FUEL CYCLE

eBook

The Ultimate Guide to **Observation Research**

Introduction

The go-to research method for organizations is often quantitative, self-reported studies like a survey. It makes sense why companies opt for surveys to capture customer insights. Surveys are relatively easy to put together, inexpensive, and yield actionable data quickly.

While capturing data via surveys certainly has its advantages and rightly holds an integral place in the market research world, it's critical to remember that self-reported data isn't the end-all-be-all in market research. Surveys have several disadvantages, including the fact that they don't always tell a complete story, they are limited in scope, and they can even be misleading at times.

Some researchers say self-reported research is the Achilles heel of survey data collection in terms of reliability. The reason is participants' responses can be inaccurate or misrepresented.

For example, some research studies showed that **40% of Americans said they attended church every week**. However, when Marlar and Hadaway (2005) examined actual church attendance records, they found the true percentage was closer to **22% attendance every week**. This is a prime example of self-reporting gone wrong.

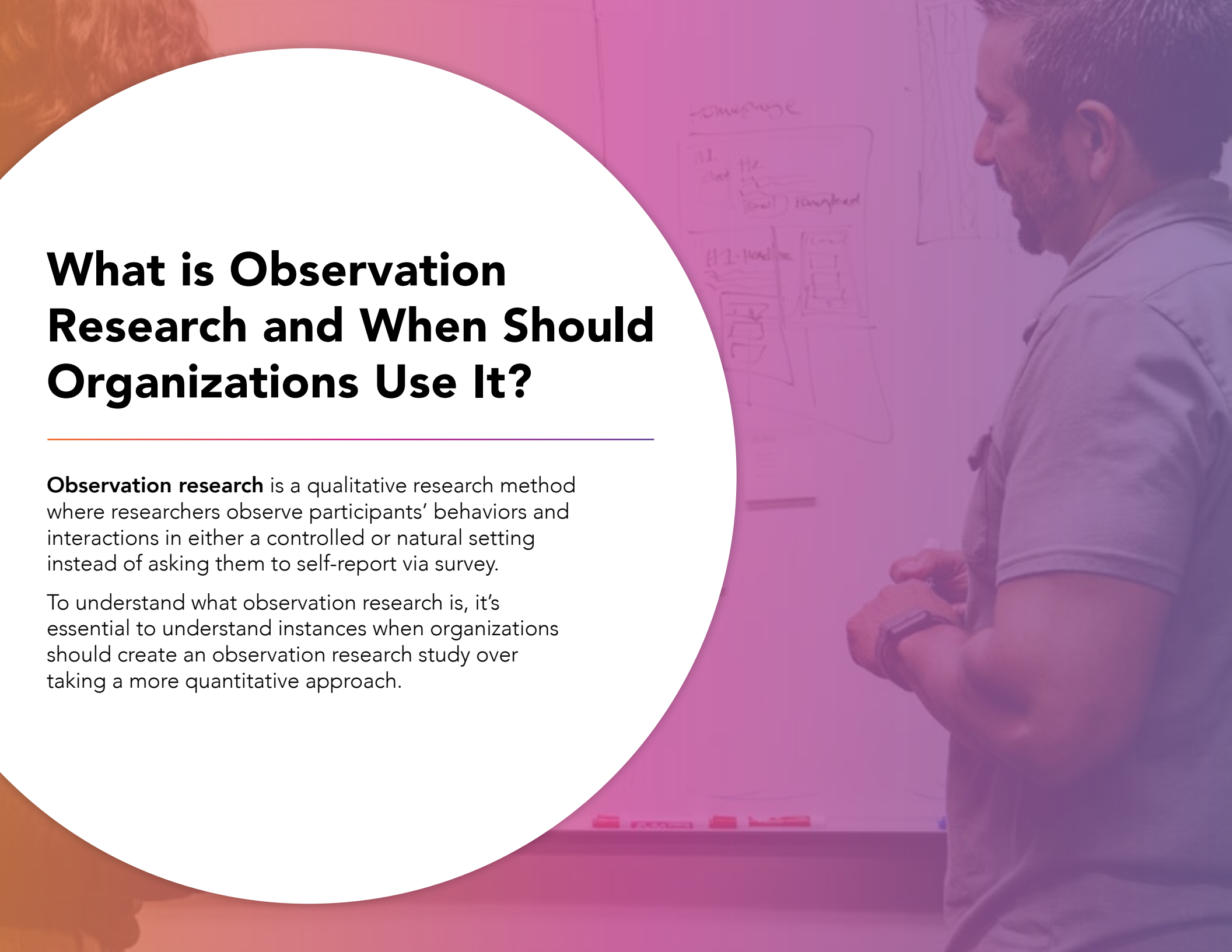
The good news is there are other qualitative methods researchers can use to capture data that doesn't involve any self-reporting, namely, observation research. And, observation research may be a better fit when you have a bigger research question.

