QUIRK'S
Marketing Research Review

www.quirks.com

March 2003

Getting more from print advertising

StarKist nets a true ROI on its ad dollars

Who's who in online copytesting

Advertising research issue

QUIRK'S Marketing Research Review

Volume XVII Number 3 March 2003

Illustration by Jennifer Coppersmith

C O N T E N T S

F E A T U R E S

Case History

Techniques

Columns

Publisher Emeritus
Tom Quirk

Associate Publisher
Evan Tweed

Editor
Joseph Rydholm

Production Manager
James Quirk

Directory Manager
Steve Quirk

Directory Assistant
Shawn Hardie

Marketing Manager
Dan Quirk

Advertising Sales
Evan Tweed 952-854-5101
Lane E. Weiss 415-461-1404

Quirk's Marketing Research Review, (ISSN 08937451) is issued 11 times per year – Jan., Feb., Mar., Apr., May, June, July/Aug., Sep., Oct., Nov., Dec. – by Quirk Enterprises, Inc., 8030 Cedar Ave., Ste. 229, Bloomington, MN 55425. Mailing address: P.O. Box 23536, Minneapolis, MN 55423. Tel.: 952-854-5101; Fax: 952-854-8191; E-mail: info@quirks.com; Web address: www.quirks.com. Periodicals postage paid at Minneapolis, MN and additional mailing offices.

Subscription Information: U.S. annual rate (11 issues) $70; Canada and Mexico rate $100 (U.S. funds); international rate $119 (U.S. funds). U.S. single copy price $10. Change of address notices should be sent promptly; provide old mailing label as well as new address; include ZIP code or postal code. Allow 4-6 weeks for change. **POSTMASTER**: Please send change of address to QMRR, P.O. Box 23536, Minneapolis, MN 55423.

Quirk's Marketing Research Review is not responsible for claims made in advertisements.

Editorial policy: We invite submission of manuscripts from outside sources. Write or call for guidelines. Send press releases and other editorial material to Joseph Rydholm, editor (joe@quirks.com). We reserve the right to edit any manuscript.

Reprints: For information on article reprints, please contact FosteReprints at 866-879-9144 or at order@fostereprints.com or visit www.fostereprints.com.

D E P A R T M E N T S

Taking a break from breakfast?

Only half of all Americans eat breakfast every day, with one out of 10 skipping breakfast all together. Breakfast foods aren't just being eaten for breakfast anymore, according to research from Chicago-based Mintel. The most popular "dual role" of breakfast foods is as snacks, cited by nearly a third of respondents. This trend is more prevalent with younger Americans, as 71 percent of those age 18-24 say they eat breakfast food throughout the day, compared to just 45 percent of those age 65 and older who say they do so.

Mintel's research found that respondents are equally divided between diet and health concerns and taste or preference in their choice of breakfast foods. This reflects a general dichotomy seen in the U.S. regarding diet and health — increased numbers of Americans are overweight, but more are exercising. The popularity of low-fat and fat-free foods reached its peak in the mid-1990s, and consumers have moved back to more indulgent foods, but in moderation.

More than three-quarters of respondents eat breakfast at home (77 percent), with nearly equal numbers eating breakfast at work, in the car, or on the go (8 percent and 7 percent respectively). Just 7 percent eat it at a restaurant or coffee shop. It appears consumers are partial to home-prepared breakfast items, though it is not clear to what amount of trouble they will go to prepare these items themselves.

Women surveyed are more likely than men to eat breakfast at work, while men are more likely to buy breakfast — 19 percent of men eat their breakfast in the car or on the go, or in a restaurant or coffee shop, compared to just 9 percent of women. Those respondents with the highest income level (over $75k) are the most likely to eat at work (17 percent).

Yogurt, breakfast meats and breakfast pastries all registered the largest increases in popularity, while categories such as frozen breakfast foods, cereal and cereal bars, and breakfast baking mixes lost market share. For more information visit www.mintel.com.

TV is tops with American kids

Even though American kids seem to be getting busier and busier, they still find ample time to watch TV. According to a poll by Chicago-based C&R Research's KidzEyes.com, the average American child between the ages of six and 14 watches 3.6 hours of TV on a typical weekday, and 38 percent of kids report watching six or more hours of television on a typical weekday. Interestingly, even though the majority of kids (51 percent) think "TV is a great way to spend my free time," many (44 percent) also recognize that "Too much TV is bad for kids."

Why are kids watching so much TV? Because they can! Sixty-six percent of kids have their own TV, and 53 percent have their own VCR. Interestingly, the percentage of kids who have their own TV is highest among the lowest income bracket, and this trend declines as income increases. Three-fourths (75 percent) of kids from families with household incomes of $35,000 or less have their own TV, as compared to 66 percent of kids from families with household incomes between $35,000 to $99,000, and 52 percent of kids from families with household incomes of $100,000 or more. African-American kids are also significantly more likely to have their own TV. Eighty-one percent of African-American children have their own TV as compared with 73 percent of Latino kids and 66 percent of Caucasian kids.

So what kinds of shows are kids tuning into? Cartoons are far and away the favorite among kids, but this genre drops in popularity as kids, especially girls, mature. Reality shows, on the other hand, attract the attention of older kids more than younger kids. Regardless of age, girls tend to prefer sitcoms and music videos, whereas boys are inclined to watch action adventure and sports programming. Nature/animal shows are popular among both boys and girls, especially younger ones.

Kids' Favorite Kinds of TV Shows at Different Ages

Genre	Ages 6-8		Ages 9-11		Ages 12-14	
	Boys	Girls	Boys	Girls	Boys	Girls
Cartoons	93%	91%	81%	72%	58%	38%
Comedy	22%	32%	35%	44%	50%	52%
Action/Adventure	36%	12%	44%	18%	40%	14%
Nature/Animal	36%	41%	25%	28%	10%	14%
Music Videos	7%	14%	10%	24%	19%	38%
Sitcoms	10%	23%	14%	26%	18%	30%
Sports	22%	4%	24%	5%	28%	7%
Reality Shows	10%	9%	11%	14%	17%	22%

When it comes to advertising, kids are split on their feelings about whether they like it or not. While 22 percent claim they like watching ads, and another 25 percent say they don't mind watching them, 53 percent say they don't like watching them. Boys enjoy watching commercials more than girls (24 percent vs. 20 percent) do. So what makes for a good commercial? Kids report that they like commercials that

continued on p. 70


Innovative Marketing Research
To Take You Beyond The Competition

On January 20, polling pioneer **Burns W. (Bud) Roper** died of lung cancer at his home in Bourne, Mass. He was 77. Roper spent more than five decades in polling, joining his father's firm, Elmo Roper and Associates, after returning from World War II. He later became chairman of the board of the *Roper Organization* (now RoperASW).

Fanny Gerli has been named director of the new Italy-based health care research division of *Taylor Nelson Sofres*. She will be based in TNS' Milan office and will be supported by Associate Director **Letizia Galli** in Rome.

Peter Johnsen has joined *Brain Surgery*, an Atlanta marketing consulting firm, as vice president. He was previously vice president of direct-to-consumer research at Market Measures.

Gregory Gordon and **Katrina Berezniak** have joined *L.C. Williams & Associates*, a Chicago public relations and research firm, as vice president of research and strategy, and director of research design and analysis, respectively.

Terri-Lyn Hawley has joined the Philadelphia office of *Schlesinger Associates* as facility director. At the firm's Boston office, **Melissa Goodman** has been named senior project director.

In conjunction with its decision to operate as two independent business units with separate management teams, Chicago-based *C&R Research* has named **Robbin Jaklin** president; **Jeff Berman**, executive vice president, and **Walt Dickie**, executive vice president/chief technology officer. The company's focus group facilities and phone center will continue to operate under the fieldwork name, with **Steve Turner** as president; **Saul Ben-Zeev** as vice president, quality control; **Chris de Brauw** as vice president, sales and marketing; and **Steve Raebel** as CFO.

Janice M. Elsesser has been named president of Minneapolis-based *GfK Custom Research Inc.* **Patricia Hughes** has been named executive vice president, client development.

Fairfield, Conn.-based *Dialogue Resource, Inc.*, has named **Janna Ritzcovan** research associate.

Groups Plus, Inc., a Wilton, Conn., research firm, has named **Peter Reville** managing director.


Reville

A restructuring at *Millward Brown Asia Pacific* has created a four-member Asia Pacific board. **Andreas Sperling** (regional CEO), **Adrian Gonzalez** (regional COO), **Jamie Lord** (regional business development and marketing director) and **Luka Softa** (regional CFO) are now in charge of the strategic direction of Millward Brown across Asia Pacific. With the managing directors from the eight offices in the region, they also form a marketing board responsible for client relations, new business development and marketing. Both boards are chaired by Andreas Sperling.

Separately, **Fabrizio Giordano** has been named Millward Brown's managing director, leisure and entertainment business for mainland Europe. In this role, he will assume responsibility for CIMEC Millward Brown, the joint venture company set up in Spain between Millward Brown and Iberautor to promote leisure and entertainment research. **Damien Fleming**, currently client service manager at Millward Brown Brazil moves into Giordano's regional Latin American role.

In addition, **Andreas Grotholt** has been named managing director, Australia and New Zealand, and managing director at the firm's Sydney office. **Hugh Bloch** has been named president, Millward Brown Japan. **Stephen Jenke** has been named managing director, national operations, including responsibility for project management and NFS Queensland. **Mark Zuker** has been named director, project management, Australia. Promotions in the U.K.: **Debbie Newbould** to business development director, qualitative; and **Nick Bull** to group account director. Promotions in the U.S.: **Graham Kerr** to executive vice president of Millward Brown's eastern U.S. region; **Eric Villain** to executive vice president of the firm's western U.S. region; **Lynn Stables** to senior vice president, general manager of the Los Angeles office; and **Lisa Parente** to director of marketing communications for Millward Brown North America.

Denver-based *INgather research* has named **Michelle Radigan** and **Brian Andrews** facility manager and operations/IT

continued on p. 89

Measure customer loyalty with Loyalty Quotient

ScoreKeeper, LLC, a Shelton, Conn., market research and consulting firm, has announced the release of its new marketing program Loyalty Quotient, which is designed to provide clients with empirical measures of the loyalty of their customer bases. The program is based on primary research which assigns loyalty scores to individual customers and provides the clients with average scores for each specific customer segment. The overall score is based on a formula which considers: overall satisfaction with the company; propensity to recommend the company to friends and associates; propensity to keep using the company; length of time as a customer; and how the company compares to other companies for price/value relationships, service quality and other factors. The loyalty scores are based on a 100-point scale with the optimum levels being between 80 and 100. The score dictates the most cost-effective marketing strategy to enhance customer retention. For more information contact Stephen A. Smith at 203-929-2229.

Web survey system updated

Austin, Texas-based Inquisite has unveiled Inquisite 5, an automated Web survey system developed for non-technical business users who want to create, deploy and manage their own custom surveys. Features of Inquisite 5 include:

• Survey invitation management — helps users manage the respondent invitation process by scheduling survey invitations, tracking responses and sending reminder notices.

• Multi-scale question tables — allow users to design survey questions that can measure several related factors simultaneously.

• Randomization of available responses — enables users to improve the validity of surveys by removing the statistical tendency of respondents to select some answers more often than others based on their positions within the list of available answers.

• Enhanced multi-question tables — support all question types, row and column color banding, transparent backgrounds, margins, border colors, cell spacing and several other formatting features that allow users to fine-tune the look and feel of their surveys.

• Question text piping — inserts the answer from one question into the text of a following question. This feature allows users to personalize surveys for their respondents.

• Expanded report format options — in addition to viewing survey responses in a Web browser, reports now can be exported to SPSS, Word, Excel and Adobe Acrobat.

• Online learning center — an expanded online help center provides automated tutorials covering basic survey creation to more advanced features using screenshots, annotations and shortcuts to speed training and implementation.

Inquisite 5 is available as a hosted ASP solution or as a product directly installed on a customer's server. Survey administrators can perform a range of management functions, including activating and deactivating surveys, setting response limits and cut-off dates, purging surveys, viewing reports and publishing results on the Web. The Inquisite server software supports Windows NT Server and Windows 2000 Server. The Survey Builder software supports Windows 98, Windows ME, Windows NT and all versions of Windows XP. For more information visit www.inquisite.com.

Sparklit announces Survey Logix

Victoria, B.C.-based software firm Sparklit has released Survey Logix 1.0, a Web-based survey design, deployment and analysis application. Survey Logix enables users to create surveys, post them to the Web or distribute them via e-mail, automatically collect responses, analyze the results, and produce reports. Typical applications include customer satisfaction, employee feedback, and product concept testing.

Survey Logix automates the deployment, collection and analysis of completed surveys as they are submitted from the Web. The product also features a distribution manager to manage e-mail invitations. Invitations can be automatically customized for each respondent.

Custom analysis functionality includes point-and-click crosstabs, frequency distribution reports, summary statistics and charting for comprehensive results analysis.

Survey Logix is offered in two forms: hosted and dedicated. Sparklit's hosted service is an application that runs on Sparklit's servers and is accessible online through a standard Web browser. Survey Logix Dedicated Appliance is an actual server appliance that clients purchase and install in their own facility with support from Sparklit. Survey Logix Appliance integrates hardware and software to create a plug-and-play solution that can be maintained by one administrator. For more informa-

continued on p. 89

Research Industry News

News notes

At press time in early February, *The Guardian* in London reported that **United Business Media** had emerged as the frontrunner to buy **NFO WorldGroup** from The Interpublic Group, which Reuters said in January had hired investment bank Goldman Sachs to explore strategic alternatives for the research unit. Also interested are WPP, private equity firm Hellman and Friedman, advertising group Aegis, and market research firm Taylor Nelson Sofres.

Netherlands-based media and information company **VNU** has announced it is exploring strategic options, including the possible sale, of two of its marketing information units in Europe, **ACNielsen's Customized Research** services and **Claritas Europe**, with combined revenues of approximately EUR 130 million.

In doing so, VNU aims to refocus resources and management attention on activities closest to VNU's mainstream marketing information businesses. "ACNielsen's European Customized Research business and Claritas Europe are both well-established businesses with strong management and long-term client relation-

Research Calendar

Britain's Market Research Society will hold its annual conference on March 19-21 at the International Convention Centre in Birmingham, England. For more information visit www.mrs.org.uk.

The Southwest, Southern California, and Northern California/Pacific NW chapters of the Marketing Research Association will hold their annual Las Vegas conference on March 19-21 at Treasure Island Hotel and Casino. For more information visit www.swmra.org.

The European Society for Opinion and Marketing Research (ESOMAR) will hold a conference titled "Excellence in Consumer Insights" on March 30-April 1 in Madrid. For more information visit www.esomar.nl.

The Advertising Research Foundation will hold its annual convention on April 9-11 at the New York Hilton. For more information visit www.arfsite.org.

Sawtooth Software will hold its annual conference on the acquisition and analysis of market research data on April 15-17 at the Hyatt Regency Hotel in San Antonio, Texas. For more information contact Marilyn Stanford at 360-681-2300 or visit www.sawtoothsoftware.com.

Canada's Professional Marketing Research Society (PMRS) will hold its annual conference on April 27-29 at the Empire Landmark Hotel and Conference Center in Vancouver. For more information visit www.pmrs-aprm.com.

The Qualitative Research Consultants Association (QRCA) and the Association for Qualitative Research (AQR) will hold a joint conference on April 30-May 2 at the Sheraton Lisboa Hotel & Towers in Lisbon, Portugal. For more information visit www.qrca-aqr-conference.info.

The European Society for Opinion and Marketing Research (ESOMAR) will hold its Latin American Conference on May 4-6 in Punta del Este, Uruguay. For more information visit www.esomar.nl.

The New York/Northeast and Philadelphia chapters of the Marketing Research Association will hold a joint-chapter spring seminar on May 8-9 at the Park Hyatt Bellevue Hotel in Philadelphia. For more information visit www.mra-ny.org.

The American Association for Public Opinion Research (AAPOR) will hold its annual conference on May 15-18 at the Sheraton Music City Hotel in Nashville, Tenn. For more information visit www.aapor.org.

The European Society for Opinion and Marketing Research (ESOMAR) will hold "Managing Research for Profit 2 - The Client's Perspective," a cross-industry forum, on May 18-20 in Brussels. For more information visit www.esomar.nl.

The Marketing Research Association (MRA) will hold its annual conference in San Francisco on June 4-6 at the Hyatt Regency Embarcadero. For more information visit www.mra-net.org.

The European Society for Opinion and Marketing Research (ESOMAR) and the Advertising Research Foundation (ARF) are co-sponsoring the Worldwide Audience Measurement conference (radio, TV, media mix, print, online, out-of-home/ambient) on June 15-20 in Los Angeles. For more information visit www.esomar.nl.

The Council of American Survey Research Organizations (CASRO) will hold its annual technology conference on June 19-20 at the Roosevelt Hotel in New York. For more information visit www.casro.org.

ships, but they operate with little synergy with the rest of our marketing information business in the European marketplace," says Brian Chadbourne, president and CEO of VNU Marketing Information EMEA.

The evaluation of strategic options for ACNielsen's customized research business is limited solely to Europe, where it operates currently in 10 countries, with little client overlap with ACNielsen's other businesses.

VNU's customized research activities outside Europe remain a part of its core marketing information business and are unaffected by this process. VNU has retained Veronis, Suhler & Stevenson, Inc., as its advisor to look into the strategic options for ACNielsen's European Customized Research businesses.

Claritas Europe has offices in eight countries and is run independently from Claritas, Inc., in the U.S. Claritas Europe has a broad customer base, however it lacks synergy with the other activities of VNU Marketing Information Europe. In the U.S., VNU's Claritas, Inc., operations have a fundamentally different business model from their European namesake and VNU remains committed to its presence in that market.

Chicago-based **C&R Research** has announced it will now operate as two independent business units with separate management teams. The analytic and consulting group will continue to do business under the C&R Research name, with Robbin Jaklin assuming the position of president, Jeff Berman, executive vice president, and Walt Dickie, executive vice president/chief technology officer. The company's focus group facilities and phone center will continue to operate under the fieldwork name, with Steve Turner as president, Saul Ben-Zeev as vice president, quality control, Chris de Brauw as vice president, sales and marketing and Steve Raebel as CFO. Equity positions in the parent organization C&R Research Services, Inc., will be unaffected by the management realignment. C&R Research Services, Inc., grew from Creative Research, founded in 1960 by Saul Ben-Zeev. Fieldwork, Inc. was launched in 1980.

St. Louis-based **Doane Marketing Research, Inc.** has reorganized into two industry groups. The agronomic industries group will service crop protection, seed, and ag equipment clients and is headed by Roy Cleveland, group vice president, and includes Marypat Corbett as the senior account representative. The other is the consumer, commercial and health industries group, which is headed by Brian Hagan, group vice president, and includes Dave Tugend, vice president of marketing, as account representative. This group will service large-animal and companion animal health and nutrition companies as well as non-ag-oriented consumer, commercial, and health companies.

Davis Research, Calabasas, Calif., has announced an ownership transition from founders Carol and Bill Davis Sr. to their sons Bob and Bill Davis.

continued on p. 74

War Stories

True-life tales in marketing research

By Art Shulman

Editor's note: War Stories is a semi-regular feature in which Art Shulman, president of Shulman Research, Van Nuys, Calif., presents humorous stories of life in the research trenches. Send your own tales of research-related wackiness to him at artshulman@aol.com.

Joel Reish of Next Level Research reports that one time, while in the middle of moderating a focus group in a room with no windows, the power went out, plunging the room into utter darkness. He literally could not see his hand in front of his face. Reish told everyone not to panic, but a couple of respondents had their own ideas; one began to cry, and another began to completely freak out.

Reish opened the door but there was no light anywhere. He tried to calm everyone, telling them that someone from the research company surely would be coming in any second. But no one did.

After a minute with no help arriving, Reish called out down the hall. But no one answered.

He told the respondents to sit tight and went to find someone, feeling his way blindly down the halls of a research facility he had never been in before. When he could not find anyone, he tried to make his way back to the focus group room but couldn't find it. He remembered as a kid reading *The Adventures of Tom Sawyer*, the part where Tom gets lost in a cave.

After about 15 very long minutes Reish and the respondents were finally rescued, but they were no longer in the mood to talk research anymore that night.

And Reish now travels everywhere with a pocket flashlight in his briefcase.

He also reports that he once conducted a central location test on concepts and packaging in a very large hotel that was packed with about 1,000 guests due to a convention unrelated to the research project. About halfway through the two-hour test, Reish told everyone they could take a quick bathroom break. Since smoking wasn't allowed in the room where the test was being done, smokers used the bathroom break as their opportunity to puff away.

Reish was waiting for people to trickle back into the room to continue the test when suddenly the fire alarm went off. Reish ran out the door, down the hallway, and there on the floor he found an ashtray with about 10 still-smoldering butts in it. He looked up at the ceiling, and directly overhead was a smoke detector. The smokers had all found each other, crowded around a single ashtray, and created a thick cloud right under the smoke detector.

Meanwhile, the crowded hotel was going nuts. People were evacuating, security guys with walkie-talkies were running around, the front desk was mobbed with confused guests.

Finally, Reish grabbed one walkie-talkie guy and told him that it was a false alarm. The guy looked at Reish very strangely, thinking that either he was joking with him or else he was right about the alarm being false and the only way he would know that is if he was the one who set it off. Reish grabbed the guy by the sleeve and dragged him down the hall to show him the ashtray.

"Look," Reish said, pointing to the smoldering evidence.

"So?" the guy snapped, getting very testy.

"So look at that," Reish replied, pointing straight up at the smoke detector. The guy rolled his eyes, mumbled into his walkie-talkie, and the alarm soon went silent.

Reish reports that he was somewhat suspicious of the results respondents provided after the test session resumed.

In another hotel-related event, Ed Sugar reports conducting an on-site study where data was collected on a PDA. The results were tabulated at the end of the day in his hotel room and the printed tabulations were then delivered to the client.

One day, the printer his company was using broke. Sugar's technician called the concierge and, in a panic and speaking very quickly, told the man, "My printer died. Can you help me?"

The concierge responded, "I'm sorry. I can't really help you," and the two of them hung up. A half-hour later, there was a knock on the door. When the technician opened the door, the concierge was standing there with a bouquet of flowers. The technician asked why he was getting flowers.

The concierge replied, "I'm so sorry your partner died."

In future issues, we'll report on more quirky, loopy, and strange happenings in the world of market research. If you'd like your story to be told — anything related to research is usable, from spilling soup on your client's new suit to cute answers respondents provide on questionnaires — please e-mail me at artshulman@aol.com.

Qualitatively Speaking

A practical approach to identifying professional respondents

By Tom Greenbaum

Editor's note: Tom Greenbaum is president of Groups Plus, a Wilton, Conn., research firm. He can be reached at tlg@groupsplus.com.

One of the most troubling issues facing the focus group industry in recent years has been the increasing presence of the professional respondent. This individual is defined as a person who finds a way to regularly participate in focus groups (perhaps as many as two to four per week) by registering at different facilities in a metropolitan area, and then being sufficiently familiar with the system so they will answer questions that enable them to "qualify" for many more groups than they would normally be selected to participate in.

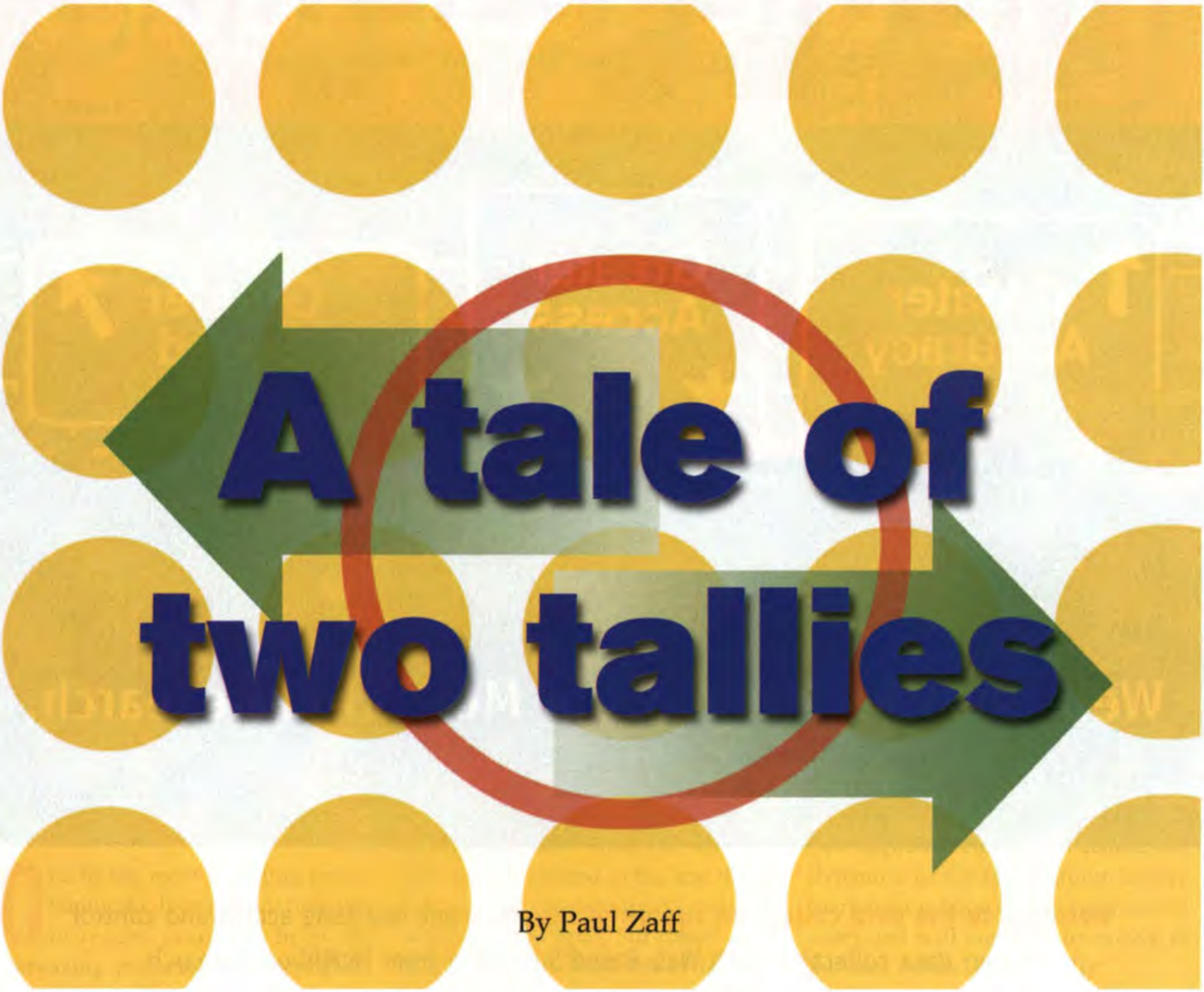
The biggest problem with the professional participant is that they become so familiar with the focus group process that they do not act like their "non-professional" peers do. Most of them are able to anticipate the answers that they feel the moderator would like to hear, and try to provide them in order to make the output of the session appear as favorable as possible. Others simply try to act like marketing or research professionals rather than the subjects they were recruited to be, and therefore do not provide their own perspective on a topic, but rather what they feel the client needs to hear about the topic, whether or not it is consistent with their own views. Needless to say, the involvement of professional participants in focus groups is very detrimental to the overall process and has been a topic of concern for many years.

Unfortunately, despite the attempts of some facilities and at least one independent auditing organization, the problem of identifying and weeding out the professional participant has not improved dramatically in recent years. As a result, some organizations are very wary about utilizing focus groups, particularly in the consumer segment, because of the influence of these people.

The purpose of this article is to suggest a new approach to dealing with the issue of the professional participant. It's not a perfect solution, but if implemented, it should dramatically improve the situation. I believe this new approach can work because the dynamics of the focus group facility market have been changing in recent years and will continue to evolve in the near future. Specifically:

- There clearly has been an increase in the importance of the role of the chain focus group facility in recent years. While I am not aware of any specific published data identifying the share of market accounted for by the chains, there is little question that it is dramatically higher than only three to five years ago, and probably accounts for more than 70 percent of all facility volume.
- All focus group facilities have recognized the importance of computerization, and have accepted the PC and Internet as a regular part of their process. This includes the record keeping relative to focus group participants, and the communications between the facility personnel and

continued on p. 90



A tale of two tallies

By Paul Zaff

Editor's note: Paul Zaff is founder and principal of BLT Research, Framingham, Mass. He can be reached at 508-816-3699 or at bltzaff@rcn.com.

It seems that the basic questions behind almost every recent legal or political scandal are: "What did he know and when did he know it?" While certainly not as salacious, there are two fundamental questions in marketing research, appearing at some point in most questionnaires regardless of the larger purpose: "What did they buy?" and What'll they buy next?"

The first question refers to usage and is asked in terms of last purchase or ownership with regard to products and services. It can also appear as voting, readership, viewership, etc., depending upon the focus of the investigation. The second question is purchase (or future) intent and can take corresponding forms.

These are probably the two most common questions in the research arsenal and they serve multiple functions. At the least, they position the respondent for the remainder of the questionnaire, but more likely the usage and intention data is tracked and crosstabbed, and the usage often functions as the basis for separate sub-group analysis. And that's that! The study and questionnaire go on to fulfill a greater purpose (i.e., advertising, tracking, multivariate or other sophisticated design) and the focus of analysis is spent on detailed findings relative to the primary points of investigation.

But these two questions can provide much more than just basic starting point or foundational information. With some additional effort they can yield dramatic insights into product/market conditions and behavior that make the existing research much richer in actionable content.

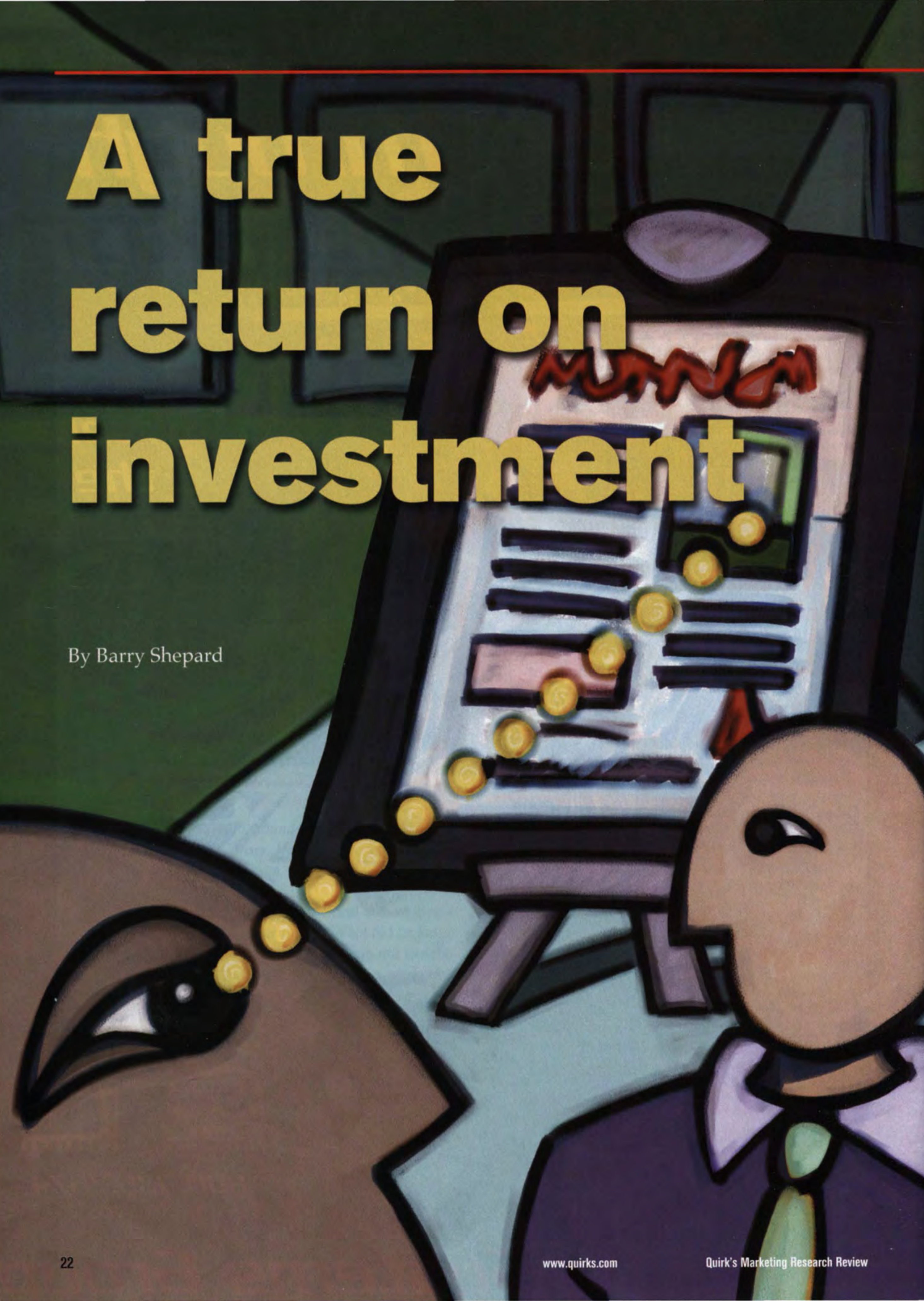
A procedure called PAT (probability analysis technique) is the device to maximize the output from these two basic questions. PAT is a means of taking information from last-purchased (or current used/owned) data and purchase intent data to develop a comprehensive framework for predictive

continued on p. 78


Leadership Through Innovation
See Yourself in the Winner's Circle
MSG
Marketing Systems Group
GENESYS SAMPLING SYSTEMS
TELEPHONY PRO T S SYSTEMS
IDplus
Having been around the track more than a few times, we have established quite a record of first place research finishes. To mention a few, there is the in-house GENESYS RDD system; GENESYS-ID, the industry's first screening process; and, our PRIZM Code RDD system (an American Demographics "BEST OF" Award Winner). Then, the whole stable of PRO T S dialing system products boosted research data collection to a new plateau of speed and efficiency.
Now, IDplus continues in that winning heritage. Treating an RDD sample with this revolutionary "attended screening service" dramatically reduces the non-productive number drag, making it almost as "slippery" as a listed household sample – with no compromise of representation.
These specially formulated products have helped hundreds of commercial, academic and social science researchers win big by speeding up and dramatically increasing the efficiency of their data collection efforts. And best of all, we don't cut corners, so there is no need to cheat on representation or statistical integrity to win the race.
Supercharging your research engine's performance with GENESYS samples, GENESYS IDplus, PRO T S dialing systems and our other proven additives can help put you in the Winner's Circle.
GENESYS SAMPLING SYSTEMS
TELEPHONY PRO T S SYSTEMS
800.336.7674
www.m-s-g.com
Marketing Systems Group

A true return on investment

By Barry Shepard



Developing and managing advertising for StarKist Tuna in a Pouch

Editor's note: Barry Shepard is vice president of marketing, StarKist Seafood, Heinz North America. He can be reached at barry.shepard@husa.com.

When StarKist Tuna in the Flavor Fresh Pouch first landed on store shelves in September of 2000, it was heralded as the biggest innovation in the category since canned tuna was introduced in the 1920s. This new product breathed new life into what had become a mature industry.

