

"Find Out More About Your Customer Than Anyone Else In Your Market ... Even Themselves!"

(Introduction To The 4 Quadrants Of Market Research with Drs. Glenn & Sharon Livingston)

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Dr. Glenn Livingston: The one thing that almost always predicts failure is trying to play what Dan Kennedy would call blind archery.

Dr. Sharon Livingston: Blind archery?

Dr. Glenn Livingston: Blind archery. Why would you want to go out and shot a target blindfolded, when there is all this information sitting out there for you and you can, put on a set of ultra modern military laser focused guided target binoculars and see exactly what you are going for. Why would you want to go out? I think there is this...

Dr. Sharon Livingston: I think the reason would be, is I want to show how strong I was.

Dr. Glenn Livingston: Yeah, there is something about human nature that says; I don't need research. I know the market. I know what they want. I want to go on my gut feelings and the few times that we have all had a success like that. It almost feels like you're magic. Right? You almost feel like a miracle person.

Dr. Sharon Livingston: Right.

Dr. Glenn Livingston: We are all really seeking that magical feeling, but if you want to play the odds, I think it's just deadly. I know it's been for me. I spent years developing a software program to help people with their dreams. Only to figure out that...

Dr. Sharon Livingston: Nobody wanted it.

Dr. Glenn Livingston: Well, there is a lot of demand for people interested in analyzing their dreams. But they don't want to pay for it. They feel like it is something they should have for free. Or if they are going to pay for it, then you have to rise to the level of claiming your psychic and you've got an interpretation that nobody else has.

Dr. Sharon Livingston: If they want a program, we found out, that they wanted something magical.

Dr. Glenn Livingston: Right.

Dr. Sharon Livingston: Rather than this is really about me.

Dr. Glenn Livingston: Right, but the point is, that was a lot of years in my life and it was a big dream that I had, that I could have avoided, what did I spend, fifty thousand dollars trying to market that. Years and years perfecting the software and designing and redesigning the website and I could avoided all of that...

Dr. Sharon Livingston: By...

Dr. Glenn Livingston: By doing my research.

Dr. Sharon Livingston: So let's talk about the importance of doing research and what gets in the way of that.

Dr. Glenn Livingston: I think what gets in the way is what I just described and that's, I'm going to use the word narcissism, but I don't mean it in the people typically think of derogatorily. What I mean is more like self centeredness.

Dr. Sharon Livingston: Mmhmm.

Dr. Glenn Livingston: Where we get excited about an idea and we think that we must be the market and early in our life as psychologists, I think we were both enamored with the idea that the most personal is the most universal. I think when you are sitting one on one with someone, sometimes that can be true. Sometimes when you have a thought and are deeply in touch with your feelings and the imagery that goes along with that. You might be picking up what is actually going on with the other person. I think that is a valid process on a one to one level.

Dr. Sharon Livingston: I think the most personal is the most universal makes sense when it comes to emotion. But it doesn't make sense with shoe size. The most personal for me is a size 8 ¼ for my left foot and 8 ½ on my right foot.

Dr. Glenn Livingston: Right.

Dr. Sharon Livingston: For you it's a twelve and we both have feet and we both wear shoes and we both have a personal need to cover our feet. What the specifics of what we need in terms of the type of shoe and the function of the shoe, that's the case where the most personal is not the most universal.

Dr. Glenn Livingston: Right, exactly. I am fond of saying that the only marketing problem is narcissism. Which you can kind of think of as wishing that your markets would want what you want them to want. As opposed to, stepping outside yourself and taking the time to find out what they actually do want and then just giving it to them.

Dr. Sharon Livingston: You know what? I really wish that there was a device that could automatically take out the extra salt that comes in all the deli meat that I buy or the hot dogs or whatever.

Dr. Glenn Livingston: Mhmm.

Dr. Sharon Livingston: I can't imagine anybody wanting to have really salty food because I don't happen to like it.

Dr. Glenn Livingston: Mhmm.

Dr. Sharon Livingston: I never have. I just don't like a lot of salt. So to me, if someone could invent a device that would automatically bring the salt level in my hot dogs down to like ¼ I would be very, very happy. I get really excited about that idea, like an inventor and think that; who wouldn't want that?

Dr. Glenn Livingston: Right.

Dr. Sharon Livingston: It could be that there are only three other people in the whole world, besides me, that would be interested in it.

Dr. Glenn Livingston: In a lot of ways, the smarter you are and the more educated you are, the more you have to wary of that because unless you're marketing to an extremely smart educated niche, really the bulk of the money in marketing is marketing to the common person. Just like you're saying, the common person these days is still eating a much saltier diet then we really think is good for us or would want to have.

