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Understanding CONSUMER DECISION-MAKING with Means-End Research

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Laddering has been around for decades, but it may be one of the best-kept secrets in the industry. Laddering can give marketers the information they need to connect with consumers and persuade them to buy their product or service.

One of the toughest, yet most important, aspects of marketing is understanding why consumers make decisions. Why does a soccer mom drive an SUV instead of a minivan? Why does a teenager drink Coke instead of Pepsi? In these examples, product features rarely drive consumer choice. Consumer decision-making goes much deeper than that. Marketers need to know what moves consumers at an emotional level in order to create a persuasive message.

So, how do you identify these emotional triggers? Market researchers have a powerful technique that can be used to dissect consumer choice, yet most don't know enough about it to use it effectively. The technique is *laddering* and has been around for decades, but it may be one of the best-kept secrets in the industry. Laddering can give marketers the information they need to connect with consumers and persuade them to buy their product or service.

The Traditional Research Paradigm

To understand why consumers make product choices, researchers usually conduct qualitative research to explore consumers' decision processes, and then they quantify the results in a long attribute-laden survey with a large statistically precise sample. Sometimes, this approach is effective, but other times, managers just scratch their heads and ask the researcher, "So what will finally get consumers to stop wavering and buy our product?"

The traditional approach often focuses on product attributes and basic benefits, but it fails to dig deeper into the psyche of consumers to determine the emotional triggers that actually drive their decisions. The research results in communications



and marketing efforts that are not sufficiently persuasive to capture the hearts and minds of buyers. So, how do you get consumers to open up and tell you what really drives them?

The Means-End Approach Using Laddering

Means-end is a rigorous research method that employs the laddering interviewing technique. It is used to uncover the underlying emotions, consequences and personal values that drive consumer choice. It is a hybrid of qualitative and quantitative research approaches. Highly trained interviewers gather data qualitatively through in-depth interviews using the laddering technique, but the output is structured and coded for quantitative analysis.

Market researchers use the approach to understand consumer choices and to design advertising and communications messaging to influence buyers to choose their product or brand. The result of a means-end research effort is more-persuasive communications that drive consumer behavior. An excellent reference on the subject is a book edited by Thomas J. Reynolds and Jerry C. Olsen, *Understanding Consumer Decision-Making: The Means-End Approach to Marketing and Advertising Strategy*.

The means-end approach is based on a theory that product and service attributes are associated with consequences (or product benefits and risks) and even the personal values that the product can help consumers fulfill. The result is a value chain (Figure 1) linking a product attribute to its functional consequence, to the psychosocial (or emotional) consequence, to the underlying personal value.

To illustrate, consider the example of a consumer choice mentioned previously: why does a soccer mom drive an SUV instead of a minivan (Figure 2)? The value chain begins with a product

attribute, such as the SUV “does not have sliding doors.” The functional consequence of not having sliding doors is that an SUV “has a more stylish design.” The psychosocial, or emotional, consequence of having a stylish design is that “I feel trendy driving it.” Finally, the underlying personal value that feeling trendy might appeal to is “acceptance of me personally by my peers.”

Building Value Chains through Laddering Interviewing

As you can imagine, building these value chains with consumers takes special skill and highly trained facilitators. The interviewing technique used to identify the value chains is called laddering. It is a qualitative method requiring facilitators to encourage respondents to describe in their own words why something is important to them by filling in each “rung” of the ladder, which ultimately forms the value chain.

To begin building a ladder based on our previous example, the facilitator asks a broad question such as, “Why do you drive an SUV instead of a minivan?” Through a series of probing questions, the interviewer takes the respondent up the ladder, step by step. It is critical to get specifics at each level of the ladder, and sometimes respondents challenge the interviewer by jumping around different levels of the ladder. The ladder is not useful to the analysis unless each step is completed with a single specific response. It is then helpful to confirm the ladder with respondents to ensure that their thought process was accurately captured.

Below is an example of an interviewer/respondent dialogue that builds the value chain where driving an SUV leads to social acceptance.

Interviewer: What is the primary reason you drive an SUV instead of a minivan?

Figure 1.

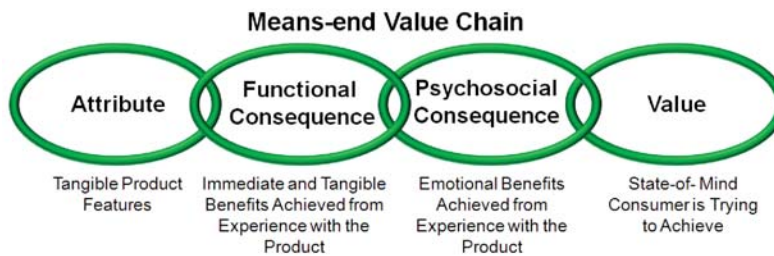
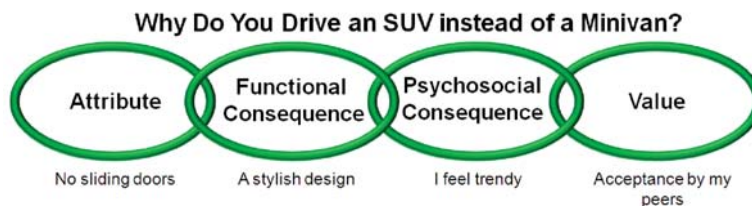


Figure 2.