We knew that advertising would play an essential role in promoting continued growth of this product line. To maximize our advertising's success, we used measurement at pivotal stages during the advertising development and airing process. An after-the-fact return-on-investment analysis proved that taking this "best practice" approach was an excellent business decision.

The tuna industry in 2000

Developed in the early 1900s, canned tuna had become a stagnant industry in the United States by the end of the century. To make matters worse, tuna prices had hit a 34-year low as a result of an industry-wide inventory glut. Using "me too" packaging and products, suppliers in the $5 billion dollar category attempted to compete on the basis of price — leading consumers to view canned tuna more and more as a commodity item.

As the world's largest producer of canned tuna, with over 40 percent share of the category, we took the lead in transforming this environment (Figure 1). We changed our consumer marketing strategy in support of innovative new products that could establish brand equity around a superior taste position. Branding would drive product development and pricing, rather than allowing price to lead the way. We would restore excitement to the category for retailers and provide them benefits in the form of lower merchandising costs and higher profit margins. The industry itself would evolve as growth in the pouch category built equity, reduced swollen stocks, and moved the category away from price competition.

continued on p. 84

Figure 1

StarKist decided to transform the environment . . .

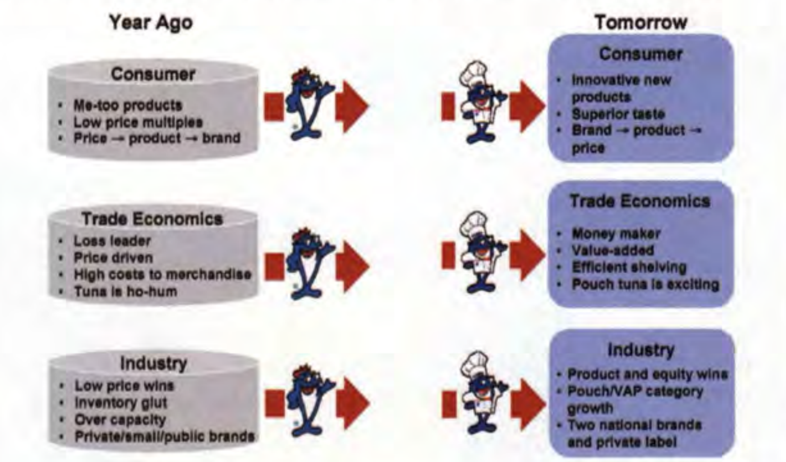


Figure 2

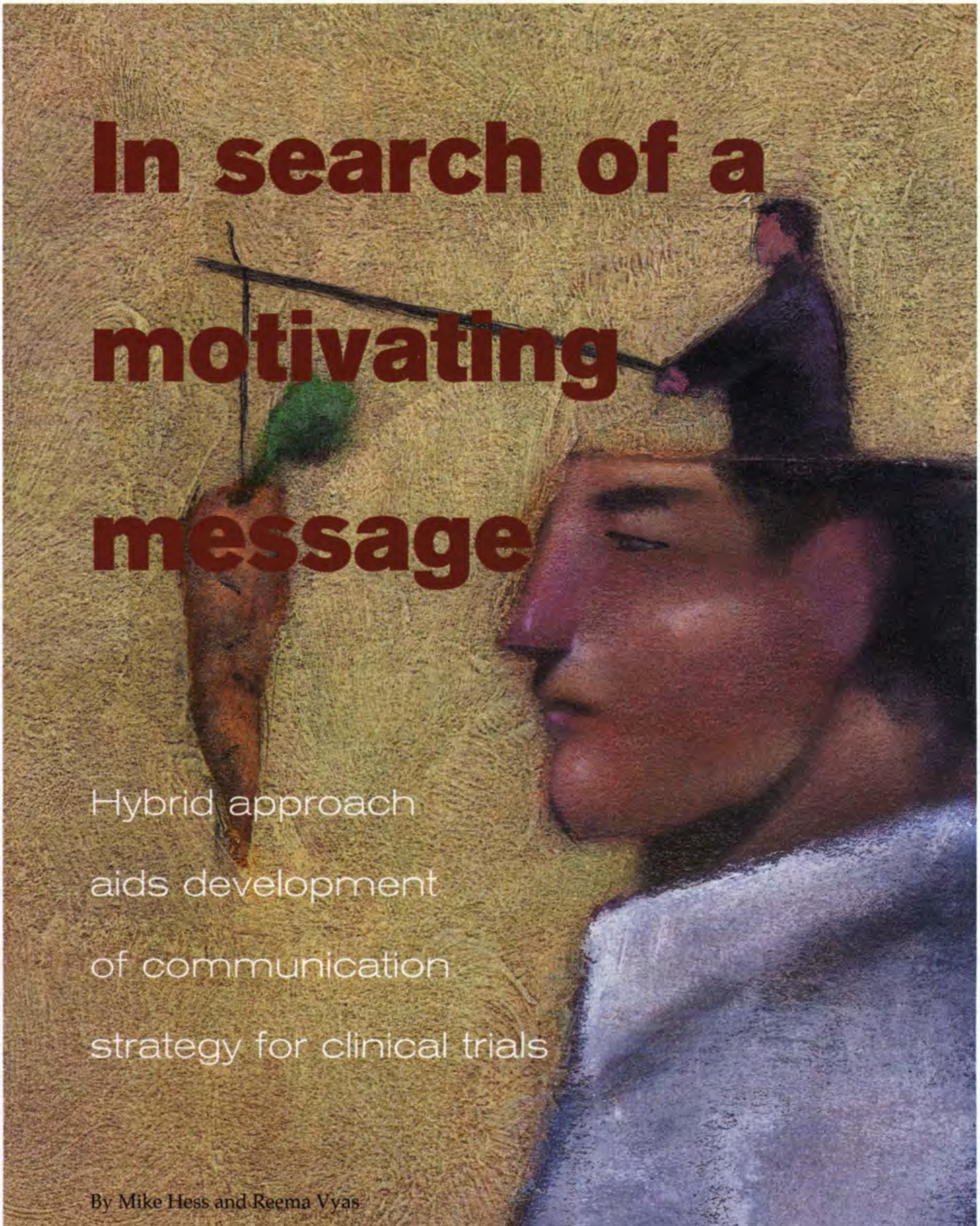
BASES Results

	Concept	After Use	Percentile Score vs. BASES Database
Top Two Box Purchase Intent	74%	90%	Top 20%
Liking	4.3	5.0	Top 20%
Uniqueness	3.9	4.0	Top 20%
Value	3.7	4.3	Top 20%

In search of a motivating message

Hybrid approach aids development of communication strategy for clinical trials

By Mike Hess and Reema Vyas



Editor's note: Mike Hess is former senior research advisor for BuzzBack Online Market Research, New York. Reema Vyas is former account planning director at TBWA\Chiat\Day.

Internet technology has come of age as a tool for conducting market research. Compared to traditional research methodologies like phone and mall intercept interviews, it provides an enormous advantage as a result of the following:

• With the right technology and research methodology, it can combine qualitative and quantitative questions in a single study to provide a significant sample of in-depth data.

• It provides quick turnaround time, allowing data to have real-time impact on product strategy and development.

• It is cost-effective. The comprehensiveness, quality, and efficiency of online research allows companies to integrate research at more critical points in the product strategy and development cycle, resulting in more informed decision-making.

In this article, we describe the outcome of an online research study that was conducted by TBWA Health, a health care marketing consultancy specializing in clinical trial recruitment and retention, in partnership with New York-based BuzzBack Online Market Research.

A leading pharmaceutical company wanted to initiate a clinical trial to evaluate an investigational hormone replacement therapy (HRT) for the treatment of menopause symptoms. TBWA Health was chosen to develop advertising strategy for accelerated recruitment of qualified women to participate in this clinical trial in the highly competitive health care industry. At the outset, research was required in the communication strategy and development process to formulate a compelling message to motivate the target population to call a toll-free number to inquire about participating in an HRT clinical trial in general.

The HRT clinical trial example used in this study is ideal because it provides the following key features for evaluating the online research methodology versus traditional research methods:

• Widespread use — 76 percent of females online reported searching for health information[1].

• Anonymous — Online research yields a less biased answer, especially about sensitive topics such as personal health[2].

• Depth and breadth – The online methodology marries both quantitative data and qualitative data in the same study, resulting in a significant sample of in-depth data.

• Integrated product and positioning development — Quick turnaround of data including up-front consumer learning can be integrated into product development and marketplace positioning. This ensures that the primary benefits that consumers seek have a chance to be incorporated into new products before they get too far along the development continuum.

• Speed-to-market — In the highly competitive HRT market, time is of the essence; rapid patient recruiting results in faster product-to-market, which in turn can result in a significant increase in revenue.

• Cost effective — Technology is leveraged to get a geographically diverse sample and synthesis of data in real-time.

The following three-phased online research program helped to determine the most compelling message to motivate women to call an toll-free number to participate in an HRT clinical trial:

Phase I: Quantitative and qualitative online segmentation study

Phase II: Qualitative message research

Phase III: Quantitative and qualitative online advertising testing

Phase I – Quantitative and qualitative online segmentation study (three weeks)

Step 1: Conduct secondary research

Step 2: Develop questionnaire

Step 3: Collect data (1,000 women)

Step 4: Segmentation analysis

A segmentation analysis was conducted in order to determine our key targets based on women's lifestyle/attitudinal/psychographic groups. After reviewing current HRT literature, an in-depth segmentation questionnaire was developed. Using the Internet as a fielding venue, 1,000 geographically (U.S.) dispersed women who had not had their period for at least 12 months were recruited via opt-in email lists to answer a 15-minute online study. This questionnaire isolated the key influencing variables for menopausal women — women's lifestyle, their interests, their attitudes towards themselves, their health, their relationship with their physician, the manner in which they manage their menopause symptoms, and their knowledge about menopause and HRT. The types of questions that were asked included the following:

• Quantitative, closed-ended, evaluative questions (on topics such as family medical histories and willingness to participate in a clinical trial for HRT):

"I keep up with current events." "I keep abreast of scientific advancements." "I look forward to achieving more in my career." "When I look at myself in the mirror, I am usually happy with what I see." "When I am sick, I'm likely to seek medical treatment early." "I have a good relation-

continued on p. 87

Who's who in ad copytesting II

An overview of the major players doing copytesting online

By Tim Huberty

Editor's note: Tim Huberty is president of St. Paul-based Huberty Marketing Research. He is also an adjunct professor in the College of Business, University of St. Thomas, St. Paul. He can be reached at tim@hubertyresearch.com or at 651-698-8776.

A year ago, I wrote an article for this magazine entitled "Who's who in copytesting – An overview of the major players." In that piece, I profiled seven leading companies whose bread and butter was copytesting. At the end of the article, I indicated that I might compile a similar review in 2003 of major players who perform copytesting over the Internet. Around the first of this year, representatives from two different companies using the Internet for copytesting wrote to me, taking me up on my whim. Next thing I knew, other companies were sending me profiles. So, like any actor, when the audience calls for an encore, I am back with more.

The methodology

The players profiled in the following pages are an eclectic lot. How did they make it into this article? Four ways: 1) They contacted me. 2) I checked in with the companies profiled in last year's article. 3) I logged onto quirks.com and followed the company links from the Researcher SourceBook. Once there, I typed in a variety of terms from "copy testing" to "online survey design/analysis." Each of the companies which turned up were then sent an e-mail asking if they really did utilize the Internet for copytesting. If they answered affirmatively, they were then sent a short questionnaire. 4) Finally, I contacted the Marketing Research Association and was referred to their online Blue Book. Again, I submitted a variety of terms from "copy test" to "Internet Web based surveys." All companies identified were again sent the invitation and, upon response, were forwarded the short questionnaire.

If you're a company that conducts copytesting studies using the Internet and you're not in this article, it's because 1) you don't respond to e-mails or 2) you need to get your firm listed on a few search engines, or 3) you need to undertake some sort of marketing effort to shift your compa-

ny's visibility from "no profile" to, at the very least, "low profile."

So who is in the mix? A cornucopia of nine very eligible companies, all extremely eager to solicit your business. But as I promised in my original e-mail to these suitors, I am not making any personal recommendations. Instead, here I only want to act as a pseudo-matchmaker. I intend to tell you who's out there, highlight an attractive attribute or two, but ultimately leave it up to you, the reader, to make the first move, to set up the first date.

Companies are profiled in alphabetical order. Last year, at the end of the article, a comparative grid was included. Unfortunately, there were more gaps in that grid than a Nixon tape. Understandably, it was difficult, if not impossible, to compare companies on items such as cost, especially when their methodologies and sample sizes were each unique. For that reason, this year the chart has been retired. However, contact information is still provided at the end of each entry.

Ameritest

Overview: Ameritest has been pretesting print on the Internet for two years, and is currently beta-testing TV. Its normative databases include ads from Fortune 100 companies for high-tech, financial services and packaged goods. Ameritest uses the Internet for both ad pre-testing and post-testing. Ad pre-testing is also available via the Internet for TV, print and banner advertising.

How it works: Ad tracking is based on ad recognition. Respondents are shown an ad and asked whether they remember having seen it. A television or print ad can be shown in its entirety or, for a TV ad, recognition can be based on key frames. These frames represent "key branding moments" as previously measured in pre-testing utilizing Ameritest's Picture Sorts. Recent research shows that these moments are important contributors to long-term equity, particularly for emotional advertising.

Special features: All research systems utilize "military grade" security, and technology that is compatible with the vast majority of computers and virtually transparent to the respondent. Standard measures include attention, brand linkage and motivation; diagnostics include verbal ratings and non-verbal techniques like the Print Flash Test, which tracks a reader's path through a print ad or banner ad, and Flow of Attention and Flow of Emotion for television.

(Contact Chuck Young, 505-856-7999, chuck@ameritest.net.)

The ARS Group

Overview: The ARS Group has fully embraced the copytesting possibilities of the Internet. This is evident in the range and variety of products and services offered. The flagship product is ARS WOWWW Competitive Intelligence Service, an integrated global online brand and advertising tool with electronic notification of new competitive activity. The company has also moved its ARS Outlook planner, a "what if" planner, from a desktop application to an Internet application. Finally, the ARS Group has joined forces with Nielsen ReelResearch to offer the ARS Interactive Diagnostics technique, a quick, cost-effective alternative for collecting diagnostic feedback on a multitude of stimuli, from storyboards to full-motion video. Already the ARS Group claims to have conducted over 2,500 online tests.

How it works: Consumers are invited via e-mail to participate in the research study. They visit a password-protected site and are routed to the proper test by the survey module. The survey module then exposes them to the stimuli (via a proprietary media player), administers the custom questionnaire, and collects their feedback, which is viewable as it occurs. When completed, the video/graphics and questionnaire are fully erased to ensure security. Test results are then accessible via the ARS WOWWW e-commerce platform for 24/7 decision support. The data delivery module for the ARS Interactive Diagnostics technique includes 1) topline results, 2) fully searchable verbatims, 3) statistics testing, crosstabs — on the fly, and 4) table creation exportable to Microsoft Excel.

Special features: The "world's leading copy test company" has no difficulty highlighting the variety of advantages of its system. These range from a system which is better ("the only service whose reliability is determined through an automatic test-retest system"), faster (real-time access to verbatims and full results in three to six days) and a better value (verbatims and coding of larger sample sizes included).

(Contact Don Jones, 812-425-4562, wecanhelp@ars-group.com.)

Decision Analyst, Inc.

Overview: Since 1996, Decision Analyst, Inc. has tested over 500 commercials online. The company's Internet-based advertising testing systems include CopyScreen, CopyCheck, and CopyTest, all of which have their own distinct methodologies and special features. All three systems are designed for, and executed over, the Internet using Decision Analyst's suite of worldwide consumer and business to business Internet panels.

How it works: In CopyScreen, ads are tested in batches of 10 to 15, with sample sizes ranging from 200-300 category users. Respondents see all ads, one after the other, in randomized order, answering a series of questions about each. On a second viewing, respondents answer four questions about each ad. CopyScreen's special features include a "beauty test" ranking of ads for approximately $1,000 per ad. A typical project is completed in about two weeks.

CopyCheck is a monadic testing system designed to give diagnostic feedback to early-stage ads. Sample sizes range from 50–100 category users. After the second viewing, respondents answer a series of questions, from attention value to suggested improvements. Topline results are available as the study is executed. Decision Analyst emphasizes CopyCheck's economy ($5,000-$6,000/ad) and turnaround (seven days).

CopyTest is a comprehensive monadic testing system to evaluate final or near-final creative, including print, radio, and TV. Samples sizes range from 150–200 category users. After the second viewing, respondents answer a series of 60 questions about the advertising. Results are fed into a mathematical model, SellingPower, to predict overall advertising effectiveness. Copytest's special features include tie-in to a mathematical model which measures 16 different variables. (Contact Jerry W. Thomas, 817-640-6166, jthomas@decisionanalyst.com.)

DiscoverWhy, Inc.

Overview: Everything DiscoverWhy does is tied to the Internet. The firm has conducted hundreds of online customized marketing research projects across a wide spectrum of studies, ranging from "live" online coverage of the presidential debates with second-by-second voter reaction to the candidate's remarks, to providing the data collection technology to evaluate real-time viewer response to new TV programs, to conducting hundreds of copytesting studies for Fortune 1000 advertisers.

How it works: DiscoverWhy offers four levels of advertising copytesting services. The current suite of services includes: 1) DiscoverWhy Classic (test ad streamed, followed by quantitative survey questions), 2) DiscoverWhy Clutter Reel (a seven-ad clutter reel with quantitative survey questions plus ratings of ads on a second-by-second basis by market segment), 3) DiscoverWhy PA (a four-ad monadic test with quantitative survey questions plus ratings of each ad on a second-by-second basis by market segment), and DiscoverWhy Concept Lab (half-hour TV programming in a theater setting, again combining quantitative survey questions and ratings of ads on a second-by-second basis using Perception Analyzer technology). Each of the latter three services is followed by a "Turbo Focus Group" discussion. Survey results of all services are posted in the DiscoverWhy virtual client room, a secure area on the company's Web site, allowing for instantaneous review of summary findings for all survey questions, video ratings and open-ended discussions.

Special features: DiscoverWhy makes no secret of hiding its perceived superiorities. Unlike Mapes & Ross (see description below), it has, for better or worse, put all its eggs in the Internet basket. DiscoverWhy adds that its totally Internet-based platform creates a value proposition for clients, a proposition driven by reduced time (results in days or hours rather than weeks), reduced cost, and reduced focus on "what," to the point of beating its focus on "why" to death. (Contact Kyle Gollins, 781-276-1623, kgollins@discoverwhy.com.)

Ipsos-ASI, Inc.

Overview: Next*Idea is Ipsos-ASI, Inc.'s self-administered copytesting service using the Internet. Over 400 ads have been tested through Next*Idea since its introduction in the second quarter of 2001. Next*Idea is based on Ipsos-ASI's time-tested philosophy of how advertising works. It relies on validated quantitative measures of copytesting, as well as insights provided by qualitative analysis of open-ended questions.

How it works: Typically, 100 respondents are recruited from five trusted Internet panels. More respondents are recruited if it is necessary to analyze subgroups. Each respondent evaluates one and only one ad. Once respondents meet the qualification requirements, they are asked a series of questions regarding their purchase intent and frequency concerning the test category. In order to familiarize respondents with early-stage advertising storyboards, they are then exposed to a demonstration ad concept storyboard and corresponding finished commercial from a product category that is unrelated to the test category.

This allows respondents to get acquainted with the type of material they will be evaluating and to understand that they will need to react to the idea of the commercial rather than to its form. Following this demonstration, respondents are exposed to the test stimulus, and then administered the remainder of the questionnaire. The test stimulus is delivered in a secure environment, and the quality of the stimulus is checked through closed-ended questions. Timing is approximately two-and-a-half weeks from delivery of the test material to research results. Next*Idea can be used on various types of stimuli, including print, direct mail pieces, radio ads or outdoor concepts.

Special features: Ipsos-ASI has "identified the measures that matter and understands their drivers," believing these measures are valid predictors of an ad's performance. There are three key measures, including Recall Potential (calculated from a database of over 20,000 ads tested, built upon those "drivers of recall," attention and linkage), Persuasion Potential (measured as pre-/post-purchase intent and frequency) and Brand Equity Potential (integrating Ipsos-ASI's Equity*Builder into Next*Idea to assess potential for the ad to build brand equity).

(Contact Paula Richardson, 773-871-0562, prichardson@ipsos-asi.com.)

Mapes & Ross

Overview: Mapes & Ross has been conducting "traditional" copytesting for over 30 years. During the time, it has tested over 25,000 TV commercials on-air and 6,000 print ads in-magazine. Mapes & Ross puts a different spin on using the Internet for copytesting. It believes that "The recent frenzy regarding testing advertising online has, in our opinion and experience, been comprised of more hype that hope. Just because it's the current technology doesn't mean it's the best way to conduct ad research."

How it works: Mapes & Ross has determined that "the communication levels from online testing are equivalent to what we see from traditional, in-person interviewing." However, the firm throws tantrums if the research objectives for an ad test call for a "clutter recall" score. It has found that without the presence of an interviewer, the chance of obtaining a recall outcome that is reliable is very unlikely. Also, Mapes & Ross doesn't put much stock in purchase intent measures (vs. its own validated Brand Preference Change procedure). Ironically, it has found that copytesting using the Internet takes a little longer and costs a little more that doing a traditional, mall-type interview — though narrow incidence samples can benefit from an online approach, assuming lists are available.

Special features: If a client asks, Mapes & Ross will do copytesting using the Internet, but it's not the firm's own first choice. Instead, it is more likely to recommend use of its "tried and true" traditional in-person procedure. Playing to its strengths, Mapes & Ross can provide a full report, including a PowerPoint presentation deck suitable for management, in seven to 10 days. Internet testing adds three to six days to the process.

(Contact Michael Logan, 609-924-8600, x222, mlogan@mapesandross.com.)

Millward Brown

Overview: Millward Brown's TV OnLink is an extension of the company's TV Link, an empirically-based methodology that was developed from key learning obtained from continuous brand tracking pioneered by Millward Brown in the 1970s. Millward Brown used the expertise developed via testing over 20,000 TV ads in 63 countries over the past 15 years to launch TV OnLink. Over two years of validation testing has been undertaken among both consumer and business audiences across four different countries.

How it works: The methodology for TV OnLink differs very little from that used for the traditional Link methodology. Respondents are recruited online. Once qualified, they are asked some warm-up questions about TV advertising to provide a relevant context while the test ad is being downloaded to their computer. The test ad is then shown twice (the same number of times the ad is seen in a standard Link approach) and the full questionnaire asked. This avoids the need for excessive time required for the full four-ad context reel to be downloaded. The closed-ended and open-ended questions provide both validated predictive metrics (Awareness Index and Persuasion measures) and sensitive diagnostic feedback which "leads to more effective and targeted advertising." The Link test approach recognizes that respondents are seeing the advertising in a test environment where they are being actively engaged with the medium. Hence, Millward Brown believes the more introspective approach to the questions used in the Link test makes it very easy to use in the online environment. Finally, Millward Brown has replicated its Interest Trace approach, which reshows the ad and asks respondents to use their mouse to indicate how interested they are in the ad as they are watching it.

Special features: Millward Brown has also successfully adapted its Link methodology for testing other key media online, including Print Link and Outdoor OnLink. Finally, the company touts the fact that it is a "global research company" with 66 offices in 35 countries, ensuring "global consistency in the approaches we use."

(Contact Adam Coleman, 416-250-3653, adam.coleman@us.millwardbrown.com.)

MSW Research

Overview: MSW Research has a long history of adapting methodologies, moving its core products from theaters to malls to, most recently, the Internet. MSW Research began experimenting with online copytesting in 1998 and now offers two systems: 1) AD*VANTAGE/ACT Online, a full evaluative copytesting methodology and 2) PROLOG Online, for early-stage creative evaluations. Actually, both systems have been used for thousands of tests since 1968. However, before leaping headfirst into copytesting, MSW Research conducted extensive testing to assure quality and comparability across venues for both the methodologies.

How it works: AD*VANTAGE/ACT Online is conducted using an online recruit methodology whereby 150 target respondents are screened based on demographics, category usage and other client-specified criteria. Qualified respondents are shipped a CD-ROM. This CD-ROM holds programming, clutter commercials and the test commercial. Respondents insert this auto-executing CD-ROM into their computer and view all the video material in full-screen and full-motion. The CD-ROM and online survey interact seamlessly while all data is collected online. AD*VANTAGE/ACT Online is a multiple exposure methodology that provides in-depth understanding of why advertising performs as it does on such evaluative measures like brand recall and persuasion — scores which MSW Research claims will predict effectiveness in the marketplace. Turnaround time is 17-21 days. Another of AD*VANTAGE/ACT Online's special features is that it is the only in-program online television commercial research service using full-screen, full-motion television-quality video.

MSW Research's second product, PROLOG Online, is a monadic quali-quant system designed to investigate consumer reactions to early creative ideas. PROLOG Online utilizes a variety of online sources to generate a sample of 100 respondents. The methodology identifies strengths and weaknesses of strategy, message and execution via multiple exposure, extensive probing and verbatim responses. The entire survey with test stimuli is online. PROLOG Online can accommodate stimuli of varying degrees of finish, including storyboard, animatic, or full motion shown via Flash or download. Best news: Four- to five-day turnaround. Incidentally, even if these two products can't solve every copytesting problem using the Internet, MSW Research offers full custom capabilities to address any other issues. (Contact Art Klein, 516-394-6025, aklein@mswresearch.com.)

RestaurantInsights.com

Overview: RestaurantInsights.com is a full-service marketing research firm that specializes in the restaurant industry. However, proving that variety is the spice of life, RestaurantInsights.com also conducts research for the food packaged goods industry as well, utilizing a variety of approaches, including copytesting using the Internet. RestaurantInsights.com was the only company contacted which provided a detailed explanation of its ability to also test radio advertising using the Internet.

How it works: Television ad copytesting works similar to radio ad copytesting except that the files are much larger. RestaurantInsights.com takes files received from clients and places them on its dedicated multimedia server. The files are compressed to reduce their size and allow for smooth and uninterrupted viewing. However, even with this compression, the streaming video files are too large to be viewed with a dial-up 56K connection in a high-resolution, high-quality format. Therefore, TV ad copytesting is limited to respondents who have a broadband connection such as DSL or cable. However, since the radio audio files are much smaller than TV video files, any qualified respondent with a 56K connection or faster can participate in the test. RestaurantInsights.com offers two copytesting options. One is for a clutter test and the other for a communications test. The purpose of the clutter test is to determine the recall power or "intrusiveness" of the spot. For the communications portion of the test, the test spot is watched or listened to a second time (this time without the clutter spots) and a series of diagnostic questions related to the communications aspects of the spot are asked. A smorgasbord of diagnostic questions follow, ranging from appeal of the speaker's voice to what should be changed to make the ad more appealing.

Special features: Besides its fetish for the pristine reproduction of the ads to be tested, RestaurantInsights.com also touts its flexibility, offering a much quicker turnaround and ability to make last-minute changes. It also claims to be less expensive and more personally involved. In fact, the president himself, a 25-year marketing research veteran, personally reviews and evaluates all copytesting reports and analyses.

(Contact Fred Efird, 864-515-9070, fred@restaurantinsights.com.)

Epilogue

In this article, I have provided an overview of companies who have developed an expertise for conducting copytesting over the Internet. Much of the information I have provided came from the companies themselves. Sometimes, this information was sent to me in a few paragraphs; once it was given in 15 pages. One company even anticipated my needs by supplying a grid, comparing all the major players. (Remember, I chose not to include a grid this time around.)

Rather than provide an in-depth biography of each company, I have chosen to limit my descriptions to four or five paragraphs, just something to get them noticed. These descriptions should be viewed as nothing more than "personals" from the various companies ("Saw your ads and know we can help you do better. R U willing to test?") So, it's your responsibility to set up the first date. Eventually, you'll have to decide whether or not love and marriage are possible. At the very least, after reading this article, that first contact won't be a blind date.

A campaign for improvement

Getting more from print advertising

By Scott Young

Editor's note: Scott Young is president of Perception Research Services, Fort Lee, N.J. He can be reached at syoung@prsresearch.com or at 201-346-1600.

Marketers are spending more than ever on print advertising, yet relatively few companies make a dedicated effort to comprehensively assess and improve their print campaigns. Those that do "test" print often do so as a quick add-on to focus groups, or employ systems and measures (such as day-after recall) borrowed from television commercial testing. These approaches ignore the uniqueness of print advertising and, more importantly, they fail to generate the insights needed to refine and improve executions.

With this thought in mind, I would like to offer several observations about print advertising and share insights gathered from PRS Eye-Tracking studies documenting exactly how readers actually view and consider advertisements. I'll also suggest several "principles of effective print advertising" rooted in our experience studying the readership and communication of magazine and newspaper advertising.

The nature (and uniqueness) of print advertising

On the surface level, print advertisements and television commercials face the same hurdles: In both cases, executions must break through clutter, hold people's attention and communicate memorably and persuasively. However, there are fundamental differences between television and print:

• Television commercials have a pre-determined length (perhaps 15 or 30 seconds) and a beginning, middle and end.

• Print advertisements have a predetermined space (perhaps a single page or a spread) and the reader determines how long he or she chooses to spend with the ad.

In print, the reader is fully in control of how the ad is considered. In this sense, a print advertisement is more similar to a package (fighting for shoppers' time and attention on the shelf) than to a television commercial. In fact, we've seen that average viewing time ranges from a low of three to five seconds up to a high of 15-20 seconds, depending on the execution, the product category and the target audience.

Two guiding principles for testing print advertising

The fact that the reader is in control has several direct implications on how print executions should be studied and assessed. Most importantly, it means that print should never be judged solely on the basis of forced and extended exposure. Inevitably, readers will "play back" many messages if they are asked to consider an ad for a minute or more. However, these findings will be misleading, because many of these messages will not come across in the five to 10 seconds that these readers would actually spend with the execution. However, by the same token, it can be just as misleading to show readers executions for a fixed and arbitrary period of time (such as 10 seconds), because this negates the ability of some executions to hold attention longer. For these reasons, it is most realistic to show print executions within magazine or newspaper clutter and to allow readers to view them at their own pace.

Figure 1: This example illustrates why many print ads generate very low levels of brand recall and linkage: viewers begin at the main visual (of the copier), rather than with the headline; the visual leads readers to the woman, but leaves them without a clear next step; many readers drift upwards to the headline, but over 60 percent of them "check out" (i.e., turn the page) without getting down to either the branding or the bottom copy.

Secondly, if the ultimate objective is to optimize print advertising, a research system must help uncover exactly why a certain execution is falling short. One benefit of print advertising is that it is relatively easy to refine. However, if print testing becomes a scoring system that relies on a single measure (such as brand recall), it will fail to deliver the insights needed to guide improvements. Ultimately, it will run the risk of discarding good ideas, rather than refining and enhancing them.

How print ads are typically read

With print, the reader is also in control of exactly how an advertisement is read, including which specific messages are actively considered and which are ignored. To understand this dynamic, we utilize PRS Eye-Tracking, which allows us to track viewing patterns (starting point, ending point, etc.) and document the percentage of readers actively considering individual elements of an execution (the headline, branding, primary visual, copy points, etc.). When the PRS Eye-Tracking data is linked with recall questioning (regarding branding and messaging), it helps us uncover why an execution may be failing to get an intended message across (Was the message consistently seen, but not salient and memorable? Or was the message buried and frequently missed as readers skimmed the ad?). Here are three of the most important patterns we've seen:

• Ads are scanned, rather than read.

It should come as no surprise that even the most engaging print executions are not considered thoroughly by most readers. In fact, when ads are shown in magazine clutter, we've typically seen that there is a ceiling of about 15 seconds of average viewing time. This figure holds true even among qualified and sophisticated target audiences, such as doctors and IT managers.

As importantly, we've found that the time spent with an ad does not correlate directly with the amount of text. In other words, beyond a certain point (typically four to five sentences or bullet points) adding additional copy is not likely to generate additional reading time. Instead, it becomes a zero-sum game in which each additional message will serve mainly to take readers' attention away from other elements in the ad.

• Readers start with the main visual.

Many print executions are designed on the premise that readers will start at the top left and work their way downward and to the right in a traditional reading pattern. This is a mistaken assumption; we have consistently found that readers nearly always start with the dominant visual element within an ad. In most cases, this element (usually a picture) is positioned in the center of the page. From this starting point, reading patterns do often take over, as readers are more likely to drift or scan downward and rightward. As a result, messages positioned above or to the left of the main visual (including many headlines) are often missed (see Figure 1).

While this viewing pattern should lead readers to the brand signature frequently seen in the bottom right corner, we have also found that over 50 percent of readers "check out" of an advertisement before reaching this point. In fact, this is the primary reason that we often see low brand recall or linkage levels.

• Visuals dominate attention.

The tracking of ad viewing patterns also reinforces a basic fact about people: We prefer to take in information visually, rather than verbally. As a general rule, readers spend at least half their viewing time on visual elements; visuals are nearly twice as likely to be seen and actively considered as copy points. In addition, there is an inverse relationship between the length of a copy block and the likelihood that it will be read. Without question, bullet points are more effective than paragraphs in terms of drawing and holding readers' attention.

Guidelines for effective print advertising

These viewing patterns lead directly to several logical and intuitive principles to help ensure that print executions consistently convey branding and deliver their key messages.

Communicate on two levels

In our experience, the most effective print advertisements are those that "work" in two ways:

— at a glance, in which a three- to five-second scan conveys both the branding and the main idea;

— on a deeper level, in which an additional 10-second "investment" of reading time conveys key support points.

Unfortunately, many print ads bury their key messages and require in-depth involvement to get their point across. These executions may test well in focus groups, but they are less likely to work within magazine clutter.

Communicate branding through the main visual

Many print ads use bold visuals to break through clutter and gain initial attention. However, if the main visual does not include a direct reference to the product advertised, the results are predictable: Readers consistently recall the racecar, goldfish or skydiver in the picture, but fail to link it to the brand. The implication is that it's OK to use a celebrity in your ad, but make sure that she's got your logo or slogan tattooed across her arm. A subtler alternative is to adopt a very consistent look (such as the charts in Oracle prints ads) that immediately conveys branding, without requiring readership.

Create a dominant viewing pattern

The best way to hold readers' attention is to create a clear path throughout the execution by actively leading them from one element to the next. This can be done through effective layout and/or use of visual devices, such as a hand pointing or a football flying.

The single most important point to consider is the positioning of the main visual relative to main messages of the ad. For example, when the main visual is placed in the center of a page, with different elements surrounding it (a headline above, a copy block below, etc.), readers are pulled in different directions. They begin at the visual, but are then left without a clear next step. Often, they bounce around the ad and miss many elements or choose one direction (section of the ad) and never return to consider the other. Conversely, when the main visual borders the advertisement (at the top or left side), it leads readers directly through the ad and helps increase involvement.

