Watch and Learn

Leverage ethnography to improve strategic decision making.

By Richard Durante and Michael Feehan

A "freight train" of an annual operating-plan research presentation is a mere 10 weeks away, and the marketing team feels that its core strategic message isn't getting through to customers and prospects. It needs to know what's going on out there—and quickly.

This describes a typical challenge that research managers face. Is it that the strategy is misguided? Are the messages delivered to key consumers not an accurate reflection of the strategy? Or is the message just not engaging enough to catch their eye?

An even bigger question is how can a research manager yield an accurate picture of what's going on? Many conduct in-depth interviews or focus groups with key constituencies, whereas others resort to Internet interviews for a quick read on the situation. Although these responses are valid, ethnography warrants consideration in just such a circumstance.

Ethnography is a frequently overlooked and misunderstood research approach that can yield extraordinarily useful marketing insights. It has been employed for more than a century, primarily in academic settings (given its anthropological roots), to further understand human cultures and social behavior. However, even research managers who are familiar with a variety of qualitative research methods can find descriptions of ethnography less than crystal clear. To get a true understanding, one must put aside jargon-loaded academic texts. Ethnography is not one research approach (as often assumed), but is a qualitative research paradigm that encompasses a variety of methods, data sources, and analytic approaches. It relies on the direct observation of individuals in their natural environments. Many researchers utilize ethnography without realizing it, and some who think they utilize it do not.

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Executive Summary

Ethnography offers a superior alternative to traditional research. It leverages direct observation (avoiding the capriciousness of human memory) and ensures that marketing strategies and sales messages are well-aligned, are internally consistent, and address end-audience needs. This commonly underutilized and misunderstood approach can provide invaluable marketing insights, and is the only way to truly understand interactions between a company and its customers.

Natural-Environment Advantage

To fully appreciate ethnography, research managers need to grasp a remarkably simple notion: Individuals behave in response to events in their environments, including the actions of others. More precisely, behavior always occurs in a setting, and to understand that behavior you have to observe it in its natural environment. This involves asking people—in that setting—why they're acting a particular way, not asking them to later recall what they did, said, or thought. This, in a nutshell, is ethnography.

Quantitative research. Marketing researchers commonly employ large-scale quantitative surveys to assess the opinions and behaviors of customers, prospects, and other key stakeholders. Sample sizes are typically large enough to ensure that the results are generalizeable to stakeholders who have not been surveyed, and standardized data collection approaches guarantee that there's enough consistency to permit sophisticated statistical analyses and modeling. Although the information gleaned from these methods certainly is invaluable in the strategic planning process, team members can be left with lingering questions. For example, if survey data suggest that customers can't recall key points from sales representatives' messages, the marketing team might wonder why. Are the sales reps not visiting customers frequently enough? Are they not bringing the right supporting materials? Or is something within the interaction acting as a barrier to effective communication?

Qualitative research. Standard qualitative approaches (e.g., in-depth interviews with customers or even sales reps) use less-structured interviews with a smaller number of respondents. The ability to generalize findings to a larger population is limited, but the more open interviewing approach permits greater flexibility and in-depth probing than large-scale surveys. Consequently, this approach is useful for either the initial exploration of a topic or for obtaining a detailed picture of why consumers behave a certain way.

However, a shortcoming of both methods is their reliance on individual retrospection, because they ask respondents to recall their behavior and that of others. They are subject to the vagaries and biases of human memory. In complex human interactions, such as sales presentations between sales reps and customers, there is a wealth of important verbal and nonverbal information exchanged—which respondents might not ever perceive, much less recall. Moreover, some questions that need to be answered are subject to social desirability. For example, a key customer might not wish (consciously or unconsciously) to report negative impressions of a sales rep with whom she's become friends.

Ethnographic research. This leverages direct observation, which provides invaluable insight into the interaction—as it occurs. Unbiased by the recall of respondents, observers can record:

- what is happening, including what objects are being created or manipulated.
- where it is happening.
- flow of what is happening.
- order of what is happening.
- time spent on what is happening.
- who is doing what.
- what is being communicated verbally and nonverbally.
- reactions of the various participants, which are critical.