Dr. Sharon Livingston: I have to tell you, that I really wish that was the function of my thinking better health. I just don't like salt.

Dr. Glenn Livingston: {chuckle} Right. I think this is a mistake that we're all prone to make. It's becoming a more dangerous mistake because as information technology evolves, people expect the message to market match to be closer.

Dr. Sharon Livingston: What does that mean, message to market match?

Dr. Glenn Livingston: Well, you know, when you're shopping on the internet, these vendors that you're shopping from have the ability to learn about you from the words that you typed in from your previous shopping behavior, you know, if you click on this product to look at that description. They are keeping track to find out what everybody else who did that also bought that day. So consumers are having more and more of the experience of having their individual needs met. So it becomes even more dangerous to decide that you know more what the consumer wants because technology is evolving to learn about people more and more individually.

Dr. Sharon Livingston: About their needs.

Dr. Glenn Livingston: Yeah, and to tailor the marketing message directly to their needs. So, when we as marketers become self centered or narcissistic.

Dr. Sharon Livingston: Think we have a hot idea.

Dr. Glenn Livingston: We're in even more danger then we used to be.

Dr. Sharon Livingston: Right.

Dr. Glenn Livingston: I think that's what gets in the way. I also think that, people don't necessarily know how to do good research. They think about their own niche's survey, if they do that. A lot of people don't even do that. They think about their own interest survey or they think they know how to talk to people but they're not really aware of all the...

Dr. Sharon Livingston: The nuances.

Dr. Glenn Livingston: The nuances and the bias that you can throw in and how to get more deeply held thoughts and feelings and the things that really motivate purchase. I think that there's a real need for review of this type.

Dr. Sharon Livingston: What kinds of research do you recommend?

Dr. Glenn Livingston: I think that when you're stepping back and looking at how you're going to research your market, you have to ask yourself what can we really be listening for. I think there are really only two things that we can be listening for. We can listen for what people do, or look at what they do. Or we can listen to what they say. Those are two very, very clear distinctions.

Dr. Sharon Livingston: Is one more important then the other?

Dr. Glenn Livingston: Well, in the end I think that most marketers would say that what people do is most important...

Dr. Sharon Livingston: Right.

Dr. Glenn Livingston: Because what you're trying to engender in them is a behavior. You're trying to get them to take out their money and put it on the table.

Dr. Sharon Livingston: Right.

Dr. Glenn Livingston: But I think that even though people vote with their feet and that's your end goal. The difficulty in just listening to what people do is you don't get a sense of why they are doing it. If you don't know why people are doing what they do...

Dr. Sharon Livingston: How they rationalize it? How it makes sense to themselves.

Dr. Glenn Livingston: Yeah and what was the conversation in their head that preceded them doing what you wanted them to do? So you might get lucky and you might see that 10% of the market is now buying low sodium rice dishes, but if you don't know why they're doing that, you don't really have a sense of how to grow that segment. You could introduce a low salt rice dish, but you don't know how to maximize that. You don't know how to make sure that you converted 9 of those 10% of people.

Dr. Sharon Livingston: You want to kind of get into their thinking process and their feeling process, that lead to the vote that they take.

Dr. Glenn Livingston: Exactly.

Dr. Sharon Livingston: For example, you made an assumption before that I wanted low salt because I was health concerned, and while its true that I am health concerned, as you know. That isn't the real reason. The real reason is I don't like the way it tastes.

Dr. Glenn Livingston: Right.

Dr. Sharon Livingston: So you could have the same low sodium rice dish or low sodium hot dogs and the way that you would sell it to me verse the way you would sell it to someone who's got high blood pressure is very different.

Dr. Glenn Livingston: So even if I followed you around and I saw; hey this girl buys low sodium dishes and I decided to write you a marketing piece all about low sodium dishes. If I focused on all the health benefits, I'd be missing the mark with you.

Dr. Sharon Livingston: Right. I might buy it anyway, but if you told me this tastes a heck of a lot better then...

Dr. Glenn Livingston: You might buy it anyway, but the point is that maybe I am hitting an emerging trend and so I can get on board with you, but if it is an emerging trend, then other marketers are going to notice that quickly and the lions share of those spoils are going to go to the people that really know why.

Dr. Sharon Livingston: Yeah.

