the research results a different decision would have been made. (AO) 0.258 0.736 0.253 −0.153
It was worth waiting for the research results because some of them materially influenced a decision. (AO) 0.535 0.626 −0.178 0.107
The study was used to make a decision, which was inconsistent with at least some of the findings and conclusions. (AO) −0.088 0.038 0.757 −0.059
The results of the study were taken out of context to make a decision. (AO) −0.086 −0.078 0.821 −0.011
A decision based on the research project was hard to reconcile with the results of the project. (AO) −0.280 0.013 0.830 −0.109
The research was used for appearance sake. (AO) 0.012 −0.718 0.408 −0.031
The study was used for political purposes. (AO) 0.023 −0.627 0.583 0.015
At least in part, the study was used as a scapegoat. (AO) 0.104 −0.483 0.499 −0.093
The research study was used to build awareness and commitment. (AO) 0.304 −0.080 −0.219 0.548
The study was used to validate or confirm our understanding of something. (KE) 0.029 −0.041 −0.148 0.833
The research study was used to promote awareness and appreciation for an issue of importance. (KE) 0.650 −0.121 −0.226 0.034
We learned from having to clarify the problem to be addressed by the research. (KE) 0.726 0.012 0.122 0.247
Apart from what we learned from the results, doing the study was educational. (KE) 0.057 0.419 0.047 0.693
We gained new insights while providing the researchers with background information on the business unit, and/or competitive situation. (KE) 0.139 −0.001 0.052 0.664
The study results were used to provide new insights. (KE) 0.743 0.259 −0.067 −0.004
The study results provided new knowledge about something. (KE) 0.721 0.262 −0.163 0.024
The study results were used to learn something new about our business. (KE) 0.646 0.081 −0.034 0.247
| Variance          | 26.9 percent | 13.6 percent | 12.2 percent | 9.1 percent |

**Table III.** USER scale items and factors
unavoidable market issues in their research, whatever their strategic orientation. However, research commissioned for a strategic purpose was more likely to produce higher scores on Factor 1 (Classic use of market research). $t(49) = 1.67$, than was research of a tactical nature. In addition, the more strategic research projects were far less likely to result in research which was judged to be misused by the organisation, based on Factor 3 (Misuse of market research), $t(49) = 4.70$.

Conversely, the more tactical projects were therefore more likely to be misused by management for internal political purposes. This may have been because tactical research was more likely to relate to a manager’s KPIs (Key Performance Indicators), such as the success of advertising or the levels of customer satisfaction. Surprisingly, when more tactical projects were considered, the Miles and Snow strategy types were related strongly to Factor 1 (Classic use of market research), $F(2,22) = 5.71$, with Prospectors being significantly more likely than either Analyzers or Defenders to use market research in this way. This indicated that Prospectors were conducting market research not just for internal purposes, but because they really wanted to learn about the marketplace and make use of that information. Prospectors may have been less likely to commission even tactical research if they did not plan to use it.

Other market research performance metrics

Finally, some additional performance indicators for the survey were constructed, based on the qualitative interviews that preceded the main survey. The items used are shown in Table IV.

The first five items were seven-point Likert scales, the remaining seven were seven-point semantic differential scales. In general, the results reflected an appreciation of high levels of market research performance with all the measures scoring over 5 on the seven-point scale. A principal components factor analysis was conducted among these items and a variety of rotations used in order to identify clear underlying factors. A satisfactory KMO of 0.82 was achieved. The varimax-rotated results are shown in Table V.

The items shown in bold in Table V were used in a combined scale considered to reflect an underlying “Satisfaction” dimension, based on Factor 1. Cronbach’s standardised alpha value of 0.81 indicates the high internal consistency of this scale.

