

Applying Nethnography in Market Research - An Adaptation to the Rising Digital Technology

By

Dr. Reena Shyam
Associate Professor
Indian Academy School of Management Studies

Abstract

From globalization to changing technology, there is a strong need for organizations to adapt in order to stay relevant in today's business environment. One of the most pronounced shifts in the past decade has been advancement of Technology. It has been an important characteristic of the current business environment requiring organizations to respond with innovative practices to sustain in the long run. Over the years the internet has emerged as a fertile ground for a new field of qualitative market research called Netnography. This paper aims at understanding what is Netnography, how Netnography is conducted with an illustration using the case of brand Listerine. The paper concludes with recommendations on the usage of Netnographic research and its future prospects.

Key Words: Netnography, Etnography, Online communities, Market research

Applying Nethnography in Market Research - An Adaptation to the Rising Digital Technology

By

Dr. Reena Shyam
Associate Professor
Indian Academy School of Management Studies

“Right now, with social networks and tools on the internet, all of these 500 million people have a way to say what they are thinking and have their voice be heard” - Mark Zuckerberg

1. Introduction

Business growth in VUCA (volatile, uncertain, complex, and ambiguous) world has increasingly becoming difficult and challenging for organizations today. Undoubtedly one of the major changes the business environment has witnessed is new technology that has caused a fundamental shift in the way traditional businesses operate and engage with their customers. The upsurge of the Internet and mobile technology have paved way for a seemingly endless potential set of opportunities used to disrupt the established structures of working that have prevailed for more than a century.

As markets become increasingly competitive, there is a need for marketers to constantly use new forms of communication with their customers such as online social networks, instant messaging blogs and online forums. This in turn has led to the formation of new types of online communities and new avenues for marketers to connect with their target segment. Today, social networks such as Facebook and Twitter are driving new forms of social interaction, exchange, dialogue and collaboration. Ranging from general chit-chat to propagating breaking news, from scheduling a date to following election results or coordinating disaster response, from gentle humor to serious research, social networks are now used for a host of different reasons by various user communities. (The Rise of Social Networking, 2010). Therefore the internet has emerged as a fertile ground for a new field of qualitative market research called Netnography. This paper aims at understanding what is Netnography, how Netnography is conducted with an illustration using the case of brand Listerine. The paper concludes with recommendations on the usage of Netnographic research and its future prospects.

The paper consists of four sections as follows:

Section 1 Explains the concept of netnography

Section 2 Focuses on the procedure involved in conducting a netnographic research

Section 3 Gives an illustration of netnographic study and its interpretations for marketing decisions

Section 4 Provides a discussion on the effective use of netnography and its future trends

1.1 What is NETNOGRAPHY?

There is little doubt that the Internet has changed the way consumers communicate. A growing number of users are actively participating online and communicating in web forums and various kinds of user generated content platforms. Their interactions revolve around personal experiences and opinions about

products and its usage and reveal opportunities for solving product-related problems. Some of them even develop product modifications and innovations, which they post online and share with other community members. This turns online communities into distinctive consumer tribes where highly involved consumers exchange existing needs, ideas, attitudes and perceptions towards products and brands.

The term Netnography was originally developed by Robert Kozinets in 1995 as an online market research tool. (Kozinets R. V., 2010) “Online communities form or manifest cultures, the learned beliefs, values and customs that serve to order, guide and direct the behavior of a particular society or group”

Netnography is the linguistic blend of “Internet” and “Ethnography”. The approach describes a qualitative, interpretive research methodology that uses Internet-optimized ethnographic research techniques to study the social context in online communities. In simple words Netnography is useful in helping researchers to listen in on web conversations in order to learn about what actually drives consumers and understand the inner nature of consumer behaviour. (Bartl, 2009)

Netnography is the branch of ethnography (the scientific description of the customs of individual peoples and cultures) that analyses the free behaviour of individuals on the Internet that uses online marketing research techniques to provide useful insights. A method specifically designed to study cultures and communities online.