Dr. Glenn Livingston: Yeah. I think that you have to listen to both, what people say and what they do. What they say, I think, is most critically important just before purchase. Well, you talk to me about this all the time, but you see so many of the big corporations recruiting interviews and focus groups and survey participants based upon future intended behavior. Like they'll have a questionnaire about; do you plan to buy a car in the next six months? What do you think you might buy? Well, the conversation

going on in that persons head is dramatically different then the conversation going on in the persons head who's in the showroom looking at cars right this moment.

Dr. Sharon Livingston: Even if you ask for people who have bought a car in the past year, they don't remember.

Dr. Glenn Livingston: Right.

Dr. Sharon Livingston: You have to be there in the moment.

Dr. Glenn Livingston: Right.

Dr. Sharon Livingston: We do things in focus groups in the traditional mode not using all we can do online to do the best we can, but its true, we're missing that drive and that need and that desire that's right in the moment when they are in the need or whatever it was that made them type in those keywords at that moment.

Dr. Glenn Livingston: Right, which is why I'm very partial to beginning most research projects online with keyword searches because you can capture people, when they are actively looking to buy.

Dr. Sharon Livingston: Searching, yeah.

Dr. Glenn Livingston: You are and the conversation in their head in that moment is just so key. Just like there's two things that we can listen to; what people say and what they do. I think there are also two ways to listen. I think you can listen with your heart or you can listen with your head. With your heart is when you are talking to people and trying to make the connection with them so that you can follow their lines of thinking and you don't necessarily have a structured questionnaire that you are trying to get them to answer.

Dr. Sharon Livingston: What you're trying to do there is to find out what's driving them emotionally. What's the relationship they're looking for? What is this purchase going to mean to them? What does it say about them to have bought that particular kind of thing? What's the end value to them as a human being? When I was thinking about when you were talking is a few months ago, I bought a new car and you suffered through it with me.

Dr. Glenn Livingston: I sure did. {chuckle} By the way, when Sharon wants a car, there is nothing else on her mind. There is nothing else she can talk about. There's no talking to her about anything else like work or anything else. It's a dramatic event in her life until she finds that car she's got to have.

Dr. Sharon Livingston: And this particular time it was very difficult for me because there wasn't one specific one that I really wanted and we're in the position where I could have had almost anything I wanted, within reason. If you had been following me around

and asking me questions about my heart and my thoughts, you, person listening right now, would have been very confused because anybody who knows me would have never had guessed that I bought the car that I did, including myself. I made a head decision that had some emotion to it, but mostly experiential aspects to it. I was deciding between a *Mercedes 350R*, which looks like a giant hearse, and that's what I bought, verses a *MercedesE*, which is sleek and sporty looking and more feminine. I'm not that big of a woman, you know and here I am driving around in a *Mercedes* mini van instead. Most people who know me would have guessed that I would have purchased something that looked more feminine and sleek and pretty, you know, kind of racy and you can do all that stuff. But I opted for the 350 even though I think its ugly, because it's functional. It works. I drive a lot. I have space in there. I have space for the dog to jump into my lap. I have a small dog that likes to drive in my lap. I have plenty of space to cart my stuff around and as much as it broke my heart to have what I consider kind of an ugly car, although a lot of people would disagree with me about that, I voted with my head and my need for space.

Dr. Glenn Livingston: So you are kind of emphasizing the importance of understanding the relationship between emotional purchase motivation and logical purchase motivation is that what you're saying?

Dr. Sharon Livingston: And in the moment, because a week before had you interviewed me, you would have probably thought I was going to buy the E.

Dr. Glenn Livingston: Sure.

Dr. Sharon Livingston: In fact, that's not what I did.

Dr. Glenn Livingston: Sure.

Dr. Sharon Livingston: So you had to be with me at that moment, the decision moment, to really understand why I did what I did.

Dr. Glenn Livingston: Mmhmm. When I'm thinking about listening with your head, I would be thinking about observing your behavior and trying to abstract it into numbers and run some statistics on it, so I can make estimates about the overall size of the market that was making this kind of a decision.

Dr. Sharon Livingston: You'd be asking me specifically what I am I looking for in a car. What are the characteristic attributes of car? The make. What does the brand have to do with the terms of quality, in terms of handling, in terms of size, in terms of comfort?

Dr. Glenn Livingston: Right and I would be quantifying all of that and then correlating that to what you actually do.

Dr. Sharon Livingston: Right.

Dr. Glenn Livingston: On the market funnel.

Dr. Sharon Livingston: Right. So you could be talking to me about it and you could also be following me around and seeing what I actually did.

Dr. Glenn Livingston: I think of listening with your head is kind of like an x-ray of the market.

Dr. Sharon Livingston: That's cool.

