QUIRK'S

Marketing Research Review

MARCH 2008

Business-to-business

> Pitney Bowes delivers targeted service with touchpoint management

> Gathering business intelligence in China

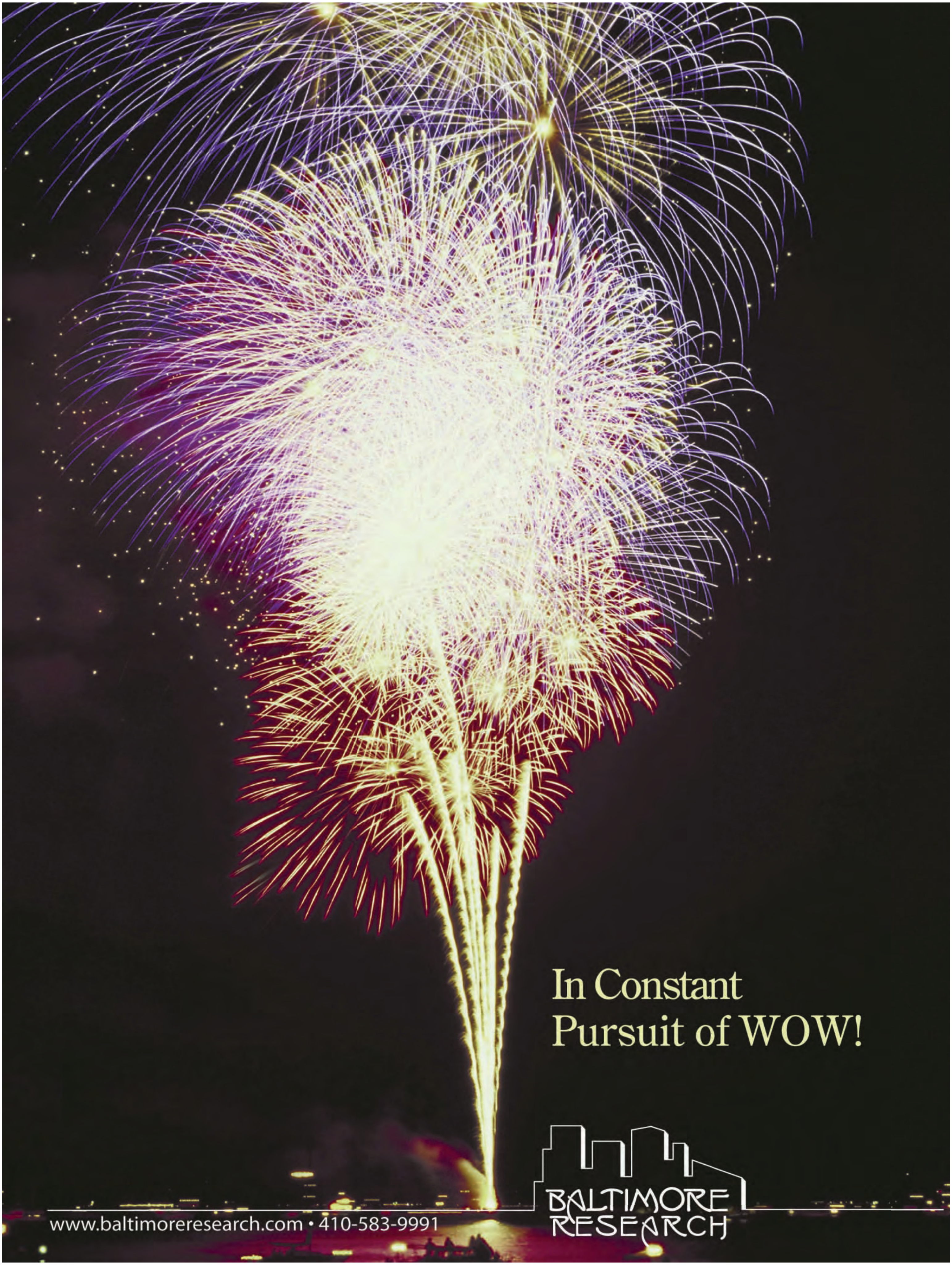
Utilities research

> Consumers are tired of thinking about energy

> Why utilities should measure customer loyalty

Plus...

> 'Do something about PowerPoint!'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Volume XXII Number 3

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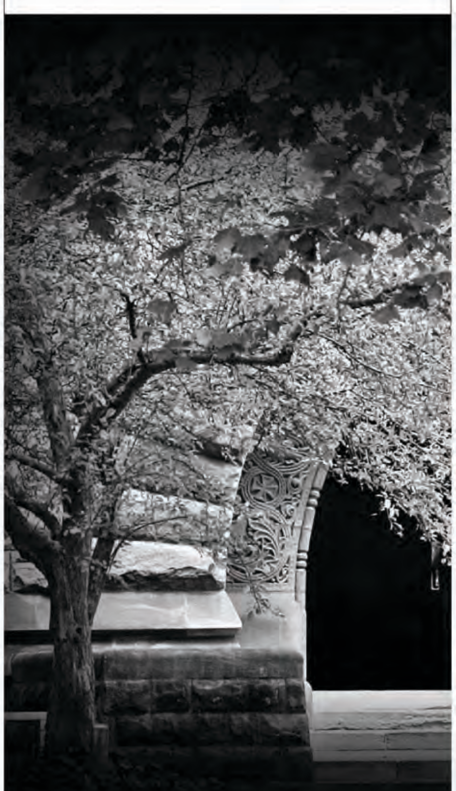

SEMINAR DATES, LOCATIONS AND FEES FOR NORTH AMERICA

101 | Practical Marketing Research $2,095

New York	Jan 8-10
Baltimore	Feb 4-6
Los Angeles	Mar 11-13
Chicago	Apr 21-23
Atlanta	May 20-22
Cincinnati	Jun 24-26
New York	Jul 28-30
Minneapolis	Aug 26-28
San Francisco	Sep 29-Oct 1
Chicago	Nov 4-6
Philadelphia	Dec 8-10

104 | Designing Effective Questionnaires: A Step by Step Workshop $2,095

New York	Jan 15-17
Los Angeles	Feb 26-28
Chicago	Apr 29-May 1
Baltimore	Jul 8-10
San Francisco	Sep 9-11
Cincinnati	Oct 21-23
Philadelphia	Dec 2-4

106 | Online Research Best Practices & Innovations $1,695

New York	Feb 13-14
Chicago	Aug 5-6
Baltimore	Nov 18-19

202 | Focus Group Moderator Training $2,595

Cincinnati	Jan 29-Feb 1
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Cincinnati	Apr 29-May 2
Cincinnati	Jun 17-20
Cincinnati	Aug 5-8
Cincinnati	Sep 22-25
Cincinnati	Nov 4-7
Cincinnati	Dec 9-12

203 | Specialized Moderator Skills for Qualitative Research Applications $2,595

Cincinnati	Apr 1-4
Cincinnati	Aug 11-14
Cincinnati	Nov 10-13

207 | Qualitative Technology Workshop: Recording, Reporting & Delivering $1,695

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Los Angeles	Nov 20-21

301 | Writing & Presenting Actionable Marketing Research Reports $2,095

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San Francisco	Dec 3-5

501 | Applications of Marketing Research $1,695

Baltimore	Feb 7-8
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San Francisco	Oct 2-3
Philadelphia	Dec 11-12

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Los Angeles	Jun 24-25
Chicago	Oct 20-21

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San Francisco	Dec 1-2

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Los Angeles	Apr 8-11
Cincinnati	Jun 10-13
New York	Aug 19-22
San Francisco	Oct 14-17
Chicago	Dec 9-12

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Chicago	Jul 8-11
Baltimore	Sep 16-19
San Francisco	Nov 18-21

605 | Practical Conjoint Analysis & Discrete Choice Modeling $2,095

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Los Angeles	Oct 14-16

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in case you missed it...

news and notes on marketing and research

More men hear Avon calling

As reported by the Associated Press, New York-based beauty company Avon Products Inc. is attracting a growing number of male salespeople and offering more products for men as a part of a move to broaden its appeal. Sales to men and an increasing number of products for them have helped Avon's bottom line, with sales growing from about $6.2 billion in 2002 to $8.7 billion in 2006.

U.S. sales of men's skin care products totaled $68.9 million in 2006, up from $45.8 million in 2000. In comparison, women's skin care sold about $2.1 billion in 2006 and $1.7 billion in 2000, according to Port Washington, N.Y., research company NPD Group Inc.

Avon salesman Bobby McKinney credited the boom in men's business to the Baby Boomers who worry about wrinkles and are experimenting with anti-aging products, which are among the company's top-sellers. Yankees star Derek Jeter's cologne, Driven, is Avon's best-selling men's fragrance of all time and second-best-selling fragrance overall.

Avon recently produced its first men's catalog, which features a skin care line, boxer shorts and power tools. New recruiting brochures picture both men and women.

Less than 13,000 of Avon's 650,000 representatives in the U.S. are male, though that figure is approximate because applicants are not required to state their gender. Competitor Mary Kay Inc. says 5,738 of its 700,000 sales reps are men.

"Makeup of Avon Sellers Has Changed," Associated Press, October 9, 2007

Girls love to blog

According to the report "Teens and Social Media," based on a national phone survey of 935 youth ages 12 to 17 conducted by the Washington, D.C.-based Pew Internet & American Life Project, content creation by teenagers continues to grow, with 64 percent of online teenagers ages 12 to 17 engaging in at least one type of content creation, up from 57 percent of online teens in 2004.

Girls continue to dominate most elements of content creation. Some 35 percent of all teen girls blog, compared with 20 percent of online boys, and 54 percent of wired girls post photos online compared with 40 percent of online boys.

The report also highlights a new segment of "multichannel" teens who represent about 28 percent of the entire teen population and are more likely to be older girls. These teens are super-communicators who communicate at a level equal to or greater than other teens and have a host of technology options for dealing with family and friends.

When asked about the communication they have every day with their friends, the multichannel teens say 70 percent talk with friends on a cell phone, 60 percent send text messages, 54 percent instant-message, 47 percent send messages over social network sites, 46 percent talk to friends on a landline phone, 35 percent spend time with friends in person and 22 percent send e-mail to friends (e-mail is selected only as a last resort to stay in touch with friends).

The margin of error for the survey is 4 percentage points. For more information visit www.pewinternet.org.

Is stationery hip?

It's 2008 and instantaneous, digital communication is the norm. Cellular phones, text messaging, personal data assistants, digital cameras, e-mail and a whole host of new media are making paper-based greetings and communications obsolete. Yet while the whole world is going digital, the most technically-advanced adult consumers are making buying and using luxury paper something that is hip and cool.

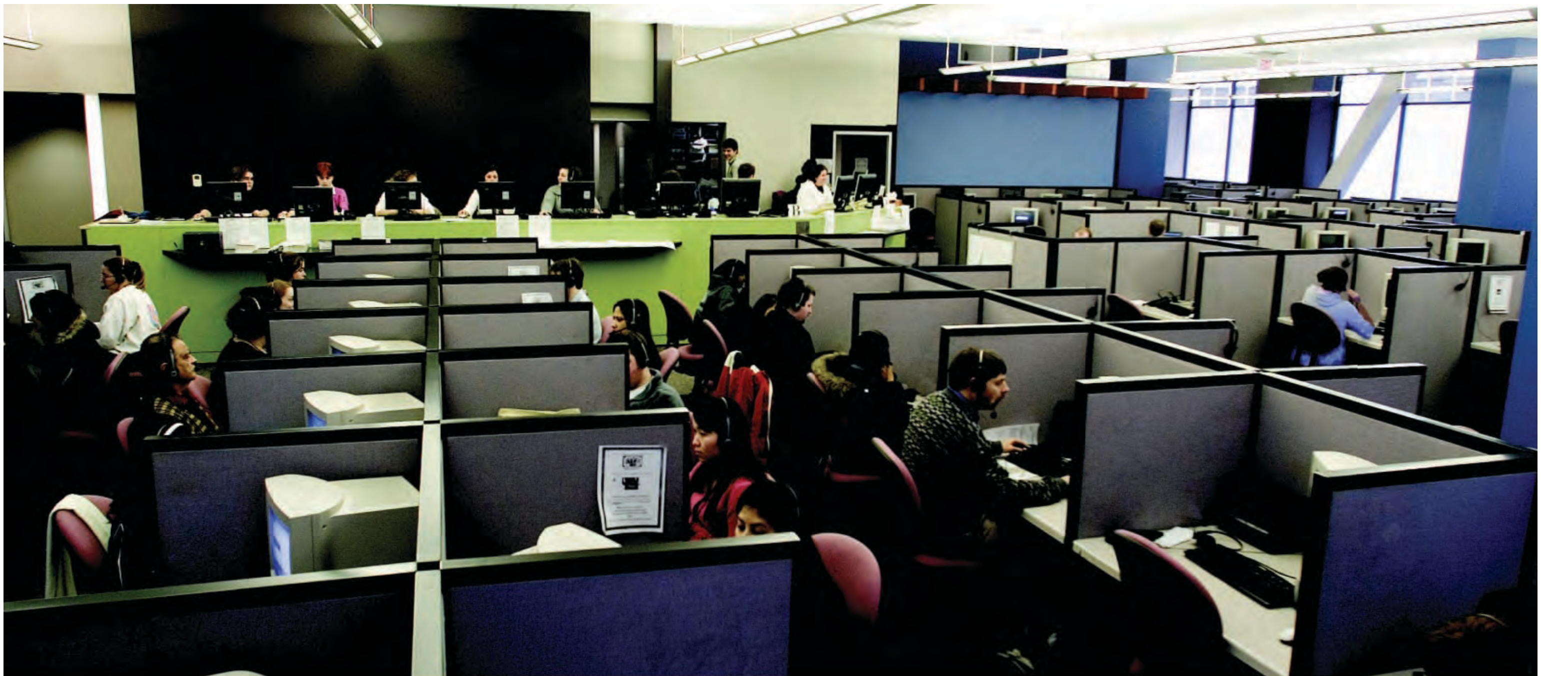
In a new study of the $37.4 billion stationery goods market, Stevens, Pa., research firm Unity Marketing found a strong generational shift in the market for paper goods from older to younger consumers. A survey among 1,200 recent stationery shoppers found that consumers aged 25 to 34 years were the biggest-spending age segment on all things stationery.

"The generational shift in the market for stationery is bringing dramatic changes in the marketplace," said Pam Danziger, president of Unity Marketing. "Suddenly specialty retailers like Crane & Co. Paper Makers, Papyrus, Kate's Paperie and Paperchase are destination shops for young people to pursue their paper passion."

One segment in the stationery market that hasn't enjoyed a new youth movement is traditional greeting cards. "While stationery products have got youth appeal, greeting cards remain stuck with an aging consumer market. Middle-aged consumers [45 years and older] are the mainstay of greeting card marketers, which will mean real disruption in the future for those companies that are not attuned to the needs and desires of younger consumers," Danziger said.

For example, greeting card marketers could make their products hip if they offered more special-feature greeting cards that appeal to young consumers, 44 years and younger. These special-feature cards include those made from recycled paper or ecologically-friendly inks, music chips, die-cuts/fold-outs and handmade/handlaid paper.

"Clearly the opportunity for greeting card producers is to leverage the passion that many young people express for specialty paper into new greeting card concepts that embrace a new, younger vibe," Danziger said. "All one needs to do is watch college- and high school-aged youths today in their digitally-empowered lifestyles to realize that greeting cards designed for their grandmothers don't have a place in these young people's future. The traditional greeting card paradigm isn't relevant to their lives anymore and greeting card marketers are well advised to look at the future with no blinders on."



Consumers uneducated about 2009 digital TV transition

There is growing awareness of the nation's February 2009 transition to digital television (DTV) by TV broadcasters, yet the group of Americans with the lowest level of awareness about the transition includes those that are most deeply affected – households that receive television programming exclusively over the air.

These are among the results from the CTAM Pulse, a nationwide survey of more than 1,000 U.S. consumers conducted by the Cable & Telecommunications Association for Marketing (CTAM), an Alexandria, Va., association of cable industry marketing executives. CTAM is a member of the DTV Transition Coalition, a group created to educate consumers about the digital transition.

After February 17, 2009, the nation's broadcast television stations will begin broadcasting exclusively in digital. This means that any consumer receiving broadcast TV over the air on an older analog TV set must take some action for that TV to continue receiving programs from the local TV stations. Those options include obtaining a new digital-to-analog converter, subscribing to cable TV or other multichannel video service or replacing the analog TV set with a new one equipped with a digital TV tuner.

Findings from the CTAM survey include the following:

Forty-eight percent of U.S. households are aware of the digital TV transition, compared to just 29 percent from a survey taken in July 2005. Groups most familiar with the transition are subscribers to broadband services (45 percent), digital cable service (40 percent) and basic cable service (39 percent).

Seventeen percent of survey respondents – representing more than 19 million homes – don't have any televisions connected to a video service provider. At 31 percent, households that don't have any televisions connected to a video service provider were least familiar with the transition.

The survey also indicates how much work remains in educating American consumers about the transition. Forty-seven percent of respondents said they do not know when the digital transition will occur, and 26 percent believe it will take place sometime other than the designated year 2009.

Other key findings:

Of those who are aware of the DTV transition, 38 percent said they'd learned about it from TV; 26 percent had read of it in the newspaper; and 20 percent had heard about it from friends or family.

Fifty percent of households that watch TV exclusively over the air said they don't know where to turn for information about the transition.

The majority of households that currently receive cable, satellite or any other TV service have all their TV sets connected to some type of TV service and therefore are unlikely to need digital-to-analog converters to keep their analog TV sets working. However, 25 percent of these "connected" households – or 23.3 million homes – said they also have at least one or more "unconnected" sets in their homes.

Two-fifths (40 percent) of households with an unconnected television set said they use those sets to watch broadcast TV programs only; 22 percent use them to watch DVDs; and 16 percent use them for video games. For more information visit www.ctam.com.

Easy return process crucial for direct shoppers

As reported by *Catalog Success,* a survey conducted during the 2007 holiday season found that 90 percent of direct shoppers cited a convenient returns policy as very important, important or somewhat important in deciding to shop with a new or unknown online or catalog retailer. The Harris Interactive poll surveyed 1,017 American adult shoppers during the Black Friday/Thanksgiving weekend (November 23-25).

"Customers are concerned that if it doesn't fit right or if for whatever reason it's not exactly what they thought it was going to be, they need to be able to feel comfortable that they can make a return," says Ken Johnson, vice president of sales and marketing at Newgistics, an Austin, Texas, returns management provider. "They don't want to have to fight with the retailer to get their money back."

Survey findings that reinforce the importance of a convenient, easy and efficient return policy for multichannel merchants include:

• 69 percent said they're not likely to

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names of note

Sir Bernard Audley, founder of U.K.-based *AGB Research*, died on January 4 at the age of 83.

Scott Migli has joined *Wilson Research Strategies*, Washington, D.C., as vice president.

Research firm *Morpace Inc.*, Farmington Hills, Mich., has appointed **Lee**

Swiatkowski

Wilson

Swiatkowski as client services director, **Dale Wilson** as research director

Rodgers

Andresen

and promoted **Tricia Rodgers** to vice president.

Survey Sampling International, Fairfield, Conn., has appointed **Volker Andresen** as marketing manager Europe.

Research and development firm *AlphaDetail*, San Mateo, Calif., has added **Beth Thompson** as director of the firm's qualitative research department.

Gilmore Research Group's Focus Division, Portland, Ore., has added **Donna Glosser** to manage the division and oversee qualitative operations and facilities in Seattle and Portland.

Nick Polk has joined Edison, N.J., research firm *Schlesinger Associates* as facility director at the firm's new Houston focus group facility.

Valient Healthcare, Rochester, N.Y., has named **Allison Tait** manager, health care sector business development.

Vancouver research firm *Vision Critical* has named **Ida Goodreau**, president and CEO of Vancouver Coastal Health, to its board of directors.

Lightspeed Research, Basking Ridge, N.J., has added **John Short** as director of panel operations.

Atlanta research firm *CMI* announced that **Roger Bacik** has retired as senior vice president of marketing in charge of the company's new client development.

Bacik

Turner

ICT Group-Research Services, Philadelphia, has added **Marcus Turner** as director of business development.

Bobby Richard has been named senior project manager at *Research Results Inc.*, Fitchburg, Mass.

Mansour Fahimi has joined *Marketing Systems Group*, Fort Washington, Pa., as vice president, statistical research services. He is based out of Rockville, Md.

Synovate Healthcare, London, has added **Greg Chu** as head of U.S. custom research.

Larry Fleischman has joined *GCR Custom Research*, Portland, Ore., as director of business development, based in Austin, Texas.

iModerate, Denver, has hired **Robert Liguori** as director of strategic accounts.

Germany-based *GfK Group* has appointed **Debra A. Pruent** as the management board member responsible for custom research activities in North America.

Denver advertising firm *Thomas Taber & Drazen* has named **Paul Leinberger** senior vice president, strategic planning.

Observant LLC, Boston, has named **John Hartman** vice president and **Jennifer Potter** director.

Sue Kroll has been named president, worldwide marketing, at *Warner Bros. Pictures*, Burbank, Calif.

Synovate has named **Hans Raemdonck** as global head of decision systems.

Diane Kosobud has been named incoming co-chair of the board of directors for the *Council for Marketing and Opinion Research* (CMOR), Washington, D.C. CMOR also announced the election of **Jane Moore** as incoming co-chair of its government affairs committee.

Andrea Alfonsi has been named president of New York-based research company *Medefield America*.

Quirk's Marketing Research Review has hired **Alice Davies** as directory manager and **Emily Cook** as content editor.

product and service update

New NVivo QDA software offers audio and visual capabilities

Australia-based research software developer QSR International's latest software NVivo 8 is designed to allow qualitative researchers to work with videos, interview recordings, documents, photos, media clips, music and podcasts with greater ease.

NVivo 8 has integrated existing tools with new materials and features. The software still has the same Windows XP interface as NVivo 7 but has capabilities to allow researchers to import, sort and analyze audio files, videos and pictures; analyze material straight from audio and video files and create transcripts within the software in real time; view or listen to video and audio clips via an inbuilt media player; merge separate projects and still identify which coding was completed by which person, as well as view the annotations and links completed by each team member; create and export 3-D charts; share files and findings with clients or colleagues who don't have NVivo using HTML; query coding completed by individuals or teams and run coding comparisons to show the percentage of coding that is the same or different across users; see colored bars called "coding stripes" which reflect factors such as gender, age or income; and watch new animated tutorial movies and access the help and support resources online. For more information visit www.qsrinternational.com.