This guide will offer insights into the three main types of observation research, so your organization can capture more telling and authentic customer data when it matters most.

What is Observation Research and When Should Organizations Use It?

Observation research is a qualitative research method where researchers observe participants' behaviors and interactions in either a controlled or natural setting instead of asking them to self-report via survey.

To understand what observation research is, it's essential to understand instances when organizations should create an observation research study over taking a more quantitative approach.



What is Observation Research and When Should Organizations Use It?

Observation research is an excellent choice in the following circumstances:

You need to capture sensitive information, and you don't trust that participants will tell the truth in a survey.

You are concerned that self-reported data about behaviors will differ from actual actions, even if it's unintentional.

You need to dive deeper into a research question to understand the reasons behind particular behaviors.

The research question is new, and you need a lot of data to explain customer behavior.

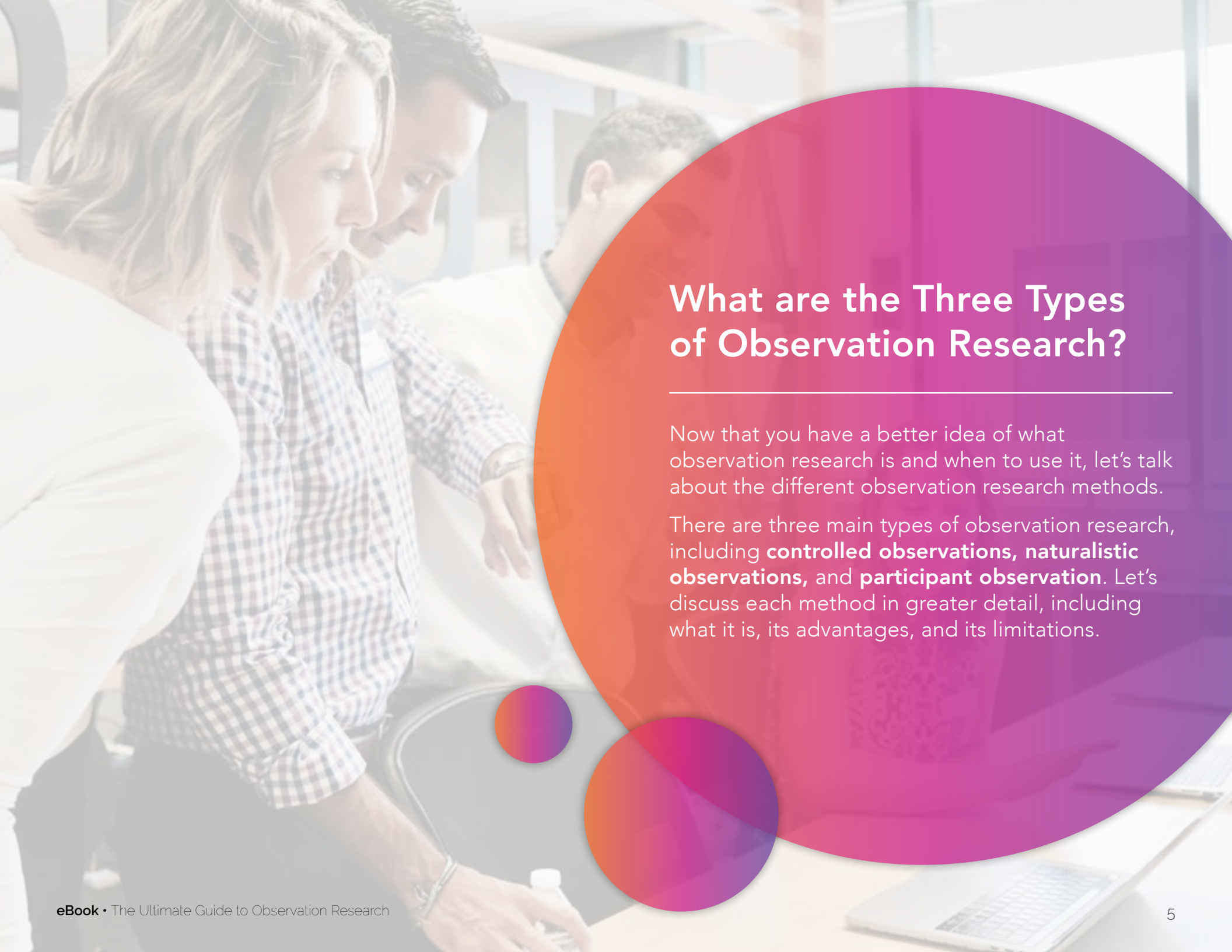
How a customer behaves in a particular setting, natural or controlled, is critical to your research question.

