A team of highly qualified researchers visited classrooms across the US to watch students take their classes and talk, move, and interact in classrooms and libraries. They observed the children taking notes; shuffling in their seats to get a good look at their new classmates; rummaging through bags to find their binders; and scraping the metal legs of their chairs across the floor of the classroom as they moved to create a semicircular arrangement for group discussions and then rearranging the chairs back to face the instructor. These researchers studied the class for over a year for a global furniture maker, Steelcase, who was keen to devise a product suited to classrooms.

While office and home furniture has changed dramatically over the years, classroom furniture has undergone little or no structural change, although methods of learning have evolved. While students were earlier taught through “instruction” – where the teacher instructs and students take notes – today’s classrooms engage in a wider range of learning activities such as presentations, group discussions, and enactments as a part of learning. The above research helped Steelcase develop Node, a new classroom furniture range with many features that enable easier learning. Node allows easy adaptation for all the activities in a modern classroom.

The research technique employed to develop ‘Node’ is ethnographic research, a branch of anthropology that studies groups of people (subjects) in their native environments. These groups can be characterized by various parameters such as belonging to the same region, culture, economic strata, or even being in the same location. Ethnography is an approach used to interpret cultural, behavioral, and lifestyle aspects of people. It stresses understanding the cultural nuances of preference, habits, and behaviors. The main objective of ethnographic research is to study and observe the target population in a natural and relaxed environment.

Ethnographic research is applied for various purposes such as criminology, social behavior study, communication studies, socio-economic studies, linguistic studies,
geography, history, religious studies, business research, and so on. Businesses most commonly apply it to product development and innovation, to understanding unmet needs, and for developing communication and branding strategies.

ETHNOGRAPHIC RESEARCH METHODOLOGIES

On-site ethnography is when researchers shadow and observe subjects in their own native environment to gain a perspective on their behavior. Unearthing unmet needs and current pain points to improve products and services is a natural result of this research. While it cannot define product design, the research provides valuable insights to aid it.

In-home ethnographic research occurs in the home environment of the subject. There, the researcher interacts with a single or multiple members of the family. Depending on the purpose of the study, the period of observation can range from five hours to a few days.

Conducted online, virtual ethnography sessions require participants to perform specific tasks for a period of time. Participants may be asked to give a detailed report on their experience and opinion about the product or service being studied. At times they also film themselves using the product, and this approach is becoming increasingly popular. Companies are able to participate and view consumers in their regular surroundings and can observe the attitudes, perceptions, and emotions of the consumers first hand.

Peer-party ethnographic research involves a group of participants gathering in an informal and often festive environment to discuss a product, service, or phenomenon. This is similar to a focus group, except that the environment is more relaxed, participants know each other, and the researcher is mainly in the background observing and making notes.

DELIVERS DEEPER INSIGHTS

The intent of ethnographic research is to go beyond the tangible, to explore the deep and inherent attitudes and preferences of individuals. It provides answers to the question ‘Why do people behave and act this way?’ Unlike traditional research methods that involve surveys, questionnaires and focus groups, ethnographic research concentrates on a smaller group. Researchers collect data after experiencing the culture and, in many instances, after establishing a relationship with the subjects.

Many proponents of ethnography believe that traditional research methods with questionnaires and surveys are not successful in developing insights since people find it difficult to accurately verbalize their preferences and, more importantly, to identify the reasons behind those preferences. These proponents argue that people are not trained to think in terms of product design and improvisations and are not able to communicate issues in a manner that will help companies make relevant innovations. Additionally, what people say is often different from what they actually do, and ideals and perceptions often overshadow facts. Ethnographic research is able to capture the realities on the ground.

For example, the care giver in a family would like to believe she is making healthy meals a preference for the family. However, in reality, she may be making unhealthy choices due to various practical limitations or compulsions. She may not even be overtly aware of all the factors that affect her final choices. While market research will classify her family as a health conscious one, ethnographic research will reveal whether they actually eat healthy and why.