New versions of Clementine 12.0 and Text Mining for Clementine 12.0

Chicago software firm SPSS Inc. has released updated versions of its data and text mining programs, Clementine 12.0 and Text Mining for Clementine 12.0. Clementine 12.0 is designed to deliver increased analyst productivity, information insight and visualization. It also includes improved graph interactivity and custom tabular reports driven by a visual design interface so that organizations can better distribute and communicate results.

Clementine 12.0 is designed to improve return on analytical investment through single-step automated modeling, which identifies analytic models and combines multiple predictions for the most accurate results. This provides insight and prediction from their data to solve business problems including customer churn, campaign effectiveness, customer value, marketing cost, fraud and risk analysis.

Text Mining for Clementine 12.0 is designed to help organizations extract key concepts, sentiments and relationships in different languages from textual or "unstructured" data, such as e-mail, blogs, RSS feeds and surveys. Users can extract additional insight from these channels to draw conclusions and take action.

Clementine 12.0 is integrated with SPSS Predictive Enterprise Services, Dimensions (SPSS survey software) and is more open than previous versions for integration with other software applications, such as IBM DB2 Warehouse 9.5 and BusinessObjects XI platform. For more information visit www.spss.com.

Lidlow offers toolset for online qualitative researchers

Saskatoon, Saskatchewan, data collection services provider Lidlow Worldwide Inc. has released its online qualitative platform Delve!. Delve! brings tools market researchers currently use in traditional discussion groups to online qualitative research in an effort to improve the effectiveness of market researchers' online discussion groups.

Additions to the software include Delve!Notes and Delve!Flags that allow moderators to add notes and flags to responses in real time instead of post-research; descriptive titles for each section of the application to reduce new-user confusion; simple-question summaries so users can easily see which question they are answering; and WYSIWYG text editing to make text entry more similar to common word processor applications. For more information visit www.lidlow.com.

Knowledge Networks debuts media measurement tool

Menlo Park, Calif., consumer information firm Knowledge Networks (KN) has launched MultiMedia Mentor: Brand Bridge, a system that links media planning and brand-building objectives. It incorporates Return on Marketing Objective (ROMO) data from Marketing Evolution under a cross-licensing agreement.

The product combines KN's approach to measuring consumer use of key media with Marketing Evolution's ROMO data, which quantifies media's effects on the consumer. It is designed to enable users to incorporate marketing goals into evaluations for TV, Internet and magazines.

MultiMedia Mentor offers single-source measurement of time spent with eight media and combines it with software to allow users to create strategic media plans that deliver messages efficiently against a budget or a target audience. For more information visit www.knowledgenetworks.com.

Latest release of ArcGIS Explorer now available

Redlands, Calif., geographic information systems firm ESRI has released ArcGIS Explorer 440, an updated version of the firm's free map-sharing software. The new version includes more ways to customize maps, methods of communicating information about features on custom maps and faster navigation to target areas around the globe.

Additional features are designed to increase performance connecting to

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research industry news

News notes

Nielsen Media Research, New York, has announced plans for the September 2008 launch of an enhanced weighting procedure for its TV ratings estimates, including revising algorithms used to weight national ratings. It will also be consolidating national ratings systems into a single "calculation platform" during the next two years to modify its products and data streams more rapidly and make it easier to integrate audience data from the Internet, mobile phones and digital set-top devices.

Separately, following a series of problems with its TV coding system, Nielsen Media Research has written to U.S. TV stations asking them to help ensure there are no future glitches. Nielsen has also sent them a "Guide to Encoder Best Practices," which outlines coding procedures. Nielsen uses an A/P (active/passive) coding system, which identifies which stations and networks are being watched by reading the unique identification codes inserted into the television signal at the distribution source. Nielsen stressed the need for "cooperation and active coding" by stations to ensure the A/P system works accurately.

Kansas-based **Manhattan Broadcasting** has filed a complaint with the FCC claiming anti-competitive practice by **Arbitron Inc.**, New York, and Arbitron client Morris Communications, an Augusta, Ga.-based media firm. Manhattan's FCC claim maintains that Arbitron and Morris are creating a new Arbitron Metro market in Kansas by combining the two separate statistical areas of Salina and Manhattan, which the firm says are 67 miles apart and have "no commonality." According to the complaint, this new Metro was created to artificially enhance Morris' market share to the detriment of all other radio stations within the proposed area.

Calendar of Events March-June

The Advertising Research Foundation will hold its annual RE:THINK! convention and expo on March 31-April 2 at the New York Marriott Marquis. For more information visit www.thearf.org.

IIR will hold its Service Innovation Design and Development conference on March 31-April 3 at the Westin in San Diego. For more information visit www.iirusa.com.

ESOMAR will hold its Asia-Pacific conference on April 7-9 in Singapore. For more information visit www.esomar.org.

IIR will hold its Fuse conference for design, culture and branding on April 13-16 at Pier 60 in New York. For more information visit www.iirusa.com.

The Society of Competitive Intelligence Professionals will hold its annual conference on April 14-17 at the Manchester Grand Hyatt Hotel in San Diego. For more information visit www.scip.org.

The Council of American Survey Research Organizations will hold its International Research Conference: Global on May 6-7 in New York. For more information visit www.casro.org.

The Qualitative Research Consultants Association and the Association for Qualitative Research will hold a worldwide conference on qualitative research on May 7-9 in Barcelona, Spain. For more information visit www.aqr.org.uk or www.qrca.org.

ESOMAR will hold its annual Latin American conference on May 11-14 in Mexico. For more information visit www.esomar.org.

The American Association for Public Opinion Research will hold its annual conference on May 15-18 in New Orleans. For more information visit www.aapor.org.

The U.K.-based Business Intelligence Group will hold its annual conference, which focuses on business-to-business marketing and research, on May 21-23 at the Marriott St. Pierre Hotel in Chepstow, England. For more information visit www.bigconference.org.

Canada's Marketing Research and Intelligence Association will hold its annual conference on May 25-28 in Winnipeg. For more information visit www.mria-arim.ca.

ESOMAR will hold WM3, a conference on worldwide multimedia measurement, on June 1-4 in Budapest. For more information visit www.esomar.org.

The Marketing Research Association will hold its annual conference on June 4-6 in New York. For more information visit www.mra-net.org.

The American Marketing Association will hold its annual Advanced Research Techniques forum on June 15-18 in Asheville, N.C. For more information visit www.marketingpower.com.

The Advertising Research Foundation will hold its Audience Measurement 3.0 conference on June 24-25 at the Millennium Broadway Hotel in New York. For more information visit www.thearf.org.

To submit information on your upcoming conference or event for possible inclusion in our print and online calendar, e-mail us at editorial@quirks.com. For a more complete list of upcoming events visit www.quirks.com/events.

Cincinnati-based research company **Burke Inc.** announced the completion of its employee stock ownership plan (ESOP) restructuring. The company has repurchased all remaining stock owned outside the ESOP, which was the final step to complete the transition to a 100-percent ESOP-owned status. As a 100-percent ESOP-owned company,

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By Charles H. Ptacek

Nonprobability sampling assures representation and validity with B2B universes

Business-to-business (B2B) market research offers challenges not typically experienced with consumer research. It is frequently possible and often preferable to obtain market information through specifically focused exploratory research methods as opposed to the more costly and time-consuming survey methods that dominate marketing research practice. If one seeks to understand the dynamics of a B2B market, then a few carefully-selected, knowledgeable players (who are doing most of the business) may provide an accurate and representative platform to study because, in most B2B markets, high demand concentration spells a high degree of information concentration among a very limited number of sources. Among the most important differences between B2B and consumer goods and services markets are the following three factors:

1. Derived demand - The demand for B2B goods is ultimately dependent upon the demand for related consumer goods and is thus considered to be derived demand. It is therefore true that understanding the nature and scope of B2B markets requires understanding both the nature of demand facing the B2B customer and the customer's customer throughout the marketing channel to measure actual consumer demand. The need to analyze market activity at all levels between the B2B customer and end users/consumers is the implication of derived demand in B2B markets.

2. Demand concentration - B2B markets are marked by three types of concentration and these three forms of concentration permit B2B marketing researchers to identify their markets more accurately than their consumer goods counterparts.

• A finite universe, which leads to a relatively limited customer base where the cost of sale can be high and opportunities for new sales are highly targeted.

• Purchasing concentration stemming from the structure of many B2B markets, whereby a few firms account for a high proportion of total market demand. This is the old 80-20 rule (20 percent of the companies account for 80 percent of the market demand), which is based on the Pareto principle: the principle of a vital few and a trivial many.

• Information concentration, where high demand concentration spells a high degree of information concentration among a very limited number of sources. This highly skewed distribution requires that careful attention be given to the selection of knowledgeable persons, using representative judgment samples rather than any random sampling method. The use of any random sampling techniques will produce its results from the least-meaningful population members.

3. Buying process complexity -

Editor's note: Charles H. Ptacek is president of Charles, Charles & Associates Inc., a Gold Canyon, Ariz., research firm. He can be reached at 602-870-2958 or at chptacek@aol.com.

The presence of multiple and varying buying influences associated with B2B purchase decisions is another important consideration for marketing research. More individuals are generally involved in B2B purchase decisions than in consumer purchasing decisions and, depending on the complexity of the purchase, the B2B process may span many weeks or months and involve the participation of several members of the organization, all of whom may bring different criteria to bear on the purchase decision. As a result, measurement of attitudes, motivations and relative influence on purchasing decisions is much more complex in B2B marketing research. Thus, the B2B market researcher must understand the process that an organization follows in purchasing a product and which organizational members have key roles in this process.

On the other hand, those involved in B2B purchasing decisions are far more knowledgeable about the purchase process and products and, consequently, can provide better information than the average consumer. In addition, trade relations between B2B producers and buyers tend to be closer, stronger and more continuous, often enhanced by the greater use of long-term purchase contracts. Hence, market research must be cognizant of the fact that buyer-seller interdependence is a salient dimension of B2B marketing.

Knowledgeable persons

One of the most important differences between B2B and consumer marketing research is found in the relative importance of surveys of knowledgeable persons. This method exploits the specialized knowledge and judgment of informed persons or experts to ascertain market intelligence that can be used by management to make better market-oriented decisions. B2B marketing researchers need to devote considerable time and effort to identify those very special persons who qualify as most knowledgeable about the products and markets of primary investigative interest.

The two keys to successfully performing a survey of knowledgeable persons are 1) identifying who to talk to and 2) achieving a convergence of informed opinion.

• Identifying experts: The selection of the panel of knowledgeable persons is critical to the success of the study. The key informant technique is used to identify knowledgeable persons and represents a form of networking persons in an industry, thereby identifying which persons are considered most knowledgeable; these are the persons who are recruited as experts. The pool of experts, or knowledgeable persons, is initially identified during the process of collecting relevant secondary information from trade publications and associations as well as industry source referrals.

• Consensus of opinion: With this approach, opinions of knowledgeable persons are converted into an informed consensus through a structured multi-step recruiting and polling process. In addition to the original in-depth interviews, recontact and supplemental interviews are usually performed. Recontact interviews are performed to achieve a convergence of opinion on critical issues or to obtain additional information. Supplemental interviews are often required when multiple sources exist and these particular experts are crucial to the convergence process.

Reliable, valid

Generally, a sample of less than 100 participants is often an acceptable number of knowledgeable persons to interview. This statistically indefensible sample may furnish far more reliable, valid and usable results than would a technically perfect sample of all the firms. It is, in fact, this situation that occurs for many business-to-business market research investigations. | Q

business-to-business research

By James T. Heisler
and Mark S. Perline

Get their stamp of approval

Pitney Bowes uses customer touchpoint management to deliver targeted and relevant service

The business world has come to recognize that satisfying customers and winning their loyalty is critical to a company's success within an increasingly competitive marketplace. Moreover, most companies know that that they need to listen to their customers' concerns and requirements and then act on that information.

To this end, running periodic relational and transactional customer satisfaction and loyalty surveys has become *de rigueur* for many businesses. Ideally, the knowledge gained from such exercises is used to reinforce and/or change processes to improve the customer experience and foster their loyalty to the company.

Were the paradigm so simple - field a survey among your customers, ask them how you're doing meeting their expectations, make a few changes and voila…you've maximized your customer loyalty! In reality, things are more complex. The issues run from knowing how to measure customer satisfaction and loyalty in valid ways that have explanatory and predictive power to knowing what research you should implement first. It is the latter to which this discussion now turns.

Every year companies spend millions of dollars asking customers, "How well did we do on your most recent transaction with us?" For some reason, few ever stop to first ask the more important question: "What is the experience you want from us?"

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As a result, some companies expend considerable resources delivering experiences that are not what the customer wants and/or have little impact on loyalty, retention and incremental revenues and profits. Even worse, they may be under-delivering on experiences needed to maintain healthy customer relationships.

The practice of customer touchpoint management works hand in hand with customer loyalty measurement to determine the relative impact of various elements of the customer experience on loyalty (e.g., interactions with sales reps) and in turn to spell out specific actions that can be taken (e.g., make three to four sales calls per year, consult on best practices, return calls within two hours, etc.).

The overall aim is to obtain answers to the following business questions:

• What is the relative impact of each service delivery touchpoint on customer loyalty?

• What is the optimal experience with each service delivery touchpoint?

- What is the acceptable medium (e.g., face-to-face, phone, online)?

- What is the minimum acceptable performance standard?

- What goes beyond the basics to provide loyalty dividends?

- Would customers pay a premium for enhanced service levels?

- Are there thresholds - points of diminishing return on certain client needs?

• How do touchpoint requirements differ by customer segment? (A one-size-fits-all approach may not work for a diverse customer base.)

• How can ROI on customer loyalty/satisfaction research be increased?

- Is it by effectively allocating resources by prioritizing the relative value of various change initiatives?

- Or by reducing service delivery costs by eliminating elements that do not add value to customers' experiences?

Greatest impact

In 2004, Pitney Bowes had several customer experience change initiatives on the table for funding. Management needed to prioritize these in terms of which would have the greatest impact on customer loyalty. Accordingly, management turned to the company's research staff and asked them to develop a comprehensive list of customer requirements across the numerous touchpoints Pitney Bowes has with its customers. They elected to partner with Harris Interactive Loyalty, a division of Harris Interactive, Rochester, N.Y., to conduct a customer touchpoint research study.

Asking customers what they want may seem simple enough, but it is a

line of inquiry that has some serious potential pitfalls. For example, ask customers how many times a year they want to see their rep, or how long they're willing to wait for technical service. When asked directly, customers will almost always tell you they want the highest level of service for the lowest cost. And, if the research is conducted piecemeal, there may be no way to prioritize change initiatives among functional groups (e.g., would there be a greater incremental gain by investing in sales rep training or by expanding technical helpline hours?).

Perhaps the most commonly used tool for identifying customer priorities is conjoint analysis, which attempts to simulate the real-word decision process in which customers must make trade-offs to operate within budget parameters. For example, if asked to choose between annual equipment tune-ups for $300 and ongoing training packages for $200, which would they select (if either)?

But can you do this for some of the intangibles that typically comprise the customer experience? Do customers understand the economic value they receive from things like more frequent contact, better information on new products and fewer "hand-offs" on the phone? Compounding this, there are some tangibles in the mix (e.g., eight-hour vs. four-hour response time), so customers would be trading off tangibles and intangibles. (Try asking yourself how you'd decide which is more valuable: two extra sales calls per year or $300 in free training.)

Pitney Bowes accepted the challenge of applying this established conjoint analysis methodology to touchpoint management. Using conjoint analysis as a core component of the research, plus considerable up-front internal and external qualitative research, the approach not only worked but generated actionable guidance for Pitney Bowes in its quest to effectively and efficiently meet and exceed customer expectations across the multiple touchpoints in which loyalty is shaped.

The development of the variables/levels used in the conjoint tasks was based on internal interviews among functional area managers, as well as on focus groups among various Pitney Bowes customer segments.

The trade-off task involved showing customers several "service package" scenarios (each representing a different combination of levels within the four variables) and asking them how each would affect their relationship with Pitney Bowes.

Conjoint analysis provided optimal levels of service to meet customer needs across many key touchpoints, and these were compared with perceived current levels of service in these areas. Table 1 shows a hypothetical example for two customer segments.

Table 1: Hypothetical Example of Output

	Segment 1	Segment 2
Frequency Rep Contact		
Current	1x/yr.	4x/yr.
Optimal	3x/yr.	2x/yr.
Service Response Time		
Current	8 hrs.	8 hrs.
Optimal	6 hrs.	12 hrs.
Phone Support Hours		
Current	9 a.m.-5 p.m.	9 a.m.-5 p.m.
Optimal	8 a.m.-7 p.m.	9 a.m.-5 p.m.
Who Handles Billing Issues		
Current	Call Center	Call Center
Optimal	Sales Rep	Web Only
Discuss During Sales Call		
Current	Cost Savings	Process Improvement
Optimal	Reliability	Cost Savings

Implications for hypothetical segment 1:

• require more rep contact; seek more of an ongoing relationship;

• reducing service response time by two hours would enhance loyalty;

• billing issues currently handled by phone center but rep should do;

• reliability (less downtime) more a "hot button" than cost savings.

Implications for hypothetical segment 2:

• rep visits not needed (or even welcome) more than twice a year;

• next-day service response time

saves cost and is just as acceptable;
• less complex accounts can be "driven to the Web" for service;
• help these customers save money on labor and postage.

Some additional areas were explored outside the conjoint exercise:
• willingness to access Web for specific needs;
• preference for single vs. multiple toll-free numbers;
• who installs equipment and trains?
• interest in electronic invoicing/payment;
• when/how to notify about contract expiration?
• interest in ongoing training packages;
• desired frequency/mode of communications.

As mentioned, Pitney Bowes garnered a number of significant benefits from this research. For example:
• Cost savings were realized - while increasing loyalty - through more effective channel selection (phone/field sales/Web etc.).
• Contact plans were developed for customers based on the nature of the relationship they want with Pitney Bowes.
• Pitney Bowes is more fully capitalizing on the relationship strengths/equities identified in the research.
• Specialized teams of phone reps were created to better meet the specific needs of different customer groups.
• New customer segments were identified based on the experience they want from Pitney Bowes.

Number of lessons

Finally, along the way Pitney Bowes and Harris Interactive learned a number of lessons on how to ensure that customer touchpoint management research achieves its objectives and provides actionable results. The lessons are outlined below in generic terms that apply to any organization looking to optimize its customer-facing resources and improve the customer experience.

1. Take steps to boost the comfort level *with what you're doing.*

Any company making a comprehensive investigation of its contact strategy is going to uncover areas in which customer experience is not optimal. Some change initiatives will be supported by the research findings and others will not. Make sure to emphasize that results are going to be rolled out in a constructive manner that will help managers make better decisions.

2. Make stakeholders feel like you're addressing their issues.

Take a lot of time up front to interview process owners on problems they face, decisions they have to make and information that could make them more effective. In addition to getting their buy-in, there will be a better chance that actions indicated by the research will be within the realm of feasibility.

3. Pre-test, pre-test, pre-test - before you program the survey.

If you do qualitative research up front to help structure the interview - and you should - don't wait until the end to put together a questionnaire for pre-testing. Introduce questionnaire elements (flow, wording, choice sets) throughout to build up to a point where you are on the same page with customers on what the questions mean and what the choices represent.

4. Watch out for "deal breakers" in the choice sets.

In pre-testing this survey it was clear that including a highly undesirable alternative could kill the deal for every choice set in which it appears, reducing discrimination among the remaining variables. For example, giving respondents the option of saving money via self-installation may seem like a valid trade-off option, but it may make the whole package unacceptable.

5. Champion the possibilities for customers.

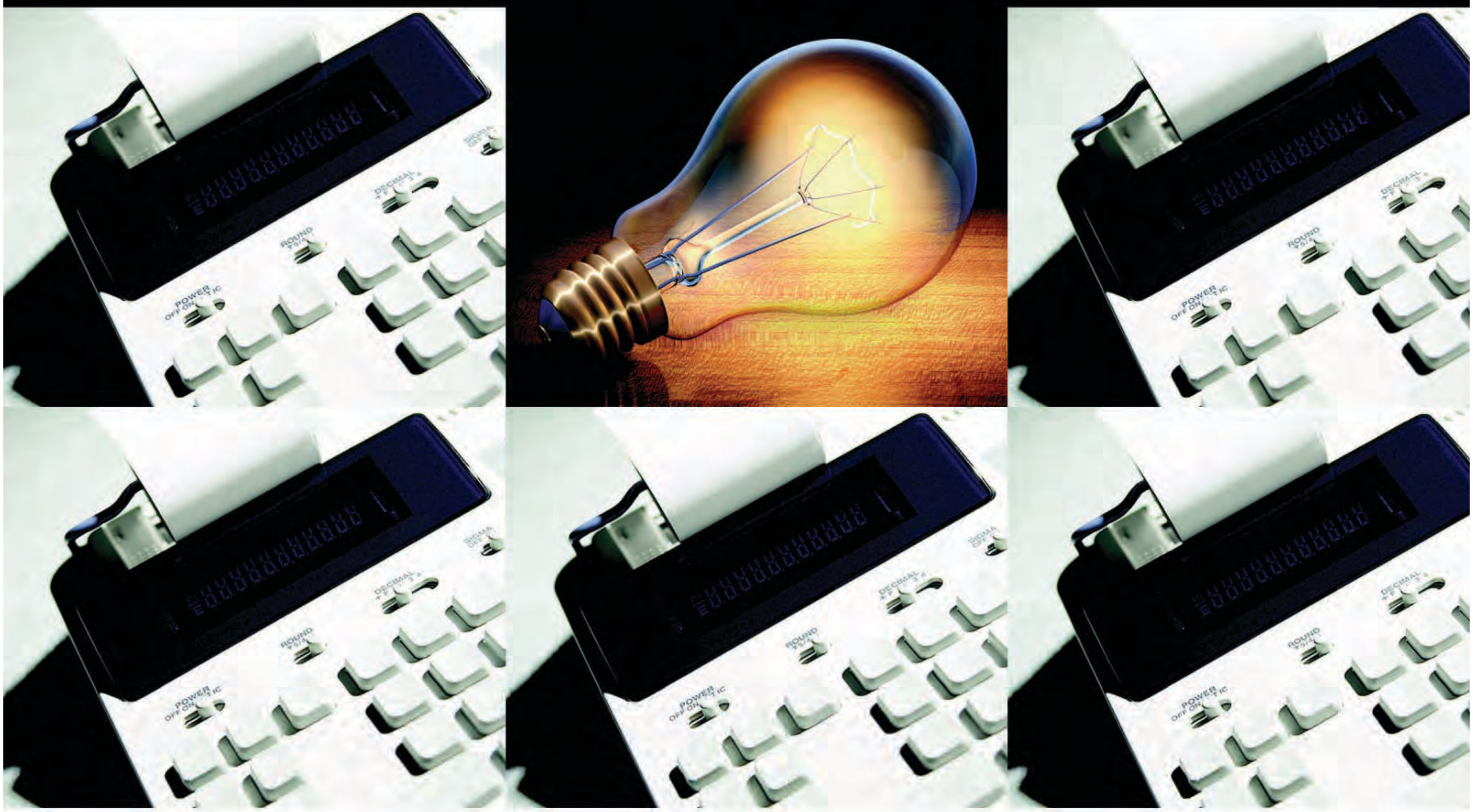
Put the customer first by offering them a full range of options in the choice sets. Don't be limited by current paradigms or internal perceptions of what should be provided to customers. Management needs to know if customers require levels of service that may go beyond what the company has traditionally offered.

