sible to consider both the technical capabilities of the new product and the perceptual attributes of importance to potential buyers. The particular strength of this measurement approach is that it forces the recognition of trade-offs among product attributes and thus can be used to establish the perceived value of various possible product designs.

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Applications of Focus Group Interviews in Marketing

KEITH K. COX, JAMES B. HIGGINBOTHAM, AND JOHN BURTON

The focus group interview is an effective qualitative technique in marketing research. Three actual marketing applications illustrate the usefulness of this approach for marketing mix problems.

Although focus group interviews have been used by many marketing research firms since the 1950s, their role in the decision-making process is not always clearly understood by marketing management. This article describes three actual applications of the focus group interview in marketing research and management decision making, and discusses the strengths and weaknesses of the technique.

The Focus Group Interview

Basically, there are two types of group interview studies. One is nothing more than a question and answer session: the group moderator asks questions and the respondents give verbal or written answers. A second type is the focus group interview, where a group of people (generally eight to twelve) are led through an open, in-depth discussion by a group moderator. The moderator’s objective is to focus the discussion on the relevant subject areas in a nondirective manner. Such interviews can be used to develop hypotheses in the planning or qualitative stage of the marketing research process. The interviews provide a basis in depth for the development of additional research, and they may be useful as a source of new and fresh ideas for new products and services, advertising themes, packaging evaluations, and the like.

Marketing Applications

Focus group interviews can be effective research tools in many types of marketing decision situations. The examples given here illustrate the usefulness of the technique in three distinct decision areas: (1) pricing and advertising, (2) a new product, and (3) packaging.¹

Example 1: Alpha Power and Light

The Alpha company had requested an electricity rate increase in its trading area for the first time in 20 years and wanted to know (1) customer opinions of the rate increase, and (2) reasons for customer resistance to the rate increase, such as general service problems. Alpha company was asking for a rate increase of 6%, which it felt was reasonable and necessary. The company planned to use the research results in its negotiations about price, and for future advertising campaign ideas. Table 1 highlights the three stages of the marketing research process used in this research project.

¹ Each marketing application comes from an actual marketing research project conducted in 1972 and 1973, but the company names are disguised.

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TABLE 1
STAGES IN THE MARKETING RESEARCH PROCESS FOR ALPHA POWER AND LIGHT

<table>
<thead>
<tr>
<th>Stage 1 (Qualitative)</th>
<th>Stage 2 (Qualitative)</th>
<th>Stage 3 (Quantitative)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objectives</strong></td>
<td><strong>Objectives</strong></td>
<td><strong>Objectives</strong></td>
</tr>
<tr>
<td>1. Identify past and current consumer complaints as to service problems and rate dissatisfaction</td>
<td>1. Evaluate consumer attitudes toward utility companies in this area generally</td>
<td>1. Quantify existing consumer attitudes toward service and rate problems</td>
</tr>
<tr>
<td>2. Identify perceived image of company as estimated by company employees</td>
<td>2. Develop hypotheses on rate and service problems of customers</td>
<td>2. Quantify existing consumer images of the company</td>
</tr>
<tr>
<td>3. Evaluate past advertising and other materials communicated to consumers</td>
<td>3. Develop psychographic profiles of respondents’ attitudes about this company and this service</td>
<td>3. Evaluate hypotheses about consumer attitudes</td>
</tr>
<tr>
<td></td>
<td>4. Identify specific topics for questionnaire construction</td>
<td>4. Develop communication ideas for future advertising campaigns</td>
</tr>
</tbody>
</table>

**Research Methodology**

1. Personal interviews with company executives, complaint department employees, and field linemen
2. Audit of past records of consumer complaints
3. Audit of past company advertisements

**Research Methodology**

1. Focus group interviews (12 groups of 10 persons in each group), each interview session videotaped
2. Short, self-administered questionnaire for all 120 persons

The first stage of the research project was qualitative in nature. It was designed to identify where the company was at the present time in terms of perceived image of the company and degree of consumer dissatisfaction with rates and services, using the internal interview and audit process described in Table 1.

The information obtained in the first stage was used in guiding the researchers in the second stage of the research, where focus group interview sessions were conducted. The focus group interviews were originally intended to obtain relevant information about the following questions:

1. Why were those consumers who opposed the rate hike really opposed?
2. What information should be communicated to those consumers opposed in order to justify a rate increase to them?
3. What reasons were given by those consumers not opposed to a rate increase?
4. How important were general service problems in influencing consumer opinions about a rate increase?

The focus group interviews uncovered a “rate bargaining” phenomenon among the groups, which could be traced back to their fear of an energy shortage and the possibility of fast-rising prices for consumer goods and services. In general, consumers wanted assurances of available utilities and were willing to pay for these services, but they felt that price changes should be negotiated within a bargaining process. In addition, valuable advertising communication themes regarding consumer resistance to the rate increase were suggested by the interviews.

In the third stage of the research process, the hypotheses developed from the first two stages were quantitatively measured. A random telephone sample of 700 people was conducted in the company’s trading area. Quantitative results were obtained about consumer attitudes toward service and rate issues, and alternative communicative ideas were evaluated for future advertising campaigns.