You need information about a specific research question to formulate a more complete and accurate survey later.

How participants interact with each other, with the researcher, or with a virtual tool is part of your research question.

You need a real look into participants' emotional responses when interacting with a group, product, or tool.

There are several other instances where an observation research study may be a better option than a quantitative study. The best questions to ask yourself when deciding what type of research method to employ is how big your research question is, how much data you need to understand customer behaviors, and how important it is to get an inside look at authentic actions.



What are the Three Types of Observation Research?

Now that you have a better idea of what observation research is and when to use it, let's talk about the different observation research methods.

There are three main types of observation research, including **controlled observations, naturalistic observations,** and **participant observation**. Let's discuss each method in greater detail, including what it is, its advantages, and its limitations.

1 Controlled Observation Research

Controlled observation research is a research method where researchers watch participants in a contained environment, such as a laboratory or a virtual environment.

In a controlled study, the researcher defines the *study variables*, including the location of the study, the time, the participants, and the tools used to complete the study.

Participants in a controlled observation study know that a researcher is watching and tracking their behaviors. However, they typically don't know who the researcher is, what the research question is, or the independent variables.

Before the study, the researcher will create a *coding system* to analyze participant behavior more efficiently. This coding method makes it easier for researchers to single out critical data, classify the data, analyze it, and turn it into statistics.

1 Controlled Observation Research

Here are the advantages and disadvantages of controlled observation research.

Advantages

- Controlled studies are easy to replicate
- It's easier to test controlled studies for reliability
- Researchers can code and analyze the data easily
- Controlled studies aren't as time-consuming as other types of observation research

Disadvantages

- Participants may act differently in a controlled setting
- It can be challenging to validate the study
- Researchers may not get as robust of data if they don't participate
- The scope of the study is usually more limited to the research question