Traditional market research activities often yield surface level insights rather than inherent consumer attitudes and behaviors. While focus group studies do go deeper than surveys, they limit themselves to only a particular aspect of the subject’s behavior. Ethnography goes beyond the survey questions to observe and draw conclusions on the overall effect of culture, conditioning and habits on preferences and decisions.

ETHNOGRAPHIC RESEARCH APPLICATIONS

Industries

Ethnographic research has many applications in the business-to-consumer (B2C) environment. Information technology and fast-moving consumer goods (FMCG) companies rule the pack when it comes to utilizing ethnographic research for product and technology innovations. Unilever, Nestle, Kellogg’s, Intel, Microsoft, and IBM are a few examples of organizations that have benefited from it. Others such as furniture and mobile phone manufacturers, financial service providers, healthcare providers, and entertainment companies are also...
enthusiastically adopting it for fine-tuning their product and service offerings.

The consumer-centric approach of ethnography makes it very effective for companies that need to create a detailed understanding of their consumer groups. In one instance, the Walt Disney Company undertook ethnographic research in 2008-2009 to understand the psyche of boys in the 6-14 year age group. For eighteen months Disney researchers followed representative boys throughout their day from school to playgrounds to malls, and finally back to their homes. Those researchers sought to understand the items that interested, bored or excited them. Based on the insights gained, Disney XD, the cable channel, created characters that the boys could identify with. Mannerisms of these characters closely resembled those they observed earlier. For example, the characters would carry their skateboards in a particular manner (bottom facing outwards) to resemble real life observations. As a result, the channel increased its prime time audience in the target 6-14 age group by 27%.

Business ethnography has been invaluable in the field of product innovation. In 2004 IBM was involved in creating a new handheld device for traders at stock exchanges. The New York Stock Exchange traded large volumes of shares each day, and even though online transactions had been introduced, 80% of them were still handled in paper format. A wireless system had been installed on the floor of the stock exchange enabling PDAs or similar devices to allow for phone booking and online transactions. These devices had been developed based on the needs specified by the exchange: large screen, day-long battery life, and access to the network throughout the exchange. However, they were cumbersome and not very popular with the traders, so the devices did not replace paper transactions in a significant way. IBM collaborated with the stock exchange to observe the traders in action. Based on this observational research, the company developed a more efficient and convenient device which satisfied all the needs of the traders.

Global organizations that were entering emerging markets driven by the need to find newer pastures for growing revenues, discovered they had to customize their products to suit local needs. Many tried simply stripping down their products and making low cost versions of the original, which were often unsuccessful in those markets.

When Kraft Foods, for instance, launched their popular US product ‘Oreo cookies’ in China in 1996, they were surprised that the cookie did not do as well as expected. Research into Chinese tastes and preferences revealed that the Chinese liked their cookies smaller and not as sugared, so the company accordingly created smaller packaging and a less sweet version of the original. This successful strategy led to the company introducing more popular variants in flavors like green tea, raspberry, orange, mango, and blueberry. China is now the second largest market for Oreo after the US.

Recently companies have recognized multiple subcultures in even developed nations due to immigration of people from across the globe. For instance, since often no dominant local culture exists in the US, companies must study the many subcultures, fragments, and identities in order to create products for them. They need to study, for example, the Hispanic culture to understand the immigrant population from the region, their likes and dislikes.

**ETHNOGRAPHIC RESEARCH IN INDIA**

Like many other emerging markets, India provides a prime location for applying ethnographic research as a tool for developing product and communication strategies. A highly diverse and fragmented market, India consists of 28 states which have wide differences in income levels, economic development, education, literacy, culture, languages, and government regulations.

For example, literacy rates are over 90% in Kerala, compared to approximately 50% in Bihar. Per capita income in Haryana is around Rs 69,000 and in Manipur, it is around Rs 21,000. People’s culture, food habits, and preferences are also not uniform across states. High income disparities and cultural differences exist not only between states but also between urban and rural areas within each state. Multiple religions have innumerable sub-sects, communities, and castes.
Since the statistical machinery in the country is relatively weak, little usable published data exists. For all practical purposes, India contains a large number of distinct but fragmented markets. Given the large population of the country, each of these multiple markets is large enough to be of relevance to marketers as they represent significant buying power. Many companies also find it necessary to create different strategies for success in urban and rural markets, and in different regions within the country.