Netnography compiles and analyzes data about the free social behavior of individuals on the Internet. The key is that this data is collected when consumers are behaving freely, as opposed to research surveys in which consumers sometimes respond to prevent embarrassment or please the surveyor.

1.2 Netnography and Ethnography

It is evident from the above that there is a strong association between netnography and ethnography. However, Kozinets (2010) gives a distinction of netnography and ethnography. According to him “pure” netnography utilizes data generated only from online sources or ICT related interactions. On the other hand “pure” ethnography uses data generated from face to face interactions and their transcriptions in field notes without any data from online sources.

The same is represented in Fig 1 below. “Blend” ethnography /netnography is a combination approach in which researchers try to gather data from both face to face interactions and online sources.

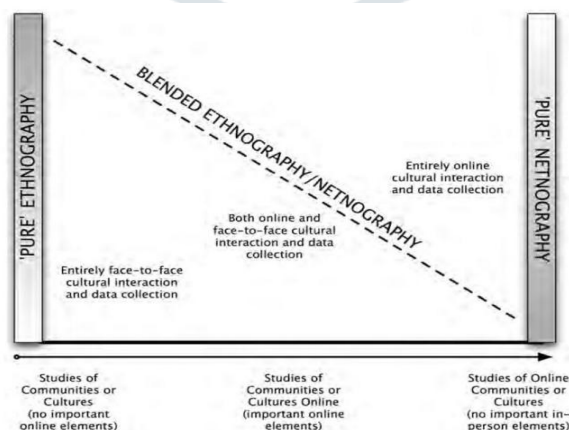


Fig 1 Source : (Kozinets, 2010)

2. Nethnography Procedure

Common procedures that help shape nethnography researchers' participant-observation include: (1) making cultural entrée, (2) gathering and analyzing data, (3) ensuring trustworthy interpretation, (4) conducting ethical research, and (5) providing opportunities for culture member feedback. (Kozinets R. V., 2002)

(1) Making cultural entrée – Based on the market research topic the researcher has to first identify and gain entry into the appropriate online communities and forums organized around a particular product, service or lifestyle. Immersion in relevant online communities for example Harley Owners Group (Harley Davidson), Lugnet (a community of Lego fans) and Apple community will furnish invaluable information to the researcher about the culture and behavior of participants that provide inputs to marketing decisions.

(2) Gathering and analyzing data - Having chosen the online communities and making the cultural entrée, the marketing researcher can begin collecting data for his/her "netnography." There are at least two important elements to this data collection: (1) the data directly from the computer-mediated interactions of online community members and (2) the data that the researcher inscribes regarding his/her observations of the community, its members, interactions and meanings. Members who post online messages within the community (shown in figure 2) can be classified into novel categories based on - their level of involvement with online members and consumption activity outlined by

"Newbies" lack strong social ties and maintain only a superficial interest in the consumption activity (they often post casual questions).

"Minglers" are socialisers with strong social ties but minimal interest in the consumption activity.

"Devotees" have strong consumption interests, but shallow attachments to the online group. Finally,

"Insiders" have strong social ties to the online group and understanding of to the core consumption activity, and tend to be long-standing and frequently referenced members. For marketing research useful for marketing strategy formulation, the devotees and the insiders represent the most important data sources. The diagonal dimension indicates four additional types of relationships. The lower left diagonal is **"Lurker"** who actively observes and learns about a site by initially. The top right corner diagonal is represented by **"Makers"** who are active builders of online communities. The top left diagonal depicts the **"Interactor"** who reflect interrelationships with other kinds of communities both offline and online. The final diagonal at the bottom right representing **"Networkers"** will reach into a particular online community to build social ties and network with members of other community.