Because individuals generally acclimate to an observer's presence over time (often quickly), their behavior becomes relatively unbiased by him or her—resulting in a more accurate characterization of behavior.

Although the ethnographic researcher's principal activity is observing behavior, active interviews or discussion with respondents is a key component. Getting respondents' perspectives on actions, through dialogue, is informative. Furthermore, the ethnographic data can be utilized in mixed method studies, for comparing and contrasting it with data from other sources. For example, a research manager could leverage observational data of the sales reps interacting with customers and prospects, and compare it with information from in-depth district and regional sales manager interviews—identifying any disconnects between what's being done and what's expected.

Ethnography and Strategy

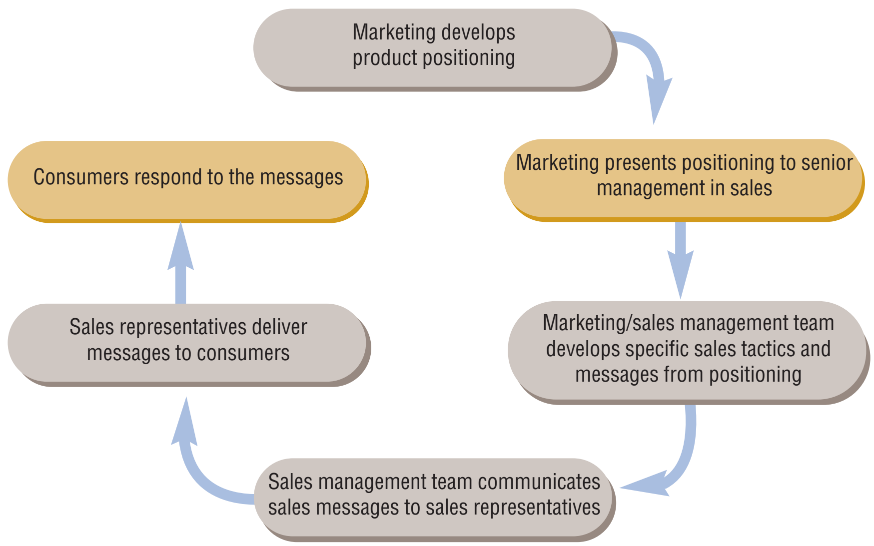
A critical challenge faced by marketing-oriented companies is to create an infrastructure that ensures marketing strategies and sales messages are well-aligned, are internally consistent, and address end-audience needs. This requires that marketing and sales teams use internal and external processes to translate strategy into tactics. Typically, the marketing department initiates strategies related to which consumer population should be targeted, and how the product or service should be positioned to it.

However, the sales organization is often the only point of contact between company and consumer—and is far removed from those who developed the product/service positioning platform. Because of this distance, sales messages to consumers can stray from the overriding strategy and other marketing communications. It's crucial that sales reps deliver messages that are consistent with the marketing team's strategic imperatives.

Translating a marketing strategy into specific sales tactics (e.g., messages, pieces left with the consumers, promotions) takes a number of steps. (See Exhibit 1.)

- The marketing team creates a communication strategy directing how the product should be positioned in target consumers' minds.
- The marketing team develops targeted sales tactics and messages. This step has different levels of marketing and sales involvement, depending on the organization. In some cases, the marketing team presents the positioning to the sales organization's senior management, who then translates that strategy into a tangible sales message and communicates that message to the sales team. In others, the marketing and sales teams collaboratively develop a sales message.
- Sales reps deliver the sales message to the consumer via mass media, targeted relationship management media, and (frequently) direct contact—and the consumers respond. This process is generally repeated many times throughout a product or service's life cycle, in reaction to changes in the market.

Exhibit 1 Marketing strategy translation process



It is common for research to inform the strategy and message development phases, but it is less likely for it to be used in the message delivery phase. However, it is precisely at this juncture that research—ethnographic techniques in particular—can ensure that marketing-strategy development resources and time aren't compromised by misaligned sales tactics. There are two phases of the strategy-translation process in which ethnographic techniques can provide unique insights.