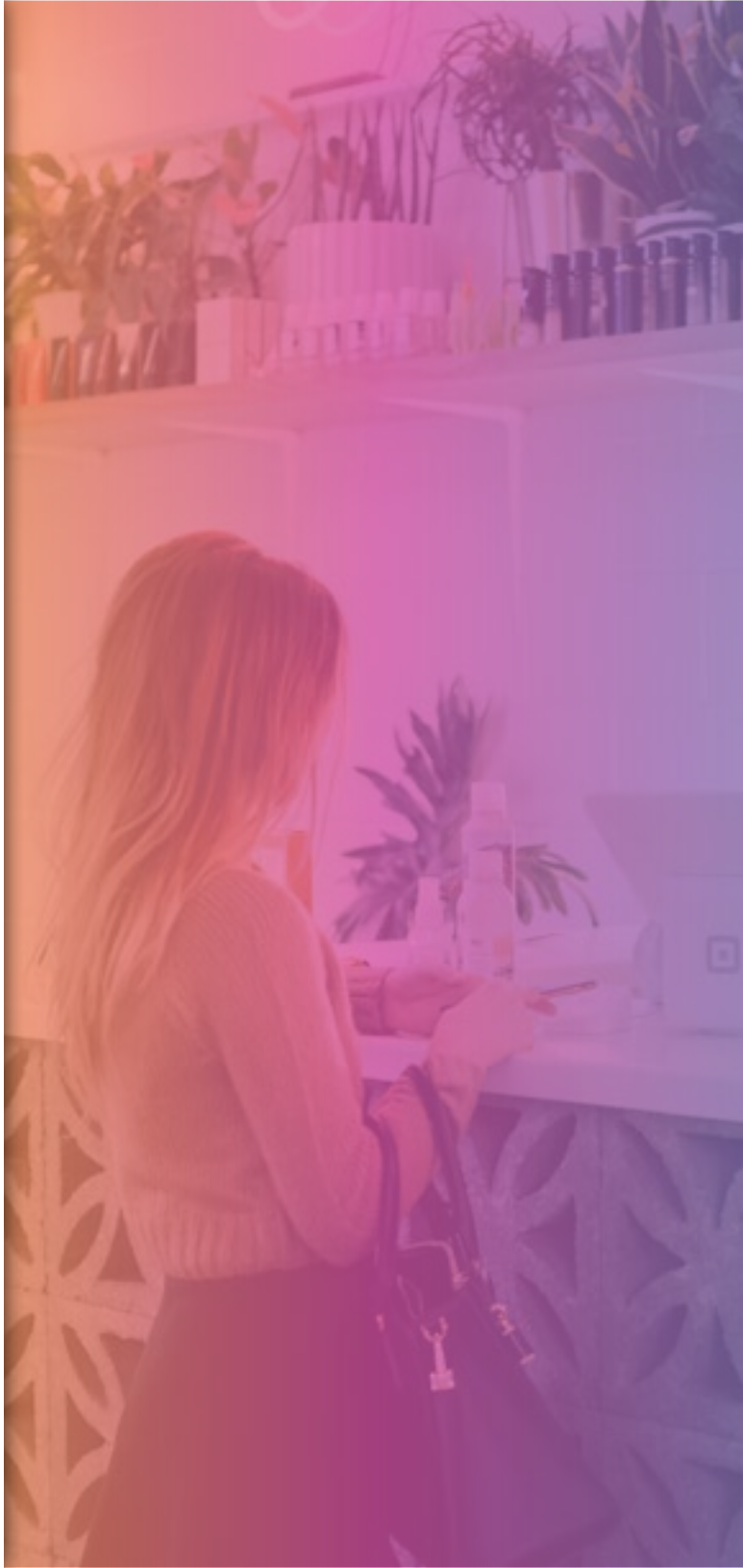
2 Naturalistic Observation Research

Naturalistic observation research is a research method where researchers observe participants in a natural environment instead of a controlled laboratory.

In the business setting, naturalistic research includes things like watching customers interact with products in a physical store, observing how customers interact with a user interface, and seeing how customers interact with a brand, group, or user-interface online, and more.

In a naturalistic observation research setting, the researcher will often immerse themselves in the environment, although they won't participate in the study.

The researcher will set up a coding system to count and analyze particular behaviors, take avid notes, interview participants after the fact, and may also record the observation for future reference.



2 Naturalistic Observation Research

Here are the advantages and disadvantages of naturalistic observation research.

Advantages

- Natural settings ensure the validity of the study
- Researchers collect authentic and honest data
- Researchers may see things they hadn't considered
- Natural observation leads to new ideas and more research questions