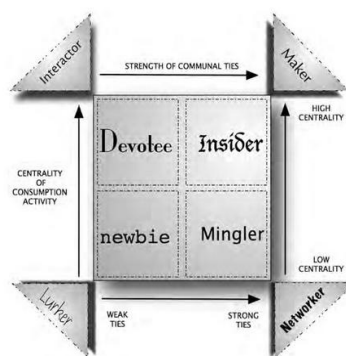


Fig -2 Source: (V.Kozinets, 1999)

3) Ensuring trustworthy interpretation - During the course of netnographic data collection and analysis, the market researcher must follow conventional procedures that the research is reasonable or "trustworthy." In summary, throughout "netnographic" data collection and analysis, the marketing researcher must be

conscious that they are analyzing the content of an online community's communicative acts rather than the complete set of observed acts of consumers in a particular community

4) Conduction ethical Research – Ethical concerns over “netnography” turn on two non trivial, contestable and interrelated concerns: (1) are online forums to be considered a private or a public site?, and, (2) what constitutes “informed consent” in cyberspace? A clear consensus on these issues, and therefore on ethically appropriate procedures for “netnography,” has not emerged. In a major departure from traditional face-to-face methods liked ethnography, focus groups, or personal interviews, “netnography” uses information that is not given specifically, and in confidence, to the marketing researcher. The consumers who originally created the data do not necessarily intend or welcome its use in research representation

(5) Providing opportunities for Culture member feedback - this is a procedure whereby the final research report findings are presented to the members of the online community who have been studied to obtain their comments. This would facilitate exchange of information between researcher and members, provide additional insights on consumer online interaction and ensure that the ethical concerns mentioned in the previous stage is considered and the results are reliable.

3. Illustrative EXAMPLE of NETNOGRAPHY ON LISTERINE

Listerine Netnography is conducted by Netbase a US based company that offers end -to- end Social Media Management Solutions. The research approach followed the steps mentioned by Kozinets (2010)

- **Forming research questions and Making cultural entrée** – The study began with research questions like 1) Which would be the online community that would have its members discussing Listerine 2) What are the brand associations of members towards Listerine Consumers who use and what are the novel ways in which Listerine can be used. Netbase marketers used online sources for netnography study such as Social media sites (Facebook, LinkedIn, Pinterest, Youtube and active Twitter accounts, blogs, forums from sites (forums.parenting .com) and consumer and professional reviews.
- **Gathering and analyzing data-** Data collection revolved around the research questions of the study. For example they traced the frequency of Listerine keywords mentioned on social media in comparison to other brands. Their data showed that the term Listerine was used very infrequently in comparison to other popular brands like Coke, Pepsi or Netflix etc. Consumer sentiment for Listerine was moderate. In order to have a clear understanding of consumer attitude towards Listerine, marketers searched for both positive and negative comments about the brand.
- **Ensuring trustworthy Data analysis and interpretation** - Based on the netnographic research, marketers accumulated consumer comments and opinions on Listerine products based on which they interpreted consumer insights that lead to valuable inputs for the marketing decisions. The comments collected were categorized into dimensions like benefits and issues mentioned by members in their online interactions about Listerine. The netnographic data showed that the positive comments pointed out on Listerine's core germ-killing benefit. This inspired marketers to develop creative advertisements with real customers talking about the benefit in their own language. The second benefit mentioned in the online comments was the effectiveness of Listerine for toenail fungus treatment. This input led to the development of a new toenail fungus treatment 'from Listerine'. Other comments revealed additional benefits of repelling mosquitoes, acne treatment, Athlete's foot treatment and even hair treatment. These consumer insights lead to potential action to improve market strategies of the firm. Fig - 3 shows an example of selected Listerine benefits developed by the netnographic research and its interpretations.

