SOCIAL SURVEYS
AND
SOCIAL ACTION

by

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CHAPTER VI

THE BORROWERS

I. — Market Research.

THE industrial, political and population changes of the 19th century created social problems which could only be dealt with efficiently when legislators and administrators were equipped with comprehensive and quantitative facts about society. It was to provide these facts that the social survey was invented.

Meanwhile, the same changes had created comparable problems for the producer who lived by selling his output to others. In the 18th century such a producer had no marketing problems; his customers were his neighbours; their wants varied little from year to year and whenever a consumer needed anything he called on the producer and told him precisely what he wanted.

A recent book on the history of the city of Derby illustrates simply but fully the way marketing problems have been created in the past century and a half.[1] In the year 1800 there was one shoemaker to every 130 people living in Derby; in 1860 one shoemaker to every 450 people; today there is no shoemaker in Derby. The residents buy their shoes from retail stores where the shelves are stocked with the shoes produced by half a dozen factories which are many miles from Derby and which satisfy the needs not only of the people of Derby, but also the needs of millions of other people.

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[1] See W. A. RICHARDSON, *Citizen's Derby*, University of London Press, London, 1949.

In the 20th century the distinctive characteristics of the producer-consumer relationship are three:—

a. There is usually a considerable geographical distance between the producer and the consumer.
b. The producer turns out his goods in anticipation of what consumers will want.
c. The consumer, within the limits of his income, is free to spend his money as and when he likes. If he wishes, he can, for example, cut down his expenditure on beer and buy more cigarettes and without the slightest trouble he can switch from cigarettes made by a Bristol producer to those made by a London producer.

For the producer, the chief consequence of these three facts is that the opportunities (and penalties) for miscalculation on his part as to what the consumer will spend his money on have been enormously multiplied. If he is to avoid error, he needs factual answers to three questions:—

a. What do consumers want?
b. Having produced what they want, how can he best get these goods to them?
c. Having delivered the goods where consumers are most likely to buy them, how can he best inform them that he has provided what they want? (Or that they want what he has provided.)

In short, the manufacturer needs to know what to produce, how to distribute it, and how to advertise it. Without such information he will flounder as inefficiently as did the predecessors of Booth when they attempted to deal with poverty on the basis of nothing more than their humanitarian fervour and their dogmas about the "nature" of the lower orders.

Up to a point, the modern producer can get some of the facts he needs from within his own organisation. By analysing the statistics of his past sales he can draw some inferences as to what it is the consumer wants and which are the most efficient channels of distribution for his goods. But such an analysis tells him nothing about the wants of people who are not already his customers. Again, by examining the reports of his salesmen, he can learn something about the comparative merits of his goods (as compared with the goods of his competitors) in the eyes of wholesalers and retailers. But it is unlikely that these sources will be either completely frank or impartial commentators.

It is because of their awareness of these shortcomings that many manufacturers have followed in the footsteps of Booth. He wanted to know how the people lived, what they wanted, and how it could be given them, and he learned that the only way to get reliable answers was to go out and ask the people themselves. Similarly, manufacturers have found that if they want to know what consumers want and how they spend their money then they must go out and ask the consumers themselves.

Unlike Booth, however, the modern manufacturers (or rather their research technicians) were aware of the fact that findings based on questioning samples of the population were, under certain circumstances just as reliable, within certain known limits, as findings derived from questioning everyone.[1]

In the beginning, however, their sampling methods were not those described by statisticians as "probability" sampling. Such sampling, at least as developed in Britain, usually meant that from a list containing in alphabetical or similar neutral order the names and addresses of all members of the population, those to be interviewed were selected by marking off names at a fixed interval—e.g. every 20th, or every 50th.

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[1] Before the war, probably two-thirds of all the market research done in Britain was carried out by the market research departments of three advertising agents—London Press Exchange Ltd., J. Walter Thompson Company, and Lintas, Ltd. and the research manager at each of these organisations was a man who had been a student of Professor Bowley.