6. Try to tie the new segments back to your customer database.

Your customer contact plan may be based on various types of segmentation developed by your company. Segmentation based on customer touchpoint management research may yield a closer fit with the experience customers want.

Get it right

Three years later, Pitney Bowes continues to leverage what was learned in this research. Some companies get it right. They know when to ask the right questions of their customers - in the right order. By asking your customers what is important to them, determining how you can deliver what is important to them and measuring your performance at doing so, your company can earn loyalty and move toward maximizing the ROI on your sales and customer-care efforts. | Q



business-to-business research

Local knowledge, global implications

The ups and downs of gathering business intelligence in China

By Laura Mitchelson

There is a well-liked saying in business-to-business research: "A strategy without intelligence is not a strategy, it's merely guessing." These words are especially applicable in China, which is attracting scores of companies that are interested in developing a presence in this rapidly-growing economy.

Smart companies are determined to get it right the first time when they enter China. This means they need to map the market and understand the supply chains and who controls things. Industry research or business intelligence research is a first step for most firms.

Some of the buyers of this research are based in Europe or the U.S., have never been to China and don't have much intention of visiting. Others move here and some are Chinese themselves.

For any business manager, China is an exciting prospect, one that takes most Western managers out of their comfort zones and into a world that is non-English-speaking and somewhat of a curiosity. The pace of change across the majority of industries in China means that staying up to date with developments and translating that knowledge into solid commercial decisions about advertising, marketing, HR and operations can be a challenge that even local Chinese find testing.

Once you get past the breathless media coverage of super GDP growth rates and consistently bright economic prospects, you run into some of the deeper challenges of China. You find that you need detailed, reliable, accurate and timely business research. The question is, how and where do you get that? Following are some of my experiences as a gatherer of industrial data in China.

Grab an hour

I have no idea where Hu Tao Road is in Songjiang but that's this morning's destination. It's about a 90-minute drive from the central Shanghai districts that are familiar to me. At Hu Tao Road is the Zhun Zhen textile factory where we are hoping to grab an hour with General Manager Mr. Sun to talk with him about what influences his purchasing decisions and what he thinks the increasing numbers of international players in the textile printing market should do about their relatively low market share. As he is a man with 35 years of experience in this industry, international training and impressive contacts within the industry trade association, we are pleased to get the interview.

The smart international companies in China realize that Mr. Sun

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PANEL A
e-Rewards
PANEL C
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PANEL D
PANEL C
PANEL B
PANEL A

and others like him hold at least part of the key to their success, that they need his insights and local advice to help predict the movements in this complex and rapidly changing marketplace. Macroeconomic data about rising GDP and double-digit growth has its place but it needs supplementing with hard facts about the situation on the ground, and that information needs updating on a monthly basis.

Cultural understanding

It is my belief that too many business decisions here in China are made by those who don't have in-depth knowledge of China based on advice from those who also don't really know China.

Many a book has been written on the importance of cultural understanding in any overseas market, and this is particularly important with China. Yet it is often more comfortable for a Western manager to ask other Westerners for advice on dealing with this new market (those who've cracked it ahead of them) rather than requesting advice from those for whom this is home. In our experience, a combination of the two gives the best result. Westerners' and other international companies' experiences are valid because how else can you establish the potential pitfalls of doing business here? Local advice is invaluable when historical perspective or cultural understanding or even a "local answer to a local problem" is sought.

The very nature of business intelligence means that much of what researchers discover is often new and sometimes surprising. This is particularly true of intelligence-gathering in China, where the rapid changes in the commercial landscape mean changes to commercial structures and processes and projections happen very frequently. Successful Chinese companies and managers are adept at being flexible to changes in the macroeconomic picture, being creative about managing change to their structures and processes and at learning from others (often international competitors).

Most companies in China operate on standard 9-5 working hours but with manufacturers there is often an earlier start time, earlier finish time and an extended lunch break, sometimes lasting from 11 a.m. - 2 p.m., so it's worth bearing this in mind for initial calls and for arranging meeting times. If you arrange a face-to-face interview at 10 a.m., there is a good chance you will be invited to lunch as well.

When working in a different culture, especially one where "should" means "is" and where being ambiguous is the norm, the ability to read between the lines is important. Very few self-help-style books can assist in this area, since reading between the lines means understanding the cultural reference points and requires background on what is being discussed.

We once worked with a company that was focusing some of its detergent advertising on the concept that all children have a right to get dirty (implying that this is how children learn, grow and develop). This particular client's problem came when it discovered that Chinese children learn, grow and develop through attending class in school and then attending additional classes after school. There is no space there for getting dirty playing and for this reason some rapid adjustments had to be made to a discussion guide for a focus group to steer things in a helpful direction for the client.

Respondents for a study can be from all types of social and educational backgrounds but can all be working in the same district. This phenomenon is particularly apparent in the first-tier cities, as Beijing, Shanghai and Guangzhou are collectively known. Here, there is a complex convergence of those with money and international background or experience, those with money but no international background or experience and those with very little money and no experience of anything outside one small area of the country. When this diverse combination occurs within one family (as it often does), it causes specific challenges to marketers and researchers. In the business intelligence arena, the progression from very low knowledge and awareness of international influences on an industry to full awareness happens very fast.

Protecting information is part of the culture as is a reluctance to be the one blamed for losing information. Traditionally in some parts of Chinese society, there is reluctance to take responsibility in a work environment. If there is any risk at all associated with individuals releasing information to a third party, research respondents will often choose not to. There is little incentive for a typical purchasing or operations manager or even government employee to provide information to an external party. Worse, there are cases where risk is potentially associated with doing so. As a result, since market research is relatively new in this market, interviewers have to do more reassuring about how "normal" the process is in order to facilitate meetings, interviews and informative responses.

Adding to this, the Chinese language is often vague where English would require one to be specific. Even in our office, when a vague approach is needed and where language is optional, we would choose to use Chinese, as there tends to be more flexibility.

Fragmented industries

China is divided into provinces, municipalities, districts, towns and villages. In a nation of fragmented industries set in a vast land with hundreds of local marketplaces, extracting comment on the nature of one industry across the whole country is unrealistic. So it falls to the researcher to merge the jigsaw pieces from across the country to build a national picture. A senior manager in a company in Zhejiang will often assume automatically that we are only speaking about Zhejiang province when we pose questions about the development of the industry in the coming five years or when we probe about consolidation. Pointing out that a national perspective is being asked for is unhelpful and can often lead to the respondent feeling a little ashamed of their lack of knowledge - as researchers know, this is not a good place to end up since most respondents become uncooperative at this point. It is therefore best to gently confirm whether you are being told about the local picture and just how local that picture is.

Countless variations

As researchers, you also run up against countless variations in regional business culture. For example, with companies in Beijing, sending a fax before calling can help a lot and more groundwork preparation is needed than it would be in Guangdong, down south. In Shanghai, more phone conversations are possible. In Beijing, a face-to-face meeting is often needed up front before a follow-up interview will be agreed to. This extends the timeline on many projects.

In our experience, it is the necessity of an initial face-to-face meeting which always proves difficult to communicate to clients outside China. That first meeting, although mainly only for pleasantries, is extremely important in many areas of business here.

Between the first and second meeting, there is often a complete transformation in attitude. Recently, for example, we met with education commission personnel to better understand the government regulations in a particular area. At the first meeting, we were greeted by a stony-faced director of the commission who had not read our brief, did not know who we were (despite our having called twice) and didn't seem interested until we presented our client's case and hinted at the types of questions for which we required his help. Our second meeting, 48 hours later, was a very different affair. By this time, our eight-page brief had been read, additional contacts had been prepped and were ready to take our questions, and there was even talk of cooperation and further assistance should we need it.

Distances are vast

As if we needed to mention it, the distances are vast in China. A national study can involve many hours on domestic airlines where the food and beverage offerings are often not as tempting as they might be - Nescafe and bread and butter, anyone? Most consumer studies will include the first-tier cities as well as at least two to three second-tier cities (typical choices include Chengdu, Shenyang, Hangzhou and Shenzhen). The average distance between these cities is over 600 km.

Sometimes, the clients cause the problems. They know that they need to know something about their industry but they often don't know what that something is! How do you prepare to investigate a completely new and often alien market? For those used to conducting new market studies, there is a well-used list of assessment criteria that can be worked through but it is our belief that it is the job of your research partner in-market to be proactive in outlining the best approaches and flagging potential pitfalls.

Why do it?

So with all the challenges, why do we do it? Well, for one thing, it's exciting. This is a fast-moving environment where the can-do business ethic rubs off onto anyone working in the market long-term. And, in a country often talked about as mysterious or certainly alien in its business practices, we find many of those we speak to open and keen to share knowledge. Market research as a discipline, and certainly this particular breed of business-to-business or industry research, is new to many of the respondents and that lends a certain amount of freshness to many of the interviews and discussions.

Finally, client variety is a big plus. You can work on everything from small, market-entry projects to customer satisfaction work with well-established Fortune 500 companies. And, as expert councils and strong business networks do not exist in China in the same way they do in developed markets, the role of the researcher is extended to that of communication channel. Everyone's competitor is here in one marketplace so our role as information providers is heightened.

More frenzied

China's growth, and the growth in interest in doing business here, shows no signs of abating. We expect the scramble for information to get even more frenzied, so we'll keep packing our sandwiches for those long local flights and continue to be amazed by the revelations that come from this emerging powerhouse. | Q


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business-to-business research

Going beyond the numbers

By Kieron Mathews

The sole purpose of market research is to offer clients a competitive advantage. Researchers traditionally achieve this by producing data - simple numbers that assist a client in establishing the basic mechanics of a market, and therefore, the associated business opportunities in selling a product or service to the identified audience.

As markets have matured, however, a simple number isn't enough. It no longer provides a sustainable competitive advantage or added value to a business. During the mid-1990s, the American market research industry witnessed this transition; clients began wanting much more from the data being provided and sought researchers who offered meaning to the numbers within a business context.

Figures alone are no longer the tools that assist a business in getting one step ahead of its competition; this can only be achieved with market insight.

Understanding how to interpret data to generate insight and how this, in turn, can be applied to a client's business is extremely complex, and many market researchers fail to give themselves the opportunity to find insight and deliver it in an effective manner. Critically, many market research agencies fail to grasp that insight is no longer a value-added service. In today's market, it is the reason that research is commissioned.

Extensively documented

Consumer preferences and trends have been extensively documented. Data is available in most mature markets on what consumers do, when and how, and their rationales behind such activity. As a result, delivering insight within this environment is a long-established practice and is essential in the fight to achieve a competitive advantage.

Successful B2B research requires insight generation, not just data gathering

Within the business-to-business (B2B) sector, however, insight has not been adopted with the same urgency. This is ultimately due to the complexity of business activity in general and the cost of business research, resulting in fewer market research studies taking place and fewer questions being asked at a basic level to fully comprehend why companies behave in certain ways, purchase particular products and prefer specific suppliers. This has enabled simple, unadorned data to retain its market value throughout the last few years.

Additionally, the business relationship under investigation, between

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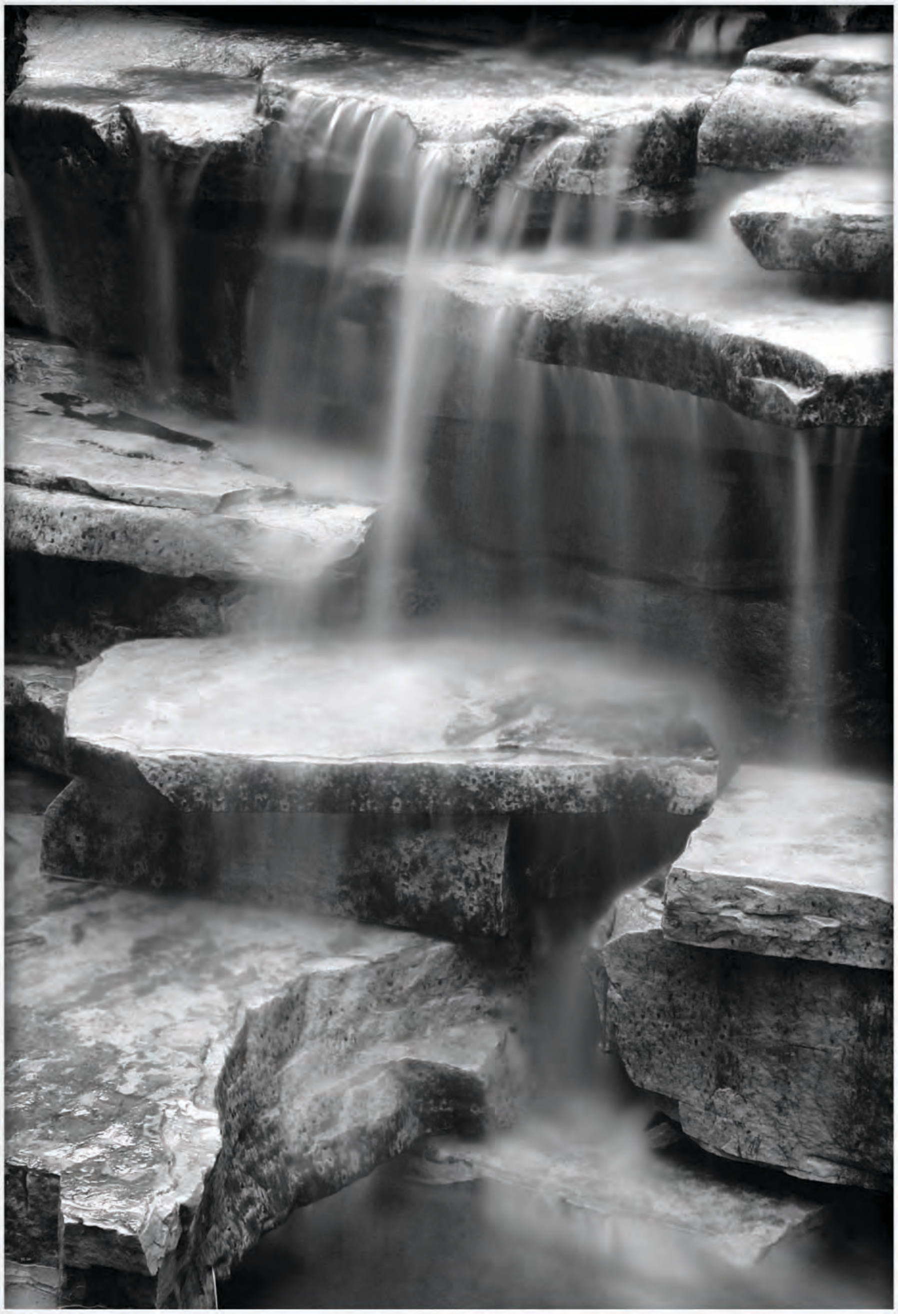
In the fine art of research,
the shades of gray complete the masterpiece.



While data gives answers in black and white, it's the subtleties of the gray areas that give you the big picture. Burke understands the nuances of research. Grounded in academic principles and guided by ongoing internal research, Burke helps you determine the best research method, gather the information, and develop the best strategy for actionable results. You will have confidence in your decisions because you have the experts at Burke to support you. Visit Burke.com or call 800.688.2674 to find out more.

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The Fine Art of Marketing Research

vendor and end user, is much more complicated, as there are often many people involved in the purchase decision-making process. For example, technicians in an organization's IT department are responsible for ensuring that new technology is compatible with the existing IT infrastructure, yet it is the business professionals using the equipment that drive the need. Both parties are involved in the decision-making process to ensure that the technology helps achieve business objectives and is easy to implement and update with the latest software. Therefore, interpreting the motivation behind the choices of each company can lead to incomparable conclusions.

Regardless of these challenges, the advantages that insight can offer over data are now starting to be fully appreciated and expected by B2B clients. The sector appreciates that by asking the organizations why they purchase a product or service - for example, is it because the salesperson is particularly efficient, the company offers good incentives or because it hosts the best corporate hospitality? - much more meaningful information is generated, information that has obvious business actions associated, such as increasing training for salespeople or reviewing the company's corporate hospitality offering.

One such tool to generate insight within the B2B marketplace is star brand analysis. This analyzes the channel (be that a retailer, an optician, a vet or an IT reseller) and identifies why a brand wins the battle to get stocked and, ultimately, recommended to a consumer. It does this by breaking down the levers that help determine which brands are stocked into six categories:

- product - features and perceived quality of the product;
- procurement - logistics of obtaining the product;
- people - quality, knowledge and understanding of company representatives and customer services;
- pricing options - pricing, available margin and pricing terms;
- perception - brand image;
- pull - consumer awareness and demand.

Sequential analysis of each category allows the researcher to fully explore and understand the factors that result in the observed performance, pinpointing each brand's strengths and weaknesses within the category.

Complex process

Generating insight is a complex, laborious process that has to overcome many barriers before a project can be completed. Extracting meaning from numbers and translating this into a business context with understandable, easy-to-implement actions is no simple task. Any researcher will agree that it is far less work to decide on a set of questions with a client, ask the questions, populate tables and give the numbers to the client than to understand what the numbers represent.

Key to delivering insight is time. The process is exploratory, creative and almost organic. Finding the dead ends has to be viewed as part of the natural research life cycle and not a disruption. Researchers need lots of data and lots of questions as raw materials to start to find the story behind the numbers. It is the researcher's job to "sweat the data" - drill it, cut it, to find out what is going on. The quality of the analysis can be defined by the cutting-room floor - the analysis that came up with nothing, which has forced the researcher to go deeper. Without undertaking this lengthy process, a researcher will be unable to achieve usable, interesting insight.

For some agencies, whose core business is to churn out numbers quickly and cost-effectively, a study can become costly if anyone queries the figures and what they mean. The strict timeline to which the researcher is working is interrupted. This slows down the output of data and completion of a project and is viewed as losing money. Many agencies solely producing research in this manner would argue that there is still a client desire for data, however, activity within the marketplace would indicate otherwise.

Unfortunately, generating insight is not something that a company can decide to offer overnight. It requires a different outlook into what research is and how it should be produced and requires everyone involved in a research study not to view insight as the "value add" at the end of a project. In essence, for large, number-producing organizations, a new culture must be adopted. There is also tough competition from smaller agencies, who have fought hard for new business and have invested heavily in the provision of insight. Aware of this opposition, some data companies are acquiring boutique insight agencies to offer such services, acknowledging that such a fundamental change in their organizational culture cannot happen in the short- to medium-term.

Drowning in data

Generating insight does mean more data, which does, of course, need to be shared with the client. However, this does not need to be shared during the initial debrief. Sitting through a quantitative research debrief can result in clients drowning in data and struggling to identify the key findings of the study - the insight. Known throughout the business as "death by bar chart," this has been one of the most common by-products of the industry's transition from data production to insight generation. So how do you cut down on the number of slides, save a few trees and make sure there is more insight and less data in a research debrief?

The trick is to be very focused on what bits of the analysis actually make it into the debrief presentation. The best insights are clean and simple, with distinguishable business actions that can be implemented. The time spent with a client is often limited, so researchers need to ensure that their presentations are kept short to allow for an extended question-and-answer session. This enables those attending the debrief meeting a chance to discuss the findings of interest to them and extract the required knowledge from the researcher. To achieve debrief success, researchers should:

• Start thinking about the presentation at the beginning of the research project. This gives the team a structure to work toward and gets them pondering how certain elements of their findings may eventually be communicated to their audiences.

• Invest time. It takes a lot longer to write a short presentation. An organization must develop a culture that allows researchers time to conclude a project and create a powerful presentation, and not rush the vital final stages of the activity.

• Ask "so what?" This is a very effective way of culling redundant slides. Ideally this is undertaken by a colleague who is not close to the data. If the researcher can't answer this simple question there are two choices: go back and do further analysis or delete the slide.

• Think visually. Making a presentation engaging and easy to understand will demonstrate to a client that the company has gone that extra step to produce an informative document and will also allow them to share the presentation and communicate the key findings with others in the company.

Important role

Insight is no longer an added-value offering but a researcher's core product. Data still plays an important role in understanding business opportunities within developing countries. The reams and reams of demographic data, taken for granted in mature consumer markets, have not yet been established, and the statistics on business behavior have yet to be documented.

Data on these activities is being generated and shared at an astonishing pace, but once these figures have been established, they will become worthless to businesses striving to achieve a competitive advantage. Therefore, the move from data to insight, which we have seen in North America and Europe, will inevitably happen in Asia and South America, and forward-thinking research agencies are already aligning their culture to this certainty. | Q utilities research

Losing steam

Annual study shows consumers have grown tired of thinking about energy

By Suzanne Shelton

As the drumbeat continues to sound throughout the mainstream media, warning consumers about the threats of permanent environmental damage resulting from various forms of energy use, American consumers' thoughts and behaviors seem to ramp up in complexity and often sound a different drum altogether - one that utilities need to grasp and comprehend if they ever expect to achieve market penetration with renewable energy and energy efficiency.

