Advantages and disadvantages of internet marketing research

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ABSTRACT

Internet surveys are available 24 hours a day, seven days a week. Companies can collect information quickly, and consumers can fill out information at their leisure. But even with this availability, there are certain inherent disadvantages of Internet marketing research. Companies sometimes discount online surveys as a primary source of data collection because of these disadvantages. Businesses may prefer to round out their Internet marketing research program with other methods that could include phone surveys, standard mail surveys and personal interviews. The aim of this article is to present the advantages and disadvantages of market research via the Internet. The material is a review of literature and is supported by the research experience of the author.

*Keywords***:** Internet, marketing research, online questionnaires

1. INTRODUCTION

The internet or world wide web is a great tool for businesses undertaking research. Market and Marketing Research are both essential tasks for companies wanting to stay ahead of the competition; the internet contains a wealth of information to help them do their research. Primary data can be collected via clever use of online surveys and the internet contains many websites providing secondary data.

Research on on-line data collection methods has significantly increased during the late 1990s. Is was preceded by a growing number of Internet and e-mail users, who started to mirror the general population in some countries (Kehoe, Pitkow and Rogers 1998), as well as various computer assisted data collection techniques, such as Computer Assisted Personal Interviews (CAPI) and Computer Assisted Telephone Interviews (CATI) (Hargittai 2002).

Internet research has strengths and weaknesses. Strengths include speed, immediacy, and a complete disregard for physical distance. The quality of research can be superior to other forms of research but usually it is not. Weaknesses include unrecognized bias, difficulties in verifying writer's credentials (and therefore the accuracy or pertinence of the information obtained) and whether the searcher has sufficient skill to draw meaningful results from the abundance of material typically available (Hargittai 2002). The first resources retrieved may not be the most suitable resources to answer a particular question. For example, popularity is often a factor used in structuring Internet search results but popular information is not always the most correct or representative of the breadth of knowledge and the opinion on a topic.

2. ONLINE RESEARCH

2. 1. Internet research in Poland

The Internet has had a great impact on marketing research. In the process of collecting information it may be used in many ways. It replaces the library through the availability of numerous media containing secondary data. It serves as a tool in the process of data collection (ie. Cookies). An important use of the Internet in marketing research is for the communication with potential customers.

On the other hand, the use of marketing research using the Internet often encounters resistance. It is caused by an ignorance and fear of a new test method, as well as by strong criticism of specialists of the traditional collection of marketing information. They argue that the current state of a virtual community is completely different from the actual community, so the study may, therefore, involve only few markets, eg. software market.

Market research is a powerful marketing area, which is growing in Poland at a rate of up to 13% per annum. More and more often we turn to online tools - already 7% of studies are carried out via the Internet - that allows us to get instant answers. In the world, every fourth market survey is carried out on the network.

The Internet will not eliminate the traditional methods, but their share will diminish from year to year. In 2010, according to OFBOR (http://media-work.pl) audit, the first place among research centers in Poland was taken by Millward Brown SMG / KRC, selling their services for 119 million zlotys! Another player was ACNielsem Poland, generating a revenue of PLN 103 million and right behind them, GfK Polonia, having PLN 77 million profit.

They belong to the top research centers in Poland, while those listed further from them, generated twice lower revenues last year. Nonetheless, we are significantly behind other Western European countries, yet it shows us that research centers have great potential and gives hope for further development of research companies in Poland, while the entrepreneurs already announce the increase of funding for analyses and marketing research.

2. 2. Methods of research on the internet

Marketing researchers may use the Internet to meet three different types of research objectives (Furrer and Sudharshan 2001):

1. they can study how the Internet is used as a marketing tool;
2. they can use the Internet as an alternative medium for traditional questionnaire surveys;
3. they can use the Internet to study Internet consumer behaviors.

The first question to be asked by a marketer planning to use the Internet for its research is: what do I want to do? What are the objectives of the research? Many different types of research may be conducted through the Internet or with the help of the Internet. A typology of Internet marketing research designs may be constructed around three dimensions (Furrer and Sudharshan 2001):

1. the objectives of the survey;
2. the sampling units;
3. the data collection method.

The internet can save companies valuable time and money by proving information at the click of a button. The important thing is to have an understanding of the type of information available and how to access it.