Identification. Ethnography—in conjunction with qualitative interviews—can identify whether a strategy-translation problem exists. This phase captures the information exchange that is the centerpiece of the sales message delivery. Observers accompany sales reps as they call on customers, and record the nature of the interactions. They focus on the message that is delivered, any customer response (e.g., questions, objections), and the way sales reps manage these responses. At a holistic level, observers record information on the environmental context and nonverbal behaviors, and collect any "permanent products": tangible items utilized or left behind, such as brochures.

Diagnosis. If necessary, a diagnostic research phase follows to understand the source of any miscommunication in message delivery. This type of research also employs ethnographic and qualitative techniques, to capture the strategy-translation process prior to message delivery. Ethnographic observation can assess information exchanges in at least three key junctures: communication between the marketing and sales teams, brainstorming and tactic/message refinement meetings among the sales organization's senior management, and direct managers' communication of the sales tactics to the sales reps. These observations might be supplemented with separate in-person or telephone interviews with key individuals in the translation process (e.g., marketing managers, sales managers, sales reps).

Information from ethnographic research is then analyzed using structured and systematic processes, which reduce massive amounts of data to the pieces that are most relevant to the strategic issue—creating an ethnography. This usually involves labor-intensive practices: many types of data, significant amounts of information, and multiple individuals. An observer glancing into an ethnographic-analysis meeting room often finds the walls covered with pictures, graphs, and notes—and researchers trying to connect the various pieces of information. This is traditional ethnographic analysis, but emerging technologies—from Excel spreadsheets to specialized ethnographic software—are simplifying the process.

An ethnography is the essential story emerging from the data. For the introduction's example, an ethnography might surface the effective sales strategy-translation story and contrast it with the "field story"—highlighting the tactical points of disconnect with the strategy. To be effective, this ethnography must not be simply a journalistic exercise. It must be grounded in the strategic issue, and the researchers must be able to provide concrete strategic and tactical recommendations.

Cautions and Guidelines

Ethnography is useful for informing strategy and tactics, but one hurdle is marketers and research managers' relative unfamiliarity with its application and research mechanics.

Pharmaceutical-marketing strategy translation

Pharmaceutical manufacturers typically employ a multifaceted marketing approach for reaching critical audiences: physicians, patients, and third-party payors (managed care companies). Beyond direct-to-consumer communications, companies extensively leverage sales forces to influence physicians—the key decision makers in prescribing medication. With certain pharmaceutical manufacturers, monitoring the strategy-translation process is critical for several reasons.

- Pharmaceutical manufacturers employ massive and costly sales forces, and their return on the investment must be demonstrable and accountable.
- Sales representatives must communicate complex messages to their physician targets.
- The proliferation of sales forces has led physicians to limit their availability to pharmaceutical sales reps, which makes each visit all the more important.
- Visit time is often severely limited, increasing the difficulty of effectively conveying messages.

At our company, a pharmaceutical client recently expressed interest in further understanding medication samples, their perceived value to key decision makers (physicians and patients), and how sales reps leveraged them to more effectively and persuasively connect with physicians. This research was motivated by the common strategy-translation issue of physicians receiving different messages from different sales reps. Inconsistencies in how sales reps leveraged medication samples could undermine their impact during sales presentations, and the cumulative impact of the underlying marketing and communication strategies.

Ethnographic Research Solution

Observers accompanied sales reps on a day in the field. Sales reps conducted approximately 20 ethnographic participant observations—upwards of 150 separate sales rep/physician interactions—in nationwide markets. Observers also noted interactions with other medical professionals and administrative/support staff.

Environment. Each sales rep experienced multiple encounters with doctors: casual (whoever is in a practice and available), longer and more structured "sit-down" appointments, and lunches/promotional events where he or she saw many doctors at once.

Mission. The observers, who were seasoned researchers trained in basic ethnographic techniques, relied on an extensive observational framework and guide to focus on crucial study issues. They tactfully recorded all aspects of the visit.