For market research workers, however, this method of sampling had two serious disadvantages. The only lists available in the 1920's and 1930's were usually the Electoral Registers and from these one could draw either a sample of all adults since everyone aged 21 and over had a vote,[1] or a sample of all householders.[2] But often, the market researchers were concerned with very different populations; for example, a probability list sample for a survey about the market for cigarettes would have required as its starting point a list of everyone aged 16 and over, a survey about cosmetics a list of all girls and women between the ages of 15 and 45. And such lists did not exist.

A second disadvantage of probability sampling is that it is comparatively expensive to get in touch with the selected people. Thus, a sample of 3,500 adults picked out of the 35,000,000 adults in Great Britain by taking every 10,000th name would entail very high travelling costs in getting from one informant to the next.[3]

It was in order to overcome these two disadvantages

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1. After 1928, and always excluding lunatics, criminals and peers.

2. In the pre-war Electoral Registers householders had a special designation since only householders and their wives were qualified to vote in local government elections.

3. In recent years advances in probability sampling techniques, e.g., area sampling, stratification and "clustering" have helped to overcome this disadvantage.

that market research workers developed what is known as quota sampling. A quota sample is one where the interviewers are instructed to interview a specific number of types of people. Within the sample the proportions of these types to each other are the same as the proportions they bear to each other in the total population which is under examination The methods by which such a sample is drawn up can best be explained by looking at an example. Let us take the case of a manufacturer who is concerned with the cosmetic buying habits of all women aged 15 and over and who has good reason for believing that in this market there are important differences which are related to the age of women, to whether they are housewives or not and to whether they go out to work or not. The research worker's first step will be to assemble all the reliable information he can about the 19,788,000 women in Great Britain in terms of these characteristics. This data would be as follows:—

TABLE A

Ages.	House-wives who go out to work.	House-wives who do not go out to work.	Other women going out to work.	Other women who do not go out to work.	*Total.*
15-24	465,000	344,000	1,954,000	605,000	3,368,000
25-34	433,000	2.527,000	622,000	75,000	3,657,000
35-44	172,000	2,815,000	725,000	81,000	3,793,000
45-64	250,000	4,650,000	1,027,000	114,000	6,041,000
65 +	—	1,544,000	148,000	1,237,000	2,929,000
Total.	1,320,000	11,880,000	4,476,000	2,112,000	19,788,000

If it is decided that the survey is to be carried out on a sample of 1,000 women then the research worker, adhering to the proportions shown in Table A, would design his sample as follows:—

TABLE B

Ages.	Housewives who go out to work.	Housewives who do not go out to work.	Other women going out to work.	Other women who do not go out to work.	*Total.*
15-24	24	17	99	31	171
25-34	22	128	31	4	185
35-44	9	142	37	4	192
45-64	12	235	52	6	305
65 +	—	78	8	61	147
Total.	67	600	227	106	1,000

He would then go on to subdivide each of the 20 cells in Table B with reference to certain other known characteristics of the total 19,788,000 women—for example, its geographical distribution, its social composition in terms of working class and middle class women, and the occupations of those women who go out to work. The interviewers would then be instructed to interview one thousand women whose characteristics conformed with this small scale model, e.g. they would be instructed to interview 24 working housewives aged 15 to 24, 128 housewives aged 25 to 34 who did not go out to work, and so on.

For the most part, this is still the method of sampling used in Britain and experience has shown that, given carefully trained interviewers, it can and does give reliable results with samples no larger than a few thousand people. For example, quota sample surveys of purchases of cigarettes, of cocoa, of breakfast cereals, of jam and many other commodities have yielded findings which agree closely with the known totals of consumption and with the known shares of particular brands within these totals.

There are, however, two hazards in surveys based on quota sampling. The first is that sometimes there are gaps in the statistics which are needed to guide the research worker in his construction of the small scale model of the population with which he is concerned. In these circumstances, he may be driven either to use his own estimates (which may or may not be intelligent) or else to give up the refinements and content himself with very broadly defined cells.