The use of the Internet pertains to studies of the way firms use the Internet as a marketing tool. Pitts et al. noticed that Web sites have been used to achieve the objectives of a number of marketing strategies, for examples to (Pitts, Berthon and Watson 1996):

- gain access to previously unknown or inaccessible buying influences;
- project a favorable corporate image;
- provide product information;
- foster and encourage consumer involvement with the product range;
- generate qualified leads for sales people;
- handle customer complaints,
- queries and suggestions; and
- serve as an electronic couponing device.

Internet marketing research may be used to study the effectiveness of these uses of the Internet.

Using the internet to study marketing, you can make the following analysis of the market (http://www.learnmarketing.net):

- Online PESTLE Analysis

Every business needs to conduct an analysis of their marketing environment and PESTLE. The internet enables an organisation to monitor their external environment relatively easily. Firms can gather information through search engines such as Goggle, Yahoo and MSN. RSS feeds from news websites keep companies updated with news developments as they occur. Online forums and blogs (web logs) contain people's opinions on an endless list of subjects. Research can be found on the internet from organisations such as Mintel which conducts market research about consumer trends or which researches and tests consumer products and services.

– Competitor Analysis

The internet allows companies to research a competitor and analyse their marketing mix strategy. Many businesses have websites to attract customers to the firm, these websites contain information useful for competitors. A firm's website will usually have a detailed list of their products and often the price they are charging. Business websites also reveal information about how a firm is promoting its products and services. You can also obtain financial reports showing how a business is performing, through the firm's website or another website which charges for providing users with company financial reports.

– Online Questionnaires

Online questionnaires are a simple form of online primary research. When an internet user visits a website containing online questionnaires, a message will appear asking the user to participate in an online questionnaire. The questionnaire will ask the user about their opinion on the company, its products, its websites and the market in which the company operates. To encourage user participation online questionnaires are usually short and simple to complete. The data collected from online questionnaires will be analysed and used to develop marketing strategy.

– Usage Analysis

Businesses conduct research to find out how popular their websites are and people's purchase patterns. Some businesses will design their own software to gather internet usage information and others will commission external companies to do the research for them. Usage analysis will show how many people visited the website, the location of people visiting the website, how long they spent on the website and what sections of the websites were used by them.

– Cookies

Each time a user visits a website small text files called cookies are temporarily placed on their browser. Cookies tell website owners what pages you visited and how you browsed through the website. Cookies record what internet pages are visited, how long people spend on each page and how people navigate around the website. Information collected through cookies can help firms improve marketing and their websites. Cookies also help companies customise web pages for users who have registered with the website.

– Validity of data

The internet is saturated with lots of information, some useful and some incorrect. Currently there is little control over the information posted, so all information collected from the internet should be double checked to ensure it is accurate and valid. The source providing the information should be validated to ensure that the data is fully referenced and has been collected legally. Not all websites are updated regularly so it is important to check when the information was posted online i.e. the date of publication. Finally, businesses should ensure that their research will not result in legal action or affect the firm's reputation.

2. 3. Data collection methods

The third dimension of our typology of Internet marketing survey designs is related to the data collection methods. Three different methods may be used (Furrer and Sudharshan 2001):

1. direct observation;
2. a questionnaire;
3. an experiment.

The direct observation of the content of a Web site or page could either be done by the researchers or a sample of users. This method may be used to collect objective data such as the number of advertisements on a page or the existence of frames or the number of links inside a particular page; or to collect subjective data such as the satisfaction of users or their reaction to the content or design of a Web page.

Four kinds of format could be used for Internet questionnaire surveys (Furrer and Sudharshan 2001):

1. web sites questionnaires;
2. e-mail questionnaires;
3. text formatted forms sent by e-mail as an attached file;
4. downloadable text formatted form posted at a designed ftp which can be returned by mail or fax.

Except for technical issues, there are no real differences between these forms of questionnaire and the traditional questionnaires by mail or by phone.

An experiment can be conducted by the creation of an experimental Web site and by studying users' behaviors towards some manipulated changes in the site. The content, the design, and/or the navigation flow may be manipulated to identify their effect on consumer behaviors.

2. 4. Advantages and limitations of research on the internet

The development of new technologies makes it possible to conduct both quantitative and qualitative marketing research on the Internet. In addition, the Internet is a source of data for analyses like desk research. Internet as a global library facilitates research based on secondary sources and it is a kind of archive of consumers' words in chat rooms, discussion groups, thematic websites and corporate websites. Through the Internet, you can find a lot of information quickly, but you should evaluate their reliability, accuracy, timeliness and relevance to the needs of the researcher.