<table>
<thead>
<tr>
<th>Item</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The research was well designed</td>
<td>5.34</td>
</tr>
<tr>
<td>2</td>
<td>The quality of the data collected was high</td>
<td>5.33</td>
</tr>
<tr>
<td>3</td>
<td>The data analysis was well done</td>
<td>5.26</td>
</tr>
<tr>
<td>4</td>
<td>The information produced could be readily combined with other information we have about this area</td>
<td>5.09</td>
</tr>
<tr>
<td>5</td>
<td>I was very satisfied with our decision to conduct this project</td>
<td>6.04</td>
</tr>
<tr>
<td>6</td>
<td>Untimely</td>
<td>Untimely</td>
</tr>
<tr>
<td>7</td>
<td>Inaccurate</td>
<td>Accurate</td>
</tr>
<tr>
<td>8</td>
<td>Inadequate</td>
<td>Adequate</td>
</tr>
<tr>
<td>9</td>
<td>Incomplete</td>
<td>Complete</td>
</tr>
<tr>
<td>10</td>
<td>Not Credible</td>
<td>Credible</td>
</tr>
<tr>
<td>11</td>
<td>Totally dissatisfied</td>
<td>Totally satisfied</td>
</tr>
<tr>
<td>12</td>
<td>Totally displeased</td>
<td>Totally displeased</td>
</tr>
</tbody>
</table>

Table IV. Additional performance measures for the specific research project
All these items loaded on the first main factor and no items loaded highly on any other factor. Three other items loaded on Factor 2 and are shown in italics. Another reflective scale, based on these three items, was formed and labelled “Usable Information”. A Cronbach’s standardised alpha of 0.67 indicated that such a scale was adequate. The remaining four items either loaded on multiple factors or on factors, which had too few items to form a reliable scale. Hence they were analysed separately in what follows.

Each scale or individual measure was first analysed by whether the project was tactical or strategic type in orientation. Neither the two scales nor any individual item showed any significant relationship with the types of research.

In contrast to the results for the USER factors, however, the broad strategic types did have different scores on the two scales. The greatest influence was found with the Miles and Snow typology. For both the Satisfaction ($F(2, 53) = 4.31$) and Usable Information ($F(2, 253) = 3.60$) scales, there were significant differences among the types with Prospectors being more likely than Defenders to have a favourable view of the last project. None of the other performance items was related to the typology.

When results were analysed separately for tactical projects, differences between the strategy groups were found both for the Satisfaction ($F(2, 23) = 3.86$) and Usable Information ($F(2, 23) = 3.655$) scales. In both cases, Prospectors were significantly more likely than Defenders to evaluate the research positively. No relationship was found for the strategic projects. Overall these results painted a picture of the Prospector group being driven by the need for accurate, timely and useful research. In contrast, the Defender firms were likely to be less happy with the performance of the market research function, suggesting they tended to make inappropriate demands of it. Prospectors appeared to make effective use even of tactical projects.

There were also some limited differences between the Porter strategy types on these measures. The Satisfaction scale was related ($F(2, 54) = 3.21$) to this typology. Differentiators were more likely than those using a mixed strategy to be satisfied. Similarly, Differentiators were more likely than those using a Mixed strategy ($F(2, 54) = 2.64$) to say the quality of the data was good (Item 2) and to express satisfaction with the decision to conduct the research (Item 5), $F(2, 54) = 3.08$. These results suggested that firms with a more mixed strategic focus would experience