- how sales reps accessed physicians (e.g., building rapport with administrative gatekeepers)
- how sales reps approached physicians
- the delivered message's content
- how sales reps leveraged medication samples
- physician questions and objections
- potential environmental distractions
- obstacles that inhibited message delivery
- medication sample handoff—whether the sales rep gave it to the physician or whether it was indirect (the sales rep stocked the medication sample closet or gave it to a nurse or administrator for stocking)

Analysis. The field data record was built from observers' notes, supplemented with other types of data—such as pictures of medication sample closets, to document how samples are stored at different offices. Researchers sorted and analyzed the resulting large amounts of data, to identify trends among physicians for each sales rep and across multiple sales reps. The process was flexible and dynamic so that researchers could accurately capture unexpected yet critical observations emerging during data collection.

Outcome. The surfacing ethnography revealed the story of the medication sample's journey: how its meaning and value changed as it traveled from "giver" (sales rep and physician) to "receiver" (physician and patient). It yielded comprehensive recommendations to enhance consistency of medication sample-related messaging, focusing on three areas:

- Infrastructure: This refers to how medication samples are delivered to sales reps.
- Education: This involves sales rep training on how to integrate medication samples into physician presentations.
- Internal development of sales messages: This is for ensuring that all sales reps for a product receive the same message for delivery.

People assume that ethnography is too hard or too expensive, but this isn't necessarily true. However, there are challenges to designing and executing a research program that involves ethnographic techniques.

Train observers. It is vital that those collecting the data are highly trained. Observers must be well versed in principles of observational research and study objectives. The latter is more critical, yet more likely to be overlooked. Given the complexity of the interactions, it's easy for observers to focus on aspects of them and the environment that are less germane to study objectives, or to record everything about an interaction. This can lead to volumes of data that are unfocused—or worse, irrelevant. With clear, well-structured direction, observers can obtain only the relevant information in an interaction.

Address respondent reactivity. A concern with any social science research is that measuring a behavior changes the inherent manifestation of that behavior. This happens regardless of methodology. For example, with large-scale surveys, social desirability biases frequently preclude respondents from honestly answering questions about sensitive behaviors. And with ethnography or any observational research, the presence of observers might bias the way interactions unfold; simply watch any reality TV show and you'll note the initial "playing to the camera" that occurs. Social science researchers have labeled this source of potential bias the "on-stage effect."

However, the critical issue is the degree of influence, how it can be minimized, and how it is dealt with in the final analysis. Many researchers contend that the degree of influence is significantly reduced over time because of habituation. This is a well-recognized behavioral phenomenon; respondents acclimate to the presence of an observer provided there's sufficient exposure and the observer behaves in a tactful, noninterfering manner. Moreover, the direction of any remaining bias is often known and can be accounted for in analysis.

Manage data. There's a potential incompatibility between time required to obtain/analyze detailed observational information and the need for immediate turnaround of analysis. To leverage this research approach, it's necessary to systematically and efficiently transform the data into a format where it can be analyzed and reported in a timely manner. Researchers can adopt manual procedures or leverage sophisticated software packages to increase efficiency. However, the most crucial component is having an a priori analytic structure and plan.

Align with other initiatives. A programmatic approach is often required for aligning ethnographic research with other quantitative or qualitative research initiatives. The challenge is in ensuring that all research arms stay focused on the same aims, and are aligned regarding timing and resources. Occasionally, research is parsed to multiple companies, and the marketing team receives guidance that fails to mesh. This can result in inconsistencies, and teams having to decide which pieces of the research to believe or reject.

If research managers appreciate ethnography's value, develop requests for proposals with a view to proactively integrating all available sources (secondary data and primary quantitative/qualitative study data), and select a market research vendor competent to deal with the aforementioned challenges, they'll find that ethnography provides unique strategic insights that otherwise might be overlooked. Who knows? They might discover that the only way to truly understand the unstructured, messy real-world interactions between the company and its customers (whose purchase decisions keep it alive) is to observe them. ●

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