In Poland, the number of research projects on-line is small. This involves inter alia difficulties in ensuring trials for the quantitative research, the condition of representativeness. These problems stem from the low Internet penetration. Forecasts to use data collection techniques in market research indicate, however, the increased importance of marketing research conducted over the Internet, especially since one of the strategic policy objectives of creating an information society in the European Union is that all the citizens of Europe are equipped in digital technology on-line.

Summary of advantages and disadvantages of conducting marketing research on the internet are presented in Table 1.

Table 1. Advantages and disadvantages of conducting marketing research.

The advantages of conducting marketing research on the Internet	The limitations of market research via the Internet
− the relatively low cost of the study due to eg. the lack of necessity of remunerating interviewers, − the speed of execution of the study, multimedia capabilities, − the ease of doing international research, − reaching out to a large group of respondents at the same time, − the possibility of obtaining hard to reach categories of respondents, a greater chance for answers to sensitive issues, − reducing costs through the ability to test a product that has not yet been made, − the ability to process quantitative data in real time and to automatically create transcripts in qualitative research, − automatic transition to appropriate questions depending on earlier answers given by the respondent (This advantage also applies to direct interview) − the possibility, as in the case of a direct interview, of a presentation of the questionnaire in such a way that the respondent cannot change their response under the influence of subsequent questions, create unique interaction between participants in the study, while in the conventional qualitative research people are interviewed individually (for such groups as managers, doctors, lawyers) − lower risk of the phenomenon of conformism group in qualitative research on-line.	− low Internet penetration in Poland; the problem, in the case of quantitative research attempts to ensure the representativeness of the condition, the weakness of ICT infrastructure, hardware barriers to potential respondents, − high (for Polish conditions) costs of using the Internet, − the loss of anonymity expression in the absence of procedures to protect the privacy of the respondents, − limited control resulting from the lack of direct contact, over whether the study actually participate were selected respondents, − lack of assessment by the study of participants of sensory characteristics of products (eg. taste, smell), and certain traits, such as the ease of operation of the device, − the tendency of Internet users as respondents to the brevity and the iconographics of expression and tendency to express keen judgements − potential problems with the formation of group dynamics in focus group interviews on-line, − lower than traditional qualitative research barriers of leaving the group by its participants, − lack of opportunity to observe the reaction of the participants - quality research on-line (if they do not use devices for vision), and to read the inconsistencies between the level of verbal and non-verbal expression

The most commonly used and also the oldest method of marketing research using the internet is the online survey (Borys, Presz 2003). Companies that use Internet surveys never know who will fill them out. This could cause a lack of target audience representation in the online survey. For example, a discount woman's clothing company may primarily sell to women aged 18 to 35 with a specific annual income. But the people who respond to the survey may not be from the target customer base. Without a way of identifying the respondents, the wrong people may be participating in the online survey, skewing the survey results with information that does not apply to the store or its customer base.

Internet marketing research does not provide a random sampling of a target audience, which limits the utility of the results. All an online marketing survey does is include answers from those who visit your site and decide to click on the survey. For example, phone researchers may call every fourth person on a customer list during a survey, giving each customer an equal chance of being included in the survey. By contrast, Internet survey responses can occur quickly and haphazardly and be filled out by anyone who visits the site. Sometimes a company can reach its online survey quota in just a few hours but the data turns out to be worthless.

To increase the credibility of research activities on the Internet and enable to maintain control over the attempt is the pre-selection of respondents and the material to motivate participants.

One example of an ongoing research are online consumer panels, or research on a group of respondents who have been recruited and have agreed to participate in the various studies online (Grossnickle, Raskin 2001). Before the test, the respondents meeting the assumptions of the test are selected among the registered participants. The participants of the panel are usually rewarded financially or given points swapped for rewards. Research carried out on the so-called gold panel are representative of the population of Internet users and allow extrapolation to the entire population of Internet users. Recruiting for this type of panel is often done using traditional methods. The silver panel recruitment is conducted on-line. This panel is not representative of the entire population of Internet users. In contrast, platinum future panel will be representative of the general population. An example of international panels is Harris Interactive and Greenfield Online.