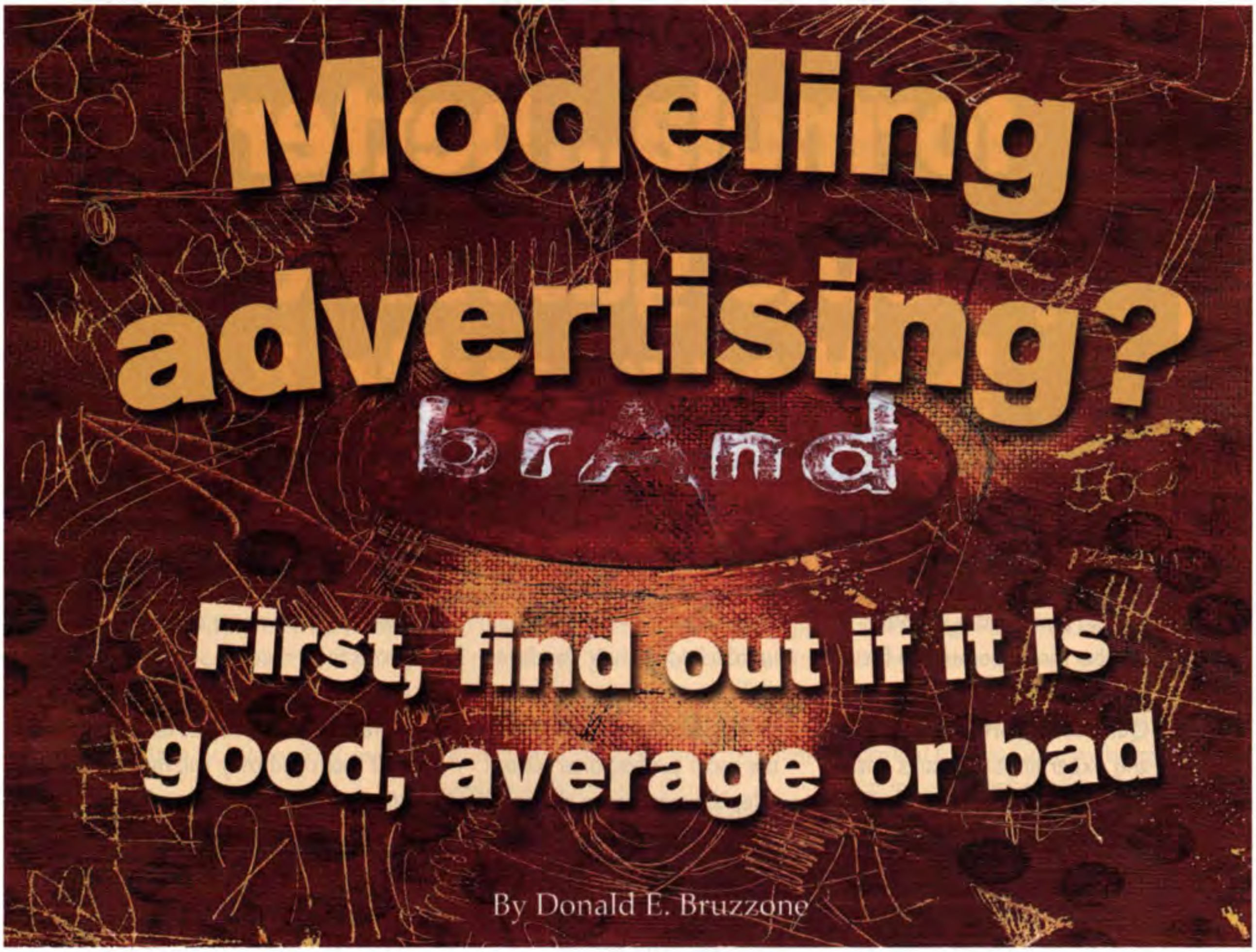
Keep it simple and direct

On television, advertisers have far more time and tools, and thus more flexibility to be subtle and perhaps even a bit abstract. In print, where readers must "get it" within five to 10 seconds, it pays to be clear, direct and literal. You simply can't ask the reader to work too hard, or to invest the time and thought into making a connection between an abstract visual (a mountainside, a busy street, etc.) and your company. On a more general level, it is critical to focus on conveying a singular message or benefit and not try to do too much within a single ad. It's far better to lead readers to a toll-free number or a Web link than to risk cluttering an ad and getting nothing across. Less is nearly always more.

Art and science

Of course, there is no formula for effective print advertising. In fact, in a world of clutter, we have consistently found that it is distinctiveness (through unique appearance and ad placement) that generates attention and involvement. By the same token, however, it would be misguided to ignore the basic realities of how print advertisements are read.

By applying these fundamental principles to the design and testing of print campaigns and balancing art with science, marketers will be rewarded with more effective executions. They will be able to take breakthrough creative ideas and guide refinements to help them communicate even more quickly, clearly and persuasively.

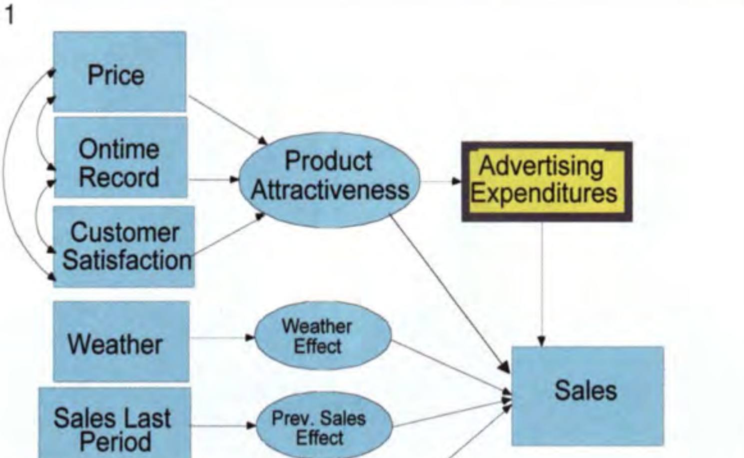


Editor's note: Donald E. Bruzzone is president of Bruzzone Research Company, Alameda, Calif. He can be reached at donbruzzone@bruzzone-research.com. This article is adapted from a presentation at the IIR Conference on Marketing Mix Modeling in Chicago on March 21, 2002.

The object of marketing mix modeling is to learn the most effective ways to increase sales. To do that you need valid measures of every element in the mix — everything that could be affecting sales. This article focuses on measuring the true effect of one of those elements, advertising. It concentrates on advertising because a major reason many marketing mix models don't work as well as they could is that advertising is only represented by dollars or GRPs.

Let me set the stage with examples I've used before. In the simplest of situations where just two factors are expected to account for all the changes in a brand's sales, the problem model

Figure 1



looks like this:

(A x Advertising GRPs) + (B x Price) = Sales

Many variations of this basic problem will be encountered in marketing mix modeling, including models that are more sophisticated and complex (Figure 1). The problem with these models is they assume all advertising has the same effect. That is the same as saying bad advertising contributes as much to sales as good advertising. This article stresses the importance of making that portion of a marketing mix model as realistic as possible, and reviews the best ways of doing it.

The measurement problem

Businesspeople have developed an admirable ability to represent complex relationships mathematically. For many elements in the marketing mix this ability is decades ahead of our ability to measure those elements. That's why I feel an up-to-date review of the ways to measure advertising should be very productive. A case can be made that inadequate measures of advertising's impact has caused serious harm in our economy.

There is one prominent exception to that generalization about having inadequate measures of the various elements in the mix. It's price. Scanners have given us near-perfect information in that area. We found clear relationships between price and sales. We didn't find clear relationships between sales and other elements in the marketing mix — like advertising. Lots of package goods brand managers concluded: "Price affects sales, advertising doesn't." And they acted on that. Their view of marketing mix models: "It is a black box into which you shovel numbers, turn the crank, and out comes what the boss thinks is the optimal marketing budget." That uncritical, unthinking use of any tool spells danger.

The damage that was done

Modelers at the time should have kept reminding those who were using their models of the correct conclusion: "The figures we put in the model to represent the effect of advertising didn't help account for changes in sales."

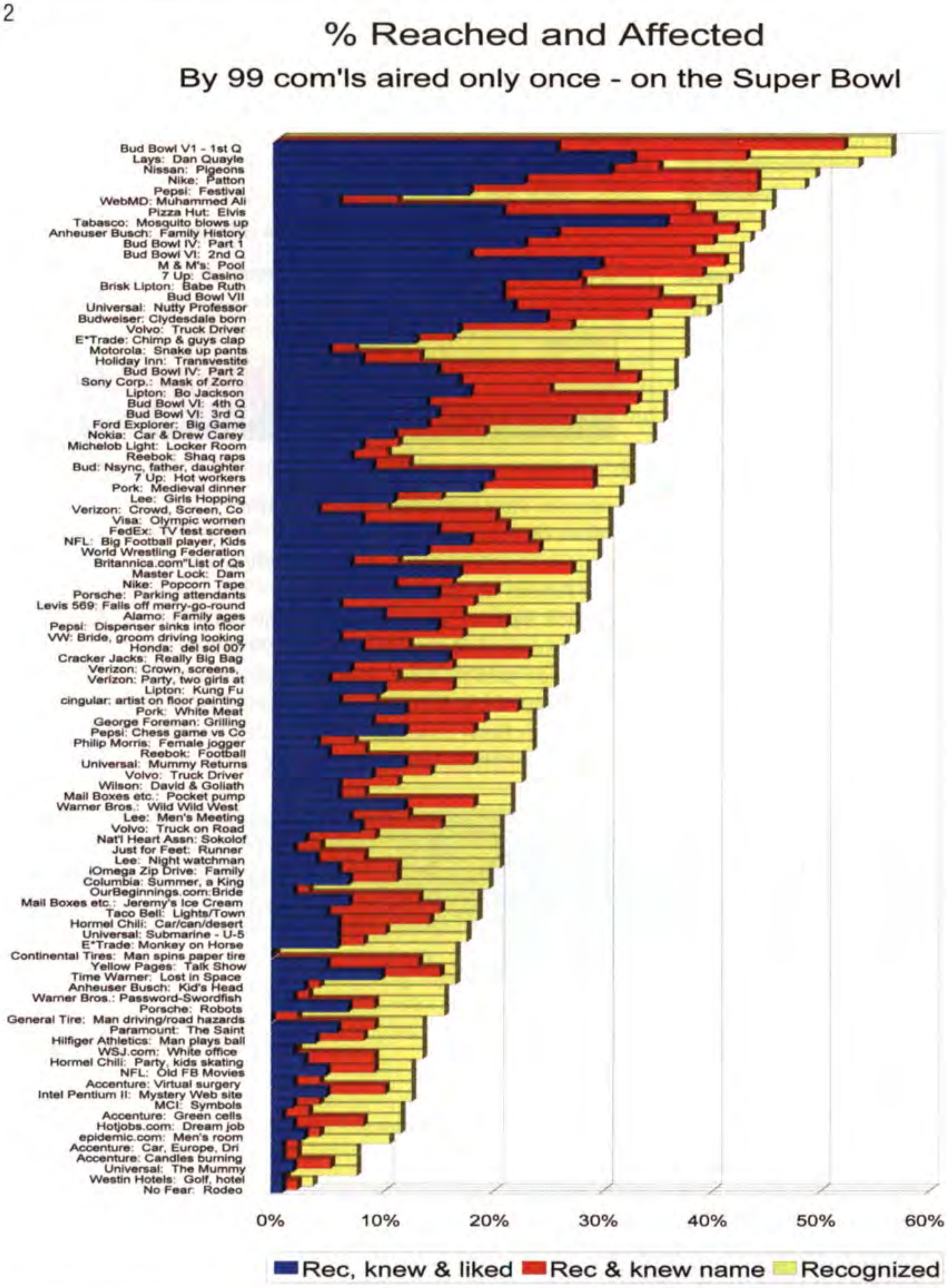
There should have been warnings because what happened next, after scanner data became available, was a major change in virtually the whole package goods industry.

Price promotions increased, advertising decreased, and packaged goods switched from being one of the most profitable segments of the economy to one of the least profitable. Therefore, the issue of how best to measure advertising is not a trivial refinement. A good case can be made that faulty measures of advertising's true effect, used in marketing mix models, have ruined profits in a whole sector of our economy.

What was wrong with the advertising measures?

Measures that only showed the volume of advertising were used for years during this period in marketing mix models. Usually it was total dollar

Figure 2



expenditures or gross rating points. The latter, usually referred to as GRPs, measures the volume of advertising by adding up the rating points of each program the commercial appeared on. Rating points, in turn, show the percent that was watching the program. These are figures the firm already has for other purposes, so they have always been readily available to modelers. But their use in models ignores the problem cited earlier: The assumption that bad advertising does as much to increase sales as good advertising.

Almost everybody involved in advertising has experienced the thrill of a winner and the agony of a bummer. They know there is a big difference. But there appears to be a mindset among modelers, and the management that is responsible for them, that finds it easy to accept a different view. They see the key question as "What is going to happen if we do a little advertising, a lot of advertising, or no advertising?" This willingness to accept the premise that all advertising is going to have about the same impact needs to be challenged. It needs to be challenged because it is now evident that a big part of the problem was that most modelers and their management did not take the rather obvious limitations of advertising volume measures seriously. There wasn't the impetus to do what is necessary, and spend what is necessary, to get more valid measures of advertising's effect on sales. It shows an urgent need to look at the evidence showing the quality of advertising is at least as important as the volume of advertising.

The amount of difference between good, average and bad advertising

Some of the most clear-cut and conclusive evidence on this point is provided by Super Bowl commercials. It comes from our firm's database built from tracking the impact of every Super Bowl commercial aired during the past 11 years.

We check a cross-section of the public a few weeks after every Super Bowl. We wait a couple of weeks to see how many of the Super Bowl commercials had any lasting effect on people. We start by finding out how many still recognize the commercials. That shows the attention-getting value and the memorability of the commercial. We also see if they remember who it was for. That shows how well it was branded and how well it performed in getting across the most important piece of information every ad has to communicate. Those two measures only show if the respondents noticed the commercial. They don't show if it had any effect on them. To measure that, we ask how well they liked it, the measure the famous Advertising Research Foundation Validity Study indicated was the one most closely related to sales. If they pass all three tests we consider them reached and affected.

Some Super Bowl commercials are aired only during the game, and never again until our interviewing is complete. Those are the ones plotted on the chart in Figure 2 — and they are the ones that prove the point.

• Exposure was identical — and under real-world conditions.

• We found the results were not identical.

• The difference was the quality of the advertising.

Figure 3: BRC Super Bowl Data shows quality makes a big difference

Super Bowl Commercials			
	Top 20%	Bottom 20%	Ratio Top/Bottom
Recognized	43.8%	11.2%	3.9
Recognized and knew who for	34.5%	4.9%	7.0
Recognized, knew and liked it	22.1%	2.64%	8.4

The long yellow bars on the chart show the percent that recognized these 99 commercials ranged from over 50 percent to less than 5 percent, an impressively wide range for commercials that all had an identical amount of exposure.

The red bars show their branding ability also varied widely. For some commercials almost everyone who recognized the commercial knew who it was for. For others, hardly anyone did.

The blue bars show the percent that passed the first two tests, and also passed a third test: they liked the commercial. This measure revealed even more variation between the commercials.

The amount of difference that can be found between the top commercial and the bottom commercial in a comparison like this can be dismissed as a rare and unusual difference. None of the others differed by as large an amount. So to provide evidence on the amount of difference that can normally be expected between "good" and "bad" advertising, we averaged the performance scores from the top 20 percent and the bottom 20 percent.

An appendix at the end of this article contains all of the data from the 99 commercials plotted on the chart in Figure 2. It details the commercials that were in each group, and shows how the averages for the top 20 percent and the bottom 20 percent were calculated. The table in Figure 3 compares those averages, and shows there was a wide difference between the performance of the "good" and the "bad " commercials.

Among these 99 commercials that all had an equal amount of exposure under normal, real-world conditions, the top 20 percent were recognized by four times as many as those in the bottom 20 percent. They were four times as likely to be noticed and remembered. When we move down a line and consider the number that both recognized the commercial and knew who it was for there was an even bigger difference. And when we move to the last line, using all three measures, we get the biggest and most important difference. The "good" advertising reached and affected eight times as many as the "bad" advertising.

When you consider this comparison is based on Super Bowl commercials, it could be understating the true difference. Advertisers were paying millions for this single airing, so they were doing everything they could, using the best and brightest in the business and giving them big production budgets, to insure they had a good commercial to run on the Super Bowl. Because of this, you would hope the number of bad, ineffective commercials on the Super Bowl would be somewhat less than you usually find on TV.

At this point some might be wondering, "What's the big deal? Who argues with good being better than bad?" That is critical. All who are using just dollars or GRPs in their marketing mix model are arguing with that. They are arguing that having good advertising is no better than having bad advertising.

Consider the magnitude of the difference. Advertisers in the top 20 percent got eight times as much for their money. That's big. Who even fantasizes about an eightfold increase in their ad budget next year? You can't expect a model to fit without allowing for this.

How could it fit when some ad dollars are eight times as effective?

Confirming evidence from other sources

Have other researchers found the same thing? That's always a wise question to ask. In this case confirming evidence is available from many other sources. Probably the largest, most carefully conducted and most persuasive is the study popularly known as Adworks One. It was headed by Len Lodish of Wharton and supervised by research directors of 40 major advertisers. (Lodish, et al, "How TV Advertising Works: A Meta-analysis of 389 Real World Split Cable TV Advertising Experiments," *Journal of Marketing Research*, May 1995.)

The participating companies pooled their results from this most expensive and conclusive procedure for measuring the effect of advertising on sales to see what could be learned. Two key findings were relevant to the issue of whether creative quality is more important than volume.

• When the testing procedure was

used to see if new commercials produced greater sales than old commercials, that type of change was often accompanied by sales increases. The new commercial could have been better, or the old commercial could have worn out. Both reflect the current quality of a commercial.

• When the same test was used to see if increased GRPs or expenditures produced greater sales, that type of change was seldom accompanied by sales increases.

Changing the commercials changed sales. Changing volume didn't. This classic study showed quality was not just as important as volume, it was more important.

Speakers at conferences on advertising research have provided another type of evidence. Our firm keeps track of them by publishing our Top Ten Insights, a short two-page recap of conferences that we have been sending to customers and colleagues since 1995. We have just reviewed all of them to document two key points:

• Many conference speakers have said quality is more important than volume.

• No conference speakers have said volume is more important than quality.

There is more, but that should be enough to document a point that few researchers outside of modeling would argue with. It is hoped at least this much can be of help, because most of the current marketing mix models our firm is aware of are still using just GRPs or dollars to represent advertising. They are still assuming volume accounts for everything. And that bad advertising accounts for just as much as good advertising.

In case the problem is not knowing how to fix the situation, we'll move on to a review of the solutions. One of the things we hear from modelers is that they don't feel comfortable being put in the position of an expert in advertising research. They don't like having to pick one measure of advertising's impact over another.

The question we hear most frequently about marketing mix models from non-modelers is the simple, straightforward question of "Do those things really work?" That's fairly simple to answer. Put historic information about price, advertising, and all the other elements in the model. Did it "predict" what actually happened to sales? If not, you have clear evidence your model doesn't work. If it does, you at least have reason to believe it may prove as successful in predicting the future as it did in accounting for the past. If it accounted for some, but not all, of the past changes, you have reason to keep working on the model to see if you can find what is missing. The following review of opportunities for measuring advertising's true effect should help both groups.

Measuring the quality of advertising

There are many ways to measure the quality of advertising. Most will usually help improve model fit — at least a little. The best will almost always help — and they will help a lot. The moral we would offer: Try to get the best, but don't ignore any.

• Subjective measures: What you hear about the advertising from friends, at home, in the office are all examples of the type of thing that should not be ignored. If nothing better is available, think about the general thrust of the comments you are hearing. Are they primarily positive or negative? With a conscious effort to be objective, this information can often be used as the basis for classifying current advertising as above average, average, or below average. When a simple three-level classification like that is factored into a marketing mix model it is often enough to produce a measurable improvement in the model's ability to account for past changes in sales.

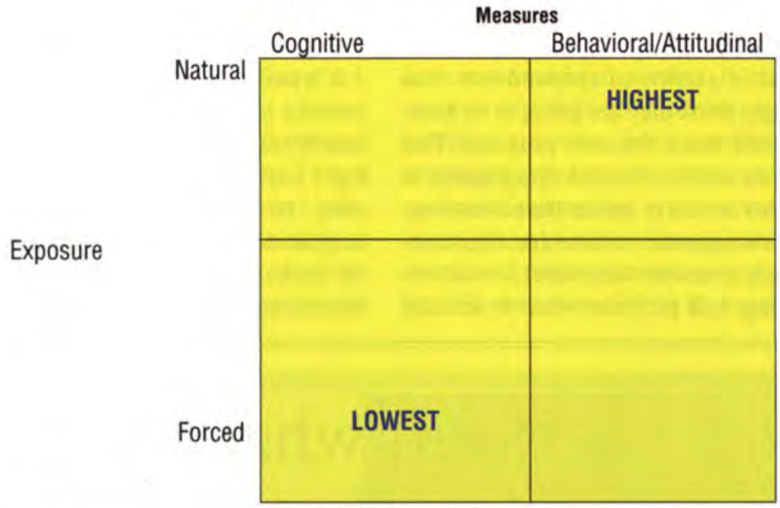
Focus groups can be used the same way, as can critics' reviews, and any awards the advertising might win. Anything that can be used to help decide if the advertising is above average, average or below average is worth trying to see if it improves the fit. Modelers who say they have to stick with volume-based measures of advertising because they cannot afford anything better are not really trying.

• Pretesting gets into more quantitative measurement of ad quality. Often modelers feel bewildered by the many different types of pretesting they are faced with. Their firm uses many and they don't know which to place the most faith in. The chart in Figure 4 may help. It categorizes all pretesting in terms of where it falls based on two characteristics: how the advertising is shown to the respondents, and what is measured by the questions the respondents are asked.

It shows the least valuable pretesting uses forced exposure and cognitive measures. ("Look at this commercial.

What is the main point it is trying to get across?") Even though that has been a popular way of pretesting for decades it suffers from two near-fatal flaws. First, it forces people to look at the advertising. The greatest danger any advertising ever faces is being ignored. It follows that an ad's ability to capture attention is an essential attribute. When you force a person to look at advertising you don't learn anything about that. Second, it concentrates on message comprehension. Understanding the message isn't nearly as important as understanding the effect that message might or might not have on a person. The Advertising Research Foundation Validity Study showed main point recall was not closely related to sales. Those who remember the message might not find it believable, or important, or persuasive. The ARF Study showed the effect on their attitudes is what is important. That's why likability turned out to be the most predictive of all measures. It was actually more predictive than direct questions about future intentions to purchase, or simulated purchasing decisions before and after exposure. However, those behavioral measures did have substantial predictive value, so we have shown both behavioral and attitudinal measures on the right side where you find the higher value pretesting.

Figure 4: Value Of Advertising Pretests



The second requirement for the best pretesting is to make respondent exposure to the material as normal as possible. This is done best in the split cable testing cited previously. Respondents are not aware they are seeing different commercials in the normal course of watching TV at home than people in another matched panel that might be watching the same program. But the cost of split cable pretesting is well up in the six-figure range and it takes six months to a year, so faster, less expensive methods of simulating normal exposure are more popular. The most common is to embed the commercials to be tested in new program material that is shown to respondents who might think they are going to be questioned about the new program. This gives a more normal opportunity to either notice or ignore the advertising.

It is important to note that all pretesting is an attempt to predict how advertising will perform when it actually runs under real-world conditions. The scores that advertising achieves in pretests are valid only insofar as they help predict its actual performance.

It is easier and more accurate to measure the impact of advertising after it actually ran. So, tracking (or "post testing") provides the best data for modeling. Its general superiority is also emphasized in one of the best and latest books on measuring the impact of advertising. The author, Robert Heath, concluded: "Pretesting is always an option, but tracking is usually mandatory." (Robert Heath [2001], *The Hidden Power of Advertising*, WARC, Henley-on-Thames, GB.)

Tracking

This type of testing, done after the advertising has run, is typically conducted in one of two ways.

- Recall-based telephone tracking surveys: Here the key question is usually of the form "Do you recall seeing or hearing any advertising for Brand X recently?"
- Recognition-based tracking conducted online or in malls: In this approach the material is shown to respondents and they are asked if they remember seeing it. Since it requires showing things, it cannot be conducted over the telephone.

It raises one of the oldest issues in advertising research: Which is the best measure of advertising's success in getting noticed rather than ignored: recall or recognition? This gets into our firm's specialty, ad tracking. We feel the difference can be summarized quite succinctly: When people say they recall recent Brand X advertising they could be thinking of last year's advertising, or even the competitors' advertising. But when you show it to them and ask, "Do you remember seeing THIS commercial?" you get a massive increase in accuracy.

To determine if advertising has any effect on people, you need to do the most accurate job possible segregating them into two groups: those who noticed the advertising, and those who either ignored it, or never had an opportunity to see it. Only then can you demonstrate with confidence that people reached by the advertising bought things, did things or believed things that the rest didn't.

I feel the reason recall has failed to show any significant relationship to sales in industry-wide studies of ad testing validity during recent decades[1] is a direct result of its lack of accuracy. Recognition capitalizes on one of the great strengths of the human mind. People can recognize things they have seen before easily and with great accuracy. Usually a little introspection on past difficulties recalling names or phone numbers is sufficient to demonstrate that is not the case with recall. The mind's ability to recall things from memory is definitely not one of its strengths.

In short, when the question is what is the best way to measure advertising quality, the answer is recognition-based tracking.

How many ways are there to reflect the effect of advertising in marketing mix models? Which are working best?

• Measures of advertising volume: Their limitations have been covered previously (Don Schultz, professor emeritus at Northwestern, has aptly characterized them as "media tonnage models"). But even though we deride them, many continue to use them exclusively, and I think the rest of us will agree they are vital elements that need to be included in more complete and complex models. That leaves the question of what is the best measure of the amount of advertising: dollars or GRPs?

The answer is the same as it is for many ideas about model improvement: Try it, and see if it improves the model's fit. (Did the "predicted" sales, or market share, for past years come closer to what actually happened?) This is most often measured by r^2, that ubiquitous measure used in many fields to show how close you came to accounting for what really happened. I have never found a statistics text that gave a clear-cut, unqualified statement as to what is acceptable in r^2 scores, so I offer the following as my personal and somewhat subjective calibration of r square scores for marketing mix models.

The meaning of r^2 scores for marketing mix models:

100%: You cheated!

98%: Your seat in the researcher's hall of fame is assured.

90%: You definitely deserve that raise, and a promotion.

70-80%: You have a good workable model that should help the firm improve its batting average in making marketing decisions. Just don't bet the whole farm on it.

50%: Don't waste my time by asking me to look at it.

Returning to the question of whether there are meaningful differences in the various measures of advertising volume, the answer is yes. One hundred household GRPs means the number of homes that had their TV on and tuned to the right channel while your commercial was playing was the same as the total number of households in the area. This does not mean the commercial played in all homes. It may have appeared several times in some and never in others. The point is, the number of times the commercial appeared in homes is a fixed number. A given number of GRPs means your commercials appear a given number of times. Yet, when you buy that number of homes during the prime evening hours you pay about three times as much as if you bought the same number of homes (same GRPs) during day-time hours. Some GRPs cost more than others because those who buy and sell GRPs agree some are worth more than others. Those who have their TV on during the day are likely to be doing something else at the same time. During the evening they are more likely to be devoting their exclusive attention to the TV.

This is background for a key possibility: Since you tend to get what you pay for, dollar expenditures may be more closely related to advertising impact than GRPs, or TRPs (TRPs are the closely related measure of how often the commercial could be seen by those in the target group the advertiser was particularly interested in reaching). The way to find out is to put the other measure in the model and see if it fits better. We know of a number of cases where this improved the fit. There was also one case where expenditures had been used initially and switching to GRPs improved the fit. It is a switch that is easy enough to make, so testing it both ways is recommended.

• Allowing for diminishing returns: When successful advertising stops — advertising that has resulted in a measurable increase in awareness, sales, etc. — the awareness, sales and the rest won't immediately drop back to their original level. Typically they drop back gradually over a period of days or weeks. The time it takes to drop halfway back is referred to as the advertising's half-life. This is not allowed for in the simple "media tonnage model." But it can be allowed for by building in fairly simple sub-models of advertising's half-life called ad stock models. If advertising starts running again before the ad stock value has dropped back all the way to its pre-advertising level, it will tend to rebound from that new level and reach levels higher than before. When these models can be fitted to a substantial amount of historic weekly data, it will show what the product's half-life is and how much advertising needs to be conducted and at what intervals to keep the results from falling below some predetermined level.

The second type of diminishing return comes into play when the opposite condition prevails. When expenditures or GRPs are kept at the same level for a period of time, the measurable impact of that advertising will eventually start to decline. It wears out and won't produce as much impact as when it first appeared.

It is becoming clear both types of diminishing return should be expected and allowed for in building models. But it is also becoming clear there are no standard decay rates that will fit all products and all types of advertising. It takes a substantial amount of historical data to find the values in the model that will provide the best fit.

Models that use nothing but GRPs or dollars will miss the effect of both types of diminishing return. Building an allowance for them into the model is one of the first things to try to see if you can't get a better fit. There is another way around these two complications. They are both short-term effects. If the main use of your model is to optimize the annual marketing budget, don't go through the agony of fitting your model to weekly data. If you can use annual data, both of these thorny problems should disappear.

To incorporate ad quality, a multiplier function is best

Ad quality is easy to quantify. Say you have spent $10 million airing Campaign A. Your tracking survey shows it reached and affected 10 percent of the population. Then you spent the same amount, $10 million, airing Campaign B. Your tracking survey shows it reached and affected twice as many: 20 percent of the population. Campaign B was twice as cost-effective. That difference in quality is best reflected with a minor addition to existing marketing mix models that only use advertising expenditures. You take the $10 million expenditure for Campaign B and multiply it by two.

That simple change should improve the fit of the model. Previously, it only included the $10 million expenditure for each campaign. That told the model they were equal. They weren't. When you multiplied the $10 million for Campaign B by two that told the model it was twice as effective as Campaign A. It was. That made the model reflect the true conditions in the market more closely, so it fit better and achieved a higher r^2.

All advertising expenditures could be adjusted in the same way. If an adequate tracking survey had been in place, the adjustments could cover all media, all markets and all years. In each case the expenditures would be multiplied by the same type of quality factor: a factor that shows how efficiently that advertising reached and affected people in that year, in that market. Quality could be expressed in relative terms. That's the way it was done in the first example. Campaign B was twice as efficient as Campaign A. Quality could also be expressed in terms of a fixed scale. It could be the ratio of the advertising's quality to the average for that product, the average for all advertisers in the category, or the average for all advertising — period. The model structure could be exactly the same as for the "media tonnage" model. The only difference would be that every time an advertising expenditure figure or a GRP figure appeared, it would be multiplied by a factor representing the advertising's quality. This is a procedure foreseen and allowed for by leading modeling theorists[2].

Another approach: dummy variables

If the marketing mix model is being fitted to a very large, continuous database it is possible to "deduce" the quality of advertising by inserting dummy variables in the model. There is a dummy variable for each commercial or ad. It is given a value of 1 during weeks when it is running and a value of 0 when it isn't. When regressions or other procedures are run to see how well the data performs in predicting sales or market share, the coefficient that is put in front of the dummy variable shows how much of the change in sales or market share — change that was not accounted for by any of the other variables — was accounted for by the appearance of that ad or commercial. This indication of the ad's effectiveness could be affected by both the quality of the advertising and the amount of advertising. Hopefully, advertising that had a large amount of exposure during a week when the dummy variable was given a value of 1 would have a greater effect than advertising that was given little exposure. So, as long as the volume of exposure that ad or commercial was given is shown by a separate variable, the value of the dummy variable coefficient should measure the quality of advertising.

The big advantage of the dummy variable approach is that tracking surveys to measure the quality of the advertising directly are not needed. On the other hand, the dummy variable approach can be characterized as "backing into" ad quality, since it shows the change in sales that couldn't be accounted for by anything else. It is subject to the classic limitations of dummy variables. If anything else tends to happen at the same time as the advertising (the product goes on sale, salesmen make more calls, etc.) the dummy variable will not provide a clean reading of quality. Further, they are subject to all the noise, and overemphasis on chance occurrences that happen to make the data fit better, common to most multivariate procedures. Still, where tracking surveys are not available, but lots of other data is, the dummy variable approach should provide a better fit than when ad quality is ignored completely.

Elasticity — be alert to its effects

However, watch out what you say

about elasticity. In our experience it is the most misunderstood element in the advertising section of a marketing mix model. You hear things like, "We don't advertise, because for us, it's inelastic" from half-knowledgeable MBA-types. Beware of those kinds of misinformed pronouncements. Some understanding of advertising elasticity is essential. It is the main reason for picking one type of model over another. To review the basics:

$$\text{Advertising elasticity} = \frac{\text{\% change in sales}}{\text{\% change in advertising}} = e_{Adv} = \frac{\Delta\, Sls \,/\, Sls}{\Delta\, Adv \,/\, Adv}$$

Some examples with simple numbers should help isolate the source of the confusion. First, an example where the increase in sales is greater than the increase in advertising: it yields an advertising elasticity greater than 1, meeting the requirement for being considered "elastic."

$$\frac{\text{10\% incr in Sales}}{\text{5\% incr in Adv.}} = \frac{\$10m/\$100m}{\$1m/\$20m} = \text{Advertising elasticity of 2} \quad (>1 = \text{elastic})$$

$$\frac{\text{5\% incr in Sales}}{\text{10\% incr in Adv.}} = \frac{\$5m/\$100m}{\$2m/\$20m} = \text{Advertising elasticity of 2} \quad (<1 = \text{inelastic})$$

But note the second example: a \$2 million increase in advertising produced a \$5 million increase in sales. It is correctly shown as inelastic, but it is a profitable application of advertising. Those half-knowledgeable MBA- types were thinking of price elasticity, where inelastic is always bad. If your increase in sales is less than your decrease in price you are bound to lose money.

My advice: avoid ever using the phrase "advertising elasticity." Put everything on an ROI basis. Talk about a positive or a negative return on the investment in advertising. That second example may have been inelastic, but it showed a positive return on the additional investment in advertising.

However, you cannot ignore elasticity completely because the main criteria for deciding whether one form of model fits your needs better than another is usually how they handle elasticity. Here's a recap of what happens with the most common models[3]:

• Linear model: elasticity never drops below 1 as share approaches 100 percent.

• Multiplicative model: elasticity stays same as share approaches 100 percent.

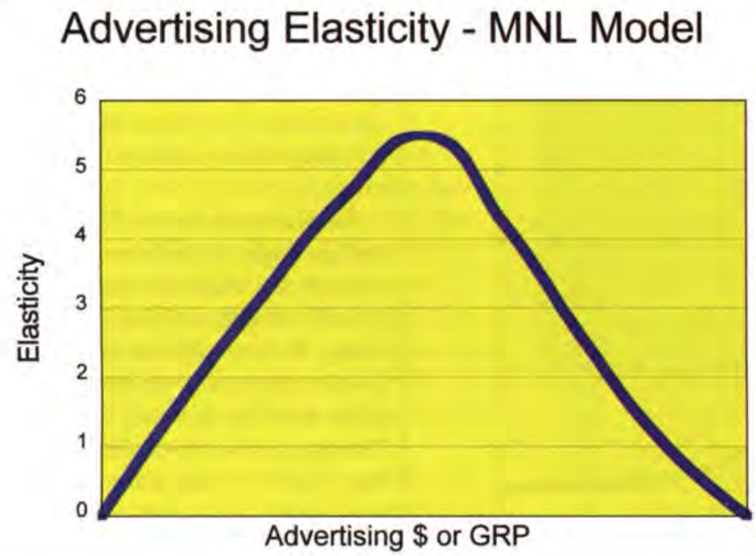
• Exponential model: elasticity stays same as share approaches 100 percent AND elasticity grows infinitely as mix elements grow infinitely.