The following examples show how ethnographic research has enabled companies to better serve their potential customers in India. Kellogg’s breakfast cereals failed to catch the fancy of Indian consumers when they were first introduced in 1994. The company later learned that Indians did not like cold milk in their breakfast and the cornflakes were not crunchy when eaten with hot milk. Kellogg’s then reintroduced a product that would not become soggy when mixed with hot milk.

In 1995, McDonald’s in India were the first restaurants within the global chain to include a veggie burger on the menu. It was also the first in the international group to have no beef on the menu, heeding the sensitivities of most Indians for whom cows are holy. These improvisations have helped McDonald’s gain a strong foothold in the fast food market in India.

Hindustan Unilever Ltd (HUL) has successfully tapped the Indian rural market for Lifebuoy soap (one of its strongest brands) as the company’s communication strategy in rural India was guided by ethnographic research. In 2002 the company undertook a massive rural educational campaign which highlighted the importance of hygiene to family health. It created TV and print advertisements and also educated customers through booths set up at local fairs. The company placed stickers in strategic places to remind consumers to use soap to clean their hands: on tin plates on tree trunks, walls of wells from where the locals drew water, and on hand pumps. Strong communication using popular media characters and jingles served to extend the educational campaign’s reach. In addition, smaller packaging in rural markets served as a strong driver for the sales and popularity of the product.

Launched in late 2003, the Nokia 1100 mobile handset, ranked as one of the top all-time sellers in consumer electronics history, was developed through ethnographic observation to suit the needs of the rural consumer in India. This basic handset had a long battery life to accommodate frequent power outages, a rugged and dustproof structure, and a torch. These features made it popular in rural India and have been successful in other similar global environments.

Microsoft also gained from conducting ethnographic research. By observing how people in rural India used computers, researcher Joyojeet Pal helped the company’s research team understand how the rural needs could be met by a specifically-designed personal computer. For instance, in rural India many students commonly share a single PC at school. While they all crowd around the terminal at the same time, generally the oldest student – or the class bully – controls the mouse. Other students soon get bored of looking at the screen from a distance and lose interest. Microsoft developed the Multipoint system (globally launched in January 2010) that allowed multiple mice to be connected to a single PC so that many students could learn at the same time. Today Vietnam, Chile and India use this technology in primary schools to quiz students.

The efficacy of ethnographic research is not limited to large multinational corporations. A charitable trust sought to address the veterinary needs of rural farmers around Pune in India. Here ethnographic research was invaluable for ensuring optimal use of their funds to set up veterinary care for farm animals. When researchers observed how the farm animals were treated, they found that farmers were reluctant to transport the animals to veterinary hospitals, as the cost of doing so was high – it was more cost effective for the veterinary doctor to visit and treat the animals on the farm itself. The organization subsequently decided to invest in vans converted into mobile clinics that would go to the farms directly to treat the animals.

Ethnographic research has value not only for B2C businesses in India, but also for business-to-business (B2B) transactions. For example, a significant difference exists between the way industrial machinery is handled in an Indian factory versus a European factory. European users invest much time and money in maintaining the machinery, which gives it a longer life. On the other hand, in India the machinery goes through rough use with less attention on maintenance, thereby shortening its life. The machinery may then be refurbished to extend its life. This has significant implications for European machinery manufacturers selling into India – their product...
positioning, after sales service, structuring of annual maintenance contracts, pricing of the product and its spares, and so on.

There are many more areas of business where ethnographic research can be leveraged for formulating winning strategies. Surprisingly, it is a methodology that is by and large underused in India.

The business environment in India in particular, and emerging markets in general, is becoming increasingly competitive, thanks to the unfavorable economic climate and increased focus of global businesses on the few pockets that are growing at a higher rate. As corporations fight for the consumers' wallet share, they are likely to look for more effective ways of understanding and meeting their needs. Ethnographic research will command a greater importance in the researchers' toolkits.

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