Technical problems can interfere with respondents filling out online surveys, unlike phone or face-to-face interviews. For example, a respondent's computer screen may freeze while she's filling out the questionnaire, or some other unforeseen event could interfere with her Internet service. Consequently, she may not be able to complete the Internet survey. Another concern for the company that ordered the research is that many Internet surveys don't filter out double entries. As a result, the researchers may need to assign a special identification number to each respondent. A special ID would allow a respondent to fill out the questionnaire only once.

Internet questionnaires are often short and simple because a company's technological know-how may be too limited for more complex surveys. Respondents may also lose interest in Internet questionnaires and quit filling them out before they complete them. Internet surveys introduced through pop-ups can annoy customers interested in buying, serving as a barrier to the service or product in which they are interested. A simple pop-up survey can cause them to bail from the site altogether and seek out competitors who make shopping a breeze.

The preparation and the execution of testing typically takes less time than the standard tests. It is a period much shorter than the time needed to carry out research based on a questionnaire sent by post, and shorter or equal to the time devoted to conduct CATI

Studies based on electronic surveys are characterized by a much lower cost in comparison with standard tests. An example of the cost, which can be avoided by this type of research, is the cost of the interviewers, which constitutes a heavy burden for the budget of CATI or street surveys.

The studies can take into account the respondents from practically all over the world (providing that they have an Internet access). Moreover, we get more contact with less available groups, such as businessmen, doctors, mothers with children. Online survey allows the respondent to complete it in a more convenient time and allows for taking a break at any moment.

Poll Site may contain multimedia elements in the form of an image, animation or sound. This gives us the possibility much wider than the standard questionnaires. Thus, we can assess non-verbal elements such as logo, trademark, packaging, etc. What's more, asking similar questions before and after the media stimulus allows for the study of changes in response to, for example, an advertisement watched.

At the same time, in contrast to most surveys, we have the ability to modify a set of questions depending on the answers obtained. This allows for performing more precise research through questions which deepen the responses and the elimination of questions irrelevant to the case.

2. 5. Conducting questionnaire over the internet – an empirical example

In the period from January to March 2013, the author conducted research on logistics services for online stores. The respondents were the shoppers of electronic stores. The results of the study were collected through questionnaires published on the Internet, which consisted of 29 questions. The samples for the study were accidental: a link to the questionnaire was made available on social networking sites like facebook and "nasza-klasa" (our-class), and - in order to get more results - the method of snowball was used.

The test report is shown in Table 2.

Table 2. Stats own research.

The number of polls started	596
The number of completed surveys	405
The share of completed surveys	68%
The shortest time of the survey *	58 seconds
The longest time of the survey *	3h 33 minutes
The average time of the survey*	7 minutes 50 seconds

* applies to questionnaires completed

The main advantage of this study was the availability of a wide range of respondents and the speed of data collection. Successive respondents provided a link to the survey to their friends, so the distribution of invitations to the study proceeded quickly. The disadvantage of this solution was undoubtedly the lack of control over who filled in the questionnaire and the reliability of the results. What is true, in polls conducted personally, one cannot be sure whether the respondent is telling the truth, either. However, the impersonal nature of online questionnaires may especially make the respondents answer casually.

Noteworthy is the ratio of completed questionnaires to all clicks on the questionnaire link, which amounted to 68%. According to the author it is a very good result, especially considering the fact that the survey consisted of a number of complex questions requiring the respondent to focus attention for a few minutes.

2. 6. Secondary data

The role of the Internet in marketing research is not limited only to the collection of primary data. The Internet is also (if not primarily) the archive of secondary data.

You can highlight many advantages of using secondary data on the Internet. One of them is certainly the ease of access to data. Data on selected issues are available 24 hours a day from any location on Earth. Many institutions provide test results for free, while others - even if they charge for it - often put the summary or conclusions on their websites.

The problem with the use of secondary data is the possibility of a mismatch between the data and the needs. This is due to the fact that data can be collected without a precisely specified purpose, or even a purpose other than of the person concerned. A drawback may also be a lack of certainty as to the quality of the research resulting from the lack of control on data collection. Research can be put on the Internet by virtually everyone without any external verification. Moreover, many non-commercial research companies provide only the outdated data.

3. CONCLUSIONS

The Internet can be used in secondary and primary research. The Internet changes the quantitative and qualitative research process and offers researchers many benefits, e.g.: greater speed of delivery and receiving responses, low cost, international range and multimedia possibility.

This article shows the disadvantages of the marketing research on the Internet. The biggest limitation of collecting data via the Internet is the number of e-mail users that is not representative of the general population.

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