• MCI model: elasticity declines to zero as mix elements approach infinity.

• MNL model: elasticity grows then declines as mix elements increase.

There is a moral to this: Check your model to be sure you have a good fit and one that keeps producing reasonable results when you approach extreme values out-

Figure 5



side the range covered by your historic data base. If your historic data doesn't vary much you may find all models fit because things have not been changing enough to show if any of the models fail to fit at more extreme values.

Currently, many people in marketing have occasion to use marketing mix models that they didn't develop, and where they don't have an intimate understanding of the inner workings of the model. To protect themselves on the advertising front I would urge them to spend a few minutes entering hypothetical numbers for advertising volume and noting the results.

The numbers they enter should range from zero to hundreds of times greater than the highest conceivable ad budget. If it shows you could capture 110 percent of the market, or if it shows the last million dollars you add to the ad budget yields a billion-dollar increase in sales, you should question the validity of the model. It appears to have one of the elasticity problems shown for the first three models.

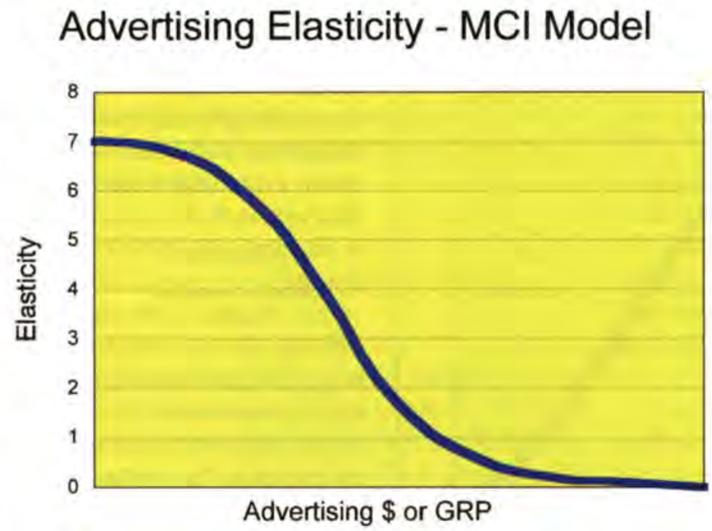
The last two models are generally preferred because they never produce impossible elasticities for advertising or any other marketing input. What they produce is shown in the charts in Figure 5 and 6. Compare the charts with the results you achieved testing your model and you will learn a lot about your model.

As the volume of advertising increases does advertising elasticity increase until it reaches some maximum and then starts declining until it reaches zero, the way it does in the first chart? Then it is likely to be an MNL (multinomial logit) model. This is the model that sources like the Cooper, Nakanishi text, cited earlier, recommend for advertising because it reflects a threshold effect where small amounts of advertising have little or no effect. As advertising volume increases, each additional dollar of advertising has greater and greater impact until it reaches the optimal point. Then diminishing returns set in and the curve turns down, eventually returning to zero. That pattern fit the consensus opinion at the time about how advertising worked[4].

Now, thanks to the more detailed data on sales and exposure to advertising that has become available from single-source research, and John Philip Jones' work with that data[5], it appears the consensus has shifted to one supporting the picture shown in Figure 6.

John Philip Jones was the first to capture the industry's attention with new single-source evidence showing advertising has its greatest impact when it first appears, not after it has been shown several times. His findings have been supported by other prominent media researchers such as Erwin Ephron, who uses them as the basis of his recency theory, which

Figure 6



favors continuous, rather than pulsed, advertising[6], and Collin McDonald, whose early work with single-source data 35 years ago provided much of the data cited in support of a threshold effect, but who has now come around to the view that although threshold effects exist, they are neither common nor normal[7]. There is also a growing realization that one curve does not fit all products. USC's Gerard Tellis summarized it this way: A threshold effect is most likely to be found when the brand is unfamiliar, the message is complex, or when it is new or novel[8]. This suggests another reason support for threshold effects may be declining: Are more of today's ads just simple reminders for well-known brands?

Even though the consensus may be that the MCI (multiplicative competitive interaction) model should provide the best fit for most current advertising, that is an assumption that needs to be tested whenever enough data is available. With enough testing, modelers may be the ones who make it possible to plot advertising/sales curves with more confidence in the future.

Use share models

The final issue in successfully modeling the true effect of advertising is to allow for what the competition is doing. Models that only account for what a single firm is doing may work, but only until there is a major change among competitors. Every firm is affected by what its competition does, so models that allow for that are the only models that should work. The arithmetic gets more complex, but fortunately the principles are the same, formulas are available in any good modeling text, and today's computers have little trouble handling the complexities. Advertising is expressed in a "share of voice" form:

$$\frac{\text{The firm's advertising expenditure} \times \text{The firm's advertising quality}}{\text{The industry's advertising expenditure} \times \text{The industry's advertising quality}}$$

Note that quality is included as a multiplier, just as it was in simpler versions of the model. The other elements in the marketing mix are expressed in essentially the same manner. Price is usually expressed as a ratio of the firm's average price to the average price in the industry. The model is set up to predict the firm's share of industry sales rather than the firm's dollar sales.

We find some have difficulty in seeing any logic in the assumption that a competition's advertising can change the effectiveness of the firm's advertising. They readily accept the principle that when a competitor cuts their price the firm is going to lose sales. The same principle applies to advertising. There are only a fixed number of consumers who are susceptible to switching brands or increasing consumption. When a competitor captures a portion of them with their advertising, there are fewer left to capture with your advertising. In short, your advertising will produce more sales when your competitor has a poor campaign. When the competitor has a dynamite campaign that same advertising will produce less sales.

Even though share models are more likely to account for what is going on in a market, they do have one limitation: They require more data. In most product categories there are services or trade organizations that provide the necessary information about sales, prices, the amount of advertising for competitors and/or the industry as a whole. Getting a measure of the quality of their advertising is often an unmet need. However, it is a need that can be met by tracking the impact of all the advertising currently being conducted in the category. A tracking survey like the recognition-based tracking survey conducted each year to track the impact of each of the 50 or 60 commercials on that year's Super Bowl can provide precise measures of the quality of every ad and commercial running in almost any category.

The challenge is in the future, not in accounting for the past

Modelers' obsession with historic data can cause some in management to lose sight of what a marketing mix model can accomplish. It can tell you if doubling the sales force or investing the same amount in price promotions is more likely to increase next year's profits. It's designed to show the best ways to increase future profits. The modeler's fixation on accounting for what happened in the past is just one critical step in building a valid tool for predicting the future.

Similarly, some ask, "Why spend the time and effort measuring the quality of past advertising? You don't know what the quality of future advertising is going to be." There are three answers to that. First, if the firm's advertising, or its competitors' advertising, was unusual this year — either unusually successful or unusually unsuccessful — the model shows what to expect next year when conditions are likely to be more normal. It avoids the trap of projections inadvertently based on the assumption that unusual conditions are likely to persist, when they are not likely to persist.

Second, it can be used in setting goals for pretesting next year's advertising. If the new advertising tests out at certain levels, it is likely to have the quality specified in the model in order to achieve the expected market share. A coordinated program of pretesting and then tracking the advertising's actual impact after it runs can be used to calibrate pretest results so they will provide valid estimates for the quality multipliers to be used in the model.

The third is related to the second, and may be the most important of all. When the model is used to show how much was added to the bottom line by good advertising, and how little was added by bad advertising, you have what is needed for a key ROI calculation. How much can you afford to invest in additional research and additional ad development costs if it holds promise of producing better advertising? If your experience is like that of the Super Bowl advertisers cited previously it could mean getting a $10 million dollar ad budget to yield the impact of an $80 million budget. The chance of getting an increase like that could justify a substantial investment. The investment would be likely to have a return many times greater than an investment of the same size in a greater volume of advertising.

In short, when ad quality is included in marketing mix models, marketing management gets much closer to its preeminent goal — the information that allows them to do an effective job managing the firm's marketing.

References

[1]For example, see "Effectiveness Coefficients" in Lee G. Cooper and Masao Nakanishi, *Market Share Analysis*, Kluwer Academic Publishers, 1988.

[2]For a detailed description of these models and the elasticities they produce, see Lee G. Cooper and Masao Nakanishi (1988), *Market-Share Analysis*, Kluwer Academic Publishers, Boston Dordrecht London, International Series in Quantitative Marketing.

[3]Michael J. Naples, "Effective Frequency: The Relationship Between Frequency and Advertising Effectiveness," Association of National Advertisers, 1979.

[4]John Philip Jones, *When Ads Work: New Proof that Advertising Triggers Sales*, New York: Simon & Schuster-Lexington Books, 1995.

[5]Erwin Ephron, "Recency Planning," *Journal of Advertising Research*, 37, 4 (July/August 1997).

[6]Collin McDonald, "From 'Frequency' to 'Continuity' — Is it a New Dawn?" *Journal of Advertising Research*, 37, 4 (July/August 1997).

[7]Gerard J. Tellis, "Effective Frequency: One Exposure or Three Factors," *Journal of Advertising Research*, 37, 4 (July August 1997).

APPENDIX - SUPER BOWL COMMERCIALS

Percent reached and affected by commercials that had only run once on the Super Bowl

[Data plotted on the "% Reached and Affected" chart]

Year + Ad #	Commercial	Recognized	Recognized & knew who it was for	Recognized, knew who it was for & liked it
94.29	Bud Bowl V1 - 1st Q	56.20%	51.70%	26.40%
94.4	Lays: Dan Quayle	55.60%	43.20%	32.70%
97.15	Nissan: Pigeons	53.10%	34.60%	30.50%
95.17	Nike: Patton	48.60%	44.10%	23.10%
92.01	Pepsi: Festival	48.10%	43.50%	18.40%
00.102	WebMD: Muhammed Ali	45.20%	10.50%	5.60%
98.2	Pizza Hut: Elvis	44.50%	38.00%	20.50%
98.22	Tabasco: Mosquito blows up	44.10%	39.60%	36.10%
99.33	Anheuser Busch: Family History	43.70%	42.10%	25.80%
92.05	Bud Bowl IV: Part 1	42.90%	40.10%	22.80%
94.31	Bud Bowl VI: 2nd Q	42.00%	37.60%	18.00%
99.07	M & M's: Pool	41.60%	40.50%	30.10%
94.04	7 Up: Casino	41.60%	38.60%	27.80%
98.13	Brisk Lipton: Babe Ruth	40.60%	28.20%	21.40%
95.01	Bud Bowl VII	40.20%	35.40%	21.00%
00.302	Universal: Nutty Professor	40.00%	37.60%	22.20%
00.213	Budweiser: Clydesdale born	38.60%	34.40%	24.70%
00.210	Volvo: Truck Driver	37.20%	26.50%	16.70%
00.104	E*Trade: Chimp & guys clap	36.70%	15.70%	12.90%
00.301	Motorola: Snake up pants	36.70%	6.50%	4.60%
97.16	Holiday Inn: Transvestite	36.60%	13.00%	8.20%
92.25	Bud Bowl IV: Part 2	36.40%	31.20%	15.10%
98.49	Sony Corp.: Mask of Zorro	36.00%	33.30%	17.20%
94.03	Lipton: Bo Jackson	35.80%	25.10%	18.40%
94.39	Bud Bowl VI: 4th Q	35.40%	32.70%	13.80%
94.36	Bud Bowl VI: 3rd Q	34.80%	32.10%	15.00%
95.09	Ford Explorer: Big Game	34.50%	26.70%	13.50%
98.5	Nokia: Car & Drew Carey	34.30%	18.90%	11.10%
99.28	Michelob Light: Locker Room	34.10%	11.10%	7.90%
94.1	Reebok: Shaq raps	32.10%	10.40%	7.00%
01.53	Bud: 'N Sync, father, daughter	32.00%	12.00%	9.00%
94.14	7 Up: Hot workers	31.80%	28.70%	20.20%
97.04	Pork: Medieval dinner	31.50%	28.80%	19.20%
95.32	Lee: Girls Hopping	31.40%	15.00%	11.00%
01.18	Verizon: Crowd, Screen, Co	30.50%	10.10%	3.70%
00.312	Visa: Olympic women	30.40%	20.40%	7.80%
98.42	FedEx: TV test screen	30.30%	21.20%	15.20%
01.54	NFL: Big Football player, Kids	30.00%	23.00%	18.00%
99.51	World Wrestling Federation	29.20%	24.20%	13.70%
00.112	Britannica.com"List of Qs	28.60%	10.50%	6.90%
94.06	Master Lock: Dam	28.10%	26.60%	17.40%
94.13	Nike: Popcorn Tape	28.10%	15.60%	11.00%
97.08	Porsche: Parking attendants	27.70%	19.90%	15.10%
01.30	Levis 569: Falls off merry-go-round	27.70%	18.20%	6.30%
94.250	Alamo: Family ages	27.30%	16.50%	10.20%
01.15	Pepsi: Dispenser sinks into floor	27.00%	21.00%	15.00%
01.37	VW: Bride, groom driving looking	27.00%	17.00%	6.00%
95.300	Honda: del sol 007	25.90%	12.10%	7.50%
99.180	Cracker Jacks: Really Big Bag	25.10%	22.90%	15.80%
01.58	Verizon: Crown, screens.	25.00%	16.00%	7.00%
Average Scores for the top 20%		43.86%	34.45%	22.06%

Year + Ad #	Commercial	Recognized	Recognized & knew who it was for	Recognized, knew who it was for & liked it
01.46	Verizon: Party, two girls at	25.00%	11.00%	5.00%
94.05	Lipton: Kung Fu	24.50%	15.90%	9.80%
01.44	cingular: artist on floor painting	24.00%	9.00%	6.00%
95.15	Pork: White Meat	23.70%	22.20%	11.70%
01.32	George Foreman: Grilling	23.00%	19.00%	9.00%
01.40	Pepsi: Chess game vs Co	23.00%	18.00%	12.00%
01.25	Philip Morris: Female jogger	23.00%	7.00%	4.00%
94.19	Reebok: Football	22.90%	8.30%	5.20%
01.07	Universal: Mummy Returns	22.00%	18.00%	12.00%
98.17	Volvo: Truck Driver	21.80%	14.00%	8.80%
95.07	Wilson: David & Goliath	21.60%	10.50%	6.30%
98.51	Mail Boxes etc.: Pocket pump	21.20%	8.40%	5.70%
99.44	Warner Bros.: Wild Wild West	20.90%	18.10%	11.60%
95.26	Lee: Men's Meeting	20.50%	11.80%	7.20%
99.04	Volvo: Truck on Road	20.40%	14.70%	7.50%
00.318	Nat'l Heart Assn: Sokolof	20.00%	9.00%	3.00%
99.31	Just for Feet: Runner	19.80%	4.40%	2.40%
95.22	Lee: Night watchman	19.60%	8.10%	4.00%
98.55	iOmega Zip Drive: Family	19.50%	10.80%	6.10%
01.49	Columbia: Summer, a King	19.00%	11.00%	7.00%
00.108	OurBeginnings.com:Bride	18.50%	3.20%	1.60%
99.48	Mail Boxes etc.: Jeremy's Ice Cream	18.40%	13.00%	6.90%
95.05	Taco Bell: Lights/Town	17.70%	15.00%	4.80%
98.43	Hormel Chili: Car/can/desert	17.50%	13.50%	6.10%
00.309	Universal: Submarine - U-5	17.40%	9.80%	5.70%
01.06	E*Trade: Monkey on Horse	17.00%	8.00%	6.00%
98.23	Continental Tires: Man spins paper tire	16.40%	0.30%	0.00%
99.32	Yellow Pages: Talk Show	16.30%	12.70%	5.20%
98.54	Time Warner: Lost in Space	16.20%	14.80%	9.80%
99.35	Anheuser Busch: Kid's Head	15.50%	4.00%	3.20%
01.26	Warner Bros.: Password-Swordfish	15.00%	3.20%	1.70%
97.05	Porsche: Robots	14.70%	9.20%	6.50%
98.39	General Tire: Man driving/road hazards	14.70%	2.00%	0.30%
97.11	Paramount: The Saint	13.00%	8.60%	5.80%
98.19	Hilfiger Athletics: Man plays ball	13.00%	7.50%	3.90%
00.216	WSJ.com: White office	13.00%	2.00%	2.00%
98.57	Hormel Chili: Party, kids skating	12.50%	8.80%	3.40%
01.33	NFL: Old FB Movies	12.00%	9.00%	5.00%
01.28	Accenture: Virtual surgery	12.00%	4.00%	2.00%
98.18	Intel Pentium II: Mystery Web site	11.70%	10.10%	5.20%
97.21	MCI: Symbols	11.60%	3.50%	1.80%
01.24	Accenture: Green cells	11.00%	3.00%	1.00%
99.16	Hotjobs.com: Dream job	10.80%	7.50%	2.20%
00.118	epidemic.com: Men's room	10.50%	3.60%	2.80%
01.11	Accenture: Car, Europe, Dri	10.10%	2.30%	0.90%
01.36	Accenture: Candles burning	7.00%	2.00%	1.00%
99.38	Universal: The Mummy	6.90%	4.70%	2.20%
98.16	Westin Hotels: Golf, hotel	6.50%	1.30%	1.00%
95.23	No Fear: Rodeo	3.20%	2.30%	0.90%
Average Scores for the bottom 20%		11.23%	4.93%	2.64%

The eye is not a camera

Tracking ad awareness: recognition vs. recall

By Charles E. Young

Editor's note: Charles E. Young is president/CEO of Ameritest/CY Research, Albuquerque, N.M. He can be reached at 505-856-7999.

You are at a party. You see someone smiling and coming toward you, and you know that you've met that person before — you clearly recognize the face — but you just can't recall the person's name! It's a simple test that reminds us that the human mind stores memories in more than one way. For advertising researchers, it triggers the debate about the relative merits of recognition vs. recall as a measure of advertising awareness.

The logic of much of the research that is conducted on advertising is that for advertising to be effective, it must leave some kind of trace in the memory of the consumer. But what kind of trace? Think about our hypothetical party for a moment. Which is proof that you have or have not met the person before: the fact that you recognize the face or the fact that you can't recall their name?

It doesn't seem surprising that in the case of in-market tracking, the measure of awareness of a specific advertising campaign using recognition can be substantially different from one based on recall. It is sometimes higher by as much as a factor of two! Which measure should you believe?

Like most people, I trust my recognition memory system more than I trust my ability to recall things such as names. While some people might have minds as orderly and indexed as a library card catalog, my own mind is better described by a French word *gallimaufry* — a hodgepodge or jumble. It's like the junk drawer in the kitchen of the mind. Retrieving a memory from my mental gallimaufry requires careful searching.

This helps explain why in response to recall questions, consumers will sometimes play back images from ads that haven't aired in 20 years and yet completely fail to mention a campaign that our client just spent $20 million airing. Or they will sometimes describe a competitor's ad as one of our client's because they filed it away in memory

Problem:

Budget ↓
Pressure for Information ↑

Solution:

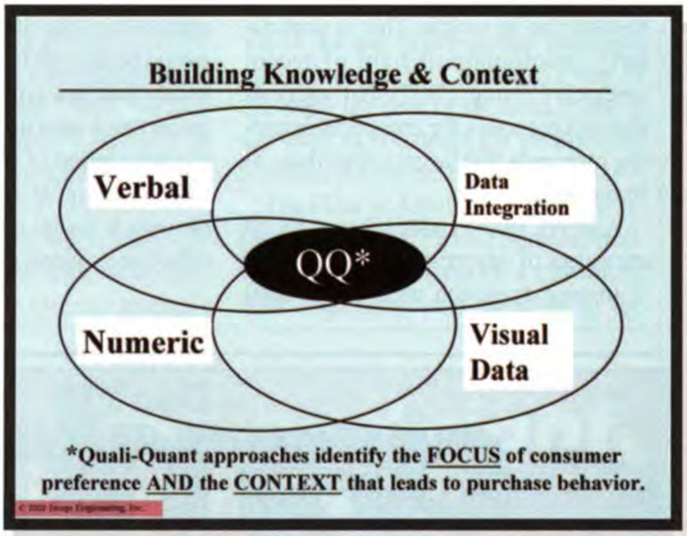
***Quali-Quant®* Complete™**

The most complete small sample research available.

Solve both problems with integrated results that:

- ➤ provide full qualitative results
- ➤ a quantitative context
- ➤ and unexpected insights

- Allows you to reduce research steps **(saves time)**
- Gives qualitative research statistical significance **(increases confidence)**
- Provides more dimensions on which to compare multiple targets and segments **(increases flexibility)**
- Connects innovative thought to practical application **(increases utility)**
- In-person and on the Internet



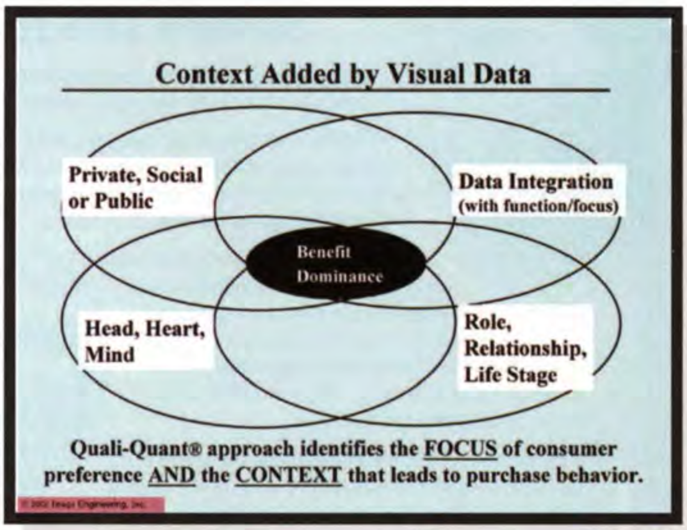


Image Engineering, Inc.
Brand Development Planning and Research Services
p 502 228 1858 f 502 228 2829
e listening@brandretail.com

Image Engineering®

under the wrong index card.

Further complications arise when a large pool of commercials is airing. It is extremely difficult if not impossible using recall to tell exactly how much or how little of a campaign the consumer has already seen and how exactly that depth of exposure impacts sales. Recall is an all-or-nothing kind of exposure.

The problem is compounded when it comes to "experiential" or "emotional" advertising. There is substantial evidence (e.g., Zielski, 1982) that day-after recall — which relies on verbal descriptions of the advertising — unfairly penalizes emotional advertising. Emotional advertising tends to be more difficult than rational advertising to describe in words. This is particularly unfortunate in light of recent research (Young, 2002) that suggests that it is precisely the emotional branding moments that largely contribute to brand equity.

And yet, in the United States, recall measures of advertising have been the dominant approach used for at least the past quarter century. Why? Because historically, telephone surveys conducted by large cost-efficient WATS centers were the most economical way of interviewing a projectable sample of consumers. The Internet now provides a viable alternative.

One of the main advantages of using the Internet for studying advertising is that it allows you to put something, a stimulus, in front of the eyes of consumers, to test whether or not they recognize the "face" of the advertising. While some telephone trackers have attempted to produce a "recognition" measure by reading a verbal description of advertising over the phone, it's quite obvious that this substitute approach is no more reliable than it would be for you to help me find a particular face in a crowd if all you had to go on was a one- or two-sentence written description of what that face looks like. Getting at visual recognition through a verbal cue is simply not as effective as using a visual cue.

Bandwidth barrier

The principal barrier to conducting television advertising research on the Internet is bandwidth — the connection speed needed for playing full-motion, full-screen video. While this remains a problem for pre-testing, there is a relatively simple solution for using the Internet to track TV ad awareness. Bandwidth is not a problem if all you want to show the consumer is the "face" of the ad.

To illustrate, I would like to report the results of a simple experiment we conducted in malls to see how the recognition measurement is affected when different types of stimulus are used. With one group we showed respondents the full-length video of several test commercials; with a matched group of respondents, instead of the video we showed them a photoboard with only four to six key frames taken from each commercial. The experiment involved five commercials from an ad campaign that had been on air for a few months with fairly heavy media weight. Each group consisted of 100 respondents screened to be in the target audience for the advertising.

For each commercial, we asked respondents whether or not they had ever seen the ad on television before. We also asked them how sure they were that they had seen it. The results are shown in Table 1. While claimed awareness for the full video is quite a bit higher than for the photoboard, the results are much more similar if we compare those who were "very sure" they had seen the advertising based on the video cue against those who claimed to have seen the advertising based on the photoboard cue.

The averages for those two sets of ads were statistically the same. In three of the five cases the results were virtually identical. In the last two cases the results for the full video were somewhat higher — though in all five cases the rank order of the ad-recognition scores were the same.

The results of this experiment were quite encouraging for online tracking. The approach appears to work well using only a small subset of the total

TABLE 1

AD	Full Video Claimed	Full Video Very Sure	Photoboard Claimed
E	81	78	60
A	57	41	42
B	47	29	27
D	45	27	26
C	50	30	19
Avg =	56	41	35
N =	(100)		(100)

information contained in a television commercial.

As we took the photoboard concept online, both in the U.S. and internationally for several clients, we also made two improvements to increase the accuracy of an Internet ad-tracking system.

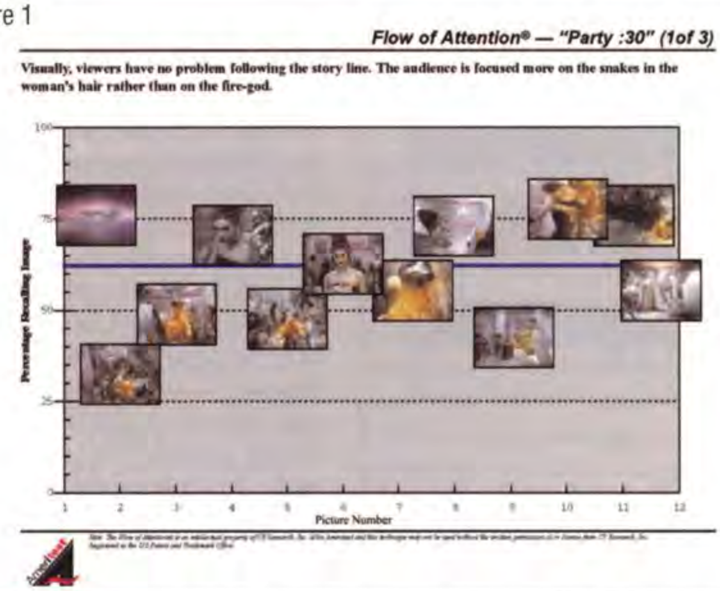
First, in examining the two cases where the video and photoboard scores were farthest apart we found that music was an important component of those creative executions. Consequently, to add a "voice" to the "face" of the advertising, we added 10 seconds of streaming audio to accompany the photoboard cue for ad recognition. Streaming audio has much less of a bandwidth constraint than video and can easily be used in Internet research today.

Obviously, six pictures represent only a small part of the visual information content of the average TV commercial. And yet, just as in the TV quiz show *Wheel of Fortune*, where a minimal, if well-chosen, set of information can be enough to trigger recognition, the same principle seems to be operating with the photoboard. The second and more important improvement to our recognition measurement approach, therefore, was to identify a good strategy for choosing the small number of pictures which would be used in constructing the photoboard.

Fortunately, the means for developing such a strategy was already at hand. Ameritest's Flow of Attention method, which we use in pre-testing commercials (Young, 2001), provides a way of choosing the four to six visuals which are used to construct the photoboard stimulus for online tracking.

The Flow of Attention, which is constructed from the Picture Sorts method, helps our clients make a paradigm shift. You must stop thinking of the

Figure 1



human eye as a camera, that is, as a recording device, and start to think of it more as an intelligent search engine that actively sorts through the visual information that is continuously streaming toward it. The process of seeing is quite complex. Indeed, half of the human brain is devoted to the process of constructing visual perception in the mind. Visual perception is, in fact, the act of visual selection. The Flow of Attention is a tool for studying the cognitive search process engaged in by an "intelligent" eye when watching television.

Used as a diagnostic for pre-testing, it helps explain why some ads recall well (see Young and Robinson, 1987) and why emotional ads do not. In addition, because it measures how the eye filters visual information, it also tells us which images remain in long-term memory and, therefore, which are the best images to include in the photoboard to be used in the ad-awareness recognition test.

An example of a Flow of Attention graph is shown in Figure 1. In this kind of graph, the pictures are plotted in the order in which they actually appear in the commercial. The height of each picture on the Y-axis shows the percentage of the audience that actually recalls that image only a few minutes after viewing the ad. You will note that the pattern is rhythmic and wavelike, with a high degree of variation in the percentage of recall between different images in the ad. This is because the human eye does not record information, rather it consumes information, as it systematically searches for content that is relevant or meaningful to it. In Figure 1 you are looking at a map of selective perception in action.

The fact that there is a high degree of variation in the recall of the component images in a 30-second commercial has important implications for our photoboard test. In our experience, the range of recall scores for these individual pictures will usually fall between 40 percent and 80 percent, and sometimes even more. Moreover, we typically find that it is necessary to use between 20 and 30 pictures to describe the visual content of the average 30-second television commercial. Therefore, if you were to arbitrarily choose six pictures from an ad to use in a photoboard for an online test, the amount of error or noise that would be introduced into your measurement process could be quite large.

If you were to pick six pictures that fall in the valleys or low spots of the Flow of Attention and use those in your photoboard, you would likely find that the test ad has low in-market awareness. However, the pictures that fall on the peaks of our curve — typically only four to six pictures in a 30-second ad — are the ones that the gatekeeper eye of the consumer has already decided are the important ones to store away in long-term memory. So these are the most appropriate ones to choose for a reliable, well-defined measurement of the awareness of television advertising.

In a sense we are applying recognition measurement on multiple levels in a kind of fractal scaling of the analytic process. On a micro level we use the picture sort to deconstruct a commercial into individual images that are used in a recognition test to analyze the experience of the individual commercial. On a macro level, we are now

Figure 2

Cost Efficiency — For Commercial Awareness

This example shows how in-market recognition measures were used by another Ameritest client to identify three above average and two below average ads in a campaign pool.

Ad	Aware %	People Reached* #	Media $	Efficiency Index (People/$)	Expected Index/ Spending
A	73	10,405,420	1,263,600	8.3	7.6
B	74	10,547,960	1,240,900	8.5	7.6
C	57	8,124,780	836,500	9.7	8.6
D	54	7,697,160	1,273,600	6.1	7.6
E	53	6,414,300	847,700	7.5	8.6

***Population Base: 14,254,000**

using this same approach to deconstruct an entire advertising campaign into audience awareness of the individual ads that make up the campaign.

As a result of this deconstruction, there are analytic benefits to this online, recognition-based approach to measuring ad awareness. For instance, with a reliable measure of the awareness of individual ads in the campaign, it is possible to identify the stronger and weaker members of a campaign pool — which can be useful for optimizing the media plan. This can be done by adjusting the awareness level with the media spend behind the individual ads to calculate a measure of ad efficiency, as shown in Figure 2. In this example, ads C and D have roughly the same awareness level, but, after adjusting for differences in media spend, we see that ad C is a strong ad and D is a weak ad because it was necessary to spend 50 percent more media dollars behind ad D in order to generate the same awareness level.

Since individual ads wear out much faster than campaigns do (the Marlboro campaign has been running for 50 years) measurements made at the level of the individual ad are key to understanding when a commercial is worn out and needs to be replaced. Asking respondents directly if they're "tired" of seeing a particular ad may be preferable to the current practice of using theoretical media wear-out models to determine when it is time to rotate in new advertising. This is a second advantage of online, recognition-based tracking.

A third advantage is that it is possible to measure depth of awareness of an ad campaign by looking at segments of the audience who have only seen one ad in a pool, or two of the ads in a pool, or three of the ads, etc., in order to assess the synergy between multiple executions in terms of their cumulative impact on consumer perceptions and behavior. With traditional telephone recall studies you simply know whether or not consumers are aware of a campaign as a whole, but you do not know their degree of awareness of the individual components.

New opportunity

So, the Internet has created a new opportunity for improving the way in which TV commercials are tracked. Recognizing the faces of advertising in that noisy advertising party called the marketplace is more reliable than recall. At first glance, it appears that bandwidth limits the promise of the Internet. However, the missing piece of the Internet puzzle is to use, as a substitute for video, a photoboard constructed with a small set of pictures — peak visuals previously selected by the original search engine, the consumer's eye.

References

Young, Charles, "Researcher as Teacher", *Quirk's Marketing Research Review*, March 2001. (Enter article QuickLink number 671 in the online Article Archive at www.quirks.com to read the article.)

Young, C. and Robinson, M., "Video Rhythms and Recall", *Journal of Advertising Research*, vol. 29, No.3, June/July 1989.

Zielski, Hubert, "Does Recall Penalize Emotional Ads", *Journal of Advertising Research*, Vol. 22, No1, Feb/Mar 1982.

Blueprints to successful concept development

Part 2: Framing it in

By Camille Nicita and Christi Walters

Editor's note: Camille Nicita is vice president of qualitative research, and Christi Walters is vice president of business development, at Gongos and Associates, Inc., a Bloomfield Hills, Mich., research firm. They can be reached at 248-205-9500. Part I of this article appeared in the February issue.

Last month, the strategy and rationale for the four cornerstone pieces to successful concept development — consumer wants and needs ("the building permits"), emotional connections ("the motivation to buy"), brand equity ("establishing residence") and competitive landscape ("analyzing the market") — were introduced as the foundation pieces necessary for successful concept development.

As with any construction project, once you have the foundation complete, it is time to frame in the structure. This article will explain the tactical process and specific qualitative and quantitative tools for evaluating and enhancing concepts that lead to products consumers will love.

Concept development process

The home construction analogy used in our first article works equally well for thinking about the actual concept development process. For instance, think of the key players involved: the client company is similar to a building contractor and the consumer is synonymous with the home buyer. The process for both begins and ends at various points in time, depending upon the progress of development/construction. Sometimes you have to stop, go back and re-do work to make the finished concept/product more in line with the expectations of the buyer.

The concept development process is creative, dynamic and iterative. Just as there are specific phases to any construction project, there are also key phases to successful concept development. Outlined below are the steps to the overall process.

Identify target

Just like knowing "who" will ultimately live in our fictitious house will assist in building the house of their dreams, it is important to identify and stay focused on the target consumer throughout the concept/product

development process. While identifying the target seems like the most logical first step, it is frequently either overlooked or lost sight of along the way. Even worse, sometimes companies build the "house" without identifying a target customer and then try to find an interested prospect after the fact. "If you build it, they will come" is a risky philosophy when it comes to product/concept development.

Whatever the case, failing to identify a target customer typically results in concepts that do not resonate in a meaningful way with consumers.

Assess ideas

When building a house, many difficult decisions and trade-offs must be made regarding the design, the materials used, etc. The same is true in the product/concept development process, where a multitude of ideas may have potential for further development. Since concepts cannot be created out of every idea, it is important to narrow down the idea set to provide a level of focus and efficiency to the rest of the process. Narrowing down can be accomplished through trade-off analysis — identifying appeal, relevance and fit with the category (generally) and brand (specifically). This simple step provides efficiency and rigor to the process, allowing the team to focus on the most vital alternatives.