Consumer thought and behavior diverge in many respects from common assumptions about what people think and know about energy use, conservation and the environment, as well as how they make their purchasing decisions. It is paramount for energy companies to understand the thought processes behind consumer motivations in order to reach customer bases with messages and motivations that make sense and help spur new customer choices and demands.

Now in its fourth year, Energy Pulse is a national consumer study conducted by my firm that analyzes consumer energy use, energy conservation and purchasing behaviors relative to energy-efficient and "green" products and services. The study also delves into the reasons why consumers think and behave the way they do about their own energy use and what factors motivate consumers into action.

Among some of the themes identified in Energy Pulse over the years, and in 2007 with the latest study in particular, are some critical realities that drive how utilities and energy companies should communicate strategically.

Lack of awareness

The American consumer consistently shows a substantial lack of accurate awareness about their own personal use of electricity, production of electricity and the role of coal-fired plants in greenhouse gas emissions.

While Figure 1 shows that 63 percent of U.S. consumers agree they are "very concerned" about the effects of climate change or global warming, there is a disparity between how greenhouse gas emissions are generated and which culprits Americans think are to blame.

The 2007 Energy Pulse study indicates two-thirds of consumers do not know that most electricity is produced by burning coal,

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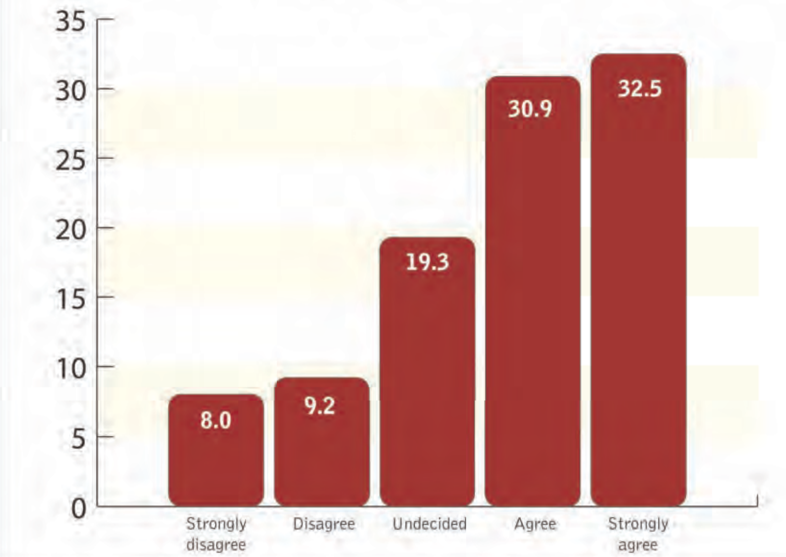
Figure 1
Indicate Your Agreement With the Statement: "I Am Very Concerned About the Effects of Climate Change, or Global Warming."



and 19 percent of consumers think that hydroelectric generation is the No. 1 source of electricity (the U.S. Energy Information Administration cites that hydro is the source of only 3 percent of the electricity in the U.S.).

Figure 2 shows the responses to the question, "Which is the worst man-made cause of global warming or climate change?" Less than 4 percent of consumers name coal-fired electricity production as the biggest man-made contributor to climate issues. Nearly 30 percent of consumers think car and truck emissions present the worst man-made cause of global warming/climate change.

Contrary to those responses, however, the Inventory of U.S. Greenhouse Gas Emissions and Sinks 1990-2005 report documents that fossil fuel combustion accounts for 79 percent of greenhouse gas emissions - and of that, electricity generation accounts for 41 percent of CO_2, or nearly one-third (32.8 percent) of all greenhouse gases, while transportation (personal cars, diesel trucks, heavy-duty vehicles and jet fuel) accounts for 26 percent of greenhouse gas emissions. Personal vehicles account for only 15.7 percent of all greenhouse gas emissions.

This disconnect that American consumers have between climate change issues and their own electricity usage is drastic. Over the years, consumers have been conditioned to think that changing their driving habits is the primary way to help the environment. Because of this, consumers have never realized that the biggest thing they can do to reduce greenhouse gas emissions is to use less electricity.

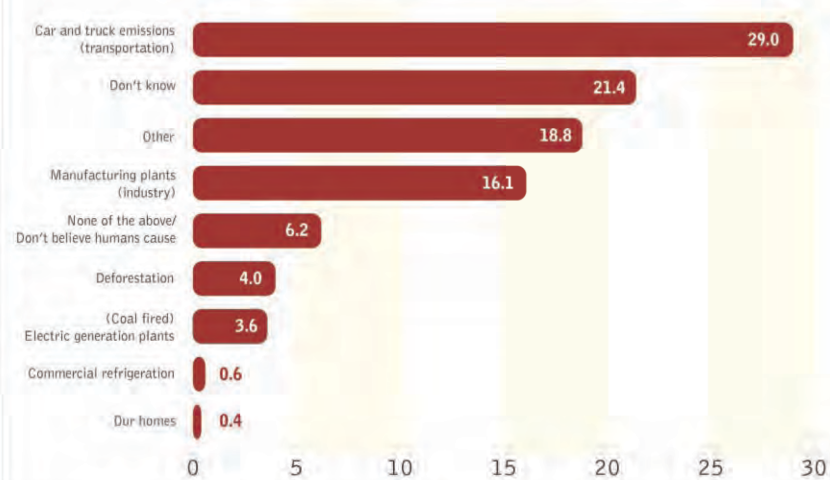
In addition, consumers generally do not realize the volume at which they have increased their electricity use in the last 15 years. Today, many households, businesses and home-based businesses have computers, copy machines, cell phones, PDAs, MP3 players and other electronic devices that were not at all prevalent 15 years ago. Yet when we ask consumers in focus groups, "Are you using more energy today than you were 10 years ago," the knee-jerk response from consumers is "no."

Lack of understanding about renewable energy continues to be a factor with the American consumer as well. Energy Pulse 2007 found only 48 percent of consumers could name (unaided) at least one form of renewable energy, although this statistic is quite improved over 2005, when only 20 percent of consumers could do so.

Consumers are experiencing "green fatigue" but not related to repetition of environmental messages. They lost a marked level of enthusiasm in 2007 for energy-efficient home products and green housing, citing green home products' higher prices as cause for concern. When advertising an energy-efficient product, telling consumers they'll save money isn't good enough. Energy Pulse shows that consumers want proof.

Consumers also expressed concerns that "green" and "energy-efficiency" are being used merely as marketing ploys. After being bom-

Figure 2
Which is the Worst Man-Made Cause of Global Warming or Climate Change

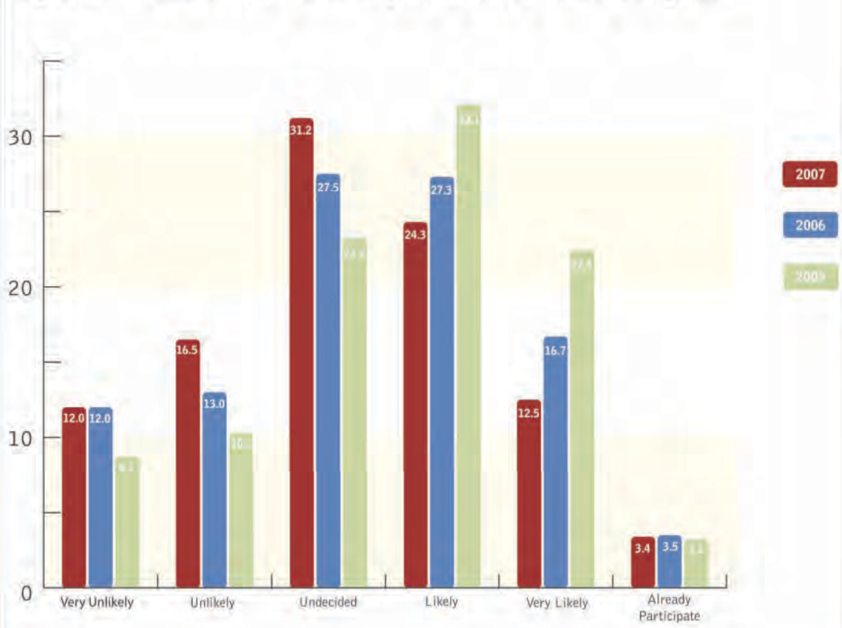


barded by the marketing messages of companies jumping on the green-friendly bandwagon, people are now much more inquiring about the bill of green goods being sold to them – not only in terms of, "Is it as green as what they say it is?," but also, "Does it matter enough to me to pay extra?"

Green power shows no growth

Energy Pulse 2007 indicates that consumer likelihood to participate in green power programs has increased since both the Energy Pulse 2006 and 2005 studies, as indicated in Figure 3. However, green power has shown no growth in self-reported participation over the last three years – likely due to a finding from previous Energy Pulse studies that most consumers are unaware if their utility offers green power. In addition, the study reveals insights about the electric utility industry's image problem with customers and that confusion over bills and rates drives a range of negative perceptions.

Figure 3 Likelihood to Participate in Green Power Program



According to the report, survey participants have been very likely over the past three years to say they will participate in green power, but the apparent show of support has not been particularly predictive of actual behavior.

Based on the study's three years of consecutive survey data as well as focus group feedback in 2007, Shelton Group thinks low participation rates have to do with both awareness and targeting. Utilities that fail to initiate and sustain strong, consistent marketing support of green power should expect continued low response levels due to the extra effort required of consumers to participate in most programs.

In addition, it is not just the existence of marketing programs that is important – it is the targeting of these programs. Not every consumer is a good prospect for green power. Utilities should target customers who both have the means and the interest to participate. A mass-market approach is generally not effective.

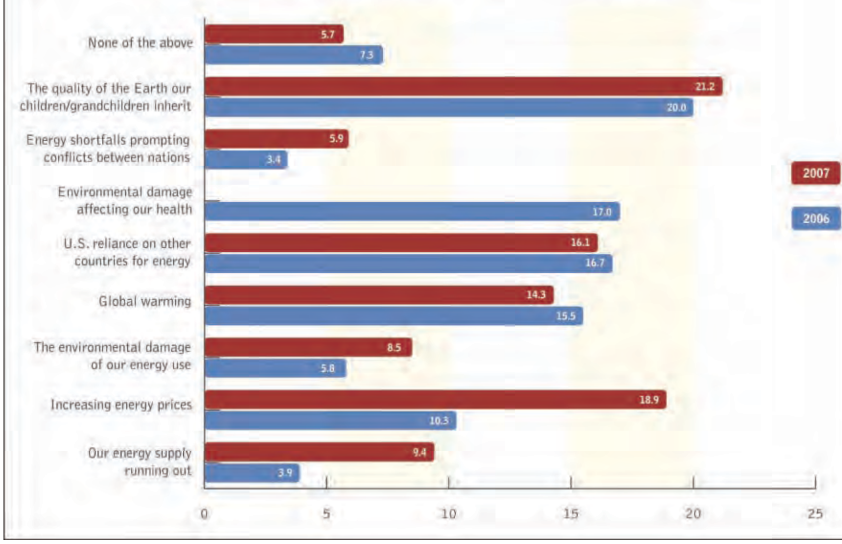
Whereas "increasing energy prices" ranked as a top energy or conservation concern in 2006, Americans today seem to have adjusted to higher energy prices, with other concerns having grown in importance. When asked their top energy concern from a list of several potential concerns, "the quality of our Earth for future generations" is the No. 1 concern (20 percent), as it was in 2006.

However, "increasing energy prices" dropped from number two to fifth place and a newly introduced concern, "environmental problems damaging our health and/or the health of our families" is now tied for second with "U.S. reliance on other countries for energy." These results are all shown with percentage responses in Figure 4.

There were significant differences in primary concern, based on age, education, ethnicity, occupation, political philosophy and political party, and our firm strongly recommends any utility or other energy company carefully assess its own demographic market in order to determine the best message strategies.

Figure 4

Primary Energy or Conservation Concern



Some good news

For utilities already offering aggressive green-power programs, there is some good news: Energy Pulse documents that more than 73 percent of consumers said it is important/very important that their utility generates or purchases at least some green power. In addition, 65 percent said that knowing their utility participates in green power and energy-efficiency programs positively impacts their opinion of the utility.

In terms of general perceptions, however, utilities face a challenging public relations problem, driven in large part by recent rate increases and consumer confusion about their bills – and even confusion about how electricity is generated and what renewable energy is. Energy Pulse 2007 focus group participants were consistently negative in their perceptions of utilities, particularly their electric utility. Consumers don't understand how their bills are calculated or why their bills rise, and they often suspect greed and excess profit-taking by their power provider. While some consumers – particularly in the western U.S. – understand the need for utilities to encourage conservation, most are skeptical and think the push for green power is simply a marketing ploy to score points in the media.

Energy Pulse survey respondents have consistently said it's extremely important for utilities to give them tools to help them reduce their bills. Interest in most utility programs has increased from last year, and interest is high for a number of products newly tested in Energy Pulse 2007. Sixty-eight percent of respondents said they were likely/very likely to participate in time-of-use billing. And, while such a program isn't available in every state or at every utility, 49 percent of consumers said they would, hypothetically, participate in a solar rebate program. In addition, interest in energy-efficient product rebate programs is high.

Despite a growing U.S. marketplace touting the benefits and desirability of green home products and new-home construction, Energy Pulse 2007 indicates consumer purchase intent for energy-efficient home products was down in 2007 compared to a year ago. The current economy and housing market decline - coupled with consumer perceptions that green products cost more - may be resulting in a marked drop in consumer enthusiasm for energy-efficient homes and other green home products.

When asked, "Would you choose one home over another based on energy efficiency?" those who answered yes declined significantly in 2007 compared with responses in 2006, by 16.27 percentage points. Also reflecting the housing troubles of the past year, Energy Pulse documented a 13 percentage point decline in the number of consumers who have "recently completed home renovations," from 30 percent of consumers who responded affirmatively in 2006 to only 17 percent in 2007.

Energy Pulse 2007 also documents that purchase intention for every energy-efficient home product evaluated is down from the study's 2006 results. Decreases in levels of "likely/very likely" purchase intent for the following products and activities between 2007 and 2006 include:

- Purchase a programmable thermostat: down 22 percent.
- Purchase energy-efficient compact fluorescent or halogen light bulbs: down 11 percent.
- Purchase an Energy Star appliance: down 19 percent.
- Install extra insulation to make home more energy-efficient: down 15 percent.
- Install special energy-efficient windows or doors: down 12 percent.
- Purchase higher-efficiency heating/cooling system: down 17 percent.
- Request home energy audit or seek information to improve home energy efficiency: down 9 percent.
- Install solar panels or other renewable energy generation at home: down 21 percent.

Take notice

Fewer consumers seem willing to put the cash into a green or energy-efficient purchase despite how much it may save them in the long run or how it might assuage their guilt about the environment. Marketers should take notice with respect to the content and credibility of their messages. Prices matter and consumers may be growing weary of companies that appear to tout green merely as a marketing ploy. Sixty-one percent of Energy Pulse 2007 respondents thought energy-efficient products cost more. Therefore, energy-efficient product marketers should make it clear if their products are priced comparably to less efficient alternatives. | Q

Beyond mere customer retention

By Chris Parcenka

In today's competitive world, the measurement and modeling of customer loyalty has become a valuable management tool for companies to better ensure that they remain competitive and maintain, or better yet, expand their current customer relationships. However, measuring customer loyalty in an industry where many customers don't have a choice of providers doesn't make sense…or does it? The answer depends on how you define customer loyalty.

Some equate customer loyalty with basic customer retention. If a customer continues to do business with a company that customer is, by definition, considered to be loyal. If this definition were applied to many companies in the utility industry, all customers would automatically be considered loyal. As such, measuring customer loyalty would appear to be unnecessary.

Nonetheless, it was just 10 years ago that deregulation of the power industry seemed imminent. In a deregulated world, customers could have a choice in providers. One might attempt to simulate that situation and have customers speculate on whether they would continue using their current provider. However, this can prove faulty since the thought of having a choice is too hypothetical or far-fetched for many current utility customers.

Another slightly expanded definition of customer loyalty to consider is this:

Customer loyalty is a customer's predisposition to select a business entity as their preferred provider and their tendency to resist competitors' persuasive attempts because the selected business entity is perceived as the best-choice alternative.

However, again, for many utility customers, the notion of having a preferred provider and resisting competitors' attempts does not make sense in today's environment.

Perhaps a better or more relevant way for utilities to approach the definition of customer loyalty is to further expand how they think about loyalty. Consider the following definition:

Customer loyalty is a behavioral disposition on the part of the customer to respond favorably toward the brand (and company) consistently and across situations. It is the willingness to engage in a variety of behaviors that serve to main-

Despite their customers' lack of choices, utilities can still benefit from measuring the multiple aspects of loyalty

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tain and deepen the relationship between a brand (or company) and its customers.

So what does it mean to respond favorably to a company? At a basic level, this can mean choosing to remain a customer. As previously mentioned, however, this is essentially a non-issue for many utility companies. It then becomes necessary to think beyond just customer retention. One needs to consider other ways in which customers can respond favorably toward a company.

Other favorable responses or behaviors can be classified into one of three categories that reflect the concept of customer loyalty: expansion; compliance or influence; advocacy.

Expansion is the extent to which a customer is likely to increase the level of business he or she is doing with a company. For a company in a competitive industry, this could mean purchasing more of the same products or services, i.e., expanding the depth of products or services purchased from the company. It could also mean purchasing or subscribing to new products or services, perhaps from a different product line or business unit. This would be expanding the scope of products or services purchased from the company.

For an electric utility customer, doing more of the same, such as increasing electrical usage, may not be a relevant expansion behavior. However, the relationship between an electric utility customer and the provider can be expanded in other ways that benefit the utility company. Specific examples of potential expansion behavior in the electric utility industry include:

• signing up for programs that help the customer reduce or manage their energy consumption;

• using the utility as consultant when selecting energy products and services from a third party;

• paying a premium price.

Compliance or influence is the extent to which a customer is likely to comply with company requests or be influenced by the company in a way that benefits the company. Specific examples of potential compliance or influence behaviors that utility customers might exhibit include:

• seeking the utility's advice or expertise on an energy-related issue;

• voluntarily cutting back on electricity usage if the utility advised the customer to do so;

• accepting the utility's energy advice or referrals to energy contractors or equipment;

• being influenced by the utility's opinion regarding energy management advice, equipment or technologies;

• providing personal information that enables the utility to better serve the customer;

• paying the bill online;

• paying attention to advertising.

Advocacy is the extent to which a customer is willing to speak favorably about a company to friends, colleagues or others. Advocacy also includes a customer's willingness to actively support that company on issues and matters that are important to the company.

Creating customer advocates can be especially important for a company in a regulated industry. In the absence of customer advocates, or worse, in a situation where customers speak unfavorably about a company or actively work to support issues that are counter to those the company supports, companies can suffer a variety of negative consequences. These consequences might include increased business costs, lawsuits, fines and construction delays. For an electric utility, specific examples of potential advocacy behavior include:

• recommending that other customers specifically locate in the geographic area that is serviced by that utility;

• supporting the utility's positions or actions on energy-related public issues, including the environment;

• supporting the utility's position on the location and construction of power generation facilities and/or a power transmission grid;

• providing testimonials about positive experiences with the utility.

Favorable behaviors

To best determine how loyalty

should be defined for a given company, the company needs to identify favorable or desired customer behaviors that will benefit the company in some meaningful way. When identifying these desired customer behaviors, customer segment differences should be taken into account and reflected in how the behaviors are measured. The following questions should be considered in identifying the relevant expansion, compliance and advocacy behaviors:

- What does the company want from its relationship with customers? How would this benefit the company, in both monetary and non-monetary ways?
- What can customers do to support the company's mission?
- What can customers do to help the company better serve them?
- What can customers do to minimize the company's cost of doing business with them?
- How does the company define an ideal customer? What do they do or not do? How do their actions specifically benefit the company?
- What does the company consider to be a less-than-ideal customer? What sets these customers apart from ideal customers? How do their actions impact the company?

For the researcher responsible for measuring customer loyalty, these questions can best be addressed using internal qualitative research with a mixture of cross-functional company representatives. This could be accomplished via one-on-one interviews and/or roundtable discussions. The above questions help the company to think beyond traditional customer loyalty or customer retention. The desired behaviors could include behaviors that some customers already exhibit today. Behaviors could also include what companies would ideally like their customers to demonstrate.

Statistically verify

After the loyal behaviors are defined and measured among customers, it is important to statistically verify that they reflect customer loyalty. Periodically, it is also important to revisit how loyalty is being defined for a company. When re-examining each measure of loyalty, the following questions should be raised:

- Is the meaning of the loyalty measure clear?
- Is this behavior relevant in today's environment? Can customers do this immediately? If not, how likely is it that this behavior will become relevant in the near future?
- How important is this behavior for the company, and how does it benefit the company?
- What is missing from the list?

Once customer loyalty has been defined in a way that is meaningful for the company and statistically valid, it is necessary to understand the customer experiences, interactions, perceptions and attitudes that drive customer loyalty. For example, maintaining and nurturing a reservoir of goodwill is critical in helping to ensure that customers are motivated to behave in a favorable manner, now and in the future. Measuring the extent to which a company has an emotional connection to or bond with the customer is key to assessing the level of goodwill that exists between the customer and company. The higher the level of goodwill is, the more motivated the customer will be to exhibit expansion, compliance and advocacy behaviors, even when things may not be perfect (such as during a power outage).

Intangible asset

In sum, loyal behavior in the utility industry may not be as evident as it is in a more competitive environment. Measuring customer loyalty in a generally non-competitive industry requires one to think about loyalty in non-traditional ways. Customer loyalty is an intangible asset that has positive consequences or outcomes associated with it no matter what the industry. Properly measuring loyalty among utility customers requires thoughtful probing to thoroughly identify the range of expansion, compliance and advocacy behaviors that will ultimately benefit the company in meaningful ways, and foster happier and more loyal customers. | Q

utilities research

Growth or stabilization?

By Christopher Perdue

A look at the current market for customer information systems in the North American utility industry

Recently my company, UtiliPoint International Inc., has been asked by several different utility industry participants about the state of the customer information system (CIS) market in North America. Some believe it to be growing while some feel that it has stabilized or even slowed in recent months. To address this issue and the underlying reasons for selecting a new CIS, we turned to our annual survey of utilities in North America.

