Funneled Qualitative Method Unlocks Financial Service Insights

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KNow Research

Financial Qualitative Research: Rewarding Work, Real Challenges

KNow Research has deep expertise to the financial services sector, supporting a wide array of brands with both customer-facing and B2B insights. The work we do in this space is deeply meaningful to our team, as it allows us to elevate the needs of underserved communities—particularly women and low-income families—and link those needs to the brands that aim to financially empower them. However, the road to empowering these hidden voices through qualitative research can be a bumpy one.

Here are just a few examples of the unique obstacles of conducting financial research:

- **Emotionally charged**: Money discussions can trigger deep-rooted feelings of shame and anxiety
- ***"I don't know!":*** Financial topics can feel unnecessarily confusing and require extensive upfront explanation of the topic at hand
- **Depth vs. breadth tradeoff**: Difficult to balance exploring participant's lived experiences and perspectives while gathering feedback on brand-specific products and messaging
- ***"How do I trust you?":*** Building trust between the moderator and participants, as well as among participants, can be difficult within the time allocated for fieldwork

Financial research requires more than just asking the right questions. It necessitates creating an environment where participants feel safe enough to share their experiences. At KNow Research, every project is a custom-built solution, tailored to meet our client's unique objectives and deliver the insights they need. We've discovered that a funneled methodology is particularly effective for exploring sensitive financial topics.

This approach starts with a few days of private, online diary activities, allowing participants to reflect on their own pace. Once they've spent independent time tackling subject at hand, they're ready to join a moderator-led interview or group discussion.

PHASE 1: DIARIES	PHASE 2: CONVERSATIONS
Series of diary activities to complete on an online platform for 3-5 days	KNow & client team meet to align on key participants to be invited
Moderator monitors the diaries closely, probing as needed	Fieldwork can take the form of interviews, shop-alongs, and or/ mini group discussions
Platform is open throughout the project so the client team can observe remotely	Client team can observe Phase 2 sessions in person or remotely

Key Takeaway: A funneled, hybrid qual methodology respects participants' comfort zones while fostering openness. By the time synchronous sessions begin, participants feel at ease and primed to share richer, more thoughtful responses. For financial research especially, a funnel-approach is a trust-building bridge that benefits researchers, clients, and participants alike.

Case Study Example

KNow recently had the opportunity to help a client unpack a financially emotional topic. Our goal was to provide insights to set the course for their next year of communications to our client's target audiences. This case study showcases the unique needs of financial service research and the benefits of the funneled approach.

Prepare + Prosper Research Objectives

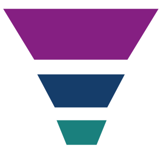
Prepare + Prosper is a MN based non-profit that believes in economic opportunity for all. Through a dedicated team of volunteers, the organization provides free tax preparation and financial services to help working families move from “just getting by” to “getting ahead.”

Minnesota has been a standout advocate for addressing income inequality at the state level, making significant progress toward a fairer tax system by passing the MN Child Tax Credit in 2023. This credit allows working families to receive $1,750 per qualifying child, with no limit on the number of children claimed (MNDoR). As the largest tax clinic in the state, P+P is acutely aware of how much of a difference this tax credit can make in the lives of the families they serve.

P+P came to KNow Research to understand how to communicate the details and options pertaining to the MC CTC, so that families can make informed and confident decisions to help maximize their annual return.

Why It Matters: Changing tax laws continue to alter the structure, claims process, and application of the MN Child Tax Credit, making tax language intimidating, overwhelming, and confusing. P+P clients frequently face urgent, complex decisions about the MN CTC during tax appointments. To address this, P+P is developing a communication strategy for the upcoming tax year to help families quickly and clearly understand their MN CTC options.

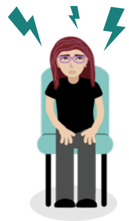
The Qualitative Funnel in Action



Given the complexity and emotional heaviness of taxes, along with the nuances of this credit, a three-phase funnel approach was essential to effectively connect with P+P's target audience and achieve our client's objectives.

1. Participants were invited to a **3-day online activity board**, where they interacted with a series of creative exercises to help illuminate their wants, needs, experiences along the tax preparation & filing journey.
2. Participants joined **virtual mini group discussions**, allowing our team to dive deeper into the challenges and realities taxpayers face when making decisions about the Minnesota CTC.
3. Following fieldwork, our team led a virtual 90-minute **Directions Workshop** to help P+P — as well as their partner organizations — determine how to best leverage and activate the learning and set the direction for the development of their messaging for the upcoming tax season.

Navigating an Emotionally Charged Topic



Our team knew from the start that this topic would be emotionally draining on our participants — filing taxes isn't pleasant for anyone! But we also recognized that these pain points held the greatest potential for Prepare + Prosper — not just to refine how they communicate the steps to claim the MN CTC, but to ensure their level of support met the needs of their clients effectively.

