

Chapter 7

Multi-Method Analysis

Przemyslaw Tomczyk
Warsaw School of Economics, Poland

ABSTRACT

Multi-Method Analysis (MMA) can be understood as an interdisciplinary approach to the triangulation of research results or deepening of knowledge gained as a result of classical hypotheses testing by means of statistical analysis. In this case, the synergy effect obtained by using MMA as a combination of the quantitative (survey research) and qualitative (In-Depth Interviews – IDI) analysis is presented. To achieve the empirical bases of the study, a theoretical model is used as a marketing management example. The model refers to firm performance as a result of customer lifetime value management. The essence of the case study is to present the whole research to illustrate the researcher's way of thinking from conceptual model development through quantitative hypothesis testing and qualitative explanation. The research was conducted from 2012 – 2013 in the insurance industry in Poland.

INTRODUCTION

The purpose of this chapter is to present the application of Multi-Method Analysis (MMA) as an approach to the deepening of knowledge gained as a result of classical hypotheses testing by means of statistical analysis in the field of marketing management. In this case, the essence is to show the synergy effect by combining the quantitative and qualitative analysis. By using a quantitative approach it is possible to verify statistical hypotheses and to make generalizations at least at the sample level. The use of a qualitative approach allows the interpretation and explanation of the results. The added value of this method is the identification, why the quantitative results are what they are. Therefore, the explanation is not only based on

logical or theoretical justification, like in case of most of the publications in marketing management, but based on empirical data obtained in a single project with consistent assumptions. The purpose is to clarify the results of one research by the results of another, which allows a precise explanation of the shape, direction and strength of the statistical relationships by identifying factors, that have been unidentified in the quantitative research. In this chapter, the benefits of using MMA has been presented in the form of a case study. Empirical basis is the *customer lifetime value management and economic performance of the company for example of the insurance industry* research, conducted in 2012 - 2013 in the insurance industry in Poland.

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BACKGROUND

Multi-Method Analysis (MMA or Mixed-Method Research - MMR) is an interdisciplinary research approach, the essence of which is a combination of different quantitative and qualitative research methods to authenticate (triangulation), or in-depth interpretation and explanation research results (Di Staso, Bortree, 2012; Klassen, Creswell, Clark, Smith, Meissner, 2012, Heyvaert, Maes, Onghena, 2013). Due to the diversity of the presented methods, it is rather the research approach than a research method. Its application allows to find a compromise between naturalism and anti-naturalism (Zachariadis, Scott, Barrett, 2013), what in practice can rely on the identification of statistical relationships determinants (the naturalistic aspect) and an explanation of their nature and causes (anti-naturalistic aspect) (Zachariadis, Scott, Barrett, 2013). This allows for the enrichment of the statistical results with additional knowledge to find explanations (Layder 1990; Sayer 2000) and to identify new areas of research within the analyzed field.

To enable understanding the nature of MMA, the complex case study has been presented. This case study seeks to investigate the efficiency of customer lifetime value management exemplified by the insurance industry in Poland. The essence of the case study is to present the results of the whole research to illustrate the researcher's way of thinking from conceptual model development, through quantitative hypothesis testing to qualitative explanation.

MAIN FOCUS

Customer lifetime value (CLV) is the sum of discounted cash flows generated by a single customer or a customer segment, during the entire period of the cooperation with the company (Villanueva, Hanssens, 2007; Pfeifer, 2005; Kumar, Ramani, Bohling, 2004). Since this value can be managed

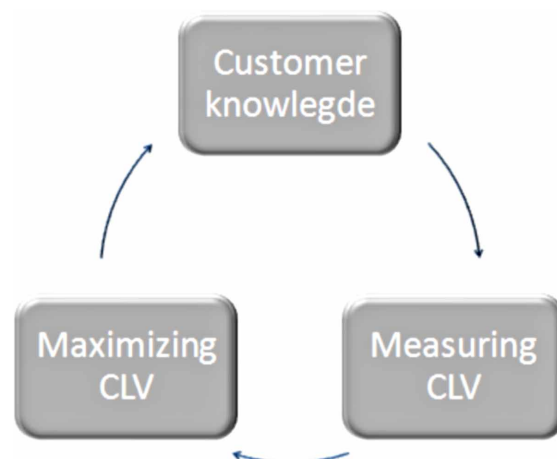
(Blattberg, Getz, Thomas, 2001; Kumar, George, 2007), the customer lifetime value management (CLV management) is a combination of activities that rely on measuring and maximizing this value, based on customer knowledge (Kumar, Venkatesan, Beckmann, 2009; Kumar V, Ramani, Bohling, 2004). The sequence of CLV management activities are characterized circular. Its simplified model is presented on Figure 1.

The starting point for CLV management is the customer knowledge. Measuring and maximizing are the next steps, because it is impossible to maximize the value of an asset, that has not been measured before. Customer knowledge is an element that can be used in both areas. There are feedback loops in model for each sequence, and the cycle repeats. The way of measuring CLV determines the type, quantity and quality of customer knowledge, and the course of action to maximize CLV provides new knowledge, which is used again for its measuring and maximizing and then the cycle repeats.

The sequence of actions in which measuring and maximizing CLV are executed, can be represented by the customer life cycle (Blattberg, Getz, Thomas, 2001; Kumar, 2008), which consists

Figure 1. CLV management cycle: a simplified model

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