

Effects of Market Research Quality in the Services Contract Life Cycle

Abstract

This research examines how the quality and documentation of market research influence acquisition outcomes across the Department of Defense (DoD) contract life cycle. Given the DoD’s extensive reliance on private-sector contracts and substantial annual spending, effective market research is critical for promoting competition, controlling costs, and improving contractor performance. However, prior research and oversight consistently identify deficiencies in the execution and documentation of market research, creating risk throughout the acquisition process. Using an exploratory quantitative approach, this study analyzed 28 completed service contract files from Army and Navy contracting organizations. A standardized Market Research Report (MRR) template and scoring rubric were developed to evaluate the depth and quality of market research and compare it to measurable outcomes across pre-award, award, and post-award phases. Findings reveal significant variability in market research documentation, including missing reports and gaps in required performance assessments. Despite these inconsistencies, no discernible relationship was identified between market research quality and acquisition outcomes, largely due to the study’s limited scope. The results highlight challenges in standardization, documentation, and auditability, and indicate a need for expanded research to better understand how market research contributes to improved contracting performance.

Methods

This study employs a qualitative document analysis of Department of Defense (DoD) service contract files to evaluate the quality and impact of documented market research. The dataset comprises 28 completed service contract files drawn from two DoD contracting organizations: a Navy Fleet Logistics Center and an Army regional health contracting office. Contract documentation is sourced from the Navy’s Contract E-file system and the Army’s Paperless Contract File (PCF) system, with supplementary contractor performance data obtained from the Contractor Performance Assessment Reporting System (CPARS) for applicable contracts valued at \$1 million or greater. All data are anonymized in accordance with access permissions. Contract files are filtered to include only service requirements, with 28 contracts exceeding \$250K in total value, consistent with the prior Simplified Acquisition Threshold (SAT) applicable at the time of award. The primary unit of analysis is the Market Research Report (MRR) contained within each contract file. A standardized MRR Template was developed to include a MRR evaluation rubric, derived from the DoD (2017) Market Research Report Guide and adapted for service acquisitions, is developed to assess documentation quality. The rubric includes 13 weighted sections, producing total scores ranging from 0 to 100. Interrater reliability is established through a structured calibration process, requiring at least 90 percent scoring agreement among three researchers prior to independent analysis. Each contract file is reviewed for MRR presence and scored accordingly. Market research quality is then compared to indicators across the contract life cycle, including pre-award engagement metrics, award-phase adherence to solicitation criteria, and post-award contractor performance as measured by CPARS. This integrated approach enables evaluation of the relationship between market research practices and acquisition outcomes.

Results & Impact

The findings of this exploratory study reveal substantial variability in the quality of market research documentation, solicitation clarity, and performance oversight across DoD service contracts. Persistent deficiencies in the completeness and availability of market research records were observed, limiting audit readiness and constraining the DoD’s ability to retain and leverage institutional knowledge across the contract lifecycle. Within the scope of the analyzed contract file samples, no consistent or statistically discernible relationship was identified between the quality of market research documentation and acquisition outcomes. Therefore, the results are inconclusive with respect to establishing a causal linkage between robust market research practices and improved procurement performance. These findings highlight the need for expanded, large-scale research to further examine whether enhanced depth, quality, and standardization of market research documentation can produce measurable improvements in acquisition outcomes.

Future Research

This pilot study did not identify a discernible relationship between market research quality and contract lifecycle outcomes; however, it established a structured and replicable methodology and rubric for evaluating market research in service contracting. Future research should expand the sample size across additional DoD and civilian agencies, apply and adapt the methodology to other acquisition domains, and assess the effects of evolving acquisition policies, including the Federal Acquisition Regulation overhaul, on market research practices and outcomes.



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