Focusing on the subject of customer service, the survey involves interviews with managers or directors of billing and customer care at North American utilities and it examines results from all utility types (investor-owned utilities, cooperatives, municipals, etc.) and all commodity types (electric, gas, water, etc.). Our preliminary findings are based on 94 completed surveys.

For background, the CIS market is comprised of vendors selling core enterprise systems focused primarily on customer-facing operations functions including enrollment, account maintenance, order processing, product/service management, billing, credit and collections, and accounts receivable. Sophisticated and extensible CIS systems provide base data to other utility and energy company enterprise systems including work and field service management (WMS), outage management (OMS), energy management (EMS) and asset management systems.

The results provide a number of interesting findings regarding the current CIS market. For example, respondents were asked which feature of their current customer information system they would change, if given the chance (Figure 1). Flexibility was the most common attribute cited (18.2 percent of respondents). Only 14.8 percent of the respondents indicated that they would not change a thing. This is the first time in the survey's history that doing nothing was selected by fewer than 18 percent. This would suggest that utilities are growing less enamored of their current systems.

There appears to be a number of drivers for the demand for flexibility. First, there is an acknowledgment that there is a need to close the traditional separation between

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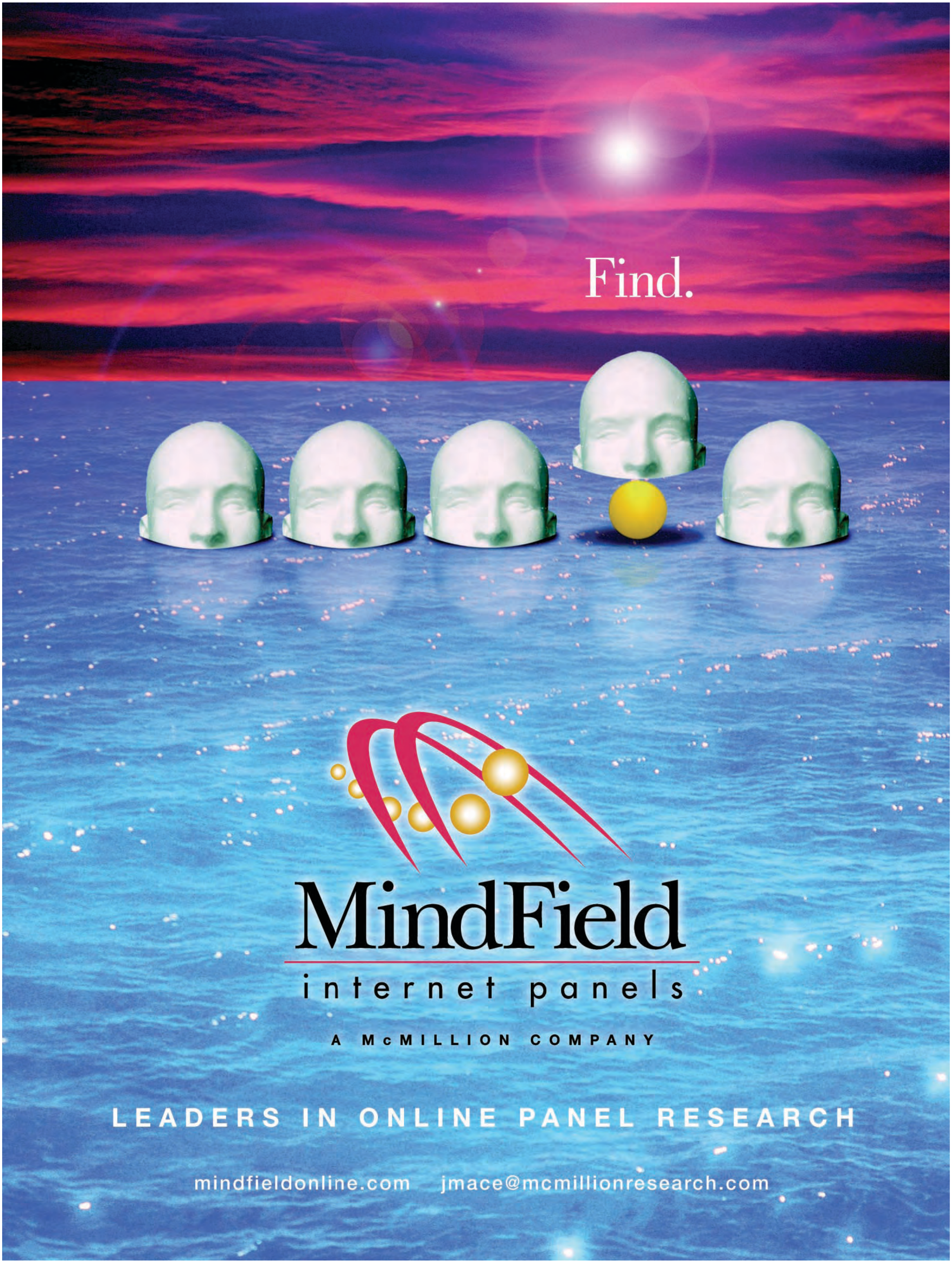
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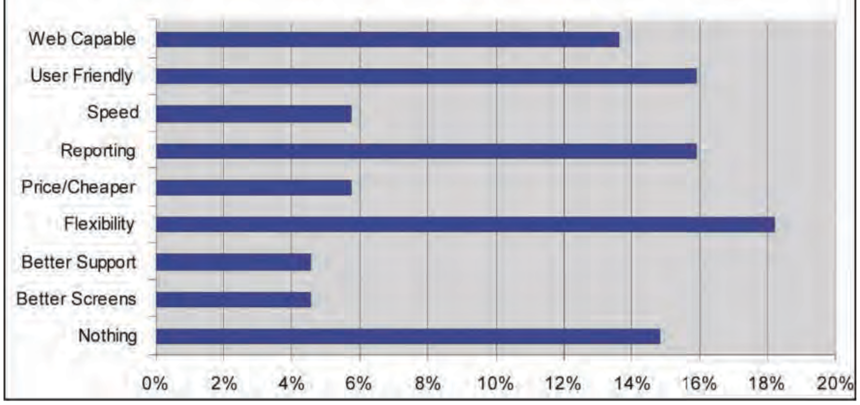
Figure 1: If Utilities Could Change One Feature of Their CIS...



business user and programmer, to make it possible for individuals who understand the utility business to have direct influence over the CIS.

Secondly, utilities want a more flexible architecture that allows them to adopt modules or components as needed. Increasingly, utilities today aren't buying complete replacement systems. Instead, they want to maximize their current information technology investments and buy in bits and pieces what will bring in an immediate return on investment. Utilities are also looking for CIS vendors to create application program interfaces (APIs) and Web services that provide the information links required for systems to coexist and maximize efficiencies as a whole.

Additionally, the importance that utilities place on flexibility can be attributed to a maturing CIS market where existing systems are having new requirements placed on them for integrating into other applications such as meter data management (MDM). MDM is needed where factors such as new advanced metering infrastructures (AMI) are coming into play.

Market continued to grow

Since 2002 the number of utilities that are in the market for a new CIS has continued to grow. In 2007 19.6 percent of respondents indicated that they are in the market for a new CIS, up from 2006's 17.3 percent (Figure 2).

Looking at the information by company type reveals that much of the growth is coming from investor-owned (IOU) and municipal utilities.

With regard to the service providers offering CIS solutions in the utility market, there have been a number of major acquisitions in the last several months, but one must be careful in classifying them as consolidations. Of note, Oracle has ac-

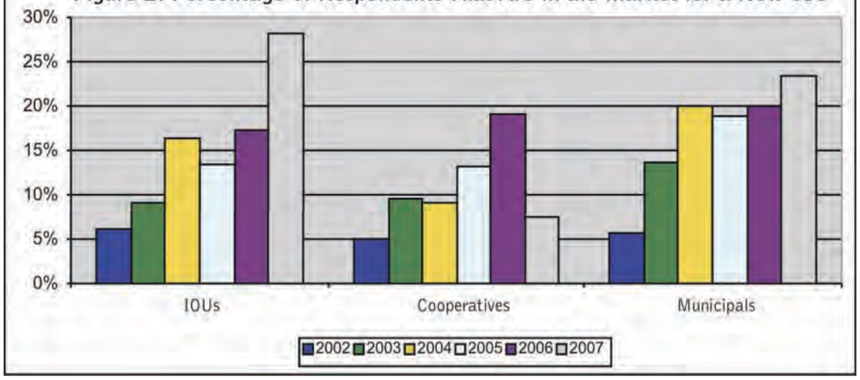


Figure 2: Percentage of Respondents That Are in the Market for a New CIS

quired SPL WorldGroup, MinCom has acquired Conversant, First Data has acquired Peace Software, and MDSI and Indus have merged. None of those transactions are CIS companies buying CIS companies. To the contrary, they are existing software companies acquiring or merging with CIS companies in an attempt to fill a gap in their service and/or product offering. The only tier-one CIS vendor not to have a change of ownership in the last year is SAP (and it would be difficult to acquire SAP).

Additionally, Harris Computer Systems has been performing a consolidation play for years with the addition of Cayenta, Classic CIS from Innoprise, AUS, and Systems and Software. This true consolidation signals a reduction in company offerings to the municipal utility market, but may not necessarily signal a reduction in product offerings. The CIS companies that have been acquired or merged in the last several months still have offerings in the market and actually now have additional offerings (like ERP, asset management, mobile work force management, bill print and remit/payments) to cross-sell to existing customer bases.

Functionality important

For the respondents who indicated that they were in the market for a new CIS, functionality was the factor most rated as very important. It was cited by over 77 percent of those utilities in the market for a new CIS as being very important (Figure 3).

Other factors often cited as very important included ease of use (71 percent), ability to integrate (65 percent) and being Web-enabled (61 percent). The factor that was least cited as being very important was regulatory requirements, at 44 percent.

Of all the factors, functionality is the only one to be cited by over 60 percent of the respondents for all six years of the survey's existence. The

Figure 3: Factors Rated as Very Important by Utilities That Are in the Market for a New CIS

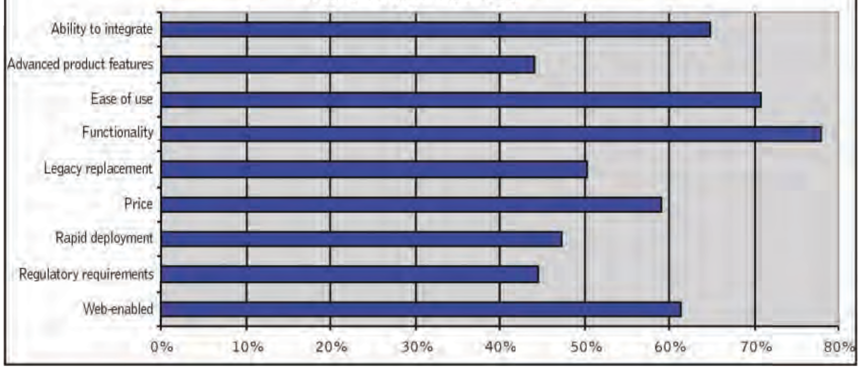
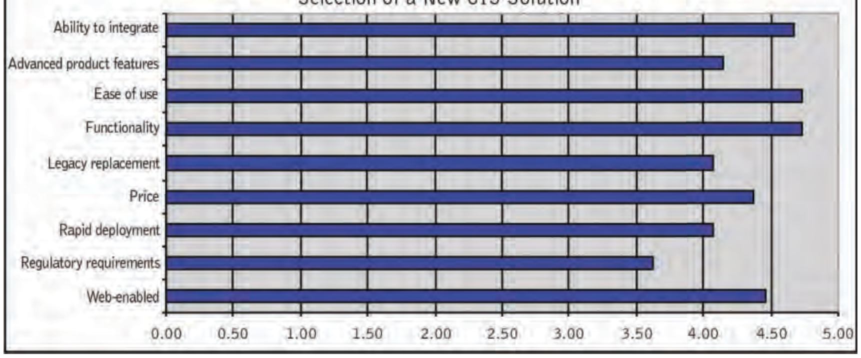


Figure 4: Average Score (on a Scale of 1-5) of Determining Factors in the Selection of a New CIS Solution



factor of regulatory requirements was the only one to be cited by less than 45 percent of the respondents for all five years.

As shown in Figure 4, when considering replacing a CIS, on a scale of 1 to 5, where 5 is very important and 1 is not important at all, the determining factors with the highest average scores from the respondents that are in the market for a new CIS were for functionality (4.72) and ease of use (4.71). The lowest average score was for regulatory requirements (3.61).

Cost-to-serve metric

When evaluating what metrics should be considered for the CIS, one key area of interest in the European utility market that seems to be gaining priority in the North American market is the cost-to-serve metric. For the meter-to-cash function in the utility, this can be difficult to measure at first. Those who have outsourced meter-to-cash have a better handle on the cost-to-serve because it is captured in bill detail from a service provider. Outsourced operations also have contracted service level agreements in place where specific metrics are measured monthly if not more frequent. Many new outsourced service contracts also have benchmarking language in them that necessitates the service be benchmarked with the market periodically to ensure that the utility is not overpaying for the service.

Commissions are starting to perform benchmarks of the cost-to-serve or what is sometimes referred to as the fair market value of the service being delivered. This has utilities that do not outsource participating in cost-to-serve benchmarks in addition to the utilities that outsource. The cost-to-serve metric has varied over the past few years. In Europe, where European Union unbundling requires new infrastructures, some (but not all) have increased. In North America, some have decreased via outsourcing or the better use of customer self-service technologies (driving more customers to the Internet as opposed to the call center). The bottom line is that, as it gets measured, cost-to-serve comes down.

Continues to improve

While spending on technology for utility customer service has slowed since 2000, the research indicates that the utility market for CIS continues to improve in North America. While this year represents the largest percentage of utilities in the market for a new CIS, the 19.6 percent likely represents a ceiling for the true saturation that will occur over the next year. There are several reasons for this. First, the timetable for the decision-making process is quite lengthy. For most utilities the time frame for the decision-making process associated with a new CIS takes over nine months. Secondly, while a utility may be in the market for a CIS today, developments such as new budgetary constraints and executive changes can easily put a halt to these plans.

Additionally, 2006 was the first year in North America where legacy/in-house applications for customer service did not hold the top spot in market share, and 2007's results indicate an even lower saturation (less than 19 percent). Taking into account the license providers and the outsourced service providers, market share is now held by product offerings and outsourced solutions. This means that the customer service market is moving from a "new license" market to a license renewal and outsourced opportunity market. This is likely to bring additional acquisitions as utility suppliers look to expand their current offerings outside of customer service.

The existing vendors and service providers are also beginning to bring their service-oriented architectures (SOA) to market. Many have had the technology for some time but the utility market appears to be warming to the idea and as the demand grows, so should the offerings. Therein may lie the integration requirement for which the utilities are asking. | Q

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The perils of client briefings

By Deborah C. Sawyer

As a research vendor, you strive to provide good customer service. But what if clients themselves get in the way of good service? This can happen when a research firm is called on to do what are sometimes known as progress briefings.

The client wants to know how things are going. Fair enough; after all, they are the ones who are paying for the work. But how you handle the briefing may not only have an impact on the outcome of the particular project at hand, it may also have a bearing on if you ever work for the client again.

Here is an overview of the when, why and how of client briefings and what can go wrong.

• *When should you brief?*

If you are handling a three- to six-month contract, a once-a-month briefing - whether in person or by conference call - sounds reasonable. Or, perhaps, the same via e-mail, if all parties are pressed for time. But if the project is, say, four to five weeks, a weekly briefing could be unreasonable, especially if you have to do it in-person. This was true of a project we took on that was to last four to five weeks, involved talking to, amongst other parties, surgeons at hospitals, and, oh yes, was due one week before Christmas! And the client expected briefings each week! (Only the fact we were based in a different city saved us from the in-person requirement; they did consent to teleconferences.) What happened in this case, of course, is that the briefings began to run the project, rather than the natural pace of the work. Attempts to negotiate a changed schedule of briefings met with a stone wall. The relationship deteriorated from there on in.

When, why and how to do them - and what can go wrong

Any time you are asked about progress briefings, make every effort to have your firm set the schedule. Suggesting "For a project of this length, we recommend..." allows you to sound both willing and reasonable. Another tactic is to volunteer a schedule in your proposal or quote; if the client can see you plan to keep them informed periodically, they will be less likely to come up with their own ideas. (Honestly, for a project of four to five weeks, we never thought to suggest briefings. We thought the

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main objective would be getting the work done on time!)

• *Why undertake progress briefings?*

As to why you should brief, the first reason, of course, is a matter of client courtesy and to maintain the confidence of the client in your firm. But to make this whole aspect of the project work successfully, you need to determine at start-up exactly why the client wants to be briefed and if this makes sense. Do they want to know that the budget is being managed properly? Do they have concerns about whether the project will be kept on track for timely completion? Are they concerned about the results and the quality of them? Some of these issues are reasonable requests for a client to know about while a project is underway. But prior to agreeing to do the briefings, you should have a reasonable framework of what the client expects to find out about.

If the project is going smoothly and there is no need for client input about the guts of the work, then some overview feedback about direction and progress should really suffice. However, if major problems have arisen and you cannot move forward without their input, a more detailed briefing, at your request, is a matter of client courtesy.

This issue came up with some research we did for a gas company, interested in learning about its customers' customers, to assess the "trickle down" effect on its own business during a recession.

The gas company assumed it had little exposure to consumer markets, as most of its customers were industrials. However, as we plunged into the research, it turned out that most of the customers' customers were in retail or consumer products. Since this had a major bearing on how the client could move forward, on completion of the research, a briefing was in order. But our focus was on how we were probing the extent of each customer's exposure to consumer markets and the ideas and solutions we could generate to help our client hedge its bets.

Another reason to get back to the client for more detailed input is if, for example, they have provided a customer list and you are finding that one-third of the contacts listed are either no longer with the target companies or perhaps are deceased. Or, that of the target companies on the list the client provided, nine out of 10 are out of business or have been bought out. (One of the frequent discoveries in research is just how little client companies know about their customer base!) In such cases, it makes sense to spill the beans and discuss such a dramatic departure from the original concept long before the project is finished.

• *How should you brief?*

In terms for how you keep in touch with clients, e-mail works for some people and is a good way to be proactive. You can "ping" the client to let them know you're on track and give them quick hits of progress data without divulging all the details. Another way to brief is to send a cover letter providing an overview with any invoice you send in for a progress billing. Faxes and teleconferences also work, again in the context of the scope of the work and the length of the project. There is no one way to do it and no one way that is better than any other except following the principles of tailoring to the type of work, the project length and the budget.

If these requirements for progress briefings are known at the start of the project, they can be worked into your price. For example, with clients you know and whose requirements are familiar, you can easily include time and effort for briefings into your overall price. With new clients, it's sometimes desirable to allow for the unexpected. "The above quote allows for a one-hour meeting at the halfway mark. Additional, in-person briefings will be quoted extra at the rate of $x." Much as with suggesting a briefing schedule, quoting extra for more briefings may cool many clients' ardor for trying to use such get-togethers to micromanage the project.

• *What can go wrong?*

Even with all the these steps taken and your best prior planning, a lot can go wrong on the way from start to finish, thanks to briefings. One time, part way through a strategic research exercise for a forest products company, we traveled to undertake a progress briefing, at which the client decided to go over the objectives for the project and then made the first changes to what would be a completely meandering exercise. If that wasn't already bad news, a major snowstorm made us late getting out of town. This was probably an

When was the last time you spoke with a *Researcher* about your Internet Interviewing?

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omen: at the next meeting - held at our office (we do try to learn!) - lo and behold, the client changed the project direction again.

When projects meander to and from goals, they rarely meet anyone's expectations - the client's or yours. The most common unhappy outcome from progress briefings is the client making major re-directions in the project goals, to the point where you really have an entirely new piece of work to do. And the reason the client - if they learn too much too early in the process - will do this is that what you are finding out doesn't fit their worldview. The fact you have been engaged to shed light in dark places doesn't make any difference; if views the client cherishes about itself or its products/services are coming under attack, the client will want to fiddle.

This is what happened in one instance, when we were handling research for a company that was so concerned about its image and its place in the universe that we even had to put registration and trademark symbols after its name in our proposals. For at least 20 years, this company had enjoyed a monopoly on its product, but due to patent expirations, it was now under attack from many quarters. One of our objectives was to help these people steer their way forward, though with each client briefing letting them in on some of the findings, they clung obstinately to a rearview-mirror interpretation of the world and refused to look forward.

It's not surprising that this company was later bought out - but that's another story. Had we not provided detailed briefings in the name of good customer service, perhaps the results from the research might have actually helped the organization. Instead, they were so rankled that the final results were viewed with disdain.

While it's not uncommon for clients to take a "shoot the messenger" approach with research suppliers, it may actually be easier to meet objectives and help a client if you reveal very little while the work is in progress.

That is why it's essential to put in the quote or proposal, worded as nicely as possible, that "adjustments" will be necessary to both the budget and the schedule if there are any re-directions from the project goals set out at start-up.

To go back to the example at the beginning of this article, on the third of the weekly briefings for the five-week project, the product manager started delivering new requirements that would have entailed an entirely new direction for the research. The answers she wanted could not have been obtained from those already contacted, so it wasn't even a case of re-calling those interviewed. The fact this company had provided a purchase order that was written in stone made it impossible for us to change the budget. So we didn't perform these extra tasks. Naturally, the client wasn't too happy about this.

Too much success

An extra pitfall can come along if, during a progress briefing, you convey the idea of too much success. If it sounds like the research work is moving quickly, a client may want to receive the report two weeks early. This often isn't realistic. However well the research may be proceeding, it may still take the allotted time to get the report out or put together a decent package of results.

A further peril arises if clients believe the advance of a project is a straightline event. Therefore, at the halfway point, they expect 50 percent of the work to be done. This is not reasonable. Most projects gather momentum, and everything may come together at the 7/8- or 9/10-mark on the timetable. Clients need to understand this and that is why it is sometimes important for the research supplier to be the one setting the briefing intervals. Unlike research in the lab with test tubes and thermometers, research among humans is not an exact science, thus clients need to understand that there is a measure of unpredictability, even when their research supplier has decades of experience.

Another danger of handing over results early on in the project is that they may be misleading in the context of the overall findings. One time, we were researching client satisfaction in a business-to-business market where the client had an installed base of customers and wanted to know their plans for renewing their equipment leases when these expired. Those interviewed during the first quarter of the project still seemed satisfied, but from the last three-quarters of the work, we learned between one-third and one-half of the customers were planning to switch and threatened never to do business with our client again. Had we handed over the substance of the early results, the client would have had false expectations.