Over the three days where participants completed activities on their own time, we got a glimpse into the struggles they face during tax season, such as:

- Keeping up with ever-evolving tax law
- Trying (and failing) to decode confusing legalese
- The fear of making a mistake and facing the IRS
- The challenge of staying organized with receipts and forms

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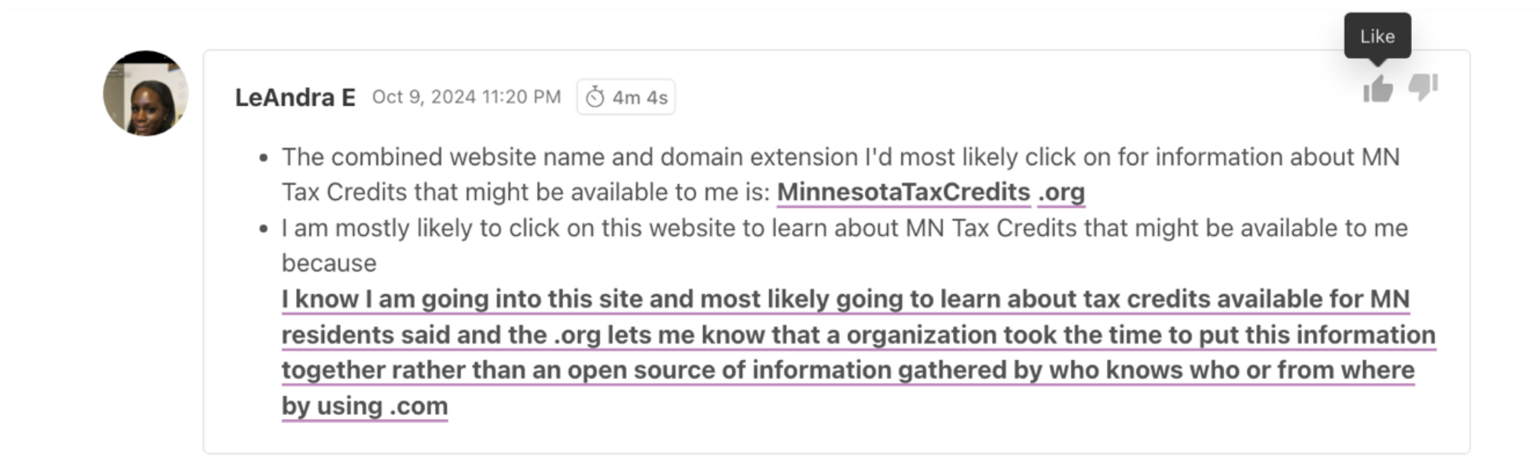
- Three words/phrases that describe **how I feel** when I am preparing to file my taxes are **Overwhelmed** **Confused** , and **Frustrated** . I picked these words because **The tax system is so confusing and overly complicated. I feel we should just get billed by the government and if we want to dispute anything, then we can fill out the paperwork to check if the IRS did their calculations correctly.** .
- When it comes to **how well I understand the tax deductions and credits available to me, on a scale of 1 to 5,** where one is "I'm a novice" and 5 is "I'm an expert", I would describe myself as **1 - novice** . I describe myself this way because **I get easily overwhelmed with how complicated taxes are.** .

We then brought these challenges into our group discussions, creating space for deeper emotional engagement, where parents supported one another and recommended where & who to turn for guidance.

Navigating Depth vs. Breadth Tradeoff

In qualitative research, it can be tricky to find the right balance between open exploration and aided feedback. We need to leave enough space to understand people's core behaviors and motivations and balance that with reactions to brand-specific concepts and messaging.

A funneled qualitative approach allows for the best of both worlds! This was particularly effective in our research with P+P, as we explored the highs and lows of the tax filing journey in a reaction board exercise. Participants evaluated the current website name they might encounter when searching for MN CTC information and brainstormed new website names and domains they would trust to click on for reliable details about the credit.



This exercise revealed P+P's current website name, 'ClaimYourMoneyMN.com', needed to be revamped with something that explicitly referenced the state's child tax credit to build clarity and trust.

Key Takeaway: There's no need to separate exploration and brand messaging into distinct phases when using a funneled approach. Integrating both elements throughout enhances keeps things feeling fresh, enhances the participant experience, and yields richer insights.

Building Trust

Trust is not easily earned in financial qualitative research, and it's easy to see why! In traditional interview or group discussion settings, participants are expected to share personal financial details with strangers almost immediately after introductions. As researchers, we may feel tempted to rush through the small talk, but taking the time to ease into difficult topics is always the best way to build trust.

We find that trust develops naturally when participants have time to engage independently with a digital board over a few days. During our project with Prepare+ Prosper, our team also benefited from the opportunity to pause, reflect, and formulate thoughtful follow-up probes. This was crucial because many of our participants faced financial challenges and spoke English as a second language. The reflection time helped bridge these gaps and build common ground for more inclusive dialogue.

Building trust isn't just for our participants; we extend that energy to align project stakeholders, too. Prepare + Prosper invited their key partners – the Minnesota Department of Revenue (MNDoR) and Minnesota Budget Project – into the research process. These organizations often turn to P+P for guidance on communicating complex tax messages, so they were invested in learning how to talk about the MN CTC. Partners joined fieldwork and debrief sessions, and participated in our Directions Workshop. This collaborative session helped the combined stakeholder team align on how to activate insights and guide the development of communications and messaging for this upcoming tax season.

Why It Matters: By bringing together a diverse team of nonprofits and state agencies with a shared goal and involving everyone in the research, we increased our chances of developing a clear, cohesive message about the MN CTC and how to claim it. As a result, Minnesota families are more likely to explore the details and claim the credit, improving their financial well-being.

Ready to Supercharge Your Insights with a Hybrid Qualitative Approach?

Our team is ready to guide you through the tough conversations to uncover meaningful insights – for financial services and beyond! KNow Research approaches every project with a custom lens to offer the most valuable methodology to maximize the research 'aha!' moments. Connect to discuss how your business needs could benefit from our Qualitative Funnel Approach. For more information visit knowresearch.com or email admin@knowresearch.com