Develop concepts

Once the list of potential ideas has been narrowed, developing concepts utilizing relevant consumer insight is the next logical step. In addition to consumer insight, it may also be fruitful to utilize diverse internal knowledge and viewpoints when developing concepts. Before revealing concepts to the target consumer, the following basic elements of a good concept should be considered:

• first-person voice to add personal relevance;

• simple and to the point;

• clear communication of relevant differentiated benefit;

• support of the brand promise;

• use of consumer language — not too technical or worded as a business case

• can be interpreted in a number of meaningful ways — especially if trying to appeal to more than one target consumer group;

• brings the product to life through creative language, illustrations, tone, examples, etc.;

• is not a sales pitch but rather a neutral description of what the product would be like.

Grow and customize concepts

Just as home buyers often make changes and enhancements to a house (like upgrading to granite countertops or adding a third-car garage), it is important to carefully listen to consumer wants/needs during concept evaluation in order to grow and customize concepts throughout the process. Analyzing and incorporating consumer insight and language will not only make the concepts the best that they can be, it will also help determine if the concept is relevant to the target and a good fit for the business (specifically for the product/brand portfolio).

Re-evaluate

Re-evaluate! Re-evaluate! Re-evaluate! If concepts don't work for the business or if they miss the mark with the target, it may be necessary to rework the concepts and re-test. This is where many companies put their blinders on — instead of really listening to consumer feedback, they make the mistake of moving forward with a bad concept. This could be due to political influences within the organization, the emotions of key stakeholders or simply because the company is trying to meet a product launch deadline. It is always better to start over than to force a bad idea through the research function.

Assess potential

All of the above mentioned steps should create confidence in concepts' readiness for a simulated test market evaluation (e.g., AC Nielsen's BASES). However, it is important to check key measures — appeal, purchase consideration, and other specific brand attributes) before investing resources in a more sophisticated market structure test.

Study design

Gathering consumer insights from both a qualitative and quantitative perspective is essential to driving a winning product design. It is important to note that each product development endeavor is different (due to varying business/brand objectives). So while the remaining sections of this article describe general qualitative and quantitative research philosophies for concept development, we recommend approaching each concept development effort with a clean blueprint — only then will the best study design result.

Qualitative research tools

Each individual project is unique, just as each house built is personalized to the buyer's desires. The following qualitative approach therefore is intended to review our overall philosophy and research tools and is not meant to be used as a specific process.

Once the initial concept platforms have been developed, qualitative research is used as a discovery initiative. Its dynamic nature provides customers the ability to interact with the concepts, while at the same time offering opportunity for marketing and product development to grow the ideas into more evolved, consumer-acceptable forms. The overall objective of qualitative research is to gain directional understanding of appeal, relevance, fit with brand equity and differentiability.

The first, and arguably the most important, part of the qualitative approach begins early in the process by thoroughly understanding the client's objectives and desired output. Further, understanding the intention of each concept helps determine if each is working — this is especially important for edgier concepts that tend to not be immediately accepted.

Prior to getting consumer feedback, it is important to prepare two key players — the qualitative moderator and the key stakeholders.

• Utilize the moderator as a partner and provide the concepts early enough so that the moderator can live with the ideas for a few days prior to the research. This "soak" time allows the moderator to anticipate consumer questions. Sometimes concepts are handed to the moderator five minutes prior to the groups — to the detriment of the entire research process.

• Key stakeholders should also be introduced to the concepts well before fielding the research to provide ample opportunity for tweaks and a reality check with business objectives.

Once in the qualitative setting, there are several specific guidelines (described below) to make the concept evaluation process most efficient and fruitful:

• Setting parameters — At the beginning of the qualitative session, it is important to set the stage and let the target consumers know what to expect — specifically what will be covered and what will not be covered.

• Setting tone, tempo and expectations — The moderator should calculate how much time is allotted for each concept and set the pace with the first concept. By communicating that there is a lot to cover and the time allotment for each concept makes it easier to move along when needed — "in the interest of time."

• Make it real and relevant — Placing the consumer in a realistic environment (as much as possible) helps them relate to the idea in a more concrete and meaningful way. Visualization techniques work well because respondents are asked to use their imagination to envision a typical usage situation and what the product may actually be like. Also, bringing in props (e.g., stocked store shelves, music, etc.) is another way to make the focus group room seem more like a realistic purchase or usage environment. Whatever it takes, the importance of getting respondents into the "game" mindset should not be underestimated.

• Ask each respondent to make a personal commitment — To minimize groupthink, it is important to ask respondents NOT to talk or make any comment — good or bad — while concepts are being passed around and evaluated. To further encourage commitment, ask respondents to informally rate the concept on a 1-5 ("does not appeal at all" to "extremely appealing") scale and to write down their rating. Also ask respondents to write down their initial reaction and what is being communicated to ensure they understand the intent of each concept.

• Standard questions — While a number of customized questions are at the core of each study, listed below are some standard questions that should be included in any concept evaluation.

Understanding strategic perspective

— What is your initial impression/reaction?

— What is this communicating?

— In what way can you personally relate to this idea? (Provide personal examples.)

— What else do you need to know to accept or reject idea?

— What does this communicate about the brand? The company?

— Does this make sense?

Understanding tactical perspective

— Describe specific likes? What should be kept? How can we make it better?

— Describe specific dislikes? What are your concerns? How can this be fixed?

— Based on this concept what are your expectations of this potential product?

— Brainstorm across a variety of product attributes considering before, during and after usage?

• Summing it up — While only directional, it is important for each respondent to narrow down the choice set and choose the preferred concept at the end of the session. This allows you to determine if one concept stands out in the crowd. Further, understanding if the idea is ownable and differentiating provides a double check with brand equity and provides strategic insight to help make key business decisions.

• Reality check — Prior to wrapping things up, it is important to have respondents take a step back and answer the question "Are you really in love with any of these concepts or are you simply basing your preferred choice on the best of a set of bad ideas?"

Quantitative research tools

Note: The quantitative research discussed in this article is considered custom quantitative. The purpose of this quantitative research is to ensure the best possible concepts are placed in the more expensive simulated market test (such as AC Nielsen's BASES testing).

While qualitative research can provide great direction and rich insights, even the best qualitative research cannot provide a projectable "winning" concept with any degree of confidence. Therefore quantitative research is necessary to narrow down the scope of potential concepts and to identify a winner or winners.

Focusing on the desired consumer target, quantitative research is used to ensure the concept is appealing to this group of consumers. There are a variety of ways to approach the quantitative study design — depending upon who the target market is and how easy or difficult it is to interact with them. Internet, intercepts, in-home placements and central location tests are methodologies effective for gathering quantitative evaluations. Listed below is a general overview of two commonly-used questionnaire designs along with the strengths and weaknesses of each. Each design can be successfully accomplished no matter the survey method (i.e., mail, Internet, central location, etc.).

Monadic approach: each respondent evaluates only one concept, ratings are compared and analyzed.

• More expensive — need to match samples.

• Not as sensitive to differences.

• More reliable, closer to real life — if respondents see more than one alternative, the first one presented tends to color the impression of the others evaluated. Generally, the first concept presented gets higher scores.

Sequential monadic approach: each respondent evaluates more than one concept, ratings are compared and analyzed.

• More economical, no need to match samples.

• First concept tested gives a "pure" monadic read.

• Easier to obtain overall preference.

• Not as close to real life

• Concepts are rotated to balance out the order bias — every single possible rotation can be presented to average out order effects.

While each research endeavor will include specific survey questions relevant to the business/brand, the following list includes some of the most typical measures:

— appeal;
— uniqueness;
— believability;
— purchase consideration;
— communication of intended message;
— communication of intended benefits;
— ability to meet an unmet need;
— fit with product.

The outcome from quantitative research is the identification of a winning concept along with the appropriate consumer target. Quantitative results should also provide direction on the relevance of the concept to the target market, specific strengths, weaknesses and ability to satisfy unmet needs. If all of these steps are successfully met, a company should feel confident about taking concepts into a volumetrics study.

Finally, great care should be taken to determine how a winning concept is selected. The following questions must be answered prior to quantitative testing: What are the key areas of interest for these concepts? What is the best way to score each concept to determine a winner? What are the criteria for a winning concept other than just being the best among a potentially losing set of concepts?

Creating synergy

Because concept development is an iterative process, synergy can be created through use of a research partner that is skilled in both qualitative and quantitative research. A firm that is expert in both areas of research can offer consistency and evolved learning throughout the concept development process. And, while the benefits of time and cost efficiencies are obvious, the not-so-obvious benefit is that fewer translation issues will arise from attempts to transfer knowledge from one firm to another. It is time-consuming and challenging to intimately understand the consumer, the concepts, the market, etc. — the fewer firms involved, the more lucid the process remains.

Guideline for tactical pieces

In last month's Part 1, we suggested using the article from a planning perspective and as a springboard for internal communication. We recommend using Part 2 as a guideline for the more tactical pieces of the concept development process. The end result of using the information from both articles will produce high confidence when engaging in concept development.

To leave you with one final home construction analogy, just as the success of a house construction project culminates when the buyers come to view it as their home, following our guidelines for consumer-driven concept development will transform concepts into a final product that buyers will eagerly adopt.

Survey Monitor

continued from p. 8

are funny (57 percent) and have good music (20 percent). The music component of commercials is especially important for girls 12-14 with 30 percent of them reporting that music will make or break a commercial.

The study was conducted among 3,888 children nationwide between the ages of six and 14 and inquired about kids' TV watching habits. For more information visit www.crresearch.com.

Super Bowl scores for advertisers

Research conducted 24 hours after Tampa Bay's decisive win over Oakland in Super Bowl XXXVII showed that adult male television viewers who watched the game could recall many of the ads shown throughout the contest, a study by advertising research firm Ipsos-ASI found.

The 2003 Super Bowl was a blowout, with little doubt about the outcome after the first half. But audience advertisement awareness was not affected by the lopsided contest. The Norwalk, Conn.-based company found that Super Bowl XXXVII far exceeded other football games tested as a vehicle for memorable advertising to the hard-to-reach male audience.

The study found that male television viewers were three times more likely to report having watched all the advertisements in a given quarter of the game (compared to men watching college bowl games or the AFC championship game), and were able to remember up to four times as many advertisements than other championship games.

The results are based on interviews comparing advertisement recall among men watching the Super Bowl with advertisement recall among men who watched the AFC conference title game or a college football bowl game (the Fiesta Bowl or the Rose Bowl).

This year, the company found that 37 percent of the audience reported to have watched all of the 60 or so paid ads in any given quarter during the Super Bowl compared with only 4 percent for the Rose Bowl, 13 percent for the Fiesta Bowl, and 7 percent for the AFC Championship game.

The critics' choice is not necessarily the most effective advertisement, the study also showed. Reebok advertisements won critical and popular acclaim, but did not win, place or show on the list of advertisements male Super Bowl viewers were most likely to recall.

Neither did advance Super Bowl hype necessarily improve recall. Some 39 percent of viewers reported having heard something about specific Super Bowl advertisements prior to the telecast, but this hype-exposed group was actually less likely than average to remember any advertisements.

Ipsos-ASI conducted interviews via telephone with 1,200 adult males this month after each of the four biggest football games of the year, and found that:

• 87 percent could remember without prompting the name of at least one of the advertisers in the Super Bowl, while only 33 percent could remember an advertiser from the Rose Bowl game, 53 percent from the Fiesta Bowl and 54 percent from the AFC championship game.

• The average viewer could remember unaided 3.5 advertisers in the Super Bowl (up from 3.2 advertisers during the 2002 Super Bowl game), compared to only about one advertiser for the college and AFC championship games.

• 48 percent claimed to have watched all the ads during the Super Bowl halftime show — up from 40 percent in 2002. By comparison, only 14 percent watched all the ads during halftime of the Rose Bowl, 21 percent during the Fiesta Bowl and 16 percent for the AFC championship game.

• Budweiser and Pepsi fared the best during the Super Bowl: 66 percent of the audience could remember advertising for Budweiser, and 44 percent remembered ads for Pepsi. Ads from these two companies also fared best in 2002, Ipsos-ASI found. For more information visit www.ipsos-asi.com.

What's your party affiliation?

For the second year in a row, Rochester, N.Y.-based Harris Interactive reports, those who think of themselves as Democrats (regardless of how they actually vote) declined in 2002. The Democratic lead in party identification over Republicans has fallen from eight points in 2000 to five points in 2001 and only three points in 2002. Those who think of themselves as Democrats now outnumber Republicans by only 34 percent to 31 percent, with 24 percent describing themselves as Independent, and the rest as not sure (6 percent) or something else (5 percent). This is the smallest Democratic lead recorded since Harris Interactive began measuring party identification in 1969, when Democrats enjoyed a 17-point lead over Republicans.

These numbers are based on replies to 13 nationwide surveys of adults surveyed by Harris Interactive between January and December 2002. These surveys were conducted by telephone with a total of over 13,000 adults (ages 18+). The numbers for previous years, since 1969, were all based on 10,000 or more interviews each year.

In the polls conducted in the 1970s Harris found, on average, a 21-point Democratic lead over the Republicans, with a peak of 25 points in 1975, the year President Nixon resigned. In the 1980s and 1990s, this Democratic lead declined to 11 and seven percentage points, respectively. In the first three years of this decade (2000 through 2002) the Democratic lead has averaged only five points.

There has been little change in the proportion of adults who describe themselves as conservative (35 percent), liberal (18 percent) or moderate (40 percent) over the last several years. Indeed the numbers have been remarkably stable over the last 30 years. However, this is the first year since 1995 that conservatives have outnumbered liberals by more than two to one.

Those who think of themselves as moderate have been close to 40 percent for 30 years. Conservatives have been close to 35 percent for several years after peaking at 40 percent in 1995, after the "Republican revolution" and their mid-term election victory of 1994.

Self-described liberals have never risen above 20 percent (in 1979) or fallen below 15 percent (in 1974). Since 1975, moderates have never fallen below 38 percent or risen above 42 percent (most recently in 1992).

While most people who identify as Democrats or Republicans tend to vote for candidates of these parties, very large numbers of them do not. Furthermore, in recent elections, a majority of voters split their tickets and only a minority cast all their votes for candidates of one party (The Harris Poll #62, November 21, 2002).

For much of the last 30 years, more Democrats voted for Republican candidates than vice versa, and majorities or pluralities of independents voted Republican. Otherwise, Republicans would have won far fewer elections. So obviously, the continuing decline in Democratic identification does not bode well for Democratic candidates. For more information visit www.harrisinteractive.com.

Outdoor revolution: new lifestyle or state of mind?

In the last few decades, as we have sharpened our ecological awareness and further refined our appreciation of nature, the consumer marketplace has stalked this development on a parallel path, inventing and saturating us with "rugged chic" — a staggering commercialization of the outdoors theme that shows beyond any doubt the existence of an "outdoors revolution." But the so-called revolution — despite its apparent unanimity in the public mind — is merely a state of mind, largely unrelated to rigorous participation in outdoors activities. This conclusion was derived in part from the 15th annual Superstudy of Sports Participation, conducted in January 2002 among 14,276 Americans nationwide by American Sports Data, Inc. (ASD).

The proliferation of highly visible cultural symbols that have little to do with rugged outdoors participation — Jeeps, Hummers, parkas, ski jackets, cargo pants, hiking boots, camouflage, backpacks and climbing walls — makes it almost impossible to deny the presence of a "Great Outdoors" revival. On the other hand, abundant statistics document our passive bond with nature and the environment, but these only muddy the waters — promoting the misconception that Americans are flocking to the outdoors.

While the number has declined from a decade earlier, in 1999, exactly one-half of all Americans (50 percent) considered themselves environmentalists.

According to the 2001 National Survey of Fishing, Hunting and Wildlife conducted by the U.S. Fish & Wildlife Service, in 2001 more than 66 million adults participated in feeding, observing and photographing wildlife — up from 62.9 million in 1996. Since 1980, total recreational visits at national parks have increased by 27 percent — not a huge gain in view of population growth, but, against the backdrop of declining overnight visits by campers and hikers, suggestive of a healthy (if passive) interest in the outdoors. A less salient (and perhaps less relevant) indicator of our growing outdoors consciousness may be do-it-yourself home gardening among Americans — which, according to the 2001 National Gardening Survey — is at its highest level in five years.

But a closer look reveals that over the past few years, the quintessential outdoors activities of hiking and camping have either stagnated or declined. From 1998-2001, the number of day hikers in the U.S. dropped by 4 percent to 36.9 million, while overnight hiking/backpacking fell from 6.8 million to 6.0 million participants, a drop of 12 percent.

During the same three-year period, tent camping, the most popular outdoors activity, grew by only 2 percent, to 43.5 million participants. The 19.1 million RV campers projected in 2001 represent an increase of 5 percent over the 18.2 million measurement of 1998, but 16 percent below the 1987 estimate of 22.7 million. From 1980-2001, overnight RV camping visits at national parks plunged from 4.4 million to 2.4 million. On the other hand, tent camping — according to ASD survey research — claims a 23 percent rise since 1987, but most of this growth can be attributed to population expansion. Over this 14-year period, real (per capita) gain for the activity would be about 7 percent. In 2001, overnight tent camping visits at national parks numbered only 3.3 million — down from 3.9 million in 1980. During the same period, "backcountry" overnight visits declined from 2.4 million to 2.0 million.

From 1990-2001, the number of "active" outdoors enthusiasts (those who participated at least 15 days per year in at least one of the more rigorous activities, excluding camping) declined from 15.8 million to 15.3 million. Since 1998, the number of mountain bikers has plunged by 28 percent to 6.2 million, while the contingent of technical (rope and harness) mountain/rock climbers has dropped 9 percent.

From 1998-2001, the performance of the outdoors sector is redeemed by strong gains in only two activities: artificial wall climbing (+57 percent) and kayaking (+35 percent).

Against the massive groundswell of public sentiment for environmental concerns, a growing affinity for nature, wildlife and the outdoors — all of which are being fueled by the green revolution and authenticated by liberal consumer spending for rugged outerwear, footwear and certain camping products — these lackluster outdoors sports participation findings appear counterintuitive; the collective impact of a soaring product market and the ubiquitous outdoors look provides evidence that outdoors sports must also be enjoying unprecedented growth. But all too often, fashion trends and product sales have nothing to do with sports participation.

For example, by the late 1990s, after nearly two decades of the traditional "white shoe" look in athletic footwear, Americans were primed (if not desperate) for novelty. As a consequence, hiking shoes, athletic leisure styles, sandals and brown casuals easily infiltrated the non-performance niche of athletic footwear, capturing the allegiance of bored consumers who had absolutely no intention of ever sweating in these new fashion offerings. As industry parlance studiously (or innocently) avoided the distinction between hiking participation and hiking shoe purchases, "hiking" was soon decreed a trend.

In addition, record sales of backpacks had far more to do with schoolbooks and lunches than the Great Outdoors; and to a lesser extent, sleeping bags were purchased for sleepovers. But these artificial indicators of an outdoors revolution have been dwarfed by a colossal fashion statement provided by the rugged outdoor apparel industry. While offering the same functionality that could have been satisfied by any number of mundane street styles, heavy parkas, ski jackets, safari vests, cargo pants, farm overalls and camouflage transport the urban high-rise dweller to the tundra, jungle, desert, farm or any other natural habitat of his or her vicarious selection.

And in poetic affirmation of this ersatz outdoors revolution, artificial wall climbing — a decidedly indoor activity performed in climbing studios and upscale health clubs — has, as previously noted, registered a 57 percent participation gain from 1998-2001.

However, industry claims to record-selling sales of high-performance products — such as frigid-weather sleeping bags — must be acknowledged; it is possible that a tiny, but flourishing "barkeater" segment of core outdoors participants has simply gone undetected by the radar of large-scale population surveys. But even if this is true, survey research offers no comfort for those who cling to the myth of booming outdoors participation trends.

The major disconnect between the new eco-consciousness and outdoors participation is somewhat analogous to what has been observed of American attitudes toward physical fitness. Changes of attitudes and values in the national psyche can be swift. But corresponding changes in behavior can be far less dramatic — even glacial. ASD research has consistently shown that the vast majority of Americans (80 percent+) have already been persuaded of the virtues of physical fitness; yet only 20 percent are active fitness enthusiasts. Quite simply, our collective fitness behavior has kept pace with neither enlightened attitudes about the health benefits of fitness nor symbolic identification with the fitness lifestyle. One is reminded of the decidedly overweight "velour runners" of the 1980s who donned elegant running suits with matching headbands, and expensive running shoes — as they smoked incessantly on the sidelines of the New York City Marathon. Fitness folklore assures us that a good number of these emulators joined the growing army of fitness walkers in the late

1980s; some later became joggers — or in a few rare instances, marathoners.

The same dynamics and behavioral principles apply to outdoors sports/activities, where rigorous participation seems to lag a more generalized but passive appreciation of nature and the environment. Following the well-established laws of human nature which urge us away from inconvenience, pain or discomfort, the greatest numbers of people will opt for the paths of least resistance. Outdoors spectatorship (such as recreational visits to national/state parks) and light recreational involvement (bird-feeding, gardening, photography, walking) recruit the largest populations; less convenient forms of participation such as camping attract smaller (but relatively large) followings, while the most rigorous pursuits (hiking, climbing) will claim the fewest devotees.

The Superstudy of Sports Participation was conducted in January 2002 and based on a nationally representative sample of 14,276 people over the age of six, who were among 25,000 respondents targeted in a sample drawn from the consumer mail panel of NFO Research, Inc. Over 100 sports and activities were measured along over 20 demographic, attitudinal and behavioral dimensions. Data were also collected on health club membership and other subjects pertinent to physical fitness. For more information visit www.americansportsdata.com.

American cooks prefer fresh vegetables

With the hectic lives Americans are leading today, cooking with the freshest, most nutritious vegetables for a healthy lifestyle — those grown in one's own garden — is not always possible. Instead, Americans are relying on fresh farm stand and store vegetables to fulfill their needs for freshness coupled with convenience, according to a study by Opinion Research Corporation, Princeton, N.J. Half of American consumers (50 percent) prepare home-cooked meals with fresh vegetables purchased from stores or farm stands. The use of fresh vegetables far surpasses — by more than two to one — other vegetable choices such as frozen/prepackaged (21 percent) and canned (18 percent).

When asked about their preferences versus what they actually cook with now, four out of 10 (41 percent) American consumers would prefer to prepare home-cooked meals with vegetables grown in their own garden, although only 10 percent now do. Very few Americans prefer their veggies frozen (8 percent) or canned (5 percent).

The "Vegetables Sources" study was conducted by Opinion Research Corporation's CARAVAN among a nationally representative sample of 1,042 adults October 18-21, 2002. The study has a margin of error of +/- 3 percent at the 95 percent confidence level. For more information visit www.opinionresearch.com.

Research Industry News

continued from p. 15

Alliances/strategic partnerships

London-based market intelligence firm **Citigate DVL Smith** announced that the **Momentum Research Group** (MRG), a U.S.-based research practice with a focus on business-to-business markets, has joined Citigate DVL Smith. With this move, Citigate DVL Smith expands its portfolio of research capabilities and gains a base for increasing its service of North American clients. MRG, previously a division of Citigate Cunningham, will retain its brand name and identity.

New York-based **WebSurveyResearch** and **Olitzky Whittle LLC**, a pharmaceutical marketing research firm, will work together to deliver online surveys to assess marketing research information from physicians and other health care professionals. Under the terms of the letter of intent, Olitzky Whittle will have immediate access to WebSurveyResearch's physician panel for performing marketing research. Olitzky Whittle LLC will perform the questionnaire design and analysis of data.

Association/organization news

Paul Talmey of **Talmey-Drake Research & Strategy, Inc.**, is the new chair of the **Council of American Survey Research Organizations** (CASRO). Talmey is joined by Chair-Elect Simon Chadwick (CEO, NOP World), Treasurer Dale Lersch (president, Pert Survey Research), and Secretary Morris Davis (president, M. Davis and Company, Inc.), as officers of the organization. Elected to the board of directors are: Manuel Barberena (president, Pearson Mexico), Eileen Campbell (president, Millward Brown, Inc.), Judith S. Corson (founder, GfK Custom Research Inc.), Richard Day (president, Richard Day Research, Inc.), Jerry Thomas (president, Decision Analyst, Inc.), and Chet Zalesky (president, CMI). Representing the associate members on the CASRO board is Terry Coen (president, Survey Sampling, Inc.).

Continuing as members of the board

News spotlight

Research leaders reach agreement on key industry actions

Leaders of the market research industry meeting in Geneva in January for the third ESOMAR/ARF Market Research Leaders Summit (RELEAS) decided to support a new worldwide initiative to represent the market research industry at the legislative level in all major world markets to promote laws that protect consumer privacy while assuring the freedom to perform market and opinion research.

They also decided to strengthen the added value of market research to businesses through a global online platform to share best practices and help create metrics to measure the return on investment of market research and marketing. "Creating worldwide presence at the legislative level is a major step ahead for the market research industry, which is in increasing demand, but is also experiencing increasing pressure from legislative proposals aimed at limiting the freedom of businesses to contact consumers or use consumer data," says Larry Mock, president of CMOR (the Council for Marketing and Opinion Research) and one of the initiators of the new Global Legislative Initiative (GLI).

"One of the main tasks of the Global Legislative Initiative is to inform lawmakers and the public about the distinctions between market research, which has a scientific basis and a strong track-record of guaranteeing confidentiality of data and consumer's privacy, and other activities," says Mario van Hamersveld, director general of ESOMAR (the European Society for Opinion and Marketing Research).

Market research providers have committed to additional funding of the Global Legislative Initiative, on top of current investments. The plan involves investments of up to $3.5 to $4 million covering the first three years of operations. Leaders will review the GLI's accomplishments on a year-to-year basis.

Establishing the Global Legislative Initiative is a step-by-step process. Its European office, run by the Research Alliance, was already set up last year in Brussels. In the North American market since 2002, GLI has been represented by the North American Survey Research Alliance (NASRA), covering legislative efforts in Canada, the U.S. and Mexico. GLI efforts will be set up in Asia and Latin America in 2004.

Other steps taken at the third and last RELEAS market research leaders summit:

- Establishment of the Global Research Online Workshop (GROW), an online platform for market research professionals to share best practices confidentially, provide benchmarking tools for the measurement of ROI of market research and to collect trend data and case stories.
- Initiatives to strengthen the position of market researchers operating on the demand side of the industry will be taken, including meetings such as the Managing Research for Profit Forum scheduled for May 2003 in Brussels, aimed at demonstrating and improving the return on investment of market research.
- The industry will set up a World Industry Network, a flexible platform to continue the successful dialogue of leaders of both providers and market research clients that started with the RELEAS process in 2001. The Advertising Research Foundation and ESOMAR/EFAMRO (European Federation of Associations of Market Research Organizations) will organize industry leader gatherings once every two years, as well as meetings of representatives of market research associations, which will also take place every other year, enabling the industry to discuss trends and issues at a worldwide level on an annual basis.

Marketing Research Seminars from

THE BURKE INSTITUTE

The premier provider of state of the art marketing research training.

http://www.BurkeInstitute.com

Seminar Dates and Locations from January—December 2003

101. Practical Marketing Research
New York .... Jan 6–8
Dallas .... Feb 11–13
Los Angeles .... Mar 17–19
Chicago .... Apr 14–16
Cincinnati .... May 20–22
Baltimore .... June 23–25
San Francisco .... July 29–31
Chicago .... Sept 8–10
Las Vegas .... Oct 13–15
Atlanta .... Nov 17–19

104. Designing Effective Questionnaires: A Step by Step Workshop
New York .... Jan 14-16
Los Angeles .... Mar 25–27
Cincinnati .... May 28–30
Chicago .... Aug 5–7
San Francisco .... Oct 20–22

106. Fundamentals of Internet Marketing Research Methods
Las Vegas .... Mar 18–19
New York .... July 22–23
Chicago .... Nov 13–14

201. Getting the Most Out of Traditional & Online Qualitative Research
Chicago .... May 6–7
Las Vegas .... Oct 16–17

202. Focus Group Moderator Training
Cincinnati .... Jan 21–24
Cincinnati .... Mar 25–28
Cincinnati .... May 13–16
Cincinnati .... July 8–11
Cincinnati .... Aug 26–29
Cincinnati .... Nov 11–14

203. Specialized Moderator Skills for Qualitative Research Applications
Cincinnati .... Mar 31–Apr 3
Cincinnati .... Sept 30–Oct 3

205. Qualitative Research with Children
Chicago .... May 8

301. Writing and Presenting Actionable Marketing Research Reports
Baltimore .... Feb 26–28
Cincinnati .... June 4–6
Chicago .... Sept 17–19
San Francisco .... Dec 3–5

401. Managing Marketing Research to Enhance Accountability and ROI
Chicago .... Apr 8–9
Cincinnati .... Sept 16–17

501. Applications of Marketing Research
New York .... Jan 9–10
Los Angeles .... Mar 20–21
Baltimore .... June 26–27
Chicago .... Sept 11–12
Atlanta .... Nov 20–21

502. Product & Service Research
New York .... Feb 18–19
Chicago .... Aug 19–20

504. Advertising Research
New York .... Feb 20–21
Chicago .... Aug 21–22

505. Market Segmentation Research
New York .... Feb 4–5
Cincinnati .... June 10–11
Los Angeles .... Nov 4–5

506. Customer Satisfaction Research
New York .... Mar 4–5
Chicago .... Aug 12–13

507. Analysis and Interpretation of Customer Satisfaction Data
New York .... Mar 6–7
Chicago .... Aug 14–15

508. Positioning Research
New York .... Feb 6
Cincinnati .... June 12
Los Angeles .... Nov 6

509. Pricing Research
New York .... Feb 7
Cincinnati .... June 13
Los Angeles .... Nov 7

601. Data Analysis for Marketing Research: The Fundamentals
Baltimore .... Feb 24–25
Cincinnati .... June 2–3
Chicago .... Sept 15–16
San Francisco .... Dec 1–2

602. Tools and Techniques of Data Analysis
New York .... Jan 21–24
Dallas .... Mar 11–14
Chicago .... Apr 29–May 2
Los Angeles .... July 8–11
Cincinnati .... Sept 22–25
Las Vegas .... Nov 11–14

603. Practical Multivariate Analysis
New York .... Jan 28–31
Chicago .... May 6–9
Los Angeles .... July 15–18
Atlanta .... Oct 7–10
Cincinnati .... Dec 9–12

604. Advanced Analytical Workshop: A Hands-on Approach to Multivariate Analysis
Cincinnati .... Apr 8–10
Cincinnati .... Oct 13–15

605. Practical Conjoint Analysis and Discrete Choice Modeling
New York .... Feb 11–12
Cincinnati .... June 17–18
San Francisco .... Oct 23–24

701. Conducting Research in International Markets
New York .... TBD/Mar–Apr
Los Angeles .... TBD/Aug–Sept

Please check our website or contact us about the following:

- Certificate Programs
- Pass Programs (with 3, 6 & 12 month options)
- Inhouse/onsite seminars
- Recommended seminar combinations: 101 & 501, 101 & 201, 202 & 203, 301 & 601, 502 & 504, 505 & 508, 506 & 507, 508 & 509
- Combination/team fees

TO REGISTER PLEASE CONTACT US AT:
Voice: 800-543-8635 or 513-684-4999 • Fax: 513-684-7733 • E-mail: Linda.Thomson@BurkeInstitute.com

FOR ADDITIONAL INFORMATION OR DETAILS ABOUT OUR SEMINARS:
Please contact Mr. Jim Berling, Managing Director, or visit our web site at http://www.BurkeInstitute.com

of directors are: Bob Cohen (president, Scarborough Research), George Harmon (executive vice president, DMS/America Online), Kevin Mabley (president, ROI Research Inc.), Peter Milla (senior vice president, Harris Interactive), David N. Richardson (CEO, Wirthlin Worldwide), Jim Robinson (president, Robinson and Muenster Associates), Mark A. Schulman (president, Schulman, Ronca, & Bucuvalas, Inc.), Mark Shugoll (president, Shugoll Research), Nicholas J. Tortorello (vice president/general manager, Lieberman Research Worldwide) and Don Ambrose (president, Consumer Contact) representing the Canadian Organization of Marketing Research Organizations (CAMRO).

CASRO also announced that it will be expanding its series of privacy briefings and its CASRO 3P privacy protection program. "CASRO has recognized its responsibility to inform its membership of professional research practitioners about the ways to satisfy privacy requirements while conducting survey research as privacy has increased in importance in our society," Talmey says. "CASRO's 3P provides this critical information as well as materials specifically designed to assist professional researchers and their clients in complying with these regulations." *(See this month's Trade Talk for more on the topic of privacy regulations.)*

NOP World, **MORI**, **NFO Europe** and **SPSS MR** have formed the **European Consortium for Online Research** (ECOR) to stimulate the growth of online research and expedite its adoption in Europe. Other companies have been invited to join ECOR and are currently considering participation. "By joining forces with industry leaders, we believe ECOR will create an environment for member companies to test and refine online sampling methodology within select European markets," says Ian Durrell, president of SPSS MR. For more information visit www.onlineresearch.org.

New accounts/projects

IBM will work with market intelligence company **Taylor Nelson Sofres** (TNS) as its primary corporate research provider. IBM will outsource its corporate headquarters market information needs to TNS, including customer commitment and global brand research. Led by TNS' North American operation TNS Intersearch, the research will cover more than 85 countries and use TNS-branded products and services to serve IBM's needs.

MasterCard has selected **Perseus Development Corporation**, a Braintree, Mass., Web survey software firm, as its enterprise software solution for implementing a survey research system. MasterCard is implementing Perseus Enterprise SurveySolutions software for a range of survey applications including customer satisfaction, employee feedback and training course evaluations.

The Austrian TV and radio corporation **ORF** has extended its current contract with GfK subsidiary **Fessel-GfK** by an additional three years to the end of 2006. Fessel-GfK measures TV ratings in Austria; the volume of this contract extension amounts to EUR 11.5 million.

Wilton, Conn.-based **Greenfield Online** has further strengthened its relationship with **Microsoft Corp.**, and will use the MSN network of Internet services to recruit additional members of its online research panel of 1.2 million. Expansion plans will enable the company to grow the current population by more than 80 percent in 2003. In addition, by the end of Q2 2003, the company will have more than 250,000 new members of both its automotive and business-to-business panels respectively. These growth plans will help the company to expand both Greenfield Online's full-service data collection, and sample-only services.

New companies/new divisions/relocations

Research firms **Markitecture** and **Clark, Martire & Bartolomeo, Inc.** have merged to form **Markitecture Systems Group LLC.** The firm, with offices in Norwalk, Conn., and Englewood Cliffs, N.J., will be organized into three divisions: Markitecture will focus on marketing strategy development and implementation; Clark, Martire, Bartolomeo & Shulman on polling and media research; and the Executive and Physician Interviewing Center (EPIC) on helping clients conduct with research specialized business markets.

Taylor Nelson Sofres (TNS) has opened a health care research division in Italy, naming Fanny Gerli as director of the new division. She will be based in TNS' Milan office and will be supported by Associate Director Letizia Galli in Rome.

Daniel Chan and Patrick Johnston have formed **Vista Research Services, Inc.** Chan is former data management director for Synovate (formerly Market Facts, Inc.) and Johnston managed the Chicago office of Harris Interactive Inc. The company will specialize in the use of SPSS MR Quantum software. For more information call 847-579-0031.