It's okay to say that the project is on-target, that 25 percent of the calls are completed, but very dangerous to start discussing what you're finding. If, however, 80 to 90 percent of the work is completed, and it's unlikely the balance of calls will substantially change the outcomes, meeting with the client and giving them more details won't put you on dangerous ground. If you need to be able to rationalize in your own mind whether to speak up or remain silent as work moves along, remember that the client is paying for your process - your expertise, track record, methodologies, etc. The results are what come out of this process at the end.

Won't be tripped up

This is why it is particularly important with clients you haven't worked with previously to discuss their expectations, outline your process, identify some of the issues that may come up and how you normally deal with these to keep things on track. It's a good idea with new clients to let them know that any progress briefings will be indicative but not conclusive. That way, you won't be tripped up by their dreams while trying to guide them about realities out in the big, bad world.

research software

'Do something about PowerPoint!'

By Tim Macer
and Sheila Wilson

In last month's issue, we looked at findings from the 2007 Confirmit Market Research Software Survey, analyzing respondents' answers to questions on industry challenges, the use of in-house or packaged software and plans, if any, to change software in the coming year and the reasons for that change.

This month we explore findings related to mixed-mode research, sample source utilization trends and a wish list of features respondents would love to see in their software.

(The survey, now in its fourth year, was sent to researchers who are actively involved in or responsible for IT within their companies; 70 percent are IT managers, directors or business owners. The 2007 sample represents 233 companies, balanced by region, company size and level of responsibility.)

Mixed-mode

We asked the companies conducting mixed-mode research in 2006 and again in 2007 whether they were able to use the same software platform for the different modes, or were they having to split projects between different software platforms for each mode (Figure 1). Overall, the majority still has to hop between platforms, with all the duplicated effort and hardship that this entails - but this gap is closing. Significantly fewer firms had to contend with split platforms in 2007, and in Europe at least, integrated platforms have now reached parity. America lags behind slightly at 45 percent. The base in Asia-Pacific was too slender for a reliable measure.

Researchers continue making their feelings known in part II of a report on the 2007 Confirmit Market Research Software Survey

We anticipate this shift will continue in the future, even if multimode research remains a minority activity, simply because it is an area that software manufacturers are increasingly supporting in their updated software.

Within the space of a year, there have been developments in requirements for multimode research, as shown clearly in Figure 2. Even though volumes for mixed-mode have not changed, there is a definite shift in demand for the level of support required for hybrid research such as combined CATI and

Editor's note: Tim Macer is managing director and Sheila Wilson is an associate at meaning ltd., the U.K.-based research software consultancy which carried out the research on which this article is based on behalf of Confirmit. The authors wish to express their gratitude to Confirmit for its permission to publish these results in this article. Part I appeared in the February issue.


FIELD FACTS
WORLDWIDE

Figure 1: Use of Integrated or Split Platforms for Mixed-Mode Research

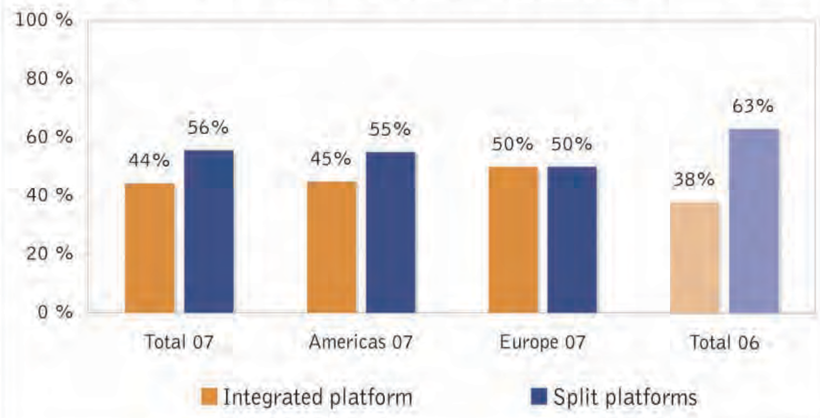
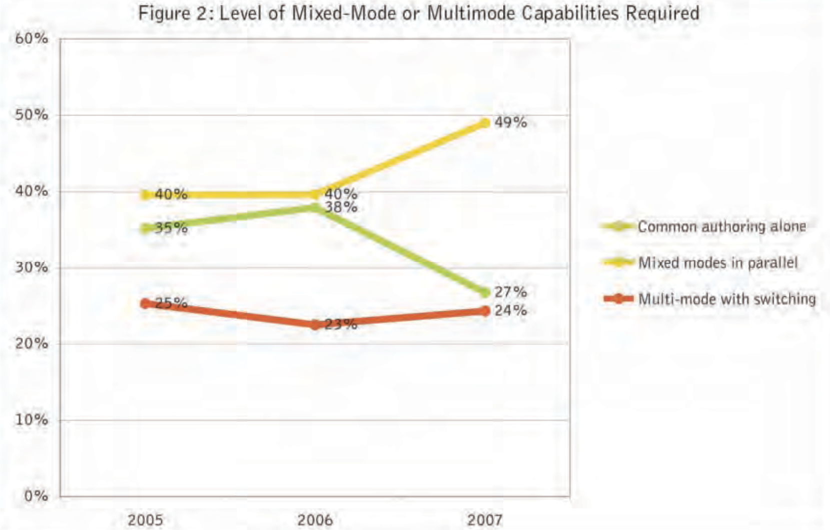


Figure 2: Level of Mixed-Mode or Multimode Capabilities Required



Web research.

We split multimode into three levels of complexity: common authoring (using the same system to design all survey instruments); mixed-mode in parallel (interviewing simultaneously in different modes); and multimode with switching (start interviewing in one mode and finish in another mode).

The demand for the slightly more complex mixed-mode in parallel capabilities has increased at the expense of the more rudimentary common authoring. But demand for the most sophisticated multimode with switching has remained static over the last three years – perhaps not surprising given its daunting technical complexity and the sparse number of software products that can handle this properly.

In North America, the use of multimode with switching stands at 15 percent, which is low compared with Europe (29 percent) and Asia-Pacific (33 percent). As noted earlier, Web-only interviewing predominates in North America, while local issues seem to be preventing its dominance elsewhere. A mixed-mode approach can overcome these issues and this is most likely driving the interest in these parts of the world.

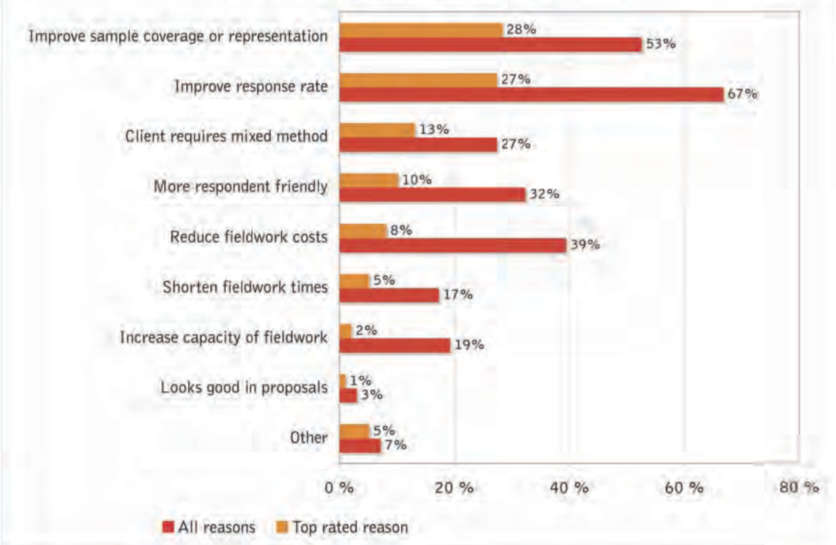
Improving research quality, rather than cost-saving or operational issues, appears to be the primary motivation for research companies conducting mixed- or multimode research (Figure 3). Respondents were allowed to prioritize up to three reasons that came from some earlier research we had carried out. The two that came out on top were to improve sample coverage or representation and to improve response rate. Another similar reason, to be more respondent-friendly, was in fourth place, just behind "client requires mixed-mode" (or "it's not our doing"!).

The top two reasons between them mopped up most of the votes, with two-thirds of respondents selecting "improve response rates" as one of their three reasons, and over half chose "improve sample coverage." They were also chosen by over a quarter – 27 percent and 28 percent respectively selecting them as their main reason.

Even though multimode research offers impressive opportunities for cost and efficiency gains, only 8 percent of respondents chose "reduce fieldwork costs" as their top reason; "shorten fieldwork times" and "increase capacity of fieldwork" merited a handful of mentions as the primary reasons. However, "reduce fieldwork costs" does shine through in the total picture, with a respectable showing of 39 percent when second and third choices were added in.

We do wonder whether the general concern over falling response and sampling ills measured earlier in the survey will drive the growth of multimode research, since researchers are clearly aware that mixing modes is a technological trick that can address sample quality and

Figure 3: Reasons for Mixed-Mode Research



coverage issues and boost response rates in the bargain. The medicine is becoming available: we wait to see if research companies, and their clients, are willing to take it.

Source of sample

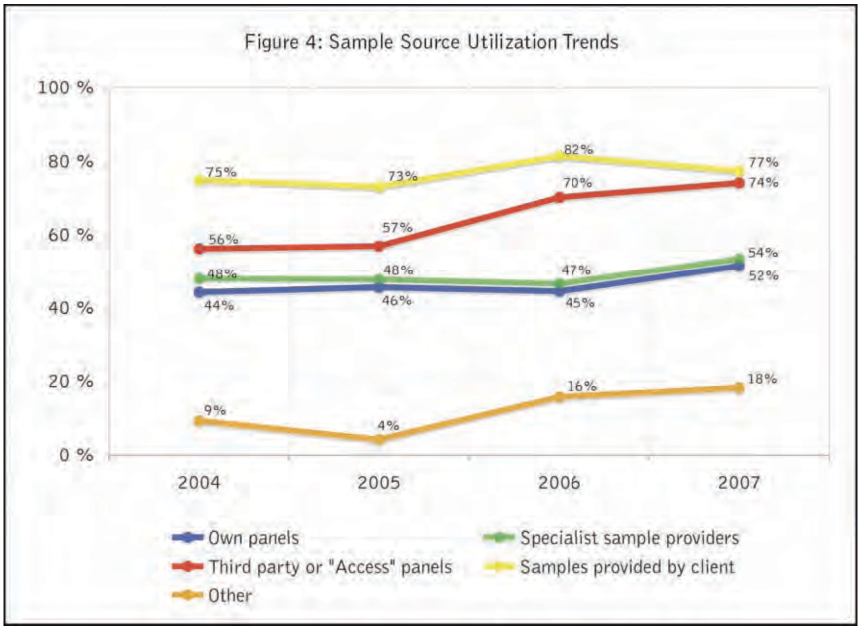
Clients still appear to be the most important source of sample for surveys, which perhaps also indicates the extent to which customer research is now underpinning survey research activity, particularly online research (Figure 4). This is despite predictions from the research companies surveyed by us in previous years that client-supplied samples would diminish in importance.

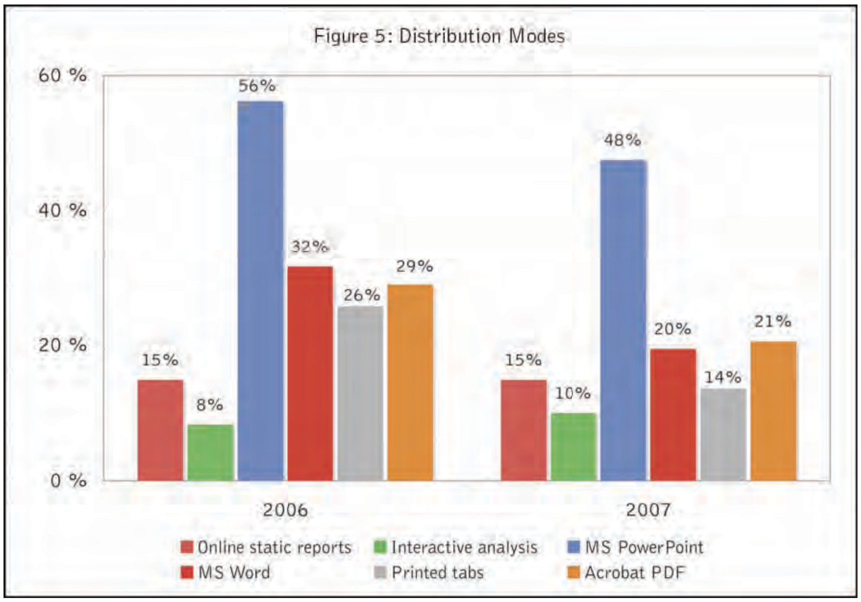
However, we may at last be on the point of witnessing this change. If current trends continue, it looks as if access panels may overtake client-supplied samples as the predominant sample source during 2008. Their use has grown steadily in recent years, rising from 54 percent of projects in 2004 to 74 percent in 2007, just three points behind client-provided samples, which, after a long wait, do now appear to be on the wane.

Own panels and specialist sample providers also appear to be making inroads as significant sample sources in 2007, after several near-constant years, although it is too early to be sure whether this is the start of an upward trend.

Distribution modes

Some dramatic changes seem to have taken place in the way that results are distributed since we last conducted this study in 2006. While PowerPoint is still, by far, the most popular delivery method (well over one-half of all projects appeared in





PowerPoint in 2006), by 2007 this has slipped to 48 percent. The use of paper or near-paper formats – Word documents, printed tables and Acrobat PDFs – has also nose-dived (Figure 5).

Only online results delivery has held its own, and in the case of interactive analysis, has edged up from 8 percent in 2006 to 10 percent in 2007. It is also clear that market researchers are distributing results in multiple formats. But perhaps as clients and market researchers are becoming more savvy with online methods, it looks as if some of the more traditional methods are on the wane. Certainly, the proportion of studies being distributed in multiple formats appears to have declined during 2007.

Despite this, modern desktop analysis tools have yet to stifle demand for printed crosstab reports. Although around one in seven of companies (14 percent) are using bulk crosstab reports, we learned from another question we asked that 52 percent of research companies still consider it essential to be able to produce them. Nevertheless, the trend seems to be downward. The same question in 2004 revealed that 59 percent of research companies considered bulk crosstabs to be a vital deliverable.

Analysis and reporting – future wishes

Market researchers seem to be giving software developers two very clear messages in a question that asked about their top three wishes for analysis and reporting tools (Figure 6).

Firstly, "Do something about PowerPoint!" Nearly three quarters of respondents rated this as one of their top three priorities. While many packages will create graphics that are ready for PowerPoint, or will transfer data directly into PowerPoint, only a handful actually automate the process so as to eliminate the painstaking manual finessing that is necessary to turn raw charts into presentable output.

Secondly, our respondents give online analysis tools the thumbs down, with over three out of five of them seeking better online analysis tools. From our own knowledge of the tools on offer, we know this area to be a mixed bag. Some of the analytical tools provided on the back end of data collection products lack luster and are either limit-

Figure 6: Analysis and Reporting – Future Wishes

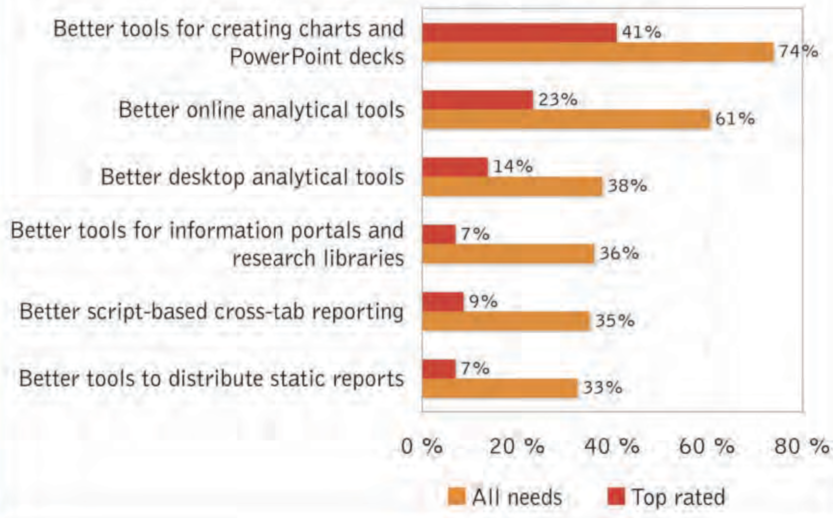
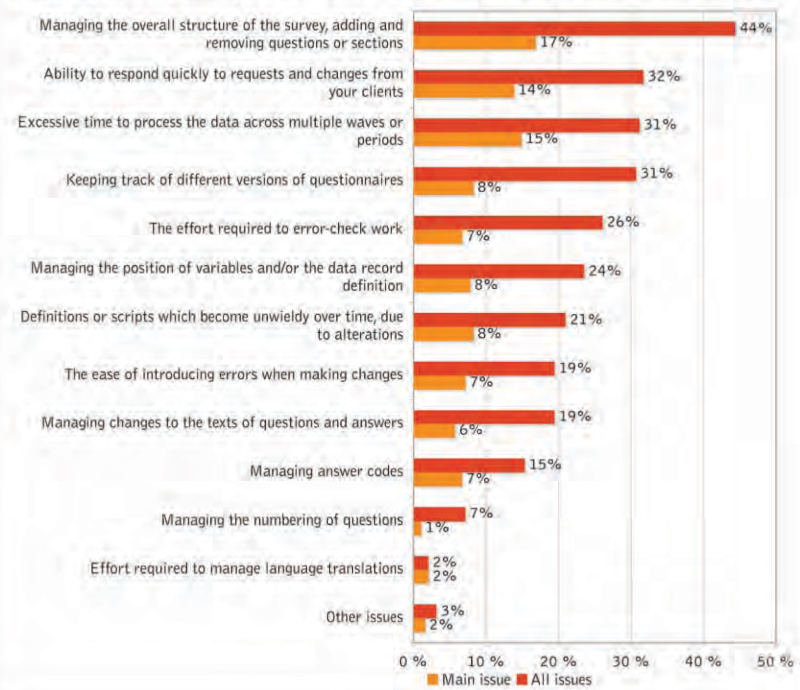


Figure 7: Current Issues Encountered in the Management of Continuous Research



ed in their capabilities or are horribly complicated to use. There are, however, a few exceptions in the integrated tools plus a growing number of dedicated online analytical platforms that happily receive data from numerous sources. It seems there are opportunities for sellers of Web-based crosstab tools in 2008. There is a similar, though less emphatic opportunity in the 14 percent making a plea for better desktop analytical tools.

We can probably consider the other products or features on the industry's shopping list as "nice to have" – certainly worthy of consideration by the industry's software providers as they spruce up their online and desktop analytical products.

Continuous research

The 2007 survey also revealed the importance of continuous research projects to the industry, with companies around the world attributing 23 percent of their activities to work on trackers: 26 percent in North America, 25 in Asia-Pacific and 21 in Europe. As Figure 7 shows, it is an area of activity that brings its own special set of problems, not the least of which is the managing of all the inevitable changes that occur.

However, as few of the problems cited in this question are managed in mainstream MR survey software, we were very surprised to observe that 70 percent of research companies worldwide were either highly or moderately satisfied with how their software handled continuous research. This is all the more surprising as only 4 percent of companies claimed they had fully automated the management of their continuous projects, 32 percent said they had achieved partial automation (still with some manual intervention) and 63 percent confessed to little or no automation in the handling of continuous projects. This has not only cost but quality repercussions which research buyers would be wise to pursue with their data suppliers when their continuous contracts next come up for renewal. | Q data analysis

Portrait of a data miner

By Karl Rexer,
Paul Gearan
and Heather N. Allen

Recent years have seen a rapid expansion in the use of data mining. Once uniquely the domain of academics and scientists, data mining is now employed to answer questions in a variety of fields ranging from health care to homeland security. At the same time, data mining has come out of the lab and moved into the front office. No longer is data mining considered to be the arcane practice of highly-trained specialists. Today we find companies like SPSS and Oracle marketing data mining suites to sales executives and marketing managers.

But what exactly is data mining and who are the data miners? According to Wikipedia, data miners are individuals who sort through large amounts of data and pick out "relevant information." This sounds interesting and important enough, but what are the tools of this archeology, what are its goals and what are the typical pitfalls faced in this pursuit? At Rexer Analytics, we had the perspectives of our own experiences and those of our colleagues. However, we were interested in broadening our understanding of this eclectic population to which we belong, so we asked a few hundred data miners to tell us more about who they are and what they do.

Far-flung

The data mining community is far-flung with no epicenter. Data miners can be found in industry and academia, in countries such as China and Venezuela. There is no single umbrella or organization under which they congregate. Many do not even refer to what they do as data mining at all, preferring terms like knowledge discovery, business intelligence or just plain analysis. All of these factors make data miners a difficult population to learn about, and there have thus been few attempts to characterize this population to date (a notable exception being the single-item surveys offered by Gregory Piatetsky-Shapiro on his excellent KDnuggets site [www.kdnuggets.com]).

Survey aims to unearth a better understanding of the people who analyze masses of information

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In the spring of 2007 we set out to learn more about this amorphous community via an online survey. Data miners were queried about themselves (their location, education and experience), the challenges that they face, their datasets, the algorithms they favor, their preferred software and the software features most important to them.

Our first challenge (after winnowing the universe of questions we wanted to ask to a number which people might conceivably take the time to answer) was to find these data miners. In order to reach a broad array of individuals, we decided to employ the snowball method of data collection in which direct contacts were requested to forward the survey to others within the data mining community. The snowball method has been found to be useful when sampling hidden populations for which direct access is difficult (the populations typically used as examples are drug users and prostitutes).

Aware of the potential biases introduced by the snowball methodology, we put several controls into place: 1) all software vendors included in the survey were contacted and given the chance to recruit respondents; 2) initial contacts were given an access code which had to be used in order to gain entry into the survey, which allowed tracking of the initial source of each respondent; 3) respondents were asked how they learned about the survey; and 4) respondents were specifically asked whether they worked for a data mining software vendor (and if so, which vendor).

We started our snowballs by posting links to our survey on newsgroups (such as KDnuggets), user groups and blogs and by sending e-mails to the organizers of various data mining conferences, to data mining software vendors and to personal contacts within our network of acquaintances.