Example 2: Johnson Car Air Conditioning Filter

The Johnson company developed a new filter to be used in car air conditioning systems. Management wanted to find out the feasibility of the new product and develop a workable marketing plan. A two-stage research process was followed. Focus group interviews were used in stage 1 to help de-
velop hypotheses to identify potential markets, to determine advantages and disadvantages of the product from the consumer viewpoint, and to identify specific points for questionnaire design.

The focus group interviews indicated that families in which one or more members had allergy or respiratory problems might be the best prospects for the new product. Persons seriously concerned about air pollution were also identified as good potential buyers. The major disadvantages of the product were the performance capability of the filter and the cost of replacement cartridges. Some individuals feared that the filter would cause their car's air conditioning system to malfunction. Nonallergic consumers expressed doubt about their need for the product. An unexpected resistance occurred when consumers were informed that the filter would need to be changed periodically.

After hearing the results of the focus group, the client wanted to proceed immediately with market introduction as a result of the findings that seemed favorable. On the advice of the research firm, the quantitative study in stage 2 of the research process was conducted. An analysis of 1500 respondents in five cities showed that the original marketing strategy for introducing the new product was not economically feasible. This led to the development of an alternative marketing plan.

Example 3: Harlie Meat Company

The Harris meat company had declining sales of its luncheon meat wiener and franks in one region during the previous year and needed to identify and isolate reasons for the lack of sales growth. In this case, the focus group interviews exposed a serious packaging problem and minor problems in shelf space allocation and competitive pricing. The packaging problem had extensive ramifications for the product's image, the ease of using the product, the quantity and quality of the shelf space exposure it received, and the consumer's decision to buy certain sizes of the product. The interviews produced very clear hypotheses for explaining consumer behavior and brand penetration in particular market segments. Housewives in the focus groups explained clearly why the packaging was a problem to them. Therefore, the quantitative study was narrowed to specific alternatives for improving the packaging strategy, communicating brand attributes, and increasing distribution penetration.

Evaluation and Implications

Focus group interviews have several advantages for marketing management. First, they help generate hypotheses in the qualitative stage of research. They can provide a stimulus to creative people (copy writers, creative directors, new product managers, etc.), who need to have first-hand contact with how consumers think, feel, use, and talk about the product. Many times, in fact, it is good to involve these people in the evaluation of the group sessions so that they will be more receptive to the findings of the quantitative research results.

Focus group interviews can also give direction and guidelines for constructing questionnaires. Lists of relevant areas of interest of the target audience to be measured can be developed from the groups. With these lists, the risk of addressing the wrong problem is minimized.

The focus group interview can and does bridge the gap between marketing management at the manufacturing level and the end user of the product or service. Although top management should have frequent contact with the users of the product, in actual practice this contact is seldom made. The use of focus group interviews and one-way mirrors or videotape recordings is an effective and efficient means for bridging the gap from busy top executive to the ultimate consumer of the product.

There are also, however, a number of limitations in using focus group interviews. First, the moderator can bias the group results if he or she does not have adequate training and experience in conducting focus group sessions. A poorly conducted group session can be very costly if it misdirects the quantitative stage.

One serious problem that has grown in importance with increasing costs of quantitative research and tight research budgets is the use of focus groups as the only source of information in planning and decision making. For an expenditure of $3,500 to $4,000, the brand manager or advertising agency executive can point to a fat report filled with marketing jargon and page after page of verbatim comments and say—this research backs up our new advertising campaign or our product promotion. But although the advertising campaign or promotion may be great for the segment of the population represented by those in the groups who gave rise to the idea, the key question remains: How big is the segment? What is the expected dollar return?

One way of minimizing the disadvantage of the focus group interview as the only source of information is to take a sample survey. If researchers generalize from the focus group interview results without further quantitative verification, they are
on very weak methodological ground. Therefore, one important rule for researchers is: "Don't generalize quantitative results from focus group interviews."

Focus group interviews are widely used by marketing researchers today in such decision areas as new product development, advertising campaigns, and evaluation of existing marketing strategies. The major advantage of this technique is in terms of developing hypotheses that can be quantitatively tested to produce further results. The focus group interview is one of a number of qualitative research techniques that can be profitably employed along with quantitative techniques to help marketing managers make better decisions.

MARKETING MEMO

Description of a Successful Executive . . .

He is a man who was usually in the upper 10 percent of his school class.

His favorite subject was probably one of the social sciences or English, even though he may have majored in engineering or business.

He reads the New York Times, is familiar with the Bible and prefers French impressionist paintings and Tchaikovsky's music.

His TV habits tend toward news programs and sports, with occasional mixing of such programs as "All in the Family."

His most admired leader is Winston Churchill, although Richard M. Nixon rated high with him before Watergate. Dwight D. Eisenhower and John F. Kennedy are lesser choices, but in the top four.

His average annual income is around $75,000, although his range might be as low as $25,000 or as high as $1,000,000. His age range is the mid-fifties. More often than not he is a Republican rather than an Independent or Democrat (3 to 2).

The successful executive places a high priority on moral standards and integrity, on a sense of fairness to others, and a sense of personal worthfulness. He is less interested in defeating communism or advancing capitalism than in being happy.

In his scale of values, he places power and economics at the top of the list. However, he is significantly higher than less successful executives in his concern for people.