The second risk in working with quota samples is that the final decision as to which individuals are interviewed is left to the judgment of the interviewer. If her instructions, for example, tell her to go to Birmingham and interview 10 working class men aged 25 to 34 she will have thousands to choose from and the 10 she picks out may be far from representative of the total body of young working class men in Birmingham. Only if she is given careful training, close supervision and plenty of time will she scatter her 10 interviews reasonably among the thousands of potential informants at her disposal.

Finally, it must be remembered that findings derived from a quota sample cannot be related to the total population with the same precision that is possible with a random sample; it is not possible to estimate a "sampling error" and thus indicate the odds with which the true figure will fall within certain margins.

The range of subjects covered by market research is very wide. The manufacturer's problem may be one which can be solved by a small tasting test. For example, in preparing his plans for the production of peppermint creams he may wish to know if the public prefers hard creams or soft creams, do they prefer them covered with milk chocolate or plain chocolate, do they prefer a little chocolate and a lot of cream, or a lot of chocolate and a little cream. The techniques for ascertaining and measuring these preferences are far from simple, but the fundamental method is that of going directly to the people concerned and collecting the answers from them.

On the other hand, the manufacturer may be seeking a report on every aspect of his market. If that is the case then the market research worker will draft a set of questions which when answered by his informants, will yield precise facts for the producer on:—

How many people buy the commodity in which he is interested?

Who are these people in terms of their age, sex, income, geographical location, etc.?

Why have these people become consumers—i.e. what are the living habits and mental attitudes which have turned them into consumers?

Who are the people who buy his product and who are the people who prefer the products of his competitors?

What are the reasons for their preferences?

What are the normal circumstances of purchase—by whom, when, frequency, size of unit purchases, at what type of retail outlet?

What are the normal circumstances of consumption—by whom, where, when, frequency, in conjunction with other people or alone, with other commodities or alone?

What are the advertising media with which consumers most commonly come into contact?

What type of advertisement is most likely to catch their eye?

Which advertisement appeal is most likely to influence their behaviour?

Who are the people who are not consumers of the product in which the manufacturer is interested?

Why are they non-consumers?

Are there any means by which they might be turned into consumers?

In the U. S. A. the veterans of market research can recall substantial surveys carried out forty and fifty years ago. In Britain claims that go back more than twenty years are likely to be apocryphal. For many years the number of British manufacturers making serious use of such surveys were very few and the earliest patrons tended to be regarded by their fellow industrialists as extravagant highbrows. The depression years of the early 1930's, however, were a great stimulant and in the pre-war years consumer surveys on a large scale were being carried out for manufacturers of cocoa, chocolate, flour, motor-cars, newspapers, radio sets, soap, fuel, domestic apparatus, custard powder, jam, stockings, comestics, transport, radio entertainment, coffee, furniture polish, toothpaste. In fact, there was hardly a single field of consumption left unmeasured by at least one manufacturer.

With the outbreak of war the amount of market research work carried out for private manufacturers dwindled to very small dimensions. The return of peace, however, witnessed an almost immediate rebound. Manufacturers wanted to know how ix years of war had affected markets and consumers—had "zoning" (the restriction of each manufacturer to his "home" area) changed brand preferences, had "utility" products altered standards of taste, had any new brands established themselves, had changes in the distribution of income changed buying habits, what were the expenditures and tastes of the three million young women who had become housewives since 1939, what were the potential markets for various new products? These and many other questions were answered, and today more market research surveys are being carried out then ever before in Britain. There is still a long way to go, however, before British industry catches up with the United States in the use of this fact-finding instrument.

A recent article[1] estimated that in the year 1949 a total of $32,000,000 was spent on the work of American market research and opinion research organisations. Even when allowance is made for differences in the national income of the two countries, it is clear that in Britain market research is still neglected by the average businessman.

[1] *Wall Street Journal*, March 23, 1950.