We ultimately received responses from 314 individuals in over a dozen fields and from 35 countries. One hundred respondents who were employed by software firms that produce data mining tools were removed from the data before the primary analyses, due to the possible bias in their perspective or motivation.

The 214 data miners remaining were a fairly diverse group. Fewer than half (44 percent) of our respondents were from the U.S., with Germany, the U.K. and Greece being the other countries with the most representation.

Most respondents held advanced degrees. About three in 10 held doctorate degrees, four in 10 held master's degrees, 15 percent held bachelor's or the international equivalent, and just under 10 percent held MBAs. There were also several respondents who held professional or "other" degrees.

Data miners also tended to have been in the field for a significant amount of time. One quarter of the respondents reported having worked in data mining for over 10 years, and another third for six to 10 years. Only 14 percent reported having worked in the field for less than two years.

As mentioned previously, data miners do not always refer to themselves as such. When asked their job role, 46 percent of respondents actually labeled themselves as data miners. Another 12 percent called themselves business analysts, and a further 12 percent self-labeled as researchers.

Data miners are applying their craft across a number of fields. The most commonly identified fields were CRM/marketing, finance and academia. However, a significant number of data miners also reported working with data in fields such as telecommunications, retail, insurance, Internet, technology, medicine and government.

Processes and tools

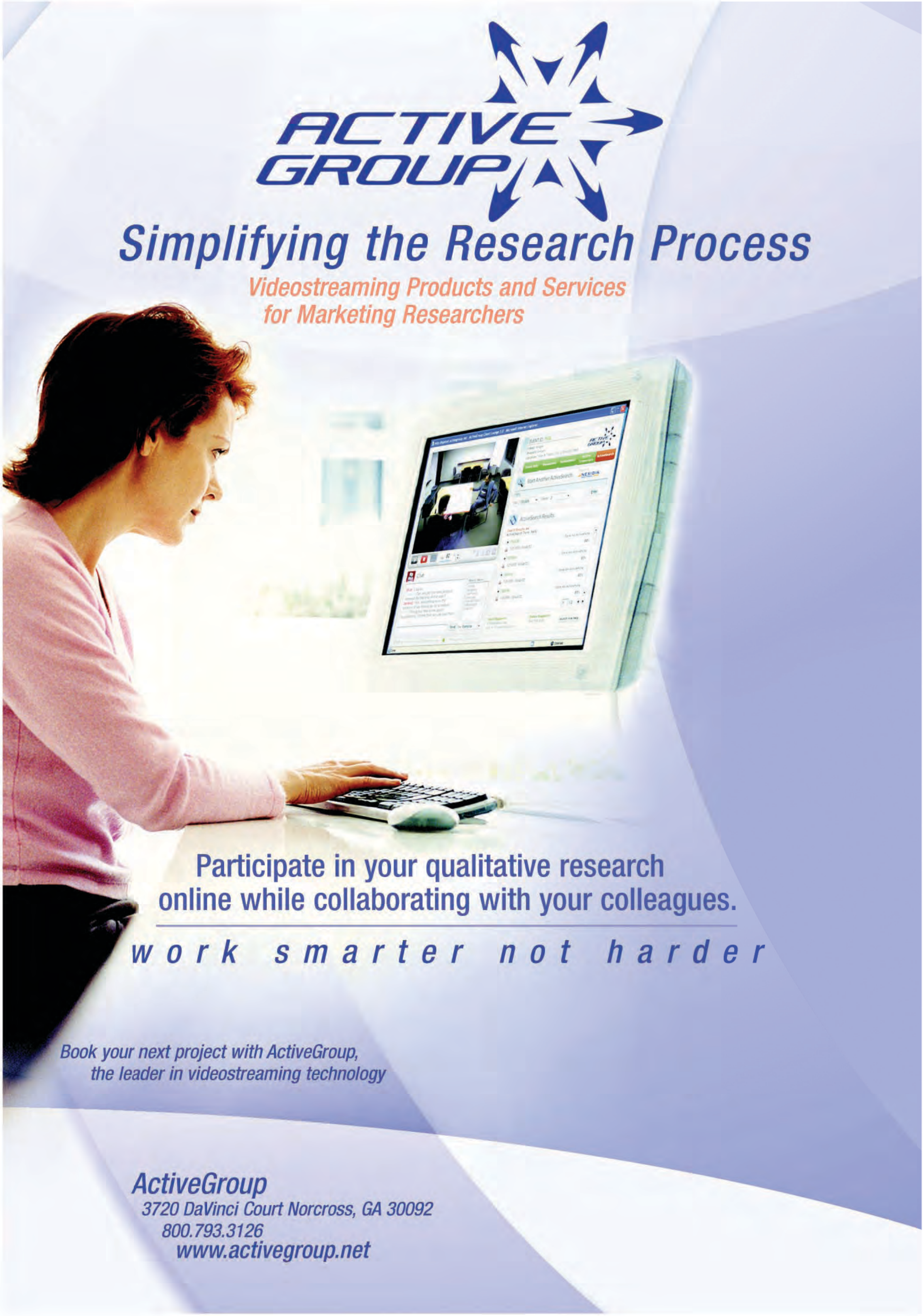
In addition to gathering information about data miners themselves, we asked data miners about their data, processes and tools. Some of our main findings were:

• Predictive modeling and segmentation/clustering are the most common types of analyses that data miners conduct (89 percent and 77 percent, respectively). This was certainly consistent with our experience and makes sense given the preponderance of respondents working with CRM/marketing data.

• Correspondingly, the most commonly used algorithms are regression (79 percent), decision trees (77 percent) and cluster analysis (72 percent). Again, this reflects what we have seen in our own work. Regression certainly remains the algorithm of choice for large sections of the academic community and within the financial services sector. More and more data miners, however, are using decision trees, and cluster analysis has long been the bedrock of the marketing community.

• SPSS, SPSS Clementine, and SAS are the three most frequently utilized analytic tools and were each used in 2006 by more than 40 percent of data miners. Forty-five percent of data miners also employed their own code in 2006. Respondents were asked about 26 different software packages from the powerhouses above to less-visible and -utilized packages such as Chordiant, Fair Isaac and KEXN.

• Comparisons of reported 2006 use and planned 2007 use show that there is increasing interest in the Oracle Data Mining tool, and decreasing interest in C4.5/C5.0/See5. It will be interesting to see how these trends develop over time and if other tools find greater prominence in the future.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• The primary factors data miners consider when selecting an analytic tool are: 1) the dependability and stability of software, 2) the ability to handle large data sets, and 3) data manipulation capabilities. Data miners were least interested in the reputation of the software and the software's compatibility either with other programs or with software used by colleagues.

• The top challenges facing data miners are dirty data, data access and explaining data mining to others. Over three-quarters of data miners listed dirty data as one of the major challenges that they face. This is again consistent with our own experience and the conventional wisdom discussed at data mining conferences: a significant proportion of most projects consist of data understanding, data cleaning and data preparation.

Findings vary

While there was more consensus than disagreement on the above issues, the main findings do vary somewhat, depending on the domain the data miner works in, the tools used, geography and several other dimensions. Some of the more interesting distinctions included the fact that text mining is more commonly conducted by those working in the United States than those working in other countries. There were differences also in the use of link analysis: it was more commonly reported by those working with government or military datasets.

The factors considered in selecting a tool differed somewhat by dataset domain. Those working with retail and telecommunications data felt that a tool's speed was the top priority. However, those working with financial data were more concerned with the ability to automate repetitive tasks. Finally, those in academia were significantly less concerned with these practical issues.

Different priorities

The results of the present survey underscore that there is great diversity in the current data mining community. This community is both large and varied, with different constituencies reporting different priorities for tool selection, different analytic approaches and the use of a variety of software tools.

Notably, however, the challenges faced by data miners are more universal than disparate. As previously mentioned, three-quarters of respondents identified dirty data as a significant challenge that they face, while more than half identified data access and availability issues. Difficulty accessing clean datasets has always been and will probably always be a significant hurdle for those trying to transform data into knowledge.

It is important to remember that the results of this survey represent a mere snapshot in time. The field of data mining is currently undergoing explosive growth, expanding into new areas and developing new technologies. Even as recently as five years ago, it would have been surprising to field a survey in which more than half of respondents did not consider themselves data miners but are nonetheless users of data mining algorithms and familiar with a number of software tools.

As the methods and means of data mining move out of the realm of academics and analytic specialists and into wider populations, the needs of the data mining community will continue to shift, driving the development of new algorithms and tools. Many data mining products will likely have even greater plasticity, a wider range of available algorithms and applications and perhaps greater transparency to a broad audience of users.

Use expands

Tracking the future preferences and activities of this heterogeneous population will be both interesting and important as a window into understanding data mining as its use expands to touch many corners of our world. Keeping pace with the changing needs and preferences of practitioners will be a significant challenge for those who supply the tools for these endeavors. Demands in various industries will alter expectations for data miners, who will in turn seek tools that will yield expedient and powerful solutions. Data mining software providers will hear from data miners about what they need to fulfill these new visions.

In order to help fill this information need, we have prepared our second annual data miner survey. We have retained the core items of the current survey in order to begin tracking trends. However, we also hope to dig deeper into some of the issues that arose in the 2007 survey. In the 2008 version, we will learn more about how data miners respond to the significant challenges that they face and how these practitioners envision the future of data mining. We will also explore attitudes toward the term data mining itself, an area of increasing controversy. | Q

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shop again with a direct retailer if the returns process is inconvenient; and
• 68 percent of respondents said the ability to make a return from home was very important or important when deciding whether to shop with an online or catalog retailer.

The survey also confirmed the growing trend of consumers looking to buy direct:
• 79 percent said they shop direct (through catalogs or online);
• 64 percent reported they shop online, a 10 percent increase from last year and a 20 percent increase from 2004;
• 69 percent said they shop specifically through catalogs; and
• 94 percent said they shop in stores.

As more consumers use the catalog as a support mechanism to Web ordering, the catalog must be as accurate as possible to avoid returns, Johnson says.

Still, with returns being a fact of life, the process has to be as easy as possible for customers. "It's been identified numerous times that the return is the number-one inhibitor to shopping online or through a catalog," Johnson says. "So make it as pleasurable a process as possible. It helps keep customers and improves loyalty." For more information visit www.newgistics.com.

Money woes lead consumers to create 'delinquency budgets'

Online Resources Corporation, a Chantilly, Va., provider of Web-based financial services, released the results of a survey of U.S. households and billers regarding the effect of the current mortgage crisis on bill payment and collection patterns. The survey shows that fallout from the mortgage sector is spilling over into the broader economy, impacting companies across industries and their ability to collect payments.

The survey of more than 1,000 nationally-representative U.S. households finds that Americans are increasingly being forced to prioritize among their bills by creating a "delinquency budget" to determine which bills get paid. While the mortgage bill tends to be the one that households are most likely to pay, businesses across other industries are facing a decreasing share of that delinquency budget. Specific findings include:

• One out of four households report being delinquent on at least one bill by 30 days or more.

• If forced to choose between which bills to pay, 98 percent of households would likely pay their mortgage first; while credit card, phone, health care, utility and loan payments are among the groups of bills that are least likely to be paid.

Online Resources also surveyed a cross-section of clients from its biller end-point network of banks, credit unions, utilities, card issuers and mortgage companies. A majority of the respondents (across all industries with annual revenues ranging from less than $1 million to more than $20 billion) reported feeling a negative impact from the consumer credit crunch already. Only 2 percent expect it to be easier to collect payments in 2008, and 84 percent expect to spend more on collections in 2008.

Both surveys found that the majority of consumers prefer the Web channel for making delinquent payments, for convenience and for the Web's non-confrontational nature. However, only 8 percent of billers offer online collections services that go beyond accepting payments that would allow consumers to resolve their delinquency.

Prior Online Resources studies show that a significant number of late-stage delinquent account holders that were previously unreachable by phone accessed the collections Web site and made payments on their accounts. For more information visit www.orcc.com.

Mintel outlines menu trends for 2008

When dining out, be sure not to fill up on bread and butter. Mintel Menu Insights, a Chicago-based restaurant-tracking service, has identified eight American menu trends for 2008.

1. The superspice. Superspices are the new superfruits. 2007 created a superfruit frenzy. With such high antioxidant content, superfruits such as pomegranates, blueberries and açaí berries flourished on the restaurant menu. This year, expect to see "superspices" seasoning American menus. Research suggests that superspices like cumin, ginger, cinnamon and tumeric may boast more antioxidant power and medicinal benefits than their superfruit cousins.

2. Snack attack. This year, plan on satisfying that snack attack. Restaurants hope that small portions, big flavors and low prices will lure in hungry snackers. Mini burgers and wraps caught on late in 2007, but look for restaurants to add more "mini" favorite foods this year. From fast food to fine dining, restaurants may soon compete to create the fastest and most filling snacks.

3. Fine fast food. Fast food is going gourmet. Popular celebrity chefs are branching out with convenient, fast-casual restaurants that promise high-quality food, fine cooking and bold flavors - all on a 30-minute lunch break. Bobby Flay, Rick Bayless and Wolfgang Puck have invested in fast-casual operations, bringing their culinary flairs to the masses. Expect more celebrity chefs to get in the mix this year.

4. Grain goodness. With the health benefits of whole grains becoming more widely known, certain nutritious grains will grow on the American restaurant menu. Kamut, quinoa, barley and millet pack a worldly punch along with healthy, essential nutrients. These grains are the ideal backdrop for tomorrow's innovative ethnic flavor and health trends.

5. Ingredient provenance. Food safety and ecological issues have made headlines recently, causing many Americans to rethink where their food comes from. As concerns over ingredient origins rise, restaurants have responded with more local ingredients, more natural and organic menu items and more sourcing information on the menu. Expect all types of restaurants to take some of the "science" out of dining out this year.

6. Bulking up the bar. Watch close-

Who used **Rosetta Studio** to complete their presentation?

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ly as restaurants flex their bar muscles. Enhancing menus with more flavorful cocktails and savory appetizers than ever before, restaurants want diners to linger, lounge and just have fun in the bar. Look for beverage lists to grow longer than entrée lists, while appetizers occupy more of the menu in coming months.

7. The return of the classic cocktail. Once the preferred choice of Hollywood sophisticates, classic cocktails fell behind flashy, froufy new favorites in recent years. But no more. In 2008, expect a rebirth of cocktails such as the Sidecar, Manhattan, Bellini and Tom Collins. Classic and glamorous, these old-fashioned choices are sure to shake things up.

8. Mocktails rock. Ice-cold lemonade with strawberry puree, fresh ginger, crushed mint leaves and - no alcohol? Rising demand for better non-alcoholic drinks created the mocktail. Boasting the same premium flavors as the cocktail menu, alcohol-free mocktails are a sophisticated alternative for non-drinkers and drinkers alike.

Mintel Menu Insights tracks restaurant menus across the country to identify flavor, preparation, menu item and pricing trends. For more information visit www.mintel.com.

Altruism drives online reviewers

Bazaarvoice, an Austin, Texas, technology and consulting firm, released the findings of a new survey conducted by the Keller Fay Group, a New Brunswick, N.J., research firm. The joint study surveyed over 1,300 online reviewers to discover what moved them to share their opinions. Overwhelmingly, the survey found reviewers are motivated by goodwill and positive sentiment. Fully 90 percent write reviews in order to help others make better buying decisions and more than 70 percent want to help companies improve the products they build and carry. The study also found that 79 percent write reviews in order to reward a company, and 87 percent of the reviews are generally positive in tone.

The new survey data provides additional insight into previous analysis from Bazaarvoice, which revealed that positive reviews outweighed negative reviews eight to one. When charted, review distribution follows a "ratings J-curve" across many Bazaarvoice clients in diverse industries.

The survey also found that reviewers are active online participants who post reviews as a way of giving back to the review community (79 percent). Reviewers also purchase products online (84 percent), send more than 10 e-mails a day (77 percent) and engage in social networks (25 percent). Additionally, 20 percent of reviewers post messages on other people's blogs or chat rooms. The study also showed that nearly 60 percent of reviewers have told friends and family about their product experience.

The survey provided new insight into the places where consumers post online feedback. While 19 percent of reviewers post on independent product review sites such as Epinions or CNET, significantly more post directly on a retailer's own Web site. Highlighting the prevalence of multichannel shopping, the survey also found that over 65 percent of reviewers have returned to the retailer's site to leave an online review about an offline purchase.

Survey data on over 1,300 reviewers who posted one or more reviews to Bazaarvoice client Web sites was collected online using the Inquisite Survey System. The online survey ran from August to October 2007. For more information visit www.kellerfay.com.

Most-trusted organizations not always the most powerful

Among all adults who are familiar with them, *Consumer Reports*, the American Red Cross, AARP, the Nature Conservancy and the U.S. Chamber of Commerce are the most trusted among 16 large organizations that influence politics and business in Washington, according to a nationwide Harris Poll of 2,455 adults surveyed online between November 7 and 13, 2007 by Harris Interactive, Rochester, N.Y.

Moveon.org, the American Enterprise Institute (AEI), the ACLU, the NRA and the AFL-CIO are the least trusted. However, even these organizations are trusted "a great deal" or "a fair amount" by 45 percent or more of all adults.

The first question asked the public how familiar they are with these 16 organizations. The organizations that are familiar to the largest number of people are:

The American Red Cross	96%
Consumer Reports	86%
The AARP	85%
The National Rifle Association	83%
The U.S. Chamber of Commerce	79%

The organizations on the list that the fewest people are familiar with are:

The American Enterprise Institute	12%
The Brookings Institution	22%
The Environmental Defense Fund	24%
Moveon.org	30%
The Heritage Foundation	33%
National Assoc. of Home Builders	39%

Among those who are familiar with them, the most trusted organizations (based on those who trust them "a great deal" or "a fair amount") are:

Consumer Reports	91%
The American Red Cross	86%
AARP	83%
The Nature Conservancy	83%
The U.S. Chamber of Commerce	73%

The least trusted organizations on the list are:

Moveon.org	45%
The American Enterprise Institute	48%
The ACLU	50%
The NRA	52%
The AFL-CIO	52%

It is noteworthy that all of these five organizations take strong and often controversial positions on political issues.

The organizations listed that are believed to have the most power, based on the number of people who are thought to have "a great deal" or "a fair amount" of power (as percent-ages of those who are familiar with them) are:

The AFL-CIO	84%
The NRA	83%
The U.S. Chamber of Commerce	81%
The ACLU	81%
The Brookings Institute	78%
The American Enterprise Institute	77%

The organizations thought to have the least power are:

Greenpeace	45%
The Nature Conservancy	45%
Consumer Reports	48%
Moveon.org	50%
The Sierra Club	54%

There is a great difference between the organizations that are most trusted and those that are believed to be the most powerful. However some well-trusted organizations are also seen as having power in Washington, specifically the American Red Cross, the AARP and the U.S. Chamber of Commerce. On the other hand three organizations that are not highly trusted are widely perceived to be powerful: the American Enterprise Institute, the AFL-CIO and the NRA. For more information visit www.harrisinteractive.com.

Mobile marketing predicted to boom by 2013

Mobile marketing, which was born in countries such as Japan and South Korea, has taken off in Western Europe and is beginning to grow in North America. As consumers move to flat-rate data plans and adopt mobile messaging and as new platforms for advertising-supported mobile search, video and gaming content services arrive, mobile marketing is expected to grow to over $24 billion worldwide in 2013. This is an increase from $1.8 billion in 2007.

A recent survey by ABI Research, Oyster Bay, N.Y., found that while consumers are initially leery of mobile marketing, their perspective largely depends on whether they see some advantage for themselves. While 54 percent of survey respondents indicated they were totally opposed to mobile marketing messages, 70 percent of those same respondents said that an incentive such as a ringtone or a free song might make them receptive to mobile marketing.

"The clear difference in this market over the past 12 months has been the embrace of mobile marketing as an integral part of cross-media brand campaigns," says ABI Research Director Michael Wolf. "Mobile is no longer off-limits in the minds of advertisers, but is instead seen as a very personal way to reach consumers who can be incentivized through information services and compelling content, as well as through more directly relevant and targeted messaging."

The market, however, is still very much a "Wild West" environment and will take time to develop. Hundreds of mobile marketing platform providers have sprung up, and larger players such as Google, Yahoo and Nokia have made significant investments in this fast-changing market.

For more information visit www.abiresearch.com.

Product and Service Update

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ArcIMS services, enabling users to better leverage existing 2-D services in the ArcGIS Explorer 3-D environment; provide access to ArcIMS sublayers, enabling the selection of desired content and providing better control; include new billboarded point symbol sets, as well as the ability for users to add custom symbols from local images or images found on the Web; and support and customize pop-up windows for results and local data sources.

Other changes include updated KML support, new navigation options, access to map layer properties and enhanced result management. For more information visit www.esri.com.

Reportlinker.com offers report on consumer behavior

New York-based market research engine Reportlinker.com has added "Insights to Consumer Behavior to Keep You a Step Ahead," a new market research report related to the consumer goods sector.

"Insights into Consumer Behavior to Keep You a Step Ahead" is a presentation given by Datamonitor at the Food Marketing Institute's Advertising & Marketing Conference held in Miami Beach, Fla., in April 2007 that combines global consumer trend analysis with market observations and product innovation trends.

The report also includes topics such as women's growing economic status driving a "feminization of society," fewer men associating themselves with traditional male or macho attributes and how changes in consumer behavior are likely to affect future purchase decisions. For more information visit www.reportlinker.com.

Lux launches Nanotech Index

New York-based Lux Research has released a quarterly update to the Lux Nanotech Index. The Index serves as a benchmark for the value that markets ascribe to emerging nanotechnology and forms the basis of the PowerShares Lux Nanotech Portfolio. The update was highlighted by the addition of Nanosphere following the diagnostics developer's initial public offering.

The components of the Lux Nanotech Index are split into two groups: 1) nanotech specialists – small and mid-sized companies that focus specifically on developing or funding emerging nanotechnology applications – and 2) end-use incumbents – large companies that are applying nanotechnology to existing product lines. Nanotech specialists account for 75 percent of the modified equal-dollar-weighted index; end-use incumbents account for 25 percent.

The Lux Nanotech Index reflects the value financial markets place on emerging nanotechnology by including both a listing of the publicly-traded nanotech specialists that meet its listing requirements and a representative sample of the end-use incumbent deriving value from nanotech today. The Index is updated quarterly to represent the current state of this rapidly evolving field. For more information visit www.luxresearchinc.com.