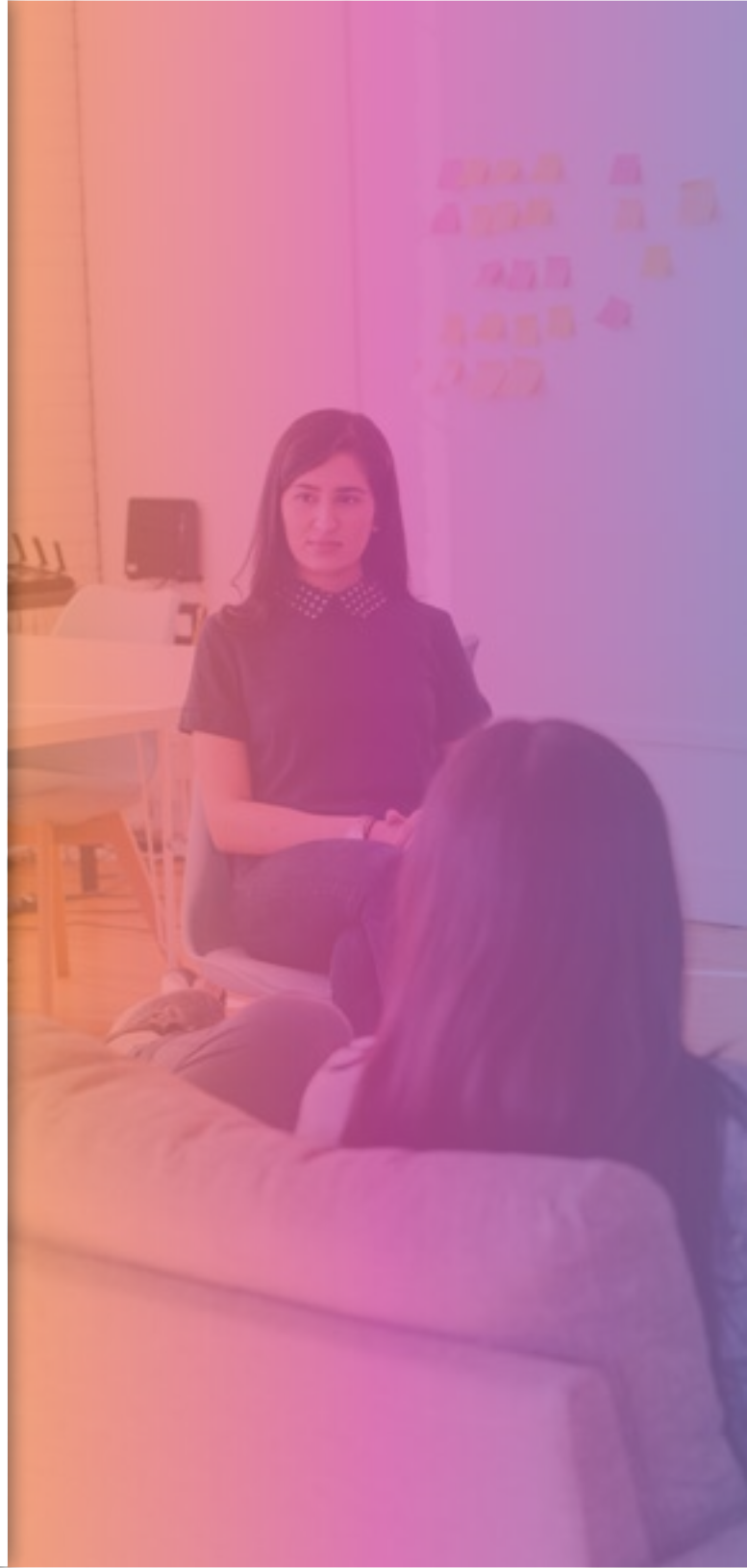
Disadvantages

- Researchers can't control the setting
- Researchers can't control or manipulate variables
- It isn't easy to replicate the study
- Participants may not react how they normally would if they know someone is observing

3 Participant Observation Research

Participant observation research is like other types of observation research in that researchers watch how study participants interact in a particular setting. The main difference is the researcher is also a participant and deeply immersed in the environment, instead of watching from afar.

In terms of the modern business world, a participant observation research study could include an online community where the researcher interacts with customers in the forum or when a researcher participates in testing a user interface alongside participants.



3 Participant Observation Research

Here are the advantages and disadvantages of participant observation research.

Advantages

- Researchers can get to know the participants in a more intimate way
- Researchers can guide the study if it starts going off track
- Participants may feel more relaxed when interacting with the researcher
- Researchers can capture a better understanding of participant patterns and behaviors

Disadvantages

- Participant observation research is time-consuming
- Researcher involvement can lead to bias
- Sometimes participants will act differently if they can identify the researcher
- A successful study requires multi-tasking
- Data analysis of observation research is tedious

Virtual Observation Research Methods and Tools

In years past, observation research took place in a physical location where participants would meet in person. However, as technology advances and as the business world becomes increasingly more digital, it's imperative to find research methods and tools that accommodate this changing business landscape.

Thankfully, innovations in market research technology offer convenient virtual tools that make it possible to conduct controlled, natural, and participant observation research studies in a virtual setting.

Virtual Observation Research Methods and Tools

Here are some ideas of how you can use virtual observation research methods and tools to capture qualitative data.

1. Conduct a controlled live virtual study

Consider using virtual focus group and interview tools like Live by Fuel Cycle to set up a controlled virtual study with a hidden observer view. With Live, one researcher can moderate the session while others can watch participants interact with digital products, user interfaces, or forums while remaining undetected by the team of observers.

2. Use screen share to watch participant interactions

Live from Fuel Cycle, coupled with the Marvel prototyping integration, helps researchers observe participants navigate a digital prototype and allows the researcher to ask for specific feedback in real-time.

3. Observe emotional responses virtually

Digital market research tools allow researchers to capture authentic emotional responses from participants.

The ability to capture emotional responses, instead of having to take participants' at their word, solves the worry of inaccurate, self-reported data.

4. Conduct a virtual follow-up interview

Researchers can supplement an observation research study with virtual post-study interviews. A virtual in-depth interview is a convenient and low-pressure way to connect with participants with any potential follow-up questions.

Conclusion

Observation research is a stellar way for organizations to capture accurate, high-quality, and in-depth customer data, especially when you need to get authentic and robust insights.

As you set up your controlled, natural, or participant observation research study, remember there are digital market research tools that simplify the process greatly.

Fuel Cycle's FCX Marketplace is full of tools and integrations that will help you build a strong study in a virtual environment. Check out Fuel Cycle today for more information.

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