

Understanding cost drivers in research

The costs of research are determined by many factors. As it can be difficult to understand how the cost of research is determined, the following guidelines are available to assist research buyers to better understand why and when research costs can differ.

Qualitative research

- Focus group costs can vary greatly depending on the difficulty of recruiting people to attend. More difficult to recruit groups are typically much more expensive to recruit than general public groups. This is obviously because so many more people must be called to organise people to attend groups and in many cases, significantly higher incentives must be paid to encourage people to attend. If poor incentives are paid per person, focus group recruitment firms will often charge more to reflect the increased difficulty of recruiting participants with a poor incentive
- Qualitative interviews vary significantly depending on the type of interview conducted. If exploratory sensing interviews are undertaken, senior consultants will typically be required to ensure that quality information is gathered and issues can be sensed and linked to an organisational context. In contrast, if only simple interviews are required, lower skills are often needed, hence costs can be significantly less (as such interviews may be conducted by field operatives). In many respects, there is often a great divide between the insights obtained from a more experienced versus less experienced interviewer

Quantitative research

- Quantitative interviews vary significantly in price depending on a range of factors. The underlying determinant is typically how many field work hours are required to complete the designated sample size. If interviews are very difficult to achieve (eg. low prevalence rates in populations), many phone calls will be required to achieve a single interview. This therefore has a very significant influence on the costs of research conduct. Other cost drivers include:
 - length of surveys – increasing survey length essentially means more field work hours to complete the job
 - refusals – very sensitive research may entail more refusals which in turn can influence costs of conduct
 - quotas – placing quotas on factors such as gender or age influence costs given that it can be quite difficult to balance age and other quotas through random sampling. However, if such factors are defined in lists prior to interviewing, they have a lesser impact on research costs (and sometimes no impact at all)
 - qualitative coding of open-end responses – while open ends alone don't always influence cost (as they typically just add to survey length which is a budgeted factor), developing coding frames to quantitatively summarise qualitative responses can be very time-consuming and hence can add significant costs to survey conduct (especially in the case of large sample sizes – ie. More coding is required)
 - Random Digit Dialling (RDD) – RDD involves calling random numbers as opposed to using the Whitepages. Given that many numbers are business numbers or “not connected” numbers, use of RDD generally means that a significantly higher volume of numbers must be called just to achieve a single interview. For this reason, RDD is typically more expensive than use of the Whitepages or other directories.