

How to Do Focus Groups On a Budget — For Startups and Small Businesses

By: [Edward Boon](#), a university professor and researcher living in Geneva, Switzerland. He has worked for Procter Gamble and BMW

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When I worked at Procter & Gamble, I thought marketing research was expensive, complicated, and time-consuming.

But after leaving to work at a startup, I learned it didn't have to be.

You don't need to hire an agency, prepare for weeks, or know statistical analysis. You can plan and conduct research by yourself in a couple of days. It may not be perfect, and you may not end up with a nicely formatted report, but the insight you will get from interacting with your customers is invaluable.

In this guide I will explain how to organize focus groups, one of the most popular marketing research methods. It covers everything you need to start immediately, even without marketing training.

I have done marketing research for brands like Hugo Boss and BMW. Now, I teach marketing at a university and organize focus groups regularly.

What Is a Focus Group?

A focus group is a group interview. You gather between 4 and 12 people around a big table to discuss a particular subject.

In Marketing, focus groups are used to interview customers, or potential customers, to answer any of the following questions:

- What do they think about the category or type of product?
- What benefits do they look for in a product?
- What frustrates them about a category or product?
- When, where, and how do they use a product?
- When and where do they purchase a product?
- What kind of language do they use when they talk about a product?
- What do they think of your brand and products?
- How interested are they in your new product or business idea?
- How much do they like your marketing communication?

Focus groups are better than interviews with individual customers because the group interaction encourages participants to open up and generates more thought-out answers.

This is especially true if the subject is unfamiliar or uncomfortable for participants.

During a focus group that I conducted to ask young men about skincare products, I had to ease participants into the subject by talking first about morning routines and shaving. I relied on the braver participants to start the discussion, and the others soon followed.

At the same time, focus groups have two major drawbacks.

- You're interviewing a small number of people. If 2 of your 8 participants are positive, you can't claim that 25% of consumers will buy your product. Your sample size is too small to draw that conclusion. Even if you conduct 3-4 focus groups, you must be careful not to generalize the results.
- You can't believe everything people say. If you ask people how much alcohol they consume, you can't expect to get an accurate answer. Sometimes, people lie. More often, they misremember or give a wrong estimate.

Despite these drawbacks, focus groups are still one of the best methods to learn about your customers.

Who Do You Want to Learn From?

The starting point for any research study is determining what you want to learn. This is your research question.

Focus groups offer a lot of flexibility, as you can cover several subjects in a 90-minute discussion.

A more critical question is: *Who do you want to learn from?*

You need to make sure you're asking the right people. If you invite existing customers, you can ask them for feedback and get their input on new products or services.

But it can be equally valuable to talk to non-customers and ask them: "Why are you not buying our product"?

Or, if you plan to target a new customer segment or launch a new business, you want to speak to potential customers who may be interested.

Let's use the car brand MINI to illustrate why recruiting the right participants is critical.

If you asked the average consumer why they don't own a MINI, they would respond that it's too expensive. This is not helpful for its marketers; MINI is a premium brand, so lowering their prices would be a terrible choice.

To get a more helpful response, you need to ask consumers who can afford a MINI and who could be persuaded to buy one. Now you will learn more: maybe they don't like the design, find the cars impractical, or had a bad experience.

You only get valuable answers if you ask the right people, your target customers.

Once you have decided who you want to learn from, it is easy to come up with a short list of topics to cover.

Plan Your Focus Group in 5 Steps

Step 1: Create a Discussion Guide

The purpose of a focus group is to have an open discussion. You want to cover certain topics, but you also want the freedom to deviate if the discussion takes an interesting turn.

So you don't need a questionnaire, but a list of subjects — a *discussion guide*.

There are a few principles you should follow:

- Start focus groups with a brief introduction that covers their purpose, who organizes them, what you will do with the results, and how you will guarantee anonymity.
- Next, explain the moderator's role and how the session is organized (duration, breaks, drinks and snacks, recording equipment, rewards).
- Start with easy-to-answer, open-ended questions that encourage participants to start sharing and interacting.
- Start broadly, focusing on a product category and general product usage, and gradually narrow your focus to your brand and marketing activities.

To illustrate this last point, here is how I would structure my discussion guide for a male skincare brand:

1. Shaving and grooming habits
2. Using skincare products
3. Choosing and shopping for skincare products
4. My skincare brand
5. My products and communication
6. My newly developed product

A typical discussion guide is 1–2 pages of bullet-pointed items.