Dr. Glenn Livingston: That gives you the structure. Shows you where the bones are and how they fit together and where there's a weakness that needs to be supported and where's there's a danger spot. Then I think of listening with your heart as kind of like a hug. You really get very close to the consumer and find out how to emotionally connect with them.

Dr. Sharon Livingston: As you were talking, I was picturing the structure of the body and I'm picturing, you know, gut reactions and heart felt feelings which adds dimension and texture that kind of moves those bones.

Dr. Glenn Livingston: Mmhmm.

Dr. Sharon Livingston: It's the meat and that muscle.

Dr. Glenn Livingston: What I'm trying to get at here, is I think that if you put those two things together, head verses heart. What people do verses what they say; we wind up with this quadrant.

Dr. Sharon Livingston: A matrix.

Dr. Glenn Livingston: It's just a two by two matrix and there's four quadrants.

Dr. Sharon Livingston: Not the *Matrix* where that guys from one world to another.

Dr. Glenn Livingston: And they wear those really cool clothes.

Dr. Sharon Livingston: I love that cape!

Dr. Glenn Livingston: Right {chuckles} not that one.

Dr. Sharon Livingston: Okay.

Dr. Glenn Livingston: You want to put a matrix up with four quadrants and I think that every researcher has an inclination to spend all of their time in one of the quadrants. I am particularly good at listening with my head to what people say. I am particularly good at that. So what I mean by that is I've developed variety of survey techniques...

Dr. Sharon Livingston: Mmhmm.

Dr. Glenn Livingston: Which get at information that most other marketers are not getting at and then manipulating that information with statistics and drawing inferences about where the real opportunities are? How big they are. What are the costs to get into that market space is going to be and which parts to avoid. I am really, really good at that and if I don't watch myself I would spend all my time in that one quadrant and I would be missing what you can get by listening with your heart.

Dr. Sharon Livingston: What I do is I look at the segment that you've identified and pull them into an interview on the telephone or a focus group and I get them to really tell me their stories and what this means to them. When was the first time they ever had a whatever? What was that like? I get the emotional connection.

Dr. Glenn Livingston: Mmhmm.

Dr. Sharon Livingston: And how it excites them or serves some emotional need and gives us an opportunity to marry those things together.

Dr. Glenn Livingston: Mmhmm. I think that probably everybody's personality will lend itself toward one quadrant; there are some people who like to listen with their heart to what people do. By which I mean, getting out in the field and actually living with it.

Dr. Sharon Livingston: Like anthropology, right?

Dr. Glenn Livingston: Like anthropology. Like before *Alex Haley* wanted to write *Roots*, he rented a slave ship and he had himself brought from Africa to the United States in similar conditions that the slaves were.

Dr. Sharon Livingston: So he could experience it.

Dr. Glenn Livingston: So he could experience the whole thing.

Dr. Sharon Livingston: That would be doing and listening with your heart.

Dr. Glenn Livingston: That would be doing and listening with your heart. It's kind of like if I were going to do a project on *Dungeons & Dragons*. Probably rather than doing a survey first, I would just go and spend a week at some of the local gaming houses and see if I could play *Dungeons & Dragons*. So I think that one of these four quadrants will appeal to people listening and that's okay. We're going to go through the different ways to specialize in any one of those quadrants, but don't let yourself get stuck in any one quadrant because I think it's like the joke about the blind man...

Dr. Sharon Livingston: With the elephant.

Dr. Glenn Livingston: With the elephant and one is holding the leg and they think it's a tree. Another one is holding...

Dr. Sharon Livingston: The tail and they think it's a snake. Right.

Dr. Glenn Livingston: Right. You don't really get the whole perspective unless you tap each of the quadrants. If you want to use the 80/20 rule, it gets a little bit exhausting, but I think that you need to tap two. Like I know that we've succeeded in many markets because of our combination of skills, because I love to do surveys and work with all the numbers and you love to talk to people and listen with your heart to what they say. But we are both listening to what they say kind of people. We aren't so much listening to what they do kind of people.

Dr. Sharon Livingston: Right.

Dr. Glenn Livingston: Between the two of us, I think that we get 85% of what we need to get when we're researching a market. When I'm going into a market where the stakes are really, really high and spending a lot of money and I've got a lot of partners and there's a lot of risk then I'll make sure that I cover everything. But going into a silly little niche market, just kind of a hobby or experiment, I might just do one. I think that this audio series will be really helpful to people because we are going to talk specifically about each one of those four quadrants and how you can really delve deep.

