

Scene 1: Title slide [only music, no speaking]:

Secondary Research for Business Decisions: Foundations for Estimates

Scene 2: Naming our terms

In business – and in life in general – you have to make a lot of **decisions**.

You need **information** to make those decisions.

And in most cases you will get that information from **research**.

The two main types of research you might do to gather your information are **Primary** and **Secondary**.

It's really important to be clear on the definitions of both types of research because their flaws are built right into the definitions... and you certainly want to understand those flaws if a big decision is at the end of the line!

Scene 3: Defining Primary Research

Let's start with **Primary Research**. If you choose to do primary research to gather the information you need for your decision, you'll probably conduct surveys, interviews, focus groups, even experiments ... all to gather **exactly** the information you need for your **specific** problem.

For example, if you were making a marketing decision and you needed certain information on the preferences of a specific group of people, you could design a survey and ask...

- the **right** people
- the **right** questions
- in the **right** place
- at the **right** time.

Scene 4: Primary Research Definition (continued)

Words like "right," "exactly" and "specific" are important here, so let me repeat them: With primary research there is a chance that you could, at least theoretically, gather exactly the right information to solve the specific problem in front of you. That is, you'd be approaching perfection.

Of course, there's a cost to perfection: You would need **skills** to design, conduct, and interpret a perfect study. You might also need more **time** than you have available. And, since time and skills aren't free, you may need a lot of **money**, especially if the decision you are dealing with requires a broad range of information.

Frankly, for some decisions it simply isn't feasible to rely solely on primary research. Luckily, there is an alternative approach:

Scene 5: Defining Secondary Research

... Secondary Research!

Remember how Primary Research involved doing surveys, interviews, etc. to gather the exact information you needed? With Secondary Research, you are instead relying on information that other people gathered for their own reasons and decisions.

Using my survey example again, you could say that instead of asking the right people the right questions in the right place at the right time, Secondary Research involves making use of information where

- other people were asked
- other questions
- in other places
- at other times.

That probably doesn't sound so good, does it? If it's done poorly, it isn't. The trick is to find information that is at least close enough to your situation and good enough for your decision. That is, information that is about similar people, that was collected in places that are similar in key ways to your target area, and that is recent enough that it probably isn't outdated.

So, Secondary Research is partly defined by terms like "good enough," "other" and "similar." I mentioned earlier that with Primary Research you at least stood a chance of getting **perfect** information. Secondary research is the opposite: by definition, the information you get is **imperfect**.

In most cases, Secondary Research won't find a single piece of information that is so close to what you need that you can rely on just that one thing for your decision. Instead, you need to combine many imperfect facts... which brings me to another important part of the definition:

Scene 6: Foundation for Estimates

With Primary Research, you are looking for an **answer**.

Secondary Research, on the other hand, is about **building a foundation for assumptions and estimates**. That is, you probably won't get a perfect answer, but you hope to get close enough to come up with a reasonable **estimate** of the answer. And, because most decisions need to be explained and defended, you hope to have lots of "good enough" facts supporting your estimate so you can defend your decision to others.

These definitions have deep implications for how you conduct your research.

If you know that you are going to be relying on information from different parts of the province, country, or world, and information that isn't necessarily on just your narrow topic or that is slightly older, then you will start off with broader questions.

Scene 7: Doggy Daycare

For example, imagine you were planning to launch a doggy daycare service in North Burnaby specializing in small dogs. You would probably want to know lots of information about the number and needs of local dog owners, as well as about local industry issues and trends.

Realistically, the scale is small enough in this case that you could probably gather some of that information through primary research methods such as surveys and interviews. However, you'd still want to fill in the gaps with secondary research.

Plus you'd want to be aware of issues, trends, and developments in related topics and other places so that you could be sure you had learned from the experiences of others and had the most comprehensive view of the situation. Again, secondary research comes to the rescue!

Rather than searching solely for directly related topics like "the current number of dog owners in the North Burnaby area who have small dogs and might use doggy daycare services," you might expand your search to look for broader information such as...

Scene 8: Doggy Daycare: Foundations of Related Information

- A news article about a large increase in the number of people seeking doggy daycare services in the US, with survey details on the typical reasons for that choice.
- Trends in dog ownership in BC
- The ratio of small to large dog breeds in Canada
- An academic study from multiple countries on the environment and activities dogs need for good mental health.
- And a report on the North American pet care services industry that highlights high-level trends and challenges affecting the demand for all such services.

And, since – by definition – none of this information is perfect, you'll need to spend some time evaluating each fact to be sure it's reliable, recent, and relevant enough to be considered as part of your decision... but that's a topic for another video!

Scene 9: Secondary Research: Bottom Line

Here's the bottom line one last time:

Secondary Research, by definition,

1. produces information that is imperfect.

That means you need to...

2. Start with broader research questions and be open to information from related industries, consumer groups, and countries, as well as to older information and information that isn't perfectly reliable.

And you'll need to...

3. Evaluate all the information you find, with the understanding that it is imperfect by definition, so the goal of your evaluation is to decide if it is at least **good enough** to justify considering in your decision.
4. Finally, you will be using the information you find through secondary research as the foundation for estimates and assumptions, and those estimates will be factored into your decisions.

Scene 10: Links to more information

My name is Mark Bodnar – I'm a Business & Economics Librarian at SFU.

I hope you find this video useful. To keep it somewhat short, I've had to simplify some complex concepts. I'll be building on some of these core concepts in future videos.

If you click on the letter "i" in the lower right corner of this video, I've included links to a few of my research guides listing databases and other resources that may help you get started. There's also an audio transcript of this video.

Good luck with your research!