<table>
<thead>
<tr>
<th>Measure</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 The research was well designed</td>
<td>0.257</td>
<td>0.768</td>
<td>0.174</td>
</tr>
<tr>
<td>2 The quality of the data collected was high</td>
<td>0.616</td>
<td>0.474</td>
<td>0.258</td>
</tr>
<tr>
<td>3 The data analysis was well done</td>
<td>0.343</td>
<td>0.613</td>
<td>0.314</td>
</tr>
<tr>
<td>4 The information produced could be readily combined with other information we have about this area</td>
<td>-0.050</td>
<td>0.784</td>
<td>-0.056</td>
</tr>
<tr>
<td>5 I was very satisfied with our decision to conduct this project</td>
<td>0.697</td>
<td>0.412</td>
<td>-0.054</td>
</tr>
<tr>
<td>6 Untimely</td>
<td>0.872</td>
<td>-0.010</td>
<td>-0.101</td>
</tr>
<tr>
<td>7 Inaccurate</td>
<td>0.786</td>
<td>0.026</td>
<td>0.311</td>
</tr>
<tr>
<td>8 Inadequate</td>
<td>0.088</td>
<td>0.063</td>
<td>0.920</td>
</tr>
<tr>
<td>9 Incomplete</td>
<td>0.716</td>
<td>0.130</td>
<td>0.459</td>
</tr>
<tr>
<td>10 Not Credible</td>
<td>0.415</td>
<td>0.230</td>
<td>0.373</td>
</tr>
<tr>
<td>11 Totally dissatisfied</td>
<td>0.769</td>
<td>0.311</td>
<td>0.340</td>
</tr>
<tr>
<td>12 Totally displeased</td>
<td>0.694</td>
<td>0.377</td>
<td>0.440</td>
</tr>
</tbody>
</table>
greater difficulty in defining exactly what they wished their projects to achieve. Once projects were classified as either strategic or tactical, no relationship with the Porter strategy types was found.

**Discussion**

Overall, the study gives some credence to the view that broad organisation strategies, particularly the Prospector style, will impact on the judged performance of the market research function. A plausible explanation is that the most entrepreneurial strategists of the two typologies, Prospectors, and to some extent Differentiators, were better at specifying what they needed from research and how they would use the results. It also appeared that Prospectors were also better at making use of whatever research was conducted, even narrowly-focussed tactical projects. This is consistent with recent research (O’Regan and Ghobadian, 2005), which showed the strong opportunity seeking behavior of Prospector types, even when their environments were relatively stable. Elsewhere, the authors (Bednall and Valos, 2005) have shown that Prospector firms are more likely to have dedicated market research managers or insights managers than are Defenders, suggesting they apply more resources and take the function more seriously.

Segev (1989) has noted that the Porter strategy typology was in general less successful than the Miles and Snow typology in predicting business activities. This outcome apparently applies to the market research function as well. Some difficulties in measuring these typologies consistently were also observed in the current study.

The fact that the more strategic projects were less prone to misuse suggested a more thoughtful approach to their commissioning. Given the likely impact of their findings, these strategic studies were probably also subject to higher levels of scrutiny by senior management. In contrast, more tactical projects appeared prone to abuse presumably because they had a more immediate effect on the lives and careers of the internal clients within the commissioning firm.

For market research suppliers, the broad strategic types among their clients should be reasonably easy to identify. Prospector clients who know what they want and how they will use the information should be the most productive to work with since they are more likely to judge market research performance as highly valuable. Although these more entrepreneurial firms are also likely to be very demanding in terms of time and insights required, they will most likely build strong relationships with supplier firms. Defenders in contrast would be a less desirable group to work with, being less positive about the performance of the market research function and more willing to co-opt external suppliers in order to further their internal agendas. Supplier organisations evidently would need to be more diligent in identifying the real problems facing such clients and more diplomatically assertive in specifying what research really needs to be done and what the results actually mean.

From the perspective of the buyer firm, an understanding of their own strategic orientation would help to plan the market research function within the firm. Prospectors would be keen to set-up and structure that delivered insights from the marketplace, while at the same time exploiting internal CRM and other customer intelligence systems. For the more reactive firms like the Defender strategic type, market research spent on tactical matters should be closely examined for its true value. Such firms may also wonder if money spent on market research to measure KPIs was really worthwhile.
The results in this current study are based on limited samples of companies and projects in the comparatively small Australian market. In addition, firms must have conducted a recent research project to qualify for inclusion in this study. Despite this, this study has provided insights into the interplay between strategy and research, while hinting at a complex interaction between decision makers, strategic intent and organisational politics. Detailed ethnographically based case studies would be necessary to examine the processes that actually lead to the adoption and use of specific project information. More extensive surveys in several countries may be necessary to examine the relationship between strategic intent and market research performance under varying conditions of environmental uncertainty.

References