San Diego-based marketing information firm **Claritas Inc.**, has formed a new analytical services division called Integras, specializing in high-end location research and customer analysis for marketing.

Full-service firm **Research Management, Inc.** has moved to new headquarters at 40-3 Burt Road, Deer Park, NY 11729. Phone 631-586-9337. Fax 631-586-9405. E-mail doctorg@resmanage.com. Web www.resmanage.com.

Pamela Rogers Research of Boulder, Colo., has formed Research Details, a project management and report writing company providing support services for domestic and international qualitative and quantitative research projects. Phone 303-443-3435. E-mail researchdetails@aol.com.

Company earnings reports

Menlo Park, Calif.-based marketing information firm **Knowledge Networks** topped its high-water mark for quarterly revenue, recording $7.7 million in Q4 of 2002, bringing the firm's 2002 revenue total to $29.3 million, representing year-to-year growth of 37 percent compared to the 2001 figure of $21.4 million.

New York-based **Arbitron Inc.** announced results for the quarter and year ended December 31, 2002. For the fourth quarter 2002, the company reported revenue of $57.8 million, an increase of 12.3 percent over revenue of $51.4 million during the fourth quarter of 2001. Earnings before interest and taxes (EBIT) for the quarter were $14.1 million, compared with EBIT of $9.3 million during the comparable period last year. Net income for the quarter was $6.5 million, compared with $2.6 million for the fourth quarter of 2001.

Cost and expenses for the quarter increased by 4 percent, from $46.0 million in 2001 to $47.9 million in 2002. Interest expense declined $1.4 million from 2001 as a result of significant reductions in debt between the two periods.

Net income per share for the quarter increased to $0.21 (diluted), compared with $0.09 (diluted) during the comparable period last year. Effective January 1, 2002, the company discontinued the amortization of goodwill in accordance with generally accepted accounting principles. Had the company been required to adopt this accounting treatment effective as of January 1, 2001, net income and net income per share (diluted) for the three months ended December 31, 2001 would have been $3.0 million and $0.10, respectively.

For the year ended December 31, 2002, revenue was $249.8 million, an increase of 9.8 percent over the $227.5 million reported for the same period last year. EBIT was $85.7 million, compared to $75.5 million in 2001, an increase of 13.5 percent for the year. Net income for the year was $42.8 million or $1.42 per share (diluted), compared with $36.5 million, or $1.24 per share (diluted), last year. Had the discontinuation of amortization of goodwill been in effect in 2001, net income and net income per share (diluted) for the year ended December 31, 2001 would have been $38.2 million and $1.29, respectively.

Chicago-based **Information Resources, Inc.** reported results for the fourth quarter and year ending December 31, 2002. For the quarter ended December 31, 2002, IRI reported a net loss of $4.8 million or ($0.16) per share compared to net income of $0.3 million or $0.01 per share for the fourth quarter of 2001. The fourth quarter 2002 results include a pre-tax charge of $7.8 million relating to a reduction in workforce in the United States and Europe. Excluding this charge, net income was $0.01 per share for the fourth quarter compared to $0.08 per share in 2001 before pre-tax net special charges of $3.0 million.

Revenue of $141.3 million was up 1 percent compared with last year. U.S. revenue was $102.6 million, a decline of 2 percent compared to the prior year. However, international revenue of $38.8 million was up 9 percent. Excluding the impact of currency, international revenue for the quarter was down 1 percent. In the U.S., the panel and analytics business had another strong quarter, with revenue up 13 percent over prior year. However, that improvement was offset by the continued contraction of the retail tracking business, where revenue declined by 6 percent. International revenue growth was negatively impacted by the performance of IRI's German operation, which experienced operational difficulties during the year. Excluding Germany, international revenue grew 4 percent in local currencies.

IRI reported a net loss of $13.0 million or ($0.44) per share for 2002 compared to a net loss of $3.9 million or ($0.13) per share for 2001. IRI's 2002 net loss includes a $7.1 million or $0.24 per share charge for the cumulative effect of a change in accounting for goodwill. Excluding this charge and pre-tax special charges of $14.9 million, net income for the year was $3.5 million or $0.12 per share for 2002. This compares to net income in 2001 of $5.8 million or $0.20 per share excluding pre-tax charges of $15.4 million.

Revenue of $554.8 million was down slightly from prior year. Revenue from the company's U.S. business declined 2 percent for the year compared to 2001 while international revenue was up 6 percent over 2001 in U.S. dollars and 1 percent in local currencies.

Rochester, N.Y.–based **Harris Interactive** reported record revenue and earnings for its fiscal 2003 second quarter ended December 31, 2002. Revenue for the quarter was $32.5 million, up 7.3 percent over $30.3 million revenue reported for the first quarter of fiscal 2003. Revenues increased 31 percent over the same period a year ago (including Total Research revenues from the date of the acquisition, 11/01/01), or 24 percent on a fully comparable basis over the same period a year ago.

Net income for the fiscal second quarter was $2.1 million or $0.04 per share, compared to a net loss of $10.5 million or ($0.23) per share for the same period last year — which included a restructuring charge of $6.2 million or $0.14 per share. This compares to net income of $1.0 million or $0.02 per share for Q1 of fiscal 2003.

For the six-month period ended December 31, 2002, revenue was $62.8 million, up 50 percent from $41.9 million for the same six-month period a year ago. Net income for the current six-month period was $3.1 million or $0.06 per share, compared to a six-month loss of $13.7 million or ($0.34) per share for the same period a year ago. Revenue and net income include Total Research results only from November 1, 2001. Net income for Q2 of fiscal 2002 includes restructuring charges as noted above.

Data Use

continued from p. 20

changes in market (share) potential, net share change (draw from as well as loss to other products), loyalty, switching, cannibalization, and product segmentation.

The single caveat is that, as the name indicates, PAT requires a probability measurement for the purchase intent question. This should be in the form of a chip sort or a point allocation question. It can be used alone as the source of intent or, if precedence dictates, as an adjunct to traditional single or multiple-choice questions.

While PAT can be utilized with any form of interviewing, it is best served by some form of personal, online or self-administered techniques. The reasoning is that greater visualization is allowed for product alternatives and probability counts. The closer to real-life product alternatives, of course, the better, but telephone will work reasonably well when choices are of limited quantity and well known.

First and foremost, PAT is a simulation methodology. It provides the magic number(s) that marketing wants to know. The world of market research is replete with many far more sophisticated simulation techniques that project not only share but volume, and can be calibrated to consider a host of offering and promotional options. Suffice it to say that (within the +/- limits of virtually all such methodologies) PAT projects future market share for all products within a defined market. Consider it, if you must, a poor man's substitute as it can be incorporated into ongoing research. This is useful when learning about a new market, measuring the impact of changes in product or promotion in an existing market, considering new product potential (both in terms of the new product as well as its effect on competition), and perhaps as a corroboration of other simulations.

A word about that magic number. Don't bet the farm on it. This isn't heresy; it's common sense. PAT has proven to be accurate regarding winners and losers, but precision is a matter that must be considered with caution. The share numbers that PAT projects more practically indicate product share potential as viewed from a specific interview date, under a unique set of marketing and economic conditions. Actual product performance is really an abstraction, dependent upon the above conditions and the place of the product on the continuum from fast-moving consumer goods to long-term durables. The PAT projected share number provides a reliable order of magnitude for share change and, just as importantly, a frame of reference for the other analytical tools that are described below.

And a few more words about market share. PAT addresses market share from a user basis. In many cases, businesses measure on a unit basis. While user and units often move in lockstep, this is not always the case, particularly when there are significant price discrepancies within a market. Nevertheless, PAT is a valuable tool for predicting individual product strengths and weaknesses, and analyzing the reasons why.

In addition, PAT measures the size of the slice of the pie, not the pie. It works best when the pie is relatively stable. In markets that are rapidly growing, the sample must be adjusted to include non-users as a segment. Declining markets — shrinking pies — are more difficult because purchases may be discontinued (as in the case of obsolescence) or volume may be reduced through stretching (using products longer) or postponement, as often happens when economic conditions worsen.

PAT examines the share changes from the perspective of the market in two ways — a macro and a micro analysis. On a macro level, it supplies information relevant to product volatility and loyalty, each of which can impact profitability. At the micro level PAT provides predictive draw/loss data and guidance on segmentation and cannibalization.

The macro look — market switching and loyalty

As a macro analysis PAT explains share movement from the perspective of market volatility and direction. Switching and loyalty are the drivers of market share change. Switching is the transmission and accelerator of share dynamics; loyalty the shock absorber.

All changes in unit share (with the exception of consumption changes) are the result of customer switching. This change can result from either customer movement from competing brands or first-time users of a product category (in which sense they are switching from non-usage). When a product has more new users — "comers" — than "leavers," it must exhibit share growth.

PAT considers two types of switching — market switching and product switching. The former identifies the profile of a product within the context of its market (macro). It is a measure of volatility and the direction of share change.

There are two measurement components to market switching. First, there is a switching index, which measures share volatility — high indexes indicate potential for larger share changes, low indexes mean far less dramatic changes. Note the use of the word "potential." A high switching index means that there are a lot of customers changing brands, but there is another factor that determines brand growth or decline.

This is the switching ratio (direction), which records the amount of customers coming to and going from a product. If there are more switchers into a product than leaving it, then the market share must increase, irrespective of the

level of volatility. Similarly, if more leave than enter (a negative ratio), the market share must decline. Thus, the level of switching indicates potential volatility (the accelerator); while the direction of switching is a measure of growth/decline (the transmission). Together, they explain share change.

Loyalty is, of course, the tendency for consumers to stay with a product (repurchase), and PAT measures, for all products under consideration, levels of future loyalty. Strong loyalty also implies advocacy, which when put into effect is the best and most cost-effective means of promotion. Products with a high loyalty reading are more likely to exhibit share growth, but if not, then it acts as a buffer for any share decline. Most importantly, loyalty is a critical indicator of profitability because it's far less expensive to make that next sale to an existing customer than it is to educate and convince a non-customer. Changes in loyalty can be tracked over time and measurement of this attribute is an often overlooked component of positioning and advertising tests.

It is a given that different types of markets exhibit different levels of loyalty, but PAT shows that there can also be very different levels of loyalty among products within a particular market. This may be a function of a given product's promotion, perceived value, utilization or life cycle stage.

While an individual consumer is either very loyal or likely to switch, on a market basis, switching and loyalty are mutually exclusive. That is, a product can have high loyalty as well as high switching. This is often the case for strong newer products or existing products with high projected growth rates. On the other hand, a product with low levels of switching (even if negative) and high loyalty may not have the growth potential, but still be quite profitable as a harvest candidate.

In Figure 1, A and D have high loyalty, high switching indices and a positive switching ratio, and they are the primary prospective share gainers in this market. F also has high loyalty, but low and negative switching — it is in the harvest mode. Product E has a high switching index, but its ratio is decidedly negative and it can expect severe share problems.

The test also measured the market efficacy of two new products K and L. One was never launched; the other came to market and was withdrawn.

High levels of switching that are generally neutral indicate that a product is potentially volatile. This is important because lack of projected share change doesn't necessarily mean stability. High switching indicates that the product has to fight harder to maintain share and this impacts profitability. The message here is that two hypothetical products with identical shares and no predictive share changes may still have very different profiles with regard to profitability. A deeper analysis can reveal each product's true characteristics and perhaps its changes over time as a result of different promotions or its life cycle position.

Thus, PAT can examine a product on a market basis by deducing share change, loyalty and volatility, and it does so for all products in the market. This is useful for examination of ongoing markets as well as determining new product potential.

The micro look — product switching, segmentation and cannibalization

On a product basis (as opposed to the market basis) PAT can examine the dynamics of share change as well as product segmentation. In all markets, products will experience some levels of switching with virtually all other products. Higher switching levels between specific products are indicative of a true segment. As above, switching (this time between specific products) can range from positive to neutral to negative. If two products have a high switching index (they form a segment) but there are equal quantities coming and going (draw/loss) then the net share change will be neutral between them, but the interaction can still be potentially unstable. Strong new promotional efforts by one will disproportionately affect the other.

The micro analysis allows detailed examination of draw/loss data for every product. All prospective changes in market share are the result of gains or losses from competitive products, both within- as well as outside-segment, and this information helps identify the key contributors to change. This analysis also measures the effects of cannibalization for those brands with multiple products in a mar-

Figure 1

	Loyalty	Switching Index	Switching Ratio	Start Share	End Share	Change	
	%		%	%	%	Points	Pct.
A	63	166	50	11.9	17.0	5.1	43%
B	55	74	(24)	24.0	21.8	-2.2	-9%
C	37	93	(51)	7.8	5.9	-1.9	-24%
D	61	**353**	75	3.1	7.2	4.1	132%
E	16	112	(73)	5.5	3.2	-2.3	-42%
F	65	51	(56)	18.9	16.2	-2.7	-14%
G	57	75	(41)	8.1	6.8	-1.3	-16%
H	37	75	(97)	2.2	1.4	-0.8	-36%
I	67	78	3	9.3	9.4	0.1	1%
J	54	86	(24)	9.2	8.3	-0.9	-10%
K	New	New	New		1.8	1.8	
L	New	New	New		1.0	1.0	

Figure 2	Start	End	C - Draw	C - Net	F - Draw	F - Loss	F - Net
	%	%	%	-------	%	%	**12.6**
A	2.8	4.0	3	0.2	2	3	
B	14.6	11.7	11	0.7	18	6	0.9
C	New	6.9				**53**	-1.5
D	5.1	4.5	4	0.3	8	0	0.5
E	1.5	1.9	2	0.1	1	5	-0.1
F	12.6	15.8	**22**	1.5			
G	2.1	1.6	3	0.2	3	0	0.2
H	14.3	10.5	10	0.7	17	0	1.0
I	5.7	4.0	10	0.7	8	0	0.5
J	2.6	1.7	6	0.4	3	0	0.1
K	12.6	10.8	8	0.6	10	3	0.5
L	5.2	5.3	5	0.3	6	8	0.1
M	New	0.4				1	
N	5.5	6.6	3	0.2	6	11	0.1
O	15.4	14.1	13	0.9	18	9	0.8
P	New	0.2				1	
				6.9			**15.8**

ket. And as PAT predicts new product potential, the draw/loss analysis shows the impact of introductions on all other products in the marketplace.

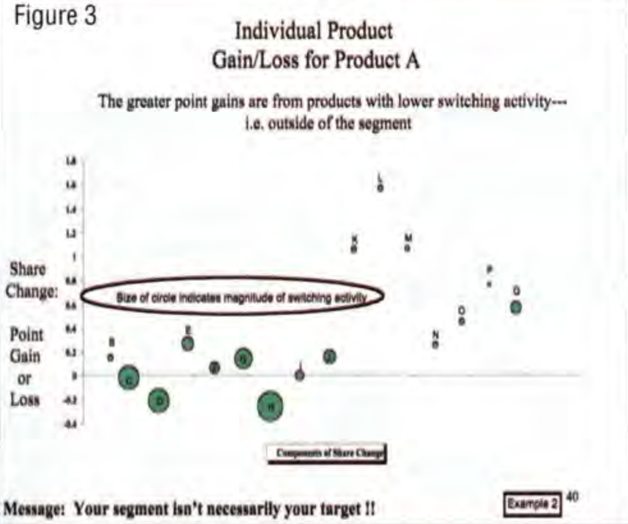
As Figure 2 shows, Product C was being considered to counter the success of Product F, which had quickly achieved a prominent market position. If launched it would help blunt the competitive gains. PAT projected that C would achieve a substantial introductory share, drawing from all market products, but primarily from F, which would lose 1.5 share points to its new competitor, even though it would still grow by 3 points. The new product would cannibalize 38 percent from other company products, an excellent option given its premium pricing.

Further, this type of analysis showed that the company behind the new product would hold total share if C was introduced, but would lose over 4 points in total market share without it.

The existence of a segment (high switching indexes between specific products) means that the brands must concentrate their marketing efforts against others in that segment in order to maintain or grow their competitive position. It falls to other forms of research to identify the characteristics and drivers that affect or differentiate that segment.

While product managers obviously know segments intuitively, PAT will often show that there are real and quantifiable segments within the intuitive subsets, thus narrowing the competitive focus. Further, segment growth, by definition, can only come from outside the segment, and PAT can show the key target products outside the segment for share gains or protection. Consider a product that is segment-neutral — holding its own within its segment, gaining as much share as losing to/from competition — but grows in total share because it is more effectively drawing from outside the segment. Here PAT can provide an entry point for more sophisticated research techniques by identifying the proper targets for attribute or motivational (growth driver) analysis, and after the fact, it can measure their potential effectiveness.

Figure 3



In Figure 3, Product A is projected to grow 0.7 share points, from 2.6 percent to 3.3 percent. Management had intuited that the market segment for A included products B through J. They were correct, as inter-product switching activity — indicated by circle size — was higher in this segment. But there was clearly a more relevant segment within the intuitive segment (C, D, G and H). And, more importantly, potential share gains were greatest from outside the segment, particularly from L. This is because it is a larger share product and the switching, although lower than segment levels, is decidedly positive toward A. This is a target product as opposed to a segment product. PAT identifies where to concentrate.

In addition to predictive share and loyalty/switching data, detailed analysis of the usage/intent questions can examine inter-product performance including real product segmentation and cannibalization. Traditional purchaser studies consider draw only, but markets are dynamic and every existing product experiences losses as well. True product segmentation results from analysis of the net effects of both draw as well as loss. Products within a relevant segment have high interaction. It may or not follow that there is a net share gain of magnitude for either product from the other, but if they are highly interactive then there is a competitive segment situation that must be addressed.

Similarly, PAT can examine cannibalization. This is most practical for new product introductions, but can also be pertinent when there are special promotions for existing products.

The next logical step in the PAT analysis is the measurement of what-if scenarios in the marketplace. Given that the product inter-dynamics are already known, then PAT can measure the effects of reasonable alterations in pricing or promotion outlays. Again, there are other more sophisticated simulations for this purpose, but the data is here and readily available.

A price reduction will grow share, but the degree will depend upon the switching levels, and in turn impact elasticity. Because PAT examines the total market, changes in pricing or promotional budgets will affect not only the target product, but also all other products in the market, and PAT will show the impact. One interesting possibility here is that if a major segment player makes a significant change, say increasing advertising, then that brand will benefit with share improvement, and its draw from competition will be enhanced. But, the net share effect on any particular competitive product may not be negative. It is quite possible that the segment may be enhanced (the river raised) and a competitor, while losing more to the initiator, will draw more from outside the segment, thus gaining total share even in light of increased competition.

Richer, more meaningful

In summary, most studies already being done contain the foundation for a richer, more meaningful and actionable analysis. Because of its inherent simplicity and the fact that it can be used as an adjunct to existing research, PAT is readily affordable. The market share projections are often considered the meat of the analysis, but depending on the type of product or service, they are only the starting point for the true value of PAT. It is a learning tool and provides valuable insights for all types of products (packaged goods to durables) and services. In this tough economic climate, it's incumbent upon research specialists to get the most bang for their buck and maximize the value of their data.

Starkist

continued from p. 23

The vehicle for this change was in the form of an easy-open, vacuum-sealed foil pouch. The new technology afforded shorter cooking and processing times, leading to a fresher taste, firmer texture, and no draining. BASES results reflected extremely strong consumer interest in both the StarKist pouch idea and product (Figure 2).

Advertising development

In January 2001 — after a nearly 10-year hiatus — Charlie the Tuna returned to national television to introduce StarKist's Tuna in the Flavor Fresh Pouch. As the pouch product moved from new to established, the challenge for us and Northlich, our Cincinnati-based advertising agency, was to develop copy that would drive sales and contribute to the success of StarKist tuna in a pouch as an established product. We held ourselves accountable for the product's success and followed a rigorous, empirically-based advertising process, using the following best practices to develop our "Tuna in a Pouch" advertising (Figure 3):

- testing rough ads to determine the most sales-effective versions for further development;
- identifying improvement opportunities that might be incorporated in the finished ad;
- testing finished executions to measure the sales potential of the versions that actually air;
- using planning software to maximize the selling power delivered to market.

As an initial step, our creative team

Figure 3

Best Practice Tools for Improving Advertising Performance and ROI

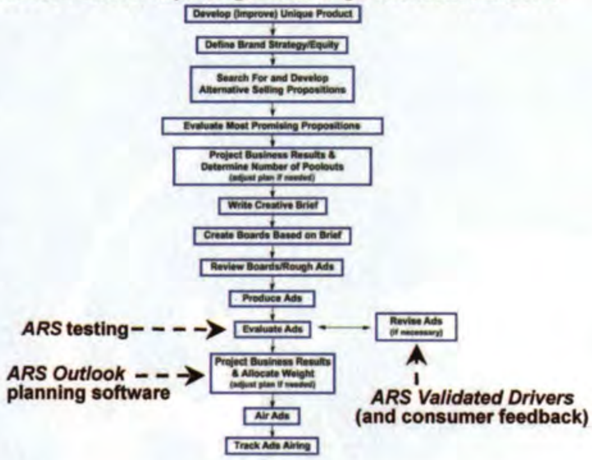


Figure 4

"Life Raft" video and audio

SFX: Music throughout.
SFX: Pouch opening.
Man: Wow, this is great tuna. It tastes so fresh. Aww.
SFX: Mermaid surfacing.
SFX: Squeak.
Man: Huh, what is this?
SFX: Squeak.
Man: No thanks.
SFX: Can sailing through air.
SFX: Squeak.
Man: Boy, am I glad to see you. You wouldn't believe what I almost had to eat.
Charlie: StarKist, the only tuna in the *Flavor Fresh Pouch,* for people who want fresher taste.

"Fulton Fish Market" video and audio

SFX: Street ambience.
Charlie: Who knows fresh taste? The people at New York's famous Fulton Fish Market.
SFX: Brakes squealing.
Presenter: Which one do you think tastes better?
Man #1: I eat fresh fish, not that stuff in a can. StarKist Tuna in a Pouch? I don't know what 'cha did, but I like it.
Man #2: This tastes fresher. I'm not lying to you.
Woman: The StarKist tastes fresher than canned.
Charlie: The fresh experts agree. StarKist, the only tuna in the *Flavor Fresh Pouch.*
Man #2: That Charlie, he's a good guy.
Charlie: It's for people who know fresh.
SFX: Street ambience.

Figure 5

"Fisherman's Wharf" video and audio

Charlie the Tuna: Who knows fresh taste?

Presenter: The fishermen at San Francisco's Fisherman's Wharf. Hi, fishermen! Okay, now we have two tunas here. One's from the can. One's from StarKist in the *Flavor Fresh Pouch*. I'd like your impression as a fresh expert . . .

Rick Baber: Well, actually . . .

Presenter: . . . which looks better to you.

Rick: . . . I can tell you.

Presenter: Oh?!

Rick: That looks fresher (points to StarKist Tuna in a Pouch).

Curtis Brazis: Oh, that's very good tuna. That's all it took. Tastes fresh caught.

Michael Powell: This StarKist Tuna in the *Flavor Fresh Pouch* . . .

Presenter: Uh-huh.

Michael: . . . . yeah, it's much better.

Charlie: StarKist Tuna in the *Flavor Fresh Pouch*. It's for people who know fresh.

produced and ARS-tested alternative ways of executing the "fresh taste" strategy in animatic format. In May 2001 our agency produced two animatics (Figure 4), then tested them to determine the sales effectiveness of each. The two animatics achieved similarly strong ARS Persuasion levels for the total StarKist line (both at about 10), indicating that airing of the ads would add incremental volume rather than cannibalizing our canned tuna. However, "Fulton Fish Market" significantly outperformed "Life Raft" for the Flavor Fresh Pouch, with ARS Persuasion scores of 13.8 and 9.2, respectively. These advertised-product scores indicated that the "Fulton Fish Market" execution was better at selling the pouch.

To help us better understand the animatic results, we looked to The ARS Group's ARS Validated Drivers, a battery of strategic and content elements that are related to sales effectiveness. There are five strategic drivers: brand differentiation, new-product or new-feature information, product convenience information, competitive comparison, and superiority claim. Of these five factors, brand differentiation has consistently been shown to be the one most strongly associated with more sales-effective advertising.

An examination of these strategic elements in relation to the two animatics revealed that both roughs featured superiority and a competitive comparison to canned tuna. "Fulton Fish Market" also benefited from the use of the brand-differentiating message which demonstrated superior freshness versus canned tuna. "Life Raft" incorporated "new" information, but not in a way that differentiated the StarKist pouch from other products in the category.

From this strategic profile, coupled with consumer playback, it was clear that we could improve selling power even more by making the following improvements to the final live commercial:

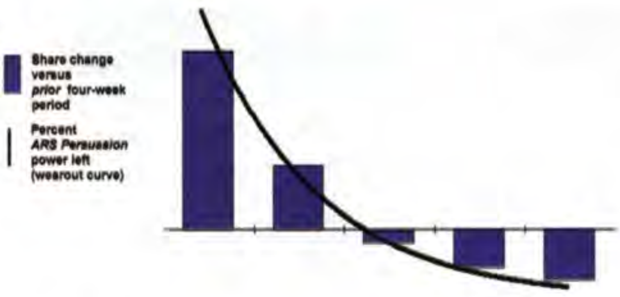
• dialing-up StarKist's brand-differentiating "fresher and better taste" product benefit, and

• including information about our new single-serve pouches, which had just been added to the "tuna in a pouch" line.

Our creative team used this learning to produce "Fisherman's Wharf," a finished execution featuring real San Francisco fishermen engaged in a live, unscripted taste test comparing the freshness and quality of the Flavor Fresh Pouch to canned tuna (Figure 5). Consumer playback revealed that this finished execution was about three times more effective than the "Fulton Fish Market"

Figure 6

Advertising Wearout



Source: *Summary of The ARS Group's Global Scanner Validity Study 2000 Update, March 2000.*

rough at communicating the "fresher" superiority and the taste appeal of StarKist Tuna in a Pouch. The playback of "new" in "Fisherman's Wharf" was twice as high as the "new" playback from "Fulton Fish Market." Most importantly, the finished execution was nearly twice as persuasive as the superior animatic version. In fact, the score of 21.8 for the advertised pouch was the highest ARS Persuasion level achieved by an established brand in 2001.

In-market impact

Given the ad's score, our premium price, and our planned spending level, the ARS Outlook planning tool estimated that StarKist Tuna in a Pouch would achieve an advertising-related share gain of +1.0 points in the quarter the ad went to air. The ad began airing nationwide on June 11, 2001, and — as projected — we saw a 1.1-point case share gain in the advertising quarter. The "what-if" software projected a share gain of +1.6 points for the total StarKist line. When the ad aired we saw a 1.7-point share gain during the advertising quarter, again matching the ARS Outlook estimate.

Wearout learning helps gain additional impact

The ad went off air in early July. Our partners at The ARS Group advised us that we were "leaving money on the table" — that additional airing behind the ad would continue to significantly impact share.

This recommendation was based on their wearout model. In the early 1980s, The ARS Group uncovered evidence suggesting that advertising's selling power gets used up, or wears out, in a predictable fashion; that is, as GRPs are spent behind an execution, the ad's persuasive power declines, consistently, and the relationship between GRPs and this decline in persuasive power is very strong (Figure 6).

The precision of the model makes it useful in planning the optimal number of executions for a given media plan, planning the optimal allocation of media among advertisements, and determining when commercials have worn out and should be refreshed. In our case, the model revealed not that our ad had worn out, but that it had a significant amount of selling power left. In fact, the planning software projected that our "Fisherman's Wharf" execution still retained over 80 percent of its selling power! We took this recommendation to management, and they approved a few more million dollars for our TV media budget. The ad went back on air in January. Tuna in a Pouch share gain for the following quarter was 1.3 points, a bit higher than the Outlook estimate of 1.0 points for the expected advertising contribution.

Better practices lead to higher performance and ROI

We calculated the return on investment for this marketing and research activity based on the incremental sales and profits achieved versus the cost of the advertising activity, including production and development, media, and The ARS Group's Best Practice tools. The results from the initial advertising quarter yielded an ROI of 76 percent, an enormous improvement over the break-even ROI we had expected for the quarter using a traditional approach. Incorporating the costs and incremental profits involved with the unplanned — or second — flight, we were up to 368 percent return on our TV advertising activity.

In addition to producing the "Fisherman's Wharf" commercial itself and achieving an outstanding ROI, this experience provided us with a long-term sustainable campaign for the Flavor Fresh Pouch as well as the more recent introductions of our portable single-serving Lunch-To-Go kits and Tuna Creations, a line of flavored pouch tuna.

Our experience has not only shown us the importance of using a quality measurement to gauge the effectiveness of our advertising, but of applying this measurement and related planning tools throughout our development and airing processes.

Continues to build

The StarKist brand and agency team continues to build on the StarKist Tuna in a Pouch project. John Sicher, brand manager for StarKist, is using the information to help create further success with a new line extension, Tuna Creations. By adopting the measurements and tools needed to accurately gauge the sales effectiveness of the introductory advertising and determine the quarterly sales impact it will generate, the brand and agency team are offering quantitative assurance to the retail and sales areas that the forthcoming introductory advertising will move product.

Motivating message

continued from p. 25

ship with my doctor." "I exercise regularly." "I want to do what I can to control my menopause symptoms." "I am happy with the information my doctor has given me about menopause." "I am more concerned with how I look these days." "I am familiar with hormone replacement therapy." "I am worried about the risks of HRT."

• Qualitative, open-ended probes:

"How, if at all, has menopause affected your self-image?" "Do you see yourself or feel any differently now than before you experienced menopause?" "How, if at all, has menopause affected your daily life?"

The segmentation analysis was done using a readily available software package and consisted of the following steps: factor analysis, discriminant analysis, and a cluster analysis. Segmentation fielding and analysis took about two weeks to

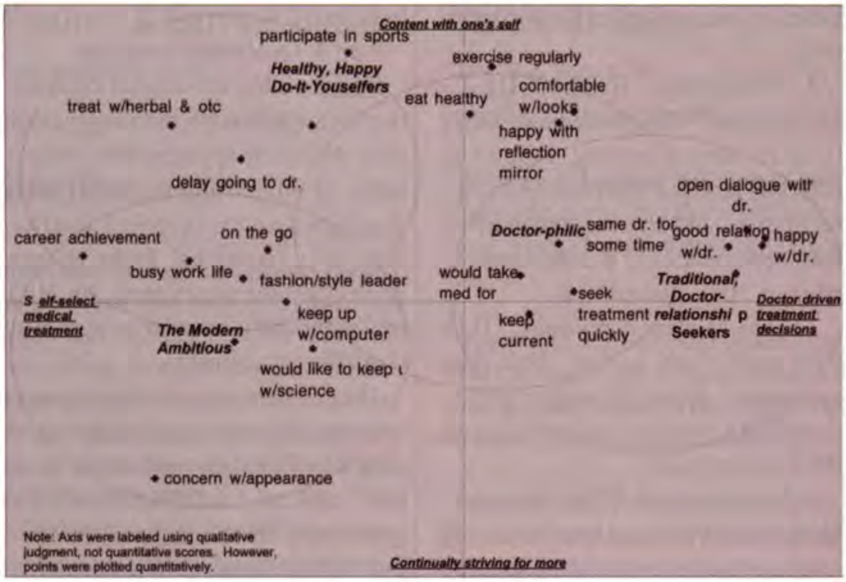


Figure 1: Cluster Map of Population of Menopausal Women

complete. This is faster and cheaper than most traditional segmentation studies, which require weeks, even months, for fielding and analysis.

Results of the segmentation analysis indicated there were four distinct populations of menopausal women, each representing about one-quarter of the sample (see Figure 1), and each with significant differences in clinical trial interest (see below):

1. "Traditional, Doctor-Relationship Seekers." They were more likely to be happy with their doctors, and less likely to self-select medical treatment early (32 percent

indicated interest in an HRT clinical trial).

2. "Healthy, Happy, Do-It-Yourselfers." They were more likely to care about having a healthy lifestyle, less likely to keep up on current issues, and less concerned about their appearance (33 percent interested in an HRT clinical trial).

3. "The Modern Ambitious." They were more likely to care about their appearance and to be active in their career (48 percent interested in an HRT clinical trial).

4. "Doctor-philic." They were more likely to seek medical treatment early and like to keep current on issues (38 percent interested in an HRT clinical trial).

The quick turnaround of data made it possible for the implications from the segmentation study to be considered while simultaneously developing recruiting messages and critical direction for further product development and marketing. This is an example of how the speed of results can allow the results to be utilized at critical points in the product development cycle — influencing product strategy and development based on real-time consumer desires and marketplace demands vs. hypotheses and theories often used in early planning stages.

<u>Phase II - Qualitative message research (two weeks)</u>

Step 1: Qualitative recruiting screener (50+ questions down to 12)

Step 2: Determine segment membership

Step 3: Qualitative research

Based on the substantial quantitative and qualitative learning gained from the online segmentation study, a range of advertising messages were developed and researched qualitatively via traditional focus groups. Each message positioned the HRT trial differently in order to appeal to the different segments.

The segment information was used to recruit the key target(s) based on their likelihood to participate in an HRT clinical trial. Twelve critical questions from the original battery of over 50 questions (in the segmentation study) were mathematically determined to give a 90 percent confidence level that a given woman belonged to a specific segment. Just these 12 critical questions were used to assign her to a segment. They included questions such as: "I read the newspaper daily and keep up with current events"; "I am concerned more with how I look now than before menopause"; "I tend to seek treatment quickly when I am sick"; "I look forward to career achievement"; "I have a good relationship with my doctor."

From this phase of the research, the most compelling message and media target(s) were determined and the communication strategy and advertising were developed.

<u>Phase III - Quantitative and qualitative online creative testing (one week)</u>

Step 1: Expose ad online

Step 2: Segment response (compelling message; strengths/weaknesses)

To determine which ad best motivated our target(s) to participate in an HRT clinical trial, the ads were quantitatively tested online against the identified key segments. The battery of questions included a few open-ended questions in order to get an idea of the strengths and weaknesses of each ad and what message the consumer was taking away. The total costs for this round of research were significantly reduced. Given that the sample for the study had already been pre-defined and identified in the earlier round of online segmentation work (Phase I) the original segments were used as a mini-online panel for the specific targets for evaluating the ads.

Evidence of online research effectiveness

Based on past experience with recruiting, this HRT trial had a higher referral rate than other trials in the same category among the same population of menopausal women. Past trials for which we have recruited in this category among the same population have had an average of a 22 percent referral rate, while this clinical trial had a 64 percent referral rate. This shows that women who were calling the toll-free number for this HRT clinical trial were not only more open to the idea of an HRT study, they were also more open to the idea of participation in this clinical trial — a major hurdle in patient recruiting. The advertising and media targeted women who were open to an HRT trial and worked to motivate them to call the toll-free number. The effectiveness of this communication was a direct result of the insights and media tactics gained through the online research program described above. Not only was the research program effective, it was extremely cost-efficient. The online research program cut the development time by approximately four months and cost approximately 50 percent less than traditional research methods (e.g., phone and mall intercept interviews).

Re-examine development cycles

It is becoming evident that the Internet will allow companies to carry out research more efficiently. This efficiency allows companies to integrate research at different points along the product/strategy development continuum and ensure that a product is not losing consumer relevance by becoming too manufacturer-focused. This will result in more informed (and assumed "better") decision-making. With the Internet in place as a viable research tool, companies may have to re-examine traditional development cycles to understand the steps needed to achieve "better" decision-making processes — an undertaking that will require a strong understanding by key decision-makers of all the research methods available. Moreover, in certain categories such as those related to personal health, it is especially important for these decision-makers to understand that the Internet as a research medium may yield more in-depth, less biased results versus traditional approaches such as telephone and mall intercept techniques.