- Respondent:** An SUV just looks better than a boring minivan.
- Interviewer:** What do you mean, “It looks better”?
- Respondent:** A minivan looks like a sedan, and it has those ugly sliding doors.
- Interviewer:** Why is it important to you not to have sliding doors?
- Respondent:** Because I want to drive a vehicle with a more stylish design, like an SUV.
- Interviewer:** Why is it important to you that your vehicle has a stylish design?
- Respondent:** Because it makes me feel trendy and more cutting-edge to drive it.
- Interviewer:** OK, so the stylish design of your SUV makes you feel trendy. In the end, why does feeling trendy matter to you?
- Respondent:** It makes me feel good! My friends like what I bought and think I’m trendy because I drive it instead of a minivan.
- Interviewer:** Just to make sure I understand you... you drive an SUV because it doesn’t have sliding doors, making you feel like you are driving a stylish vehicle. Since it has a stylish design, you feel like you are trendy for driving it. Feeling trendy makes you feel good because your friends like what you bought. Is that correct?
- Respondent:** Yes.

If this was a common value chain among the target group of soccer moms, it suggests that advertising for an SUV should focus on linking the attractive styling to feelings of being trendy and up-to-date. The personal value of social acceptance should be inferred, but not directly portrayed, as it is the state-of-mind the advertising should reinforce.

The laddering interviewing technique has traditionally been conducted in-person in a one-on-one interview due to the intensive probing required to elicit each rung on the ladder. However, it can be successfully completed by phone, as well as online using sophisticated software that augments the ladder-building process and summarizes it on the screen for respondents.

Case Study: Online Channel Adoption

A major financial services provider wanted to increase adoption of its online self-service channel. The company had successfully attracted early adopters to the system, but it didn’t know how to encourage the next generation of adopters. This is a common issue among technology products and services, and it is a tough one to address by simply adding new product features, since the next generation needs more than just new bells and whistles. Customers are being asked to make a major shift in how they interact and conduct their personal

business. What will trigger these customers to make the change from in-person or telephone service to the online channel?

To address the issue, a means-end approach was used that included 75 laddering interviews. Approximately 50 interviews were conducted with non-users of the online channel, and about 25 interviews were conducted with current users of the online channel to draw comparisons. As a rule of thumb, at least 25 laddering interviews are needed per group to conduct a conclusive analysis of the data.

Lasting 30 minutes on average, each interview was conducted online using Voice over Internet Protocol (VoIP) which allowed the facilitator to talk to the respondent through his or computer while the respondent typed answers on a web page.

The interviewer asked each respondent about his or her reasons for using or not using the online channel to conduct personal financial management. The interviewer built a positive ladder based on an initial question, such as “What do you think is the key advantage to using the online channel?” The interviewer also built a negative ladder to understand the barriers to adoption using a question similar to “What do you think is the key *disadvantage* to using the online channel?” Not all laddering studies include negative ladders, but it was highly relevant to do so in this case, given the research objectives.

Interpreting the Results


Analysts code the ladders from a means-end study to provide quantitative data for the analysis. The primary output from the analysis is a Consumer Decision Map (CDM), which reveals the most-common decision paths, or value chains, that explain consumer behavior.

An example of a CDM showing two primary decision paths for users of an online service channel is shown on the next page. As you can see in this example, two general paths emerge from the interviewing, one oriented around achieving *peace of mind* and one around *quality of life* gains from using the online channel. In the decision path on the left, the major feature of the online channel that leads to adoption is the ability to *access information and conduct personal business in real time*. This keeps users *in touch with their finances*, which gives them a feeling of being *in control* of their money and a *freedom from worry*. Ultimately, this gives them *peace of mind* and the ability to be *financially secure*.

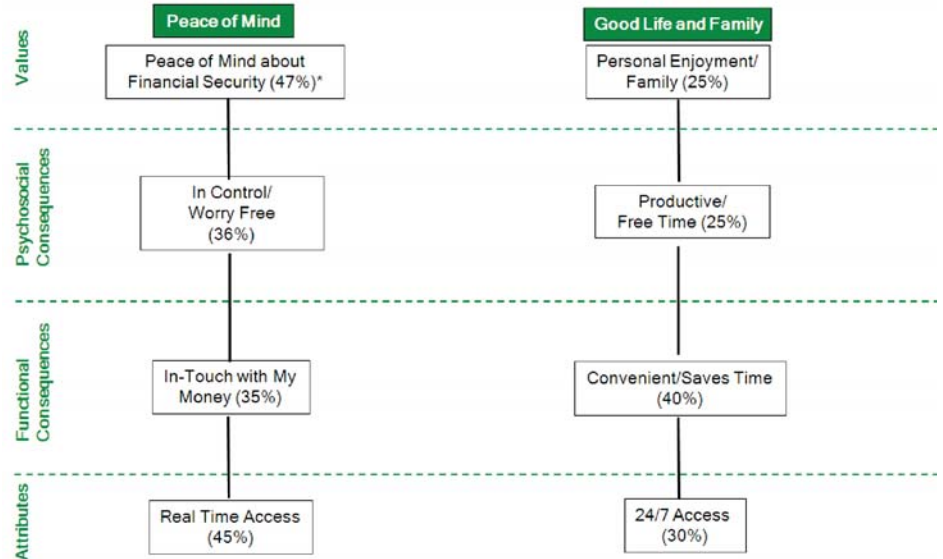
Putting Means-End Research to Use in Marketing Efforts

CDMs provide the roadmap for crafting communications and branding strategies. Marketers can leverage key attributes and consequences of the product

and draw connections between them. In the online self-service channel example, suppose it was found that non-users avoided the online channel for the same reasons users turned to it: increased security. In this case, messaging that focused on how the online channel can help you “find peace of mind” would be appropriate. Again, the personal values at the top of the value chain should be portrayed indirectly or symbolically in the context of communications.

The means-end approach using the laddering interviewing technique provides a proven method for researchers to uncover underlying motives and decision processes. The result is powerful communications that move consumers to action and build brand loyalty. 

Example of a Consumer Decision Map



* Indicates the percentage of respondents who mentioned this response at this level in the value chain.



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