You can test the discussion guide by using it to interview an employee or friend. This way, you can ensure that it serves your needs, but you should assume that the group interview will take 3 to 4 times as long.

Step 2: Create Stimulus Materials

While it's possible only to ask open-ended questions, it's better to mix it up to keep people engaged. There are many materials and tools you can use to stimulate discussion.

Marketing materials, such as product samples and prototypes, packaging, posters, videos, and website screenshots, are the most common materials to show participants. You want to ask questions like:

- What do you like about this?
- What don't you like? What would you improve?
- Would you purchase this product? Why (not)?

But you can be more creative. For a focus group for a fragrance brand, we placed 20 perfumes from all major brands on the table, including ours, and asked participants to group them. We learned what consumers think of the category, how they make choices, and which brands were our direct competitors.

I can't cover all available discussion stimuli, but here are some that I like:

- Ask participants to describe your brand (and your competitors) as a person.
- Ask participants to think like marketers trying to sell your products.
- Give each participant 3 Post-it notes and ask them to write down 3 things they associate with the brand. Then, get the group to sort them and discuss the results.

I avoid activities that require too much from participants, such as role-playing. I would hate that myself, so I don't impose it on others.

Step 3: Find and Set Up Your Location

Schedule at least 2 focus groups, 4 if you can afford it.

I've done a few online focus groups, and I hate them. You never know if you have participants' full attention, and it's much harder to moderate the discussion. I would only use this option as a last resort.

You can organize your focus group anywhere, as long as the location is easy to reach, allows for a private discussion, and makes participants feel comfortable.

Some options are your office, a co-working or rented office space, the back room in a cafe, or a college classroom.

Typically, you want to plan the focus groups for late afternoon or early evening. I usually plan for 60–90 minutes and ensure food and drinks are available.

Don't schedule multiple groups in a single day. After the first session, make changes to your discussion guide if necessary.

Do the following to set up the room:

- Have a single large table

- The moderator sits on one end
- Video recording over the moderator's shoulders
- Separate audio recording in the middle of the table
- Drinks and snacks on the table or a side table
- Name signs on the table for the moderator and each participant
- All the stimulus materials within easy reach
- A notepad and the discussion guide available for the moderator.

Step 4: Find and Prepare a Moderator

You should be able to moderate the discussion yourself. It's easier than it seems. About half of the students do well in my marketing research course.

On the other hand, if you get someone else, it will be easier to observe the discussion, and you get a second opinion. If you do, ensure they have experience talking to groups: teachers, tour guides, or consultants.

The moderator has two tasks:

1. Ensure that everyone participates
2. Cover all topics in the available time.

It's not difficult to get quieter participants to speak, at least when you ask direct questions. At the same time, it's okay if some participants don't interact as much.

The biggest challenge typically comes from participants who dominate the discussion. If you don't address this promptly, other participants may shut down. You start politely by asking others for input, but you must be ready to tell someone to speak less or remove them from the group.

Step 5: Invite Participants

The hardest part of focus groups is getting enough people into a room — especially if your target customers work during the day.

Here are some tips:

- Over-invite. I usually invite 10–12 people, hope that 8 show up, and run my group if I get at least 4.
- Make it as convenient as possible (location, parking facilities, snacks & drinks).
- Offer a good incentive. The exact value will depend on who you plan to invite and where you are based, but it needs to be worth their effort. I typically offer a \$50 gift voucher, but Switzerland is an expensive country.
- Go where they are and where they have free time. You can organize your focus groups at conventions and trade shows.

Don't invite participants who work for competitors. I also prefer not to ask marketers, college professors, or others familiar with the research method.

From Insights to Action

After you've completed the focus groups, do the following:

1. Transcribe the discussions. Transcriptions are much easier to use than recordings. There are companies online that provide this service cheaply and efficiently.
2. Share the transcripts with your team and others in the organization. Get everyone to write down 5–8 observations and share these.
3. Discuss how these insights can be used in your marketing strategy and activities.
4. Prioritize, plan, and implement.

At the same time, don't follow your customers' recommendations mindlessly. You know your brand better than your customers.

When MINI organized focus groups shortly after BMW acquired the brand, many participants said that MINI was too expensive. Its marketers knew to ignore this, as the high price was part of their marketing strategy.

Participants also said that MINI's cars were too small and impractical. This was an insight that its marketers took to heart.

The first cars they introduced, the MINI One and MINI Cooper, were already bigger than the original British version. The Mini Countryman, which they launched a few years later, is the size of a small SUV.