[1]Defining the Online Health consumer: Attitudes, Activities, and Intentions. August 1, 2001. Jupiter Media Metrix.

[2]"Mode Effects Study: Comparing Methodologies and the Effects of Differing Questions and Answer List Types" by Mike Dennis, Steve Cohen, Christina Hildebrand, and Mike Hess. ARF Workshop Week, October 2000.

Product & Service Update

continued from p. 12

tion visit www.surveylogix.com.

Briefly...

Schlesinger Associates has opened a **new four-room focus group facility in Boston**. The facility also offers quantitative services and national recruiting. In addition, the firm has **expanded its Los Angeles facility** to four rooms. For more information visit www.schlesingerassociates.com or call 866-549-3500.

Vancouver, B.C.-based Techneos is making special **academic versions of its Entryware mobile data collection software** available for institutions, faculty and students. Licenses for non-commercial research use by faculty members or institutions are available from SPSS MR, an authorized global distributor of Entryware products. In addition, student versions and packages for teaching use in classrooms or labs can be obtained directly from Techneos. For more information contact Techneos at info@techneos.com or 604-435-6007.

Tom Greenbaum, president of Groups Plus, a Wilton, Conn., qualitative research company, has opened Jury Sense, a firm offering **jury focus groups**. For more information visit www.jurysense.com.

New York-based WebSurveyResearch announced it has **registered over 30,000 physicians** to participate in online pharmaceutical market research through its physician panel, WebSurveyMD.com.

Names of Note

continued from p. 10

coordinator, respectively.

Renaud Laune will manage client service at the Paris office of New York-based research firm *Ziment*.

New York-based brand consulting firm the *Interbrand Corporation* has named **Lisa Ponte Fazio** managing director of its research practice.

Raymond Pettit has joined *Seurat Company*, a Washington Township, N.J., precision marketing outsourcing firm, as senior vice president of managed analytics.

Janet Nelson has joined *Maritz Research*, St. Louis, as account manager for its hospitality group.

Lynne Bartos has joined *Ipsos* as senior vice president, client development, in the technology and communications sector of the company's U.S. services division.

Bob Bisciglia has joined Cincinnati-based *MarketVision Research* as vice president, focused on research in the health care and technology industries.

Jon Wilkins has joined U.K.-based research firm *Synovate* as director of branded solutions. The firm also named **Stuart Jones** human resources director for Europe, Middle East and Africa.

Qualitatively Speaking

continued from p. 18

clients, sub-contractors and other facilities.

Recommended program: I believe the leadership for addressing and solving the "professional respondent" problem should come from the facility side of the industry, perhaps with the assistance of one or more industry associations (i.e., MRA, ARF, CASRO, QRCA). The essence of the program I am recommending be developed consists of the following specific elements:

— A commitment by all focus group facilities and independent recruiters to alert all prospective participants that they will require a state-issued photo ID when they come to a facility to sign in for a group. They also will be informed that their name will be put into a computer database that will track their participation in focus groups everywhere, and that if they are caught falsifying information to any sponsoring facility, they will be red-flagged and never permitted to participate again.

— The development and use of a common database that will collect the names of all people who have been recruited for focus groups. This list will only be available to recruiters and facilities, as the purpose is to screen out people with prior participation, should that be a requirement of the client screener. The key to this step is that all the major chains are willing to share their recruitment information, so that professional participants can be identified and eliminated from the system. The cost of developing, managing and utilizing this system should be borne by the facilities who offer it to their clients, with the understanding that a reasonable cost per group will be added to each session to help amortize the cost of this service. Those facilities who do not offer it will eventually feel the pressure from their clients to join the program, thus further increasing the accuracy of the system.

The details of implementing this type of system still need to be worked out, but the concept is that names could be put into a terminal and within a few seconds, information should be available relative to the past participation of the individual in focus groups.

While this type of program is neither foolproof, nor error-free, we do believe it would represent a major step forward for the focus group industry. It would raise the overall stature of the facility members, as they would send a message to current and prospective clients that they are committed to providing the best possible recruiting, and have taken specific steps to eliminate the professional respondent. The end result of this should be to increase the overall confidence in the validity of the focus group process, which should generate increased business for the entire industry. Over time, the costs of operating this type of system should be viewed as a very small expense associated with maintaining a high-quality recruitment program.

Moderator MarketPlace™

Listed below are names of companies specializing in qualitative research moderating. Included are contact personnel, addresses and phone numbers. Companies are listed alphabetically and are also classified by state and specialty for your convenience. Contact publisher for listing rates: Quirk's Marketing Research Review, P. O. Box 23536, Minneapolis, MN 55423. Phone 952-854-5101. Fax 952-854-8191. Or visit www.quirks.com/media/moderator.asp.

Jeff Anderson Consulting

Jeff Anderson Consulting, Inc.
P.O. Box 1744
La Jolla, CA 92038
Ph. 858-456-4898
Fax 858-454-4859
E-mail:
jeff@jeffandersonconsulting.com
Contact: Jeff Anderson, CPCM, MBA
"Blending Art With Science." Member ORCA/AMA.

AutoPacific.

AutoPacific, Inc.
2991 Dow Ave.
Tustin, CA 92780
Ph. 714-838-4234
Fax 714-838-4260
E-mail: dhall@autopacific.com
www.autopacific.com
Contact: Daniel Hall
Auto Marketing & Product Experts. 2,000 Groups Moderate & Recruit.

Beyond Data, Inc.
1525 Woodstrail Lane
Loveland, OH 45140
Ph. 513-677-5447
Fax 513-677-5418
E-mail: beyonddata@aol.com
www.beyonddatainc.com
Contact: Janet Metzelaar, M.A., President
Grps., 1-1s, Triads, Cons., Gov't., B2B. Interactive Quick Tally Sys. Provides Real-time Quant. Results. Creative, entertaining, Insightful. Global.

C.J. Robbins Research
3832 Mintwood St.
Pittsburgh, PA 15201
Ph. 412-683-5975
E-mail: cjrobbins@activefocus.com
www.activefocus.com
Contact: Carole J. Robbins
Member: National Assoc. of Practicing Anthropologists & Qualitative Research Consultants Assoc. (QRCA).

C&R RESEARCH

C&R Research Services, Inc.
500 N. Michigan Ave. 12th fl.
Chicago, IL 60611
Ph. 312-828-9200
Fax 312-527-3113
E-mail: info@crresearch.com
www.cr-research.com
Contact: Amy Fliegelman
Leading Supplier Of Qual. Rsch. In The U.S. With Over 40 Yrs. of Experience.

Cambridge Associates, Ltd.
2315 Fairway Ln.
Greeley, CO 80634
Ph. 800-934-8125
Fax 970-339-8313
E-mail: walt@postslot.com
www.focusgroupguru.com
Contact: Walt Kendall
Focus Groups, Conjoint Analysis, Surveys. Call To Discover The Difference.

Cambridge Research, Inc.
3521 W. 24th St.
Minneapolis, MN 55416
Ph. 612-929-8450
Fax 612-929-8460
E-mail: dalelongfellow@cambridgeresearch.com
www.cambridgeresearch.com
Contact: Dale Longfellow
High Tech, Executives, Bus.-To-Bus., Ag., Specifying Engineers.

campos market research

Campos Market Research, Inc.
216 Blvd. of the Allies
Pittsburgh, PA 15222-1619
Ph. 412-471-8484, ext. 507
Fax 412-471-8497
E-mail: marylou@campos.com
www.campos.com
Contact: Mary Lou Harju
Full-Service Market Research. Custom Qual., Quant. & Online Rsch.

Chamberlain Research Consultants
710 John Nolen Dr.
Madison, WI 53713
Ph. 800-246-9779
Fax 877-549-5990
E-mail: quirks@crcwis.com
www.crcwis.com
Contact: Sharon R. Chamberlain
Contact: Tyler J. Walker
Over 15 Yrs. Experience Throughout the U.S. Market: Mock Trials, Consumer Products, Name Dev., Sensitive Issues.

Cheskin
255 Shoreline Dr., Suite 350
Redwood Shores, CA 94065
Ph. 650-802-2100
Fax 650-593-1125
E-mail: fkorzenny@cheskin.com
www.cheskin.com
Contact: Felipe Korzenny, Ph.D.
Strategic Rsch. Consultants Specializing in Tech & Consumer Goods in General, B2B, Youth, Hispanic & Asian Markets.

cd+ba®

Consumer Dynamics and Behavioral Analysis, LLC
8 Goodale Road
Newton, NJ 07860-2782
Ph. 973-383-7028
Fax 973-383-6058
E-mail: lzaback@cdandba.com
www.cdandba.com
Contact: Larry A. Zaback
Strategically Focused, Actionable Consumer Insights. Proprietary Behavioral Research Techniques.

Consumer Focus LLC
660 Preston Forest Center, #197
Dallas, TX 75230-2718
Ph. 214-542-8787
Fax 214-691-6021
E-mail:
sstewart@consumerfocusco.com
www.consumerfocusco.com
Contact: Sue Stewart
Over 20 Years of Experience in Consumer Marketing.

Sara Cornwall Qualitative Research Services LLC
212 Gillies Lane
Norwalk, CT 06854
Ph. 203-866-1945
Fax 203-866-1930
E-mail: sara@cornwallqrs.com
www.cornwallqrs.com
Contact: Sara Cornwall
Delivering Qualitative Research Insights and results that Provide Actionable Next Steps for Achieving Business Goals.

Creative Focus Inc.

Creative Focus, Inc.
1120 Hope Rd., Suite 150
Atlanta, GA 30350
Ph. 404-256-7000
Fax 770-594-2475
E-mail: vardis@mindspring.com
www.creativefocus.net
Contact: Harry Vardis
Name Development Via Int'l. Panel. Full-Service Qualitative.

Cultural Insights Services, Inc.
10510 Buckeye Trace
Goshen, KY 40026
Ph. 502-228-3708
Fax 502-228-2829
E-mail: listening@culturalinsights.com
Contact: Michael C. Sack
Cultural Insights® is a Visual Psychological Approach Helping Define and Apply Cultural Perceptions.

Daniel Associates
49 Hill Rd., Ste. 4
Belmont, MA 02478
Ph. 617-484-6225
Fax 800-243-3493
E-mail: sdaniel@earthlink.net
http://home.earthlink.net/~sdaniel/
Contact: Stephen Daniel
FOCUS/IT Understanding Technology Buying Processes.

Decision Drivers
197 Macy Rd.
Briarcliff, NY 10510-1017
Ph. 914-923-0266
Fax 914-923-3699
Contact: Sharon Driver
Actionable Results To Drive Your Market Decisions.

design•forum

Design Forum
7575 Paragon Rd.
Dayton, OH 45459
Ph. 937-439-4400
Fax 937-439-4340
E-mail: aanderson@designforum.com
www.designforumresearch.com
Contact: Dr. Adrienne Anderson
Design Forum Is Your Full-Service Source For All Your Consumer or B2B Research Needs.

DIRECT FEEDBACK

Direct Feedback, Inc.
225 West Station Square Dr., Suite 545
Pittsburgh, PA 15219
Ph. 800-519-2739
Fax 412-394-3660
E-mail: amav@dfresearch.com
www.dfresearch.com
Contact: Sherri Mignella
New Product, Advertising and B-to-B. Custom Design/Analysis.

Dolobowsky Qualitative Services, Inc.
94 Lincoln St.
Waltham, MA 02451
Ph. 781-647-0872
Fax 781-647-0264
E-mail: reva@doloqual.com
www.doloqual.com
Contact: Reva Dolobowsky
Experts In Ideation & Focus Groups. For 20+ Years.

Moderator MarketPlace™

dr

Doyle Research Associates, Inc.
400 N. Michigan Ave., Suite 800
Chicago, IL 60611
Ph. 312-863-7600
Fax 312-863-7601
E-mail: info@doyleresearch.com
www.doyleresearch.com
Contact: Kathy Doyle
Est. 1986; 6 Moderators; Full-time Field Staff. Focus Grps. (Face-to-Face/Phone/Online), Ethnographic/Observational Rsch./Idea Generation/ Rsch./Ideation with Kids/Teens; New Prod. Dev., Adv.

D/R/S Health Care Consultants
121 Greenwich Rd., Ste. 209
Charlotte, NC 28211
Ph. 704-362-5211
Fax 704-362-5216
E-mail: drsimon@mindspring.com
Contact: Dr. Murray Simon
Qualitative Market Research By A Former Provider.

encuesta

Encuesta, Inc.
(Formerly Target Market Research Grp.)
4990 S.W. 72 Ave., Ste. 110
Miami, FL 33155-5524
Ph. 800-500-1492
Fax 305-661-9966
E-mail: martin.cerda@encuesta.com
www.encuesta.com
Contact: Martin Cerda
Hispanic Qual./Quant. Research-National Capability.

Erlich Transcultural Consultants
11340 Burbank Blvd.
North Hollywood, CA 91601
Ph. 818-226-1333
Fax 818-226-1338
E-mail: info@etcethnic.com
www.etcethnic.com
Contact: Andrew Erlich, Ph.D.
Full Svc. Latino, Asian, African-Amer., Amer. Indian Mktg. Rsch.

FADER & ASSOCIATES

Fader & Associates
372 Central Park W., Ste. 7N
New York, NY 10025
Ph. 212-749-3986
Fax 212-749-4087
E-mail: faderassoc@aol.com
Contact: Linda Hu
Exp. In Broad Range of Categories, New Products, Repositioning, Concept Dev., Creative Diag.

FOCUS LATINO

Focus Latino
1617 Cabinwood Cove
Austin, TX 78746
Ph. 512-306-7393
Fax 512-328-6844
E-mail: gcafocuslatino@austin.rr.com
Contact: Guy Antonioli
Contact: Beatriz Noriega
Specialize in Qualitative Hispanic Consumer Research.

FOCUSED MARKETING RESEARCH INC.

FOCUSED Marketing Research, Inc.
P.O. Box 290
Bedminster, PA 18910-0290
Ph. 215-795-9993
Fax 215-795-9992
E-mail: vpd@focusedmr.com
www.focusedmr.com
Contact: Vern Dougherty
Contact: Donna Rafferty
Insightful Analysis & Actionable Reports. Consumer, B-to-B, Internet, Rx & Pet Products. Call Us Today!

Franklin Communications
200 Valley Rd.
Mt. Arlington, NJ 07856
Ph. 973-601-0111
Fax 973-601-0109
E-mail: michael@fc4research.com
www.fc4research.com
Contact: Michael Franklin
Specializing in Healthcare Research Since 1982.

graffgroup

Graff Group
10178 Phaeton Dr.
Eden Prairie, MN 55347
Ph. 952-829-4640
Fax 952-829-4645
E-mail: carol@graffgroup.com
www.graffgroup.com
Contact: Carol Graff
Partnering with Market Leaders to Deliver Qualitative Market, Customer & Competitive Intelligence, Focusing on Bus.-to-Bus. Challenges & Opportunities.

Henceforth, Inc.
3412 Hopkins Crossroad
Minnetonka, MN 55305-4305
Ph. 952-938-1948
Fax 952-938-2098
E-mail: hence4th@att.net
www.henceforthinc.com
Contact: Judith Hence
Responsive Interviews. Actionable Results. Certified Minority Business Enterprise.

Hispanic Research Inc.

Hispanic Research Inc.
1 Springfield Rd.
East Brunswick, NJ 08816
Ph. 732-613-0060
Fax 732-613-8612
E-mail: info@hispanic-research.com
www.hispanic-research.com
Contact: Ricardo A. Lopez
Consulting Firm Specializing In U.S. Hispanic Market. Serving Firms Targeting U.S. Latino Market. Offices: Miami/New York.

insight europe gmbh
Turmstr. 5
60385 Frankfurt
Germany
Ph. +49-69-956366-0
Fax +49-69-956366-11
E-mail: eva@insighteurope.de
www.insighteurope.de
Contact: Eva Caspary
International Full-Service Institute, European Coordination, In-House German and French Moderators, Also Bilinguals.

img

Insights Marketing Group, Inc.
2512 Swanson Ave.
Miami, FL 33133
Ph. 305-854-2121
Fax 305-854-2130
E-mail: belkist@insights-marketing.com
www.insights-marketing.com
Contact: Belkist E. Padilla, President
Contact: Gloria Cantens, Dir. Qual. Rsch.
Full-Service Qualitative Research. Experienced in Multicultural. Better Thinking, Better Qualitative.

JUST THE FACTS
YOUR INFORMATION SOURCE

Just The Facts, Inc.
P.O. Box 365
Mt. Prospect, IL 60056
Ph. 847-506-0033
Fax 847-506-0018
E-mail: facts2@interaccess.com
www.justthefacts.com
Contact: Bruce Tincknell
Highly Skilled; Well Organized; Maintains Control, While Enabling Creative Flow; Strategic Moderating; Actionable Results; 25 Years Experience.

Knowledge Systems & Research, Inc.
500 South Salina St., Ste. 900
Syracuse, NY 13202
Ph. 315-470-1350
Fax 315-471-0115
E-mail: HQ@krsinc.com
www.krsinc.com
Contact: Lynne Van Dyke
Full-Svc./All Expertise In-House/ Strategic Focus/B2B.

Leflein Associates, Inc.
1093 Greenwood Lake Turnpike
Ringwood, NJ 07456
Ph. 888-LEFLEIN or 973-728-8877
Fax 973-728-0792
E-mail: bleflein@leflein.com
www.leflein.com
Contact: Barbara Leflein
Strategic Focus. Experience In Broad Range of Categories.

Leichliter Associates
MARKET RESEARCH / IDEA DEVELOPMENT

Leichliter Ascts. Mkt. Rsch./ Idea Development
P.O. Box 788 FDR Station
New York, NY 10150-0788
Ph. 212-753-2099
Fax 212-753-2599
E-mail: lleichliter@aol.com
www.leichliter.com
Contact: Betsy Leichliter
Targeted Focus Grps./Interviews/ Usability Rsch./Team Facilitation. Face-to-Face/Phone/Internet. Based: NYC & Chicago, Nat'l./Global Capabilities. Free Initial Consultation.

Loretta Marketing Group
13935 S.W. 102 Court
Miami, FL 33176
Ph. 305-232-5002
Fax 305-232-8010
E-mail: lmg8010@bellsouth.net
Contact: Jim Loretta
U.S. Hispanic/Latin Amer. Consumer Rsch. 25 Yrs. Exp. Bilingual/Bicultural. Born in Mexico/Educated in the U.S.

Market Navigation, Inc.
60 Dutch Hill Rd.
Orangeburg, NY 10962
Ph. 845-365-1391 ext. 228
Fax 845-365-1022
E-mail: eve@mnav.com
E-mail: grs@mnav.com
www.mnav.com
Contact: Eve Zukergood, CEO
Contact: George Silverman
A Diverse Qual. & Mktg. Company Specializing In The Customer Decision Process, Optimizing Word-of-Mouth, & Practical Innovation at Low Cost.

MARKETING ADVANTAGE RESEARCH CONSULTANTS

Marketing Advantage Rsch. Cnslts., Inc.
2349 N. Lafayette St.
Arlington Heights, IL 60004
Ph. 847-670-9602 or 800-935-4220
Fax 847-670-9629
E-mail: mjrichards@aol.com
Contact: Marilyn Richards
3,000 Focus Groups and IDI's Successfully Conducted. Challenging and Short Notice Products Welcomed.

Moderator MarketPlace™

Marketing Matrix International, Inc.
2566 Overland Ave., Ste. 675
Los Angeles, CA 90064
Ph. 310-842-8312
Fax 310-842-7212
E-mail: selz@markmatrix.com
Contact: Marcia Selz, Ph.D.
Foc. Grps., In-Depth Intvs. & Telephone, Mailback & Online Surveys For Financial Svce. Companies.

MCC Qualitative Consulting
100 Plaza Dr.
Secaucus, NJ 07094
Ph. 201-865-4900 or 800-998-4777
Fax 201-865-0408
E-mail: andrea@meadowcc.com
www.meadowcc.com
Contact: Andrea C. Schrager
Insightful, Innovative, Impactful, Action-Oriented Team Approach.

Meczka Marketing/Research/Cnsltg., Inc.
5757 W. Century Blvd., Lobby Level
Los Angeles, CA 90045
Ph. 310-670-4824
Fax 310-410-0780
E-mail: adiaz@mmrcinc.com
www.mmrcinc.com
Contact: Anthony Diaz
Qual./Quant. Rsch. 25 Yrs. Exp. Recruit & Facility.

MedProbe™ Inc.
600 S. Hwy. 169, Ste. 1410
Minneapolis, MN 55426-1218
Ph. 952-540-0718
Fax 952-540-0721
E-mail: MedPr@aol.com
Contact: Asta Gersovitz, Pharm.D.
MedProbe™ Provides Full Qualitative & Advanced Quantitative Market Research Including SHARECAST & SHAREMAP.

Michelson & Associates, Inc.
1900 The Exchange, Ste. 360
Atlanta, GA 30339
Ph. 770-955-5400
Fax 770-955-5040
E-mail: mark@michelson.com
www.michelson.com/research
Contact: Mark L. Michelson
Much More Than Moderation, Inspired Global Thinking.

Millennium Research, Inc.
7493 W. 147th St., Ste. 201
Apple Valley, MN 55124
Ph. 952-431-6320
Fax 952-431-6322
E-mail: jjohnson@millenniumresearchinc.com
www.millenniumresearchinc.com
Contact: Jan Johnson
Nat'l. & Int'l. Focus Groups, Executive Interviews, Fast Turnaround.

Newman Marketing Research
11 Stoney Brook Blvd.
Newtown Square, PA 19073
Ph. 610-325-4337
Fax 610-325-4338
E-mail: fnewman@newmanmarketingresearch.com
www.newmanmarketingresearch.com
Contact: Felicia Newman
Qualitative Research Offering Innovative Techniques.

Outsmart Marketing
2840 Xenwood Ave.
Minneapolis, MN 55416
Ph. 952-924-0053
Fax 952-924-0920
Contact: Paul Tuchman
Twelve Years of Full-Service Nationwide Research.

Primary Insights, Inc.
801 Warrenville Rd., Ste. 185
Lisle, IL 60532
Ph. 630-963-8700
Fax 630-963-8756
E-mail: info@primaryinsights.com
www.primaryinsights.com
Contact: Elaine Parkerson
Sensitive Topics. Ideation. Exploration for Strategic Decision Making. Action-Oriented Recommendations.

QualCore.com Inc.
17 Washburn Ave. S.
Minneapolis, MN 55405
Ph. 612-377-3439
Fax 612-377-3504
E-mail: jeff.walkowski@qualcore.com
www.qualcore.com
Contact: Jeff Walkowski
Flexible and Practical. Online Qualitative Pioneer. QRCA Member. RIVA Trainer. 20+ Years In Research.

Qualitative Solutions
Soluciones Cualitativas
Homero 1425-902
Mexico D.F. 11000
Mexico
Ph. +52-55-5395-6050
or +52-55-5395-8836
Fax +52-55-5395-4516
E-mail: elerek@solucionesq.com.mx
www.solucionesq.com.mx
Contact: Ellen Lerek
Bilingual/Bicultural Mod./Psychologist. 15 Yrs. Exp. in the Hispanic Market-USA & Latin America. Expertise in a Broad Range of Categories.

The Research Department
220 E. 73rd St., Ste. 7D
New York, NY 10021
Ph. 212-717-6087
Fax 212-717-6382
E-mail: alexabsmith@earthlink.net
Contact: Alexa Smith
Experienced Specialist in Full-Svc. Qual. Rsch. - Focus Grps., Indiv. Depth Interviews, Mini Grps. Skilled High Quality Moderating. Over 25 Yrs. Exp.

Research Inc.
3050 Royal Blvd. S., Ste. 120
Alpharetta, GA 30022
Ph. 770-619-9837
Fax 770-619-9874
E-mail: dmcnamara@researchincorporated.com
www.researchincorporated.com
Contact: Debbie McNamara
Capturing Results for Real Business Solutions.

RIVA Market Research
7316 Wisconsin Ave., Suite 450
Bethesda, MD 20814
Ph. 301-652-3632
Fax 301-907-0209
E-mail: Research@RIVAinc.com
www.RIVAinc.com
Contact: Amber Marino
Full-Service Qualitative Company With 20+ Years Experience. Considered Industry Leader in Moderating & Training.

Pamela Rogers Research, LLC
2759 Fourth St.
Boulder, CO 80304
Ph. 303-443-3435
Fax 303-443-3621
E-mail: pamelarogers@aol.com
www.pamelarogersresearch.com
Contact: Pamela Rogers
Since 1985, Exceptional, Full-service Qualitative in Many Categories; U.S. and International.

Jay L. Roth & Associates, Inc.

Jay L. Roth & Associates, Inc.
27 First St.
Syosset, NY 11791-2504
Ph. 516-921-3311
Fax 516-921-3861
E-mail: jay@jlrothassoc.com
Contact: Jay L. Roth
Expert Moderator & Marketer Delivers on Promises! More than 20 Years Experience! Great Groups, Insights & Reports!

Paul Schneller Qualitative LLC
300 Bleecker St., 3rd fl.
New York, NY 10014
Ph. 212-675-1631
www.gis.net/~answers
Contact: Paul Schneller
Full Array: Ads/Pkg Gds/Rx/B-to-B/ Consumer (14+ Years).

Bernard Schwartz & Associates
6353 Militia Court
Bensalem, PA 19020
Ph. 215-752-0965
Fax 215-752-9354
E-mail: QualResearcher@aol.com
Contact: Bernard Schwartz
Focus Groups & IDIs: Medical, B-to-B, & Consumers.

SIL Group
413 N.E. Third St.
Delray Beach, FL 33483
Ph. 561-997-7270
Fax 561-997-5844
E-mail: sil@silgroup.net
www.silgroup.net
Contact: Timm Sweeney
Qualitative Specialists Since 1983. Business-to-Business & International.

Synovate
(fomerly BAIGlobal Inc.)
580 White Plains Rd.
Tarrytown, NY 10591
Ph. 914-332-5300
Fax 914-631-8300
E-mail: kpermut@baiglobal.com
Contact: Kate Permut
Contact: Steve Wolf
Maximize The Power Of Your Qualitative And Get The Clear, Concise Results You Need For Real Business Decision-Making.

SRA Research Group, Inc.
1001 N. U.S. One, Ste. 310
Jupiter, FL 33477
Ph. 561-744-5662
E-mail: info@sunbeltresearch.com
www.sunbeltresearch.com
Contact: Barbara L. Allan
20+ Years Exp.; Business & Consumer Studies; Nat'l. & Int'l. Exp.

The Wedewer Group
P.O. Box 1651
Prince Frederick, MD 20678
Ph. 410-414-5718
Fax 240-384-0062
E-mail: robin@wedewergroup.com
www.wedewergroup.com
Contact: Robin Wedewer
High-Quality Reporting for Real World Decision.

GEOGRAPHIC CROSS-INDEX OF MODERATORS

Refer to Preceding Pages For Address, Phone Number and Contact Name

California
Jeff Anderson Consulting, Inc.
AutoPacific, Inc.
Cheskin
Erlich Transcultural Consultants
Marketing Matrix International, Inc.
Meczka Mktg./Rsch./Cnsltg., Inc.

Colorado
Cambridge Associates, Ltd.
Pamela Rogers Research, LLC

Connecticut
Sara Cornwall Qualitative Rsch. Svcs. LLC

Florida
Encuesta, Inc.
Insights Marketing Group, Inc.
Loretta Marketing Group
SIL Group
SRA Research Group, Inc.

Georgia
Creative Focus, Inc.
Michelson & Associates, Inc.
Research Inc.

Illinois
C&R Research Services, Inc.
Doyle Research Associates, Inc.
Just The Facts, Inc.
Leichliter Assoc. Mktg. Rsch./Idea Dev.
Marketing Advantage Rsch. Cnslts.
Primary Insights, Inc.

Kentucky
Cultural Insights Services, Inc.

Maryland
RIVA Market Research
The Wedewer Group

Massachusetts
Daniel Associates
Dolobowsky Qualitative Services, Inc.

Minnesota
Cambridge Research, Inc.
Graff Group
MedProbe™ Inc.
Millennium Research, Inc.
Outsmart Marketing
QualCore.com Inc.

New Jersey
Consumer Dynamics and Behavioral Analysis, LLC
Franklin Communications
Hispanic Research Inc.
Leflein Associats, Inc.
MCC Qualitative Consulting

New York
Decision Drivers
Fader & Associates
Knowledge Systems & Research, Inc.
Leichliter Ascts. Mkt. Rsch./Idea Dev.
Market Navigation, Inc.
The Research Department
Jay L Roth & Associates, Inc.
Paul Schneller Qualitative LLC
Synovate

North Carolina
D/R/S Health Care Consultants

Ohio
Design Forum

Pennsylvania
C.J. Robbins Research
Campos Market Research, Inc.
Direct Feedback, Inc.
FOCUSED Marketing Research, Inc.
Newman Marketing Research
Bernard Schwartz & Associates

Texas
Consumer Focus LLC
Focus Latino

Wisconsin
Chamberlain Research Consultants

Germany
insight europe gmbh

Mexico
Qualitative Solutions

SPECIALTY CROSS-INDEX OF MODERATORS

Refer to Preceding Pages For Address, Phone Number and Contact Name

ADVERTISING
Jeff Anderson Consulting, Inc.
C&R Research Services, Inc.
Cambridge Associates, Ltd.
Cambridge Research, Inc.
Sara Cornwall Qual. Rsch. Svcs.
Cultural Insights Services, Inc.
Decision Drivers
Doyle Research Associates, Inc.
Erlich Transcultural Consultants
Fader & Associates
Focus Latino
Image Engineering, Inc.
Insights Marketing Group, Inc.
Marketing Advantage Rsch. Cnslts.
Millennium Research, Inc.
Outsmart Marketing
The Research Department
Pamela Rogers Research, LLC
Jay L. Roth Associates, Inc.
Paul Schneller Qualitative LLC
The Wedewer Group

AFRICAN-AMERICAN
Cultural Insights Services, Inc.
Erlich Transcultural Consultants
Henceforth, Inc.

AGRICULTURE
Cambridge Associates, Ltd.
Cambridge Research, Inc.
FOCUSED Marketing Research, Inc.
Millennium Research, Inc.

ALCOHOLIC BEV.
C&R Research Services, Inc.
FOCUSED Marketing Research, Inc.
Insights Marketing Group, Inc.

ASIAN
Cultural Insights Services, Inc.
Erlich Transcultural Consultants

ASSOCIATIONS
Market Navigation, Inc.
The Wedewer Group

AUTOMOTIVE
AutoPacific, Inc.
C&R Research Services, Inc.
Consumer Dynamics and Behavioral Analysis, LLC
Design Forum Research
Focus Latino
Erlich Transcultural Consultants
Matrixx Marketing-Research Div.

BIO-TECH
Market Navigation, Inc.
MedProbe, Inc.

BRAND/CORPORATE IDENTITY
Primary Insights, Inc.

BUILDING PRODUCTS
Marketing Advantage Rsch. Cnslts.

BUS.-TO-BUS.
Access Research, Inc.
C&R Research Services, Inc.
Cambridge Associates, Ltd.
Cambridge Research, Inc.
Fader & Associates
FOCUSED Marketing Research, Inc.
Just The Facts, Inc.
Knowledge Systems & Research, Inc.
Leichliter Ascts. Mkt. Rsch/Idea Dev.
Market Navigation, Inc.
Marketing Advantage Rsch. Cnslts.
MCC Qualitative Consulting
Millennium Research, Inc.
QualCore.com Inc.
The Research Department
Pamela Rogers Research, LLC
Jay L. Roth Associates, Inc.
Paul Schneller Qualitative LLC
Synovate

CABLE
C&R Research Services, Inc.
Leflein Associates, Inc.

CHILDREN
C&R Research Services, Inc.
Cultural Insights Services, Inc.
Doyle Research Associates, Inc.
Fader & Associates
FOCUSED Marketing Research, Inc.
Just The Facts, Inc.
Market Navigation, Inc.

Moderator MarketPlace™

COMMUNICATIONS RESEARCH
Cambridge Associates, Ltd.
Marketing Advantage Rsch. Cnslts.
Jay L. Roth Associates, Inc.

COMPUTERS/HARDWARE
Leichliter Ascts. Mkt. Rsch/Idea Dev.

COMPUTERS/MIS
Daniel Associates
Fader & Associates
Leichliter Ascts. Mkt. Rsch/Idea Dev.
Marketing Advantage Rsch. Cnslts.

CONSUMERS
C&R Research Services, Inc.
Consumer Focus LLC
Sara Cornwall Qual. Rsch. Svcs.
Decision Drivers
Design Forum
Fader & Associates
Just The Facts, Inc.
Knowledge Systems & Research, Inc.
Marketing Advantage Rsch. Cnslts.
QualCore.com Inc.
The Research Department
Jay L. Roth Associates, Inc.

CUSTOMER SATISFACTION
Sara Cornwall Qual. Rsch. Svcs.
Marketing Advantage Rsch. Cnslts.
Synovate

DIRECT MARKETING
Consumer Focus LLC
Leichliter Ascts. Mkt. Rsch/Idea Dev.
Synovate

EDUCATION
Cambridge Associates, Ltd.
Just The Facts, Inc.
Leflein Associates, Inc.
Market Navigation, Inc.
Marketing Advantage Rsch. Cnslts.

ELECTRONICS
Marketing Advantage Rsch. Cnslts.

EMPLOYEES
Primary Insights, Inc.

ETHNIC/MULTICULTURAL RESEARCH
Cheskin

ETHNOGRAPHIC RESEARCH
Alexander + Parker
C&R Research Services, Inc.
Cheskin
Consumer Dynamics and Behavioral Analysis, LLC
Cultural Insights Services, Inc.
Doyle Research Associates, Inc.
Insights Marketing Group, Inc.
Primary Insights, Inc.
Synovate

EXECUTIVES
C&R Research Services, Inc.
Decision Drivers
Fader & Associates
Leichliter Ascts. Mkt. Rsch/Idea Dev.
Market Navigation, Inc.
The Research Department
Jay L. Roth Associates, Inc.
Paul Schneller Qualitative LLC
Synovate

FINANCIAL SERVICES
Jeff Anderson Consulting, Inc.
C&R Research Services, Inc.
Cambridge Associates, Ltd.
Cambridge Research, Inc.
Consumer Focus LLC
Fader & Associates
FOCUSED Marketing Research, Inc.
Henceforth, Inc.
Insights Marketing Group, Inc.
Leichliter Ascts. Mkt. Rsch/Idea Dev.
Marketing Matrix International, Inc.
MCC Qualitative Consulting
Jay L. Roth Associates, Inc.
The Research Department
Synovate
The Wedewer Group

FOOD PRODUCTS/ NUTRITION
C.J. Robbins Research
C&R Research Services, Inc.
Outsmart Marketing
Just The Facts, Inc.
The Research Department
Jay L. Roth Associates, Inc.
Paul Schneller Qualitative LLC
Synovate

HEALTH & BEAUTY PRODUCTS
C&R Research Services, Inc.
Cultural Insights Services, Inc.
Image Engineering, Inc.
Marketing Advantage Rsch. Cnslts.
Paul Schneller Qualitative LLC
Synovate

HEALTH CARE
Jeff Anderson Consulting, Inc.
D/R/S Health Care Consultants
Erlich Transcultural Consultants
Fader & Associates
Focus Latino
Franklin Communications
Knowledge Systems & Research, Inc.
Leichliter Ascts. Mkt. Rsch/Idea Dev.
MedProbe™ Inc.
Synovate

HIGH-TECH
Jeff Anderson Consulting, Inc.
Cheskin
Leflein Associates, Inc.
Leichliter Ascts. Mkt. Rsch/Idea Dev.
Marketing Advantage Rsch. Cnslts.
QualCore.com Inc.
Jay L. Roth Associates, Inc.
Synovate

HISPANIC
C&R Research Services, Inc.
Cheskin
Cultural Insights Services, Inc.
Encuesta, Inc.
Erlich Transcultural Consultants
Focus Latino
Hispanic Research Inc.
Insights Marketing Group, Inc.
Loretta Marketing Group
Qualitative Solutions

HOUSEHOLD PRODUCTS/CHORES
C&R Research Services, Inc.
The Research Department
Paul Schneller Qualitative LLC

HUMAN RESOURCES ORGANIZATIONAL DEV.
Consumer Dynamics and Behavioral Analysis, LLC
Primary Insights, Inc.