Dr. Sharon Livingston: Could you just go over them again, so people really understand what the quadrants are?

Dr. Glenn Livingston: Sure. There's listening with your head to what people say.

Dr. Sharon Livingston: Can you draw a picture, a mental picture of the four quadrants?

Dr. Glenn Livingston: Mmhmm.

Dr. Sharon Livingston: What's on top and what goes down the side?

Dr. Glenn Livingston: Okay, so if I had a piece of paper, I'd make two columns and I'd put what they say in the left hand column and what they do in the right hand column and then I'd make two rows and I'd put listening with your heart on the top and listening with your head on the bottom. So in the upper left quadrant, we have listening to what people say with your heart and that's Sharon.

Dr. Sharon Livingston: That's focus groups and one on ones.

Dr. Glenn Livingston: Focus groups, telephone interviews, having heart to heart talks and there is so much more to that than people think. I remember I thought that being a therapist just meant being good at talking to people and getting them to come in and open up and I was wrong. Boy, was I wrong. {chuckle} It's the same thing with research,

there's so much more to it than that. So the top left quadrant is Sharon, listening to what they say with your heart.

Dr. Sharon Livingston: The bottom left quadrant would be Glenn.

Dr. Glenn Livingston: Listening to what they say with your head, which are essentially...

Dr. Sharon Livingston: Surveys.

Dr. Glenn Livingston: Surveys and questionnaires and polls and that type of thing.

Dr. Sharon Livingston: Mmhmm.

Dr. Glenn Livingston: Then there is...

Dr. Sharon Livingston: What they do...

Dr. Glenn Livingston: With your heart.

Dr. Sharon Livingston: That would be like my buddy Ava, who goes out and spends hours and hours and hours in people's houses just watching them in their homes to learn about their coffee consumption. But in the meantime, she's learning all about what's important to them in their lives and where coffee fits in.

Dr. Glenn Livingston: Yes. I remember you once did a study where you went and watched people make tea in their house.

Dr. Sharon Livingston: Yes.

Dr. Glenn Livingston: You took a video camera and you had dinner with them and you watched them make tea and you uncovered all kinds of problems that you wouldn't really uncover either by doing experiments or by...

Dr. Sharon Livingston: Asking directly.

Dr. Glenn Livingston: Asking directly. It was really cool.

Dr. Sharon Livingston: That was cool because what we did originally was, we did focus groups and we had them bring in their tea making supplies and make tea right in the focus groups in person and we were looking for a particular problem that this brand had with their tea bags and they couldn't figure out what was happening with it. But they knew that they had problems. And what people did in the focus group, in the way they made the tea, did not match what they did at home. It was different.

Dr. Glenn Livingston: Right.

Dr. Sharon Livingston: That was a huge learning.

Dr. Glenn Livingston: Mmhmm. There's something you can study in the laboratory and there are some things that you really can't. There's an effect on the laboratory.

Dr. Sharon Livingston: Now we are going to the bottom right.

Dr. Glenn Livingston: On the bottom right is what they...

Dr. Sharon Livingston: Glenn what they do.

Dr. Glenn Livingston: I'm sorry.

Dr. Sharon Livingston: The head, thinking about what they do.

Dr. Glenn Livingston: Okay. Listening with your head about what they do.

Dr. Sharon Livingston: Right.

Dr. Glenn Livingston: What that means is like, rotating different offers and seeing which one they respond to better. It's doing marketing experiments. Online people are familiar with split testing, where you test one headline verses another. There are some more complicated forms of that. We'll talk about the best of the best there also.

Dr. Sharon Livingston: Or like if you were in a supermarket putting one package in one set of supermarkets and another package in another set of supermarkets, you know, to match sample.

Dr. Glenn Livingston: Mmhmm.

Dr. Sharon Livingston: And then seeing which one sold better.

Dr. Glenn Livingston: Mmhmm.

Dr. Sharon Livingston: Or putting them on different shelves.

Dr. Glenn Livingston: Mmhmm. Very important. Well, that was kind of a long introduction to what we're really intending the audio series to be about. In the next section we're going to talk about what's most intuitive to people, which are focus groups and one on ones and actually talking to people in your market and how you can do it and get the most out of it and some of the really serious pitfalls to avoid.

Dr. Sharon Livingston: Well I think that's really exciting because we have learned that a number of people will often just throw up a short survey and they don't really get at the meat.

Dr. Glenn Livingston: Yep.

Dr. Sharon Livingston: So I'm excited about that.

Dr. Glenn Livingston: Okay.

Dr. Sharon Livingston: Thank you!

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