Solar market research service dawns

Cambridge, Mass., online media company Greentech Media Inc. and the Prometheus Institute for Sustainable Development, a Cambridge, Mass., non-profit devoted to furthering the advancement of alternative energy and sustainable development, have launched a market research service for the solar/photovoltaics (PV) industry to deliver mix of market studies, bi-weekly and monthly newsletters and quarterly "state of the industry" Webinars. Combined, these are designed to serve as a knowledgebase for industry players, revealing data on the solar/PV supply chain, demand drivers, pricing, policy and financing.

Subscribers will receive an annual subscription to *PV News* and *The Venture Power Report* and access to quarterly Webinars. For more information visit www.greentechmedia.com.

Briefly

London-based Research Now has launched three additional online panels across the Americas. The panels in Mexico, Argentina and Chile join the U.S., Canadian and Brazilian panels owned by the company in the region. The panels are standalone, locally-recruited propositions, each with their individualized country incentive choices, but have been built to Research Now's global panel model. For more information visit www.researchnow.co.uk.

Edison, N.J., research firm Schlesinger Associates has opened a new focus group facility in the Galleria area of Houston. The four-suite facility features eye tracking and on-demand access to recording. Nick Polk has been named facility director. For more information visit www.schlesingerassociates.com.

Austin, Texas, research software company Inquisite has released Inquisite Survey System 8.5, the latest version of its enterprise feedback management survey software. Key features include real-time e-mail alerts, survey re-open, branded exit pages, multi-select answer option, dynamic sampling and fatigue management. For more information visit www.inquisite.com.

Stamford, Conn.-based FocusVision has expanded its fixed-camera VideoStreaming service in Europe. The service is managed remotely by FocusVision and is used for one-on-one interviews. It includes project coordination, technical support and viewing and analytical tools. The company expects all of its European facilities to offer the service by April 2008. For more information visit www.focusvision.com.

Dubai-based Maktoob Research is now offering results from its Mobile Syndicated Study, which looks at cell phone usage in the United Arab Emirates, Saudi Arabia, Egypt and Jordan. It includes information on user satisfaction levels related to mobile operator services, most familiar telecom operators, best logos, reasons prompting users to change their telecom operators, reasons for satisfaction with current operators and preferred features in mobile phones. For more information visit www.maktoob-research.com.

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all Burke Inc. company stock is now held in trust by the ESOP exclusively for the benefit of Burke's employees.

BroadSign International Inc., a Minnetonka, Minn., software firm, announced that **Arbitron Inc.** has launched a series of tests aimed at enabling third-party audits of BroadSign's proof-of-play reports, using Arbitron's Portable People Meter technology. The success of the first test opens the way to a series of additional tests before Arbitron's proof-of-play audits can become a commercialized service that can be used by any network run on BroadSign's software.

Norwalk, Conn.-based research firm **IMS Health** will implement a series of actions designed to strengthen client-facing operations worldwide, increase the company's operating efficiencies and streamline its cost structure in response to health care marketplace dynamics. As part of these actions, IMS will realign its resources to better address customer priorities and improve execution. These initiatives are intended to accelerate IMS's operational efficiencies globally and improve profitability, namely in Europe. The company anticipates completing the restructuring plan by the end of 2008.

London-based **Research International UK** announced in January that it had achieved accreditation to the new International Market Research Quality Standard in November 2007.

Acquisitions/transactions

Research firm **Synovate Healthcare** has acquired Cherry Hill, N.J., research firm **Oncology Inc.** The firm's offerings include proprietary research solutions that will be incorporated into Synovate Healthcare's global oncology portfolio.

London-based **Cello Group** has acquired an initial 23 percent stake in **Face**, a U.K. research consultancy, for an undisclosed sum. Cello has the option to acquire the remaining equity of the business through a staged earn-out over the next three to five years. Face owns www.headbox.com, a Web community for 16- to 25-year-olds who share their opinions and ideas with brands and get rewarded for them.

Germany-based research firm **GfK Group** has acquired total ownership of Australian research firm the **Blue Moon Group**.

Separately, the GfK Group has also expanded in Central and Eastern Europe with the acquisition of a 51 percent majority stake in Macedonian market research agency **Stratum Research**. The company offers research and advisory services in the custom research sector, especially in the financial, media and communication, consumer and business and technology sectors.

Norwalk, Conn., research firm **IMS Health** has purchased Russian competitor **RMBC** for an estimated cost of between $4.5 million and $7 million. The acquisition will increase IMS' share of the Russian pharma research market from 10 percent to approximately 40 percent. RMBC will become part of IMS Health Russia.

Dulles, Va., research firm **Vovici** has acquired the assets of **Surveyo**, a division of mySmartSolutions, a Saratoga Springs, N.Y., research firm specializing in enterprise feedback management including assessments, surveys and polls.

Research firm **Synovate** has acquired **CIMA Group** (CIMA), a Santiago, Chile, research firm. CIMA operates across six markets in Latin America including Chile, Colombia, Peru, Ecuador, Bolivia and Costa Rica.

Market research company **TNS**, New York, has acquired Dublin-based media intelligence provider **MediaMarket**.

Alliances/strategic partnerships

Saskatoon, Saskatchewan-based research company **Itracks** announced that Edison, N.J., research firm **Schlesinger Associates** will use Itracks' online qualitative software to conduct online focus groups and bulletin board discussions.

Wilton, Conn., research firm **Greenfield Online Inc.**, and Omaha, Neb., information firm **infoUSA** have entered into an agreement to develop a panel of small-business decision makers. The panel is designed to give B2B product and service providers insight into the opinions of U.S. small B2B decision makers and small-business owners.

Atlanta research firm **Infosurv Inc.** announced a number of new clients in the last quarter of 2007, including E&M/The David Group, Marketing Point Inc., Tatum LLC, ThoughtWorks, HERO for Children and LivePerson.

Yankelovich Holdings Inc., a Chapel Hill, N.C.-based research firm, has signed a definitive merger agreement with **WPP** to join London-based **Henley Centre HeadlightVision**, WPP's wholly-owned consumer trends and futures research and consultancy business. The merger will become effective upon the satisfaction of certain conditions. Henley Centre HeadlightVision is part of Kantar, WPP's research, insight and consultancy division.

London market research company **TNS** announced that its TNS Worldpanel China continuous research service, operated by TNS China, has merged with the continuous panel service run by the TNS joint venture **CTR Market Research**.

Separately, the business license

held by TNS and its China-based joint venture **CSM Media Research** which allows the joint venture to undertake TV and radio audience measurement in China has been renewed for a further 10 years.

Association/organization news

The Dallas-based **Mystery Shopping Providers Association, North America**, announced its newly-elected 2008 North America board of directors: Christopher Warzynski, president; Judi Hess, vice president; Ron Welty, secretary and director (returning); Lorri Kern, treasurer; Candor Guitierrez, director (new); Carl Phillips, director (new); Lynn Saladini, director (new); Lise D'Andrea, director (returning); Renee DeSantis, director (returning); Chuck Paul, director (returning); Arcadio Roselli, director (returning); and Susan Seiler, director (returning).

New accounts/projects

Corporate Express US Inc., part of the Dutch-based Corporate Express NV, has selected predictive analytics software from Chicago-based **SPSS Inc.** to give the organization a view of its customers' purchasing behavior, starting at the beginning of the sales cycle.

The Nielsen Company, New York, announced it has signed an agreement with grocer Save-A-Lot, establishing Nielsen as Save-A-Lot's preferred provider of marketing information for merchandising and market decision support across the 1,150-store chain.

Suresnes, France, advertising firm Havas U.S.A. has selected **TNS Media Intelligence** (TNS MI) as its primary provider for competitive advertising intelligence. The multiyear agreement gives Havas agencies access to TNS MI's database of competitive advertising information.

Rockville, Md., research corporation **Westat** has partnered with New York research consulting group **Metis Associates** to evaluate the initiatives and effectiveness of the Center for Economic Opportunity, which is New York City Mayor Michael R. Bloomberg's effort to move economically disadvantaged New Yorkers out of poverty. The initiatives are focused on young adults, poor working adults and families with young children.

New companies/new divisions/ relocations/ expansions

Valient Solutions, a Rochester, N.Y.-based research firm, has formed Valient Healthcare, a new division serving the health care industry. The company named Allison Tate manager, health care sector business development at Valient Healthcare and tapped her to lead the new division.

Gilmore Research Group's Focus Division has opened new offices in Portland, Ore., and tapped Donna Glosser to manage the division. She will oversee the company's qualitative operations and facilities in both Seattle and Portland.

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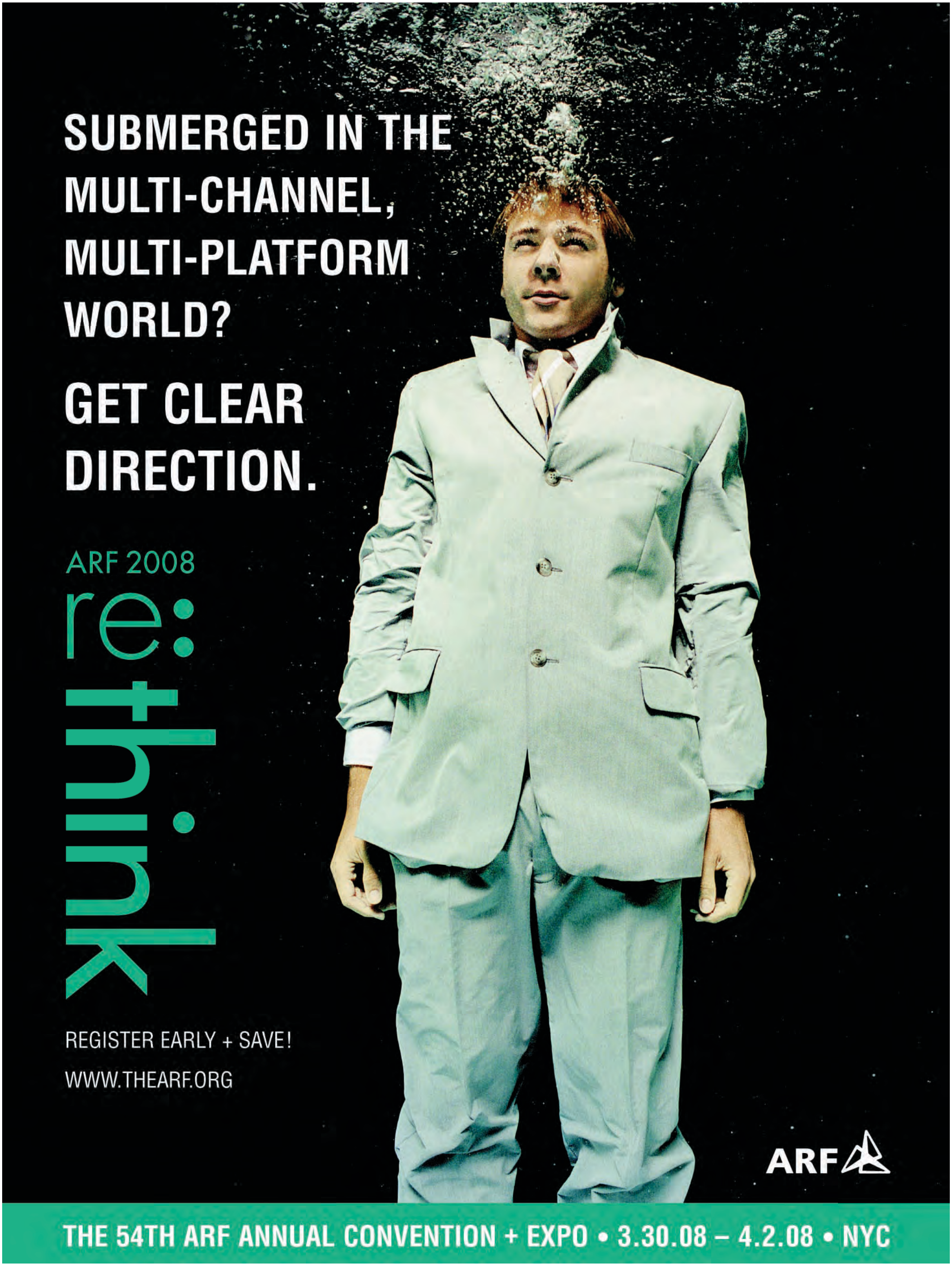
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the top two properties in the category, Glam Media and iVillage.com, saw strong growth. Entertainment news sites jumped 32 percent, benefiting from our continuing hunger for celebrity news. Online classifieds had a strong 2007, growing 31 percent versus 2006 and continuing to drain traditional news media's classified revenues.

ComScore Top 20 Gaining Properties by Percentage Change in Unique Visitors (U.S.) December 2007 vs. December 2006
(ranking based on the top 100 properties in December 2007; total U.S. home, work and university Internet users)

	Total Unique Visitors (000)		
	Dec. 2006	Dec. 2007	% Change
Total U.S. Internet Audience	**174,199**	**183,619**	**5**
Everyday Health	2,690	12,073	349
Glam Media	7,994	25,028	213
OfficeMax	5,130	15,339	199
Demand Media	5,999	14,958	149
Yellow Book Network	4,386	10,388	137
ValueClick Sites	6,339	13,013	105
Facebook.com	19,105	34,658	81
WorldNow – ABC-Owned Sites	8,714	15,474	78
Craigslist.org	14,075	24,468	74
Experian Interactive	8,054	12,500	55
Yellowpages.com Network	16,168	24,453	51
AmericanGreetings Property	11,982	18,102	51
Comcast Corporation	18,716	26,445	41
UGO	8,450	11,912	41
The Mozilla Organization	10,948	15,267	39
Answers.com Sites	10,707	14,899	39
Wikipedia Sites	38,585	51,851	34
iVillage.com: The Women's Network	13,545	17,234	27
AT&T Inc.	23,833	30,212	27
Internet Broadcasting Systems	9,894	12,394	25

On a trend-related side note, if the various pundits can be believed, narrowcasting is coming to the social networking realm. One wonders what the effects will be on giants like Facebook if users begin finding it more rewarding to bypass the large social networking sites and go straight to the sites that cater to their specific interests, like skateboarding, online gaming or dachshund -owning.

ComScore Top 10 Gaining Categories by Percentage Change in Unique Visitors (U.S.) December 2007 vs. December 2006
(total U.S. home, work and university Internet users)

	Total Unique Visitors (000)		
	Dec. 2006	Dec. 2007	% Change
Total U.S. Internet Audience	**174,199**	**183,619**	**5**
Politics	6,192	8,384	35
Community - Women	51,632	69,854	35
Entertainment - News	37,093	49,023	32
Classifieds	31,867	41,688	31
Career – Training and Education	7,865	10,279	31
Gay/Lesbian	1,843	2,367	28
Retail – Consumer Goods	28,829	35,936	25
Finance – News/Research	43,317	52,064	20
Teens	23,313	27,979	20
Religion	19,101	22,886	20

Over in the realm of online search, searches at the five major core search engines increased 15 percent to 9.6 billion searches, the comScore report found. Google sites led with 5.6 billion searches in December 2007, up more than 30 percent from the previous year. Yahoo! sites ranked second with 2.2 billion searches, followed by Microsoft sites (940 million), Time Warner Network (442 million), and Ask Network (415 million).

ComScore Core Search Report*
December 2007 vs. December 2006
(total U.S. – home/work/university locations)

	Search Queries (MM)		
Core Search Entity	Dec. 2006	Dec. 2007	% Change
Total Core Search	**8,348**	**9,636**	**15**
Google Sites	4,317	5,629	30
Yahoo! Sites	2,300	2,211	- 4
Microsoft Sites	871	940	8
Time Warner Network	465	442	- 5
Ask Network	396	415	5

**Based on the five major search engines including partner searches and cross-channel searches. Searches for mapping, local directory, and user-generated video sites that are not on the core domain of the five search engines are not included in the core search numbers.*

More than 113 billion core searches were conducted in the U.S. during all of 2007, with Google sites accounting for nearly 64 billion, representing a 56 percent share of the market. | Q trade talk

By Joseph Rydholm
Quirk's editor

The big got bigger online in 2007

In the online realm in 2007, household names like Google, Facebook, Wikipedia and Craigslist were the biggest winners, according to Weston, Va.-based ComScore Inc.'s annual report on trends in U.S. Internet activity.

The report looks at the major trends in U.S. Internet activity, highlighting the top gaining properties and site categories, and core search market growth.

Looking at the growth in visitors among the top 100 U.S. Internet properties, 2007 was a strong year for several of the largest properties. Social networking site Facebook.com opened registration to all users and saw an 81 percent jump from December 2006's 19.1 million unique visitors to 34.7 million in December 2007. Wikipedia sites gained 34 percent to reach nearly 52 million visitors. Classified-ad site Craigslist.org jumped 74 percent to 24.5 million visitors, while AT&T grew 27 percent to 30.2 million visitors, no doubt benefiting from its exclusive deal with Apple as carrier for the iPhone. Yellow Book Network grew 137 percent to 10.4 million visitors.

As noted in the comScore press materials, the upward spikes of several of the top-gaining properties were driven the acquisition of Web entities including, but not limited to, the following:

· Everyday Health shot up 349 percent, driven by its acquisition of several Web sites and the addition of Drugs.com to its network.

· Women's category leader Glam Media grew 213 percent during the year, due in large part to the addition of several new entities, including Quality Health Network, MyYearbook.com and LifeScript.com, among others.

· Yellow Book Network grew 137 percent to 10.4 million visitors, as visitation to Yellowbook.com Sites tripled (up 207 percent to 4.6 million visitors) and one new entity was added to the property.

· iVillage.com: The Women's Network gained 27 percent with the addition of Sugar Publishing, MakeoverSolutions.com, and iWin.com, among others.

· Demand Media added numerous entities under its Demand Media Knowledge and Demand Media Games media titles, which contributed to its 149 percent growth.

· OfficeMax's 199 percent gain was driven primarily by a December 2007 surge in visitation to its popular viral holiday greetings site ElfYourself.com.

As comScore's release notes, the list of site categories that gained the most in 2007 reflects trends in both the online and offline worlds. Politics grabbed the top position, gaining 35 percent, as the 2008 presidential election and primary season kicked into high gear. Women's community sites rose 35 percent, as

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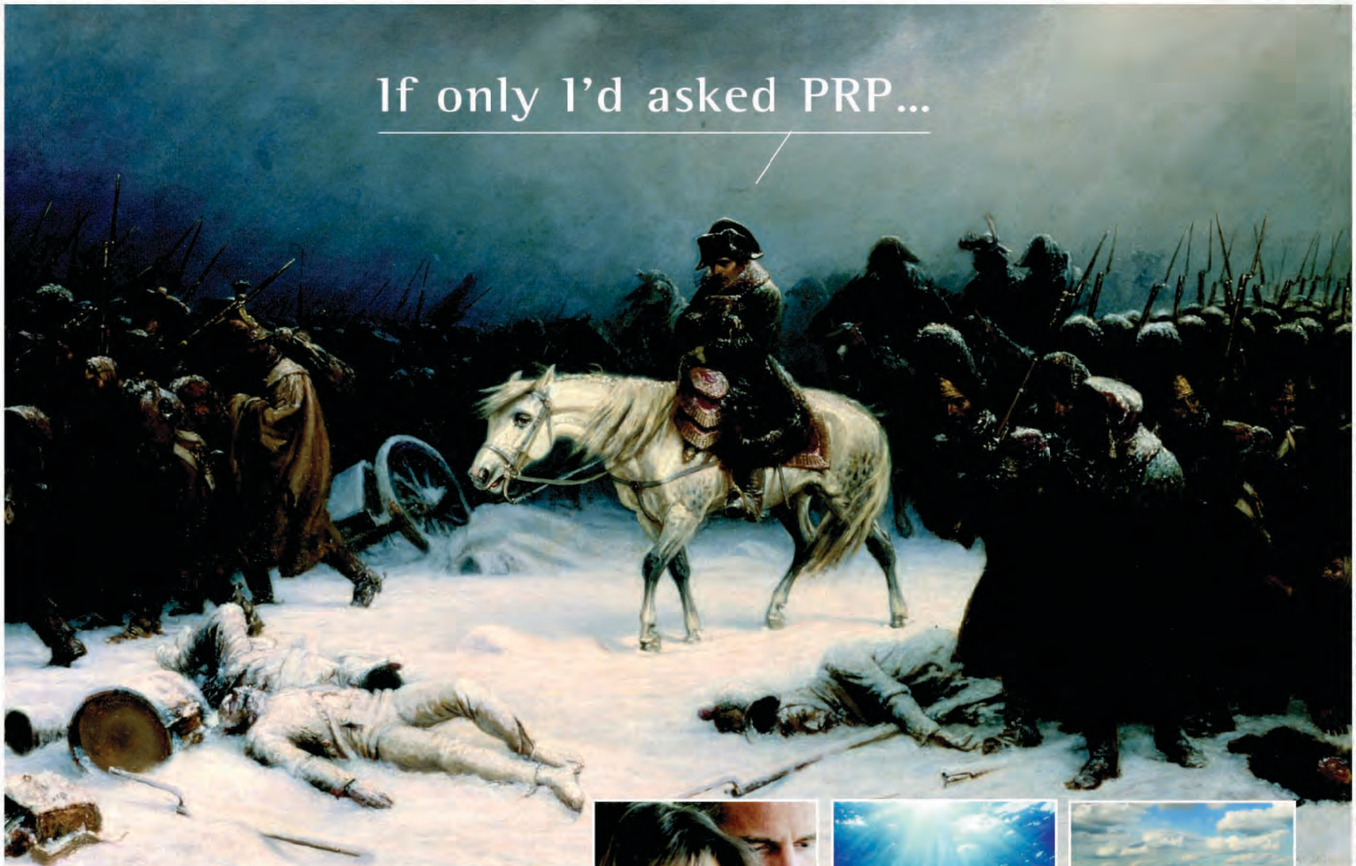
HAZARDOUS MOVES THROUGHOUT HISTORY

CASE STUDY N.1
NAPOLEON BONAPARTE'S
1812 RUSSIAN CAMPAIGN



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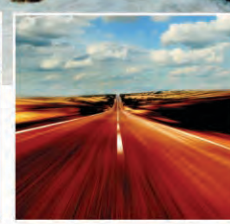

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