IDEA GENERATION
Doyle Research Associates, Inc.
Just The Facts, Inc.
Leichliter Ascts. Mkt. Rsch/Idea Dev.
Primary Insights, Inc.
Synovate

IMAGE STUDIES
Cambridge Associates, Ltd.
Cultural Insights Services, Inc.
Leichliter Ascts. Mkt. Rsch/Idea Dev.

INSURANCE
Consumer Focus LLC
Leichliter Ascts. Mkt. Rsch/Idea Dev.

INTERACTIVE PROD./ SERVICES/RETAILING
Leichliter Ascts. Mkt. Rsch/Idea Dev.

INTERNATIONAL
Fader & Associates
Primary Insights, Inc.
Pamela Rogers Research, LLC

INTERNET
C&R Research Services, Inc.
Fader & Associates
Knowledge Systems & Research, Inc.
Leichliter Ascts. Mkt. Rsch/Idea Dev.
MCC Qualitative Consulting
Jay L. Roth Associates, Inc.
Synovate

IINTERNET SITE CONTENT/DESIGN
FOCUSED Marketing Research, Inc.

INVESTMENTS
Leichliter Ascts. Mkt. Rsch/Idea Dev.

LATIN AMERICA
Cultural Insights Services, Inc.
Insights Marketing Group, Inc.
Loretta Marketing Group

MEDICAL PROFESSION
Cambridge Associates, Ltd.
D/R/S Health Care Consultants
Market Navigation, Inc.
Matrixx Marketing-Research Div.
MedProbe™ Inc.
Pamela Rogers Research, LLC
Paul Schneller Qualitative LLC

MODERATOR TRAINING
Market Navigation, Inc.
QualCore.com Inc.

NAME GENERATION TESTING
Consumer Dynamics and Behavioral Analysis, LLC

NEW PRODUCT DEV.
C.J. Robbins Research
C&R Research Services, Inc.
Cambridge Associates, Ltd.
Cheskin
Consumer Dynamics and Behavioral Analysis, LLC
Sara Cornwall Qual. Rsch. Svcs.
Cultural Insights Services, Inc.
Doyle Research Associates, Inc.
Fader & Associates
Just The Facts, Inc.
Leflein Associates, Inc.

Market Navigation, Inc.
Marketing Advantage Rsch. Cnslts.
Millennium Research, Inc.
Outsmart Marketing
The Research Department
Jay L. Roth Associates, Inc.
Paul Schneller Qualitative LLC
Synovate

NON-PROFIT
Sara Cornwall Qual. Rsch. Svcs.
Leflein Associates, Inc.

OBSERVATIONAL RSCH.
Consumer Dynamics and Behavioral Analysis, LLC
Cultural Insights Services, Inc.
Doyle Research Associates, Inc.
Primary Insights, Inc.

ONLINE FOCUS GROUPS
C&R Research Services, Inc.
Cambridge Associates, Ltd.
Doyle Research Associates, Inc.
Insights Marketing Group, Inc.
Leichliter Ascts. Mkt. Rsch/Idea Dev.
QualCore.com Inc.

PACKAGED GOODS
C.J. Robbins Research
C&R Research Services, Inc.
Cheskin
Consumer Dynamics and Behavioral Analysis, LLC
Cultural Insights Services, Inc.
Doyle Research Associates, Inc.
FOCUSED Marketing Research, Inc.
Insights Marketing Group, Inc.
Just The Facts, Inc.
Jay L. Roth Associates, Inc.
Synovate

PACKAGE DESIGN RESEARCH
C&R Research Services, Inc.
Consumer Dynamics and Behavioral Analysis, LLC
Cultural Insights Services, Inc.
Leichliter Ascts. Mkt. Rsch/Idea Dev.
The Research Department

PARENTS
Fader & Associates
Market Navigation, Inc.

PET PRODUCTS
C&R Research Services, Inc.
Cambridge Research, Inc.
FOCUSED Marketing Research, Inc.
Marketing Advantage Rsch. Cnslts.
Primary Insights, Inc.
The Wedewer Group

PHARMACEUTICALS
C.J. Robbins Research
C&R Research Services, Inc.
Cambridge Associates, Ltd.
D/R/S Health Care Consultants
Fader & Associates
Focus Latino
FOCUSED Marketing Research, Inc.
Franklin Communications
Leichliter Ascts. Mkt. Rsch/Idea Dev.
Market Navigation, Inc.
MCC Qualitative Consulting
MedProbe™ Inc.
Pamela Rogers Research, LLC
Paul Schneller Qualitative LLC
Synovate

POLITICAL/SOCIAL RESEARCH
Cambridge Associates, Ltd.
Cultural Insights Services, Inc.
Market Navigation, Inc.

POSITIONING RESEARCH
Outsmart Marketing
Paul Schneller Qualitative LLC

PUBLIC POLICY RSCH.
Cambridge Associates, Ltd.
Leflein Associates, Inc.

PUBLISHING
Cambridge Associates, Ltd.
Leichliter Ascts. Mkt. Rsch/Idea Dev.
Market Navigation, Inc.

QUALITATIVE END-USER TRAINING
Primary Insights, Inc.

RETAIL
Design Forum
Knowledge Systems & Research, Inc.
Leflein Associates, Inc.
Leichliter Ascts. Mkt. Rsch/Idea Dev.
MCC Qualitative Consulting
Synovate

SENIORS
Cultural Insights Services, Inc.
Leflein Associates, Inc.
Primary Insights, Inc.

SOFT DRINKS, BEER, WINE
C&R Research Services, Inc.
Cambridge Associates, Ltd.
FOCUSED Marketing Research, Inc.
Jay L. Roth Associates, Inc.

SMALL BUSINESS/ ENTREPRENEURS
FOCUSED Marketing Research, Inc.

SPORTS
FOCUSED Marketing Research, Inc.
Pamela Rogers Research, LLC

STRATEGY DEVELOPMENT
Primary Insights, Inc.
Paul Schneller Qualitative LLC

TEACHERS
Leflein Associates, Inc.
Market Navigation, Inc.
Marketing Advantage Rsch. Cnslts.

TEENAGERS
C&R Research Services, Inc.
Cultural Insights Services, Inc.
Doyle Research Associates, Inc.
Fader & Associates
Focus Latino

TELECOMMUNICATIONS
Daniel Associates
Knowledge Systems & Research, Inc.
Leichliter Ascts. Mkt. Rsch/Idea Dev.
MCC Qualitative Consulting
The Research Department
Jay L. Roth Associates, Inc.
Synovate

TELECONFERENCING
Cambridge Research, Inc.
Leichliter Ascts. Mkt. Rsch/Idea Dev.

TELEPHONE FOCUS GROUPS
C&R Research Services, Inc.
Cambridge Associates, Ltd.
Doyle Research Associates, Inc.
Leichliter Ascts. Mkt. Rsch/Idea Dev.
Market Navigation, Inc.
MedProbe, Inc.
Millennium Research, Inc.

TOURISM/HOSPITALITY
Leflein Associates, Inc.

TOYS/GAMES
C&R Research Services, Inc.
Fader & Associates
Marketing Advantage Rsch. Cnslts.

TRAVEL
Cambridge Associates, Ltd.
FOCUSED Marketing Research, Inc.
Marketing Advantage Rsch. Cnslts.

UTILITIES
Cambridge Associates, Ltd.
Knowledge Systems & Research, Inc.
Jay L. Roth Associates, Inc.

VETERINARY MEDICINE
FOCUSED Marketing Research, Inc.
Paul Schneller Qualitative LLC

WEALTHY
Leflein Associates, Inc.
Leichliter Ascts. Mkt. Rsch/Idea Dev.
The Wedewer Group

YOUTH
C&R Research Services, Inc.
Leflein Associates, Inc.

Classified Ads

Index of Advertisers

continued from p. 102

there has to be a way for people to be able to opt out of having information shared.

The government needs to be on top of this as well because so much government research involves personal information and the issues of privacy and protection of personal information also apply to intra-government communication.

Once it becomes industry-specific, no doubt we could progress to where it becomes third-party-provider-specific. Research itself could be targeted and CMOR and other organizations are working hard to not have that occur but we should be wary of it.

Q: What are the main privacy regulations, both here and in Europe, and what do they cover, from a marketing research standpoint?

The European Union Directive on Data Protection requires certain security and contractual obligations of firms in order to protect the privacy of personal information and the transmission of data within E.U. member states. And if you are not in an E.U. member state, then your own country has to have its own privacy protection. The U.S. didn't have that kind of protection so a few years ago it created the U.S. Safe Harbor, which provides protection but in some instances may not be sufficient, depending on what your relationship is with the European entity for whom you are collecting or disseminating the personal data. So a company, on a case-by-case basis, needs to determine if it is sufficient for them to comply with U.S. Safe Harbor or if they need to comply with the E.U. Directive itself. The CASRO Privacy Protection Program has an E.U. handbook which helps a company make that determination.

Nationally, we have the Gramm-Leach-Bliley Act. We also have the Health Insurance Portability and Accountability Act [HIPAA], which deals with the health care industry and the privacy of patient information. And most recently there has been the FCC Telecommunications Privacy Rule, which deals with the privacy of telephone customers. So you can see that the industry-specific approach is becoming more prominent.

If you have a privacy policy and internal privacy procedures and privacy contracts with your clients and your contactors and subcontractors, you are covering yourself no matter what comes down the pike. It's wonderful for the industry to be in that position because the U.S. government prefers that industries regulate themselves. We must demonstrate, for example, that not only do we have the CASRO Code Of Standards but we also have a written and publicly available privacy policy, and written and consistent contracts with our clients and our subcontractors.

If we can continue to comport ourselves in a very forthright, non-deceptive way, that goes a long way to keeping the regulatory wolf from our door. That isn't to say there aren't problems and issues. The important thing to note here is, we are looking at privacy in the framework of traditional, confidential custom survey research. When you add to that picture the wonderful opportunities that the research industry has moving into the areas of customer satisfaction research, Internet research, CRM, and database mining, you have to look at privacy in a different way, because the same privacy regulations that relate to custom research probably will not relate to CRM. And we need to be able to transform ourselves. We need to have standards that apply to the various services that research businesses offer in a very legitimate and professional way.

Q: Are the privacy laws currently in place highly restrictive, or do they allow enough latitude for marketing research to be conducted?

If you have permission from the respondent — forthright, transparent permission — a lot of the issues that we are concerned about regarding privacy and the transmission of data become moot, because the respondent has agreed to it. In some instances that must be in writing; it depends on the country and the situation you're dealing with but that's why you have to start with a framework and a foundation and policy statements that are publicly available.

So "highly restrictive" is relative. Sure research can be conducted, but may it be conducted in a blind situation where clients aren't identified and respondents aren't informed? That is becoming more and more difficult and I want to be pretty blunt about that.

Clearly in Internet research, CASRO standards are already exceedingly stringent to protect the interests of our Internet respondent public, who have dictated that they don't want to be spammed and they are suspicious of cookies and they want to know what it is you are trying to contact them about.

CASRO's Internet Standards truly demonstrate how an industry can self-regulate. We don't allow spam. You have to identify the client; if the source of permission from the respondent is not identified, then you can't conduct the research — meaning that if the source of permission is a customer database from a client, then the client has to be so identified. Or you need to contact them by some other means to get permission to contact them to conduct research by e-mail.

Research can't dictate whether it is in [the respondent's] self-interest to participate in research. Oftentimes respondents say, "You may be different from telemarketing but I don't want you to call me," or, "I would like to tell you when to contact me" or, "I would like to be compensated for my time." And we need to take the bull by the horns and look at all of these separate issues and understand where we can compromise and adjust our industry so that it truly does meet both the client's need for more and better information and the respondent's privacy needs.

Q: Are there privacy-related issues that client companies should be aware of when they are working with or hiring marketing research providers? For example, are there types of questions that can't be asked now or kinds of information that can't be obtained due to new privacy regulations?

On the financial and health care side, some client organizations are very much aware of how Gramm-Leach-Bliley and HIPAA apply to them. With HIPAA, there are a lot more restrictions. Each health care institution could make separate and different demands on a third-party provider like a research company to make sure it has invested in appropriate data security protection. The CASRO 3P will hopefully provide a consistent, reliable and verifiable resource so that all health care institutions would be able to turn to a CASRO company that has a privacy policy and all the necessary safeguards in place and be assured that they meet the privacy tests for third-party providers.

You can imagine the enormity of the expense for a research company if one client company asks them to do X and another firm in the same industry requires another system, even though one system would adequately meet the privacy requirements of these laws. So we would like to have a consistent industry response. That includes in-house research departments at client companies as well because they also think of their end user as a client.

It's good to adjust our mindset, because there are a lot of similarities between research firms and in-house research departments at client companies. We both have the goal of making the research as useful, consistent and cost-efficient as possible. That common ground helps us wade through these privacy issues together. And that is why we are reaching out to the client side as well to make sure they know what we are doing. A lot of corporate research departments aren't as privy to these privacy regulations and we are open to informing them if they are interested.

Q: What are the goals behind the CASRO privacy briefings?

This isn't an area that people can approach with glib certainty, thinking that they have everything down pat. We try to get them comfortable enough so that they know how to proceed. We try in the briefings to talk specifically about the national and international laws, GLBA, HIPAA, the Children's Online Privacy Protection Act, and we talk about the documents we have prepared to address them. Companies need to have policy statements and programs but they can't just be words; they have to be instituted and made public. We also look at the specific contracts that are applicable with contractors and subcontractors that address certain privacy issues. And also the language companies use to allow respondents to opt in or opt out of research.

The meatiest part of the briefings is not the exposition of the laws and how the Program addresses them, it is looking at what the true implications are. For example, how do you make the changes in your company? What systems are available for security? How much change do you need to make in terms of personnel? How do you designate a privacy officer? What kind of documentation do you need to certify that you are in compliance? We also get into the whole question of whether CASRO's Code is sufficient to show that you are in compliance. We also show the ways that CASRO can help them and the resources that are out there to help.

Q: Are there more restrictive privacy policies on the horizon or do you envision things staying the way they are? Will research companies have to continue to battle for the right to ask consumers legitimate marketing research-related questions?

We can go a long way to anticipate without knowing specifically what's coming. The research industry is more than just a provider of custom traditional research. We have to start taking the adjectives off and maybe looking at ourselves as just "research," or "information analysis." Whatever words you attach to it there has to be a root. And once you have identified the root — say it's "information" or "research" — the adjective that defines that root might have a particular code of professional standards attached to it.

For instance, there will always be confidential survey research, and so the laws that apply to that part of the industry need to be clearly written and agreed to on a global basis. There are CASRO's code of standards and ESOMAR's [the European Society for Opinion and Marketing Research] standards, which are remarkably similar. Then we might define the standards for customer satisfaction research or for syndicated research or CRM research. Once we have all of those, then you have a real overview of the industry as a whole with the various rules and laws that apply to particular services that the industry provides. So even though we might not be able to see the specific changes to privacy legislation that are coming, we will be very much ahead of any laws that come our way.

We need to change our mindset away from research being the center of the universe and the thinking that respondents should participate because the process benefits capitalism and helps grow of the economy. That's all very true but it just doesn't carry as much weight as we would like. We have to marry the client's wants and needs with the very legitimate rights and demands of the respondents, the people who are going to provide the information.

And if the industry is going to look at "valuing" the respondent, whether it's compensating them, making a charitable contribution in their name — whatever the approach might be to get their cooperation — it has to be persuasive, it has to be true and it has to be transparent. It can't be anything that's misleading. Those are the parameters that we have to work within. It's not something that spells the end of the industry. I don't look at it that way at all. To me it's an opportunity.

Trade Talk

By Joseph Rydholm, *Quirk's* editor

Industry groups vigilant on privacy

With the media so full these days of discussions of do-not-call lists and growing resentment toward spam and other direct marketing intrusions, it's hard not to worry about the impact our heightened sense of privacy may have on marketing research. Thanks in large part to sugging and other base misrepresentations of legitimate research, our industry is often lumped in with direct marketing in the minds of consumers and some lawmakers. As a result we've had to fight almost non-stop to avoid being adversely affected by the spate of laws and regulations designed to control various direct marketing scourges.

The good news is, industry organizations such as the Council for Marketing and Opinion Research (CMOR), the Council of American Survey Research Organizations (CASRO) and the Marketing Research Association have been up to the challenge, proactively working to plead our case before lawmakers and regulators and crafting a comprehensive array of standards and guidelines to help the industry police itself so that government doesn't have to. CASRO in particular is planning this year to expand its Privacy Protection Program (CASRO 3P), through which it informs research companies and interested client-side researchers on the privacy laws in the U.S. and in Europe and how to work under the new rules.

To find out more about CASRO's privacy education efforts and the state of the current regulatory scene, I checked in with Diane Bowers, the organization's president, for a Q&A session.

Q: What are the main privacy-related issues facing marketing research firms today?

Diane Bowers: We in the industry always have had the sense that marketing research is not specifically targeted [by privacy legislation] and had either an implicit or explicit exemption. Well, I hate to be the bearer of bad news, but that has changed. We may not be specifically targeted — although that may occur relatively soon — but we get affected because we are collectors and disseminators of information, often of specific personal information and of data itself, and both of those areas are governed by national and international law. So privacy issues truly do affect research.

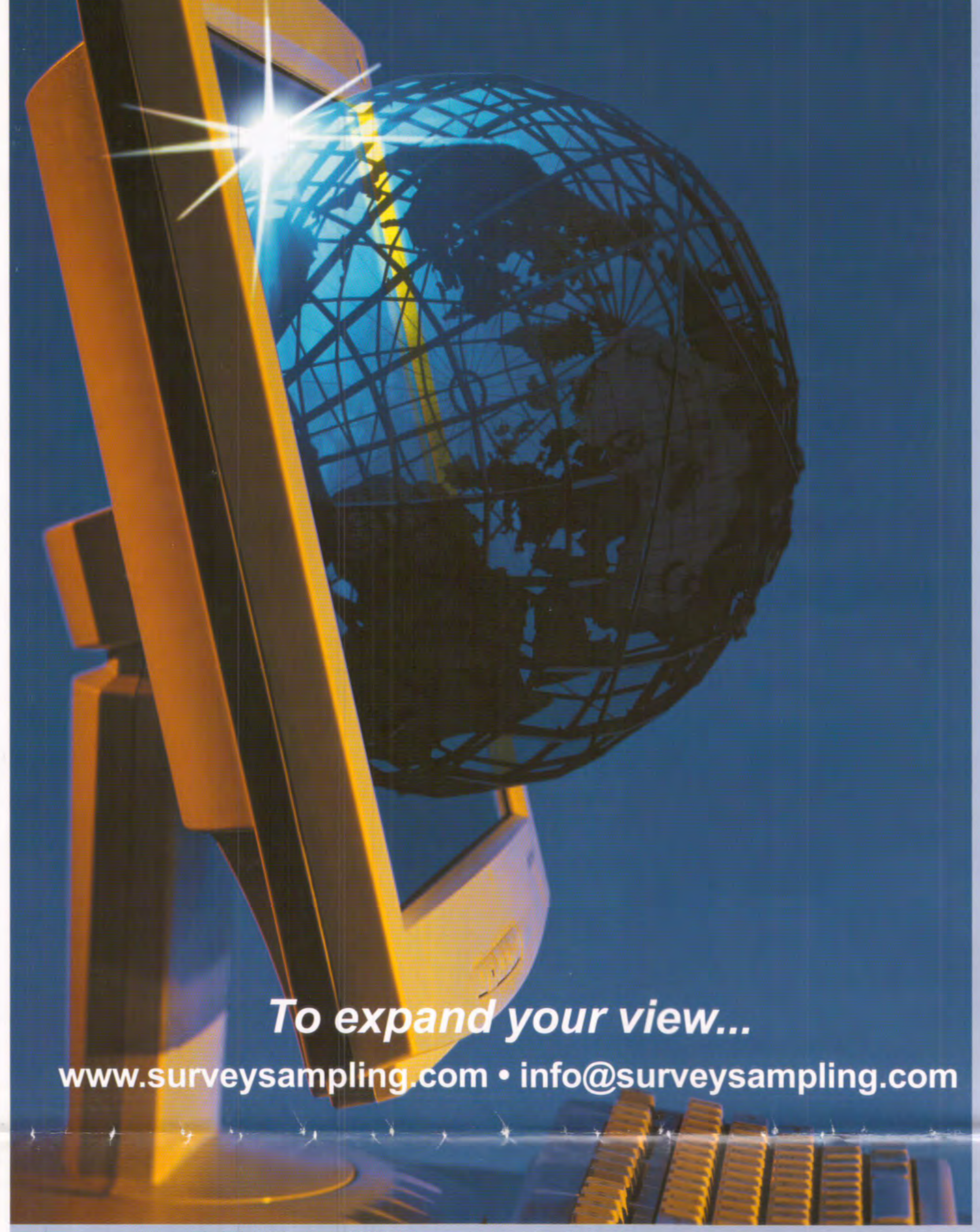
But we are in a lot of ways ahead of the game because it has always been a founding principle of legitimate marketing and opinion research that confidentiality, the privacy of respondents and protection from harassment are watchwords for our business. And that means that we have a good level of credentials when we talk to governments and potential regulators.

Having said that, the main areas now are in the realms of protection of personally identifiable data or personally identifiable responses that may be obtained in an interview. Even if a name isn't given, if somehow an identity can be traced back, regulators are concerned that they err on the side of more restrictions, more security provisions.

[Privacy efforts] are becoming industry-specific, such as in the area of health care, where patients' rights are preeminent and of great concern to all of us. And it has also extended itself into the financial arena. With the Gramm-Leach-Bliley Act [GLBA], which applies to financial institutions, the federal government acknowledged that financial institutions needed to be able to share information in order to provide better service but in so allowing, they also instituted major protections for the personal financial information that may be passed back and forth. There has to be security, and

continued on p. 100

A Survey Researcher's View of the US in the Age of the Internet

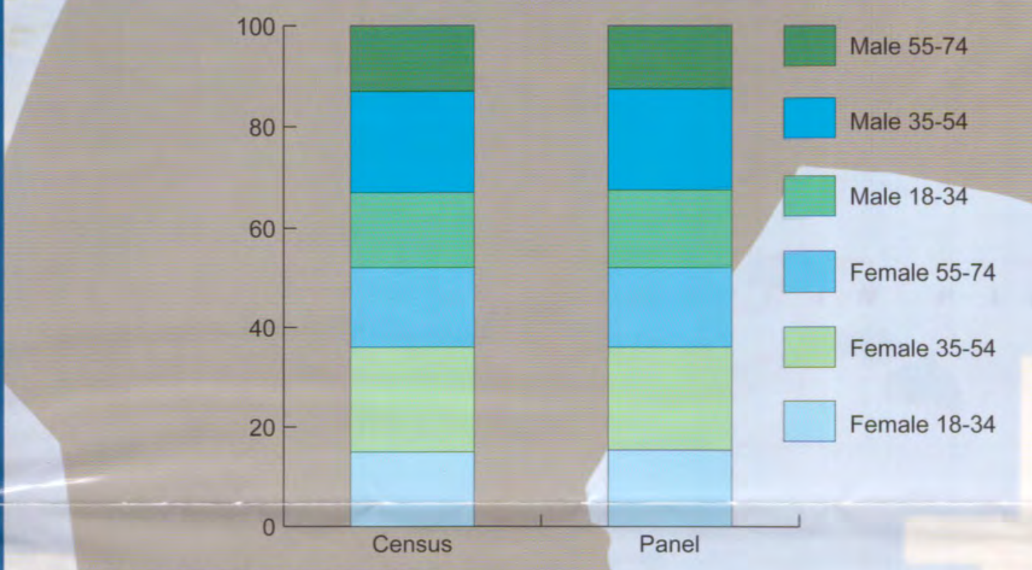


A Survey Researcher's View of the US in the Age of the Internet

Brought to you by SurveySpot

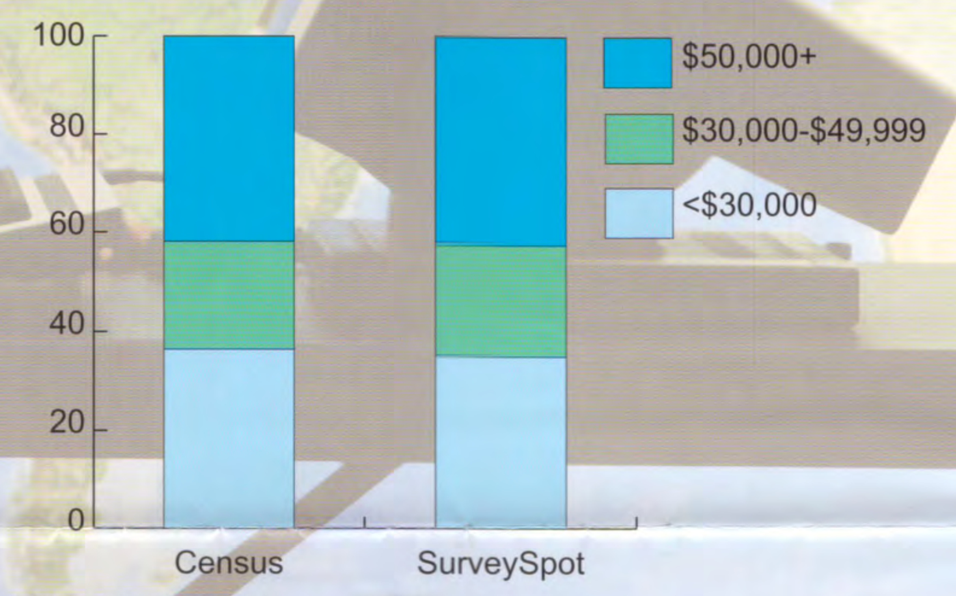
SurveySpot is SSI's multi-sourced Internet research panel, providing eSamples for researchers to conduct online surveys.

SurveySpot Mirrors the Real World Age and Gender



Source: Survey Sampling International 2002.

SurveySpot Mirrors the Real World Income



Source: Survey Sampling International 2002.

SurveySpot Continues to Grow...

Are You Connected?

Home Internet Connection Types

	Internet Users	SurveySpot
Cable Modem	12.9%	16.8%
Digital Subscriber Line (DSL)	6.6%	9.2%
Dial-up	80.0%	58.3%
Other	0.5%	0.6%

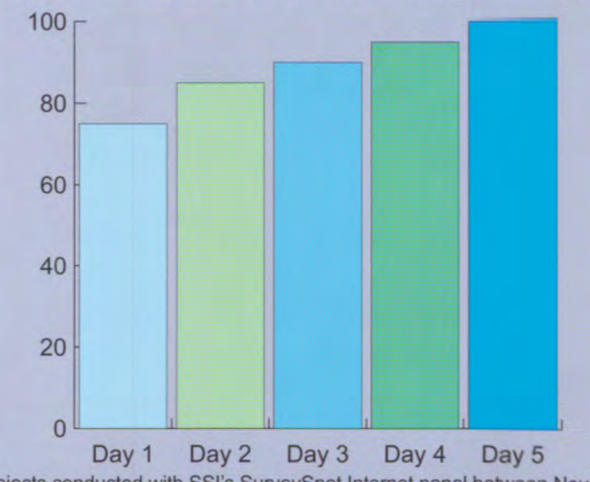
Source: A Nation Online-US Dept. of Commerce 2002 and Survey Sampling International 2002.

Educational Attainment

	Population	Internet	SurveySpot
Less than High School	19.6%	3.8%	5.9%
High School Diploma/GED	28.6%	24.6%	24.0%
Some College	27.4%	30.4%	41.0%
Bachelors Degree	15.5%	26.6%	19.1%
Beyond Bachelors Degree	8.9%	14.6%	9.9%

Source: US Census Bureau 2000, A Nation Online-US Dept. of Commerce 2002, and Survey Sampling International 2002.

Completion Rate Increases Over Time



Source: Based on 2,257 projects conducted with SSI's SurveySpot Internet panel between November 2000 and January 2003.

Gender and Race

	Population	Internet	SurveySpot
Male	49.1%	48.7%	31.6%
Female	50.9%	51.3%	68.4%
White	75.1%	79.0%	81.6%
Black or African American	12.3%	9.3%	7.7%
Asian or Pacific Islander	3.8%	4.5%	2.5%
Other	8.8%	7.2%	8.2%

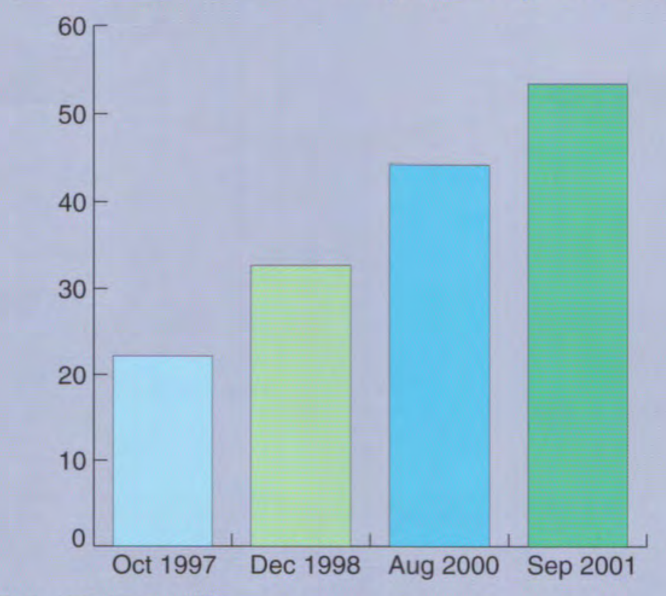
Source: US Census Bureau 2000, A Nation Online-US Dept. of Commerce 2002, and Survey Sampling International 2002.

Benefits of SurveySpot

- ✓ Researchers retain study control.
- ✓ Eliminates risk of spam.
- ✓ Multi-sourced samples.
- ✓ Sampling expertise.
- ✓ Non-compete position.
- ✓ Improve margins.

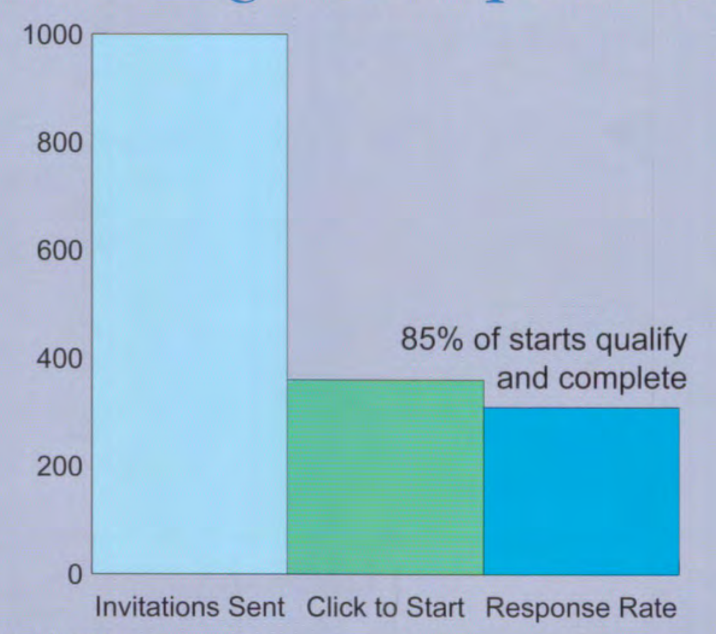
Internet Growth Continues

(Percentage of Internet use from any location, age 3+)



Source: A Nation Online-US Dept. of Commerce 2002.

Click-Through and Response Rates



Source: Survey Sampling International 2003.

Top US Internet Markets

By State

		Households	SurveySpot
1	Alaska	0.33%	0.21%
2	Minnesota	1.80%	1.80%
3	New Hampshire	0.52%	0.46%
4	Wyoming	0.22%	0.18%
5	Utah	0.79%	0.67%
6	Maryland	1.83%	1.89%
7	Washington	2.54%	2.16%
8	Oregon	1.70%	1.27%
9	New Jersey	2.77%	2.88%
10	Vermont	0.23%	0.23%
11	Colorado	1.48%	1.61%
12	Maine	0.66%	0.49%
13	South Dakota	0.27%	0.27%
14	Virginia	2.41%	2.58%
15	Connecticut	1.07%	1.22%
16	Iowa	1.24%	1.07%
17	Delaware	0.30%	0.29%
18	Kansas	1.21%	0.97%
19	Montana	0.35%	0.34%
20	Michigan	3.40%	3.56%
21	Massachusetts	1.91%	2.29%
22	Missouri	2.50%	2.06%
23	Wisconsin	2.14%	1.97%
24	North Dakota	0.27%	0.24%
25	Rhode Island	0.33%	0.39%
26	Pennsylvania	4.89%	4.46%
27	Ohio	4.55%	4.16%
28	Idaho	0.53%	0.45%
29	Indiana	2.63%	2.20%
30	Nebraska	0.66%	0.62%
31	New York	5.71%	6.56%
32	California	9.21%	10.93%
33	Florida	6.45%	6.14%
34	Arizona	2.20%	1.87%
35	Kentucky	1.53%	1.50%
36	Texas	7.13%	7.12%
37	Tennessee	2.05%	2.11%
38	Illinois	4.02%	4.29%
39	Nevada	0.94%	0.76%
40	Georgia	2.71%	2.91%
41	Hawaii	0.37%	0.38%
42	New Mexico	0.55%	0.64%
43	Oklahoma	1.52%	1.25%
44	North Carolina	3.10%	3.00%
45	South Carolina	1.33%	1.47%
46	West Virginia	0.75%	0.69%
47	Alabama	1.48%	1.64%
48	District of Columbia	0.16%	0.23%
49	Arkansas	1.24%	0.98%
50	Louisiana	1.23%	1.54%
51	Mississippi	0.79%	0.99%

Source: ScanUS 2002 based on US Census Bureau 2000 and Survey Sampling International 2003.

y e s t e r d a y ... t o d a y ... t o m o r r o w ...

surveyspot.com

Survey Sampling International

To expand your view...

www.surveysampling.com • info@surveysampling.com