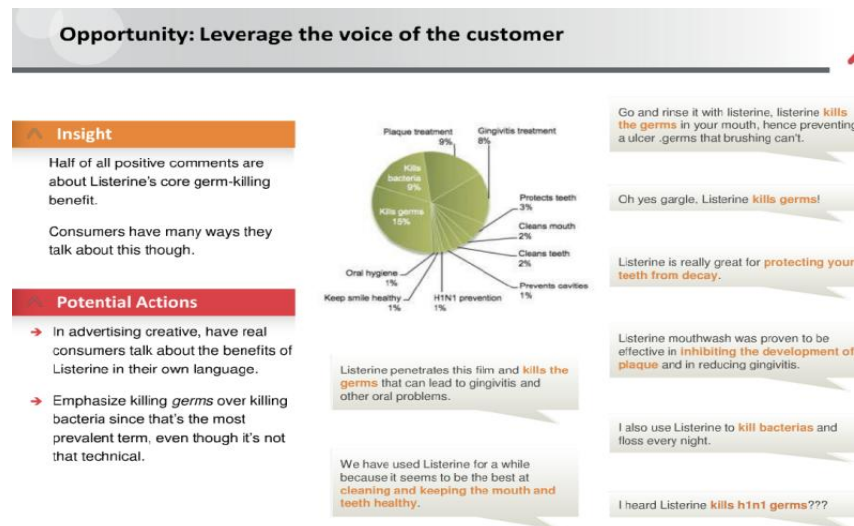


Fig - 3 Source: (Netnography Case Study on Listerine by Netbase, Osofsky Micheal, 2010)

While the netnographic data that collected positive comments on Listerine lead to new product development and improvement in the existing products, the negative comments were also analyzed to reveal consumer insights. Fig 4 shows an example of the major issue expressed in their comments with respect to Listerine and its interpretations for potential action by the company. The major issue listed was that Listerine was harsh and cause mouth burning and soreness. This input was used to develop a gentle version called Listerine with Soothing Power. Consumers also complained that Listerine dries out their mouth which leads to making changes in the product to address the problem.



Fig - 4 - Source: (Netnography Case Study on Listerine by Netbase, Osofsky Micheal, 2010)

The netnographic research on Listerine resulted in discovering meaningful consumer insights that were based on both positive and negative and converting them to actionable improvements in the product and communication that surrounded it.

4. Discussion and Conclusion

In an era of rising competition and rapidly changing technology, organizations have to constantly explore new ways of collaborating with their customers to experience higher possibilities of success. The technology penetrating deeply, there seems to be a rise in the number of consumers who have upgraded to

online mode whether it is to search for information regarding products and services they purchase, placing orders or even sharing reviews. Blogs, social networking sites, photo sharing communities, brand communities and forums have drawn the attentions of market researchers as important sources of information that can be gathered through online member interactions. There is a tremendous amount of spontaneous conversations and evocative dialogues regarding consumer products and brands that originate from this source based on which marketing managers are able to obtain deep insights into the everyday problems experienced by consumers and their solutions to those problems.

The adoption of Netnography will facilitate open innovation by collaborating with customers online will be a strategic decision for companies which aim at long term engagement with their customers. Given the growth of social media and other online communities, it is expected that netnography will emerge as a prominent means of market research tool across all sectors in the long run.

References

- The rise of social networking*. (2010, July). Retrieved Aug 2017, from ITU News: <http://www.itu.int/net/itunews/issues/2010/06/35.aspx>
- Kozinets, R. (2010). In *Netnography. Doing ethnographic research online* (p. 10). Sage Publications.
- Bartl, M. (2009). *The Making-of Innovation*. E - Journal Articles .
- Kozinets, R. V. (2002). "The Field Behind the Screen: Using Netnography for Marketing Research in Online Communities,". *Journal of Marketing Research* , 61-72.
- V.Kozinets, R. (1999). *E-Tribalized Marketing?: The Strategic Implications of Virtual Communities Consumption*. *European Management Journal* Vol. 17, No. 3 , 252–264.
- Netnography Case Study on Listerine by Netbase (Osofsky Micheal, 2010)*
- Jiyao Xun, J. R. (March 2010, Volume 18, Issue 1). *Applying netnography to market research: The case of the online forum*. *Journal of Targeting, Measurement and Analysis for Marketing* , pp 17–31.
- iPullRank. (2014, January 29th). *Personas: The Art and Science of Understanding the Person Behind the Visit*. Retrieved August Saturday, 2017, from MOZ: <https://moz.com/blog/personas-understanding-the-person-behind-the-visit>